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## Legislation

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Contents

### II *Non-legislative acts*

#### DECISIONS

- ★ **Decision (EU) 2019/1406 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section I — European Parliament** ..... 1
- ★ **Resolution (EU) 2019/1407 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section I — European Parliament** ..... 3
- ★ **Decision (EU) 2019/1408 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section II — European Council and Council** ..... 25
- ★ **Resolution (EU) 2019/1409 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section II — European Council and Council** ..... 26
- ★ **Decision (EU, Euratom) 2019/1410 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section III — Commission and executive agencies** ..... 29
- ★ **Resolution (EU, Euratom) 2019/1411 of the European Parliament of 26 March 2019 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 2017, Section III — Commission and executive agencies** ..... 31
- ★ **Resolution (EU, Euratom) 2019/1412 of the European Parliament of 26 March 2019 on the Court of Auditors' special reports in the context of the 2017 Commission discharge** ..... 59

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Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.

★ Decision (EU, Euratom) 2019/1413 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Education, Audiovisual and Culture Executive Agency for the financial year 2017 .....	85
★ Decision (EU, Euratom) 2019/1414 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Executive Agency for Small and Medium-sized Enterprises for the financial year 2017 .....	87
★ Decision (EU, Euratom) 2019/1415 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Consumers, Health, Agriculture and Food Executive Agency for the financial year 2017 .....	89
★ Decision (EU, Euratom) 2019/1416 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Research Council Executive Agency for the financial year 2017 .....	91
★ Decision (EU, Euratom) 2019/1417 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Research Executive Agency for the financial year 2017 .....	93
★ Decision (EU, Euratom) 2019/1418 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Innovation and Networks Executive Agency for the financial year 2017 .....	95
★ Decision (EU, Euratom) 2019/1419 of the European Parliament of 26 March 2019 on the closure of the accounts of the general budget of the European Union for the financial year 2017, Section III — Commission .....	97
★ Decision (EU) 2019/1420 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section IV — Court of Justice .....	99
★ Resolution (EU) 2019/1421 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section IV — Court of Justice .....	100
★ Decision (EU, Euratom) 2019/1422 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section V — Court of Auditors .....	105
★ Resolution (EU) 2019/1423 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section V — Court of Auditors .....	106
★ Decision (EU) 2019/1424 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section X — European External Action Service .....	111
★ Resolution (EU) 2019/1425 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section X — European External Action Service .....	112
★ Decision (EU) 2019/1426 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section VI — European Economic and Social Committee .....	117

★ Resolution (EU) 2019/1427 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section VI — European Economic and Social Committee .....	118
★ Decision (EU) 2019/1428 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section VII — Committee of the Regions .....	122
★ Resolution (EU) 2019/1429 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section VII — Committee of the Regions .....	123
★ Decision (EU) 2019/1430 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section VIII — European Ombudsman .....	127
★ Resolution (EU) 2019/1431 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section VIII — European Ombudsman .....	128
★ Decision (EU) 2019/1432 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section IX — European Data Protection Supervisor .....	131
★ Resolution (EU) 2019/1433 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section IX — European Data Protection Supervisor .....	132
★ Decision (EU) 2019/1434 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2017 .....	135
★ Resolution (EU) 2019/1435 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2017 .....	137
★ Decision (EU) 2019/1436 of the European Parliament of 26 March 2019 on the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2017 .....	146
★ Decision (EU) 2019/1437 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2017 .....	148
★ Resolution (EU) 2019/1438 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2017 .....	149
★ Decision (EU) 2019/1439 of the European Parliament of 26 March 2019 on the closure of the accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2017 .....	152
★ Decision (EU) 2019/1440 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications (BEREC) for the financial year 2017 .....	153

★ Resolution (EU) 2019/1441 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications for the financial year 2017 .....	155
★ Decision (EU) 2019/1442 of the European Parliament of 26 March 2019 on the closure of the accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2017 .....	158
★ Decision (EU) 2019/1443 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union (CdT) for the financial year 2017 .....	159
★ Resolution (EU) 2019/1444 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2017 .....	160
★ Decision (EU) 2019/1445 of the European Parliament of 26 March 2019 on the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2017 .....	163
★ Decision (EU) 2019/1446 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2017 .....	164
★ Resolution (EU) 2019/1447 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2017 .....	165
★ Decision (EU) 2019/1448 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2017 .....	168
★ Decision (EU) 2019/1449 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2017 .....	169
★ Resolution (EU) 2019/1450 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2017 .....	170
★ Decision (EU) 2019/1451 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2017 .....	173
★ Decision (EU) 2019/1452 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Aviation Safety Agency (now European Union Aviation Safety Agency) (EASA) for the financial year 2017 .....	174
★ Resolution (EU) 2019/1453 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency (now European Union Aviation Safety Agency) for the financial year 2017 .....	176
★ Decision (EU) 2019/1454 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Aviation Safety Agency (now European Union Aviation Safety Agency) for the financial year 2017 .....	180

★ Decision (EU) 2019/1455 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Asylum Support Office (EASO) for the financial year 2017 .....	182
★ Resolution (EU) 2019/1456 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2017 .....	183
★ Decision (EU) 2019/1457 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Asylum Support Office for the financial year 2017 .....	188
★ Decision (EU) 2019/1458 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Banking Authority (EBA) for the financial year 2017 .....	189
★ Resolution (EU) 2019/1459 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2017 .....	190
★ Decision (EU) 2019/1460 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Banking Authority for the financial year 2017 .....	193
★ Decision (EU) 2019/1461 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control (ECDC) for the financial year 2017 .....	194
★ Resolution (EU) 2019/1462 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2017 .....	195
★ Decision (EU) 2019/1463 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2017 .....	198
★ Decision (EU) 2019/1464 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Chemicals Agency (ECHA) for the financial year 2017 .....	199
★ Resolution (EU) 2019/1465 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2017 .....	200
★ Decision (EU) 2019/1466 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Chemicals Agency for the financial year 2017 .....	203
★ Decision (EU) 2019/1467 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Environment Agency (EEA) for the financial year 2017 .....	204
★ Resolution (EU) 2019/1468 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2017 .....	205
★ Decision (EU) 2019/1469 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Environment Agency for the financial year 2017 .....	208

★ Decision (EU) 2019/1470 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Fisheries Control Agency (EFCA) for the financial year 2017 .....	209
★ Resolution (EU) 2019/1471 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Fisheries Control Agency for the financial year 2017 .....	210
★ Decision (EU) 2019/1472 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Fisheries Control Agency for the financial year 2017 .....	212
★ Decision (EU) 2019/1473 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Food Safety Authority (EFSA) for the financial year 2017 .....	213
★ Resolution (EU) 2019/1474 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2017 .....	214
★ Decision (EU) 2019/1475 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Food Safety Authority for the financial year 2017 .....	217
★ Decision (EU) 2019/1476 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Institute for Gender Equality (EIGE) for the financial year 2017 .....	218
★ Resolution (EU) 2019/1477 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2017 .....	219
★ Decision (EU) 2019/1478 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Institute for Gender Equality for the financial year 2017 .....	222
★ Decision (EU) 2019/1479 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2017 .....	223
★ Resolution (EU) 2019/1480 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2017 .....	224
★ Decision (EU) 2019/1481 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2017 .....	227
★ Decision (EU) 2019/1482 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology (EIT) for the financial year 2017 .....	228
★ Resolution (EU) 2019/1483 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2017 .....	229
★ Decision (EU) 2019/1484 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2017 .....	232

★ Decision (EU) 2019/1485 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Medicines Agency (EMA) for the financial year 2017 .....	233
★ Resolution (EU) 2019/1486 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2017 .....	234
★ Decision (EU) 2019/1487 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Medicines Agency for the financial year 2017 .....	238
★ Decision (EU) 2019/1488 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) for the financial year 2017 .....	239
★ Resolution (EU) 2019/1489 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2017 .....	240
★ Decision (EU) 2019/1490 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2017 .....	242
★ Decision (EU) 2019/1491 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Maritime Safety Agency (EMSA) for the financial year 2017 .....	243
★ Resolution (EU) 2019/1492 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2017 .....	244
★ Decision (EU) 2019/1493 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Maritime Safety Agency for the financial year 2017 .....	247
★ Decision (EU) 2019/1494 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security (ENISA) for the financial year 2017 .....	248
★ Resolution (EU) 2019/1495 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2017 .....	249
★ Decision (EU) 2019/1496 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Union Agency for Network and Information Security for the financial year 2017 .....	251
★ Decision (EU) 2019/1497 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Railway Agency (now European Union Agency for Railways) (ERA) for the financial year 2017 .....	252
★ Resolution (EU) 2019/1498 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Railway Agency (now European Union Agency for Railways) for the financial year 2017 .....	254
★ Decision (EU) 2019/1499 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Railway Agency (now European Union Agency for Railways) for the financial year 2017 .....	257

★ Decision (EU) 2019/1500 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Securities and Markets Authority (ESMA) for the financial year 2017 .....	258
★ Resolution (EU) 2019/1501 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2017 .....	259
★ Decision (EU) 2019/1502 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Securities and Markets Authority for the financial year 2017 .....	262
★ Decision (EU) 2019/1503 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Training Foundation (ETF) for the financial year 2017 .....	263
★ Resolution (EU) 2019/1504 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2017 .....	264
★ Decision (EU) 2019/1505 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Training Foundation for the financial year 2017 .....	267
★ Decision (EU) 2019/1506 of the European Parliament of 26 March 2019 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 (now European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice) for the financial year 2017 .....	268
★ Resolution (EU) 2019/1507 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (now European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice) for the financial year 2017 .....	270
★ Decision (EU) 2019/1508 of the European Parliament of 26 March 2019 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 (now European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice) for the financial year 2017 .....	274
★ Decision (EU) 2019/1509 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work (EU-OSHA) for the financial year 2017 .....	276
★ Resolution (EU) 2019/1510 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2017 .....	277
★ Decision (EU) 2019/1511 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2017 .....	280
★ Decision (EU) 2019/1512 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Euratom Supply Agency (ESA) for the financial year 2017 .....	281

★ Resolution (EU, Euratom) 2019/1513 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2017 .....	282
★ Decision (EU, Euratom) 2019/1514 of the European Parliament of 26 March 2019 on the closure of the accounts of the Euratom Supply Agency for the financial year 2017 .....	283
★ Decision (EU) 2019/1515 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2017 .....	284
★ Resolution (EU) 2019/1516 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2017 .....	285
★ Decision (EU) 2019/1517 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2017 .....	288
★ Decision (EU) 2019/1518 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of Eurojust for the financial year 2017 .....	289
★ Resolution (EU) 2019/1519 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2017 .....	290
★ Decision (EU) 2019/1520 of the European Parliament of 26 March 2019 on the closure of the accounts of Eurojust for the financial year 2017 .....	293
★ Decision (EU) 2019/1521 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Cooperation (Europol) (before 1 May 2017: European Police Office) for the financial year 2017 .....	294
★ Resolution (EU) 2019/1522 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Cooperation (Europol) (before 1 May 2017: European Police Office) for the financial year 2017 .....	296
★ Decision (EU) 2019/1523 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Union Agency for Law Enforcement Cooperation (Europol) (before 1 May 2017: European Police Office) for the financial year 2017 .....	299
★ Decision (EU) 2019/1524 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights (FRA) for the financial year 2017 .....	300
★ Resolution (EU) 2019/1525 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2017 .....	301
★ Decision (EU) 2019/1526 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2017 .....	304
★ Decision (EU) 2019/1527 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency (Frontex) for the financial year 2017 .....	305

★ Resolution (EU) 2019/1528 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency for the financial year 2017 .....	307
★ Decision (EU) 2019/1529 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Border and Coast Guard Agency for the financial year 2017 .....	311
★ Decision (EU) 2019/1530 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European GNSS Agency (GSA) for the financial year 2017 .....	312
★ Resolution (EU) 2019/1531 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2017 .....	313
★ Decision (EU) 2019/1532 of the European Parliament of 26 March 2019 on the closure of the accounts of the European GNSS Agency for the financial year 2017 .....	316
★ Decision (EU) 2019/1533 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Bio-based Industries Joint Undertaking for the financial year 2017 .....	317
★ Resolution (EU) 2019/1534 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Bio-based Industries Joint Undertaking for the financial year 2017 .....	318
★ Decision (EU) 2019/1535 of the European Parliament of 26 March 2019 on the closure of the accounts of the Bio-based Industries Joint Undertaking for the financial year 2017 .....	321
★ Decision (EU) 2019/1536 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Clean Sky 2 Joint Undertaking for the financial year 2017 .....	322
★ Resolution (EU) 2019/1537 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Clean Sky 2 Joint Undertaking for the financial year 2017 .....	323
★ Decision (EU) 2019/1538 of the European Parliament of 26 March 2019 on the closure of the accounts of the Clean Sky 2 Joint Undertaking for the financial year 2017 .....	326
★ Decision (EU) 2019/1539 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking for the financial year 2017 .....	327
★ Resolution (EU) 2019/1540 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the ECSEL Joint Undertaking for the financial year 2017 .....	328
★ Decision (EU) 2019/1541 of the European Parliament of 26 March 2019 on the closure of the accounts of the ECSEL Joint Undertaking for the financial year 2017 .....	331
★ Decision (EU) 2019/1542 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2017 .....	332

★ Resolution (EU) 2019/1543 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2017 .....	333
★ Decision (EU) 2019/1544 of the European Parliament of 26 March 2019 on the closure of the accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2017	336
★ Decision (EU) 2019/1545 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2017 .....	337
★ Resolution (EU) 2019/1546 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2017	338
★ Decision (EU) 2019/1547 of the European Parliament of 26 March 2019 on the closure of the accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2017 .....	342
★ Decision (EU, Euratom) 2019/1548 of the European Parliament of 26 March 2019 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 2017 .....	343
★ Resolution (EU, Euratom) 2019/1549 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2017 .....	344
★ Decision (EU, Euratom) 2019/1550 of the European Parliament of 26 March 2019 on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2017 .....	347
★ Decision (EU) 2019/1551 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2017 .....	348
★ Resolution (EU) 2019/1552 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the SESAR Joint Undertaking for the financial year 2017 .....	349
★ Decision (EU) 2019/1553 of the European Parliament of 26 March 2019 on the closure of the accounts of the SESAR Joint Undertaking for the financial year 2017 .....	354
★ Decision (EU) 2019/1554 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the Shift2Rail Joint Undertaking for the financial year 2017 .....	355
★ Resolution (EU) 2019/1555 of the European Parliament of 26 March 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Shift2Rail Joint Undertaking for the financial year 2017 .....	356
★ Decision (EU) 2019/1556 of the European Parliament of 26 March 2019 on the closure of the accounts of the Shift2Rail Joint Undertaking for the financial year 2017 .....	360
★ Resolution (EU) 2019/1557 of the European Parliament of 26 March 2019 on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2017: performance, financial management and control .....	361



## II

(Non-legislative acts)

## DECISIONS

## DECISION (EU) 2019/1406 OF THE EUROPEAN PARLIAMENT

of 26 March 2019

**on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section I — European Parliament**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM(2018) 521 — C8-0319/2018) <sup>(2)</sup>,
  - having regard to the report on budgetary and financial management for the financial year 2017, Section I — European Parliament <sup>(3)</sup>,
  - having regard to the Internal Auditor's annual report for the financial year 2017,
  - having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2017, together with the institutions' replies <sup>(4)</sup>,
  - having regard to the statement of assurance <sup>(5)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, 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 <sup>(6)</sup>, and in particular Articles 164, 165 and 166 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(7)</sup>, and in particular Articles 260, 261 and 262 thereof,
  - having regard to the Bureau decision of 16 June 2014 on the Internal Rules on the implementation of the European Parliament's budget <sup>(8)</sup>, 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 (A8-0108/2019),
- A. whereas the President adopted Parliament's accounts for the financial year 2017 on 4 July 2018;

<sup>(1)</sup> OJ L 51, 28.2.2017.

<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.

<sup>(3)</sup> OJ C 411, 13.11.2018, p. 1.

<sup>(4)</sup> OJ C 357, 4.10.2018, p. 1.

<sup>(5)</sup> OJ C 357, 4.10.2018, p. 9.

<sup>(6)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(7)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(8)</sup> PE 422.541/Bur.

- B. whereas the Secretary-General, as principal authorising officer by delegation, certified, on 6 July 2018, his reasonable assurance that the resources assigned for Parliament's budget have been used for their intended purpose, in accordance with the principles of sound financial management and that control procedures established give the necessary guarantees concerning the legality and regularity of the underlying transactions;
- C. whereas the audit of the Court of Auditors stated that, in its specific assessment of administrative and other expenditure in 2017, it did not identify any serious weaknesses in the examined annual activity reports of the institutions and bodies required by Regulation (EU, Euratom) 2018/1046;
- D. whereas Article 262(1) of Regulation (EU, Euratom) 2018/1046 requires each Union institution to take all appropriate steps to act on the observations accompanying the Parliament's discharge decision;
1. Grants its President discharge in respect of the implementation of the budget of the European Parliament for the financial year 2017;
  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

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**RESOLUTION (EU) 2019/1407 OF THE EUROPEAN PARLIAMENT**

**of 26 March 2019**

**with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section 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 2017, 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 (A8-0108/2019),
- 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 fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Parliament;
- B. whereas, in accordance with the usual procedure, 161 questions were sent to Parliament's administration and written replies were received and discussed publicly by the Parliament's 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 there is always scope for improvement in terms of quality, efficiency and effectiveness in the management of public finances, and scrutiny is necessary to ensure that political leadership and Parliament's administration are held accountable to Union citizens;

**Parliament's budgetary and financial management**

1. Notes that Parliament's final appropriations for 2017 totalled EUR 1 909 590 000, or 19,25 % of heading V of the Multiannual Financial Framework <sup>(1)</sup> set aside for the 2017 administrative expenditure of the Union institutions as a whole, representing a 3,9 % increase over the 2016 budget (EUR 1 838 613 983); stresses that this increase is substantially above the Belgian inflation rate in 2017, which was only 2,65 %;
2. Notes that total revenue entered in the accounts as at 31 December 2017 was EUR 206 991 865 (compared to EUR 183 381 513 in 2016), including EUR 50 052 674 in assigned revenue (compared to EUR 30 589 787 in 2016);
3. Emphasises that four chapters accounted for 69,5 % of total commitments: Chapter 10 (Members of the institution), Chapter 12 (Officials and temporary staff), Chapter 20 (Buildings and associated costs) and Chapter 42 (Expenditure relating to parliamentary assistance), indicating a high level of rigidity for the major part of the Parliament's expenditure; underlines that the lion's share of Parliament's budget is primarily administrative and not operative, which has to be taken into account;
4. Notes the figures on the basis of which Parliament's accounts for the financial year 2017 were closed, namely:

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

appropriations for 2017:	1 909 590 000
non-automatic carry-overs from financial year 2016:	—
automatic carry-overs from financial year 2016:	285 312 645
appropriations corresponding to assigned revenue for 2017:	50 052 674
carry-overs corresponding to assigned revenue from 2016:	39 595 290
<b>Total:</b>	<b>2 284 550 609</b>

<sup>(1)</sup> Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

**(b) Utilisation of appropriations in the financial year 2017 (EUR)**

commitments:	2 209 881 836
payments made:	1 904 053 540
appropriations carried forward automatically including those arising from assigned revenue:	329 655 011
appropriations carried forward non-automatically:	337 227 783
appropriations cancelled:	39 823 600

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

received in 2017:	206 991 865
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**(d) Total balance sheet as at 31 December 2017 (EUR)**

	1 628 445 094
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5. Points out that 99 % of the appropriations entered in Parliament's budget, amounting to EUR 1 889 574 057, were committed, with a cancellation rate of 1 %; notes with satisfaction that, as in previous years, a very high level of budget implementation was achieved; notes that the payments totalled EUR 1 599 788 767, resulting in a payment appropriations execution rate of 84,7 % and representing an increase of 0,3 % compared to the previous year;
6. Underlines the fact that the cancelled appropriations for the year 2017, amounting to EUR 17 451 943, were mainly related to remuneration and other entitlements, as well as to the expenditure related to buildings;
7. Notes that seven transfers were approved in accordance with Articles 27 and 46 of the Financial Regulation in the financial year 2017, which amounted to EUR 57 402 860 or 3,01 % of final appropriations; observes that the majority of transfers were related to the Parliament's buildings policy, and in particular to help fund the annual lease payments for the Konrad Adenauer building project;
8. Stresses that 'mopping-up' is a relaxation of the principle of specification and deliberately contravenes the principle of budgetary accuracy; calls for appropriations for the financing of buildings, in particular the Konrad Adenauer Building, to be included in the draft annual budget to be adopted by the budgetary authorities; considers that the number of 'mopping-up' transfers continues to be very high; believes that better budget management should reduce such transfers to the bare minimum necessary; stresses that, as part of the budgetary strategy, Parliament's buildings policy should be laid down with sufficient clarity; strongly condemns the often last-minute-transfers aiming at financing the Parliament's building policy; asks the Secretary-General and the Bureau to provide the Committee on Budgets with all the documents, plans and contracts related to the building policy;
9. Stresses the need for carry-overs in relation to large building or infrastructure projects, despite the annual nature of the budget;

**The Court of Auditors' opinions on the reliability of the 2017 accounts and on the legality and regularity of the transactions underlying those accounts**

10. Recalls that the Court of Auditors (the 'Court') performs a specific assessment of administrative and other expenditure as a single policy group for all the European institutions; points out that administrative and related expenditure comprises expenditure on human resources (salaries, allowances and pensions), accounting for 60 % of total administrative expenditure, and expenditure on buildings, equipment, energy, communications and information technology;
11. Notes that the overall audit evidence indicates that the spending on 'administration' is not affected by a material level of error; also notes that, on the basis of the nine quantified errors, the estimated level of error present in heading 5 of the Multiannual Financial Framework on administration is 0,5 % (up from 0,2 % in 2016);
12. Notes the specific findings concerning Parliament contained in the Court's 2017 annual report; notes with great concern that the Court found, of the eight transactions by Parliament that it examined, weaknesses in no fewer than three transactions related to procurement procedure — namely compliance with contract selection criteria, full compliance with the framework contract, and the criterion to select a travel agency — and in one transaction related to the reimbursement of expenses of visitors groups;

13. Notes the responses given by the Parliament in the adversarial procedure with the Court; asks the Court to keep the responsible committee informed on the implementation of its recommendations;

#### **The internal auditor's annual report**

14. Notes that at the competent open committee meeting with the internal auditor held on 26 November 2018, the internal auditor presented his annual report and described that he had prepared reports on the following subjects in 2017:
  - Follow-Up of Open Actions from Internal Audit Reports — Phases I and II of 2017,
  - Revised budget nomenclature for Directorate-General for Communication (DG COMM),
  - DG COMM's organisation of invitations to journalists,
  - Procurement and contract implementation in the area of external translations,
  - Purchasing policy for library subscriptions — Directorate-General for Parliamentary Research Services (DG EPRS),
  - Individual Entitlements under the Staff Regulations of Officials and the Conditions of Employment of Other Servants,
  - Decentralised Information Technology (IT) activities;
15. Recalls that the annual activity report is part of Parliament's governance structure; welcomes and supports the following actions that the internal auditor agreed with the DGs responsible:
  - with regard to the audit of DG COMM's organisation of invitations to journalists, enhancing the management and control framework by ensuring that reimbursements to journalists are aligned with the real costs incurred (e.g. verified start and end points of travel); addressing systemic deviations from the rules governing the invitations; making payments by bank transfer mandatory for reimbursements to journalists, including for travel to Strasbourg; and measures for guiding the process of selection and assessing the economy, efficiency and effectiveness of the invitation process,
  - in relation to the audits of individual entitlements under the Staff Regulations, improving the control environment and methodology of controls, the specific management and control procedures covering entitlement to the expatriation and daily allowances (e.g. consistency of application of rules), and the specific procedures covering the annual flat-rate travel allowances,
  - with regard to the audit of procurement and contract implementation in the area of external translation, including in the organisation of the procurement process more timely requests for additional information and improved evaluation, enhancing the award criteria for quality in future procurement procedures, encouraging external companies to improve translation quality including through expanded *ex post* verification, and enhancing the reliability of the calculation of real full costs of external translation, particularly in light of the fact that approximately one third of translated pages are covered by external translators and this share is highly likely to increase,
  - concerning the audit of decentralised information technology activities, and to achieve its full benefits, strengthening the monitoring of the budget allocated to information and communication technology (ICT) initiatives as coordinated under the IT programmes by not only reporting on certain stages of a project but by conducting a beginning-to-end overview; increasing assurance that ICT initiatives are delivered on time, for the agreed scope and required quality and within budget; improving the decentralised units' control and validation of new software releases and their problem management processes; and moving gradually from time and means contracts for outside expertise to deliverable-based contracts;
16. Notes that the 2017 follow-up process resulted in the closure of 34 of the 71 open actions, as well as that the risk profile of the overdue actions continued to be progressively reduced in 2017; notes in particular that the number of open actions addressing significant risks fell from 26 to 11 and that there were no open actions in the highest risk category of 'critical'; underlines that the newly added open actions for the budget year 2017 should not diminish the improvements made regarding the closure of open actions;

**Follow-up to the 2016 discharge resolution**

17. Notes the written answers to the 2016 discharge resolution provided to CONT on 17 September 2018, the presentation by the Secretary-General addressing the various questions and requests in Parliament's 2016 discharge resolution and the exchange of views with Members that followed;
18. Deplores the fact that no action has been taken in response to some of the recommendations in Parliament's resolution on discharge for 2016, and that the discharge follow-up document does not provide any justification for this; stresses the importance of having more frequent discussions with the Secretary-General on issues concerning Parliament's budget and its implementation in CONT;

**Parliament's 2017 discharge**

19. Notes the exchange of views between the vice-president responsible for the budget, the Secretary-General and CONT in the presence of the internal auditor, on 26 November 2018, in the context of the 2017 Parliament discharge;
20. Notes that the United Kingdom's decision to withdraw from the European Union had a considerable impact in the different services of the Parliament, particularly on committees, research units and horizontal services; notes that Parliament's services prepared analytical material based on fact-finding work to consider the impact of the withdrawal on the policy areas and legislation in their respective fields, and this material can be found in the Parliament's website;
21. Notes that six temporary agents in the General Secretariat, 41 temporary agents in the political groups and in the non-attached Members' secretariat as well as 30 contract agents are concerned by the United Kingdom's decision to withdraw from the European Union; understands that their situation is being assessed on a case-by-case basis; welcomes the Secretary-General's assurance that no extension of contract will be denied on the sole ground of nationality; invites the Secretary-General to carefully weigh the potential role of conflicts of interest during the sensitive time of the possible transition period and the possible disorderly withdrawal of the United Kingdom from the European Union;
22. Welcomes the Parliament's legal service's support in drafting guidance for the financial actors dealing with contractual issues related to the United Kingdom's decision to withdraw from the European Union and in drafting clauses to be included in the tender and contract documents related to the United Kingdom's decision to withdraw from the European Union;
23. Draws attention to the 5 % annual staff reduction target, that in 2017 required the Parliament to eliminate 60 posts from its administration establishment plan; recalls that the political agreement reached between the Parliament and the Council on the 2016 budget, establishing a new parameter for the reduction in Parliament's staff and prolonging its application period until 2019, has maintained the exemption of political groups from this exercise; regrets, however, that the budgetary authorities imposed an additional cut of 76 posts from the Parliament's administration in 2017 as compensation for a staff increase for the political groups; is concerned that this significant reduction may have negative effects on Parliament's performance and lead to an excessive workload for serving officials and a transfer of responsibilities to Members' offices;
24. Calls on the Secretary-General and all responsible DGs to work together to draft a comprehensive overview of reductions in staff numbers implemented from 2014 onwards, including moves by staff from administration to political groups and among institutions; underlines that this practice of staff rotation raises the question of whether job descriptions are appropriate; is strongly concerned that excessive staff reduction leaves Members and Accredited Parliamentary Assistants (APAs) with an additional administrative burden, which is to the detriment of the actual legislative work that Members and APAs are supposed to fulfil;
25. Underlines that a paperless office and the proper use of digital technology such as digital signature, two-step-verification and electronic files, including for plenary-related files, would lessen the administrative burden for all parties involved and contribute to the achievement of Parliament's paper-reduction objectives; draws attention to the reality of 'paperless' parliamentary committees, which simply means that the task of printing all documentation has been passed from committee secretariats on to Members' offices;
26. Notes that reimbursement of some missions is subject to very long delays; suggests that solutions should be explored to ensure that missions are reimbursed within a reasonable time;

27. Reiterates its call on the Conference of Presidents and the Bureau to reconsider the possibility for APAs, under certain conditions to be determined, to accompany Members on official Parliament delegations and missions, as already requested by several Members; calls on the Secretary-General to investigate the budgetary consequences, and the organisation and logistics of these missions;
28. Reiterates its concern about the alleged practice of Members obliging APAs to undertake missions, particularly to Strasbourg, without mission orders, without mission costs or even without travel costs; is of opinion that such a practice leaves room for abuse: where APAs travel without a mission order they not only have to pay for the costs by their own means, they are also not covered by workplace insurance; calls on the Secretary-General to investigate this alleged practice and to report on this by the end of the year;
29. Notes that the revised rules governing the payment of financial contributions for sponsored visitors groups entered into force on 1 January 2017; calls on the Secretary-General to release the assessment of these rules without delay; is extremely worried about recent cases of misuse; is of the firm opinion that the rules governing the payment of financial contributions should be revised as soon as possible in order to avoid that any benefit can be generated by Members; calls on the Bureau to generalise the reimbursement based on bills for visitors groups; recalls its request to delete the possibility to appoint APAs as head of a group; reiterates its call to remove the possibility of appointing APAs as head of a group;
30. Calls for a review of the system for calculating the reimbursement of travel expenses for groups of visitors sponsored by Members, with a view both to ensuring equal treatment of all Union citizens and to promoting the use of more environmentally friendly means of transport, given that the current system, based on calculating mileage, fails both to take account of the isolation and geographical barriers afflicting certain areas of the Union and to cover the cost of travelling to places where faster and more environmentally friendly means of transport are available;
31. Observes that trainees employed by Members have a private-law contract with the Member, which does not entitle them to the same status in Parliament as that of other categories of Parliament staff, or to have scholarships from the Parliament itself (Schuman scholarships); regrets that there is no facility or legal framework within the Directorate-General for Finance (DG FINS) to arrange a scheme for direct advance payments to such trainees prior to missions — although such arrangements are in place for all other staff — given the fact that, for obvious reasons, they can barely afford to pay these expenses up front out of their own pockets;
32. Points out that the Bureau examined a proposal by the Secretary-General to improve the current legal framework governing trainees employed by Members that currently lacks certain safeguards, as also asked by over 140 Members supporting the Youth Intergroup 'Fair Internship' campaign; underlines that it is every Member's duty to provide trainees with suitable remuneration in line with the legal framework; supports the Bureau in its effort to draft a comprehensive and balanced proposal that guarantees Members' prerogatives as well as adequate remuneration and comprehensive legal safeguards for trainees; calls for the Bureau to swiftly adopt the new rules, which should enter into force at the beginning of the new term; hopes that a proposal will be submitted as soon as possible;
33. Points out that the IT outage in October 2017 produced considerable disruption in parliamentary activities; notes that an action plan was put in place in the meantime to ensure more robust business continuity; underlines the importance of a swift response to and resolution of disruptions, particularly when they hinder or completely stop legislative work;
34. Notes the publication of two 'Cost of Non-Europe Reports' and the completion of two 'European Added Value Assessments' in 2017;
35. Notes that, following the Secretary-General's request, all Parliament's DGs developed management tools to comply with the principle of performance-based budgeting; observes that some of the existing quantitative targets may be difficult to implement in the DGs, which work to the timeframe of the political cycle; invites the Secretary-General to take this fact into consideration when evaluating performance-based budgeting across DGs, without disregarding the focus on added value;
36. Notes with appreciation that technical solutions were created for Members who wish to use their individual page on the Parliament's website for publication of meetings with interest representatives; notes also that the Bureau is considering whether to extend this solution to ensure that information is directly available on Parliament's website;

37. Calls on the Parliament's administration to draft a report providing a comprehensive overview on the interest representatives and other organisations that were given access to Parliament's premises in 2017; requests for this report to be drafted on an annual basis to ensure a maximum level of transparency;
38. Calls on the Parliament's administration to provide an overview of the appointments of high-ranking officials in 2017; encourages the Secretary-General to initiate additional measures to improve transparency and equality during appointment procedures at the Parliament, taking into account the findings and recommendations of the European Ombudsman in joint cases 488/2018/KR and 514/2018/KR;

#### **Geographic dispersion of the Parliament — Single seat**

39. Still strongly regrets that, despite repeated calls from the Parliament to establish a single seat, and the fact that citizens of the Union do not understand why the Parliament should divide its activities over two seats, so far the European Council has not even begun a discussion on how to meet Parliament's requests in this respect; recalls the Court's 2014 analysis which estimated annual savings of EUR 114 million were Parliament to centralise its operations; recalls the Parliament's 2013 resolution <sup>(2)</sup> which estimated the costs of the geographic dispersion of the Parliament to range from EUR 156 million to EUR 204 million per year; deplores the fact that over a single parliamentary term the costs generated by Parliament's geographic dispersion can amount to as much as EUR 1 billion and voices opposition to the multiannual building projects intended to increase the office space available to Members in both Strasbourg and Brussels; calls, therefore, for practical steps to be taken quickly to establish a single seat for Parliament, in order to prevent any further waste of public money;
40. Notes, furthermore, the finding from its resolution of 20 November 2013 on the location of the seats of the European Union's Institutions <sup>(3)</sup> that 78 % of all missions by Parliament statutory staff arise as a direct result of the Parliament's geographic dispersion; emphasises that the report also estimates the environmental impact of the geographic dispersion to be between 11 000 to 19 000 tonnes of CO<sub>2</sub> emissions; reiterates the negative public perception caused by that dispersion; reiterates its call on the Council to develop a comprehensive strategy in order to agree on a single seat for Parliament;
41. Strongly underlines that this additional expenditure goes against the principle of sound financial management and against the principle of budgetary discipline; acknowledges that a single seat can only be achieved by a unanimous Treaty change; calls upon Council and the Commission to initiate such a Treaty change without further delay, and takes the view that this Treaty change will benefit European taxpayers, both financially and as regards the quality of the work done by Members; calls, therefore, for practical steps to be taken quickly to establish a single seat for Parliament, in order to prevent any further waste of public money; deplores the fact that over a single parliamentary term the costs generated by Parliament's geographic dispersion can amount to as much as EUR 1 billion; voices opposition to the multiannual building projects intended to increase the office space available to Members in Strasbourg;
42. Notes the additional costs linked to Parliament's 12 journeys per year to Strasbourg, in the form of Members' travel expenses, which can be broken down as follows for 2017:

Category	TOTAL	AVERAGE/MONTH
Travel Costs	7 700 358	641 696
Daily Allowance	10 036 444	836 370
Distance Allowance	1 394 608	116 217
Time Allowance	1 994 045	166 170
Other Costs	47 594	3 966
TOTAL	21 173 049	1 764 421

43. Stresses that, additionally, the cost of the Thalys charter train was no less than EUR 3 668 532 in 2017;

44. Notes that the creation of an institute dedicated to the education of future European diplomats within the European External Action Service could be an example to repurpose the premises of the Parliament in Strasbourg to house this diplomatic institute;

<sup>(2)</sup> OJ C 436, 24.11.2016, p. 2.

<sup>(3)</sup> OJ C 436, 24.11.2016, p. 2.

**Directorate-General for Communication (DG COMM)**

45. Notes that DG COMM's lead indicator in 2017 is the hours of attention that Parliament receives across all communication channels; notes with satisfaction that beyond a focus on attention levels DG COMM is developing a methodology for measuring the economy, efficiency and effectiveness of its activities across all communication channels; invites the Director-General to include the results of its first year of implementation in its annual activity report;
46. Notes that the long-term projects identified for the Strategic Execution Framework/Parliamentary Project Portfolio 2017-2019 are at different stages of progress but all striving to respect the objective to 'produce less, communicate better';
47. Notes the ongoing major technical and editorial changes made to Parliament's public website, particularly with regard to search engine optimisation of the site; congratulates DG COMM on this progress but is concerned that the pace of that progress remains slow, particularly in view of the forthcoming European elections in 2019 and increased interest in Parliament's work; stresses that further improvements are of the utmost priority and requests that the process be urgently sped up; stresses that a transparent and accessible website is key to the involvement of citizens;
48. Stresses that it is difficult to find out the result of Parliament's votes on its website and that VoteWatch, a commercial website, is much more practical since the voting results are easier to find; calls on the Secretary-General to build a more advanced system for Parliament's website, registering plenary roll-call votes with easy search options to seek voting behaviour of individual Members and to compare these with other members of their group and with members of other groups;
49. Notes that in the field of media, numerous projects were implemented in 2017 and the Parliament's web presence was further consolidated with the implementation of a multiplatform approach, a new portal and the 'news planet'; acknowledges in addition the significant improvement in the Parliament's use of social media, as well as actions related to raising awareness of Union action; notes also that significant efforts were invested in a comprehensive visitors' strategy and, with a particular focus on youth, the implementation of the Ambassador School Programme; underlines that the European Science-Media Hub should be further developed and made fully operational without further delay to allow for increased science-based media reporting;
50. Notes that in 2017, 223 press seminars were organised in the Member States with more than 3 076 journalists attending; welcomes that, additionally, 1 905 journalists were invited to take part in plenary sessions, centrally organised press seminars and conferences; commends DG COMM for using all possible media channels for dissemination of Parliament's work and achievements; encourages the DG to pay adequate attention to the importance of social media and its significant and ever-growing potential for reaching citizens;
51. Recognises the attempts of DG COMM to also reach out to those citizens who are not automatically interested in Parliament's work; encourages the Secretary-General to build a truly interactive communication strategy, going beyond target groups such as journalists and students, and including a 'listening mode' to collect and answer possible critical voices;
52. Notes the reorganisation of DG COMM, which included the creation of two new Directorates — dealing with campaigns and visitors respectively — to ensure the full accomplishment of the strategy for the 2019 European elections; invites DG COMM to continue its work on a comprehensive strategy to counter targeted disinformation campaigns set to influence the 2019 European elections; is strongly concerned that foreign influence may cause disruptions and undermine the elections by intentionally spreading wrongful information and thus influencing voting behaviour;
53. Notes that in 2017, the Citizens' Enquiries service (AskEP) treated over 9 200 individual enquiries and 42 900 enquiries from seemingly coordinated 'write-in' campaigns on topical issues; proposes that the Parliament's replies be published on its portal;

54. Welcomes the opening of the House of European History in May 2017 and the Simone Veil Parliamentarium in Strasbourg in July 2017; notes that between May and December the House of European History welcomed 99 344 visitors; regrets that its opening was delayed for more than one year; is concerned that 99 344 visitors seems few relative to EUR 4,4 million in staff costs: EUR 2,7 million for permanent staff and EUR 1,7 million for contract agents (including the cost of the security agents); invites the Bureau to undertake a cost-benefit analysis;
55. Regrets that documents relating to the tender procedure of the House of European History in January 2019 were not made available; expresses its deep concerns regarding the requirements for the new tender; calls on the Secretary-General to inform CONT of the outcome of the tender; stresses that irrespective of the outcome of the tender the EXPO crew members must be treated better in the following areas: their working hours must be predictable, there must be a decent leave arrangement, proper attire must be provided;
56. Is deeply concerned that, despite all the activities organised by DG COMM, European citizens still feel that there is a lack of information about the Union and what the Parliament accomplishes and works on; calls on DG COMM to keep pushing its effort towards generating innovative ideas to counter this distance between the Union and its citizens and notes the innovative approach proposed for the institutional communication campaign proposed for the 2019 European elections;
57. Calls on the Directorate-General for Communication to ensure that, in the run-up to the 2019 European elections, the public and private media air the views of Members and political groups in the Parliament in a way that ensures objectivity and pluralism;

#### European Parliament Liaison Offices

58. Notes the reform of the Parliament liaison offices approved by the Bureau in November 2017, whereby the revised mission statement aims at engaging with citizens, media and stakeholders in order to reach out to citizens; calls on the liaison offices to ensure that citizens are aware of the work undertaken by the European institutions and to ensure that they are aware of the existence of the liaison offices;
59. Notes different items of expenditure for 2017, broken down as follows:

Item of expenditure	2017 expenditure
General communication activities	EUR 5 945 229
Expenditure linked to specific activities	EUR 5 320 867
Total building costs	EUR 8 874 530
Security equipment maintenance	EUR 1 733 071,32

60. Total building costs broken down as follows:

Rent	EUR 5 898 724
Works	EUR 148 573
Specific building management costs	EUR 266 977
Cleaning and maintenance	EUR 1 126 853
Utilities and service charge	EUR 1 433 403

61. Notes the increased communication activities realised by the liaison offices in 2017 involving daily relations with regional and local media, targeted social media presence and local community management, realisation of local events, relations with local authorities, school and stakeholders; regrets that expenditure items such as salaries and mission costs were not communicated in response to the questionnaire; draws on the information provided during the 2016 discharge procedure, where salaries paid for Parliament liaison office staff amounted to EUR 23 058 210 and mission costs amounted to EUR 1 383 843; assumes that these amounts have not changed significantly for the budgetary year 2017;

62. Acknowledges the importance of effective communication in Member States but stresses the need for cost-efficiency and it is confident that the revised mission statement will contribute to this aim, invites all decision-making parties involved to strive for more added value particularly with regards to running costs;
63. Underlines the need to modernise the mission of the liaison offices of Parliament by optimising the use of new communication technologies as their task is to better inform citizens;

#### **Directorate-General for Personnel (DG PERS)**

64. Notes that DG PERS's lead indicator in 2017 is time to deliver; notes with satisfaction that targets and methods of data collection were refined with a general positive assessment of the results; notes with concern that objectives to improve the procedures for recruiting APAs and for admitting children to the Parliament's kindergarten were not met, but that the difficulties that had been encountered were resolved in 2018;
65. Stresses that the recruitment procedure for APAs may thus prove problematic at the beginning of the next parliamentary term; calls, therefore, on the Secretary-General, in the interest of Members and APAs, to put in place all the technical and staffing arrangements necessary for avoiding problems and delays, with particular emphasis on avoiding the problems that arose in 2009 and 2014;
66. Notes that the number of staff in the Parliament in December 2017 totalled 9 682 agents in activity, which includes permanent and temporary staff, contract staff and APAs (compared to 9 643 in 2016); recalls that following the conciliation agreement on the 2017 budget, a total of 136 posts were abolished;
67. Acknowledges the sensitive situation of APAs who have worked for two parliamentary legislative terms without interruption — but without completing the ten years' service needed due to the early elections in 2014 — and the delays in the first wave of recruitments in 2009 with the entry into force of the statute, meaning that these APAs will be between one and two months away from eligibility for the European pension rights scheme; notes with appreciation that the Bureau has discussed the issue and is working together with DG PERS and the APAs' representatives to find solutions; asks that these solutions avoid, in as much as is possible, changes to their contractual arrangements that would cause them to lose entitlements accrued upon their recruitment in 2009;
68. Notes that members of staff who work in the institutions for less than 10 years cannot claim an EU pension, they must transfer their contributions to another fund which meets the Parliament's rules regarding the type of fund and the age at which funds can be drawn; notes that many UK APAs have not been able to transfer to UK pension funds which the Parliament says do not meet requirements; asks the Secretary-General to urgently look into this matter to ensure all members of staff can access their contributions;
69. Calls on the administration to provide, as early as possible in the next parliamentary term, training courses or publications especially for new APAs, including in practical and administrative matters (mission orders, medical examinations, accreditation, parking stickers, groups of visitors, exhibitions, etc.) in order to avoid systemic errors hindering the smooth running of administrative procedures that affect them;
70. 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 exceed the number of officials;
71. Notes, however, that such outsourcing decisions cannot provide an explanation for the use of all external staff;

72. Expresses concern at the impact of diversification in the catering sector on the continued employment of Parliament's current catering staff; calls for appropriate measures to be taken to ensure that Parliament's current catering staff keep their jobs;
73. Notes that the drivers' service was brought in-house in 2017 with the main objective of improving the security of Members; observes that this permitted Parliament to conduct security screenings of drivers before employment and to provide continuous training and monitoring of its staff; notes with appreciation that the recruitment of 116 drivers and dispatchers was completed in 2017; requests details of the costs incurred by bringing the drivers' service in-house;
74. Supports the effort to bring the drivers' service in-house and the progress achieved so far; notes that the procedure for bringing the drivers' service in-house allowed for a qualitative and quantitative increase of the services provided to Members, as well as for an effective and efficient response to unforeseeable emergency situations or sudden increases in demand; acknowledges the implementation of the 'E-mobility' Road Map with a view to the diversification, greening and electrification of the fleet; recalls that a direct train link now exists between the European Parliament in Brussels and the main airport and railway stations, which Members may use free of charge;
75. Welcomes the implementation of an occasional teleworking scheme for the Secretariat-General of the Parliament; supports the conduct of a survey on the first year of teleworking and asks for the evaluation results to be shared with the Members and all the Parliamentary services; is of the opinion that if the evaluation is positive, the scheme should be opened up to all staff including the APAs and the staff working for political groups;
76. Welcomes the fact that promoting equal opportunities remains a key component of Parliament's human resource management policy; strongly regrets that the gender equality roadmap continues not to be fully implemented, especially concerning the representation of women in middle and senior management positions (40 %) by 2020;
77. Strongly regrets that the number of women holding posts at the level of Director-General fell from 25 % (3 posts) in 2016 to 17 % (2 posts) in 2017; points out that the overall situation has not changed compared to 2006 when the number of women holding posts at the level of Director-General was 11,1 %; highlights that the overall target for 2019 was set at 30 % of women holding posts at the level of Director-General; regrets, furthermore, the number of women at Director level remained steady from 2006 (29,6 %) to 2017 (30 % and 14 posts);
78. Points out that the overall target for 2019 was set at 35 % of women holding posts at the level of Director; highlights that those figures deviate largely from roadmap on gender equality and diversity; considers that this trend runs counter to Parliament's roadmap for gender equality; demands to the Secretary-General to report immediately to the BUDG, CONT and FEMM committees the reasons for not respecting the roadmap; calls on the Bureau to implement a higher number of women in senior posts as consistently demanded by the Parliament, from within its own ranks;
79. Welcomes that the Secretary-General has given priority to appointing women as Heads of Unit, which resulted in nearly doubling the numbers from 21 % in 2006 to nearly 40 % in 2018;
80. Welcomes the Parliament's zero tolerance policy towards sexual harassment, adopted in 2017; urges also the Parliament to fully implement the following initiatives to deal with harassment practices, in particular an updated roadmap for the adaptation of preventive and early support measures to deal with conflict and harassment between Members and APAs, trainees or other staff as well as between peers, including an external audit of the Parliament's internal practices and procedures, the creation of a network of expert confidential counsellors, the introduction of mandatory trainings among Members, APAs, trainees or other staff, the recomposition of the anti-harassment committees by merging them into one sole committee with a variable composition depending on the case under examination and including experts on preventing harassment from the legal or health sectors as standing members of the committee; and the regular organisation of a public follow-ups by the FEMM Committee (reports, hearings, workshops, etc.); notes that the results of the external audit were expected by early November 2018 and requests them to be communicated without delay, once available; further expects the full and transparent implementation of the roadmap in accordance with adopted parliamentary resolution, starting or advancing as much as possible already before the end of this legislature;

**Directorate-General for Infrastructure and Logistics (DG INLO)**

81. Notes that in 2017 DG INLO had committed appropriations of EUR 267 588 704, corresponding to 6 % increase in relation to 2016 (EUR 251 599 697); is aware that in Brussels the Martens building was concluded and went through fitting and adaptation works, the House of European History was opened, the Trèves I building was purchased and two other sites are being reconstructed and extended; observes that in Luxembourg the KAD project progresses, and that in Strasbourg the Havel building was brought into use in April 2017, followed by the Simone Veil Parliamentarium in July of the same year;
82. Notes that the creation of Europe House in several Liaison Offices has been approved by the Bureau and is being implemented throughout the coming years; calls on the Secretary-General, to see to it that new locations for the Liaison Offices are selected on a careful cost-benefit analysis; calls for detailed information on the progress of works be included in the DG's annual activity report; calls on the Secretary-General to submit the various projects adopted by the Bureau, justifications for them and the budgets allocated to them to the BUDG and CONT before the forthcoming European elections;
83. Notes Parliament's significant infrastructure, which can be broken down as follows:

Brussels buildings	Luxembourg buildings	Strasbourg buildings
13 owned	1 owned	5 owned
6 rented	6 rented	
659 960 m <sup>2</sup>	197 873 m <sup>2</sup>	343 930 m <sup>2</sup>
Parliament's Liaison Offices		
Total	35	
owned	11	
rented	24	
surface	27 737 m <sup>2</sup>	

84. Recalls that most of Parliament's buildings were not designed and constructed taking into account the Eurocodes requirements for structural integrity, as those norms did not exist at the time of their construction; acknowledges that this means that building policy will gradually move away from acquisition and towards renovations and maintenance;
85. Recalls the statement by the European Parliament on the exemplary role of buildings in the context of 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 (\*) (the 'Energy Efficiency Directive') to bring its buildings to the highest energy efficiency standard; calls for the development of a coherent, long-term deep renovation strategy for all Parliament buildings, and for including standard specifications on the extraction of reusable building materials in building renovation contracts;
86. Acknowledges that the Bureau instructed the Secretary-General to mandate DG INLO to launch an architectural competition for the refurbishment of the Paul-Henri Spaak building considering only the selected options B — technical update and C — redesign of the building; notes that outcome of the process is foreseen for 2019; calls on the Secretary-General to develop a comprehensive plan concerning the guarantees that will be built in against costs rising beyond the estimations and to ensure that the contracts foresee that the Parliament will not take the risk of any such setbacks; furthermore, calls on the Secretary-General to provide the Parliament with a clear plan, including the indirect costs related to each of the scenarios, in particular when parts of the activities will have to take place elsewhere during the renovation and building activities, and to specify the options for dealing with the security risks without having to create an entirely new building;
87. Stresses how important it is for any change in the furniture of Members' offices to be duly justified and explained to Members, who must be free to accept or refuse such changes;

(\*) OJ L 315, 14.11.2012, p. 1.

88. Acknowledges the Court's findings regarding building management of the Union institutions and notes that Parliament uses 55 % for office space and 45 % for meetings rooms and other uses; notes that Parliament owns 84 % of its buildings and underlines that this percentage will increase when the KAD building in Luxembourg is completed;
89. Is strongly concerned by the fact that the KAD II building delivery date was initially due to be 2013 but the current estimate for the East construction site is end of 2019 and for the West construction site it is 2022; stresses that the lack of experience of the developer and an unsuccessful first tender for construction works lead to this significant delay; is dismayed that the subsequent increased renting necessity lead to additional costs of EUR 14,4 million per year or EUR 86 million over the six-year period;
90. Notes that the original estimated budget of EUR 317,5 million was revised in 2009 to EUR 363 million (2005 prices) due to conceptual changes; is highly concerned that the project is not yet finished, although foreseen to be ready by the end of 2019, and the final price therefore unknown, even though Parliament intends to keep the costs within the current budget of EUR 432 million (in 2012 prices); requests to obtain the progress report on the completion of KAD II building by 30 June 2019;
91. Expresses concern over the 8 % increase in the price index for construction work between 2012 and 2017, which could lead to further increasing construction costs;
92. Acknowledges the implementation of the 'E-mobility' Road Map with a view to the diversification, greening and electrification of the fleet; recalls the 2016 discharge resolution voted in April 2018, which states that the Bureau should not limit itself to electric cars as a more environmentally-friendly solution since there are concerns regarding their production (including the sufficient availability of the necessary resources) and the disposal of batteries at the end of their life-cycle; still regrets that Members were not informed of an analysis regarding alternative fuels such as bio fuels, synthetic fuels or hydrogen fuel cells; underlines that diversification of an environmentally friendly car-fleet would lessen dependence on one supplier and could counteract possible future supply shortages;
93. Is concerned by the high quantity of single-use plastics and plastic waste generated by Parliament canteens and cafeterias and urges the administration to explicitly remove the possibility to offer plastic-wrapped and single-use plastic products for the upcoming call for tenders on catering;
94. Notes the difference in quality between canteens serviced by one and the same service provider; is of the opinion that this aspect needs closer monitoring and therefore calls for a user satisfaction survey to be launched; welcomes the fact that the catering services in Strasbourg have already started to provide food suitable for gluten-intolerant staff, calls for the range of such options to be expanded and adopted as soon as possible by the caterers in the other places of work;
95. 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 and EUR 0,90 in Strasbourg; considers, however, that, taking into account their average pay levels and the high prices charged over the last three years, these discounts are not sufficient to have even a minimal impact on their finances; reiterates once more its call on the Secretary-General to grant price reductions in line with their earnings;
96. Welcomes the creation of a 'Ex-Ante Control and Public Procurement Coordination Unit' in 2017, and of a procurement service in each Directorate; asks for a specific section in the annual activity report to be dedicated to the new unit's activities;

#### **Directorate-General for Interpretation and Conferences turned into Directorate-General for Logistics and Interpretation for Conferences**

97. Notes that the overall average number of hours per week that staff interpreters spent delivering interpretation services in their booth increased to 14 in 2017; takes note of this increase when compared to 13 hours and 25 minutes spent delivering interpretation services in the booth in 2016; understands the fact that the change in working patterns, that started with the new Staff Regulation, culminated in a strike that provoked disturbances in the provision of interpretation to Members; commends the work to maintain core interpretation services in order to keep legislative work running;

98. Strongly condemns the escalation of tensions, which culminated in a 45-minute interruption of plenary work in Strasbourg and no noticeable efforts for de-escalation; welcomes the agreement that was initiated by the Secretary-General and which lead to the re-establishment of regular interpretation activity;
99. Notes that the implementation of the 'Strategy for the Modernisation of Conference Management' in the Parliament lead to the transfer of the Conference Ushers Unit and the creation of a new Directorate for Conference Organisation in the DG; asks for a specific section in the annual activity report to be dedicated the new unit, including an activity assessment with conclusive performance indicators, in addition to the DG's regular activities;

#### **Directorate-General for Finance**

100. Notes that the Secretary-General decided to transfer several functions related to services provided to APAs and the Members' Professional Training Service from DG FINS to DG PERS; regrets that these transfers were not sufficient to overcome the negative impact on DG FINS of the 2017 reduction in staff; calls for a simplification of reimbursements of travel costs for Members, staff and APAs, that takes advantage of systems such as the electronic signature function (DISP) and two-step-verification; acknowledges that verifications are necessary but underlines that this can be done in a more efficient and paperless way;
101. Recommends a thorough revision of the Internal Rules governing missions and duty travel by officials and other servants of the European Parliament and of the implementing measures for Title VII of the Conditions of employment of other servants of the European Union, in particular as to align the treatment of APAs with that of officials;
102. Notes that Parliament's new travel service, which had already worked with the Parliament, started operating again on 1 January 2019; welcomes the fact that the new contract contains strengthened conditions, in particular with regard to ticket pricing and the availability of the travel service's call centre at all times, including at weekends; stresses again the importance of a simple and user-friendly complaints mechanism to quickly highlight shortfalls, to allow for speedy resolution of any problems; emphasises that attention needs to be paid to the specific requirements of Members and their need for tailor-made services;
103. Encourages the new travel agency to strive to achieve the most competitive prices for the Parliament's work-related travel;
104. Calls for the simplification of recruitment procedures and reimbursements for missions and travel costs for local assistants; regrets that these processes are often complex and lengthy and result in significant delays; calls on DG FINS to address this issue as a priority;
105. Notes that the paying agents with whom Members are required to work in their countries of election are not sufficiently aware of Parliament's internal procedures; points out that the complexity of these rules often leads them to make mistakes which are detrimental to Members; considers that paying agents should be provided with training or a handbook;

#### **General Expenditure Allowance (GEA)**

106. Recalls that in the past, Parliament has voted in favour of the position that Members should keep the receipts for their expenses, should annually publish an overview of their expenses, and should reimburse the unspent amount of money at the termination of their mandate or the end of their terms; recalls the decision of the Bureau to establish an ad-hoc Working Group for defining and publishing the rules concerning the use of the General Expenditure Allowance (GEA) following previous discharge recommendations; regrets the decision of the Bureau to disregard the proposal of the Working Group to introduce checks of the separate GEA accounts by an external auditor, thus preventing a meaningful reform of the GEA; calls on the Bureau to immediately resume discussions about the GEA and to come up with an agreement as soon as possible; believes that such agreement should include common rules for greater transparency and financial accountability, requiring:
  - Members to keep all receipts pertaining to the GEA,
  - the admission of an independent auditor in charge of the annual check of the accounts and the publication of an auditor's opinion,
  - Members to return the unspent share of the GEA at the end of their mandate;

107. Urges the Bureau to implement the democratic will of the plenary concerning the GEA as soon as possible; furthermore, urges the Bureau to immediately reconvene the working group in order to reform the GEA by developing new rules for greater transparency and financial accountability;
108. Calls in addition on the Bureau to make the following, additional changes concerning the GEA on top of those already adopted by the plenary:
  - a 5 % sample checks of the GEA spending by the European Parliament's internal auditing; the final results and the findings should be part of the annual internal audit report published by the European Parliament,
  - the need for Members to publish, on an annual basis, an overview of their expenditures by category (communication costs, office rental, office supplies, etc.),
  - the admission of an independent auditor in charge of the annual check of the accounts and the publication of an auditor's opinion;
109. Recalls Article 62 of the Decision of the Bureau of 19 May and 9 July 2008 and the Decision of the Bureau of 5 July and 18 October concerning implementing measures for the Statute for Members of the European Parliament, which stipulates that 'the sums paid', including the General Expenditure Allowance, 'shall be reserved exclusively for the funding of activities linked to the exercise of a Member's mandate and may not be used to cover personal expenses or to fund grants or donations of a political nature' and that 'Members shall pay back any unused amounts to Parliament'; calls upon the Secretary-General and the Bureau of the European Parliament to ensure that those provisions are fully implemented and complied with;
110. Calls in addition to introduce a requirement for Members to have their accounts in relation to the GEA checked by an external accountant at least at the end of a Member's mandate; calls furthermore for the publication of the expenditure by placing a link to these data on the personal pages of the Members on the website of the European Parliament;

### **Voluntary Pension Fund**

111. Recalls that on 23 October 1997, Parliament called upon its Bureau to request the Court to investigate Parliament's voluntary pension scheme, which led to the issuance of the Court's opinion No 5/99 on the 'Pension Fund and Scheme for Members of the European Parliament'; calls on the Bureau to request the Court to produce another such opinion on the pension scheme and fund in 2019;
112. Recalls that, in a note to the Bureau dated 8 March 2018, the Parliament's Secretary-General accepted that the pension fund linked to the Members' voluntary pension scheme 'will exhaust its capital well before the end of the pension obligations and possibly already by 2024'; calls therefore upon the Secretary-General and the Bureau, while fully respecting the Statute for Members, to urgently establish a clear plan for the Parliament assuming and taking over its obligations and responsibilities for its Member's voluntary pension scheme immediately after the 2019 elections;
113. Notes that the voluntary pension scheme has an estimated actuarial deficit of EUR 305,4 million at the end of 2017; further notes that at the end of 2017, the amount of net assets to be taken into account and the actuarial commitment amount to EUR 137 million and EUR 442,4 million respectively; as such notes that the assets barely cover 30 % of the commitments of the voluntary pension scheme;
114. Recalls that these projected future liabilities are spread over several decades but exceed the assets currently available and notes that the total amount paid in 2017 by the voluntary pension fund amounts to EUR 17,2 million; notes that at the end of 2017 the Fund had 661 pensioners and 99 dependants;
115. Points out that this raises concerns about the likely early exhaustion of the fund as the fund has been selling fixed assets for several years in order to meet its payment obligations to pensioners because the fund's income is not sufficient to cover the increased pension payments; recalls that the provision for pensions and similar obligations has been calculated based on a return of investment of 6,5 % per year, which was from the beginning not sustainable;
116. Welcomes the proposals of the Secretary-General and the agreement that the Secretary-General will re-examine the situation in 2020 to see whether the measures have sufficiently brought back the actuarial deficit; welcomes the fact that the Secretary-General has consulted the Legal Service;

117. Notes that, following a proposal by the Secretary-General on 10 December 2018, the Bureau adopted two modifications to the rules governing the voluntary pension scheme endorsing the increase of the retirement age from 63 to 65 years and the introduction of a levy of 5 % to pension payments for future pensioners; calls on the Secretary-General to ensure that all legally possible measures are taken by the Bureau without delay in order to improve the sustainability of the fund and to prevent the fund's early insolvency; calls on the Secretary-General to ensure that a decision is taken by the Bureau before the end of the current mandate;
118. Calls on the Secretary-General to investigate the legal foundations and potential ramifications of the Voluntary Pension Fund and in particular, whether the European Parliament as guarantor is legally and financially sustainable, as the Voluntary Pension Fund is a Luxembourg investment fund, rather than a regular pension fund; underlines that this investigation should be carried out by an independent party;
119. Calls on the Secretary-General, as well as the Bureau, to exhaust all possible avenues to keep Parliament's liability to a minimum, as taxpayers' money is involved; recalls that the fund was set up in 1990 to provide Members with an additional pension scheme on a voluntary basis; recalls that before the Members statute, which was introduced in 2009, Members were already eligible for a pension equivalent to those of their colleagues in the national parliaments, with the exception of Italian, French and Luxemburgish Members, who could therefore contribute to a special pension scheme of the European Parliament, which was created in 1981 solely for the needs of the aforementioned three nationalities; recalls therefore that the Voluntary Pension Fund has always constituted a purely supplementary pension;
120. Points out that two thirds of the Members' monthly contribution to the voluntary pension fund, which corresponded to EUR 2 236 in 2006, were already paid from the Parliament's budget for each member of the Fund; recalls that only two years of contribution to the Fund generates a lifetime pension claim when having reached the retirement age; notes that the highest pension paid in 2018 from the voluntary pension fund amounted to EUR 6 262, and that the average pension amounted to EUR 1 934; notes that currently (October 2018) 71 active Members are members of the Voluntary Pension Fund; appeals on the ethical and economic conscience and the common sense of the board of directors, the Bureau and the members of the Fund to support all measures aiming at limiting the deficit of the Fund;

#### **Directorate-General for Innovation and Technological Support (DG ITEC)**

121. Notes that DG ITEC's lead indicator in 2017 is its responsiveness to the demands of users and partners in all fields of activity in a timely and efficient manner; notes that the overall results concerning the proximity of support, the IT welcome desk and desk telephone support are satisfying but that an extra effort remains to be made for the secure remote access service that is the second most important for users; stresses that responsiveness does not equate to a timely resolution of problems; points out that problems with IT systems such as at 4 am should be categorised as 'priority 1' if this is not the case already;
122. Recalls that a key strategic pillar for Parliament in a world of open communication is strengthening ICT security, without hindering parliamentary work of Members, staff and APAs with seemingly arbitrary rules and requirements; underlines that security measures need to be tailor-made to encompass all operating systems — iOS as well as Windows — without hindering work on one operating system or the other; stresses that DG ITEC needs to take into account the increased use of iOS and that all remote services for Windows devices need to be adapted to iOS without further delay; welcomes in this regard the establishment of the ICT Security Unit in January 2017; regrets the scarcity of top cyber-security experts who would be interested in applying for jobs in Parliament's administration, mainly due to the competitiveness of the market;
123. Welcomes the two new projects started in 2017 — 'From tablet to hybrid' and 'Mainstreaming innovation' that will reinforce the innovative and digital working environment of the Parliament; asks for IT security training for Members, APAs and staff to be planned and provided soon and to focus on their respective needs;
124. Calls on all relevant DGs to work towards and achieve paperless office by having recourse to all digital services such as e-signature and two-step verifications; underlines that e-forms only save time and resources when they don't have to be printed, signed and sent to another office or even country, as is the case with mission reimbursement forms;

125. Underlines the costs, emissions and health and safety issues created by Strasbourg transport boxes ('canteens') and suggests their immediate removal in view of available IT solutions such as print-on-demand, system approaches such as paperless offices and IT equipment such as tablets and laptops;
126. Stresses the Bureau conclusion that an integrated approach on security matters is required to ensure optimal coordination of all relevant services in responding to emergencies, which makes the close cooperation between DG ITEC and the Directorate-General for Security and Safety (DG SAFE) of utmost importance; encourages the DGs to plan common activities over the medium and long term;
127. Calls on the Bureau to come up, in cooperation with DG ITEC, with risk-mitigating measures to ensure the smooth running of parliamentary work in the case of system damages or blackouts; underlines the importance of a list of priority services to determine the order in which services must be restored as quickly as possible so that a skeleton service is still functioning in the case of a cyber-attack; calls on the Bureau to draw up a contingency plan for lengthy system blackouts; recommends that data centres diversify the sites on which their servers are located to enhance the security and continuity of Parliament's IT systems;
128. Reiterates the call for the creation of an emergency rapid alert system which allows DG ITEC, in collaboration with DG SAFE, to send swift communications by SMS to Members and staff that agree to their contact details being included on a communication list for use in specific emergency situations;

#### **Directorate-General for Security and Safety**

129. Welcomes the significant progress made in 2017 to strengthen the Parliament's security and safety; notes that perimeters around Strasbourg and Brussels buildings were set up, that security vetting by the Belgian authorities of all employees of outside firms working at the Parliament is in place, and that an interinstitutional project for a common warehouse has been launched with the Council and the Commission; welcomes the initiative of a common warehouse to allow for adequate security scans and screenings of items before they reach Parliament's premises;
130. Recalls that openness to the public is a hallmark of the Parliament and an adequate balance with the necessary improvements to security must remain;
131. Acknowledges that security drills, such as the evacuation of the hemicycle in Strasbourg in 2018, are necessary to properly prepare for emergencies; underlines the need for a clear lessons-learnt approach to avoid potentially dangerous situations, such as having Members, staff and APAs swipe their badges during an evacuation;
132. Calls on DG SAFE's security staff, in the case of evacuations, to carefully check the entire building for which they are responsible, to ensure that it has been evacuated and provide assistance to persons who are hearing-impaired or who have any other form of disability, when people have to be evacuated; underlines that when it comes to security and emergencies, no privileged treatment should be given to Members, nor should any distinction be made between any type of staff of the Parliament;
133. Notes the lack of communication in emergency situations such as that which took place in the Strasbourg Chamber in December 2018; concludes that the procedures can and must be improved; calls for the existing safety rules to be applied to the letter in emergency situations in order to prevent such uncertainty in the event of future emergencies;
134. Asks for clarification that all staff with a management position in the Directorate-General for Security and Safety have passed a security clearance procedure;

#### **Protection of whistleblowers**

135. Recognises that whistleblowing is crucial in deterring unlawful activities and wrongdoing; notes there were no parliamentary whistleblowing cases in 2017 and of the three in 2016, all were APAs and were dismissed by their respective Members; believes that the Parliament may not be inspiring confidence in their staff generally, nor granting requisite legal protection to APAs specifically, to those who wish to report wrongdoing; calls on the Secretary-General to remedy this situation as a matter of urgency;

136. Emphasises the vulnerable position APAs and interns employed by Members hold in respect to internal whistleblower protection rules; notes with great concern the Secretary-General's acknowledgement that 'whistleblowing rules are applicable to APAs but the Parliament cannot provide employment protection'; urges the Secretary-General to apply comparable remedies to APA whistleblowers to those APAs who are victims of harassment, such as post transfer and salary payment until the end of their contract; urges the Secretary-General to address this situation immediately and fulfil the Parliament's legal obligations under the Staff Regulations to protect whistleblowers for all Union staff classifications;
137. Highlights that transparency and freedom of information are enshrined in the Charter of Fundamental Rights, which establishes the right to access documents held by the European institutions, and calls for an external review of the Parliament's transparency levels, using key open government indicators, with a view to increasing the already high standards of transparency; recalls that the reform of Regulation (EC) No 1049/2001 is long overdue; and calls on the European Parliament administration to regularly publish — in an open source, machine-readable format — the results of committee and plenary votes;

### **Environmentally-friendly Parliament**

138. Welcomes the Parliament's positive contribution to sustainable development through its political role and its role in legislative procedures; is aware of its own environmental impact, which the institution tracks and continuously ameliorates through the Eco-Management and Audit Scheme (EMAS) Certification and its environmental policy;
139. Welcomes, in the context of the energy and climate policy of the Union for 2030 and beyond, additional measures to offset unavoidable emissions; calls on Parliament to develop additional carbon offsetting policies;
140. Commends the Parliament's commitment to green public procurement; notes that in 2017, 40,71 % of the contracts were classified as green, 10,96 % as light green and 48,33 % did not have any environmental dimension; encourages the Parliament to further increase the proportion of green public procurement commitments;
141. Welcomes the pilot-project of electric scooters for work-related journeys between the Union institutions' buildings but also for commuting between home and work; notes, however, that the vehicles' performance is lower than expected; encourages the Parliament to make sure the contractor will improve the vehicles' capabilities, particularly the battery;
142. Welcomes, in the context of the energy and climate policy of the Union for 2030 and beyond, additional measures to decrease the emissions and offset unavoidable emissions in order to become a 100 % carbon neutral institution; calls on the Parliament to lead by example and develop further CO<sub>2</sub> offsetting policies for the Parliament's premises;

### **Annual report on contracts awarded**

143. Recalls that the Financial Regulation and its Rules of Application <sup>(5)</sup> lay down the information to be provided to the budgetary authority, and to the public, concerning the award of contracts by the institution; notes that the Financial Regulation requires publication of the contracts awarded with a value of more than EUR 15 000, a value that corresponds to the threshold above which a competitive tendering becomes compulsory;
144. Notes that of a total of 224 contracts awarded in 2017, 79 were based on open or restricted procedures, with a value of EUR 517 million, and 145 on negotiated procedures, with a total value of EUR 70 million; notes that the total number of contracts awarded by negotiated procedures slightly decreased in terms of value as a percentage of the total value of contracts awarded, from 14 % in 2016 to 12 % in 2017, though in terms of volume, there was an increase of almost 10 % between 2016 and 2017 (EUR 70,5 million in 2017, compared to EUR 64,28 million in 2016);

<sup>(5)</sup> 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).

145. Notes the following breakdown of contracts by type awarded in 2017 and 2016, including building contracts:

Type of contract	2017		2016	
	Number	Percentage (%)	Number	Percentage (%)
Services	177	79	170	77
Supply	36	16	36	16
Works	11	5	13	6
Building	0	0	1	1
<b>Total</b>	<b>224</b>	<b>100</b>	<b>220</b>	<b>100</b>

Type of contract	2017		2016	
	Value (EUR)	Percentage (%)	Value (EUR)	Percentage (%)
Services	446 313 270	76	246 512 789	49
Supply	133 863 942	23	155 805 940	31
Works	6 892 972	1	97 640 851	19
Building	0	0	1 583 213	1
<b>Total</b>	<b>587 070 184</b>	<b>100</b>	<b>501 542 793</b>	<b>100</b>

(Annual report on the contracts awarded by the European Parliament, 2017, p. 6)

146. Notes the following breakdown of contracts awarded in 2017 and 2016 by type of procedure used, in terms of number and value:

Type of procedure	2017		2016	
	Number	Percentage (%)	Number	Percentage (%)
Open	78	35	71	32
Restricted	1	1	7	3
Negotiated	145	64	141 <sup>(1)</sup>	64
Competition	—	—	—	—
Exceptional	—	—	1	1
<b>Total</b>	<b>224</b>	<b>100</b>	<b>220</b>	<b>100</b>

<sup>(1)</sup> This includes concessions awarded in 2016 in the absence of legal framework.

Type of procedure	2017		2016	
	Value (EUR)	Percentage (%)	Value (EUR)	Percentage (%)
Open	488 368 460	83	408 040 332	81,6
Restricted	28 200 000	5	29 190 756	13
Negotiated	70 501 724	12	64 284 705 <sup>(1)</sup>	—
Competition	—	—	—	—
Exception	—	—	27 000	—
<b>Total</b>	<b>587 070 184</b>	<b>100</b>	<b>501 542 793</b>	<b>100</b>

<sup>(1)</sup> This includes concessions awarded in 2016 in the absence of legal framework.

(Annual report on the contracts awarded by the European Parliament, 2017, p. 8)

**Political groups (budget item 4 0 0)**

147. Notes that, in 2017, the appropriations entered under budget item 4 0 0, attributed to the political groups and non-attached Members were used as follows:

Group	2017					2016				
	Annual appropriations	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations (%)	Amounts carried over to next period	Annual appropriations	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations (%)	Amounts carried over to next period
European People's Party (EPP)	17 790	8 150	19 330	108,66	6 610	17 440	8 907	18 303	105,19	8 005
Progressive Alliance of Socialists and Democrats (S&D)	15 610	5 469	15 268	97,81	5 812	15 327	5 802	15 713	102,51	5 417
European Conservatives and Reformists (ECR)	6 200	2 810	6 051	97,60	2 959	6 125	2 518	5 835	95,25	2 809
Alliance of Liberals and Democrats for Europe (ALDE)	5 711	1 694	5 596	98	1 809	5 759	2 366	6 448	111,98	1 676
The Greens/The European Free Alliance (Greens/EFA)	4 333	1 826	4 583	105,76	1 578	4 180	1 557	3 921	93,82	1 815
European United Left/Nordic Green Left (GUE/NGL)	4 421	1 407	4 571	103,39	1 257	4 340	1 729	4 662	107,43	1 407
Europe of Freedom and Direct Democracy (EFDD)	3 654	1 917	3 523	96,41	1 827	3 820	1 873	2 945	77,10	1 910
Europe of Nations and Freedom (ENF)	2 719	846	2 474	91	1 091	3 273	765	827	25,27	846
Non-attached Members	929	257	494	53,18	318	772	216	616	79,90	257
<b>Total</b>	<b>61 367</b>	<b>24 394</b>	<b>61 890</b>	<b>100,85</b>	<b>23 261</b>	<b>60 996</b>	<b>25 733</b>	<b>59 059</b>	<b>96,82</b>	<b>24 142</b>

\* All amounts in thousands of EUR.

148. Welcomes the fact that the independent external auditor for the political groups issued only unqualified opinions; highlights that this is a positive development in contrast to the Parliament discharge procedure for the budget year 2016, where the independent external auditor issued a qualified audit opinion in the case of one political group;
149. Calls for stricter controls and a clear ban on the funding and sponsoring of European political parties by private companies;

#### European political parties and European political foundations

150. Notes that the Authority for European Political Parties and European Political Foundations (APPF) was created in 2016 with the task of assessing registration requests, registering new Union parties and foundations, monitoring their funding and imposing sanctions in cases of failure to respect their obligations; acknowledges that it became fully operational in 2017;
151. Notes that, in 2017, APPF lacked resources, particularly human resources, to carry out the tasks it was created to deliver; acknowledges that the Commission, Council and Parliament agreed to provide additional resources for the APPF in the budget of 2019; underlines that adequate human resources should have been provided from the start, due to the importance of APPF's work;
152. Expresses its concerns about the fact that in seven cases, the Bureau needed to decide to introduce risk mitigation measures in order to safeguard the financial interests of the Union due to either financial and administrative instability or suspicion of serious irregularities or an ongoing procedure concerning the non-respect of the principles on which the Union is founded;
153. Notes that, in 2017, the appropriations entered under budget item 4 0 2 were used as follows <sup>(6)</sup>:

Party	Abbr.	Own resources	Parliament grant	Total revenue <sup>(1)</sup>	EP grant as % of eligible expenditure (max. 85 %)	Revenue surplus (transfer to reserves) or loss
European People's Party	EPP	1 548 409	8 018 034	12 118 607	85	—
Party of European Socialists	PES	1 335 161	6 901 688	8 518 219	85	- 84 178
Alliance of Liberals and Democrats for Europe Party	ALDE	693 618	2 449 108	3 586 785	85	159 481
European Green Party	EGP	1 006 971	1 865 999	3 064 646	73	150 000
Alliance of European Conservatives and Reformists	AECR	316 291	1 439 310	1 755 601	85	- 565 789
Party of the European Left	EL	297 363	1 342 594	1 705 284	85	1 374
European Democratic Party	PDE	106 162	532 072	638 234	85	1
EUDemocrats	EUD	—	—	—	—	—
European Free Alliance	EFA	153 856	779 408	1 045 014	85	808
European Christian Political Movement	ECPM	107 018	499 993	627 808	84	2 143
European Alliance for Freedom	EAF	—	—	—	—	—
European Alliance of National Movements	AEMN	74 076	342 788	445 568	85	6 344

<sup>(6)</sup> All amounts in thousands of EUR

Party	Abbr.	Own resources	Parliament grant	Total revenue <sup>(1)</sup>	EP grant as % of eligible expenditure (max. 85 %)	Revenue surplus (transfer to reserves) or loss
Movement for a Europe of Liberties and Democracy	MENL	127 900	525 296	775 467	85	- 20 184
Alliance for Peace and Freedom	APF	29 775	27 055	56 830	85	22 471
Coalition for Life and Family	CLF	—	—	—	—	—
<b>Total</b>		<b>5 796 602</b>	<b>24 723 344</b>	<b>34 338 065</b>		<b>- 327 530</b>

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

154. Notes that, in 2017, the appropriations entered under budget item 4 0 3 were used as follows <sup>(7)</sup>:

Foundation	Abbr.	Affiliated to party	Own resources	EP final grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)
Wilfried Martens Centre for European Studies	WMCES	EPP	1 020 598	5 042 165	6 062 764	85
Foundation for European Progressive Studies	FEPS	PES	915 754	4 221 134	5 136 888	85
European Liberal Forum	ELF	ALDE	254 994	1 164 869	1 419 863	85
Green European Foundation	GEF	EGP	201 899	1 090 052	1 291 951	85
Transform Europe	TE	EL	229 957	929 481	1 159 438	85
Institute of European Democrats	IED	PDE	50 768	264 390	315 158	85
Centre Maurits Coppieters	CMC	EFA	90 867	365 038	455 905	85
New Direction — Foundation for European Reform	ND	AECR	278 837	1 412 218	1 691 055	85
European Foundation for Freedom	EFF	EAF	—	—	—	—
Christian Political Foundation for Europe	SALLUX	ECPM	69 056	310 164	379 220	83
Identités & Traditions européennes	ITE	AEMN	43 963	212 402	256 365	85
Foundation for a Europe of Nations and Freedom	FENL	MENL	77 400	447 972	525 372	85
Europa Terra Nostra	ETN	APF	37 791	41 428	79 219	85
Fondation Pegasus	FP	CLF	—	—	—	—
<b>Total</b>			<b>3 271 884</b>	<b>15 501 313</b>	<b>18 773 197</b>	

<sup>(7)</sup> All amounts in thousands of EUR.

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155. Expresses its concerns regarding Associations that are subsidised by the European Parliament and about the fact that European Parliament Association (EPA) provides Members with discounts in certain shops, while the EPA was created for 'social and information activities'; calls on the Secretary-General to make their financial accounts and activity reports available.

**DECISION (EU) 2019/1408 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section II — European Council and Council**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM(2018) 521 — C8-0320/2018) <sup>(2)</sup>,
  - having regard to the Council's annual report to the discharge authority on internal audits carried out in 2017,
  - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2017, together with the institutions' replies <sup>(3)</sup>,
  - having regard to the statement of assurance <sup>(4)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, 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 <sup>(5)</sup>, and in particular Articles 55, 99, 164, 165 and 166 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(6)</sup>, and in particular Articles 59, 118, 260, 261 and 262 thereof,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0096/2019),
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 2017;
  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

<sup>(1)</sup> OJ L 51, 28.2.2017.

<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.

<sup>(3)</sup> OJ C 357, 4.10.2018, p. 1.

<sup>(4)</sup> OJ C 357, 4.10.2018, p. 9.

<sup>(5)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(6)</sup> OJ L 193, 30.7.2018, p. 1.

**RESOLUTION (EU) 2019/1409 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section 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 2017, 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 (A8-0096/2019),
- A. whereas all Union institutions ought to be transparent and fully accountable to the citizens of the Union for the funds entrusted to them as Union institutions;
- B. whereas openness and transparency in Union administration and protection of the Union's financial interests both require an open and transparent discharge procedure whereby every Union institution is accountable the budget which it executes;
- C. whereas the European Council and the Council, as Union institutions, should be democratically accountable towards the citizens of the Union in so far as they are beneficiaries of the general budget of the European Union;
- D. whereas the Parliament's role in respect of the budget discharge is specified in the Treaty on the Functioning of the European Union (TFEU) and in the Financial Regulation;
1. Notes that in its 2017 annual report, the Court of Auditors observed that no significant weaknesses had been identified with respect to the audited topics relating to human resources and procurement for the European Council and Council;
  2. Notes that in 2017 the European Council and Council had an overall budget of EUR 561 576 000 (compared with EUR 545 054 000 in 2016), with a global implementation rate of 93,8 % compared to 93,5 % in 2016;
  3. Welcomes efforts to further improve its financial management and performance such as the harmonisation of budget planning at a central level by integrating Multiannual Activity and Budget Planning (MABP); notes that expenditure plans and the draft budget are based on activities (projects, programmes and recurring activities);
  4. Notes the increase of EUR 16,5 million (3 %) in the budget of the European Council and Council in 2017 compared to an increase of 0,6 % in 2016;
  5. Reiterates its concern at the very high amount of appropriations being carried over from 2017 to 2018, particularly those in respect of furniture, technical equipment, transport and computer systems; reminds the Council that carry-overs are exceptions to the principle of annuality and should reflect actual needs;
  6. Reiterates that the budget of the European Council and the budget of the Council should be separated in order to contribute to transparency in the financial management of the institutions and to improve the accountability of both institutions;
  7. Welcomes the fact that a reduction of 5 % in staff numbers over the period 2013-2017 has been achieved in accordance with the interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management <sup>(1)</sup>; notes the efforts to streamline the organisation through transformations in the establishment plan as part of continuing administrative modernisation;
  8. Notes that a total of 1 629 women and 1 141 men were employed at the Council; notes that only 29 % of senior management posts were held by women; calls on the Council to take such measures as are necessary to improve gender balance in management positions;

<sup>(1)</sup> OJ C 373, 20.12.2013, p. 1

9. Notes that an overview of human resources broken down by gender and nationality is published on the Council's websites; reiterates its call on the Council to provide a more detailed overview broken down by type of contract, grade, gender, and nationality and an overview of how these figures compare with the previous year;
10. Welcomes the information regarding the occupational activities of a former senior official of the General Secretariat of the Council (GSC) who left the service in 2017;
11. Welcomes the information provided on the Council's building strategy in the Final Financial Statements of 2017; notes that in July 2017, the Belgian State and the GSC concluded negotiations on the final price for the Europa building, agreeing on a final price of EUR 312 143 710,53, as well as on the acquisition of four additional plots of land surrounding Council's buildings for an amount of EUR 4 672 944; notes that the final agreement was expected to be signed in 2018; notes that all amounts relating to the final settlement of the Europa building were paid or accrued in 2017;
12. Welcomes the transition to the new version of the Community eco-management and audit scheme (EMAS) and ISO 14001 and the publication of the 'Environmental Statement 2017', which sets out the environmental management system of the Council; welcomes the Council's measures to improve its waste management, increase its energy efficiency and reduce its carbon footprint and encourages it to continue with its efforts in this direction;
13. Notes that internal rules for reporting serious irregularities are published on the Council's website, along with a guide to ethics and conduct for members of staff of the Council; calls on the Council to raise awareness about these rules and to ensure that all members of staff are properly informed of their rights;
14. Takes note that despite the mandate to begin negotiations with Parliament and Commission on the Council's participation in the Transparency Register taken on 6 December 2017, the Council has still not joined the Transparency Register; calls on the Council to follow up the negotiations and to reach a successful outcome with representatives of Parliament and Commission in order for the Council to finally join the Transparency Register;

#### **Future cooperation between Council and Parliament**

15. Regrets that the Council again failed to provide answers to the written questions sent by Parliament and that the Secretary-General of the Council did not attend the hearing organised on 27 November 2018 in the context of the annual discharge which again shows a complete lack of cooperation on the Council's side; stresses that the expenditure of Council must be scrutinised in the same way as that of other institutions and points out that the fundamental elements of such scrutiny have been laid down in its discharge resolutions of the past years; points out that Parliament is the only institution directly elected by Union citizens and that its role in the discharge procedure is directly connected with citizens' right to be informed on how public money is spent;
16. Underlines that, pursuant to the Treaties, Parliament is the only discharge authority of the Union, and that, in full acknowledgement of Council's role as an institution giving recommendations in the discharge procedure, a distinction must be maintained in respect of the different roles of Parliament and Council in order to comply with the institutional framework laid down in the Treaties and in the Financial Regulation;
17. Recalls the difficulties repeatedly encountered in the discharge procedures to date due to a lack of cooperation from the Council and recalls that Parliament refused to grant discharge to the Secretary-General of the Council in relation to the financial years 2009 to 2016;
18. Notes that Parliament submitted a proposal for a cooperation procedure between both institutions on 9 November 2018; notes that the Council replied to Parliament's proposal on the Council discharge exercise procedure on 2 May 2018 with an amended proposal, and that Parliament's Committee on Budgetary Control sent its reaction to Council's amended proposal on 21 July 2018; urges the Council to react to the latest proposals from the Budgetary Control Committee swiftly, so that the new arrangements for the discharge exercise can be applied as soon as possible;
19. Welcomes the fact that the Council considers it necessary to address the discharge procedure and is open to arriving at an agreement with Parliament on how to cooperate in this regard;
20. Recalls that under Article 335 TFEU, 'the Union shall be represented by each of the institutions, by virtue of their administrative autonomy, in matters relating to their respective operation' and that accordingly, taking into account Article 55 of the Financial Regulation, the institutions are individually responsible for the implementation of their budgets;

21. Emphasises Parliament's prerogative to grant discharge pursuant to Articles 316, 317 and 319 TFEU, in line with current interpretation and practice, namely to grant discharge in respect of each heading of the budget separately in order to maintain transparency and ensure democratic accountability towards Union taxpayers.
  22. Calls on the Council to speed up its procedure for the discharge recommendations, with the goal to enable discharge in year n+1; asks the Council to fulfil its particular role and to give discharge recommendations to the other Union institutions.
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**DECISION (EU, Euratom) 2019/1410 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section III — Commission and executive agencies**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM(2018) 521 — C8-0318/2018) <sup>(2)</sup>,
  - having regard to the Commission's report on the follow-up to the discharge for the financial year 2016 (COM(2018)0545),
  - having regard to the Commission's 2017 Annual Management and Performance Report for the EU Budget (COM(2018) 457),
  - having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2017 (COM(2018) 661), and to the accompanying Commission staff working document (SWD(2018) 429),
  - having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2017, together with the institutions' replies <sup>(3)</sup>, and to the Court of Auditors' special reports,
  - having regard to the statement of assurance <sup>(4)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2017 (05824/2019 — C8-0053/2019),
  - 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 <sup>(5)</sup> and in particular Articles 62, 164, 165 and 166 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(6)</sup>, and in particular Articles 69, 260, 261 and 262 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 (A8-0110/2019),
- 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 2017;

<sup>(1)</sup> OJ L 51, 28.2.2017, p. 1.

<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.

<sup>(3)</sup> OJ C 357, 4.10.2018, p. 1.

<sup>(4)</sup> OJ C 357, 4.10.2018, p. 9.

<sup>(5)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(6)</sup> OJ L 193, 30.7.2018, 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 2017, Section III — Commission and executive agencies, and in its resolution of 26 March 2019 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2017 <sup>(7)</sup>;
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

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<sup>(7)</sup> Texts adopted, P8\_TA(2019)0243 (see page 59 of this Official Journal).

**RESOLUTION (EU, Euratom) 2019/1411 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****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 2017, 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 2017, 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 2017,
  - 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 (A8-0110/2019),
- A. Whereas the Union budget plays a significant role for achieving Union policy objectives, although it represents only 1 % of Union gross national income;
- B. Whereas when the Parliament grants discharge to the Commission it checks whether or not funds have been used correctly and policy goals achieved;

**Implementation of the 2017 budget and results achieved**

1. Notes that in 2017 the Union budget was in the fourth year of implementation of the current Multiannual Financial Framework (MFF), and amounted to EUR 159,8 billion, including six amending budgets, and that the allocations in different areas were:
  - (a) EUR 75,4 billion for smart and inclusive growth;
  - (b) EUR 58,6 billion for support to the European agricultural sector;
  - (c) EUR 4,3 billion for reinforcing the external borders of the Union and addressing the refugee crisis and irregular migration;
  - (d) EUR 10,7 billion for activities outside the Union;
  - (e) EUR 9,4 billion for the administration of the Union institutions;
2. Underlines that the Union budget supports the implementation of the Union policies and the achievement of their priorities and objectives by complementing resources of Member States dedicated to the same purposes; notes in this regard the achievement of the following results:
  - (a) in 2017, Horizon 2020 provided EUR 8,5 billion of funding, which further mobilised direct additional investments, leading to a total of EUR 10,6 billion and funding to 5 000 projects;
  - (b) by the end of 2017, COSME provided financing to more than 275 000 small and medium-sized companies (of which 50 % were start-ups) in 25 countries that would otherwise have struggled to secure private financing due to their high risk profile;
  - (c) as regards the programmes' achievements reported by Member States up to the end of 2016, the implemented projects under the Cohesion Fund (CF) and the European Regional Development Fund (ERDF) had already delivered:
    - support to 84 579 enterprises, of which more than 36 000 are supported by financial instruments,
    - 10 300 jobs created along with 636 new researchers employed,
    - 41 800 households with an improved energy consumption classification and a 14,9 million kWh/year decrease in annual primary energy consumption of public buildings,
    - 2,7 million people benefitting from improved health services; 156 000 additional people served by improved water supply and 73 000 served by improved waste water treatment,
    - broadband access to 1 million additional households;

- (d) by the end of 2016, Rural Development Programmes contributed to the restructuring and modernisation of almost 45 000 agricultural holdings;
- (e) in 2017 the Asylum, Migration and Integration Fund (AMIF) supported the creation of over 7 000 additional places in reception centres; the number of places adapted for unaccompanied minors, an especially vulnerable migrant group, also increased from only 183 places in 2014 to 17 070 places in 2017; by the end of 2017, 1 432 612 third-country nationals had received integration assistance;
- (f) the Union provided more than EUR 2,2 billion in humanitarian aid in 80 different countries; Union humanitarian funding supported the education of over 4,7 million children caught up in emergencies in over 50 countries;

### **The Court of Auditor's Statement of assurance**

- 3. Welcomes the fact that the Court of Auditors (the 'Court') gave a clean opinion on the reliability of the accounts of the European Union for 2017, as it has done since 2007, and that the Court concluded that the revenue for 2017 underlying these accounts was legal and regular in all material respects;
- 4. Notes that for 2017, the Court has issued for a second consecutive year a qualified opinion on the legality and regularity of the payments underlying the accounts, which according to the Court, indicates that a significant part of the 2017 expenditure audited by it was not materially affected by error and that the level of irregularities in Union spending has continued to decrease;
- 5. Welcomes the positive trend of a continuing decrease in the most likely error rate for payments determined by the Court in recent years, reaching an all-time low level of 2,4 % in 2017, which, regrettably, is still above the threshold of 2 % but represents an almost two-thirds' reduction in the most likely error rate estimated by the Court for the financial year 2007, which stood at 6,9 % for payments; notes, however, that payments continue to be affected by errors because the control and supervision system is only partially effective;
- 6. Notes that where payments were made on the basis of cost reimbursements (where the Union reimburses eligible costs for eligible activities), the Court estimates the level of error at 3,7 % (4,8 % in 2016), whilst the error rate for entitlement payments (which are based on meeting certain conditions) was below the materiality threshold of 2 %;
- 7. Notes that the Court audited transactions worth a total of EUR 100,2 billion, which represents less than two-thirds of the total budget for 2017, and that the area of 'Natural resources' makes up the largest share of the overall audit population (57 %), while in contrast to previous years, the weight of the area of 'Economic, social and territorial cohesion' is relatively small (around 8 %);
- 8. Regrets that the Court has not examined the level of error for spending under heading 3 'Security and citizenship' and heading 4 'Global Europe'; considers that, although the figures under these headings are relatively low, they are of particular political importance; stresses that the audit of a representative sample size from under these two headings is essential for a rigorous and independent evaluation of financial transactions, as well as for better oversight on the use of Union funds by the European Parliament, and calls on the Court to provide data on the error rate for payments under these headings in its next annual reports;
- 9. Points out that the Commission itself has noted that the improved error-rate performance for 2017 was due in large part to the score from the 'Natural Resources' area <sup>(1)</sup>;
- 10. Urges the Court, in its future reports, to present the error rate for fisheries separately from those for the environment, rural development and health, and not on an aggregate basis; notes that combining them makes it impossible to work out the error rate for fisheries policy; notes that maritime affairs and fisheries are not covered in sufficient detail in the Court's annual report and that a proper evaluation of financial management in those areas is therefore difficult; considers that, to increase transparency, in future, the Court's annual report should include a separate breakdown for the figures relating to DG MARE;

<sup>(1)</sup> Annual and Performance Report (AMPR) p. 81 — 'Compared to 2016, the main change is the significant decrease in Cohesion, Migration and Fisheries. In this policy area, the current 2014-2020 programmes are coming up to speed, which have an inherent lower risk given the newly introduced annual clearance of accounts and the 10 % retention mechanism on interim payments until all controls and corrective measures are implemented (see under "progress made" in Section 2.2)'.

11. Regrets that for the area of 'Competitiveness for growth and employment', to which transport belongs, the Court does not provide any comprehensive information regarding the audits performed for transport sector, in particular regarding Connecting Europe Facility (CEF);

### **Revenue**

12. Notes that in 2017, the Union had own resources of EUR 115,4 billion and other revenue of 17,2 billion, and that the surplus carried over from 2016 was EUR 6,4 billion;
13. Notes with satisfaction the Court's conclusion that in 2017 revenue was free from material error and that the revenue-related systems examined by the Court were, overall, effective, but that some controls for Traditional Own Resources (TOR) were only partially effective;
14. Notes with concern that the Court's opinion is that there is necessity for improvement in the Commission's actions to safeguard Union revenue in order to address weaknesses in its management of the risk of under-valued imports in relation to TOR and in its verifications on the VAT-based own resource;
15. Expresses serious concern that these weaknesses may affect the Member States' contributions to the Union budget; calls, in this regard, on the Commission to:
  - (a) improve its monitoring of import flows, including making wider use of reasonable and legal data mining techniques to analyse unusual patterns and their underlying reasons, and act promptly to ensure that due amounts of TOR are made available;
  - (b) review the existing control framework and better document its application in verifying Member States' calculations of the weighted average rate (WARs) presented by the Member States in their VAT statements, which the Commission uses to obtain the harmonised VAT bases;
16. Notes with concern that for the second year in a row, DG Budget set a reservation on the value of TOR collected by the UK, due to the country's failure to make available to the Union budget customs duties evaded on textiles and footwear imports;
17. Welcomes the infringement procedure initiated by the Commission on 8 March 2018 as a follow-up to the UK customs fraud case, but, especially in light of the United Kingdom's decision to withdraw from the European Union and the increased difficulties this will impose on any collection process, regrets that it took the Commission more than seven years to launch this procedure after its request to the UK in 2011 to set risk profiles for under-valued textiles and footwear imports from China; points out that similar fraud networks operate in other Member States, leading to avoidance of at least 2,5 billion EUR in custom duties since 2015; calls on the Commission to approach such cases without hesitation and unnecessary delays in future; reaffirms the clear need for more cooperation between custom services in the Member States to avoid harm to Union and national budgets and to Union product standards; demands information from the Commission on which products reach the internal market without meeting Union product standards;
18. Regrets the discrepancies in the level of customs checks between the various Member States; highlights the importance of harmonising checks at all points of entry into the Customs Union and calls on the Member States to ensure coordinated, uniform and efficient implementation of the border system, discouraging divergent practices between Member States to reduce the number of existing loopholes in customs control systems; calls on the Commission, in this respect, to examine the various customs control practices in the Union and their impact on trade diversion, focusing in particular on Union customs practices at external borders, and to develop reference analyses and information on customs operations and the procedures used in the Member States;

### **Budgetary and financial management**

19. Points out that in 2017, 99,3 % of the amount available for commitments was implemented (EUR 158,7 billion), but stresses that the executed payments were only EUR 124,7 billion, considerably lower than budgeted and than those in the corresponding year of the 2007-2013 multiannual programme period, mainly due to Member States submitting fewer claims than anticipated for the multiannual programmes of the 2014-2020 European Structural and Investment Funds (ESIF), as well as to the late adoption of the MFF and sectoral legislation; notes that this could create future risks for implementation of the budget if there is a large number of overdue payments at the end of the programming period; calls on the Commission to provide the Member States with the maximum support to improve their absorption rates;

20. Is deeply concerned that in 2017 the combination of high commitments and low payments increased outstanding budgetary commitments to a new record of EUR 267,3 billion (2016: EUR 238,8 billion) and that the Court projections indicate this amount will rise even more by the end of the current MFF, which may lead to a significantly increased risk of insufficient payment appropriations, but also to a risk of errors under the pressure for a swift absorption given a potential loss of Union funding; stresses the fact that the Union budget is not allowed to run a deficit and that the growing payments backlog in fact represents a financial debt;
21. Calls on the Commission to present a thorough analysis of why some regions still exhibit low fund absorption rates and to assess specific ways of remedying the structural problems underlying those imbalances; calls on the Commission to increase on-the-spot technical assistance to improve absorption capacity in Member States experiencing difficulties in this regard;
22. Recalls that the Court reported that the issue of whether to count special instruments within the ceilings for payment appropriations has not yet been resolved; considers that this could represent an additional risk of creating a payment backlog;
23. Calls on the Commission to improve the accuracy of the payment forecast and to use the lessons learned from the previous programming period in order to deal with the accumulated backlog in payments and avoid its negative effect on the next MFF and to present the Action Plan on reducing the payments backlog during the 2021-2027 multiannual financial framework;
24. Stresses its deep concern that the overall financial exposure of the Union budget has grown, with significant long-term liabilities, guarantees and legal obligations implying that careful management needs to be applied in the future; calls, therefore, on the Commission when presenting legislative proposals that include the creation or addition of sizeable contingent liabilities to accompany them with an overview of the total value of contingent liabilities supported by the budget, as well as with an analysis of stress test scenarios and their possible impact on the budget;
25. Regrets that the Union did not succeed to manage and respond adequately to both the financial and socio-economic crisis of 2008 (the case of Greece being an example given the recent apologies of the Commission expressed to this Member State) and the refugee crisis of 2015, which led to further deepening of divisions within the Union between North and South and East and West, to increased inequalities, as well as to growing mistrust among Member States;
26. Reiterates its request to add a budget line in future budgets of the Union dedicated to tourism in order to ensure transparency regarding the Union funds used to support actions for tourism;

#### SHARED MANAGEMENT

27. Points out that according to the Court, progress has been achieved in reducing the error rate in the spending areas covering 'Natural resources' (2,4 %) and 'Economic, social and territorial cohesion' (3 %), which come under shared management between the Commission and the Member States;
28. Notes that in 2017, the Court audited less expenditure than last year under the area of 'Economic, social and territorial cohesion' comprising payments worth EUR 8 billion;
29. Points out that similarly to 2016, eligibility errors (i.e. ineligible costs in costs claims, non-respect of agri-environment-climate commitments and ineligible projects, activities or beneficiaries) contributed most to the 2017 estimated level of error;
30. Takes into account that in the agricultural sector the amounts received by the beneficiaries are relatively small compared to other Union projects and therefore the administrative burden to prove correct use of money is proportionately higher;
31. Points to a recent Commission study, which demonstrated that between 2014 and 2017 the large majority of ESIF management authorities used SCOs (Simplified Cost Options) (64 % of European Agricultural Fund for Rural Development (EAFRD) Rural Development Programmes (RDPs), 73 % of ERDF-CF Operational Programmes (OPs) and 95 % of European Social Fund (ESF) OPs); in terms of projects, the number of projects using SCOs is 19 % for EAFRD, 65 % for ESF, 50 % for ERDF and 25 % for CF; considers that the use of SCOs could contribute to reducing the eligibility errors;

32. Stresses that simplifying Union legislation and reducing the administrative burden on farmers and other beneficiaries must continue in the future;
33. Notes that access to data and good monitoring especially of environmental aspects is essential for the future, considering that certain natural resources underpin long-term agricultural productivity, such as soil and biodiversity;
34. Observes that the Court found very few public procurement errors in 2017: less than 1 % (compared with 18 % in 2016), but notes that the reason for this could be the relatively low level of expenditure accepted under the ERDF and the CF, which have tended to be more prone to errors in public procurement; calls on the Commission and Member States not to weaken, but to continue strengthening their vigilance on the correct implementation of public procurement rules;
35. Sees the need to further clarify procurement procedures and relations with bidders in Member States as bidding procedures may have turned into semi legal procedures preventing fair competition and possibly allowing fraud; welcomes the 'single bidder' study of the Commission and the in-depth analysis 'Gaps and errors in the TED database' requested by the Parliament's Budgetary Control Committee; notes with concern their conclusions that the quality and reliability of TED data is highly problematic thereby limiting the analytical value of an analysis of public procurement data; asks the Member States to significantly improve their way of publishing public procurement information in TED; asks furthermore for a regular monitoring mechanism of single bidding;
36. Fully supports the position of the Court that its mandate does not imply reporting on individual Member States but presenting an audit opinion on the legality and regularity of the implementation of the Union's budget as a whole;
37. Nevertheless, draws attention to the reservations issued by the Commission services during the normal annual discharge procedures and the fact that every Member State performs differently in using the diversity of Union funds and that there are always areas where improvement is required; notes in this regard that for 2017 reservations were issued by:
  - DG AGRI concerning: AT, BE, BG, HR, CZ, DK, FI, FR, DE, HU, IT, PT, RO, SK, SI, ES, SE, UK,
  - DG MARE concerning: BG, CZ, IT, NL, RO,
  - DG REGIO concerning: BG, HR, CZ, ET, FI, FR, DE, HU, IT, LV, PL, RO, SK, SI, SE, UK,
  - DG EMPL concerning: AU, CZ, FR, DE, HU, IT, PL, RO, SK, UK,
  - DG HOME concerning: FI, DE, GR, UK;
38. In this sense, notes that although the services of the Commission did not issue reservations in 2017 for IE, LUX, M, CY, LT, in 2016 they issued for DG AGRI: IE, LT, M, CY, for DG EMPL: CY and for DG REGIO: IE;
39. Welcomes the progress made in implementing the 181 Greece priority projects:
  - (a) 119 projects with expenditure of EUR 7,1 billion are reported as completed;
  - (b) 17 projects with expenditure of EUR 0,5 billion are to be completed by March 2019 with national funds (additional EUR 0,53 billion estimated to be needed);
  - (c) 24 projects (EUR 0,8 billion) are phased into 2014-2020 where they are estimated to require another EUR 1,1 billion funding;
  - (d) 21 items with an estimated budget of EUR 1,1 billion have been cancelled;Sees a success story in the way the Commission supported Greece to implement and finish Union projects;
40. Notes with deep regret that, despite multiple warnings from the European Parliament, the Commission has reacted to the issue of the conflict of interest of the Prime Minister of the Czech Republic (the Czech PM) only after Transparency International Czech Republic filed a complaint against him in June 2018; is deeply worried that a Union legal document, dated 19 November 2018, pointed out that the situation of the Czech PM qualifies as a conflict of interest, because he could influence decisions on the use of Union funds from which companies linked to him (?) have benefited;

(?) The Agrofert Holding is the single biggest group in Czech agriculture and food industry, second largest in chemistry and plays a significant role also in forestry, is an owner of the MAFRA Publishing Company, publishing some of the most popular printed and online media, such as MF DNES, Lidové noviny, iDnes.

41. In this regard calls on the Commission to investigate fully the conflict of interest of the Czech PM as demanded by the European Parliament's resolution of December 2018 and acts firmly on the results of its investigation without further delays, as well as to investigate also his situation as media owner and to draw conclusions from this case;
42. Recalls that the Commission services have asked the national authority responsible for the coordination of Union Funds (Ministry of Regional Development) to provide the necessary information <sup>(?)</sup> with respect to funding to enterprises that are owned by his holding company;
43. Welcomes the fact that the Czech Ministry of Regional Development has collected the requested information from the different managing authorities concerned and has forwarded it to the Commission; asks the Commission what action it intends to take in light of its recent legal appreciation of the situation;
44. Recalls that the European Parliament asked the Commission last year to speed up the conformity clearance procedure opened on 8 January 2016 to get detailed and precise information on the risk of conflicts of interest concerning the State's Agricultural Intervention Fund in the Czech Republic;

### **Economic, social and territorial cohesion**

#### *Success stories*

45. Notes the progress in project selection and that by January 2018, 673 800 projects had been selected for support by the ERDF, the CF, the ESF, and the Youth Employment Initiative, amounting to EUR 260 billion or 54 % of the total financing available for the 2014-2020 period; notes that the rate of project selection had reached 70 % of the total financing available at the end of 2018 and was similar to the selection rate at the same point in the last period;
46. Welcomes the fact that out of the 450 000 projects selected up to the end of 2016 to support SMEs, 84 500 have already been completed, thus contributing to productivity and competitiveness of firms;
47. Welcomes also the fact that up to the end of 2017, around 5 500 projects were selected on the ground to support the achievement of a connected Digital Single Market, corresponding to EUR 9,1 billion of total investment;
48. Notes with satisfaction that, in the area of energy efficiency and renewables, more than 2 000 MW of additional capacity of renewable energy production was created, and greenhouse emissions were reduced by close to 3 million tonnes of CO<sub>2</sub> equivalents by the end of 2016; stresses though that more must be done in order to achieve goals from the 2015 Paris Climate Agreement;
49. Notes that by the end of 2017, 99 % of the action plans for *ex ante* conditionalities affecting the ESF, the CF and the ERDF had been completed;
50. Welcomes in particular, with regard to structural funds, the Court's audit work on preventive measures and financial corrections, *ex ante* conditionalities, the performance reserve and absorption;
51. Notes with satisfaction that the outputs and results described for the Fund for European Aid to the Most Deprived (FEAD) are on track to be achieved and that the instrument compliments national efforts to eradicate poverty and promote social inclusion;
52. Notes that in the course of the Court of Auditor's review of 113 completed projects under the 'Economic, social and territorial cohesion' spending area, 65 % had a performance measurement system with output and result indicators linked to the objectives of the operational programme — which represents an improvement compared to previous years; notes with concern that 30 % of the projects had no result indicators or targets, making it impossible to assess the specific contribution of those projects to the overall objectives of the programme;

<sup>(?)</sup> (a) list of all projects financed by the ERDF, CF, ESF and EAFRD which relate to the AGROFERT group since 2012 when the current Prime Minister entered as Minister of Finance the government, and whether the projects are still ongoing or have been completed; (b) the amounts granted, already paid and still to be paid (as well as the Fund concerned) to these companies or to other companies of the AGROFERT group; (c) periods when such amounts were granted and paid; (d) whether the projects were subject to verifications (administrative and/or on-the-spot) with respect to such funding and the outcome of such verifications;

*Critical issues requiring improvement*

53. Regrets that the Court identified and quantified 36 errors in its sample of 217 transactions for 2017, which audit authorities in Member States had not detected, and that the number and the impact of these errors indicate persisting weaknesses with the regularity of the expenditure declared by managing authorities; regrets also that the Court found weaknesses in the sampling methods of some audit authorities; calls on the Commission to work even closer with the managing and audit authorities of individual Member States on detecting these errors and specifically targeting the most frequent ones;
54. Deplores the fact that for 2017, as noted by the Court, the Commission presented at least 13 different error rates in the area of economic, social and territorial cohesion for the programming periods 2007-2013 and 2014-2020, which makes reporting unclear and confusing, and makes it difficult to evaluate data;
55. Notes that Member States' Audit Authorities communicate to DG REGIO the error rates for Structural Funds only after deduction of corrections which does not give a real picture of the situation of Union projects on the spot and of the 2017 error-rate for actual payments;
56. Is concerned that despite the significant increase in the average absorption rate in terms of payments by the Commission from 3,7 % in 2016 to 16,4 % in 2017, the absorption remains even lower than in the corresponding year of the previous MFF, which was 22,1 % in 2010;
57. Observes with concern that as of September 2018 there are still 7 non-completed action plans related to *ex ante* conditionalities and that one suspension of interim payments has been adopted and other two are under inter-service consultation for adoption; regrets that the fulfilment of the *ex ante* conditionalities proved to be administratively burdensome for managing authorities and one of the reasons for delayed absorption; appreciates in particular the targeted support provided to programme authorities and increased level of implementation reached thanks to the 'Catching up Regions' and the 'Task force for Better Implementation' initiatives taken by the Commission; asks the Commission to ensure that in the next programming period, the identified weaknesses and problems related to fulfilment of enabling conditions, which will replace *ex ante* conditionalities, are properly addressed;
58. Is worried about the lack of transparency in spending for financial instruments as four times more money is available for financial instruments under the current MFF; notes that by the end of 2017, 24 Member States were making use of FIs and the total programme contributions committed to FIs were nearly EUR 18,8 billion (EUR 13,3 billion at the end of 2016), of which EUR 14,2 billion was from the ESIF; notes as well that a total of EUR 5,5 billion (around 29 %) of these amounts committed had been paid to FIs (EUR 3,6 billion at the end of 2016), including EUR 4,4 billion from the ESIF; is concerned, however, that three years after the start of this MFF EUR 1,9 billion (only 10,1 %) had been paid to final recipients (EUR 1,2 billion at the end of 2016), of which EUR 1,5 billion (10,5 %) was from the ESIF;
59. Agrees with the Court on the need for more detailed reporting on financial instruments and calls on the Commission to significantly improve reporting on the results of those instruments for 2007-2013 and 2014-2020;
60. Calls on the Commission to present accurate and complete information on financial instruments under shared management after closure of the 2007-2013 MFF period, indicating amounts returned to the Union budget and those remaining in the Member States;
61. Deeply regrets that, in the context of financial instruments, the auditors were not able to verify the selection and implementation of investments at financial intermediary level, where a number of irregularities occurred, accounting for 1 % of the estimated level of error for the area of 'Economic, social and territorial cohesion';
62. Stresses that unlike what was done in 2016, the estimated level of error for cohesion includes a quantification of 2017 disbursements to financial instruments; recalls that since the eligibility of expenditures for structural funds for the period 2007-2013 was postponed to the end of March 2017, the disbursements to financial instruments for the first three months of 2017 are to be included into the calculation of the error-rate; nevertheless regrets that the Court has not mentioned the clear error rate for those disbursements anywhere in its annual report, except in a box; calls on the Court to take on board all the irregularities having a financial impact when determining the most likely error-rate, and to clearly mention the percentage of funds affected; calls on the Commission to table the necessary legislative proposal to put an end to future unilateral decisions on the extension of the eligibility of expenditures for structural funds via implementing acts;

63. Calls on the Commission to provide accurate and complete information on the closure of the financial instruments for the 2007-2013 MFF, including the final amounts returned to the Union budget and amounts belonging to Member States;
64. Calls on the Commission to take into account, in the case of large-scale infrastructure projects, all relevant risks of environmental impact and to finance only those which have demonstrated real added value for the local population and from an environmental, social and economic point of view; stresses the importance of strictly monitoring possible risks of corruption and fraud in this context and the need to carry out careful and independent *ex ante* and *ex post* assessments with regard to the projects to be financed;
65. Notes that according to the Commission, few evaluations were carried out by Member States relating to the European Social Fund beyond the Youth Employment Initiative (YEI); calls on Member States to systematically evaluate the European Social Fund in order to enable evidence based policymaking, and on the Commission to promote this;
66. Recalls that in its Special Report No 5/2017 'Youth unemployment', the Court found that, while some progress had been made in implementing the Youth Guarantee (YG), and while some results had been achieved, the situation fell short of the initial expectations raised at the launch of the YG; stresses however that the YEI and the YG still represent one of the most innovative and ambitious policy responses to youth unemployment in the wake of the economic crisis, and should therefore have the continued financial and political support of Union, national and regional institutions in their delivery;
67. Stresses that establishing whether the YEI budget is well spent, and whether the ultimate YEI goal of helping young unemployed people into sustainable employment is attained, can only be achieved if operations are closely and transparently monitored on the basis of reliable and comparable data, and if Member States that have made no progress are addressed in a more ambitious manner; insists therefore that the Member States improve monitoring, reporting and the quality of data as a matter of urgency and guarantee that reliable and comparable data and figures on current YEI implementation are gathered and made available in a timely manner and more frequently than is required under their annual reporting obligation, as defined in Article 19(2) of the ESF Regulation; calls on the Commission to revise its guidelines on data collection in line with the recommendation of the Court in order to minimise the risk of overstatement of results;
68. Insists that any internship or apprenticeship programme must provide paid placements, never lead to job substitution and be based on a written internship or apprenticeship agreement in accordance with the applicable regulatory framework or applicable collective agreements, or both, of the country where it takes place, and that it should follow the principles outlined in the Council Recommendation of 10 March 2014 on a Quality Framework for Traineeships <sup>(4)</sup>.

### Natural resources

#### *Some success stories*

69. Welcomes the positive evolution of the error rate in the area of 'Natural resources' in 2017, being 2,4 % (in comparison with 2,5 % in 2016, 2,9 % in 2015 and 3,6 % in 2014), as well as that for three-quarters of the agriculture budget corresponding to 'European Agricultural Guarantee Funds (EAGF) — direct payments' the Court estimated the level of error to be below the materiality threshold of 2 %;
70. Welcomes the fact that the overall level of error established by the Court tallies very closely with the overall error rate for the CAP given in DG AGRI's 2017 annual activity report, demonstrating the effectiveness of the remedial action plans that Member States have implemented in previous years;
71. Stresses that the positive achievements in the area of EAGF direct payments were mainly due to the quality of the Integrated Administration and Control System (IACS) and the Land Parcel Identification System (LPIs), and to the progressive introduction of the Geo-Spatial Aid Application and new preliminary cross-checks on farmer's applications, which led to reduced time for completion of aid claims by beneficiaries and is expected to prevent some error and save time in processing of claims;

<sup>(4)</sup> OJ C 88, 27.3.2014, p. 1.

72. Notes that direct payments from the European Agricultural Guarantee Fund account for around three-quarters of expenditure and are free from material error; points out that direct payments to farmers are entitlement-based and have benefited from simplified land eligibility rules and an effective *ex ante* control system (IACS) that allows automated cross-checks between databases; is concerned that a persistently high level of error remains in the other spending areas on rural development, the environment, climate action and fisheries; notes, furthermore, that rural development projects are inherently more complex due to the wider goals pursued, and expenditure in the three other areas is co-financed or disbursed through reimbursement of costs and ineligible beneficiaries, activities, projects or expenditure contribute around two-thirds of the estimated level of error for that MFF heading;
73. Welcomes the findings in which the Court, having examined a total of 29 rural development investment projects, established that 26 were in line with the priorities and focus areas set out in the rural development programmes and that Member States had applied appropriate selection procedures; also welcomes the fact that, in most cases, the beneficiaries of the projects examined carried them out as planned and the Member States made checks to ascertain whether the costs were reasonable; believes therefore that the rural development approach must remain a fully supported, significant and core element in the CAP Strategic Plans, moving forward;
74. Welcomes the fact that in its 2017 Annual Activity Report (AAR), the Director-General of DG AGRI referred to a slight increase in farmer income, recalling that there had been a slight decrease the last 4 years;
75. Points out that the corrective capacity of financial corrections and recoveries increased to 2,10 %, compared with 2,04 % in 2016, thus further lowering the amount at risk for the CAP in 2017;

*Critical issues requiring improvement*

76. Notes the fact that direct payments per hectare decreased with increasing farm size, while the income per worker increased, and that according to the Commission very small farms, of less than 5 ha, represent over half of the beneficiaries; notes with concern that according to the DG AGRI AAR, 'Big farms managing over 250 ha represent 1,1 % of farms, manage 27,8 % of the total farmland and receive 22,1 % of total direct aid. Among these "big farms", the majority has between 250 and 500 ha.' 1; urges the Commission to change this unjustifiable and unequal treatment;
77. Notes a fast increase in inequalities in direct payments in some Member States, mainly Slovakia and the Czech Republic, where 7 % of the beneficiaries receive currently over 70 % of all direct payments, as well as Estonia, Latvia, Hungary, Romania, Bulgaria and Denmark where over the last 10 years a growing share of beneficiaries have received more than EUR 100 000; calls on the Commission and the national authorities to take appropriate measures to remedy those increasing inequalities and to report on those measures;
78. Notes with great concern that the Court found a persistently high level of error in areas corresponding to one quarter of the budget for 'Natural Resources', which includes the expenditure for market measures under the EAGF, rural development, environment, climate action and fisheries; notes in addition that the main sources of error were non-compliance with eligibility conditions, the provision of inaccurate information on areas and non-compliance with agro-environmental commitments; stresses that such errors should be better detected by the managing authorities of individual Member States or in cases when the *ex post* audits point to these errors the samples for future audits and on-site checks should be updated to provide for a better controls;
79. Calls on the Commission to continue its work to assess the effectiveness of the Member States' actions to address the underlying causes of these errors and to issue further guidance or direct help where necessary;
80. Calls on the Commission to arrange for a genuine simplification of the procedure, including in the documentation required in order to gain access to funding, without neglecting the principles of audit and monitoring; calls for special attention to be paid to administrative support for small-scale producers;

81. Notes with great concern that the results of the cross compliance on the spot checks made by DG AGRI are worrying, and in particular that 47 % of the total number of on the spot checks has led to sanctions; urges the Commission to check the implementation of the remedial action taken by Member State authorities where it found it could place no or limited reliance on the certification body's work;
82. Recommends that:
  - (a) the Court of Auditors (the 'Court') issue separately error rates regarding respectively the direct payments, the market operations and the rural development spending of the CAP as the Director-General of DG AGRI does in its annual activity report;
  - (b) the Commission assess the effectiveness of the Member States' actions to address the underlying causes of errors and issues further guidance where necessary;
  - (c) the Member States fully exploit the possibilities offered by the system of simplified cost options in rural development;
  - (d) the Commission take on board in its proposals for the future CAP that larger farm incomes do not necessarily need the same degree of support for stabilising farm incomes as smaller farms in times of income volatility crisis since they may benefit of potential economies of scale which are likely to make them more resilient;
  - (e) DG AGRI define a new key performance objective, accompanied with indicators, aiming at mitigating the income inequalities between the farmers;
  - (f) the Commission carry out a closer examination of the quality of the certification bodies' transaction testing;
  - (g) the CAP funding remain at current levels at least and to do the job it was designed to do, support the producers so they have a sustainable living, while ensuring an affordable top-quality food-supply for Union citizens;
  - (h) the Commission take steps to ensure that CAP funds should be distributed in a weighted manner, such that the payments per hectare are on a reducing scale relative to the size of the holding or farm;
83. Takes the view that the Commission should require Member State action plans to include remedial action to deal with the most frequent causes of error;
84. Given that the environmental objectives of 'greening' have not met any of the expectations raised and that they produced a considerable increase in the administrative burden for both farmers and public administrations, asks the Commission to ensure that the green architecture of the new CAP proposal with the so-called eco-scheme achieve better environmental results based on the reward of the efforts that overcome the reinforced conditionality of the new proposal;
85. Recalls in particular, that the Director-General of DG AGRI refers to an analysis made by an external contractor, which found that: 'overall, the greening measures have led to only small changes in farmers' management practices, except in a few specific areas. For both Member States and farmers, instead of environmental priorities, the main concern tended to consist in minimising the administrative burden of implementation, and avoiding any errors as controls and enforcement may lead to the reduction of CAP payments';
86. Calls on the Commission to provide structural data for the 20 biggest receivers of direct payments in Member States;
87. Is concerned that the highly critical Special Reports of the Court Nos 10/2017 and 21/2017 on Young Farmers and Greening, showing that almost no desired result was achieved, did not have financial consequences; is concerned that the financing of those policy areas just goes on as if nothing had happened;
88. Stresses that four years after its adoption on 15 May 2014, the implementation rate for the 2014-2020 EMFF remains unsatisfactory, as by October 2018 only 6,8 % of the EUR 5,7 billion made available under the shared management system had been used;

## Security and citizenship

### *Some success stories*

89. Notes that the 2014-2020 allocated resources for AMIF (Asylum, Migration and Integration Fund) increased from EUR 2 752 million to EUR 5 391,5 million by the end of 2017 and that between 2014 and 2017, the number of target group persons provided with assistance (in reception and asylum systems) increased from 148 045 to 297 083, and that of these, the share of persons having benefited from legal assistance has risen from 18 395 (12,4 %) to 56 933 (19,1 %);
90. Stresses that the main Union level benefit is considered to come from the transnational dimension of actions such as European Migration Network, but also from burden-sharing, supported in particular by emergency assistance and the relocation mechanism;
91. Notes that the number of returnees co-financed by the AMIF was 48 250 in 2017 compared to 5 904 in 2014, and that of those returned, the share of non-voluntary returns has increased from one quarter (25 %) in 2014 to half (50 %) in 2017, while the reported number of persons who returned voluntarily was 17 736 in 2017; notes also that there is no Key Performance Indicator (KPI) to measure what's being done to protect those migrants — regular and irregular — who most need protection, the women and children;

### *Critical issues requiring improvements*

92. Points out that the Court regretted that the accounts of AMIF and ISF (Internal Security Fund) national programmes cleared by the Commission in 2017 did not distinguish between pre-financing payments (advances) by Member States to final beneficiaries, and payments made to reimburse expenditure actually incurred, which does not allow the Commission to obtain information on how much was actually spent;
93. Asks in this regard the Commission to require from Member States, in the annual accounts of their AMIF and ISF national programmes, to break down the nature of the amounts they report into recoveries, pre-financing and expenditure actually incurred and to report in its AAR from 2018 onwards the actual spending per fund;
94. Points out that for the Asylum, Migration and Integration Fund and for the Internal Security Fund DG HOME only reports an error rate from which financial corrections have already been deducted, which makes unclear what corrections have been made and what the 2017 actual payments error rate is;
95. Takes note of the Court's observation that overcomplicated bureaucracy could be one of the reasons for the increased backlog of commitment appropriations and recommends to the Commission to simplify the regulatory requirements introduced for the national authorities involved in the management of the AMIF and ISF in order to facilitate the faster use of the available funds and to improve the transparency and better accountability of AMIF and ISF expenditure;
96. Points out that the Court found inconsistencies in the way Member States treated the eligibility of value-added tax declared by public bodies and calls on the Commission to provide guidance to Member States in with regard to the AMIF/ISF implementation specifying that, when public bodies implement Union actions, the Union co-financing may not exceed the total eligible expenditure excluding VAT;
97. Recommends that:
  - (a) the Commission define and put in place a balanced and comprehensive migration policy based on the principles of solidarity and partnership instead of considering the migration policy as a crisis management issue;
  - (b) DG HOME introduce a Key Performance Indicator relating to situation of the most vulnerable migrants and in particular child migrants and refugee women and girls in order to prevent and avoid abuse and trafficking;
  - (c) DG HOME systematically provide error rates at payment and residual error rate;
  - (d) the Commission require Member States, in the annual accounts of their AMIF and ISF national programmes, to break down the nature of the amounts they report into recoveries, pre-financing and expenditure actually incurred; and report in its AAR from 2018 onwards the actual spending per fund;

98. Is seriously concerned about the weaknesses in EASO's management and audits; considers it unacceptable that the Commission did not monitor them effectively and did not intervene quickly to resolve the situation; calls on the Commission to constantly monitor the agencies operating under Heading 3;
99. Is concerned that there is a risk that Union money foreseen for development is used for other purposes such as to fight irregular migration or military action;

#### DIRECT MANAGEMENT

100. Points out that for 2017, the Court found the highest estimated level of error in spending under 'Competitiveness for growth and jobs', at 4,2 %; notes that these are expenditures managed directly by the Commission, and for which the Commission is solely and directly accountable; expects the Commission to adopt an urgent Action Plan to improve the situation and to implement all measures at its disposal to lower the level of error in spending;
101. Regrets that of the 130 transactions examined by the Court, 66 (51 %) contained errors and that in 17 cases of quantifiable error made by beneficiaries, the Commission or the independent auditor had sufficient information presented in the reimbursement claim (e.g. incorrect exchange rate or cost incurred outside the reporting period) to prevent, or to detect and correct, the error before accepting the expenditure; emphasises that, had the Commission made proper use of all information at its disposal, the estimated level of error for this chapter would have been 1,5 percentage points lower;
102. Urges the Commission to undertake all necessary measures to improve the use of the available information at its disposal for preventing and correcting errors before exercising payments in order to return to the positive trend of reduction of the error rate seen in previous years (from 5,6 % in 2014, to 4,4 % in 2015 and from 4,1 % in 2016);
103. Notes that the Court did not provide a separate error rate for security and citizenship, as just a small part (2 %) of the 2017 budgetary payments relate to this area, but that DG HOME presented the following error rates in its AAR, which, however, were not checked by the Court:
  - (a) Solidarity and Management of migration Flows (SOLID): Detected Error Rate (DER) of 2,26 % and Residual error rate (RER) of 0,75 %;
  - (b) Asylum Migration and integration Fund (AMIF) Internal Security Fund (ISF): DER of 0 % and RER of 1,54 %;
  - (c) Indirect management decentralised agencies: RER of less than 2 %;
104. Notes that for 2017, the Court has not calculated an error rate for the Union funds spent under heading 4 of the MFF 'Global Europe' and that this decision was taken following the general strategy of the Court to reduce its substantive testing and partially rely on the so-called 'work of others';
105. Takes note of the positive evolution of the residual error rate as established by the residual error rate (RER) studies ordered by DG DEVCO and DG NEAR and notes that the most likely estimate of the representative RER for the transactions of DG DEVCO was 1,18 % compared with 1,67 % in 2016, and 2,2 % in 2015 whilst for the DG NEAR transactions the residual error rate was 0,67;
106. Notes, however, that the Residual Error Rate of DG DEVCO and DG NEAR does not refer to a sample of all payments for ongoing projects, but is calculated on transactions only from closed contracts for which all controls and checks have been applied, with the consequence that only pre-2017 payments have been analysed, but not the 2017 actual payments error-rate;
107. Notes the fact that the Court considered that the RER studies were broadly fit for purpose although the Court had strong concerns about the quality of those studies;
108. Notes with concern that despite good scores in terms of error rate, the only spending area with an indicative error rate above 2 % is 'Direct Management — Grants', with error rates of 2,80 % for DG NEAR and 2,12 % for DG DEVCO;
109. calls on the DG RTD to publish its country specific recommendations in the AAR of DG RTD;

110. Highlights the highly negative findings by the Court on Public-Private Partnerships <sup>(3)</sup> ('PPPs') and the Court's recommendation 'not to promote a more intensive and widespread use of PPPs' inside the Union; calls on the Commission to take this recommendation fully into account when dealing with PPPs in developing countries where the environment for successful implementation of PPPs is even more difficult than inside the Union;
111. Welcomes the results achieved under the three axes of the European Union Programme for Employment and Social Innovation (EaSI) in 2017; draws attention to the importance of EaSI support, and, in particular, of its Progress and European Employment Services network (EURES) axes, for the implementation of the European Pillar of Social Rights; notes with concern however that the thematic section Social Entrepreneurship within the EaSI Microfinance and Social Entrepreneurship axis continues to underperform; appreciates the fact that the Commission is working closely with the European Investment Fund (EIF) to ensure it commits to full utilisation of the resources under the Social Entrepreneurship thematic section;

## Research and innovation

### *Success stories*

112. Notes with satisfaction that with Union co-financing under Horizon 2020 Gérard Mourou won with other researchers the Nobel Prize in physics for their research in ultra-brief, ultra-sharp laser beams facilitating refractive eye surgery, as well as that the International Rare Diseases Research Consortium (IRDIRC) achieved its objective of delivering 200 new therapies for rare diseases three years earlier than foreseen;
113. Notes in addition that through the Marie Skłodowska-Curie Actions, Horizon 2020 has funded 36 000 researchers at all stages of their career, regardless of their age and nationality and that two of the three researchers who were awarded the 2017 Nobel Prize in Chemistry for optimising electron microscopes have participated in Marie Skłodowska-Curie Actions and other Union-funded research projects;
114. Welcomes the launch of the first phase of the European Innovation Council pilot in October 2017 as part of the Horizon 2020 Work Programme 2018-2020, endowed with funding of EUR 2,7 billion, which aims at supporting top-class innovators, start-ups, small companies and researchers with bright ideas that are radically different from existing products, services or business models, are highly risky and have the potential to scale up internationally;
115. Notes that the Commission is looking into the possibility to extending the use of the Simplified Cost Option (SCO) even further, in particular using lump-sum funding;

### *Critical issues requiring improvement*

116. Notes that, according to the European Innovation Scoreboard (EIS) the innovation performance of the Union has increased by 5,8 % since 2010; notes, however, that there has been no convergence between Union countries; notes that the following countries benefit most from the funds under Horizon 2020 (Participant Net Requested Union Contribution in Euro): Germany 5 710 188 927,80/United Kingdom 5 152 013 650,95/France 3 787 670 675,13; calls on the Commission to pay greater attention to the geographic distribution of research funds with the view to contributing to the creation of a level playing field for growth and jobs in the European research area;
117. Notes that the Commission admits that there are some weaknesses in the performance framework for Horizon 2020 which make it difficult to assess the progress of the programme towards all of its objectives at a given moment; expects that the proposals for the next MFF Horizon Europe programme will address these weaknesses and regrets that no measures are considered for improvement of the performance framework in the current period;
118. Notes that the Annual Activity Report (AAR) of the Directorate-General (DG) RTD mentions 6 different error rates, three for the Seventh Framework Programme and three for Horizon 2020; stresses that such an approach does not facilitate transparency and accountability and should be improved immediately; accepts however that two different programmes under two different financial periods are concerned;

<sup>(3)</sup> Special report No 9/2018: Public Private Partnership in the EU. Widespread shortcomings and limited benefits

## Security and citizenship

### *Some success stories*

119. Points out that DG Home managed a budget of EUR 1 831 million for migration and EUR 313,75 million for security and that the initial overall budget of EUR 6,9 billion for the Multiannual Financing Framework 2014-2020 was substantially reinforced from 2015 to 2017, by EUR 3,9 billion;
120. Notes that the budget managed by DG HOME and its number of staff have been increased in order to cope with the increased activities in the context of the migration crisis and threats to the internal security; in terms of human resources, at the end of 2017, DG HOME had 556 staff members, compared to 480 in 2016;

### *Critical issues requiring improvement*

121. Notes with concern that the implementation pace of the resources managed by DG HOME triggered an increase of 24 % of the total RAL at the end of 2017 and that the good implementation rate in 2017 reflects the fact that part of the commitment appropriations were carried over to 2018;
122. Is concerned by the significant weaknesses identified in the management and control systems of EASO that justified the adoption of a reservation on reputational grounds; stresses though that DG HOME has reacted by introducing a co-decision process by the executive board and put in place new management of EASO to bring the situation under control;
123. Repeats its demand that the budget lines under the Rights, Equality and Citizenship Programme (REC) 2014-2020 should specify the resources allocated to each of the objectives of the programme devoted to gender equality ensuring a proper accountability of the funds devoted to this aim;
124. Reiterates its call to have a separate budget line for the Daphne specific objective in order to show the commitment of the Union with the combat of violence against women and girls; calls for increased resources in this budget line and to reverse the decrease of funds dedicated to Daphne during the 2014-2020 period; calls on an steady effort to raise the awareness of the grants included in the Daphne specific objective along with measures to make its related administrative procedures more user-friendly;

## Global Europe

### *Some success stories*

125. Points out that the Court work on the regularity of the transactions revealed that the Commission strengthened its control systems, which has led to proportionally fewer errors than in past DAS exercises;
126. Notes that the Court has also checked the performance of 7 projects; welcomes the fact that all 7 projects had relevant performance indicators and that the framework was well structured and had achievable outputs;
127. Takes note of the Special Report of the Court on Union Assistance to Myanmar/Burma and the response of the Commission; welcomes in this respect that the Union played a leading role in supporting development priorities in a difficult context and with limited staff resources; notes however that Union assistance was found to be only partially effective; supports the Court in stressing the need to pay increased attention to domestic revenue mobilisation, in particular in emerging economies; in view of the documented atrocities committed by the army of Myanmar expresses great concern about continued sectoral budget support provided from the Union budget to Myanmar;
128. Calls for 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 progress in its internal reforms in relation to the building and consolidation of democratic institutions, the respect for human rights and the rule of law, the more support it should receive from the Union;
129. Underlines the importance of increasing the attribution of funds aiming at supporting good governance, democracy and the rule of law in developing countries in order to promote accountable and transparent institutions, support capacity building and foster a participatory decision-making and public access to information;

130. Draws attention to the scale and implication of energy poverty in developing countries and to the Union's strong involvement in efforts to reduce such poverty; underlines the need for strong and concerted efforts by governments and stakeholders in affected countries to reduce energy poverty;

*Critical issues requiring improvement*

131. Notes with concern that the Court has detected recurrent errors of over-clearance of expenditure in interim payments;
132. Regrets once again that the external assistance management reports (EAMR) issued by the heads of Union delegations are not annexed to the annual activity reports of DG DEVCO and NEAR as is foreseen by Article 67(3) of the Financial Regulation; regrets that they are systematically considered as confidential whilst in accordance with Article 67(3) of the Financial Regulation, 'they shall be made available to the European Parliament and the Council having due regard, where appropriate to their confidentiality';
133. Notes with concern the large number of contracts awarded to a very limited number of national development agencies, with the attendant risk of re-nationalisation of Union policy contrary to the interests of greater integration of Union external policy; urges the Commission, in addition to granting the discharge authority access to the pillar assessment, to do so in such a way as to make it publicly accessible; in this regard, notes with concern the commercial focus of these national bodies invoked by the European Commission to restrict access to such information; calls on the Commission, as soon as possible, to strengthen and consolidate the monitoring of the tendering and contracting procedures to avoid any distortion of competition between this limited number of strongly subsidised national agencies and other public and private entities with a clear European vocation;
134. Notes with concern that the Court found that the RER studies have certain limitations, as they are studies and not audits and so do not follow International Audit Standards and include very limited checks on public procurement;
135. For the 2019 RER study onwards, calls on DG NEAR and DG DEVCO to provide the RER contractor with more precise guidelines on checking second-level procurement and to stratify the RER population based on the inherent risk of the projects, with more weight being placed on direct management grants and less on budget support transactions;
136. Asks the Commission to take the necessary measures to address the deficiencies detected by its own Internal Audit Service and to transform the EAMR into a reliable and fully public document that properly substantiates the declarations of assurance of the heads of delegation and of the Director-General of DG DEVCO;
137. Believes that when providing external aid, more attention should be put by the Commission on respect for human rights as per the UN Charter, and the Rule of Law, in the receiving countries;
138. Is concerned about lack of visibility of Union funding pooled for projects; urges the Commission to improve visibility and to strengthen enhanced complementarity of actions of different instruments;
139. Is very worried by an ongoing trend in Commission proposals to ignore legally binding provisions of Regulation (EU) No 233/2014 of the European Parliament and of the Council<sup>(6)</sup> when it comes to Official Development Assistance ('ODA') eligible expenditure and eligible countries for Development Cooperation Instrument ('DCI') spending; recalls that legality of Union spending is a key principle of sound financial management and that political considerations should not take precedence over clearly spelled out legal provisions; recalls that DCI is first and foremost an instrument designed to fight poverty;
140. Regrets that in every annual activity report since 2012, the Commission's Directorate-General for International Cooperation and Development had to issue a reservation on the regularity of underlying transactions which points to serious internal management, deficiencies;

<sup>(6)</sup> 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).

**Environment, public health and food safety**

141. Notes that in 2017 the LIFE Programme celebrated its 25th anniversary; highlights that the programme provided EUR 222 million to co-finance 139 new projects; stresses that further efforts need to be made to lower payments delays under the LIFE Programme, as 5,8 % of payments exceeded legal deadlines in 2017 (3,9 % in 2016, 12 % in 2015);
142. Points out that the mid-term evaluation of the LIFE Programme, covering the years 2014-2015, was released in 2017; notes that, as most projects had yet to start and few projects had ended, that evaluation focused mainly on the processes put in place to reach the LIFE Programme's objectives, and concluded that the LIFE Programme provides Union added value, while pointing to possible improvements; stresses that grant management procedures, particularly application and reporting procedures, should not only be simplified but also significantly accelerated;
143. Notes that the terms of the externalisation decision for cooperation with the Executive Agency for Small and Medium-sized Enterprises (EASME) regarding staff imply that the staffing situation is very tight in DG ENV as regards the activities related to the LIFE programme, which may require further review of the working methods and arrangements within the DG;
144. Highlights that those of DG ENV's and DG CLIMA's internal control systems that were audited are only partially effective, as some very important recommendations still need to be addressed in line with the agreed action plans;
145. Stresses that DG CLIMA and DG BUDG monitor the 20 % climate mainstreaming target in the Multiannual Financial Framework, and that DG CLIMA supports other DGs in integrating climate in their activities; regrets that in 2017, only 19,3 % of the Union budget was spent on climate-related activities, and that it is estimated that the average for the period 2014-2020 will only be 18,8 %;
146. Is concerned with the fact that the reservation on reputational grounds concerning the remaining significant security weakness identified in the Union registry of the Emissions trading system (EU ETS) is repeated in DG CLIMA's Annual Activity Report for 2017;
147. Regrets that DG SANTE's average residual error rate reached 2,5 % for the overall activity in the area of food and feed safety in 2017, exceeding the materiality threshold of 2 %; notes that this is due to overstatements in costs claims of Member States, in the context of structural changes made to management and controls of the claims in one Member State; asks DG SANTE to take all the necessary measures to ensure that this does not happen again in the future by increasing for instance the use of simplification measures offered by the Financial Regulation;
148. Highlights that in 2017 DG SANTE released the mid-term evaluation of the Common Financial Framework for the food chain 2014-2020, which concluded that the current framework functions well and contributed to achieving Union added value; notes that the Commission, as recommended by the Court, is working to develop a cost-effectiveness analysis methodology for the food chain area, in order to make future economic evaluations of the Union-funded interventions more robust;

**Transport and tourism**

149. Notes that in 2017 the Commission selected 152 projects for a total of CEF Transport funding of EUR 2,7 billion, with the total investment of EUR 4,7 billion, including other public and private financing; reiterates the importance of the CEF funding instrument for the completion of the TEN-T network, for achieving a Single European Transport Area, for developing the cross-border links and filling the missing links;
150. Invites the European TEN-T Coordinators to conduct a thorough assessment of the projects completed and the improvements achieved along the TEN-T corridors under the current programming period, and to present it to the Commission and the Parliament;
151. Calls upon the Commission to clearly present for the sector of transport an assessment of the impact of EFSI on other financial instruments, in particular with regard to the CEF as well as on the coherence of the CEF Debt Instrument with other Union initiatives in good time before the proposal for the next MFF; requests that this assessment present a clear analysis on the geographical balance of investments in the transport sector; recalls, however, that the amount of money spent under a financial instrument should not be considered to be the only pertinent criteria to be used when assessing its performance; invites, therefore, the Commission to deepen its assessment of the achievements completed under Union funded transport projects and measure their added-value;

152. Welcomes the results of the 2017 blending call for CEF funding and the decision to increase its budget to EUR 1,35 billion, which confirms the relevance and added value of using Union grants for blending with financing from the European Investment Bank or National Promotional Banks or other development and public financial institutions as well as from private-sector finance institutions and private-sector investors, including through public private partnerships; takes the view that CEF should therefore continue to support actions enabling combination between Union grants and other sources of financing, while maintaining grants as the main funding instrument;
153. Notes that the Commission's Internal Audit Service, as part of its audit on the Commission's supervision of the implementation of CEF financial instruments, found that there was a very low rate of implementation of financial instruments under CEF and the majority of the budget originally allocated to CEF financial instruments (EUR 2,43 billion) was re-allocated to CEF grants budget lines, leaving only EUR 296 million available for CEF financial instruments until 2020; also notes that one of the reasons given was that the eligibility criteria of the CEF financial instruments and of the European Fund for Strategic Investments (EFSI) largely overlap and potential CEF eligible projects have in fact been financed by EFSI, as it has greater political priority and a larger remit; calls on the Commission, as regards the CEF, to improve the level of awareness among beneficiaries of the eligibility rules, in particular by drawing a clear distinction between an implementation contract and subcontract — which was the main source of confusion among beneficiaries; calls on the Commission to ensure that financial instruments complement rather than substitute each other;
154. Notes that 2017 was the first year of the audit campaign for the CEF programme and that it will require 2-3 further years of CEF auditing to deduce a meaningful error rate calculation for all CEF sectors; nevertheless welcomes the fact that detected errors for CEF and TEN-T audits closed in 2017 were very low;
155. Is concerned that Commission's Internal Audit Service found significant weaknesses in DG MOVE's current system of monitoring both aviation and maritime security policy and made three very important recommendations; calls on DG MOVE to fully implement the action plan that it prepared for addressing the identified risks;

### **Culture and education**

156. Welcomes the achievements of 30 years of the Erasmus, programme, engaging 9 million people, including young people, students and, recently, members of staff in mobility activity since 1987; stresses the strong European added value of the programme and its role in delivering as a strategic investment in Europe's young people;
157. Notes that the Erasmus programme needs to do more to be accessible to marginalised groups, in particular, persons with disabilities and special education requirements, persons who are geographically disadvantaged, early school leavers, persons belonging to a minority, those at a socioeconomic disadvantage, etc.;
158. Is alarmed by the low take-up of the Erasmus+ Student Loan Guarantee Facility as well as its insufficient geographical coverage, limited to banks in three countries and universities in another two; urges the Commission and European Investment Fund to put in place an implementation strategy to maximise the Facility's effectiveness till 2020; or alternatively, to facilitate the redistribution of the unused funds in the programme itself and allow for a better funding coverage of actions within the different strands;
159. Is worried by the still low project success rates under the Europe for Citizens programme and the Creative Europe Culture sub-programme (21 % and 22 % respectively in 2017); stresses that a more adequate level of financing is decisive to tackle these unsatisfactory results which are counterproductive to the objectives of the programme itself in discouraging citizens from participating;
160. Highlights the role of the Education Audiovisual and Culture Executive Agency (EACEA) in implementing the three culture and education programmes: expresses however its concern at the weakness of the EACEA internal control identified by an audit on the Erasmus+ and Creative Europe grant management; notes that the Commission's Internal Audit Service itself has found weaknesses in EACEA's Erasmus+ grant management process; takes the view, therefore, that the Commission and EACEA should have no difficulty in putting in place the necessary corrective actions in order to ensure full transparency, and guarantee the highest quality of their implementation of the culture and education programmes;

## INDIRECT MANAGEMENT AND FINANCIAL INSTRUMENTS

161. Notes that in 2017, the Commission has signed contracts with UN agencies with a value of nearly EUR 253,5 million of contributions from the Union budget, with United Nations Development Programme (EUR 119,21 million), Unicef (EUR 29,34 million) and United Nations Office for Projects Services (EUR 20,05 million) being the biggest beneficiaries, and contracts with the World Bank worth EUR 174,11 million;
162. Given the shift in aid modalities from direct grants to trust funds and blended finance, including through the European Fund for Sustainable Development, invites the Council, Commission and European Investment Bank to adopt an inter-institutional agreement with the European Parliament on transparency, accountability and parliamentary scrutiny on the basis of the policy principles set out in the New European Consensus on Development;
163. Welcomes the Court's recommendations for improving the transparency of Union funds implemented by NGOs published in the Special Report No 35/2018, where it, amongst other things, recommends that the Commission improve the reliability of the information on NGOs in its accounting system, and that the Commission improve the information collected on funds implemented by NGOs; calls therefore on the Commission to implement these proposals before the end of the current mandate;
164. Fully recognises the complex nature of many challenges and the need for multifaceted and complementary response actions, but insists on the need for clarity in funding arrangements and respect for international commitments;
165. Notes that the number of financial instruments has increased considerably which allows for new blending opportunities in the transport sector, while at the same time creating a complex web of arrangements around the Union budget; is concerned that these instruments alongside the Union budget could risk undermining the level of accountability and transparency, as reporting, audit and public scrutiny are not aligned; calls upon the Commission to find how the Union budgetary system could be reformed, in particular as how best to ensure that overall funding arrangements are not more complex than necessary to meet Union policy objectives and guarantee accountability, transparency and auditability;

## EFSI

166. Points out that the budgetary authority increased the EFSI guarantee from EUR 16 billion to EUR 26 billion and the target investment volume from EUR 315 billion to 500 billion and that by the end of 2017, the EIB Group had signed EUR 36,7 billion worth of contracts (2016: EUR 21,3 billion);
167. Notes that, according to the Court, 64 % of the total value of EFSI contracts that the EIB Group had signed by the end of 2017 was concentrated in six Member States: France, Italy, Spain, Germany, UK, Poland;
168. Regrets the fact that only 20 % of EFSI financing has supported projects that contribute to climate change mitigation and adaptation, whereas the EIB's standard portfolio has attained the 25 % threshold; calls on the Commission to propose sustainable finance or funding options and an environment conducive to investment reflecting the Union's commitments and general goals, with a view to fostering innovation and economic, social and territorial cohesion within the Union, as well as to reinforcing the social dimension of investment by bridging the investment gap in the social sector and with regard to infrastructure safety;
169. Calls on the Commission to ensure that EFSI's management bodies take into account the need for a proper geographical balance when signing contracts and to report back to the Parliament on the progress achieved;

**Research area**

170. Notes that in terms of payments, in 2017 the Commission invested EUR 11,2 billion in the area of research and innovation (R&I), 58 % being managed directly and 42 % allocated via entrusted bodies, and that of the latter, 18,2 % (EUR 583 million) were executed via Joint Undertakings and 16,8 % (EUR 540 million) were distributed via the European Investment Bank (EIB) and the European Investment Fund (EIF);
171. Calls on the Commission to report to Parliament's Committee on Budgetary Control during the second half of 2019 on the implementation and results of the financial instruments in the area of research;

**Trust funds**

172. Points out that aid to non-Union countries used increasingly alternative financing models — such as trust funds and the Facility for Refugees in Turkey — which increases the complexity of existing financial structures; however acknowledges that these instruments have made it possible to react swiftly to challenging circumstances and provide flexibility;
173. Points out that pooling resources from the European Development Fund (EDF), the Union Budget and other donors in trust funds should not have as consequence that money flagged for development and cooperation policy do not reach their normal beneficiaries or pursue their original objectives, such as the eradication of poverty and the promotion of fundamental rights;
174. Points out that the increased use of trust funds also stems from a lack of flexibility currently possible within the Union budget;
175. Highlights that the increasing use of other financial mechanisms to deliver Union policies alongside the Union Budget risks undermining the level of accountability and transparency as reporting, audit and public scrutiny arrangements are not aligned; calls, therefore on the Commission to consider putting an end to trust funds, especially where their ‘emergency’ nature is not well justified, where they are unable to attract significant contributions from other donors, and where fundamental rights violations risk to happen or third country authorities are involved that do not respect fundamental rights;

**Facility for Turkey**

176. Notes that in its Special Report No 27/2018 on the Facility for Refugees in Turkey, the Court found that, in a challenging context, the Facility for Refugees in Turkey rapidly mobilised EUR 3 billion to provide a swift response to the refugee crisis, but did not fully achieve its objective of coordinating this response effectively, or achieving sufficient value for money; asks the Commission to implement all recommendations made by the Court on the Facility for Refugees in Turkey, notably improving monitoring and reporting on cash-assistance projects and improving the operating environment for (International) Non-Governmental Organisations with the Turkish authorities, to ensure that funds are accurately targeting refugee projects and not used for any other purposes; calls on the Commission to report regularly to the Parliament on the compatibility of the actions financed with the underlying legal basis;
177. Notes in addition that according to the Court, the audited projects provided helpful support to refugees and that most of them achieved their outputs, but half of them had not yet achieved their expected outcomes;
178. Notes that the European Ombudsman has concluded that the Commission should do more to ensure that the EU-Turkey Statement respects EU fundamental rights, and therefore calls on the Commission to systematically include fundamental rights considerations in its decisions under this facility, including through fundamental rights impact assessments; calls on the Commission to report on this regularly to the European Parliament;
179. Regrets that an investigation by EIC European Investigative Collaborations has raised doubts about the use of funds from the instrument; calls on the Commission to thoroughly investigate the matter and to report to Parliament on the results;
180. Calls on DG DEVCO to revisit by 2020 the existing guidance to beneficiaries of projects implemented under indirect management, with the aim of ensuring that planned activities are executed in a timely manner and contribute to the practical use of the projects outputs, to obtain the best value for money;
181. Notes that the Court indicates that the level of error in spending on ‘Administration’ was not material; nevertheless notes with concern that the error rate increased when compared to the previous year (0,55 % in 2017 and 0,2 % in 2016);
182. Notes that while the Court did not find any significant weaknesses, it did find recurring areas where there was scope for improvement;

**International Management Group (IMG)**

183. Notes that the Court of Justice in its final and unappealable judgment of 31 January 2019 on the International Management Group (IMG) case <sup>(7)</sup> annuls two decisions of the Commission: (1) not to conclude any new delegation agreements for indirect management with IMG from 8 May 2015; and (2) to reallocate EUR 10 million from IMG to the German public operator GIZ for a contract on technical assistance to Myanmar's trade policy; notes, in addition, that according to the Court of Justice, it is necessary to decide on the amount of the financial compensation due to IMG because of the damage caused by the Commission's decision of 8 May 2015, and the Commission must dismiss all the cross-appeals presented by it;
184. Notes the conclusion of the Court of Justice that the legal arguments developed by the European Anti-Fraud Office (OLAF) on which the Commission based its decisions concerning IMG constitute a legal error both in terms of international law and the Union's Financial Regulation; regrets that, as the Court of Justice explains, in its investigation of IMG OLAF has exceeded its powers and has not taken into consideration the requirements of the guarantee code so often claimed by Parliament; supports in this regard any further measures ensuring that the ongoing revision of the OLAF Regulation establishes the necessary control of procedural guarantee and appeal possibilities to avoid such harmful actions which erode the credit and the trust of citizens in the Union;
185. Takes also note of the judgment of 13 February 2019 of the Permanent Court of Arbitration situated in the Hague <sup>(8)</sup> according to which the Commission is due to pay EUR 2 million, which it has refused to do based on the allegations against IMG and on the OLAF investigation, for expenditures invoiced by IMG on seven joint management contracts signed with the Commission;
186. Deeply regrets that since 2012 the Parliament's procedure for the Commission discharge has been unable to reveal the false allegations against IMG or to contribute to avoiding the serious damage to IMG both financially and reputationally, including the loss of more than 200 jobs;
187. Urges the Commission to implement the judicial decisions and to fully recognise IMG's status as an international organisation, which was incorrectly put into question and denied by it and by OLAF; calls on the Commission to undertake all necessary measures in order to repair and compensate the damages inflicted on IMG and to ensure that IMG can participate in a fair procedure as is provided for international organisations in the Financial Regulation; asks the Commission to report to the discharge authority as soon as possible on the measures taken;

**Administration***Nomination procedure for the designation of the secretary general of the Commission*

188. Is not satisfied by the Commission's reactions to the media's and general public's valid concerns on the procedure immediately after the appointment of the Secretary-General of the Commission took place, or by Commission's explanations presented at the European Parliament's plenary debate and in its written response to the European Parliament's resolution of 18 April 2018 on the integrity policy of the Commission, in particular the appointment of the Secretary-General of the European Commission <sup>(9)</sup>, which were evasive, defensive and legalistic, demonstrating a lack of sensitivity for the importance European citizens attach to transparent, fair and open recruitment procedures;
189. Recalls, in this context, the European Ombudsman's finding of four instances of maladministration in its Recommendation in joint cases 488/2018/KR and 514/2018/KR; notes that the Ombudsman's conclusions are 'largely similar to those of the European Parliament' and that it agrees with the European Parliament's assessment that the double appointment stretched and possibly even overstretched the limits of the law; stresses the Ombudsman's final recommendation to the Commission that the Commission should develop a specific procedure for its Secretary-General, separate and independent from other senior appointments; regrets, therefore, the Commission's defiant reply to the Ombudsman of 3 December 2018, which shows little discernment of the points raised by the Ombudsman following the Ombudsman's examination of 11 000 pages of documentation; calls on the next College of Commissioners and their president to review the appointment in light of the Ombudsman's findings and Parliament's resolution;

<sup>(7)</sup> Judgment of the Court of Justice of 31 January 2019, *International Management Group v European Commission*, Joined Cases C-183/17 P and C-184/17 P, ECLI:EU:C:2019:78.

<sup>(8)</sup> PCA Case No 2017-03.

<sup>(9)</sup> Texts adopted, P8\_TA(2018)0117.

190. Takes into account the fact that Commissioner Oettinger organised an interinstitutional round table on senior management selection and appointment on 25 September 2018, although the meeting seems to have been inconclusive; calls therefore on the Commission to put in practice paragraph 29 of its abovementioned resolution of 18 April 2018;
191. Calls on the Commission, as well as on all European institutions to review, where necessary, nomination procedures, in particular for senior officials and where relevant for cabinet members, and to take additional measures to improve transparency, fairness and equal opportunity during appointment procedures on the basis of the European Ombudsman's findings and the study of the European Parliament on the appointment procedures in the EU institutions; calls on the Commission to report back to the European Parliament by 31 August 2019 on the progress made;
192. Requests the immediate resignation of the Secretary-General and the opening of a fair, fully transparent and open competition for this post.

#### *European Schools*

193. Notes that the European Schools received EUR 189,9 million from the European budget in 2017;
194. Acknowledges that the Court's review did not reveal material errors in the final consolidated financial statements of the European Schools for 2017 and that the European Schools and the Central Office prepared their annual accounts within the legal deadline; notes however that the internal control system of the European Schools still needs further improvements to meet the recommendation made by the Court and the European Commission's Internal Audit Service (IAS);
195. Finds it exasperating that after more than 15 years there is still no sound financial management system in place for European schools;
196. Remains concerned by the significant weakness in the internal control systems of the Central Office and selected Schools, in particular in payment systems, control environment and recruitment process;
197. Notes that the Court has been unable to confirm that the Schools' financial management in 2017 was compliant with the Financial Regulation and its implementing rules: demands, therefore, further efforts in closing the remaining recommendations related to the management of extra-budgetary accounts, improvement of the accounting and internal control systems, as well as recruitment and payment procedures and the development of the guidelines to improve budgetary management;
198. Reiterates Parliament's view that a 'comprehensive review' of the European Schools system is urgently required to consider 'reform covering managerial, financial, organisational and pedagogical issues' and recalls its request that 'the Commission submit annually a report giving its assessment of the state of progress' to Parliament;
199. Finds it unacceptable that, according to the Commission, eight critical or very important recommendations issues by the Commission's Internal Audit Service over the period 2014-2017 are still pending; requests to obtain a progress report on these recommendations implementation by 30 June 2019;

#### *Follow-up of the Commission discharge for 2016*

200. Notes that in the Communication of the Commission on the follow-up of the 2016 discharge, the Commission made a selection of the 394 issues that are raised by the Parliament for the financial year 2016 and did not comment on 108 paragraphs; demands that the Commission reply in detail to all the issues raised by the European Parliament in its resolutions forming an integral part of its decisions on the discharge;
201. Welcomes the fact that the Commission has responded to Parliament's remarks on the External Assistance Management Reports (EAMR) and Key Performance Indicators contained in its resolution of 18 April 2018 on discharge for the financial year 2016 <sup>(10)</sup>, and has made changes in order to improve those; notes that the Commission has transmitted the 2017 EAMR to the Parliament without confidentiality constraints but regrets that the access to those reports *de facto* has become more cumbersome; looks forward to a facilitated access for Parliament to those reports in the future;

<sup>(10)</sup> OJ L 248, 3.10.2018, p. 29.

*Miscellaneous issues*

202. Is concerned by the Commission's delay in addressing the growing problem of the disparity in the correction coefficient applied to European civil servants posted to Luxembourg, given that by 2018 this disparity had more than tripled (16,8 %) as compared to the threshold of 5 % laid down in the Staff Regulations of Officials of the European Union, with the resulting erosion of the attractiveness of Luxembourg and unfair discrimination against more than 11 000 European Union officials, obliging more than one third of them to reside in neighbouring countries, thus worsening cross-border traffic; notes that other international institutions located in Luxembourg have already given a positive solution to this problem; urges the Commission to examine itself the existing problem of the current correction coefficient and to undertake the necessary measures;
203. Points out that impact assessments are an indispensable part of the policy cycle; regrets that on occasion, legislative proposals made by the Commission lack a comprehensive impact assessment; further regrets that in some cases, the Commission has failed to take fundamental rights into account; reiterates that impact assessments should be based on evidence, and at all times comply with fundamental rights that are enshrined in the Charter of Fundamental Rights;
204. Urges the Commission to terminate as soon as possible, as already done in 2018 with the convention with doctors and dentists, the convention with Luxembourg hospitals on over-charging for the treatment of officials and other servants of the European Union in Luxembourg, which costs more than EUR 2 million per year and is in breach of Directive 2011/24/EU of the European Parliament and of the Council <sup>(1)</sup> as regards the equal treatment of European patients, in line with the judgment of the Court of Justice of 3 October 2000 <sup>(2)</sup>;
205. Calls on the Commission to carry out the most rigorous and most up-to-date analysis of the impact of the design of open spaces, as those in the new JMO II building, with regard to the effect on productivity and provision of decent workplaces and working conditions for the staff concerned; asks the Commission to inform the Parliament of the outcome of this analysis;
206. Stresses the necessity to further implement active and effective measures to prevent and combat all forms of harassment and mobbing; emphasises the urgent need for stricter standards on mobbing and harassment at work, and the creation of an ethical culture to prevent any form of abuse inside the Commission and the institutions of the Union;

**2014-2017: How the European Parliament contributed to and continues to contribute to establishing sound financial management structures in the Commission and in the Member States***Performance-based budgeting and auditing*

207. Insists that the planning, implementation and reporting on the achieved results of the European Union budget should be policy-driven;
208. Insisted that the implementation of the European Union budget should focus on results and achieving broader positive outcomes and that the structure of the Union budget should be modified to provide for measuring progress and performance;
209. Encouraged, in this context, the Commission and the Court to pay greater attention to simplification, results and broader outcomes achieved, performance audits and the final impact of policies;
210. Stresses that any and all audits should be focused on the areas most likely to be subject to error, especially those with the greatest funding levels;
211. Cooperated closely with the Commission to develop the Article 318-Evaluation-Report into a comprehensive synthesis report, recording the progress in different policy areas, which later became the first part of the Annual Management and Performance Report;

<sup>(1)</sup> 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).

<sup>(2)</sup> Judgment of the Court of Justice of 3 October 2000, *Angelo Ferlini v Centre hospitalier de Luxembourg*, Case C-411/98, ECLI:EU:C:2000:530.

*Integrated internal control framework*

212. Supported the inclusion of Article 63 in the revised Financial Regulation, which introduces the 'single audit scheme' into the shared management, emphasising that well-functioning management and control systems at national and European level are a crucial element in the single audit chain; agrees that the single audit approach allows a better use of resources and should avoid duplication of audits at the level of beneficiaries; notes that the Commission's single audit strategy is to ascertain the reliability of audit results and error rates reported annually by audit authorities and to monitor their work through a robust and coordinated control and audit framework; encourages the Commission to continue monitoring and reviewing the work of audit authorities in order to ensure a common audit framework and reliable results;

*Research*

213. Advocated clearer rules and greater use of the simplified cost option (SCO), i.e. lump-sum payments under the Horizon 2020 programme;

*Structural funds*

214. Insisted on strengthening the responsibilities of national management and audit authorities for the budget implementation;
215. Supported the move away from 'reimbursement' (reimburse incurred costs) to 'entitlement' schemes which reduce considerably the risk of errors;

*Agriculture*

216. Advocated that environmental requirements should be reinforced, that income support should be more fairly allocated with progressive payments scheme favourable to small farms and sustainable and environmentally friendly farming and that the CAP should urgently and definitively be made more attractive to young farmers;
217. Called on the CAP to become more environmentally sensible whilst farmer-friendly;

*Migration*

218. Contributed Union funding to meet the increased migratory challenges for the period 2015-2018 by doubling the funding to EUR 22 billion;
219. Called on the Member States to address the root causes of migration in coordination with development policy as well as with external policy;

*Union foreign affairs*

220. Called for Union foreign affairs to be consistent and well-coordinated and that the EDF, trust funds and financial instruments be managed in step with internal policies;

*Administration*

221. Insisted on the revision of the Code of Conduct for Commissioners, which finally entered into force on 31 January 2018;
222. Insisted that the recruitment procedures for senior positions in European institutions and bodies be revised and that all vacant posts should be published in the interest of transparency, integrity and equal opportunities;
223. Continued to advocate a policy of zero-tolerance for fraud;

**Recommendations for the future***Reporting*

224. Recalls that for future years, Article 247(1)(c) of the Financial Regulation sets out an obligation for the Commission to communicate annually to the European Parliament and the Council an integrated set of financial and accountability reports, including a long-term forecast of future inflows and outflows covering the next 5 years;

225. Insists that that report should analyse the impact of commitments to the size of payments' backlog of a given Multiannual Financial Framework;
226. Calls on the Commission, for management and reporting purposes, to establish a way of recording Union budgetary expenditure that will make it possible to report on all funding related to the refugee and migration crisis, as well as for the future Union policy on management of migration flows and integration;
227. Wonders why the Commission uses two sets of objectives and indicators to measure the performance of financial management: on the one hand, the Commission's Directors-General evaluate the achievement of the objectives defined in their management plan in their AARs, and, on the other, the Commission measures the performance of spending programmes via the programme statements of operational expenditure annexed to the draft budget; calls on the Commission to make its reporting based on single set of objectives and indicators;
228. Points out that performance information is mainly used at DG level to manage programmes and policies; is concerned that as the performance information that meets day-to-day management needs is not aligned with the Commission's external reporting responsibilities, DGs do generally not use the Commission's core performance reports to manage their performance of the Union budget;
229. Points out that there is no requirement for DGs or the Commission to explain in their performance reports how they used performance information in decision-making; calls on the Commission to include such information in their future performance reports;
230. Regrets once again that AARs do not include a declaration on the quality of the reported performance data, and that consequently in adopting the Annual and Performance Report (AMPR), the College of Commissioners takes overall political responsibility for the financial management of the Union budget but not for the information on performance and results;
231. Points out that the Communication to the Commission on the Governance in the European Commission adopted on 21 November 2018 (C(2018) 7703) does not modify the distinction made between the 'political responsibility of Commissioners' and the 'operational responsibility of Directors-General' introduced by the administrative reform of 2000; observes that it has not always been made clear whether 'political responsibility' encompasses responsibility for the directorates-general, or is distinct from it;
232. Reiterates the findings of the Court's 2017 audit, indicating that the 'Commission should make better use of its own performance information and develop an internal culture more focused on performance'; consequently, calls on the Commission to incorporate performance-based budgeting in their whole policy cycle;
233. Deplores the increasingly late publication of the Commission's 'Annual Report on the implementation of the European Union's instruments for financing external actions', practically hampering Parliament's oversight and public accountability, with the report on 2016 published only in March 2018 and the report on 2017 still outstanding; invites the Commission to publish the report on 2018 by the end of September 2019 at the latest and to maintain this calendar for subsequent years;
234. Notes that a number of weaknesses were found in the performance measurement systems of Member State authorities, in large part related to projects completed under the 2007-2013 period; invites the Commission to improve the overall performance measurement system, including the presence of result indicators at project level to allow the assessment of the contribution of a given project to specific operational programmes objectives; notes that the legislation covering the 2014-2020 programming period has strengthened the intervention logic and focus on results;
235. Reiterates its request that the Commission, in view of the multiple sources of funding, provides an easy access to projects, in form of a one-stop-shop to allow citizens to clearly follow the developments and funding of infrastructures co-financed by Union funds and by the EFSI; encourages the Commission therefore to publish, in cooperation with the Member States, an annual overview of transport and tourism projects that have been co-financed through the ERDF and cohesion funds as it is practised for the CEF;
236. Calls on the Commission to:
  - (a) streamline performance reporting by:
    - further reducing the number of objectives and indicators it uses for its various performance reports and focusing on those which best measure the performance of the Union budget,
    - improving the alignment between high-level general objectives and specific programme and policy objectives;

- (b) better balance performance reporting by clearly presenting information on the main Union challenges still to be achieved;
  - (c) provide a declaration on the quality of the reported performance data;
  - (d) take overall political responsibility in the AMPR for the information on 'performance and results';
  - (e) include up-to-date performance information in performance reporting, including in the AMPR, on progress made towards achieving targets and always take, or make proposals for, action when these targets are not met;
  - (f) indicate how performance information concerning the Union budget has been used in its decision-making;
  - (g) introduce or improve measures and incentives to foster a greater focus on performance in the Commission's internal culture, taking into account in particular opportunities offered by the revised Financial Regulation, the Budget Focused on Results initiative, performance reporting for on-going projects, and other sources;
  - (h) develop data processing methods for the vast quantities of data created by performance reporting with the goal of giving a timely, fair and true picture on achievements; insists that performance reporting should be used to take corrective action when the objectives of programmes are not met;
237. Recommends that the Court continue to provide a separate chapter for security and citizenship in its annual report and to deepen its analysis in this regard, as the public and political interest in the security and migration part of the Union budget is much higher than its financial share;
238. Asks the Commission to provide the Parliament with an overview of the cases — in Union-funded cohesion and rural development projects — where the Union reimbursement exceeds the actual costs incurred for a given project without VAT;
239. Welcomes the proposal made by the Court in its consultation paper on 'Recurrent reporting on the performance of EU action' to publish annually, in November of year N + 1, an evaluation of the performance of Union action, covering a detailed review of the performance information reported by the Commission in its Article 318 TFEU evaluation report; insists once again that this report should contain in a second part a detailed review of the synthesis of the financial management of the Commission as stated in the second part of the Annual Management and performance report;
240. Recalls that the ultimate objective of a more performance-focused audit analysis should be to put in place a global and consistent model based not only on assessing the implementation of the European budget, but also on achieving added value and the objectives of a Union political strategy 2021-2027 which should replace the Europe 2020 Strategy;
241. Insists that the Court should improve the coordination between project level performance assessments carried out in the context of the Statement of Assurance work and the remainder of its performance work, through the reporting, in particular, of the main conclusions of its special reports in sectoral chapters of its Annual report; considers this helpful for improving and reinforcing a systematic association of Parliament's sectoral policy committees in using the Court's products;
242. Requests the Court to provide the discharge authorities with an assessment in terms of both compliance and performance, of each European policy, following chapter by chapter the budget headings in the Court annual report;
243. Insists that the Court put in place an extended follow-up of its performance audit recommendations;
244. Stresses that women's rights and gender equality should be integrated and ensured into all policy areas; reiterates therefore its call for the implementation of gender budgeting at all stages of the budgetary process, including the implementation of the budget and assessment of its implementation;
245. Reiterates its demand to include in the common set of result indicators for the implementation of the Union budget also gender-specific indicators, with due regard to the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness;

*Error rate calculation and reporting*

246. Is of the opinion that the Commission's methodology for estimating its amount at risk or errors has improved over the years but that individual DGs' estimations of the level of irregular spending are not based on a consistent methodology and that the AARs of the DGs and the AMPR use a complex terminology that could be confusing;
247. Notes in particular that the services of the Commission use at least all the following concepts: residual error rate, reported error rate, error rate at payment, error rate detected in the year, net residual error rate, weighted average error rate, error rate at closure or common representative error rate;
248. Points out, in addition, that for more than three quarters of 2017 expenditure, Commission DGs base their estimates of amount at risk on data provided by national authorities whilst it appears from the annual activity reports of the concerned Commission directorates-general (DG AGRI and DG REGIO) that the reliability of Member States control reports remains a challenge;
249. Notes that the reported global amount at risk at payment estimated by the Commission in its AMPR 2017 is based on figures of the individual services responsible for spending programmes which use different methods of calculation of the level of error reflecting different legal and organisational frameworks; underlines that further harmonisation of methods of calculation would increase the credibility, accountability and transparency of the reported global amount at risk and allow a clear picture of the situation with regard to residual error rate and the rate of risk on payment in the future;
250. Is worried, in addition, that the Annual Management and Performance Report compares very different figures and is therefore misleading, given that the Court's estimated level of error is an error rate at payment and without deduction of corrections, while the Commission's global amount at risk reported in the AMPR is calculated after deduction of corrections; finds it therefore impossible to make proper comparisons or to draw reliable conclusions; supports the Court in calculating the error rate without taking corrections into account; calls on the Commission to indicate error rates without and with corrections in all annual activity reports, as well as in the AMPR; would appreciate that, in order to find a solution to this incomparability, the Court express its opinion on the Commission's error rate after correction;
251. In this regard, asks the Commission to further harmonise its methods for calculating error rates with the Court, taking into account the different management modes and legal bases while making the error rates comparable, and to clearly distinguish the amount at risk with and without integrated financial corrections; requests also that the Commission present information about the corrective capacity for recovering unduly payments from the Union budget;
252. Reiterates its concern at the difference between the Commission's and the Court's methods for calculating errors, which prevents proper comparison of the error rates reported by them; stresses that in order to present a reliable comparison of the error rates reported by the Commission in its AMPR and the AARs of the Directorates-General and estimated by the Court, the Commission should use an equivalent methodology to that of the Court when assessing the error rate and that both institutions should conclude as a matter of urgency an agreement in this regard; calls on the Commission to present the data in a manner consistent with the methodology adopted by the Court and including the expected estimated corrections;
253. Asks the Commission and the Member States once again to put in place sound procedures to confirm the timing, the origin and the amount of corrective measures and to provide information reconciling, as far as possible, the year in which payments are made, the year in which the related error is detected and the year in which recoveries or financial corrections are disclosed in the notes to the accounts; asks the Court to mention the level of correction applied to calculate the error rate in its Annual Report, as well as the original error rate before corrections;
254. Deplores the fact that the Annual Management and Performance Report (AMPR) has not been audited by the Court whilst some annual activity reports (AARs), and in particular, the ones of DG EMPL and DG REGIO have been examined by the Court; calls on the Court carefully to examine and review the AMPR in its annual report;

*Timely absorption and performance*

255. Notes that the low absorption rate is mainly due to the later closure of the previous MFF, the late adoption of legal acts, difficulties in implementing the new requirements for the current MFF, the change in the de-commitment rules from N + 2 to N + 3 and the administrative burden linked to overlaps between MFF periods;
256. Deplores the fact that the Commission has not yet produced a comprehensive, long-term projection to aid decision-making for the next MFF that fully complies with the Interinstitutional Agreement;
257. Notes that the slow absorption of funds remains a problem in some countries; is therefore of the opinion that it is appropriate to leave the 'Task Force for Better Implementation' in place; notes also that the Commission has created a 'Catching-up Regions' initiative; in this context, points to the risk of accumulating a huge backlog of commitment appropriations by the end of the financial term;

*Conflicts of interest, rule of law, fight against fraud and corruption*

258. Deplores any kind of risk of breaching the values stated in Article 2 of the TEU and non-compliance with Article 61(1) of the Financial Regulation regarding conflicts of interest that could compromise the implementation of the Union budget and undermine the trust of Union citizens in the proper management of Union taxpayers' money; calls on the Commission to ensure that a zero tolerance policy with no double standards will apply regarding any breach of Union law, as well as conflicts of interest;
259. Calls on the Commission to enforce the European Parliament's resolution of 17 May 2017 on the situation in Hungary <sup>(13)</sup>, Commission Recommendation (EU) 2018/103 of 20 December 2017 regarding the rule of law in Poland complementary to Commission Recommendations (EU) 2016/1374, (EU) 2017/146 and (EU) 2017/1520 <sup>(14)</sup> and the Proposal for a Council decision on the determination of a clear risk of a serious breach by the Republic of Poland of the rule of law submitted by the Commission on 20 December 2017 (COM(2017) 835);
260. Recalls the investigations OLAF conducted on the ELIOS and 'Heart of Budapest' projects where serious irregularities were found; in the first case a small amount of funds was recovered, whereas in the second case the Hungarian authorities accepted the financial correction, but it has still not been implemented; notes that the facts surrounding Metro-line four are still 'sub judice'; notes in addition, that in Slovakia there is an ongoing OLAF investigation on allegations of fraud, as well as that currently there are 6 conformity enquiries conducted by the Commission regarding direct payments;
261. Recalls with concern the outcomes of the missions of the Parliament's Budgetary Control Committee to Slovakia, which have revealed a series of shortcomings and risks for the management and control of Union funds and a risk of infiltration by organised crime, especially in the context of the murder of the investigative journalist Ján Kuciak; calls in this regard on the Commission and OLAF to take the conclusions and recommendations of the Committee outlined in its mission report, as well as on the Commission to actively monitor the situation, to take the necessary measures and to keep the Parliament informed about the follow-up;
262. Calls on the Commission to create a unified Europe-wide strategy for the active avoidance of conflicts of interest as one of its priorities with an adapted strategy of *ex ante* and *ex post* control; calls on the commission, OLAF and the future European Public Prosecutor's Office to include in this strategy the protection both of whistleblowers and of investigative journalists;
263. Calls on the Commission to ensure that action plans on conflicts of interest are prepared and implemented in each Member State, and to report back to Parliament on progress;
264. Welcomes the fact that the Commission publishes meetings of Commissioners with interest representatives; regrets, however that the subject matter discussed during the meetings is not included in the Register, calls on the Commission to complete the register by including the content of the meetings;
265. Notes that according to the Corruption Perceptions Index 2018, the situation in a large number of Member States has not improved or has even deteriorated; calls on the Commission to finally submit to Parliament a follow-up to its anti-corruption report of 2015, describing, preferably on an annual basis, the situation with respect to anti-corruption policies in the Member States as well as in the European Institutions;

<sup>(13)</sup> OJ C 307, 30.8.2018, p. 75.

<sup>(14)</sup> OJ L 17, 23.1.2018, p. 50.

266. Underlines that, according to the Code of Conduct for Commissioners in force since January 2018, former Commissioners must not lobby Commissioners or their staff on behalf of their own business, that of their employer client, or on matters for which they were responsible within their portfolio for a period of two years after ceasing to hold their office; calls on the Commission to bring this cooling off period in line with that for the President, i.e. three years;
  267. Welcomes the Ombudsman's findings and recommendations in her decision in the strategic inquiry OI/3/2017/NF on how the Commission manages 'revolving doors' situations of its members of staff; shares the Ombudsman's encouragement to the Commission to continue to lead by example but to take a more robust approach in its assessment of senior staff who leave the Union civil service; calls on the Commission to implement the improvements suggested by the Ombudsman and to follow up on the good transparency practices identified by her;
  268. Stresses that the opinions of the Ethical Committee on conflicts of interest must be proactively produced by the Committee, especially for Commissioners who leave the service; furthermore, stresses that the composition of the Ethical Committee should be strengthened with members from international organisations, such as OECD, and NGOs with expertise in the field of integrity policies;
  269. Recalls that in its abovementioned resolution of 18 April 2018, the European Parliament expressed its concerns at the appointment procedures for its senior officials; urges the Commission to continue the discussion with Parliament on the implementation of the various recommendations contained in Parliament's resolution;
  270. Is deeply concerned by the statement made in the European Commission Reaction dated 15 March 2019 which recognises that 'the Secretary-general contributed to correctly establish the replies relating to him in order to ensure that they are complete and exhaustive' which is definitely contrary to Article 11a of the Staff Regulation (Title II: Rights and Obligations of Officials) <sup>(15)</sup>.
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<sup>(15)</sup> 'An official shall not, in the performance of his duties and save as hereinafter provided, deal with a matter in which, directly or indirectly, he has any personal interest such as to impair his independence, and, in particular, family and financial interests.'

**RESOLUTION (EU, Euratom) 2019/1412 OF THE EUROPEAN PARLIAMENT**  
**of 26 March 2019**  
**on the Court of Auditors' special reports in the context of the 2017 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 2017 <sup>(1)</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM (2018) 521 — C8-0370/2018) <sup>(2)</sup>,
  - having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2017, together with the institutions' replies <sup>(3)</sup>,
  - having regard to the statement of assurance <sup>(4)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to its decision of 26 March 2019 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section III — Commission <sup>(5)</sup> and to its resolution with observations that forms an integral part of that decision,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2017 (05824/2019 — C8-0053/2019),
  - 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 <sup>(6)</sup>, and in particular Articles 62, 164, 165 and 166 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(7)</sup>, and in particular Articles 69, 260, 261 and 262 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 (A8-0088/2019),
- A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget in cooperation with the Member States, on its own responsibility, having regard to the principles of sound financial management;
- B. whereas the special reports of the Court of Auditors (the 'Court') provide information on issues of concern related to the implementation of funds, and are thus useful for Parliament in its role as discharge authority;
- C. whereas its observations on the special reports of the Court form an integral part of Parliament's aforementioned decision of 26 March 2019 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section III — Commission;

<sup>(1)</sup> OJ L 51, 28.2.2017.

<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.

<sup>(3)</sup> OJ C 357, 4.10.2018, p. 1.

<sup>(4)</sup> OJ C 357, 4.10.2018, p. 9.

<sup>(5)</sup> Texts adopted, P8\_TA(2019)0242 (see page 31 of this Official Journal).

<sup>(6)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(7)</sup> OJ L 193, 30.7.2018, p. 1.

**Part I Special Report No 15/2017 of the Court of Auditors entitled 'Ex ante conditionalities and performance reserve in Cohesion: innovative but not yet effective instruments'**

1. Notes the Court's findings and conclusions, and regrets that the Commission has not taken them into consideration when preparing the proposals for respective regulations for the next programming period;
2. Regrets, in particular, that some of the criteria proposed by the Commission in its proposal for the Common Provisions Regulation 2021-2027 may not affect the implementation of the related specific objectives and would not materially improve efficiency and effectiveness of the cohesion policy, contrary to the Court's recommendation in this regard;
3. Recalls that *ex ante* conditionalities for the 2014-2020 period were introduced with the aim to facilitate implementation of the European Structural and Investment Funds (ESIF) by ensuring that the necessary prerequisites for the effective and efficient use of Union support are in place;
4. Draws attention, however, that the Court questioned whether the introduction of the *ex ante* conditionalities had effectively led to changes on the ground despite, in the Court's opinion, having provided a framework for assessing the Member States' readiness to implement cohesion policy;
5. Underlines, in case *ex ante* conditionalities are maintained and replaced by enabling conditions in the next programming period, that they have to be appropriate for the national and regional context, incentive-oriented and conducive to smooth implementation of regional development objectives, as well as excluding overlaps and room for ambiguity, and differing interpretations;
6. Notes that around 75 % of all applicable *ex ante* conditionalities were fulfilled at the time of adoption of ESIF programmes, that 86 % were fulfilled at the beginning of 2017 and that 99 % by May 2018, demonstrating that the fulfilment of *ex-ante* conditionalities was longer than the period envisaged under Regulation (EU) No 1303/2013 (the 'Common Provisions Regulation') and that by the December 2016 deadline, around 15 % of *ex ante* conditionalities remained unfulfilled;
7. Acknowledges that *ex ante* conditionalities have represented an additional administrative burden and that, as recognised by the Commission, have been one of the possible reasons for the registered delays in implementation of the ESIF 2014-2020; acknowledges, as well, that although there have been no cases of suspension of payments to programmes by the Commission for non-fulfilment of *ex ante* conditionalities by the end of 2016, managing authorities concerned refrained from submitting payment claims, thus imposing a kind of self-suspension and delaying implementation with the result that the absorption at the end of the fourth year of the current period (2017) was significantly lower than the absorption rate on the corresponding date (end 2010) of the previous period 2007-2013 (17 % and 41 % respectively), thus further putting into question the added value of *ex ante* conditionalities as an instrument introduced with the aim to facilitate cohesion policy implementation;
8. Underlines, as regards the time until the end of the current programming period, that it is crucial for the Commission to provide the necessary assistance to Member States in order to fulfil remaining *ex ante* conditionalities, as well as to implement in practice the respective provisions in particular with regard to public procurement and State aid;
9. Notes the Court's view that the inclusion of the performance reserve in the performance framework was intended to provide an effective incentive to reach the intended outputs and results;
10. Agrees with the Court's opinion that, overall, the 2014-2020 performance framework is not significantly more results-oriented than similar arrangements in previous periods, remaining essentially focussed on spending and project outputs, with the large majority of indicators that constitute the basis for allocating the performance reserve representing output indicators (57,1 %), financial indicators (33,4 %) and key implementation steps (9,2 %), with — regrettably — only marginal use of result indicators (0,3 %);
11. Observes, in this regard, that as stipulated in Annex II to the Common Provisions Regulation, milestones for intermediate targets on implementation of results indicators were envisaged for application in the performance framework only 'where appropriate', in contrast to the mandatory inclusion of milestones regarding implementation of output indicators closely linked to the supported policy interventions;

12. Is of the opinion that the time having been set for 2019 for undertaking the review of performance of the programmes for each Member States has resulted in preventing countries and regions that have achieved their milestones from accessing the funds allocated to them before the last year of the period, having been blocked in the performance reserve; calls, therefore, for providing the possibility for an earlier performance review and accession to such funds at an earlier date;
13. Calls on the Commission, in case the performance reserve is continued in the post-2020 period, to base its proposal on the lessons drawn from the 2014-2020 period, and to propose the corresponding revision of the performance framework in order to create real incentives for a results orientated system; such a system should also provide the necessary balance between simplification for unhindered project implementation and the necessary provisions for sound financial management and control;
14. Recalls that cohesion policy is primarily about support and solidarity, thus enabling and incentive instruments being more appropriate than disciplinary and sanctioning innovations;

**Part II Special Report No 19/2017 of the Court of Auditors entitled 'Import procedures: shortcomings in the legal framework and an ineffective implementation impact the financial interests of the EU'**

15. Calls on the Commission to provide information on the gap in customs duty collection identified in the Commission's Traditional Own Resources (TOR) inspections and complete analysis based on that data;
16. Calls on the Commission to provide information about the amounts of customs claimed from the Member States and collected in favour of the Union budget; believes the current system of incentives for customs controls can be improved;
17. Calls on the Commission to prepare an analysis on actions required by the Member States in the Mutual Assistance communications, as well as the status of achievement of the main goal of having equivalent results;
18. Calls on the Commission to provide an assessment of the quantitative results of implementing of the Union programmes 'Customs 2020' and 'Hercule III', responsible for financing the exchange of information and cooperation among customs in the protection of Union's financial interests during the current Multiannual Financial Framework (MFF);
19. Calls on the Commission to analyse the level of abuse of the low-value consignment reliefs on e-commerce trade of goods with third countries;

**Part III Special Report No 20/2017 of the Court of Auditors entitled 'EU-funded loan guarantee instruments: positive results but better targeting of beneficiaries and coordination with national schemes needed'**

20. Welcomes the Court's special report, its findings and recommendations;
21. Welcomes the fact that the Commission accepted the majority of the recommendations and will act upon them;
22. Is of the opinion, together with the Court, that financial instruments should be used only if commercial loans are unobtainable because the project is too small or too risky, or the borrower cannot offer the necessary collateral; urges the Commission to develop a methodology for analysing the effect of guarantees on the loan supply, competition between banks and business innovation activity and for analysing the split of implicit subsidy between supplier and beneficiary;
23. Draws the attention of the Commission and the Court to the fact that the Loan Guarantee Facility and the InnovFin SME Guarantee Facility creates potentially intermediaries' loan portfolios worth EUR 24,42 billion, of which the discharge authority knows very little, as the system is highly complex and opaque;

24. Reiterates Parliament's position as expressed in its resolution of 27 April 2017 with observations forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III — Commission and executive agencies <sup>(1)</sup>:

'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;'

25. Reminds Commissioner Oettinger of his 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; calls on the Commission to draft a communication on how this can be done by June 2019;

**Part IV Special Report No 22/2017 of the Court of Auditors entitled 'Election Observation Missions — efforts made to follow up recommendations but better monitoring needed'**

26. Welcomes the Court's special report and sets out its observations and recommendations below;
27. Recalls that the EU Election Observation Missions (EOMs) constitute a highly visible instrument of Union foreign policy as well as a strategic parliamentary objective, since the Chief Observer of the EOMs is a Member of Parliament, and an instrument for promoting democratisation and improving election process;
28. Believes that election observation activities — properly, fairly and objectively executed — play a key role in public diplomacy by offering impartial assessment and constructive recommendations which can be followed up by national stakeholders, including civil society organisations;
29. Reminds that there is no 'one-size-fits-all' model to manage well the issue and that flexibility should be considered taking into account of the specificities of any host country;
30. Is of the opinion that direct stakeholder consultation on the possible recommendations of the EOM, before the finalisation of the report, is questionable and should not be an option under any circumstances for a Chief Observer with regard to the independence of the EOM;
31. Is of the opinion that the follow-up to EOM should be further enhanced within political dialogues including the participation of Parliament *ad hoc* delegations and, by possibly exploring new ways such as electoral dialogues for enriching the overall electoral observation process, in particular the factual assessment of an election process;
32. Invites the European External Action Service to follow as much as possible the effective implementation in third countries of the EOM's recommendations, while respecting the sovereignty of each country and involving Parliament, and also by allocating a sufficient level of human resources from Union's delegations with adequate technical expertise to this important political task, necessary in some areas identified by the EOM;
33. Believes that it would be useful to consider involving the Chief Observer at an early stage in setting up the EOM core team (particularly for certain functions such as the political advisor, the electoral expert or the deputy chief of the EOM) with the view to facilitate rapid, more efficient and consistent deployment of EOMs;
34. Considers that the creation of a database, in that context, for the EOM missions is a valuable operational option to consolidate the credibility and transparency of this Union instrument and process on mid-long term;

<sup>(1)</sup> OJ L 252, 29.9.2017, p. 28.

35. Requests, as a general matter, to put more emphasis on the sustainability of European Instrument for Democracy and Human Rights-funded actions, particularly in the context of EOMs, where there is significant scope for stepping up the transfer of knowledge to local actors and improving the follow-up to recommendations;

**Part V Special Report No 23/2017 of the Court of Auditors entitled ‘Single Resolution Board: Work on a challenging Banking Union task started, but still a long way to go’**

36. Welcomes the Court’s special report, and endorses its remarks and recommendations;
37. Criticises the Single Resolution Board (SRB) for not having provided all documentation requested in the course of this audit; reminds the SRB that the TFEU allows the Court full access to such documentation of the auditee as is necessary for the audit;
38. Deplores that the SRB has been understaffed since it became operationally independent; calls on the SRB to accelerate its recruitment efforts, in particular by engaging resolution and policy experts, including at senior level;
39. Is concerned about the current Memorandum of Understanding between the SRB and the European Central Bank (ECB) which does not ensure that the SRB receives all information from the ECB on a consistent and timely manner; calls on the SRB to engage into discussion with the ECB to improve the situation;

**Part VI Special Report No 1/2018 of the Court of Auditors entitled ‘Joint Assistance to Support Projects in European Regions (JASPERS) — time for better targeting’**

40. Welcomes the Court’s special report, its findings and the Commission’s readiness to implement the recommendations;
41. Welcomes that in some cases, JASPERS’ efforts have led to progress in Member States’ ability to handle project preparation and the projects have been of good quality as confirmed by their fast approval by the Commission;
42. Asks the Commission and the European Investment Bank (EIB) to ensure that the programme is implemented in such a way that it brings better results with regard to administrative capacity of Member States;
43. Observes that between 2006 and 2016 the actual costs for JASPERS and the Commission’s financial contribution initially increased and subsequently remained stable at about EUR 30 million per annum, with a Commission contribution fluctuating between 70 and 80 %;
44. Believes that beneficiaries should participate in the costs for the JASPERS at an appropriate level;
45. Is of the opinion that JASPERS task ‘(...) to provide the Member States that joined the Union in 2004 or later with independent free-of-charge advice to help them to prepare high-quality proposals for large investment projects for funding through the Union’s Cohesion and European Regional Development Funds. (...)’ should logically have become lighter as newer Member States adjust to Union systems and procedures;
46. Is very much concerned about the Court’s observation: ‘VIII. The EIB was unwilling to provide information on JASPERS’s real costs, and the Commission was only partially able to demonstrate the plausibility of the standard costs of JASPERS used up to 2014 for staff members provided by the EIB’;
47. Insists that the EIB makes available, to the Court all relevant information for its audit work; asks the Commission to undertake any necessary measures to ensure that the EIB cooperates in this respect;

**Part VII Special Report No 2/2018 of the Court of Auditors entitled ‘The operational efficiency of the ECB’s crisis management for banks’**

48. Welcomes the Court’s special report, its recommendations and the Commission’s readiness to implement all but one recommendation;

49. Is deeply concerned by the fact that the ECB did not grant the Court access to all documents or information requested which the Court deemed necessary to carry out its task, and calls on the ECB to remedy this policy;
50. Is of the opinion that the ECB's full cooperation is absolutely necessary, should be forthcoming, and would have enhanced transparency and accountability;
51. Recalls with regret that the Court is not the main external auditor of the ECB, and that the Court is only entitled to examine the operational efficiency of the management of the (Article 27 of Protocol No 4 annexed to the TEU and the TFEU);
52. Points to an apparent inter-institutional imbalance: whereas the Court of Justice of the European Union (CJEU) plays a prominent role in supervising the ECB's activities (Article 35 of the Protocol No 4), the Court was only granted a modest role in verifying the bank's financial management (to examine the operational efficiency of the management), to the detriment of transparency and accountability;
53. Calls therefore on Member States and the Union institutions to develop the role of the Court vis-à-vis the ECB further during the next revision of the Treaties;

**Part VIII Special Report No 3/2018 of the Court of Auditors entitled 'Audit of the Macroeconomic Imbalance Procedure (MIP)'**

54. Notes the Court's special report, its recommendations and the Commission's readiness to implement the majority of them;
55. Points out that the MIP is part of the European Semester exercise, which starts with the Annual Growth Survey (AGS) and the Alert Mechanism Report (AMR) in autumn of the year n-1; if the AMR, based on a scoreboard of indicators and thresholds, signals that a specific problem might arise, the respective Member State is submitted to an in-depth review (IDR);
56. Notes that, if, on the basis of the outcomes of the IDR, the Commission finds that 'macroeconomic imbalances' exist, it informs the European Parliament, the Council and the Eurogroup; the Council may then, on recommendation from the Commission, address a recommendation to the Member State concerned (in accordance with procedure set out in Article 121(2) TFEU); these preventive MIP-recommendations form part of the country-specific recommendations (CSRs);
57. Concludes, together with the Court, that the Council recommendations are subject to political weighting; that this seems to be the rule, rather than the exception;

**Part IX Special Report No 4/2018 of the Court of Auditors entitled 'EU Assistance to Myanmar/Burma'**

58. Welcomes the Court's special report and sets out its observations and recommendations below;
59. Recognises the difficult political situation and complex operational challenges that the EEAS, the Commission and the Union delegation have to deal with, in particular in the states of Rakhine, Kachin and Shan;
60. Calls on the EEAS and the Commission to press ahead with the establishment of a long-term, comprehensive and ambitious development cooperation programme, using all the instruments at their disposal to help Myanmar develop and fine-tune its comprehensive development strategy, while at the same time taking steps to establish a national results framework with tools to measure the impact and sustainability of assistance;
61. Calls for a suitable policy mix to be defined with regard to Union intervention and in the selection of key development sectors on the basis of regular, sector-specific needs assessments, with a focus on fostering the viability, complementarity and sustainability of projects; calls for the results of the strategic country evaluation that is to be completed in 2018 to be forwarded to Parliament as soon as possible;
62. Deems it necessary, furthermore, to ensure there is enough flexibility in the design and implementation of support schemes, bearing in mind the particularly difficult political and operational situation, so as to consolidate national capacities more systematically and to ensure appropriate geographical coverage, taking account of the country's actual absorption capacity;

63. Regrets the fact that the Commission has not sufficiently defined the regional geographical priorities of its assistance; notes that the first study on the specific needs of Rakhine State was carried out in 2017; takes the view that a specific assessment of Rakhine State should have been the priority of the Union delegation when it arrived in 2013;
64. Calls for capacity-building in the public sector and within institutional structures so as to create a more responsible framework for governance, with more strategic support being provided for the country's key audit institutions;
65. Points out that 'state-building' must be at the heart of the Union's development strategy, in line with the principles for intervention in fragile situations, with a focus on institution-building, transparency and the efficient management of public finances, combined with enhanced political dialogue across the board;
66. Supports the consolidation of cooperation on the ground with international partners to increase the cost-effectiveness of multi-donor actions, as effective coordination among donors is still an essential prerequisite with a view to preventing the duplication and fragmentation of assistance;
67. Regrets the weaknesses identified in the exchange of information between DG DEVCO and DG ECHO in the states of Rakhine and Kachin; regrets the fact that a procedure for the exchange of information between the two DGs was not introduced until September 2016; with that in mind, calls for humanitarian and development aid to be dovetailed more effectively, with a stronger link being forged between relief, rehabilitation and development by means of a permanent inter-service LRRD (linking of relief, rehabilitation and development) framework; takes the view that integrated approaches, with clearly stated coordination targets and a coherent country strategy need to be put in place between DGs ECHO and DEVCO wherever possible, alongside the sharing of best practices; with that in mind, calls for the LRRD approach to be mainstreamed throughout the funding cycle;
68. Calls, furthermore, for the Commission to give more consideration to linking and moving from short-term humanitarian activities to long-term development interventions, and to establish coherent coordination, not only among the various development stakeholders on the ground, but also with national priorities by means of a common strategy and framework for humanitarian aid and development;
69. Recommends that improvements be made in monitoring the implementation of projects and actions by improving the justifications given in programming and management documents, for allocations by priority sector, with a view to considering, where necessary, any readjustments in aid required in order to meet new needs between now and 2020, while at the same time seeking to raise the profile of Union actions; takes the view that donor visibility and adequate project management information are important in ensuring that all contributions are recognised and that accountability is maintained;
70. Regrets that fact that the largest component of the Joint Peace Fund has not been set aside for Rakhine State; takes the view that this represents a genuine missed opportunity for this particularly vulnerable region; calls on the Commission to expand the scope of the fund so that it covers Rakhine State;
71. Points out that where budget support is selected as one of the significant ways of implementing aid, the Commission must, in conjunction with other donors:
  - provide adequate support for capacity-building and focus on the key functions of public finance management, including accountability and anti-corruption mechanisms,
  - support the timely preparation of an appropriate public finance management reform programme,
  - where appropriate, lay down shorter-term measures for safeguarding Union funds against waste, leakage and inefficiency;

**Part X Special Report No 5/2018 of the Court of Auditors entitled 'Renewable energy for sustainable rural development: significant potential synergies, but mostly unrealised'**

72. Calls on the Commission and the Member States to take into account the circumstances and specific needs of each rural community and economy, consider potential positive and negative policy impacts, and ensure that rural areas receive equitable policy outcomes when designing their future renewable energy policy; in order to do so, the Commission, in cooperation with Member States, should develop a relevant mechanism that could be inspired by the rural-proofing mechanism as envisaged under 'Policy Orientation 1' of the Cork 2.0 Declaration of 2016;

73. Calls on the Commission to introduce this tool in the consultation process with Member States on the integrated national energy and climate plans, which have to be notified to the Commission by 1 January 2019 and guide Member States on how to apply it;
74. Calls on the Commission, together with the co-legislators, to design the future policy framework for bioenergy in a way that provides for sufficient safeguards against the unsustainable sourcing of biomass for energy; the framework should acknowledge and address the sustainability risks of boosting the use of bioenergy through targets and financial support schemes, and ensure that the associated environmental and socioeconomic risks are mitigated;
75. Calls on the Commission to set out what European Agricultural Fund for Rural Development (EAFRD) investments in renewable energy should achieve; how they should add value in rural areas; and how the EAFRD should complement the existing Union and national funding schemes without risking to become simply another funding source for renewable energy with no priority given to rural development when designing their future rural development policy;
76. In this context, calls on the Commission to use relevant good practice experience found during the Court's audit (evaluation of renewable energy in rural area, third party energy supply projects financed under the EAFRD, own use of renewable energy projects), as well as similar experience described in the OECD study 'Linking Renewable Energy to Rural Development';
77. Calls on Member States, with regard to EAFRD support for renewable energy, to provide the Commission with pertinent information on programme achievements of renewable energy projects in their enhanced annual implementation reports of 2019; this information should allow the Commission to know how much of EAFRD expenditure has been paid out for renewable energy projects, the energy capacity installed or the energy produced from such projects; calls on the Commission to define the various types of indicators more accurately when preparing the post-2020 programming period;
78. Calls on the Commission to remind Member States to apply relevant selection procedures, in order to give support only to viable renewable energy projects with a clear additional benefit for sustainable rural development;

**Part XI Special Report No 6/2018 of the Court of Auditors entitled 'Free Movement of Workers — the fundamental freedom ensured but better targeting of EU funds would aid worker mobility'**

79. Welcomes the Court's special report, and calls on the Commission and Member States to implement the Court's recommendations;
80. Underlines that free movement of workers is a fundamental principle of the Union and one of the biggest advantages of the single market as long as it constitutes an advantage for both sides of the working relation and it ensures protection of workers' rights and the abolition of any discrimination based on nationality between workers of Member States as regards employment, remuneration and other conditions of work and employment;
81. Observes with concern that many obstacles for free and fair mobility of workers in the Union persist and that actions undertaken by the Commission and Member States cannot fully address the problems faced by workers who want to work in other Member States, such as insufficient information about workers' rights related to employment and working conditions and to social security rights, but also inadequate measures to prevent discrimination against mobile workers and to ensure efficient enforcement of their rights;
82. Takes note of the Court's observations that the Commission has put in place tools to inform citizens of their rights and has set up systems to report discrimination against freedom of movement of workers; is concerned, however, that the Court found that, despite these tools and systems, the Commission does not have information about the level of awareness regarding such tools and about the scale of discrimination against the freedom of movement at Union level;

83. Notes that some of the tools put in place by the Commission to support labour mobility are often unknown to the potential beneficiaries and is concerned that in a number of Member States only a small fraction of job vacancies are published on the European Job Mobility Portal (EURES); draws attention that these tools are financed through the Union budget and that the European Social Fund (ESF) and the Employment and Social Innovation programme (EaSI) under MFF 2014-2020 provide possibilities for financing of measures and activities concerning labour mobility at Union and national level, but which, however, are not being sufficiently utilised;
84. Asks the Commission and Member States to use the available funding opportunities to implement measures ensuring that the tools provide complete information about existing vacancies and workers' rights, to increase the awareness of citizens about these tools and the information which they offer, and to monitor the level of awareness in order to further enhanced it; encourages, in this regard, the Commission to promote the advertising of the labour mobility practicalities, namely through new technologies, web search motors and publicity and insists for enhanced cooperation between the Commission and Member States; invites in particular the respective national authorities and coordinators from EURES to work more actively with employers to promote EURES and the opportunities of job mobility across the Union; calls, also, on the Commission and Member States to ensure proper complementarity and additionality between actions funded by the ESF and EaSI;
85. Shares the Court's opinion that information and an understanding of the scale and types of existing discrimination of free movement of workers are necessary in order to effectively address such cases; urges, therefore, the Commission, in cooperation with Member States, to undertake measures to improve the effectiveness of the existing systems in order to identify cases of discrimination and to undertake further steps to prevent and eliminate obstacles and discrimination in relation to fair labour mobility;
86. Stresses that the lack of portability of social security contributions deprives workers from certain social rights and constitutes a disincentive to workers' mobility; calls to the Commission to consider coming up with relevant legislative proposals and encourages putting in place incentives to the Member States willing to implement portability of pension rights, in full respect of the existing legal framework;
87. Notes that mutual recognition of university diplomas and professional qualifications by Member States remains a challenge and an important obstacle to labour mobility; underlines that this process should be easy, affordable and user-friendly for both citizens and national administrations involved; encourages the Commission to promote exchange of best practices among Member States within Council working groups and, when appropriate, in OECD platforms;
88. Is concerned with the lack of comparability of data provided by Member States concerning labour mobility; asks the Commission to provide guidelines to Member States regarding which data need to be collected for what purpose; insists also that the Commission improve the collection and presentation of the statistical data for free movement of workers and particularly for the problems faced by mobile workers in countries different from their own;
89. Regrets that matching of supply and demand for labour as well as matching of skills on the labour market across Member States continues to be an objective to be achieved in labour mobility policy; calls on Member States to fully utilise the opportunities provided by the ESF, EaSI and EURES for promotion of labour mobility in order to lower unemployment in certain Member States and regions and to address mismatches of skills and labour shortages elsewhere;
90. Notes with concern the problems related to requirements for cross-border mobility projects funded in the framework of the EaSI and calls on the Commission to address these issues in its next calls for proposals by including mandatory result indicators which would allow to measure in practice the value added of Union funding and the impact from the support provided;

91. Given the Court's findings regarding the necessity for additional efforts to be made to strengthen Union labour mobility and to overcome existing obstacles to it, calls on the Commission and Member States to ensure adequate financing in the 2021-2027 period for measures on fair labour mobility which will allow the continuation and smooth functioning of the relevant tools and systems in this area; asks also the Commission and Member States to ensure the continuation and increased effectiveness of measures and activities which facilitate free movement of workers both through better targeting of financial resources and through reinforced cooperation and coordination among responsible Commission services, national authorities and all relevant stakeholders at Union and national level;

**Part XII Special Report No 7/2018 of the Court of Auditors entitled 'EU pre-accession assistance to Turkey: Only limited results so far'**

92. Is of the opinion that from the 2018 pre-accession assistance (IPA) programme onwards, the Commission should better target IPA funds in areas where reforms are overdue and necessary for credible progress towards accession to the Union, in particular for the independence and impartiality of justice, fight against high level corruption and organised crime, reinforcement of press freedom, prevention of conflicts of interest and strengthening external audit and civil society;
93. Asks the Commission in its next update of its sector approach assessments to comprehensively cover all the key features of Turkey's donor coordination, a sector budget analysis and, in particular, its performance assessment framework;
94. Given the impact that backsliding is already having on project sustainability in Turkey, calls on the Commission to increase the use of political and project conditionality by:
- making proposals to the IPA II Committee to adjust total IPA II allocations for year 'N', including re-directing or reducing IPA II funds in order to address cases of backsliding in the rule of law and governance sectors identified in its annual Turkey Report in year 'N-1',
  - deciding, by the end of 2017 and 2020, whether to award the performance reward to Turkey. This decision should accurately reflect the progress made towards enlargement, efficient IPA implementation and the achievement of good results,
  - making progressively more use of the direct management mode to address fundamental needs where there is a lack of political will, in particular, for the fight against high level corruption and organised crime, reinforcement of press freedom, prevention of conflicts of interest and strengthening civil society,
  - for new projects and, when applicable, setting conditions in the form of minimum requirements to support the timely delivery of expected outputs and sustainability. When these conditions are not met, this should lead to corrective measures (e.g. suspension of payment or project cancellation);
95. Encourages the Commission to widen the coverage of its reports of results orientated monitoring (ROM) concerning Union-funded operations in Turkey and improve the relevance and reliability of its project indicators by including the availability of baseline data, when applicable;
96. Is of the opinion that under IPA II, the Commission should apply indirect management selectively, taking into account the volume of funds involved, the complexity of the projects to be prepared and tendered by the Turkish authorities, and the capacity of the agency responsible for contracting and financing of Union-funded programmes;

**Part XIII Special Report No 8/2018 of the Court of Auditors entitled 'EU support for productive investments in businesses — greater focus on durability needed'**

97. Welcomes the Court's special report, in particular as a timely drawing of attention to the need for additional monitoring and guarantee mechanisms required at both Union and Member State level in order to ensure durability of project results; highlights in this connection the Court's findings that in the operating programmes examined the specific needs of the businesses in different sectors and of differing sizes (market failures) were not properly identified and the achievement of long-lasting results was not a priority;

98. Considers that the role of productive investments from the European Regional Development Fund (ERDF) should be enhanced as a key factor for growth, sustainable jobs, reducing disparities and inequalities in the context of the forthcoming development of Cohesion policy for the next programming period, with the aim of achieving upward convergence together with economic, social and territorial cohesion between Member States and regions;
99. Notes that while a number of the audited projects have respected the relevant rules and have achieved the envisaged outputs they were not able to provide proof as to the effectiveness of the projects and that lasting improvements had been achieved;
100. Observes, in this regard, that for the 2014-2020 period the Common Provisions Regulation (Article 71) did not include provisions which define the achievement of results and their sustainability as criteria for durability of operations; therefore, draws attention to the Court's finding regarding the substantial difference between measuring outputs rather than results from the point of view of assessing project durability;
101. Is of the opinion that, in order to ensure real added value from productive investments, it is necessary to include the achievement of results as a core consideration in evaluating project durability; strongly supports, in this regard, the Court's definition of durability as 'the ability of a project to maintain its benefits for a long time after the project has been completed';
102. Regrets that the Commission has not taken into consideration in its legislative proposals for regulations for the 2021-2027 period the explicit recommendation of the Court concerning clearly prioritising not only outputs, but also the necessary indicators for measuring results;
103. Shares the Court's concern regarding ensuring durability of investments in SMEs in light of their limited business capacity, high rates of failures and/or particular vulnerability to adverse economic conditions; invites in this regard the Commission and Member States to focus attention on ways and means to promote successful and lasting associations between interested SMEs, taking into consideration both positive and problematic experiences in the past;
104. Furthermore, considers that future productive investments would achieve lasting results if integrated into an updated comprehensive industrial strategy as part of the future cohesion policy; is of the opinion that in such a way productive investments should materially contribute to overcoming severe disparities in levels of industrial development between Member States and regions as described by the 6th and 7th cohesion reports;
105. Calls on the Commission to fully engage in implementing the Court's recommendations and in providing Member States with timely and appropriate guidance, including by issuing clear and transparent guidelines on ways to define and apply criteria for project durability, as well as in using all available mechanisms, such as approval of operational programmes, monitoring and control, in order to encourage Member States to implement their corresponding responsibilities, while avoiding additional administrative burden for beneficiaries or respective national authorities;
106. Overall, calls on the Commission to put greater focus on project durability in the preparatory and negotiation phase for the future programming period, establishing a clear framework of earmarks and targets; and urges Member States' authorities to observe and implement the Court's recommendations and to work together with the Commission to examine the existing practices and establish common rules and procedures aimed at ensuring durability of project results;

**Part XIV Special Report No 9/2018 of the Court of Auditors entitled 'Public Private Partnerships in the EU: Widespread shortcomings and limited benefits'**

107. Is of the opinion that the Commission and Member States should not promote a more intensive and widespread use of public private partnerships (PPP) until the issues identified in this report are addressed and the following recommendations are successfully implemented; in particular, improving the institutional and legal frameworks and project management and increasing assurance that the choice of the PPP option is the one that provides most value-for-money and that PPP projects are likely to be managed in a successful manner; stresses that failing to identify and allocate project risks correctly may have financial implications for the public partner and hamper the achievement of the project objectives;

108. In order to better share the cost of delays and re-negotiations between the partners, with the aim to mitigate the financial impact of delays attributable to the public partner and contract re-negotiations on the final cost of PPPs borne by the public partner, recommends that:
- Member States identify and propose standard contractual provisions that limit the amounts of possible extra costs to be paid by the public partner,
  - Member States assess any early contract re-negotiation to ensure that consequent costs borne by the public partner are duly justified and in line with value-for-money principles;
109. In order to ensure that the PPP option is the one that maximises value-for-money and achieves its potential benefits, recommends that:
- Member States base the selection of the PPP option on sound comparative analyses, such as the public sector comparator, and that there are appropriate approaches to ensure that the PPP option is selected only if it maximises value-for-money also under pessimistic scenarios,
  - the Commission ensures that the Court has full access to the necessary information in order to assess the choice of the procurement option and the related procurement by the public authorities even where Union support is provided directly to private entities through financial instruments;
110. In order to ensure that Member States have the necessary administrative capability and clear PPP policies and strategies are in place to implement successful Union-supported PPP projects, recommends that:
- the Member States establish clear PPP policies and strategies that clearly identify the role that PPPs are expected to play within their infrastructure investment policies, with a view to identifying the sectors in which PPPs are most suitable and establishing possible limits to the extent to which PPPs can be effectively used,
  - the Commission proposes legislative amendments to concentrate financial support to future PPPs in sectors that it considers of high strategic relevance and compatible with the long-term commitments of PPPs, such as the Core TEN-T network;
111. In order to mitigate the risk of bias towards selecting the PPP option, to promote further transparency and to ensure that PPPs can be effectively supported by Union funds, recommends that:
- the Commission links the Union-support to PPP projects to the assurance that the choice of the PPP option was justified by value-for-money considerations and thus not unduly influenced by considerations relating to budgetary constraints or to their statistical treatment,
  - Member States improve transparency by publishing periodic lists of PPP projects, including sufficient and meaningful data on the assets financed, their future commitments and their balance-sheet treatment, while preserving the protection of confidential and commercially sensitive data,
  - the Commission assesses the additional complexity of Union-blended PPP projects in view of further actions aiming at simplifying relevant rules and procedures of Union programmes;

**Part XV Special Report No 10/2018 of the Court of Auditors entitled 'Basic Payment Scheme for farmers — operationally on track, but limited impact on simplification, targeting and the convergence of aid levels'**

112. Asks the Commission to ensure the appropriate implementation of key controls by Member States and that Member States correct BPS entitlements where values are significantly affected by the non-application of the relevant rules or the absence of up-to-date land use information;
113. Calls on the Commission to:
- review and take stock of the effectiveness of its systems for disseminating information among Member States, with a view to maximising their consistent interpretation and application of the BPS legal framework,
  - assess options for future legislation that would enable it to enforce the transmission of key information by Member States on the implementation of direct support schemes,

- clarify the respective roles of the Commission and of the certification bodies in checking the existence of effective key controls and the central calculation of BPS entitlements;
114. Calls on the Commission, before making any proposal for the future design of the common agricultural policy, to assess the income position for all groups of farmers and analyse their income support need, taking into account the current distribution of Union and national support, the agricultural potential of land, differences of areas mainly dedicated to agricultural production or maintenance, cost and viability of farming, income from food and other agricultural production as well as from non-agricultural sources, the factors for efficiency and competitiveness of farms and the value of the public goods that farmers provide; the Commission should link, from the outset, the proposed measures to appropriate operational objectives and baselines against which the performance of the support could be compared;

**Part XVI Special Report No 11/2018 of the Court of Auditors entitled 'New options for financing rural development projects: Simpler but not focused on results'**

115. Welcomes the Court's special report, and endorses a number of its remarks and recommendations;
116. Regrets that the new simplified cost options are only used for a marginal part of rural development spending and that they are not enhancing the potential of this source of funding, although simplification should be a way to encourage beneficiaries to engage in projects;
117. Regrets that there are very few indicators at hand allowing to assess whether the objectives of this measure were attained or not;
118. Calls on the Member States as well as the beneficiaries and their associations to fully exploit the possibilities offered by the system of simplified cost options in rural development;
119. Recalls that simplification must allow appropriate levels of control, the responsibility of which must be clearly defined;
120. Recalls that simplification must be beneficial to both administrations and projects bearers;

**Part XVII Special Report No 12/2018 of the Court of Auditors entitled 'Broadband in the EU Member States: despite progress, not all the Europe 2020 targets will be met'**

121. Welcomes the Court's special report and sets out its observations;
122. Welcomes the Commission's ambition to invest in the future digital transformation as evident from the proposal for a MFF 2021-2027;
123. Acknowledges the significant legislative initiative of the Commission in the field of digitalisation and draws attention to initiatives such as 'WiFi4EU' that supports the installation of state-of-the-art Wi-Fi equipment in the centres of community life;
124. Notes the Commission's efforts in improving the broadband coverage across the Union but regrets that many rural areas are still broadband blackspots;
125. Acknowledges the Commission's efforts in significantly increasing and diversifying funding sources in support to broadband connectivity; recalls that for the 2007-2013 programming period the Union invested EUR 2,74 billion, while for the current programming period Union investments amount to almost EUR 15 billion, which represents an increase of over five times;
126. Is convinced that high-speed internet connections are an essential element of the Digital Single Market and can therefore give Member States a competitive edge in economic, social and educational matters; good internet speed and access are crucial for our lives, business and national governments;

127. Underlines that investments in broadband will help promote social inclusion and fight against depopulation in rural and isolated areas; rural and remoter areas should have access to broadband in the interest of creating a homogenous single market;
128. Welcomes in this regard the Commission proposal on revised Union telecom rules, which aims to triggering investment, in particular in economically less viable areas characterised by low population density or in rural areas;
129. Agrees with the Court's recommendation that Member States should develop revised plans for the period after 2020;
130. Calls therefore on all Member States to make sure that not only the Europe 2020 objectives for broadband are met in good time, but also the Commission's 'Gigabit Society 2025' targets; all urban areas and all major terrestrial transport paths to have uninterrupted 5G coverage, and all European households, SMEs and local public administrations in rural or urban areas, in particular in depopulated and sparsely populated areas, to have access to internet connectivity offering a download speed of at least 100 Mbps, upgradable to Gigabit speed;
131. Shares the Court's view that Member States should review the mandate of their national regulatory authorities in accordance with the revised Union regulatory framework for telecommunications, so they are able to impose their recommendations and remedies (including penalties for non-compliance) on operators;
132. Believes that financial support to broadband should represent a balanced mix of grants and financial instruments, where investments should be guided through intervention logic and take into consideration regional and market realities;
133. Is convinced that support to broadband through financial instruments is predominantly focused on economically viable regions and well-developed local markets. Notes that grants are more suitable for rural, mountainous and remote areas, where private investments and operations with financial instruments are riskier by default;
134. Shares the Court's view that the Commission should collect and disseminate best practices in the area of broadband, more specifically on planning investments and implementation of projects;
135. Is convinced that the Commission will continue clarifying for Members States the application of the State aid for broadband and welcomes the Commission's intention to include further information with regard to the 100 Mbps and Gigabit society targets;

**Part XVIII Special Report No 13/2018 of the Court of Auditors entitled 'Tackling radicalisation that leads to terrorism: the Commission addressed the needs of Member States, but with some shortfalls in coordination and evaluation'**

136. Welcomes the Court's special report, endorses its recommendations and sets out its observations and recommendations below;
137. Calls on the Commission to examine how the management of the actions addressing radicalisation can be simplified, for example by integrating the number of funds on which these actions rely, or by concentrating management which is currently done by eight of its directorates-general, as well as by Europol, Eurojust and Member States, with a view to improve coordination and efficiency;
138. Recognises that performance based budgeting may be a particular challenge in the case of actions aimed at preventing radicalisation, but emphasises that indicators related to, for example, the number of experts participating in meetings, are not sufficient in themselves to measure performance; calls upon the Commission to examine, in particular, why participation levels in its activities vary considerably between Member States and to concentrate on those activities that are relevant for most Member States;
139. Calls on the Commission to keep Parliament informed about the follow up on the interim report of the High-Level Commission Expert Group on radicalisation, where it concerns the discussions with Member States on how to better evaluate relevant programmes and interventions;

140. Recognises that preventing radicalisation often requires in-depth knowledge of the situation at local, i.e. neighbourhood levels, and that this type of information cannot be generalised, as each neighbourhood may have its own challenges and opportunities; points in this regard to the important role of local educational institutions, local social and charitable organisations and local authorities, including police officers assigned to a specific neighbourhood; calls on the Commission and Member States to bear this in mind, when exchanging best practices and to avoid stereotyping or generalisations;
141. Emphasises that the efficiency and effectiveness of the Commission's activities with respect to helping Member States in preventing radicalisation are likely to be highest, when they are referring to cross-border cases, in particular, when it concerns information provided through the internet; supports the de-confliction procedure of Europol's European Union internet Referral Unit (EU IRU) and the decision to focus the EU IRU on online propaganda which terrorists use to attract as many followers as possible; calls upon the Commission to improve its methods for measuring the effectiveness of the EU IRU by examining how much terrorist content has been removed by internet companies at EU IRU's request alone, without also having been flagged by national IRUs, civil society or the internet companies themselves, as well as by developing methods to demonstrate effectiveness in terms of the amount of terrorist propaganda that remains available on the internet, for example because the removed propaganda is simply re-uploaded or moved to other platforms;

**Part XIX Special Report No 14/2018 of the Court of Auditors entitled 'The EU Chemical, Biological, Radiological and Nuclear Centres of Excellence: more progress needed'**

142. Welcomes the Court's special report and notes with satisfaction that the Court, the Commission and the EEAS agree on most of the recommendations;
143. Calls on the Commission and the EEAS carry out a joint Union analysis identifying external CBRN risks to the Union to comprehensively link internal and external action;
144. Calls on the Commission to embed systemic risk assessments into the needs assessment and national action plan methodologies and to respond quickly to all partner countries requesting assistance to finalise their needs assessment and national action plan exercises;
145. Calls on the Commission to increase the number of regional activities, such as field and table-top exercises;
146. Calls on the Commission and the EEAS to assign CBRN responsibilities to designated focal points and/or to 'Instrument contributing to Stability and Peace' (IcSP) long-term regional cooperation officers in all the Union delegations, and to include CBRN in the policy, security and political dialogue;
147. Calls on the DG DEVO of the Commission and the EEAS should to work together with other relevant Commission Directorates-General, in particular with DG NEAR, as well as with other donors in order to identify potential synergies and available funding sources which could be better used to support CBRN activities;
148. Calls on the Commission to translate the initiative's overall objective into more specific objectives that can be used at project level, enabling results to be measured from the project level up to the national, regional and Initiative-wide level;
149. Calls on the Commission to also define outcome and impact indicators allowing the Initiative's effectiveness to be assessed against the set objectives;
150. Calls on the Commission to ensure that all relevant information is available on its web-based portal with the appropriate levels of access authorisation; and to guarantee best practices and guidelines are accessible through the CBRN portal;

**Part XX Special Report No 15/2018 of the Court of Auditors entitled 'Strengthening the capacity of the internal security forces in Niger and Mali: only limited and slow progress'**

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

152. Stresses, first of all, the efforts made by all the relevant stakeholders in preparing and implementing these two Union missions and the staff deployed in the field to carry out lasting structural capacity-building for internal security institutions in Mali and Niger, in an extremely fraught geopolitical context that has become critical given the combination of existing threats;
153. Deplores the fact that mission personnel received no training prior to their deployment and no assistance in gaining familiarity with procedures and projects on the ground; takes the view that this lack of training manifestly caused delays in the implementation of operations;
154. Considers that the EEAS and the Commission should carry out constant monitoring of support functions to facilitate the rapid, effective and coherent deployment of CSDP missions, provide all staff with pre-deployment training on Union procedures and policies and develop comprehensive guidelines on operational tasks (assessment of needs, and planning and follow-up of tasks and reports); takes the view, too, that that lessons learned from previous CSDP missions should also be put in practice to improve the operational efficiency of missions and facilitate the transfer of knowledge and synergy effects between missions;
155. Deplores that fact that the safety of staff in Niger was jeopardised when they were obliged to lodge and work in hotels for six months without any dedicated security arrangements;
156. Stresses that a safe working environment is essential for the effective implementation of operations and the recruitment of skilled staff; urges the EEAS and the Commission to maintain a sufficient level of security-related expenditure in budgets for the missions to ensure their mandates are properly implemented;
157. Reiterates, further, the need to make effective use of all appropriate funding channels for future CSDP missions — namely the Instrument contributing to Stability and Peace, the European Development Fund, the Union Emergency Trust Fund for Africa and humanitarian aid — to ensure the achievement of the political objectives of the missions and sound financial management;
158. Encourages the EEAS to collaborate with the Member States to ensure that ongoing and future CSDP missions have sufficient staff to operate speedily at close to their maximum authorised capacity (or total number of posts available) and, if possible, for terms equal in duration with the mandate of missions;
159. Stresses that the lack of operational efficiency of these two missions has been a major hindrance to the smooth running of action by the Union; deplores the fact that it took 18 months before a legal entity was set up for the EUCAP Sahel Niger mission;
160. Considers that the Council and the Commission should ensure that future CSDP missions should be given legal personality and the budgets they require as soon as possible;
161. Calls on the EEAS and the Commission to pay particular attention to procurement procedures and human resources to ensure that they are responsive to the CSDP's operational needs; notes that the implementation of operations has been hampered by cumbersome procurement procedures, and that this has caused sub-standard performance;
162. Notes the difficulties encountered in filling vacant posts; points out that 72 % of posts were filled in Niger and 77 % in Mali; urges the EEAS and the Commission to propose longer secondments of staff from Member States to missions, to make greater use of contract agents and to launch calls for contributions which can be used to draw up reserve lists of potential agents to expedite recruitment as soon as posts become vacant;
163. Encourages the EEAS, with a view to helping that CSDP missions yield lasting results, to ensure that operational planning for all mission activities takes account of sustainability aspects by systematically assessing local needs and the capacity for activities to have a lasting effect on the local area;
164. Urges the EEAS to step up monitoring of mission activities (training, advice or provision of equipment) by assessing regularly, using indicators, the results obtained and the degree of ownership of the national authorities concerned;

165. Invites the EEAS and the Commission to coordinate CSDP missions more effectively with other Union efforts at regional level (such as the integrated border management assistance mission in Libya (EUBAM Libya) and G5 Sahel), bilateral missions and international efforts with similar objectives; calls, to that end, for increased cooperation and coordination between the Union and its Member States by promoting synergies;
166. Asks the EEAS and the Commission to ensure that winding-up of CSDP missions and the liquidation of the corresponding assets take place under the best possible conditions; takes the view in this regard that the EEAS and the Commission should devise a common, comprehensive exit strategy clearly defining roles and responsibilities in the winding-up of CSDP missions, while minimising the risks inherent in this process;
167. Reiterates, more broadly, the need to improve cooperation between Member States in their foreign and security policies with a view to achieving economies of scale and keeping costs to a minimum; stresses that it is crucially important for the Member States to be able to respond decisively to the issues of shared security and management of migratory flows at a time when these challenges are clearly becoming greater and more acute than ever before;

**Part XXI Special Report No 16/2018 of the Court of Auditors entitled ‘Ex post review of EU legislation: a well-established system, but incomplete’**

168. Welcomes the Court’s special report, and endorses its remarks and recommendations;
169. Notes that the 2018 monitoring exercise concerning the Interinstitutional Agreement on Better Law-Making <sup>(1)</sup> (IIA-BLM) will start very soon and the High Level interinstitutional meeting will take place at the end of the year;
170. Notes that Court presented a very thorough and comprehensive piece of research (e.g. good sample size), and could be an example for future analysis in other areas of the IIA-BLM; also notes that the development of additional performance indicators to monitor the implementation of the IIA-BLM should be considered;
171. Is of the opinion that the active involvement and participation of the Court will benefit the IIA-BLM by enhancing its monitoring exercise; believes that greater use of Court’s briefing papers may also contribute to achieving that objective;
172. Notes that the establishment of a joint-interinstitutional vademecum on monitoring and review clauses with guidelines and drafting clauses could be an improvement in the legislative scrutiny, as long as it would not undermine the co-legislators freedom of political choice;
173. Notes that common guidelines for *ex post* reviews could be considered in a future review of the IIA-BLM;
174. Notes the importance of setting a framework under which information on the transposition of Union law into national law should be made available to the Commission by Member States;

**Part XXII Special Report No 17/2018 of the Court of Auditors entitled ‘Commission’s and Member States’ actions in the last years of the 2007-2013 programmes tackled low absorption but had insufficient focus on results’**

175. Welcomes the Court’s special report and the valuable comparison between previous and the current programme periods, thus focusing attention to expected forthcoming challenges for Member States and the Commission regarding the sound and result-oriented absorption of cohesion policy funds;
176. Considers as unsatisfactory the reply of the Commission with regard to the recommendation to propose a timetable with key milestone dates for adoption of the legislative framework so that the implementation of operational programmes starts on time and asks the Commission to put forward a concrete proposal based on its evaluation of the timeframe required for programmes’ timely implementation;

<sup>(1)</sup> OJ L 123, 12.5.2016, p. 1.

177. Shares the Court's position that while absorption is important for achieving policy objectives, it is not an end in itself but rather to achieve results in line with cohesion policy objectives; is of the firm opinion that value for money is not simply how much is spent but what has been achieved with the resources disbursed;
178. Is deeply concerned that the Commission seems to be underestimating the risk, of which the Court warns as well, that delays in the budgetary execution for the 2014-2020 period could turn out to be greater than those for the 2007-2013 period, thus creating significant pressure for the proper absorption of funds at the end of the programming period and heightening the risk of insufficient consideration for value for money and the achievement of results;
179. Is concerned that the Commission is neglecting the risk, also identified by the Court, due to the highly unsatisfactory level of absorption in the middle of the programming period, which is twice lower compared with the corresponding moment in the previous period, as well as the pressure on absorption due to the overlapping of the end of the current period with the first years of implementation of the next period;
180. Asks the Commission to present a forecast and assessment about every Member State with regard to accumulation of commitments which are under risk of not being absorbed on time by the end of the period and to suggest measures for assisting Member States to mitigate a potential negative effect for insufficient absorption of the available funds;
181. Asks the Commission to ensure that measures which will be undertaken for avoiding automatic decommitment by Member States respect objectives and results pursued by operational programmes and projects and that relevant monitoring and reporting of amended operational programmes is implemented;
182. Calls on the Commission to use the resources for technical assistance at its own initiative and to assist proactively Member States to speed up result-oriented absorption of the cohesion policy funds;
183. Draws attention to the ultimate purpose of cohesion policy is to support economic and social cohesion among different regions and countries in the Union and to contribute to reducing disparities and inequalities therein; underlines that this must be the guiding principle for Member States, the Commission and all relevant stakeholders when implementing and absorbing Union funds;

**Part XXIII Special Report No 18/2018 of the Court of Auditors entitled 'Is the main objective of the preventive arm of the Stability and Growth Pact delivered?'**

184. Considers that the Court's special report provides a most timely and important analysis, examining the manner in which the Commission has been implementing the provisions governing the preventive arm of the Stability and Growth Pact (SGP) from the point of view of achieving its main objective, that is for Member States to successfully move towards reaching their respective mid-term objectives regarding budgetary balances;

**Part XXIV Special Report No 19/2018 of the Court of Auditors entitled 'A European high-speed rail network: not a reality but an ineffective patchwork'**

185. Welcomes the Court's special report;
186. Shares the Court's views and supports its findings;
187. Takes note with satisfaction that the Commission will implement the Court's recommendations;
188. Underlines that the chances to improve the situation remain slim unless each and every Member State shows the political will to improve the situation;
189. In this context, points to the important role of the 'European Coordinators' in this area (TEN-T);

190. Recalls the mandate of the European Coordinators, which comprises
  - drawing up the relevant corridor work plan (together with the Member States concerned) or the work plan for a horizontal priority,
  - supporting and monitoring implementation of the work plan; as and when necessary, highlighting difficulties and looking for appropriate remedies,
  - regularly consulting the corridor forum (a consultative body bringing together Member States and various stakeholders),
  - making recommendations in areas such as transport development along corridors or access to financing/funding sources,
  - annual reporting to the European Parliament, Council, Commission and the Member States concerned on the progress achieved;
191. Emphasises the European added value of cross-border projects financed by European Structural and Investment Funds, and by the Connecting Europe Facility; stresses the importance of continuing to rely on these financing mechanisms to overcome political and infrastructural obstacles and accelerate the territorial and socioeconomic cohesion of Union regions through high-speed rail connections;
192. Reminds the Commission of the importance of promoting not only accessible and quality passenger rail transport but also freight rail transport in light of its economic, environmental, logistical and safety benefits;

**Part XXV Special Report No 20/2018 of the Court of Auditors entitled ‘The African Peace and Security Architecture: need to refocus EU support’**

193. Welcomes the Court’s special report and sets out its observations and recommendations below;
194. Acknowledges that the EEAS and the Commission are facing highly complex situations in Africa with numerous political and operational challenges and constraints in many domains, in particular the cooperation of main stakeholders, the funding and shortcomings of the institutions, the political willingness to intervene, prevent and manage conflicts;
195. Is aware of the complexity of the institutional framework at stake for addressing conflict prevention and promoting peace and security with the African Union, the African Peace Facility (APF), sub-regional organisations (SROs), regional economic communities (RECs) and regional mechanisms for conflict prevention, management and resolutions (RMs);
196. Notes with concern that the African Peace and Security Architecture (APSA) suffers from a strong dependency on external financial sources (due to the Member States’ low contribution to the Peace Fund and limited additional funding attracted by the APSA from alternative sources of finance);
197. Regrets that this absence of African ownership and financial sustainability with a high dependency on donors and international partners leads to operational shortcomings notably with staffing issues i.e. the presence of few qualified staff or military experts dealing with the core missions of peace and security on the African continent;
198. Believes that, although Union support for APSA is designed on the basis of a strategic framework defined in roadmaps, appropriate coordination of donors should be constantly sought;
199. Regrets also that Union support is mainly focused on basic operational costs with a lack of long term plan; highlights the necessity to move away from supporting costs of the APSA by the Union and to support clear long-term prospects and objectives contributing to the Africa’s stability and, more broadly, the partnership between the African Union (AU) and the European Union;
200. Recalls the importance of fostering capacity building plan, operational capacity of the AU and SRO’s coupled with a better coordination framework between all actors with the view to optimising as much as possible the coherence of activities and results of the Union support at longer term;

201. Is seriously concerned by the insufficiencies of monitoring systems with regard to its capability to provide adequate data on the results of activities; asks the Commission to increase the evaluation system's capability of activities and performance to clearly show that Union contributions can be mostly linked to tangible and positive effects on peace and security on the ground;
202. Points out, as a core principle, that the monitoring system has to be developed in order to collect and analyse data/indicators at activity, output, specific objective and strategic objective levels in order to assess the effective implementation of the agreed APSA roadmap, its relevance and sustainability;
203. Invites the Commission's services to launch a 'Results-Oriented Monitoring' mission (ROM) and to report to Parliament as soon as possible;

**Part XXVI Special Report No 21/2018 of the Court of Auditors entitled 'Selection and monitoring for ERDF and ESF projects in the 2014-2020 period are still mainly outputs-oriented'**

204. Welcomes the Court's special report and calls on the Commission and Member States to implement the Court's recommendations;
205. Is concerned that the low implementation rates in the middle of the current programming period put in danger the achievement of results which are most urgently needed in the areas supported by the ERDF and ESF, and thus delays the expected effect of the Union budget investments for cohesion and reducing regional disparities;
206. Calls, therefore, on the Commission to assist Member States in speeding up the absorption of ESIF and to strengthen its monitoring and performance assessment of ESIF in order to ensure that these funds contribute to the achievement of the objectives of cohesion policy and the Europe 2020 Strategy targets;
207. Urges the Commission to take all necessary measures to address the identified shortcomings in the current ESIF performance framework, as well as to use the lessons learnt from the 2014-2020 period in order to improve the performance framework for the next period and to ensure that clear rules are provided for indicators, monitoring and evaluation of achievement of results;
208. Calls on the Commission to ensure a smooth and uninterrupted process of monitoring and reporting of results' achievement during the transition period to a new College of Commissioners, as well as to ensure that the results-oriented performance of ESIF at the end of the programming period will not be weakened by pressing accelerated absorption;
209. Takes note of the replies of the Commission that its legislative proposal for the post-2020 programming period includes a list of common results indicators for the ERDF, the Cohesion Fund and the ESF;
210. Is, however, concerned that the Commission's legislative proposals for the ERDF, the Cohesion Fund and ESF do not include provisions which allow 'actions determined in accordance with sector-specific rules', as stipulated in the definitions of 'result' and 'output' in the Financial Regulation, to be identified as results envisaged to be achieved and consequently to be measured with result indicators under these funds;
211. Asks the Commission to address this shortcoming and to ensure that any negative effect for the establishment of the performance framework by Member States for the 2021-2027 programming period will be avoided;
212. Deeply regrets that the Commission has failed to present a comprehensive proposal for a post-2020 Union Political Strategy which would provide milestones for the next MFF objectives as well as the necessary orientation for Member States to pursue results that contribute to common Union priorities and the achievement of a more coherent and cohesive Union;

**Part XXVII Special Report No 22/2018 of the Court of Auditors entitled 'Mobility under Erasmus+: Millions of participants and multi-faceted European Added Value, however performance measurement needs to be further improved'**

213. Welcomes the findings of the Court about the additional forms of European Added Value generated by the Programme Erasmus+ (2014-2020), and going beyond those considered under its establishing legal basis; observes that evaluation techniques and indicators for the Programme Erasmus+ should be, as much as possible, global and qualitative, taking into account the multidimensional nature of the effects of such type of long-term actions;
214. Notes that the definition of 'disadvantaged participants/participants with fewer opportunities' is currently not harmonised, and varies from one Member State to another; observes that a common definition would allow for a more precise assessment of the impact of the Programme and provide a sounder basis to increase its outreach to such participants, as well as to develop positive actions in their support;
215. Welcomes the reintroduction of individual mobility for school students under the Key Action 1 (KA1) in the proposal for the new Erasmus Programme (2021-2027);
216. Acknowledges the importance of the Online Linguistic Support (OLS); considers that such instrument should be open to all participants and tailored to their specific needs while, at the same time, it should be complemented by on site classroom language courses;
217. Welcomes the introduction of simplified funding methods (lump sums, flat rates and unit costs). Acknowledges, nonetheless, the necessity to adjust and regularly review the grant amounts to the living and subsistence costs of the host country or region, in order to ensure a fairer access to Erasmus individual mobility to participants with fewer opportunities;
218. It is of the opinion that, with the aim of promoting the access to individual mobility of participants disadvantaged and with fewer opportunities, pre-financing under the Key Action 1 of the new Erasmus Programme should be considered;
219. Observes that a better promotion of mobility for doctoral students would require more flexibility as to the minimum mobility period of three months currently foreseen;
220. Acknowledges that Student Loan Guarantee Facility did not deliver the results expected as well as its exclusion from the Proposal for the new Erasmus Programme (2021-2027);

**Part XXVIII Special Report No 23/2018 of the Court of Auditors entitled 'Air pollution: Our health still insufficiently protected'**

221. Is of the opinion that, to take more effective action to improve air quality, the Commission should:
  - share best practice from Member States who have successfully reflected the requirements of the AAQ Directive<sup>(1)</sup> in their Air Quality Plans, including on issues such as information relevant for monitoring purposes; targeted, budgeted and short-term measures to improve air quality; and planned reductions in concentration levels at specific locations,
  - actively manage each stage of the infringement procedure to shorten the period before cases are resolved or submitted to the Court of Justice of the European Union,
  - assist the Member States most affected by intra-Union transboundary air pollution in their cooperation and joint activities, including introducing relevant measures in their Air Quality Plans;
222. Calls on the Commission to address the following issues when preparing its proposal to the legislator:
  - considering updating the Union limit and target values (for PM, SO<sub>2</sub> and O<sub>3</sub>), in line with the latest WHO guidance; reducing the number of times that concentrations can exceed standards (for PM, NO<sub>2</sub>, SO<sub>2</sub> and O<sub>3</sub>); and setting a short-term limit value for PM<sub>2,5</sub> and alert thresholds for PM,

<sup>(1)</sup> Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe (OJ L 152, 11.6.2008, p. 1).

- improvements to the Air Quality Plans, in particular by making them result oriented; and by requiring yearly reporting of their implementation; and their update whenever necessary; the number of Air Quality Plans by air quality zone should be limited,
  - the precision of the requirements for locating industrial and traffic measuring stations, to better measure the highest exposure of the population to air pollution; and to set a minimum number of measurement stations per type (traffic, industrial or background),
  - the possibility for the Commission to require additional monitoring points where it considers this is necessary to better measure air pollution,
  - advancing the date (currently 30 September of year n+1) to at least 30 June n+1, to report validated data, and explicitly requiring Member States to provide up-to-date (real time) data,
  - explicit provisions that ensure citizens' rights to access justice;
223. In order to further mainstream air quality into Union policies, asks the Commission to produce assessments of:
- other Union policies that contain elements that can be detrimental to clean air, and take action to better align these policies with the air quality objective,
  - the actual use of relevant funding available in support of Union air quality objectives to tackle air pollution emissions, notably PM, NO<sub>x</sub> and SO<sub>x</sub>;
224. Calls on the Commission, in order to improve the quality of information for citizens, to:
- identify and compile, with the help of health professionals, the most critical information that the Commission and Member States authorities should make available to citizens (including health impacts and behavioural recommendations),
  - support Member States to adopt best practices to communicate with and involve citizens in air quality matters,
  - publish rankings of air quality zones with the best and worst progress achieved each year and share the best practices applied by the most successful locations,
  - develop an online tool that allows citizens to report on air quality violations and provide feedback to the Commission on issues related to Member States' actions on air quality,
  - support the Member States to develop user-friendly tools for the access of general public to air quality information and monitoring (for example, smartphone apps and/or social media dedicated pages),
  - together with Member States, seek an agreement on harmonising air quality indices;

**Part XXIX Special Report No 24/2018 of the Court of Auditors entitled 'Demonstrating carbon capture and storage and innovative renewables at commercial scale in the EU: intended progress not achieved in the past decade'**

225. Welcomes the Court's special report and sets out its observations and recommendations below;
226. Welcomes the ambitious commitments of the Union to achieve cutting of its emissions compared to 1990 by at least 20 % levels by 2020 and by 40 % by 2030, and to spend at least 20 % of its budget on climate related action for the 2014-2020 budgeting period;
227. Welcomes the Union ambition of being a global leader in renewables; considers it of high importance for the Commission to continuously demonstrate sufficient leadership and commitment to climate change issues to consolidate its international credibility and impact of its instruments for shaping conditions for the Union's climate policy and green diplomacy in future years;

228. Believes that more synergies across the various Union bodies, the relevant Commission services and industry partners are needed and the efforts should be combined in order to achieve a conducive environment for the transition to a low carbon economy with innovative low-carbon technologies, by adapting and developing investment conditions and instruments;
229. Stresses that coordination between the Commission services related to climate issues still needs improvement to meet not only the international commitments but also to allow the Union to stay a frontrunner in terms of climate change;
230. Reiterates its call on the Commission to develop intensified coordination of activities in the area of development of new technologies and environmental innovations;
231. Points out the need for the Commission to particularly deliver enhanced coordination among Member States in terms of climate-change related policies to be able to reach the objective of addressing at least 20 % of the Union budget to low carbon and climate resilient society;
232. Regrets the lack of low-carbon strategies by the Member States that creates an environment of uncertainty, harming the investments conditions, affecting the financial viability and progress of innovative low-carbon energy demonstration projects and offers only limited possibility of recovering money from failing projects; calls on the Commission to enhance the Member States' active participation on achieving the low-carbon objectives;
233. Regrets the general low viability and sustainability of financed projects and the lack of utilisation of projects' tangible results;
234. Believes that better aimed strategies at Union and national level are needed to succeed in this area; calls on the Commission to develop a concrete overall strategy on reaching the set targets that will entail area-specific action plans including in-depth assessments, detailed measures and instruments, methodology of measurement and reporting, and performance indicators;
235. Call on the Commission to increase in general the compatibility of different budget areas to complement the programmes aimed at building low-carbon economy; regrets the absence of specific targets in substantial parts of the Union budget;
236. Calls on the Commission to swiftly develop conducive environment for the transition to a low carbon economy by adapting its investment conditions and spending frameworks and instruments for innovation and modernisation in all key relevant sectors;

**Part XXX Special Report No 25 of the Court of Auditors entitled 'Floods Directive: progress in assessing risks, while planning and implementation need to improve'**

237. Calls on the Commission, in its supervisory capacity under the Floods Directive <sup>(1)</sup>, to check that the Member States set quantifiable and time-bound objectives for flood-related action, thereby allowing the progress made towards their achievement to be assessed, in accordance with the Floods Directive when reviewing the flood risk management plans (FRMPs) of the second and subsequent cycles; calls on the Commission to share good practice in objective-setting with all Member States;
238. Calls on the Commission, in its supervisory capacity under the Floods Directive and in time for the second cycle of the Flood Directive, to assess and report on whether Member States have:
  - identified sources of financing to cover investment needs arising from FRMPs and established a timeline for implementation in line with available funding,
  - for flood measures on international river basins, considered cross-border investment;

<sup>(1)</sup> Directive 2007/60/EC of the European Parliament and of the Council of 23 October 2007 on the assessment and management of flood risks (OJ L 288, 6.11.2007, p. 27).

239. Calls on the Commission, in its supervisory capacity under the Floods Directive and under the shared management mode, to only co-finance flood measures prioritised in accordance with the future FRMPs when Union funds are requested; this prioritisation by Member States should be based on objective and relevant criteria, including:
- a good-quality cost-benefit analysis, to achieve the best value for money for the investments, and
  - where relevant, a criterion considering the cross-border impact of projects;
240. Calls on the Commission, in its supervisory capacity under the Floods Directive and the Water Framework Directive, to enforce the compliance with the Water Framework Directive of new floods infrastructure proposed in FRMPs by Member States;
241. Calls on the Commission, in its supervisory capacity under the Floods Directive and the Water Framework Directive, to check that, whenever Union co-financing is requested, Member States have analysed the feasibility of implementing significant green measures, alone or in combination with grey solutions;
242. Calls on the Commission, in its supervisory capacity under the Floods Directive, to check that FRMPs include measures to improve the knowledge and modelling of the impact of climate change on floods;
243. Calls on the Commission, when reviewing the documents required for the second cycle of the Floods Directive, the Commission and in its supervisory capacity under the Floods Directive, to check whether the Member States:
- estimate and model the impact of climate change on floods through studies and research,
  - develop appropriate tools to better analyse and forecast:
    - (a) pluvial floods, including flash floods;
    - (b) coastal flooding due to rising sea levels,
  - where the impact of climate change is not quantifiable, plan flexible measures to adjust the level of protection if needed;
244. Calls on the Commission, in its review of the FRMPs for the second cycle, to check whether Member States have planned action to:
- raise public awareness of the benefits of insurance coverage against flood risks, and
  - increase coverage, e.g. via cooperation between the public and private sectors in relation to flood insurance;
245. Calls on the Commission, in its supervisory capacity under the Floods Directive, to:
- check whether Member States have used their FRMPs to assess the extent to which land use planning rules in Member States are adequately designed and effectively enforced in areas at risk of flooding, and
  - disseminate good practices and guidance to Member States;

**Part XXXI Special Report No 26/2018 of the Court of Auditors entitled 'A series of delays in Customs IT systems: what went wrong?'**

246. Notes the observations by the Court assessing the implementation of Customs' Information Technology Systems;
247. Praises the analysis of the situation and the conclusions presented by the Court;
248. Welcomes the recommendations to the Commission directed toward modernisation of customs processes that is a key to the functioning of the Union; appreciates the approach of taking into account of the lessons learned with the Customs 2020 programme;
249. Points out that the Commission, despite some additional explanations and disagreements on a part of the observations, accepts all of the recommendations in Court's special report;

250. Points out that, while for the next programme, the Commission envisages EUR 950 million in current prices and there is a consensus with the Parliament on this number, it is imperative that the implementation will be on time, with the full scope and within the financial limits;
251. Stresses that there is a need to have in place a sound multi-annual strategic plan setting down a strategic framework and milestones for managing IT projects coherently and effectively; the objectives, the indicators, timetable and the necessary financial resources to be correctly set in that plan;
252. As with the beginning of the new MFF, several programmes, for example EU Anti-fraud Programme, FISCALIS and Customs, as well as the Integrated Border Management Fund should act in synergy, points out that there is a need of impact assessment of the negative influence of possible delays in implementation of one of the elements to the functioning of the whole system;
253. Underlines that it is imperative to implement performance-based budgeting in order to improve the outcomes and to assure achievement the objectives of the programme;
254. While Member States have not used their 20 % share of collection costs retained from customs duties for covering expenditure for implementing customs IT system, supports the Commission's own resources proposal to reduce the percentage of collection costs to 10 %;

**Part XXXII Special Report No 31 of the Court of Auditors entitled 'Animal welfare in the EU: closing the gap between ambitious goals and practical implementation'**

255. Calls on the Commission, in order to guide its future animal welfare actions, to:
  - carry out an evaluation of the 2012-2015 animal welfare strategy — particularly in relation to live animal transportation — to identify to what extent its objectives have been achieved and if the guidance it has issued is being applied,
  - define baseline and target indicators to measure and compare the Member States' degree of compliance in remaining risk areas identified by the evaluation,
  - reflect on how to address the conclusions of the above evaluation (for example, through a new strategy or action plan and/or a review of animal welfare legislation) and publish the results of its assessment;
256. Welcomes the conclusion of the Court that Union actions on animal welfare have improved compliance with animal welfare requirements and supported higher standards with a clear positive impact on animal welfare, where properly implemented;
257. Recommends that, with a view to better addressing risky areas and disseminate good practices, the Commission:
  - develop an enforcement strategy to strengthen arrangements for the follow-up of DG SANTE's recommendations, with the aim to reduce the time to trigger satisfactory actions to its recommendations issued after audits and to enforce legislative provisions, particularly those that have been in force for a long time,
  - determine, together with the Member States, how the tools available in TRACES (Trade Control and Expert System) can support the preparation of risk analyses for inspections on the transport of live animals, and disseminate guidance on the use of these tools;
258. To strengthen the links between the cross-compliance system and animal welfare, recommends that the Commission:
  - in its conformity audits on cross-compliance, assess the completeness of Member States' reporting of non-compliances identified during official inspections performed by the same control authority as for cross-compliance checks, for example by crosschecking between the results of official inspections and the database of beneficiaries subject to cross-compliance,
  - building on previous actions, further share best practices on cross-compliance and inform Member States of the conformity findings underlying decisions to impose financial corrections because of the lenient sanctioning systems linked to animal welfare;

259. To encourage the effective use of rural development support for animal welfare, recommends that the Commission:
- when approving changes to the existing rural development programmes, as well as when approving the new programming documents for the rural development programming period post-2020, challenge Member States on the use of the animal welfare measure in sectors where there is evidence of widespread non-compliance (such as pig tail docking) and check the potential overlap with private schemes covering similar commitments,
  - encourage the exchange between Member States of good practices on additional, voluntary result and impact indicators for the animal welfare measure under the common monitoring and evaluation system that will be established for the programming period post-2020,
  - for the programming period post-2020, provide structured guidance to Member States on the use of other rural development measures to support improved animal welfare standards, in order to give farmers a wider range of incentives to improve animal welfare, with a view to a complete abolishment of the cruel practices;
260. 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) 2019/1413 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the Education, Audiovisual and Culture Executive Agency for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
- having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM(2018) 521 — C8-0318/2018) <sup>(2)</sup>,
- having regard to the final annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2017 <sup>(3)</sup>,
- having regard to the Commission's report on the follow-up to the discharge for the financial year 2016 (COM(2018) 545), and to the accompanying Commission staff working document(s),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2017 (COM(2018) 661), and to the accompanying Commission staff working document (SWD(2018) 429),
- having regard to the Court of Auditors' report on the annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2017, together with the Agency's reply <sup>(4)</sup>,
- having regard to the statement of assurance <sup>(5)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2017 05826/2019 — C8-0054/2019),
- 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 <sup>(6)</sup> and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(7)</sup>, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes <sup>(8)</sup>, 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 <sup>(9)</sup>, and in particular the first and second paragraphs of Article 66 thereof,

<sup>(1)</sup> OJ L 51, 28.2.2017, p. 1.<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.<sup>(3)</sup> OJ C 413, 14.11.2018, p. 2.<sup>(4)</sup> OJ C 434, 30.11.2018, p. 16.<sup>(5)</sup> OJ C 434, 30.11.2018, p. 209.<sup>(6)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(7)</sup> OJ L 193, 30.7.2018, p. 1.<sup>(8)</sup> OJ L 11, 16.1.2003, p. 1.<sup>(9)</sup> 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 <sup>(10)</sup>,
  - 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 (A8-0110/2019),
- 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 2017;
  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 2017, Section III — Commission and executive agencies, and in its resolution of 26 March 2019 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2017 <sup>(11)</sup>;
  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 2017, 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

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<sup>(10)</sup> OJL 343, 19.12.2013, p. 46.

<sup>(11)</sup> Texts adopted, P8\_TA(2019)0243 (see page 59 of this Official Journal).

**DECISION (EU, Euratom) 2019/1414 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the Executive Agency for Small and Medium-sized Enterprises for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
- having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM (2018) 521 — C8-0318/2018) <sup>(2)</sup>,
- having regard to the final annual accounts of the Executive Agency for Small and Medium-sized Enterprises for the financial year 2017 <sup>(3)</sup>,
- having regard to the Commission's report on the follow-up to the discharge for the financial year 2016 (COM (2018) 545), and to the accompanying Commission staff working document(s),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2017 (COM(2018) 661), and to the accompanying Commission staff working document (SWD(2018) 429),
- 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 2017, together with the Agency's reply <sup>(4)</sup>,
- having regard to the statement of assurance <sup>(5)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2017 (05826/2019 — C8-0054/2019),
- 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 <sup>(6)</sup> and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(7)</sup>, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes <sup>(8)</sup>, 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 <sup>(9)</sup>, 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 <sup>(10)</sup>,

<sup>(1)</sup> OJ L 51, 28.2.2017, p. 1.

<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.

<sup>(3)</sup> OJ C 413, 14.11.2018, p. 11.

<sup>(4)</sup> OJ C 434, 30.11.2018, p. 16.

<sup>(5)</sup> OJ C 434, 30.11.2018, p. 213.

<sup>(6)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(7)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(8)</sup> OJ L 11, 16.1.2003, p. 1.

<sup>(9)</sup> OJ L 297, 22.9.2004, p. 6.

<sup>(10)</sup> 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 (A8-0110/2019),
- 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 2017;
  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 2017, Section III — Commission and executive agencies, and in its resolution of 26 March 2019 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2017 <sup>(1)</sup>;
  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 2017, 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

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<sup>(1)</sup> Texts adopted, P8\_TA(2019)0243 (see page 59 of this Official Journal).

**DECISION (EU, Euratom) 2019/1415 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the Consumers, Health, Agriculture and Food Executive Agency for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
- having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM(2018) 521 — C8-0318/2018) <sup>(2)</sup>,
- having regard to the final annual accounts of the Consumers, Health, Agriculture and Food Executive Agency for the financial year 2017 <sup>(3)</sup>,
- having regard to the Commission's report on the follow-up to the discharge for the financial year 2016 (COM(2018) 545), and to the accompanying Commission staff working document(s),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2017 (COM(2018) 661), and to the accompanying Commission staff working document (SWD(2018) 429),
- 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 2017, together with the Agency's reply <sup>(4)</sup>,
- having regard to the statement of assurance <sup>(5)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2017 (05826/2019 — C8-0054/2019),
- 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 <sup>(6)</sup> and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(7)</sup>, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes <sup>(8)</sup>, 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 <sup>(9)</sup>, and in particular the first and second paragraphs of Article 66 thereof,

<sup>(1)</sup> OJ L 51, 28.2.2017, p. 1.

<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.

<sup>(3)</sup> OJ C 413, 14.11.2018, p. 2.

<sup>(4)</sup> OJ C 434, 30.11.2018, p. 16.

<sup>(5)</sup> OJ C 434, 30.11.2018, p. 229.

<sup>(6)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(7)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(8)</sup> OJ L 11, 16.1.2003, p. 1.

<sup>(9)</sup> OJ L 297, 22.9.2004, p. 6.

- 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 <sup>(10)</sup>,
  - 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 <sup>(11)</sup>,
  - 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 (A8-0110/2019),
- 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 2017;
  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 2017, Section III — Commission and executive agencies, and in its resolution of 26 March 2019 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2017 <sup>(12)</sup>;
  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 2017, 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

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<sup>(10)</sup> OJ L 341, 18.12.2013, p. 69.

<sup>(11)</sup> OJ L 363, 18.12.2014, p. 183.

<sup>(12)</sup> Texts adopted, P8\_TA(2019)0243 (see page 59 of this Official Journal).

**DECISION (EU, Euratom) 2019/1416 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Research Council  
Executive Agency for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
- having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM(2018) 521 — C8-0318/2018) <sup>(2)</sup>,
- having regard to the final annual accounts of the European Research Council Executive Agency for the financial year 2017 <sup>(3)</sup>,
- having regard to the Commission's report on the follow-up to the discharge for the financial year 2016 (COM(2018) 545), and to the accompanying Commission staff working document(s),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2017 (COM(2018) 661), and to the accompanying Commission staff working document (SWD(2018) 429),
- having regard to the Court of Auditors' report on the annual accounts of the European Research Council Executive Agency for the financial year 2017, together with the Agency's reply <sup>(4)</sup>,
- having regard to the statement of assurance <sup>(5)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2017 (05826/2019 — C8-0054/2019),
- 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 <sup>(6)</sup> and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(7)</sup>, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes <sup>(8)</sup>, 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 <sup>(9)</sup>, and in particular the first and second paragraphs of Article 66 thereof,

<sup>(1)</sup> OJ L 51, 28.2.2017, p. 1.

<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.

<sup>(3)</sup> OJ C 413, 14.11.2018, p. 9.

<sup>(4)</sup> OJ C 434, 30.11.2018, p. 16.

<sup>(5)</sup> OJ C 434, 30.11.2018, p. 217.

<sup>(6)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(7)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(8)</sup> OJ L 11, 16.1.2003, p. 1.

<sup>(9)</sup> OJ L 297, 22.9.2004, p. 6.

- having regard to Commission Implementing Decision 2013/779/EU of 17 December 2013 establishing the European Research Council Executive Agency and repealing Decision 2008/37/EC <sup>(10)</sup>,
  - 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 (A8-0110/2019),
- 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 2017;
  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 2017, Section III — Commission and executive agencies, and in its resolution of 26 March 2019 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2017 <sup>(11)</sup>;
  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 2017, 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

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<sup>(10)</sup> OJL 346, 20.12.2013, p. 58.

<sup>(11)</sup> Texts adopted, P8\_TA(2019)0243 (see page 59 of this Official Journal).

**DECISION (EU, Euratom) 2019/1417 OF THE EUROPEAN PARLIAMENT**  
**of 26 March 2019**  
**on discharge in respect of the implementation of the budget of the Research Executive Agency for**  
**the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
- having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM (2018) 521 — C8-0318/2018) <sup>(2)</sup>,
- having regard to the final annual accounts of the Research Executive Agency for the financial year 2017 <sup>(3)</sup>,
- having regard to the Commission's report on the follow-up to the discharge for the financial year 2016 (COM (2018) 545), and to the accompanying Commission staff working document(s),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2017 (COM(2018) 661), and to the accompanying Commission staff working document (SWD(2018) 429),
- having regard to the Court of Auditors' report on the annual accounts of the Research Executive Agency for the financial year 2017, together with the Agency's reply <sup>(4)</sup>,
- having regard to the statement of assurance <sup>(5)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2017 (05826/2019 — C8-0054/2019),
- 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 <sup>(6)</sup> and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(7)</sup>, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes <sup>(8)</sup>, 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 <sup>(9)</sup>, and in particular the first and second paragraphs of Article 66 thereof,

<sup>(1)</sup> OJ L 51, 28.2.2017, p. 1.

<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.

<sup>(3)</sup> OJ C 413, 14.11.2018, p. 12.

<sup>(4)</sup> OJ C 434, 30.11.2018, p. 16.

<sup>(5)</sup> OJ C 434, 30.11.2018, p. 225.

<sup>(6)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(7)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(8)</sup> OJ L 11, 16.1.2003, p. 1.

<sup>(9)</sup> OJ L 297, 22.9.2004, p. 6.

- having regard to Commission Implementing Decision 2013/778/EU of 13 December 2013 establishing the Research Executive Agency and repealing Decision 2008/46/EC <sup>(10)</sup>,
  - 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 (A8-0110/2019),
- A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget in cooperation with the Member States, on its own responsibility, having regard to the principles of sound financial management;
1. Grants the Director of the Research Executive Agency discharge in relation to the implementation of the Agency's budget for the financial year 2017;
  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 2017, Section III — Commission and executive agencies, and in its resolution of 26 March 2019 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2017 <sup>(11)</sup>;
  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 2017, Section III — Commission and the resolution forming an integral part of those decisions, to the Director of the Research Executive Agency, the Council, the Commission of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

*The President*  
Antonio TAJANI

*The Secretary-General*  
Klaus WELLE

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<sup>(10)</sup> OJL 346, 20.12.2013, p. 54.

<sup>(11)</sup> Texts adopted, P8\_TA(2019)0243 (see page 59 of this Official Journal).

**DECISION (EU, Euratom) 2019/1418 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the Innovation and Networks Executive Agency for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
- having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM(2018) 521 — C8-0318/2018) <sup>(2)</sup>,
- having regard to the final annual accounts of the Innovation and Networks Executive Agency for the financial year 2017 <sup>(3)</sup>,
- having regard to the Commission's report on the follow-up to the discharge for the financial year 2016 (COM(2018) 545), and to the accompanying Commission staff working document(s),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2017 (COM(2018) 661), and to the accompanying Commission staff working document (SWD(2018) 429),
- having regard to the Court of Auditors' report on the annual accounts of the Innovation and Networks Executive Agency for the financial year 2017, together with the Agency's reply <sup>(4)</sup>,
- having regard to the statement of assurance <sup>(5)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2017 (05826/2019 — C8-0054/2019),
- 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 <sup>(6)</sup> and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(7)</sup>, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes <sup>(8)</sup>, 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 <sup>(9)</sup>, and in particular the first and second paragraphs of Article 66 thereof,

<sup>(1)</sup> OJ L 51, 28.2.2017, p. 1.

<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.

<sup>(3)</sup> OJ C 413, 14.11.2018, p. 11.

<sup>(4)</sup> OJ C 434, 30.11.2018, p. 16.

<sup>(5)</sup> OJ C 434, 30.11.2018, p. 221.

<sup>(6)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(7)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(8)</sup> OJ L 11, 16.1.2003, p. 1.

<sup>(9)</sup> OJ L 297, 22.9.2004, p. 6.

- having regard to Commission Implementing Decision 2013/801/EU of 23 December 2013 establishing the Innovation and Networks Executive Agency and repealing Decision 2007/60/EC as amended by Decision 2008/593/EC <sup>(10)</sup>,
  - 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 (A8-0110/2019),
- 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 2017;
  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 2017, Section III — Commission and executive agencies, and in its resolution of 26 March 2019 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2017 <sup>(11)</sup>;
  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 2017, 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

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<sup>(10)</sup> OJL 352, 24.12.2013, p. 65.

<sup>(11)</sup> Texts adopted, P8\_TA(2019)0243 (see page 59 of this Official Journal).

**DECISION (EU, Euratom) 2019/1419 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the general budget of the European Union for the financial year 2017, Section III — Commission**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
- having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM(2018) 521 — C8-0318/2018) <sup>(2)</sup>,
- having regard to the Commission's report on the follow-up to the discharge for the financial year 2016 (COM(2018) 545), and to the accompanying Commission staff working document(s),
- having regard to the Commission's 2017 Annual Management and Performance Report for the EU Budget (COM(2018) 457),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2017 (COM(2018) 661), and to the accompanying Commission staff working document (SWD(2018) 429),
- having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2017, together with the institutions' replies <sup>(3)</sup>, and to the Court of Auditors' special reports,
- having regard to the statement of assurance <sup>(4)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2017 (05824/2019 — C8-0053/2019),
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2017 (05826/2019 — C8-0054/2019),
- 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 <sup>(5)</sup> and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(6)</sup>, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes <sup>(7)</sup>, and in particular Article 14(2) and (3) thereof,

<sup>(1)</sup> OJ L 51, 28.2.2017, p. 1.

<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.

<sup>(3)</sup> OJ C 357, 4.10.2018, p. 1.

<sup>(4)</sup> OJ C 357, 4.10.2018, p. 9.

<sup>(5)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(6)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(7)</sup> OJ L 11, 16.1.2003, p. 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 (A8-0110/2019),
1. Approves the closure of the accounts of the general budget of the European Union for the financial year 2017;
  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 2017, Section III — Commission and executive agencies, and in its resolution of 26 March 2019 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2017 <sup>(8)</sup>;
  3. Instructs its President to forward this decision to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors and the European Investment Bank, and to the national parliaments and the national and regional audit institutions of the Member States, and to arrange for its publication in the *Official Journal of the European Union* (L series).

*The President*  
Antonio TAJANI

*The Secretary-General*  
Klaus WELLE

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<sup>(8)</sup> Texts adopted, P8\_TA(2019)0243 (see page 59 of this Official Journal).

**DECISION (EU) 2019/1420 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section IV — Court of Justice**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM (2018) 521 — C8-0321/2018) <sup>(2)</sup>,
  - having regard to the Court of Justice's annual report to the discharge authority on internal audits carried out in 2017,
  - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2017, together with the institutions' replies <sup>(3)</sup>,
  - having regard to the statement of assurance <sup>(4)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, 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 <sup>(5)</sup>, and in particular Articles 55, 99, 164, 165 and 166 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(6)</sup>, and in particular Articles 59, 118, 260, 261 and 262 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 (A8-0098/2019),
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 2017;
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Court of Justice of the European Union, the European Council, the Council, the Commission, the Court of Auditors, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service to arrange for their publication in the *Official Journal of the European Union* (L series).

*The President*  
Antonio TAJANI

*The Secretary-General*  
Klaus WELLE

<sup>(1)</sup> OJ L 51, 28.2.2017.

<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.

<sup>(3)</sup> OJ C 357, 4.10.2018, p. 1.

<sup>(4)</sup> OJ C 357, 4.10.2018, p. 9.

<sup>(5)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(6)</sup> OJ L 193, 30.7.2018, p. 1.

**RESOLUTION (EU) 2019/1421 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section 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 2017, 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 (A8-0098/2019),
- A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources,
1. Notes with satisfaction that, in its annual report for 2017, the Court of Auditors identified no significant weaknesses in respect of the audited topics relating to human resources and procurement for the Court of Justice of the European Union (the 'CJEU');
  2. Welcomes the fact that, on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2017 for administrative and other expenditure of the CJEU were free from material error;
  3. Notes that appropriations amounted to EUR 399 344 000 (EUR 380 002 000 in 2016) and that the implementation rate was 98,69 % (98,23 % in 2016) in 2017; notes the high budget implementation rate for both Title 1 (persons working with the institution) and Title 2 (buildings, furniture, equipment and miscellaneous operating expenditure) amounting to 98,6 % and 99,1 % as compared to 98,1 % and 98,6 % in 2016;
  4. Notes that appropriations carried over from 2016 to 2017 were EUR 22 240 120,22, of which 86,26 % (EUR 19 188 159,20) was used in 2017 as compared to 90 % in 2016;
  5. Notes that the established entitlements in the financial year 2017 amounted to EUR 51 677 001 and were 3,6 % lower than the estimated revenue in excess of EUR 53 595 000,00; notes that this discrepancy is mainly due to the late nomination of 3 out of 19 new judges in the context of the reform of the CJEU, which resulted in lower staff expenses than expected;
  6. Takes note that in 2017 the CJEU allocated EUR 850 000 to meet the payment of damages, awarded by the General Court on the basis of a failure to adjudicate within a reasonable period of time in the context of three cases closed by the General Court in 2011 and 2013;
  7. Notes that the CJEU overestimated its commitments for various budget lines under Chapter 14 'Other staff and external services', *inter alia* for missions (budget line 162), having committed EUR 342 000 in 2017 whereas payments only amounted to EUR 204 795,27, and overestimated further training (budget line 1612), having committed EUR 1 457 644,07, whereas payments only amounted to EUR 579 000,04; notes that the CJEU reduced its request for appropriations for Members' missions to EUR 299 750 when drawing up its 2019 estimates in response to the observation of the Parliament in its discharge report for the year 2016; calls on the CJEU to pursue its efforts to ensure sound financial management in order to avoid significant discrepancies between commitments and payments;
  8. Takes note that the rate of implementation of the final appropriations from the chapter related to meetings and conferences in 2017 was 81,40 %, compared with a rate of 95,5 % in 2016; calls on the CJEU to keep working on this issue in order to again reach at least the same rate of implementation of the final appropriations for that chapter as the rate reached in 2016;

9. Notes that EUR 8,72 million were transferred to budget line 2001 (lease/purchase) for the project of the fifth extension of the CJEU's buildings following a budget surplus; notes that the transfer of appropriations was subject to a notification to the budgetary authority in accordance with the provisions of Article 25(1) and (2) of the Financial Regulation; notes that to date, the pre-payments made with the agreement of the budgetary authority since 2007, amounting to EUR 57,3 million, have made it possible to significantly reduce the budget impact of the lease/purchase payments to be made until 2026;
10. Notes that almost 75 % of the CJEU's budget was allocated to expenditure on the members and staff (Title 1), and almost 25 % was allocated to infrastructure expenditure (Title 2), particularly buildings and information technologies; welcomes the commitment of the CJEU to apply the performance-based budgeting methodology to relevant parts of its budget; calls on the CJEU to keep the discharge authority informed on the achievements related to the application of the principles of performance-based budgeting;
11. Stresses that introducing performance-based budgeting should not apply only to the CJEU'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 and of relevant indicators for drawing up the institution's estimates; calls therefore on the CJEU to introduce the principle of performance-based budgeting more widely in its operations;
12. Expresses concern that yet, in contrast to related concepts such as legitimacy, responsiveness, or transparency, accountability has — so far — been of little relevance in framing the CJEU's authority;
13. Welcomes the intention of the CJEU to streamline its procedures in order to publish its Annual Activity Report by 31 March 2019 with a view to optimising and speeding up the discharge procedure;
14. Welcomes the fact that the CJEU has started its work on developing an Integrated Case Management System which will replace a set of applications developed over the past 25 years and which will include a component on the computerisation of performance indicators and reporting instruments;
15. Welcomes the recommendation by the Court of Auditors that the CJEU should consider the adoption of more active case management procedures based on an individual approach and realistic deadlines, while closely monitoring manpower deployment and adopting additional administrative streamlining methods;
16. Notes that only 4,8 % of the total CJEU's budget was devoted to information technology (IT) and telecommunication; stresses the importance of introducing paperless information and documentation flows to ensure swift and efficient communication and calls on the CJEU to continue pursuing necessary measures to achieve that aim; welcomes in that regard the increased use of the application 'e-Curia' and calls on the CJEU to strive for a complete lodging of all procedural documents via this application in the near future; welcomes the fact that, since 2016, all the Member States use 'e-Curia', showing that the public's awareness of the existence and the advantages of this application has been efficiently raised;
17. Notes that the total number of cases brought before the CJEU in 2017 (1 656 cases) was higher than in 2016 (1 604 cases) and that the number of cases completed in 2017 remained at a high level (1 594 cases as compared to 1 628 cases in 2016); notes that the average duration of proceedings decreased from 16,7 months in 2016 to 16,3 months in 2017); welcomes the efficiency improvements which led to an increase of the annual number of completed cases by 29,6 % over the period 2010-2017, while the number of new cases steadily increased;
18. Concludes that the CJEU could further enhance these positive results by considering a move towards more active individual case management, using tailored time-frames and monitoring the actual use of the human resources employed; stresses that measuring performance on this basis, instead of using indicative time-frames to be respected on average, would inform management of both problem cases and elements of good practice; underlines that this information could also be used to improve reporting on performance to enhance accountability, providing insight on the proper functioning of the CJEU and on the use of its resources available;
19. Acknowledges the efforts of the CJEU to improve efficiency in the handling of cases, following the recommendations by the Court of Auditors in its review of the CJEU's case management performance <sup>(1)</sup>; welcomes the fact that the CJEU has developed time-frames and monitoring tools which are tailored to certain types of proceedings; notes that the length of proceedings is one factor among others to be taken into consideration in the evaluation of a court system; calls on the CJEU to continue improving its performance by following up the Court of Auditor's recommendations, while not compromising the quality, efficiency and independence of its judgements;

<sup>(1)</sup> European Court of Auditors, Special Report No 14/2017: Performance Review of Case Management at the Court of Justice of the European Union.

20. Points out that the CJEU shall deliver justice of irreproachable quality, in a reasonable time, whilst as a Union institution also ensuring it uses the public funds at its disposal as efficiently and as effectively as possible, and according to the principles of sound financial management;
21. Takes note of the explanations by the CJEU in its follow-up to the discharge 2016 that judicial vacations do not correspond to a period of interruption of judicial activity; notes that judges and their cabinets consider 'white weeks' as privileged time to work on their own cases, i.e. the cases in which they are judge rapporteur;
22. Welcomes the initiative to create the 'Judicial Network of the European Union' covering the Constitutional Courts and Supreme Courts of the Member States to promote Union case-law and case-law of the Member States;
23. Welcomes the achievements made by the CJEU in terms of communication activities to increase its visibility and media impact, including an increase of its outreach on social media and the organisation of information seminars for journalists; encourages the CJEU to continue striving for the best use of various communication channels to raise awareness about its work among citizens;
24. Notes that the reduction of 5 % in staff numbers over the period 2013-2017 has been achieved in compliance with the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management <sup>(1)</sup> with an overall contribution of 98 posts; notes that in the meantime, 130 new posts were created in view of the increased number of judges and advocates general as well as seven new posts for security measures, 63 new posts for the accession of Croatia and nine for translation to Irish;
25. Notes that the staff reduction puts significant pressure on some support services; is concerned, in particular, that the language services have given up 64 posts, which represents approximately 60 % of the total reduction; notes that the removal of posts has affected the internal linguistic production capacity and led to an increased collaboration with freelance translators;
26. Welcomes the inter-institutional cooperation on the redeployment of auxiliary conference interpreters, which had to be cancelled in the context of changes in the CJEU's approach to conference interpretation;
27. Welcomes the high occupation rate of posts in all the services (almost 98 %); notes, however, that the low level of the basic salaries for starting grades and the limited career development opportunities in Luxembourg, due to a low number of institutions being located there, have a direct impact on the CJEU's recruitment procedures; welcomes the creation of an inter-institutional task force in November 2017 which has formulated 24 recommendations concerning better career prospects and hiring flexibility, better reception and settlement conditions in the country, and better integration of the institution's staff into the local community and better communication;
28. Points out that a more flexible allocation of existing *référéndaires* could have a positive impact on overall effectivity of the Court;
29. Notes the slight increase in the number of women in management positions, which was 36 % in 2017 compared to 35 % in 2016; calls on the CJEU to continue to improve the gender balance in senior and management positions; welcomes the pilot project for the development of managerial and management skills aimed in particular at encouraging women to apply for management posts; encourages the CJEU to promote work-life balance measures addressed to staff of all genders;
30. Welcomes the information provided to all staff at the entry of service as well as available on the staff *vademecum* to inform on the existing flexible working arrangements; welcomes the transparency of the CJEU in terms of cases of staff burn-out and encourages the CJEU to assess the workload distribution within the organisation and verify the match between tasks and resources;
31. Notes that a disciplinary procedure, opened in 2016, in order to investigate a complaint of harassment, was closed in 2017; welcomes the appointment of the network of confidential counsellors who may be contacted for advice or assistance in the event of psychological or sexual harassment; encourages the CJEU to closely monitor the efficiency of its policy in this regard, to continue raising awareness about harassment at the work place and to foster a culture of zero tolerance toward harassment;

<sup>(1)</sup> OJ C 373, 20.12.2013, p. 1.

32. Reiterates that geographical balance, i.e. the distribution of staff by nationality based on the share of the given Member State's population as a proportion of the overall Union population, in particular in management positions, should be closely monitored; reiterates its concern that only 15 out of 56 heads of unit at the CJEU and 2 of its 13 Directors were from Member States that have joined the Union since May 2004; notes also that 31 % of the staff of the CJEU come from those Member States; encourages the CJEU to develop a policy to improve on the geographical imbalance and report back to the discharge authority;
33. Welcomes the increase of remunerated traineeships at the CJEU from 57 in 2016 to 82 in 2017; welcomes, moreover, that the CJEU has requested an additional amount of EUR 550 000 in the 2019 budget; regrets, however, that 215 trainees assigned to Member's cabinet in 2017 were still not remunerated; calls on the CJEU to ensure an appropriate allowance being paid to all trainees in order to provide sufficient reimbursement for the trainees' efforts and not to reinforce discrimination on economic grounds;
34. Notes that members of the CJEU may use official cars outside the performance of their duties and that the costs for such use is entirely carried by the user; notes that the average cost per member for the use of cars outside the performance of their duties amounted to EUR 440 in 2017, which were entirely recovered from the member's emoluments;
35. Notes that chauffeurs drove to the home countries of the members of the CJEU without having the member on board on 26 occasions and that 53 nights were reimbursed to the drivers in relation to those trips; notes, moreover, that 22 flights, five trips by train and one boat trip were scheduled for chauffeurs in order to do official missions with a member in his or her home country; underlines that chauffeurs should accompany members in the home country only in duly justified cases;
36. Notes that a list of external activities of the members of the CJEU was published on the website of the CJEU; regrets that this list is unspecific about the purpose, the date, the venue and the travel and subsistence costs of the listed events and whether they were paid by the CJEU or by a third party; calls on the CJEU to continue publishing a list of external activities of its members and be more specific about the above mentioned aspects;
37. Reiterates its call on the CJEU to publish CVs and declarations of interest for all its members on the website; notes that short biographies of each member are published on the website, which do not however contain information on membership of any other organisations; notes that members are required to submit a declaration of their financial interests to the President of the Court of which they are a member on taking up their duties in line with the new Code of Conduct for members; calls on the CJEU to publish those declarations on its website;
38. Welcomes the revision of the Code of Conduct for members that came into force on 1 January 2017 and that it provides for new rules to prevent cases of conflict of interests and to ensure the independence of the members;
39. Notes that the CJEU's administration is preparing new rules on revolving doors for members of staff; reiterates its call on the CJEU to quickly establish and implement strict obligations in this regard;
40. Asks the CJEU to put in place clear and robust rules for sponsoring that guarantee equal treatment of events after noting that the CJEU denied carrying out any sponsoring activities even though the CJEU provided the 18th congress of the International Federation of European Law (FIDE), held in May 2018 in Portugal, with 12 interpreters for a cost of EUR 10 859,05;
41. Notes that no cases of whistleblowing were reported in 2017; welcomes the adoption of new internal rules on whistle-blower protection in 2017; calls on the CJEU to ensure that all staff is properly informed of its rights, such as during induction upon arrival of new staff;
42. Welcomes the CJEU's commitment to ambitious environmental targets, in particular with a view to its ongoing building project, and encourages the CJEU to reach those objectives in a timely manner; welcomes the fact that the target to reduce tenders with a significant environmental impact was exceeded in 2017; welcomes, moreover, the creation of the 'Inter-Institutional GPP (Green Public Procurement) Helpdesk'; encourages the CJEU to continue improving its waste management, increasing its energy efficiency and reducing its carbon footprint;
43. Notes that the British members of the Court of Justice and the General Court will cease to exercise their functions when the United Kingdom withdraws from the Union; notes that the volume of litigation could increase in the short and medium term in view of legal problems which may be generated by a withdrawal agreement and the corresponding provisions of United Kingdom law;

44. Notes that one former member of the Civil Service Tribunal is currently employed by the CJEU as a special adviser, in particular on matters relating to the United Kingdom's decision to withdraw from the Union; notes that his appointment was made pursuant to Article 123(2) of the Conditions of Employment of Other Servants;
  45. Notes that they had 63 British members of staff in 2017, among which 36 officials, 24 temporary agents and three contract agents; welcomes the intention of the CJEU to follow a case-by-case approach when deciding on the extension of contracts for British contract and temporary agents after the withdrawal of the United Kingdom from the Union; calls on the CJEU to swiftly develop a coherent strategy to provide certainty for the persons concerned.
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**DECISION (EU, Euratom) 2019/1422 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section V — Court of Auditors**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM (2018) 521 — C8-0322/2018) <sup>(2)</sup>,
  - having regard to the Court of Auditors' annual report to the discharge authority on internal audits carried out in 2017,
  - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2017, together with the institutions' replies <sup>(3)</sup>,
  - having regard to the statement of assurance <sup>(4)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, 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 <sup>(5)</sup>, and in particular Articles 55, 99, 164, 165 and 166 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(6)</sup>, and in particular Articles 59, 118, 260, 261 and 262 thereof,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0097/2019),
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 2017;
  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

<sup>(1)</sup> OJ L 51, 28.2.2017.<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.<sup>(3)</sup> OJ C 357, 4.10.2018, p. 1.<sup>(4)</sup> OJ C 357, 4.10.2018, p. 9.<sup>(5)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(6)</sup> OJ L 193, 30.7.2018, p. 1.

**RESOLUTION (EU) 2019/1423 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section 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 2017, Section V — Court of Auditors,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0097/2019),
- A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;
1. Notes that the annual accounts of the Court of Auditors' ('the Court') are audited by an independent external auditor in order to apply the same principles of transparency and accountability that the Court applies to its auditees; notes the auditor's opinion that the Court's financial statements give a true and fair view of its financial position;
  2. Notes that in 2017 the Court's final appropriations amounted to a total of EUR 141 240 000 (compared to EUR 137 557 000 in 2016) and that the overall rate of implementation for the budget was 97,73 % (compared to 99 % in 2016);
  3. Stresses that the Court's budget is purely administrative, with a large amount being used for expenditure in relation to persons working within the institution (Title 1) and in relation to buildings, movable property, equipment and miscellaneous operating expenditure (Title 2); calls on the Court to continue improving payment execution rates, in particular in relation to Title 2 where the payment rate was 55,75 % of final appropriations and 57,13 % of commitments (compared to 52,8 % and 53,8 % respectively in 2016);
  4. Notes that the appropriation rate for staff missions was 87,98 % of final appropriations (compared to 93,76 % in 2016); welcomes the commitment of the Court to take all necessary measures to ensure that mission appropriations are used in accordance with the principles of economy, efficiency and effectiveness;
  5. Welcomes the participation of the Court in the interinstitutional Integrated Financial and Activity Planning (IFAP) project, which is a first step towards the implementation of performance-based budgeting as part of the EU Budget Focused on Results initiative; calls on the Court to report to the Parliament Committee on Budgetary Control in relation to progress in the next annual activity report;
  6. Welcomes the launch of the online portal 'Public Audit in the European Union' containing information on the work and role of the 29 Union Supreme Audit Institutions and the Member States; calls on the Court to publish short activity reports on the online portal, containing concrete data on the analyses performed by the Court and the Supreme Audit Institutions and the concrete results, including cost-benefits analyses and the amounts recovered;
  7. Acknowledges the fact that the Internal Audit Service has examined the implementation of the Court's 2013-2017 strategy and the operational structure of the Directorate of Presidency in relation to topics such as software licences and risk management; welcomes the fact that the Internal Audit Service considers that the governance, risk management and internal control procedures in place provide reasonable assurance as to the achievement of the Court's objectives;
  8. Welcomes the fact that the Court published its Final Accounts by 31 March 2018 as recommended by Parliament in its previous discharge; encourages the Court to streamline its procedures to ensure also the publication of its Annual Activity Report by 31 March, with a view to optimising and expediting the discharge procedure; suggests that the Court examines in its forthcoming opinions the extent to which the proposed arrangements would allow for a shortening of the discharge procedure;

9. Deplores that since 2012 the Court has failed to publish any special report on the management of conflict of interest in selected Union agencies; urges the Court to publish annual special report on the management of conflict of interest in Union agencies working with industries, namely the European Aviation Safety Agency (EASA), the European Chemicals Agency (ECHA), the European Food Safety Authority (EFSA) and the European Medicines Agency (EMA); notes that the risk of conflict of interest is higher for Union agencies working with industries than for other Union agencies;
10. Appreciates the cooperation between the Court and Parliament's Committee on Budgetary Control; welcomes the presentation of the work programme to Parliament's Conference of Committee Chairs with an invitation to all parliamentary standing committees to recommend potential audit tasks; welcomes the fact that around two third of these suggestions will impact on the Court's work; notes that 60 presentations were given to Parliament and that many bilateral meetings have taken place;
11. Notes that the audit risk in the area of administrative expenditure is low and that error rate estimates have been below the level of materiality for several years; notes that the Court therefore considers that the number of transactions tested is sufficient to reach conclusions for its audit; regrets, however, that the scope of considerations in Chapter 10 of the annual reports on 'Administration' allows for only a very limited review of weaknesses in administrative expenditure in each institution; regrets that the Court's analysis of the progress made by Parliament and the European Economic and Social Committee in comparison with the 2014 recommendations for 'Administration' was not carried out, given that the Court's audit for 2017 did not include the examination of administrative expenditure for these institutions; calls on the Court to follow-up on these recommendations soon and speed up the follow-up for recommendations issued in this Chapter in future;
12. Welcomes the Court's cooperation with other public institutions and stakeholders; notes with appreciation the cooperation between the heads of Supreme Audit Institutions and the adoption of a joint work plan from 2018 onwards; supports, moreover, the partnerships entered into with various universities in the context of the Court's policy to extend its range of training;
13. Welcomes the fact that 92 % of the Court's recommendations issued in 2014 were implemented by the end of 2017 as were 53 % of those issued in 2017;
14. Notes that, according to the Financial Regulation, the Court shall ensure that special reports are drawn up and adopted within an appropriate period of time which shall, in general, not exceed 13 months; notes that in 2017 it took an average of 14,6 months from commencement of an audit task to adoption of the special report while also the year before the 13-month target timeframe for producing special reports was not met; regrets that only eight of the special reports (29 %) published during 2017 complied with the 13-month target timeframe; observes that the time until publication was 16 months on average which was around two months less than in 2016 and, in that light, calls on the Court to continue improving its performance, while not compromising the quality of the special reports and the targeted nature of its recommendations;
15. Notes with interest that the Court increasingly involves translators in its core activities thus creating further synergies with the auditors; notes that translators provided drafting support to the auditors for special reports and the annual report as well as for 38 audit visits;
16. Welcomes the Court's strategy for communication, 'Get clear messages across to our audience', and the communication activities aimed at increasing its visibility and media impact, including an increase of its outreach on social media; welcomes the use of extensive social media analytics to better understand to what extent target groups are reached and whether media campaigns have been successful; encourages the Court to continue striving for the best use of various communication channels to raise awareness of its work among citizens;
17. Welcomes the detailed review of the use of official cars by members of the Court and the Secretary-General broken down by user, distance travelled and cost paid, provided by the Court in the framework of the discharge procedure 2017; observes that different regimes apply to journeys covered by a mission order and other journeys undertaken in the course of performance of official duties, up to a limit for reimbursement of 10 000 km per year; notes, moreover, that for all other journeys members and the Secretary-General shall bear any other related cost; notes that 17 % of all utilisation of official vehicles are for non-professional use; notes that drivers tasked with driving members on official missions and protocol journeys are also employed in various administrative tasks, as declared by the Court in the framework of the discharge procedure 2017; calls on the Court to carry out a detailed analysis of the journeys under the category 'Other journeys undertaken in the performance of official duties';

18. Welcomes the fact that Decision 81-2016, which decreased the annual limit for reimbursement for journeys undertaken in the performance of official duties from 15 000 to 10 000 km, resulted in savings of approximately 15 %; is concerned, however, that the current regime still results in a disproportionate burden in terms of administration and documentation; calls on the Court to make further simplifications while improving the reliability of the system for settlements; suggests that members of the Court are paid a monthly allowance, calculated in proportion to the list price of their respective official vehicle, instead of the current system which is based on travelled distance;
19. Notes that fuel cards are assigned to specific official vehicles and that the person driving that vehicle may use them to pay for petrol and tolls during missions; notes that the members of the Court and the Secretary-General may request fuel cards for their own diplomatic vehicle, but the full actual cost of the petrol is paid by them;
20. Notes the fact that the Court's ongoing project to reinforce the security of the institution and staff progressed according to plan; notes that the new security control centre, the external accreditation centre and the access control centre for staff and visitors are now operational;
21. Welcomes that the Court obtained certification under the Eco-Management and Audit Scheme (EMAS); welcomes the Court's measures to improve its waste management, increase its energy efficiency and reduce its carbon footprint and encourages it to continue with its efforts in this direction; welcomes the remarkable reduction in energy costs;
22. Notes that the reduction of 5 % in staff numbers over the period 2013-2017 has been achieved in compliance with the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management <sup>(1)</sup> with an overall contribution of 45 posts; notes that the Court cut one post more than the target for the period 2013-2017; notes that the number of contractual agents increased from 59 to 73 over the same period, which is mainly due to the reinforcement of security measures at the Court premises; notes that the Court streamlined procedures by using IT tools and digitalisation and by outsourcing various tasks to the Pay Master Office of the Commission in order to implement staff reduction objectives;
23. Notes that the Court, in order to be aligned with the recommendations issued by the International Federation of Accountants, aims to provide an annual average of 40 hours (five days) of professional training to its auditors; observes that in 2017 the target was exceeded with 6,7 days of professional training per auditor;
24. Is concerned by the increase in sick leave taken by staff from 8 636 days in total (for 687 members of staff) in 2015 to 10 327 days (for 677 members of staff) in 2017; welcomes the transparency of the Court regarding the number of cases of staff burnout which occurred in 2017; calls on the Court to acknowledge this worrying trend and to prepare an action plan on improving the well-being of the staff, thus strengthening its efforts to improve staff well-being and work-life balance;
25. Notes that the low level of basic salaries for starting grades and limited career development opportunities in Luxembourg, due to the low number of institutions located there, have a direct impact on the Court's recruitment procedures; welcomes the creation of an inter-institutional task force in November 2017 which has made 24 recommendations concerning better career prospects and hiring flexibility, better reception and settlement conditions in the country, better integration of the institution's staff into local society and improved communication;
26. Welcomes the fact that 43 % of auditors and administrators were women in 2017 and that gender balance in the promotion procedure was achieved in the context of the Action Plan for the Equal Opportunities Policy 2013-2017; notes that the share of women in management positions in the audit chambers increased from 7 % in 2015 to nearly 20 % in 2017; regrets however that only 2 out of 11 Directors and 7 out of 29 Heads of Private Office in 2017 were women; welcomes the adoption of an Equal Opportunities Action Plan for 2018-2020 and calls on the Court to continue its efforts to promote gender balance in management positions;

<sup>(1)</sup> OJ C 373, 20.12.2013, p. 1.

27. Regrets the fact that, as of 1 May 2018, only 6 out of 28 members of the Court were women; recalls that Parliament has emphasised the issue of gender imbalance among members of the Court in European Parliament resolution of 4 February 2014 on the future role of the Court of Auditors. The procedure on the appointment of Court of Auditors' Members: European Parliament consultation <sup>(2)</sup> and urges Member States to more actively encourage women to apply for positions with a view to future vacancies; reiterates that the Council should present Parliament with at least two candidates, one being a woman and one being a man, in the course of the appointment procedure;
28. Notes that no case of harassment was reported, investigated or concluded during 2017; welcomes the fact that the Court takes various measures to raise awareness regarding harassment in the working environment, including training for newcomers; notes with appreciation that procedures and penalties are envisaged to follow-up on complaints against members of staff as well as against members of the Court; encourages the Court to closely monitor the effectiveness of its policy in this regard, to continue raising awareness about harassment in the workplace and to foster a culture of zero tolerance towards harassment;
29. Notes that there were no cases of whistleblowing in 2017; notes that the Legal Service of the Court acts as a disclosure, advice and referral body for internal and external whistleblowers; notes, furthermore, that a network of ethics advisors is in place to advise on the provision of information in cases of irregularities, as specified in the Court's rules of procedures; underlines that every member of staff are obliged to report on irregularities, both fraudulent and non-fraudulent, to the Legal Service of the Court; calls on the Court to protect the identity of members of staff reporting irregularities as to enable proper investigations; calls on the Court to ensure that all members of staff are properly informed of their rights, for example during induction procedures for new staff; welcomes the Court's opinion published in October 2018, following the Commission's proposed Directive on the protection of persons reporting on breaches of Union law as published on 23 April 2018; underlines the importance of awareness raising and training of staff as means of fostering a positive and trusting environment in which whistleblowing is an accepted part of the corporate culture;
30. Notes that in 2017 the Court communicated 13 cases of suspected fraud to the European Anti-Fraud Office (OLAF), compared to 11 in 2016, which have been identified during the statement-of-assurance work for the financial years 2016 and 2017 and within the other audit tasks; welcomes the ongoing negotiations between the Court and the OLAF on a new administrative arrangement; asks to be kept informed about developments with respect to relations with OLAF as well as about preparations for cooperation with the proposed European Public Prosecutors' Office (EPPO);
31. Regrets that members of the Court may be absent from the Court without justification and without having to request leave for one or more days; notes with appreciation the introduction by the Court of an attendance register to record the presence of members at meetings of the Court, its chambers and its committees; notes that the Court publishes a calendar of all such meetings on its webpage; calls on the Court to establish procedures for keeping a register of members' annual leave, sick leave and absence from work for other reason to ensure that all leave taken by members is effectively recorded; stresses that the current practice could undermine the trust of Union citizens and institutions in the Court;
32. Recalls that in accordance with Article 285 of the Treaty on the Functioning of the European Union, members of the Court shall be completely independent in the performance of their duties and shall act solely in the Union's general interest; is concerned by the current self-declaratory nature of compliance with this criteria and urges the Court to develop stronger controls on the external activities of members and to ensure that they submit declarations of interests instead of declarations of the absence of conflicts of interest; underlines that the current procedures, including the ethics committee, need to be reinforced to ensure the lack of conflict of interests; welcomes the ongoing external peer review of the Court's ethical framework and asks to be kept informed about the outcome;
33. Regrets that the information requested in mission orders in the past was insufficient and did not allow the Court to assess whether the activity planned by members of the Court fell within the area of interest of the Court; calls on the Court to increase the amount of information required accordingly in order to prevent possible abuses and report back to the discharge authority on the applied changes; notes that following the revision of the rules on Members' official missions by the Court <sup>(3)</sup>, the Court publishes on a quarterly basis information on Members' missions;

<sup>(2)</sup> OJ C 93, 24.3.2017, p. 6.

<sup>(3)</sup> Decision No 61-2017 of 14 December 2017 on the mission expenses of the Members of the Court.

34. Observes with interest, however, that the Court has, since October 2016, begun reinforcing internal controls and financial procedures in relation to travel expenses and the management of official vehicles by adopting new rules for the use of cars and drivers that are now managed by a central team <sup>(4)</sup>, new rules for mission expenditure <sup>(5)</sup> and new rules for representation costs of members of the Court <sup>(6)</sup> with the Secretary-General as authorising officer by delegation for expenditure related to missions of members of the Court <sup>(7)</sup> and by using the same system that manages the missions of any other staff of the institution;
35. Notes the Court's decision, in relation to the period 2012-2018, to complete a comprehensive internal audit of mission expenses and the use of the official cars by all members of the Court, the Secretary-General and the Directors in order to identify potential irregularities and to recover the amounts affected by such irregularities; asks to be informed about the results promptly when the audit is concluded and calls on the Court to swiftly take all measures necessary to address potential weaknesses identified in this process; furthermore, calls on the Court to provide an annual list with the missions undertaken, including, for each mission, the dates, the full cost and the purpose;
36. Recalls the recommended criteria for appointment of members to the Court by Member States and the Council as endorsed by Parliament in Parliament's resolution of 4 February 2014; underlines that high standards of integrity and morality were an important criterion and that candidates should not hold any elected office or have any responsibilities in relation to a political party as of the date of their appointment; is of the opinion that the selection procedure should be further adapted to ensure that candidates hold the relevant qualifications and fulfil the relevant conditions; suggests that the pre-selection procedure for judges at the European Court of Justice could serve as a model for an independent pre-selection procedure for members at the Court;
37. Notes that the United Kingdom's decision to withdraw from the European Union will not have a major impact on the structure and human resources of the Court; welcomes the fact that the Court has decided to follow a case-by-case approach to deciding on the extension of contracts for British temporary and contract agents and not to dismiss them on the sole ground that they are no longer nationals of a Member State; calls on the Court to swiftly develop a coherent strategy to provide certainty for the persons concerned; notes, moreover, that the member of the Court from the United Kingdom will not be in service as of 1 April 2019 and that the budgetary impact of his departure, eight months earlier than the termination of the mandate, will amount to about EUR 108 000.

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<sup>(4)</sup> Minutes for the 218th meeting of the Administrative Committee held on Thursday 6 October 2016, point 7.

<sup>(5)</sup> Decision No 61-2017 of 14 December 2017 on the mission expenses of the Members of the Court.

<sup>(6)</sup> Decision No 60-2017 of 14 December 2017 on the rules for the management of Members' representation expenses.

<sup>(7)</sup> Decision No 58-2017 of 14 December 2017 of the European Court of Auditors laying down the internal rules for the implementation of the budget; Decision 59-2017 of 14 December 2017 of the Court of Auditors concerning the charter of tasks and responsibilities of the authorising officer by delegation and authorising officers by subdelegation.

**DECISION (EU) 2019/1424 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section X — European External Action Service**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM (2018) 521 — C8-0327/2018) <sup>(2)</sup>,
  - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2017, together with the institutions' replies <sup>(3)</sup>,
  - having regard to the statement of assurance <sup>(4)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, 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 <sup>(5)</sup>, and in particular Articles 55, 99 and 164 to 167 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(6)</sup>, and in particular Articles 59, 118 and 260 to 263 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 Foreign Affairs (A8-0109/2019),
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 2017;
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European External Action Service, the European Council, the Council, the Commission, the Court of Auditors, the Court of Justice of the European Union, 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

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<sup>(1)</sup> OJ L 51, 28.2.2017.

<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.

<sup>(3)</sup> OJ C 357, 4.10.2018, p. 1.

<sup>(4)</sup> OJ C 357, 4.10.2018, p. 9.

<sup>(5)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(6)</sup> OJ L 193, 30.7.2018, p. 1.

**RESOLUTION (EU) 2019/1425 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section 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 2017, 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 (A8-0109/2019),
1. Welcomes the fact that, according to the Court of Auditors (the 'Court'), the overall level of error for the MFF Heading 5 (Administration), including the budget of the European External Action Service (EEAS) continues to be relatively low with an estimation at 0,5 % in 2017;
  2. Notes that the Court did not identify material levels of error in the EEAS annual activity report;
  3. Notes also that any specific issues for the EEAS were reported by the Court, contrary to previous years;
  4. Notes with appreciation that the previous recommendations made in relation to the improvement of the monitoring system for the timely updating of the personal situation and data of members of staff, with a potential impact on the calculation of family allowances, have been implemented in most respects; considers, however, that consistency checks in relation to the management of family allowances require ongoing attention;
  5. Welcomes the efforts of the EEAS to improve procurement procedures in delegations, including the deployment of the Public Procurement Management Tool, the establishment of a procurement plan for low- and middle-value contracts and the development of templates for tender documents and trainings; considers that the former weaknesses identified in public procurement and the management of security services still deserve a steady attention and monitoring;
  6. Asks the EEAS to keep the Parliament informed about the results achieved through the aforementioned efforts to improve procurement procedures in delegations, in particular through the PPMT (Public Procurement Management Tool) system and eProcurement and eTendering procedures;
  7. Observes that the causes of errors identified by *ex ante* checks both on commitments and payments are of the same nature, namely the lack of supporting documents, as in previous years; notes that the EEAS *ex post* control included for the first time the expenditures of the end of the year (November-December 2016);
  8. Notes with appreciation that in 2017, the common overhead costs relating to all delegations' offices (rent, security, cleaning and other overheads), including European Development Fund (EDF) delegations, were financed entirely from the budget lines of the EEAS for the second consecutive year;
  9. Notes that carry-overs of appropriations have increased in 2017 and amounted to EUR 85 911 000 (compared to EUR 77 450 000 in 2016); recalls that carry-over operations to the following year may on an exceptional basis be realised under strict conditions;
  10. Notes that the total budget of the EEAS for 2017 amounted to EUR 660 million with an increase of 3,75 % compared to 2016;
  11. Notes that a contribution of EUR 54,9 million was also received from the EDF and the trust funds. Additional carry-overs and appropriations released from decommitments brought the total amount to EUR 59,7 million (including also assigned revenues of the financial year); notes that at the end of 2017 execution in commitments was EUR 52,6 million (88,1 %) and in payments EUR 46,5 million (78,0 %); notes that the EDF credits which have not been committed are carried over to the following year as external assigned revenue and there is no loss of appropriations;

12. Observes that the headquarters' budget amounted to EUR 236,7 million out of which EUR 153,8 million (or 64,6 %) concerned the payment of salaries and other entitlements of statutory and external staff, EUR 32,2 million (or 14 %) were for buildings and associated costs, and EUR 33 million (i.e. 14 %) were related to IT computer systems, equipment and furniture;
13. Requires the EEAS' buildings policy to be annexed to the annual activity report, particularly in view of the fact that it is important for its costs to be properly rationalised and not to be excessive; urges the EEAS to provide the discharge authority with the list of building contracts concluded in 2017, including details of the contracts, the country where they were concluded and their duration, as in its annual activity report for 2011; requests the EEAS to provide the same information on building contracts in its annual activity report for 2018;
14. Notes that the delegations' budget of EUR 423,3 million was divided between EUR 116,1 million (i.e. 27,4 %) for the remuneration of statutory staff, EUR 165,6 million (39,1 %) for buildings and associated costs, EUR 68,5 million (or 16,2 %) for external staff and outside services, EUR 27,9 million (6,6 %) for other expenditure related to staff and EUR 45 million (10,6 %) for other administrative expenditure; notes also that EUR 196,4 million (compared to EUR 185,6 million in 2016 and EUR 204,7 million in 2015) was received from the Commission for the administrative costs of the Commission's staff posted in the Union's delegations and was split between the Commission's Heading V with EUR 49,6 million, the administrative lines of operational programmes with EUR 91,8 million, and the EDF and trust funds with EUR 55 million (45,4 million in 2016); notes that in 2017, trust funds contributed for the first time to these administrative costs;
15. Acknowledges that the number of budget lines used to finance the operations related to Commission staff in the delegations (34 different lines originating in various Headings of the Commission budget, plus the EDFs) increases the complexity of budget management; recalls that this topic was treated in its resolution of 18 April 2018 <sup>(1)</sup> on the 2016 discharge and takes note of the complexity in the simplification of reducing the budget lines; encourages therefore the EEAS to keep on working with the Commission to simplify the budget lines when possible in order to reduce the complexity of budget management;
16. Notes that in 2017 the Heads of Delegation provided a Statement of Assurance; observes that all Heads of Delegation, except the Head of Delegation to Syria, has provided a declaration without reservation; acknowledges that the Delegation to Syria is currently evacuated and that the delegation has indicated an action plan to alleviate the problems of having to function in a war zone; notes that the reservation is seen as non-material in terms of amounts for the whole of the EEAS budget;
17. Observes that the final EEAS budget of EUR 660 million for 2017 was executed to 99,7 % (as in 2016) for commitments and 86,7 % (87,5 % in 2016) for payments as of the end of the year;
18. Notes that the value of all transfers made within the EEAS administrative budget amounted to EUR 14,4 million, of which the largest amount concerned an advance contract regarding Afghan security; notes also that the transfers reduced the EEAS headquarters' budget by EUR 5,1 million and increased the delegation budget by a corresponding amount;
19. Notes that 1,3 % of the budget increase in 2017 was dedicated to security investments in the context of the implementation of the security package, which included the reinforcement of the network of regional security officers and armoured vehicles acquisitions in line with the EEAS's duty of care and field security, the cybersecurity strategy and continuous training in security of staff in response to potential threats and crisis situations in delegations and headquarters; welcomes the improvements achieved so far, but encourages the EEAS, in particular, to address the different remaining challenges such as the need to update IT security tools; calls on the EEAS, moreover, to work together with Member States with a view to developing a common approach and to improve the interconnection of security systems with other institutions and Member States;
20. Welcomes the setting-up of an annual review mechanism dedicated to the analysis of EEAS resources and their effective employment in anticipation of upcoming staff redeployment necessitated by new operational or political priorities or other additional challenges;
21. Notes that the 2017 annual self-assessment of the internal control system provided reasonable assurance to EEAS management regarding the level of compliance with the majority of internal controls; notes however that the three following internal control standards 'Staff allocation and mobility', 'Business continuity' and 'Document management' remain the weakest components of the EEAS internal control system; notes with concern that 'business continuity' has continued to be problematic for several years, both in terms of compliance and effectiveness, and is of particular importance within delegations;

<sup>(1)</sup> OJ L 248, 3.10.2018, p. 128.

22. Welcomes the continued reduction in the number of delegations exceeding the maximum space of 35 m<sup>2</sup> per person from 83 in 2016 to 73 in 2017 in line with the recommendation of the Court in 2016; welcomes the launch of the real-estate management tool IMMOGEST and the acquisition of internal and external expertise to support building management, in particular in regard to delegations; calls on the EEAS to continue implementing, when possible, reasonable and efficient for the Union budget, the recommendations of the Court in its special report on the EEAS's management of its buildings around the world <sup>(2)</sup> and to keep the Parliament informed about the improvements;
23. Welcomes the fact that the EEAS has established 7 new co-location projects with 6 different Member States and observes the increasing interest in co-location schemes with 14 new co-signed agreements, not only with Member States but also with FRONTEX or EASO; notes that co-location arrangements have contributed to a reduction in the average space of buildings in order to bring it closer to the prescribed 35 m<sup>2</sup>/person; is of the opinion that co-locations are cost-effective and welcomes that they contribute to the joint representation of the Union and its Member States towards third countries; invites the EEAS as part of the monitoring of costs to expand such memoranda of understanding to other Union entities such as the CSDP missions; invites the EEAS to put in place an effective management of recovery of costs in the case of co-locations;
24. Acknowledges the EEAS' preference to purchase rather than rent buildings for its delegations; asks the EEAS to be kept informed about a comprehensive analysis of all Union delegations to determine in which countries it would be more cost-effective for the delegations to buy office or residence buildings instead of renting them; notes that the share of owned buildings represented 18 % in 2017;
25. Recalls the importance of providing a result-oriented support to delegations in all areas and asks the EEAS to report on the experience of the Regional Centre Europe and its assessment of possibilities of extending this framework to other geographical areas; welcomes the increased efforts undertaken to support delegations, in particular through the new Horizontal Coordination Division, which help to reinforce the general level of assurance for tasks carried out by delegations, especially those relating to high value public procurement;
26. Considers it essential to remind Heads of Delegation regularly, during the pre-posting phase, *ad hoc* seminars or annual conference of Ambassadors, of their essential role in the consolidation of the EEAS chain of assurance and their overall responsibility and accountability for the managing of administrative expenses and project portfolios in addition to their political functions; considers that an experience in a Union institution should be considered as an asset when selecting Heads of Delegation;
27. Welcomes the new approach to inspections introduced in 2017, which offers a promising approach to the provision of support to the management of delegations as well as to the promotion of greater coherence and the simplification of the work of delegations;
28. Recognises the difficult feature of the management and resource allocation of human resources in the context of the 'three sources' of recruitment of the EEAS and the management of the posts in delegations; notes, moreover, that the EEAS reduced its staff by 5 % over the period 2013-2017 in compliance with the inter-institutional agreement, representing a reduction of 16 posts for 2017 in headquarters and an overall reduction of 84 posts over the last five years; is concerned that increasing average work load and understaffing issues could have detrimental effects on the health and quality of life of members of staff as well as on the long-term organisational development of the institution;
29. Notes with appreciation that gender balance almost reached parity in the overall number of posts occupied with 49,6 % being women; regrets however that the number of women in management positions remained insufficient, both for Heads of Division and Heads of Delegation, with 57 out of 219 positions (26 %) or solely 18 % of senior management posts (9 out of 50 posts) being held by women; highlights a similar imbalance among Administrators, of whom 33 % were women, and among seconded national experts (SNE), of whom 23 % were women;
30. Invites the EEAS, in cooperation with Member States diplomatic services, to continue improving as far as possible the gender balance among senior and middle management; notes that only 18,28 % of applicants for management posts in the last rotation exercise were women; observes that for the other posts published by the EEAS, the percentage of women among applicants also decreased from 39 % in 2016 to 31,7 % in 2017;
31. Is of the opinion that progress is necessary in this regard and therefore invites the EEAS to both identify and reflect on the reasons for this imbalance, and subsequently possibly refine its conditions and recruitment policies in order to attract all genders equally for management positions; encourages the EEAS to cooperate with national universities offering courses dedicated to a diplomatic career in order to promote the European diplomatic service at an early stage;

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<sup>(2)</sup> Court of Auditors: Special Report No 7/2016: The European External Action Service's management of its buildings around the world.

32. Calls for the creation of an institute dedicated to the education of future European diplomats and suggests to study the possibility by the pertaining authorities of using the facilities of the European Parliament in Strasbourg to house this diplomatic institute;
33. Welcomes the creation of the task forces on 'Career Development Gender and Equal Opportunities' as well as the adoption of a 'Learning and Development Framework' (LEAD) and the creation of the network 'Women and the EEAS' and the 'Women Managers Mentoring Programme' as important steps in improving equal opportunities at the EEAS; notes the roadmap for implementation that was adopted after the publication of the final reports of the two task forces and asks to be kept informed about progress in implementation;
34. Notes that with 32,83 % of EEAS AD staff coming from Member States by the end of 2017, the EEAS is in line with the staffing formula as set out by the Council Decision establishing the EEAS, namely a ratio of one third of staff coming from Member States and the rest from Union institutions;
35. Notes that the share of Member States' diplomats represented 32,83 % overall AD staff of the EEAS (i.e. 307 persons) in comparison to 33,8 % in 2014; stresses that the number of Member States' diplomats posted as Heads of Delegation decreased from 46 % to 43,8 % of the total; notes the slight increase in the share of women among Heads of Delegation to 21,9 %; notes that only 10 out of 60 Heads of Delegation coming from Member States had already worked in a Brussels-based position;
36. Reiterates that the geographical balance should be closely monitored, in particular in cases of underrepresentation, to ensure a proportionate representation of each Member State among the population of the staff; notes that in eight cases where the share of staff was below the share of their country's population in the overall population of the Union, five came from Member States that acceded to the Union in 2004;
37. Observes that the number of SNE from Member States increased slightly in 2017 to reach 449 (with 387 posted in headquarters and 62 in delegations); notes that 55 % of this category of staff located in Brussels (or 214) were paid by their national administrations; acknowledges the need for SNE in various specific areas dealing with defence and security issues as well as strategic communication; calls however on the EEAS, in the context of its SNE strategy or through the newly created annual review mechanism, to provide a more detailed projection of its upcoming needs and related required skills for the purpose of predictability, better managing of potential conflict of interest, the avoiding of a steady increase of those contracts and the reinforcement of in house-expertise; is of the opinion that the number of SNE should not exceed a certain proportion of the overall staff of the EEAS in order to preserve a strong and sustainable *esprit de corps* and asks the EEAS to set such a threshold;
38. Welcomes the implementation of paid traineeships in delegations as a positive follow-up of the 2016 EEAS discharge resolution; notes that the EEAS will continue offering traineeships under different schemes such as those relating to compulsory traineeships for students or trainee civil servants as part of their compulsory training; notes that the average financial external support amounted to EUR 885 for trainees in different schemes, which is considerably less than the monthly allowance of EUR 1 200 under the scheme of the EEAS; calls on the EEAS to guarantee an appropriate allowance to all EEAS trainees, in order to provide sufficient reimbursement for trainees' efforts and to avoid the reinforcement of discrimination on economic grounds;
39. Notes the inter-service consultation with the Commission and consultations with Trade Unions to modernise and improve the Framework Rules and related social security schemes for Local Agents; calls on the EEAS to ensure adequate post-retirement medical insurance, in particular in case of invalidity, through the revision process; strongly urges the EEAS to ensure identified reform measures enter into force in 2018 and to improve the involvement of its local staff and their expertise;
40. Notes with concern that 171 mediation cases were registered in 2017 (representing a 16 % increase since 2016) of which 60 % were in delegations and that 32 of these cases remained open at the end of the year; notes also with concern that in the Staff Satisfaction Survey, only 10,2 % of staff disagreed and 6,21 % of staff slightly disagreed with the proposition 'I have not experienced harassment in the EEAS'; acknowledges, however, that the continuous increase in reported cases seems to reflect an increased willingness to speak, rather than an increase of conflicts at work; underlines the importance of fostering a culture of zero tolerance toward harassment and of duly following up on reported cases;
41. Welcomes the extension of the network of confidential counsellors to 13 trained volunteer counsellors in 2017; is concerned that only five out of thirteen counsellors were posted in 140 delegations; calls on the EEAS to continue increasing the presence of confidential counsellors in delegations and to continue raising awareness about harassment and psycho-social risks and about ways to mitigate and react to them;

42. Observes that the EEAS has updated its administrative arrangement with OLAF and reinforced its cooperation on fraud related issues with Directorates-General acting in external affairs, such as the FPI, DG NEAR and DG DEVCO in 2017; notes that there are three ongoing investigations by OLAF related to potential conflict of interest in the EEAS and asks to be kept informed about the progress of these investigations;
  43. Welcomes the publication of data related to the costs of missions by the Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy, which is now fully available on her page on the Commission website and updated every two months, in line with the updated Code of Conduct which was adopted on 31 January 2018;
  44. Notes that EUR 1,1 million was allocated to the EEAS in 2017 for developing its 'Strategic Communication Plus' Action in order to combat disinformation and to communicate the positive impact of Union policies; underlines also the importance of communicating the work of the EEAS work to citizens and asks the EEAS to provide more information on its activities in this regard in its next annual activity report;
  45. Considers the EEAS to be a vital actor in international cooperation regarding peace, security and human development; therefore stresses the importance of using wisely the scarce resources available and of constantly improving the consistency and coherence of the Union's external and internal action, as well as the need to strive for common positions and coordinated responses for the Union to be efficient in this role; underlines the importance of public diplomacy and strategic communications as an integral aspect of the Union's external relations, not only as an instrument to communicate its values and interests and to enhance the Union's visibility, but also as a tool of countering foreign influence in the Western Balkans and our neighbourhoods and strategic propaganda against the Union and its Member States; stresses the continuing and growing need for exposing disinformation and for mobilising context-specific analysis in order to counter anti-Union propaganda; firmly believes that the Union should step up its efforts to develop effective public diplomacy strategies; calls on the EEAS to continue its efforts to modernise its approaches and to invest in new skills and capabilities; deems the work of the EEAS Strategic Communication Task Force necessary and valuable and calls for providing it with the appropriate financial and personnel resources;
  46. Notes that the EEAS has carried out an assessment of the impact of the United Kingdom's decision to withdraw from the European Union on human resources (i.e. 122 British national employees) and the operational adjustment required at headquarters and delegations; welcomes the intention of the EEAS to follow a case-by-case approach to decide on the extension of contracts for British contract and temporary agents; calls on the EEAS to swiftly develop a coherent strategy to provide certainty for the persons concerned;
  47. Notes that the initial assessment of the level of administrative expenditure of EUR 6,7 million for staff and infrastructure expenditure over a period of nine months related to the opening of a delegation in London in view of the fact that the United Kingdom will become a third country;
  48. Asks the EEAS to provide a follow-up report to the 2017 discharge in compliance with Article 262 of the Financial Regulation in preparation for the discharge procedure for the financial year 2018.
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**DECISION (EU) 2019/1426 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section VI — European Economic and Social Committee**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM(2018) 521 — C8-0323/2018) <sup>(2)</sup>,
  - having regard to the European Economic and Social Committee's annual report to the discharge authority on internal audits carried out in 2017,
  - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2017, together with the institutions' replies <sup>(3)</sup>,
  - having regard to the statement of assurance <sup>(4)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, 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 <sup>(5)</sup>, and in particular Articles 55, 99, 164, 165 and 166 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(6)</sup>, and in particular Articles 59, 118, 260, 261 and 262 thereof,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0100/2019),
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 2017;
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European Economic and Social Committee, the European Council, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

*The President*

Antonio TAJANI

*The Secretary-General*

Klaus WELLE

<sup>(1)</sup> OJ L 51, 28.2.2017.<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.<sup>(3)</sup> OJ C 357, 4.10.2018, p. 1.<sup>(4)</sup> OJ C 357, 4.10.2018, p. 9.<sup>(5)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(6)</sup> OJ L 193, 30.7.2018, p. 1.

**RESOLUTION (EU) 2019/1427 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section 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 2017, 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 (A8-0100/2019),
- A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;
1. Welcomes the conclusion of the Court of Auditors (the 'Court'), according to which the payments as a whole for the year ended on 31 December 2017 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 on the implementation of the budget concerning the financial year 2017 (the 'Court's report'), 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 2017 the Committee's budget amounted to EUR 133 807 338 (compared to EUR 130 586 475 in 2016), with an implementation rate of 96,5 % compared to 97,2 % in 2016; notes that the implementation rate of appropriations carried forward from 2016 to 2017 was higher than in 2016, 84,9 % (EUR 7,4 million) compared to 65,7 % in 2016 (EUR 6,8 million);
  4. Notes that the Committee's budget is mostly administrative, with a large amount being used for expenditure concerning persons, buildings, furniture, equipment and miscellaneous running costs;
  5. Welcomes the commitment of the Committee to extend the performance-based budgeting methodology to relevant parts of its budget; notes the regular review of the key performance indicators (KPIs) along with the secretariat's activities and organisation in this context; asks to be regularly informed about the achievements related to the application of the principles of performance-based budgeting;
  6. Encourages the Committee to publish its Annual Activity Report and Annual Accounts by 31 March of the year following the accounting year in question with a view to optimising and speeding up the discharge procedure;
  7. Notes that the final appropriations for travel and subsistence allowances for Members increased to EUR 19 819 612 in 2017 (compared to EUR 19 561 194 in 2016); welcomes the detailed list of travels by Members presented in the Annual Activity Report; welcomes measures that contribute to an efficient planning of meetings and reducing transportation costs;
  8. Notes that the Committee reduced the overall number of posts in its establishment plan by 59 posts, from 727 in 2013 to 665 in 2017, mainly due to the implementation of the 5 % staff cuts decision and the implementation of the cooperation agreement concluded in 2014 with Parliament; notes that the Committee adjusted its organisational structure, in particular through the merger of the directorate for human resources and the directorate for finance in May 2017;

9. Welcomes the inter-institutional administrative cooperation with Parliament and the mid-term evaluation results on the implementation of the cooperation agreement between the Committee and the Committee of the Regions, which highlights the successful implementation of several measures; notes that in the context of a redeployment exercise, the Committee has already moved 16 posts from the directorate for translation to its own services, and that remaining moves will happen progressively; notes the calculation of the budgetary savings made by the Committee and the Committee of the Regions through this inter-institutional cooperation, such as the savings, inter alia, in infrastructure costs amounting to EUR 12,5 million, in IT costs amounting to EUR 5 million, or in security staff costs amounting to EUR 500 000; calls on the Committee and the Committee of the Regions to continue to improve this inter-institutional cooperation in order to achieve further savings;
10. Takes note that the Committee adopted in 2017 a total of 155 opinions and reports, including 13 exploratory opinions on referral from the EU presidencies or the Commission, 59 opinions on referral from Parliament and Council, and 45 on referral from the Commission;
11. Notes that translation services are still in transition towards a higher degree of outsourcing due to the transfer of staff to Parliament under the cooperation agreement (with 16,61 % of the budget in 2016 being used for outsourced translation and 17,10 % in 2017); calls on the Committee to follow up the areas related to translation management requiring further attention from management highlighted by the internal audit service and wishes to be informed accordingly;
12. Notes that the rate of unused slots of interpretation services was 3,6 % in 2017 (compared to 4 % in 2016); encourages the Committee to keep a positive trend towards fewer cancellations;
13. Is interested in the work of the ad hoc group set up by the Committee's Bureau on the future of the Committee which aims to develop a new vision for the Committee and its role in a changing Union; notes that the group submitted its report in July 2017 with proposals on working methods and on the internal organisation; notes that the ideas presented in the report will progressively result in concrete actions and asks the Committee for more information in the next Annual Activity Report;
14. Highlights that only 11 posts were open in the Committee in 2017 (related to permanent posts) compared to 62 open posts in 2015 and welcomes that development;
15. Welcomes the increase in political dialogue between the Committee and Parliament as well as other intuitions; notes the Committee's active contribution to the inter-institutional cooperation on assessing Union policies and law in the framework of the agreement on better law-making and the Regulatory Fitness and Performance Programme (REFIT); encourages the Committee and Parliament to pursue their efforts in strengthening the political cooperation;
16. Welcomes the inter-institutional administrative cooperation with Parliament; notes with satisfaction the cooperation with the European Parliamentary Research Service (EPRS) and the cooperation of the communication departments; welcomes the Committee's budgetary savings resulting from this inter-institutional cooperation, such as the savings in staff costs amounting to EUR 3,3 million (2016 salary levels) resulting from the transfer of 36 posts from the Committee to the EPRS;
17. Notes that as a result with the cooperation with Parliament, a total of 52 opinions were adopted in response to referrals coming from Parliament; Members of the Committee had over 60 meetings with Parliament's rapporteurs and shadow rapporteurs as well as other Members of Parliament, and participated in an active role in over 42 events in Parliament and in parallel, Members of Parliament actively participated in 35 Committee legislative work meetings; encourages the Committee to keep on working and to increase the cooperation with Parliament in legislative work;
18. As the interinstitutional costs of IT training, in particular in 2017, were influenced by inaccurate indicative prices, calls for a new service level agreement with the Commission in this area to avoid uncertainty by working with a single global amount for all training;
19. Welcomes the achievements made by the Committee in terms of communication activities to increase its visibility and media impact, including the increase of its outreach on social media; welcomes in particular the local debates organised in 27 Member States in the context of the Commission's reflection on the Future of Europe as well as other cultural events and the 221 Going Local activities;

20. Welcomes the efforts in the efficiency of information systems, IT infrastructure and user support services; notes the examples like the development of a new application for staff appraisals, an online staff vademecum, improved usability of the principal operational systems and reporting environments; notes, however, with concern that the Committee, together with Committee of the Regions, dedicated less than 3 % of their total budget to IT, whereas IT projects and equipment have suffered from underfinancing for several years; asks the Committee to prepare a mid-term strategy on the investments in their IT projects and equipment and include it into Committee's next Annual Activity report;
21. Notes the approval of a building strategy by the Committee's Bureau on 17 October 2017 and by the Bureau of the Committee of the Regions on 29 November 2017; notes that that building strategy provides a framework for any future decision related to the building policy to be taken and contains a set of guiding principles in the field of real estate; notes that several scenarios have been identified and explored in order to prepare the building policy beyond 2021 with a priority given to scenarios that include the continued use of the VMA building; asks to be kept informed about the ongoing negotiations with the Commission regarding the continued use of the VMA building; encourages the Committee, together with the Committee of the Regions, to carry out an assessment of potential renovation needs and to make an estimation of the costs for the scenario where the two Committees take over the entire VMA building;
22. Regrets the low participation of economic operators in the calls for tenders launched by the Committee; calls on the Committee to increase the publication efforts and to reduce the number of exceptional negotiated procedures with only one candidate and report back to the discharge authority on the progress;
23. Welcomes the results achieved with regards to the environmental management system through the joint cooperation between the Committee and the Committee of the Regions; notes with satisfaction the significant savings achieved in various fields, including a reduction of electricity consumption by 11 %, of gas consumption by 15 %, a reduction of paper by 11 % and a reduction of waste by 13 %; welcomes that the Committee together with the Committee of the Regions obtained the Label Good Food, awarded by the Brussels region to certify that the canteens of the Committees are managed in a sustainable way;
24. Welcomes the Committee's initiative to launch a staff survey on psycho-social risks at the end of 2016 in order to monitor the perception of stress-related issues by its staff; welcomes this close monitoring and actions to raise awareness at managerial and staff level, such as the Safety and Health at Work Week that were organised in October 2017; calls on the Committee to pursue its efforts in this regard, taking into account that the absence rate has been increasing since 2015 from 4 % to a 5,5 % in 2017, and to take all necessary measures to ensure the well-being of its staff; notes in this regard that occasional telework has decreased from 62,5 % in 2016 to 47,6 % in 2017;
25. Notes a slight increase of women in manager positions from 37,5 % in 2016 to 41,4 % in 2017; welcomes the Action Plan for Equal Opportunities and Diversity with around 25 suggested measures; is concerned that more than 80 % of members of staff requesting flexible working arrangements were women; suggests that the Committee adapts its policy with a view to encouraging more men to make use of these arrangements, in particular with a view to promoting their engagement in family life;
26. Notes the efforts made in terms of geographical balance, the percentage of managers coming from Member States who joined the Union in or after 2004 (EU13) increased to 16 % in 2017 and is now at 18,5 %; calls on the Committee to further pursue its efforts with a view to reaching the target of 20 % which reflects the proportion of the EU13 population compared to the total Union population;
27. Welcomes the appointment by the Committee of a team of four ethics counsellors in July 2018, following the adoption of Decision No 053/2016 of 2 March 2016 on a whistleblowing procedure;
28. Highlights the efforts of the Committee to work towards a consolidation of statutory and internal rules on ethical and respectful civil service behaviour; welcomes that aspects like the use of social media, the IT system and data protection are covered; notes the efforts undertaken together with its counterparts in the Committee of the Regions to apply rules to staff in a coherent manner, in particular where colleagues in the joint services are concerned; calls on the Committee to provide regular updates on the new comprehensive Ethics and Integrity framework;
29. Welcomes that the Committee has published the declarations of interests of the President and Vice-President under these Members' individual profiles on the Committee's website, as requested in the last discharge report;
30. Notes that members of staff must also declare their involvement in external activities in accordance with Article 11 of the Staff Regulations; urges the Committee to swiftly establish guidelines on the prevention of conflict of interests to be provided to all members of staff in response to the Decision of the European Ombudsman in case 1306/2014/OV;

31. Notes that the Director of Human Resources and Finance was appointed to the post of Secretary General on 14 November 2018; notes that he kept his former position, while arrangements are being made for the appointment of a successor; is concerned that the two functions are incompatible and urges the Committee to swiftly appoint a new Director of Human Resources and report back to the discharge authority;
  32. Notes that Members of the Committee have different professional backgrounds and may be used to different management cultures; notes that the political activities of the Members also imply certain management tasks, as their work is supported by their own staff and staff from the Secretariat; underlines the necessity of familiarising Members with the principles of the administrative culture of Union institutions to ensure dignity and respect at work;
  33. Welcomes the work of the network of confidential counsellors to actively prevent and tackle harassment in the working environment; notes that in 2017, 25 members of staff were given informal advice by the network; encourages the Committee to closely monitor the efficiency of its policy in this regard, to continue raising awareness about harassment at the work place and to continue fostering a culture of zero tolerance policy with regard to harassment; takes note of the ongoing reflection on procedures and sanctions concerning Members involved in harassment cases and urges the Committee to introduce rules and procedures in this regard by the next discharge procedure;
  34. Notes that the Council has not taken a decision yet about any change in the number of Committee Members and delegates following the decision of the United Kingdom to withdraw from the Union; asks the Committee to provide information of the direct budgetary impact of the decision, at the latest in the follow-up to the 2017 discharge; notes, moreover, that the United Kingdom's decision will have no direct consequence on Committee staff; welcomes the ongoing reflection on future relations with the United Kingdom after its departure and the Committee's willingness to maintain good relations with civil society.
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**DECISION (EU) 2019/1428 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section VII — Committee of the Regions**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM (2018) 521 — C8-0324/2018) <sup>(2)</sup>,
  - having regard to the Committee of the Regions' annual report to the discharge authority on internal audits carried out in 2017,
  - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2017, together with the institutions' replies <sup>(3)</sup>,
  - having regard to the statement of assurance <sup>(4)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, 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 <sup>(5)</sup>, and in particular Articles 55, 99, 164, 165 and 166 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(6)</sup>, and in particular Articles 59, 118, 260, 261 and 262 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 (A8-0101/2019),
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 2017;
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Committee of the Regions, the European Council, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

*The President*

Antonio TAJANI

*The Secretary-General*

Klaus WELLE

<sup>(1)</sup> OJ L 51, 28.2.2017.<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.<sup>(3)</sup> OJ C 357, 4.10.2018, p. 1.<sup>(4)</sup> OJ C 357, 4.10.2018, p. 9.<sup>(5)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(6)</sup> OJ L 193, 30.7.2018, p. 1.

**RESOLUTION (EU) 2019/1429 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section VII — Committee of the Regions**

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 2017, 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 (A8-0101/2019),
- A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving on transparency and accountability, and 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 on the implementation of the budget concerning the financial year 2017 (the 'Court's report'), identified no significant weaknesses 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 based on its audit work, the Court concluded that the payments as a whole for the year ended 31 December 2017, the administrative and other expenditure of the institutions and bodies were free from material error;
  3. Notes that in 2017 the Committee had an approved budget of EUR 93 295 000 (compared with EUR 90 500 000 in 2016), of which EUR 91,5 million (compared with EUR 89,4 million in 2016) comprised commitment appropriations with an implementation rate of 98,0 % (98,7 % in 2016) and of which EUR 83,9 million were payment appropriations with an implementation rate of 89,9 %;
  4. Notes that the Committee's budget is mostly administrative, with a large amount being used for expenditure concerning persons, buildings, furniture, equipment and miscellaneous running costs;
  5. Calls on the Committee to extend the performance-based budgeting methodology to relevant parts of its budget; asks to be regularly informed on the achievements related to the application of the principles of performance-based budgeting;
  6. Notes the fact that the overall execution rate for payments at the end of December 2017 was 89,9 %; notes that the final payment execution rate at the end of the budget cycle (after payment of carry-overs) will be higher and should ideally be close to the commitment rate;
  7. Notes that the analytical tool for monitoring the budget execution, Budget Watch, is used to monitor the execution of commitments and payments of all budget lines centrally, which contributes to an optimisation of the budget execution through a better preparation for the reallocation of resources; calls on the Committee to strengthen its efforts related to the payment execution rates, in particular for Budget Title 2 concerning buildings, equipment and miscellaneous operating expenditure, where the payment execution rate was of 77,1 %;
  8. Encourages the Committee to publish its Annual Activity Report and its Annual Accounts by 31 March of the year following the accounting year in question with a view to optimising and speeding up the discharge procedure;
  9. Regrets that the Committee's follow-up to the 2016 discharge resolution provides only indirect answers to Parliament's remarks by referring to the Annual Activity Report in several points; stresses that the follow-up report is essential for Parliament's Committee for Budgetary Control to determine whether the Committee has implemented Parliament's recommendations; calls on the Committee to include all the necessary answers and explanations on the implementation of Parliament's recommendations in their next follow-up report;

10. Notes that the Committee reduced the overall number of posts in its establishment plan by 48 from 537 to 489 between 2013 and 2017 mainly due to the 5 % staff cuts and the implementation of a cooperation agreement concluded in 2014 with Parliament; welcomes that despite the staff cuts the Committee managed to reinforce its political work by reallocating more human resources from support services to the core business areas related to political and legislative activities; asks the Committee to be informed on the mapping of the workload distribution within the organisation to verify the match between tasks and resources;
11. Notes that the number of members of contract staff increased from 34 posts in 2013 to 54 in 2017, while temporary staff increased from 64 posts in 2013 to 71 in 2017; notes that the increase of temporary and contract staff is mainly related to security issues prompted by the situation in Brussels; is concerned that part of this increase results from the need to compensate the overall staff reductions and might be detrimental to the distribution of workload and the long-term organisational development of the institution;
12. Welcomes the commitment to set clear political goals to enhance the Committee's involvement along the political and legislative cycle of the Union policies by strengthening the effective partnerships with other Union institutions; stresses the importance of promoting the involvement regional and local authorities given their role in the implementation of Union policies; calls on the Committee to better coordinate with the work on related files in the Commission, the European Parliament and the Council by aligning its opinions with the timelines of those institutions in order to achieve more effectiveness;
13. Welcomes the dialogue at political level between the Committee and Parliament; notes with satisfaction the exchanges between the Committee's commissions and Parliament's committees or the cooperation with the European Parliamentary Research Service (EPRS); encourages the Committee and Parliament to develop a more systematic approach to this cooperation;
14. Welcomes the interinstitutional administrative cooperation with Parliament and the mid-term evaluation results on the implementation of the cooperation agreement between the Committee and the European Economic and Social Committee, which highlights the successful implementation of several measures; notes that in the context of a redeployment exercise, 70 translators have been transferred to other services, including the EPRS;
15. Welcomes the fact that several service level agreements were negotiated and signed with the Commission;
16. Welcomes the results of the mid-term evaluation on the implementation of the cooperation agreement between the Committee and the European Economic and Social Committee which highlights that the governance and administrative structure was successfully simplified; welcomes the fact that the cooperation between own and joint services covering areas such as IT, EMAS, or meeting room management, for instance, is functioning well; notes that savings made in those operational domains outweigh by far the resources spent on coordination;
17. Welcomes the positive results from the preliminary assessment of the pilot project on the common management of translation units; encourages the Committee to further develop this cooperation with a view of creating more synergies;
18. Notes that the objective of reducing the translation output by 5 to 10 % was not reached in 2017 despite a decrease of 4,6 % compared to 2016; welcomes the commitment of the Committee to undertake further steps in 2018 to reach a manageable level of translation output and encourages the Committee to carry out further rationalisation measures including necessary IT developments;
19. Notes the low budget execution rate for line 1420 (supplementary services for translation), namely 55 % for commitments and 45 % for payments; notes that the total cost of translation for the Committee in 2017 was EUR 27 231 105 of which EUR 2 376 591 was for outsourced translations; notes that outsourcing represented 17,1 % of the total costs of translation in 2017; encourages the Committee to complete the adjustment of its translation units with a view to reaching the outsourcing target of at least 20 % soon;
20. Notes that the amount dedicated to travel expenditure for Members amounted to EUR 8 882 955 in 2017;
21. Notes the list of events attended by the Members in the Annual Activity Report 2017; regrets that the list is less detailed than the list provided in answer to the questionnaire for the discharge 2016; calls on the Committee to provide a more detailed list, including more specific information on participating members, title of the event, place, date and costs, in the follow-up to this discharge; calls on the Committee to include such a list for the year 2018 in its next Annual Activity Report;

22. Notes that for the period 2017-2018 the target of the Committee for publications of files and studies launched was 15 each year and notes with concern that for 2017 the number of publications was 9 while in 2016 was 12; calls on the Committee to make the necessary efforts in order to achieve the targets on publications and request a follow-up of the situation in the follow-up document of the discharge for the year 2017;
23. Welcomes the achievements made by the Committee in terms of communication activities to increase its visibility and media impact, including an increase of its outreach on social media; welcomes in particular the 'Reflecting on Europe' initiative to promote citizen engagement in the ongoing debate on the future of the Union and the 180 citizens' dialogues carried out in this context; encourages the Committee to improve its cooperation with other Union institutions in joint communication campaigns and other initiatives;
24. Notes that following a major review of the Human Resources regulatory framework, some provisions on flexitime, parental leave and annual travel expenses have been updated in 2017; notes that a scheme for stand-by duty and shift work in the security service was introduced in March 2017; welcomes that efforts to further simplify Human Resources processes have been pursued, in particular through new decisional workflows; notes that the first internal Human Resources annual report has been published;
25. Welcomes the comprehensive policy on well-being, health and absence management, which has further been consolidated in cooperation between the Medical Service and the Working Conditions service; notes that the absenteeism rates are closely followed up with a focus on prevention, verification and on successful reintegration after long-term sick leave; notes that the absenteeism rate has decreased over the years (from 4,86 % in 2015 to 4,60 % in 2016 and 4,50 % in 2017); welcomes the Committee's transparency with regard to members of staff suffering from 'burn-out' and welcomes the workload assessment exercise initiated by the Committee in 2018 to map the workload distribution within the organisation and verify the match between tasks and resources; asks to be informed of the results of that assessment;
26. Regrets that the share of women in middle management has not seen any significant improvement in 2017 with around 38 % (compared to 37 % in 2015 and 33 % in 2016); strongly regrets that the share of women in senior management positions further decreased from 33 % in 2016 to around 25 % in 2017, due to the departure of a senior female manager in 2017; welcomes the comprehensive measures undertaken by the Committee to improve the situation, including the creation of a new functional management scheme, which was designed, inter alia, to increase the number of women aspiring to carry out formal managerial duties; encourages the Committee to significantly improve its performance in this regard and report back on its progress to the discharge authority;
27. Notes that 13,3 % of management positions were held by nationals of Member States who acceded to the Union after 2004 (EU13); calls on the Committee to further pursue its efforts to improve the geographical balance in manager positions with a view to reaching the target of 20 which reflects the proportion of the EU13 population compared to the total Union population;
28. Welcomes the measures taken by the Committee to actively prevent harassment in the working environment, such as the regular training on the anti-harassment policy and the work of the confidential counsellors; encourages the Committee to closely monitor the efficiency of its policy in this regard, to continue raising awareness about harassment at the work place and to foster a culture of zero tolerance toward harassment; expresses concern, however, that the Committee has no internal complaint mechanism or penalties provided for harassment cases involving its Members; calls the Committee to update its code of conduct for Members and the internal rules of procedures in that regard and report back to the discharge authority;
29. Welcomes the long-term building strategy which was approved by the Committee and by the European Economic and Social Committee in 2017; notes that that building strategy provides a framework for any future decision related to the building policy to be taken and contains a set of guiding principles in the field of real estate; notes that several scenarios have been identified and explored in order to prepare the building policy beyond 2021 with a priority given to scenarios that include the continued use of the VMA building; asks to be kept informed about the ongoing negotiations with the Commission regarding the continued use of the VMA building; encourages the Committee, together with the European Economic and Social Committee, to carry out an assessment of potential renovation needs and to make an estimation of the costs for the scenario where the two Committees take over the entire VMA building;
30. Notes with satisfaction that the number of subscribers and activity rate of the Committee online course for regional and local authorities (MOOC) has risen at a 5 % of subscribers and 5 percentage points of activity rate after the low numbers in 2016 due to the terrorist attacks that took place in Brussels; notes with satisfaction that the number of visitors increased in 14 % in 2017;

31. Welcomes the good results achieved with regard to the environmental management system through the joint cooperation between the European Economic and Social Committee and the Committee; welcomes measures to improve the energy consumption of the Committee and the insertion of environmental criteria in most call for tenders; notes that the EMAS service was consulted on 27 tendering procedures related to environmental criteria; welcomes that the Committee together with the European Economic and Social Committee obtained the Label Good Food, awarded by the Brussels Region to certify that the canteens of the Committees are managed in a sustainable way;
32. Notes that the Committee is still awaiting the final report of OLAF concerning the whistleblowing case notified to OLAF in October 2016; asks the Committee to fully respect the findings and the outcome of the report and reports back to the discharge authority about the outcome and the follow-up actions taken;
33. Notes the judgment of the Court of Justice of the European Union (the 'Court of Justice') on 23 October 2018 <sup>(1)</sup> on the case against the Committee lodged by a former internal auditor; notes that that judgment annuls the Committee's decision of 2 December 2014 endorsing the findings of the second invalidity committee, which had concluded that the former internal auditor's invalidity was not of professional origin; notes that the Court of Justice considered in its judgement that the invalidity committee's assessment was not sufficiently reasoned and contained an error in its assessment methodology; notes that the Court of Justice condemned the Committee to pay a compensation of EUR 5 000 but rejected the former internal auditor's claim of an additional compensation of EUR 20 000;
34. Urges on the Committee to swiftly comply with the Court of Justice's judgement and to take all necessary measures to follow-up on its decision; encourages the Committee to consider finding an amicable settlement with the former internal auditor in the interest of both parties and requests to be kept regularly informed;
35. Notes that on 31 January 2018, the former internal auditor introduced a request, on the basis of Article 90(1) of the Staff Regulations, to be formally recognised by the Committee as bona fide whistleblower on the basis of Article 22a of the Staff Regulations; further notes that the former internal auditor lodged a complaint to the appointing authority, on the basis of Article 90(2) of the Staff Regulations, which was introduced on 23 August 2018 following the decision of the Committee of 24 May 2018 to refuse to recognise him as a bona fide whistleblower;
36. Notes that the Committee analysed the request and came to the conclusion that there is no legal basis to recognise the former internal auditor as bona fide whistleblower; regrets that this conclusion is in contradiction with Parliament's position that the internal auditor is a bona fide whistleblower, confirmed in its resolution of 13 January 2004 on the communication from the Commission: 'The operating framework for the European regulatory agencies' <sup>(2)</sup>; encourages the Committee to consider a symbolic recognition of the internal auditor's status despite the lack of an appropriate legal basis at the time of the facts;
37. Calls for a mediation between the former internal auditor of the Committee and the Committee with the aim to an amicable settlement in the ongoing dispute in the interest of both parties; points out that such a mediation should also address the bona fide whistleblower status of the former internal auditor (as recognised by Parliament in its resolution of 2004) and the fact that he was acting in the interests of the Union by reporting wrongdoings to the Union institutions;
38. Notes that the Committee estimates that the financial impact of the United Kingdom's decision to withdraw from the Union amounts to EUR 373 666 in 2019 and EUR 576 559 in 2020 due to the reduction of its membership by the 24 seats currently attributed to the United Kingdom; welcomes the establishment of a group to reflect about maintaining close relations with regional and local authorities in the United Kingdom after its departure from the Union.

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<sup>(1)</sup> Judgement of the General Court (Second Chamber) of 23 October 2018, *Robert McCoy v Committee of the Regions*, Case T-567/16 ECLI:EU:T:2018:708.

<sup>(2)</sup> OJ C 92 E, 16.4.2004, p. 119.

**DECISION (EU) 2019/1430 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section VIII — European Ombudsman**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM (2018) 521 — C8-0325/2018) <sup>(2)</sup>,
  - having regard to the European Ombudsman's annual report to the discharge authority on internal audits carried out in 2017,
  - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2017, together with the institutions' replies <sup>(3)</sup>,
  - having regard to the statement of assurance <sup>(4)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, 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 <sup>(5)</sup>, and in particular Articles 55, 99, 164, 165 and 166 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(6)</sup>, and in particular Articles 59, 118, 260, 261 and 262 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 (A8-0099/2019),
1. Grants the European Ombudsman discharge in respect of the implementation of the budget of the European Ombudsman for the financial year 2017;
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European Ombudsman, the European Council, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

*The President*

Antonio TAJANI

*The Secretary-General*

Klaus WELLE

<sup>(1)</sup> OJ L 51, 28.2.2017.<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.<sup>(3)</sup> OJ C 357, 4.10.2018, p. 1.<sup>(4)</sup> OJ C 357, 4.10.2018, p. 9.<sup>(5)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(6)</sup> OJ L 193, 30.7.2018, p. 1.

**RESOLUTION (EU) 2019/1431 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section 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 2017, 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 (A8-0099/2019),
- A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting (PBB) and good governance of human resources,
1. Notes with satisfaction that the Court of Auditors (the ‘Court’) identified no significant weaknesses in respect of the audited topics 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 2017 for administrative expenditure of the Ombudsman were free from material error;
  3. Notes that the Ombudsman’s budget is mostly administrative, with a large amount being used for expenditure related to persons, buildings, furniture, equipment and miscellaneous running costs; notes that it amounted in 2017 to EUR 10 905 441 (EUR 10 658 951 in 2016);
  4. Welcomes the Ombudsman’s commitment to ensure that all available funds are spent in a result-oriented manner and welcomes the fact that it is taking into account the results of a number of measurements and statistical data that impact directly on the office’s work; notes that in relation to key performance indicators (KPI) adopted as part of the Strategy ‘Towards 2019’, measures have been taken to enhance the results through continuous reviews, the streamlining of processes and monitoring of the work; notes, however, that the KPI for overall compliance reached only 85 % and fell short of the target of 90 %; encourages the Ombudsman to continue to improve its performance in this regard;
  5. Notes that of the total appropriations, 93,91 % were committed (compared to 95,40 % in 2016) and 86,20 % paid (compared to 85,89 % in 2016), with an implementation rate of 93,9 % (compared to 95,40 % in 2016);
  6. Welcomes the decision of the Ombudsman to publish its annual activity reports by 31 March with a view to optimising and speeding up the discharge procedure;
  7. Notes that the decrease in the implementation rate in 2017 is the result, to a large extent, of underspending of the budget line for European Schools; welcomes the new budget appropriation which is intended to finance a scheme to support the use of public transport towards the various places of work;
  8. Recalls that the last revision of the Ombudsman’s Statute was carried out in 2008 <sup>(1)</sup>; points out that the Parliament has repeatedly called for this Statute to be updated in view of new realities and challenges; underlines, in particular, the need to enhance the Ombudsman’s competences in cases relating to access to Union documents, failure to comply with rulings of the Court of Justice of the European Union, whistleblower protection and harassment <sup>(2)</sup>;

<sup>(1)</sup> Decision 2008/587/EC, Euratom of the European Parliament of 18 June 2008 amending Decision 94/262/ECSC, EC, Euratom on the regulations and general conditions governing the performance of the Ombudsman’s duties (OJ L 189, 17.7.2008, p. 25).

<sup>(2)</sup> See in particular the European Parliament resolution of 12 February 2019 on a draft regulation of the European Parliament laying down the regulations and general conditions governing the performance of the Ombudsman’s duties (Statute of the European Ombudsman) and repealing Decision 94/262/ECSC, EC, Euratom (Texts adopted, P8\_TA(2019)0080).

9. Underlines the role of the Ombudsman in promoting good governance, transparency and avoidance of conflicts of interest in the Union institutions; welcomes the fact that the Ombudsman closed four strategic inquiries, opened four new ones and launched eight strategic initiatives in 2017; recognises the importance of this work in encouraging Union institutions, bodies, offices and agencies to be as open, accountable, ethical and responsive to citizens as possible;
10. Welcomes the Ombudsman's compliance with the interinstitutional agreement to reduce staff by 5 % between 2013 and 2017 with an overall contribution of 3 posts; notes, however, that in the meantime, the contractual staff increased from 8 to 15 and remunerated trainees from five to nine; is concerned that part of this increase results from the need to compensate for the overall reduction in staff, and might be detrimental to the distribution of workload and the long-term organisational development of the institution;
11. Notes the increase of received complaints by 20 %, from 1 839 in 2016 to 2 216 in 2017; notes that the Ombudsman opened a total of 433 inquiries on the basis of complaints (245 in 2016) and closed 348 such inquiries (291 in 2016); notes that this increase is due *inter alia* to new implementing provisions under which a number of cases which would have previously been classified as 'no grounds for an inquiry', are now closed as 'inquiries in which no maladministration was found'; stresses that due to the steady increase in the number of complaints submitted to the Ombudsman, the workload for the Ombudsman's Office has become too heavy; asks for an increase of the budget for the Ombudsman to tackle this;
12. Takes note that in 2017 the overall number of new complaints dealt with was 2 181, of which 751 were within the mandate, compared to 1 880 complaints dealt with in 2016 of which 711 were within the mandate; notes therefore that the number of complaints within the mandate has increased by 5,5 %;
13. Welcomes that the average time for dealing with a complaint decreased from 86 in 2013 to 64 days in 2017; welcomes, moreover, that the average time for dealing with inquiries decreased from 369 days in 2013 to 266 days in 2017;
14. Welcomes the Ombudsman's continuous efforts to enhance the efficiency and effectiveness of its case handling; notes with satisfaction, in this regard, that the results for the key performance indicator for 'Efficiency' (KPI 7) all surpassed the set targets; welcomes, moreover, the implementation of a Fast-Track procedure to deal with complaints concerning access to documents;
15. Welcomes the continuous efforts to reduce translation costs, primarily linked to the production of publications; welcomes that translation expenses decreased by 11 % from EUR 293 000 in 2016 to EUR 263 000 in 2017; takes note that the Ombudsman annual activity report recognises that a threshold has been reached below which it will be difficult to go in the future; therefore encourages the Ombudsman to mindfully keep on working in the efforts to reduce translation costs without endangering the good functioning of the translations and publications;
16. Notes that the Ombudsman's Strasbourg-based offices moved to new premises in the HAV building;
17. Welcomes the achievements made by the Ombudsman in terms of communication activities to increase its visibility and media impact, including an increase of its outreach on social media with 22 790 mentions in Twitter and an increase of followers of 16 % reaching 19 200; welcomes the fact that the Ombudsman overhauled its website to make it more user-friendly and that an external contractor validated the website's conformity with the Web Content Accessibility Guidelines; welcomes, moreover, the fact that the Ombudsman awarded the first 'Award for Good Administration' in 2017, which was initiated to recognise examples of good practices in public administration and bring them to greater public attention;
18. Welcomes the strategic inquiry on the accessibility of websites and online tools of the Commission; requests that it be kept informed about the result of the inquiry and encourages the Ombudsman to share its final recommendations with other Union bodies and institutions;
19. Welcomes the fact that the Court's recommendations to improve the monitoring system for the timely updating of the personal situation of members of staff, which may have an impact on the calculation of family allowances, have been implemented in most respects;

20. Welcomes the gender balance at management level, with 50 % of middle managers being women, and at administrators' level; encourages the Ombudsman to maintain this trend; welcomes, moreover, the adoption of a Human Resources Policy Framework which addresses gender balance, the recruitment and integration of disabled people and diversity policy; notes the Ombudsman's participation in the Intercopec working group dealing with gender balance within the Union institutions;
  21. Reiterates that the Ombudsman is encouraged to strive for geographical balance in management positions in the mid- to long-term and to ensure that there is a proportionate representation of all Member States among the population of the staff;
  22. Welcomes the Ombudsman's efforts to improve the work-life balance of its staff; notes that as from 2017, flexitime has become the default working regime that applies to all staff, including trainees; further notes that a total number of 58 out of 83 active members of staff made use of the possibility to telework in 2017; encourages the Ombudsman to continue striving for an exemplary and innovative role in all personnel matters given its role on issues related to ethics and working conditions within the Union institutions;
  23. Notes that there have been no harassment cases in 2017 at the Ombudsman; welcomes the adoption of the harassment prevention and protection policy as well as the planned training programme for all staff, including managers; welcomes, moreover, the adoption of the Guide on Ethics and Good Conduct for the Ombudsman's staff and the Internal Charter of Good Management Practice; encourages the Ombudsman to closely monitor the efficiency of its policy, to continue raising awareness about harassment at the work place and to foster a culture of zero tolerance toward harassment and asks the Ombudsman to report back to the discharge authority in its next annual activity report;
  24. Notes with satisfaction that the issue of 'revolving doors' has been addressed by the Guide on Ethics and Good Conduct; calls on the Ombudsman to ensure that these guidelines are effectively applied and asks the Ombudsman to report back to the discharge authority in its next annual activity report;
  25. Welcomes the closure of the European Data Protection Supervisor's (EDPS) complaint relating to the procedure for handling personal data of third parties in complaints and inquiries; and acknowledges that the EDPS was satisfied with the review and the implementation of the recommendations;
  26. Notes that there were no whistleblowing cases in 2017; notes that training on whistleblowing was organised for all members of staff; calls on the Ombudsman to ensure that all staff is properly informed of its rights, such as during induction upon arrival of new staff; welcomes the Ombudsman's reflection on whether more proactive work is required on its side with regard to rules and policies on whistleblowing now in place in the Union's institutions, bodies and agencies; calls on the Ombudsman to continue leading by example.
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**DECISION (EU) 2019/1432 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section IX — European Data Protection Supervisor**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2017 <sup>(1)</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM (2018) 521 — C8-0326/2018) <sup>(2)</sup>,
  - having regard to the European Data Protection Supervisor's annual report to the discharge authority on internal audits carried out in 2017,
  - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2017, together with the institutions' replies <sup>(3)</sup>,
  - having regard to the statement of assurance <sup>(4)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, 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 <sup>(5)</sup>, and in particular Articles 55, 99, 164, 165 and 166 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(6)</sup>, and in particular Articles 59, 118, 260, 261 and 262 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 (A8-0116/2019),
1. Grants the European Data Protection Supervisor discharge in respect of the implementation of the budget of the European Data Protection Supervisor for the financial year 2017;
  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

<sup>(1)</sup> OJ L 51, 28.2.2017.

<sup>(2)</sup> OJ C 348, 28.9.2018, p. 1.

<sup>(3)</sup> OJ C 357, 4.10.2018, p. 1.

<sup>(4)</sup> OJ C 357, 4.10.2018, p. 9.

<sup>(5)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(6)</sup> OJ L 193, 30.7.2018, p. 1.

**RESOLUTION (EU) 2019/1433 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section 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 2017, 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 (A8-0116/2019),
- A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting (PBB) 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 2017 for administrative and other expenditure of the European Data Protection Supervisor (EDPS) 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 2017, the Court observed no serious weaknesses in respect of the audited topics related to the human resources and procurement activities of the EDPS;
  3. Regrets however that according to the EDPS annual activity report only a single payment was examined in 2017 by the Court; takes the view that even if the EDPS is not a decentralised Union agency and its budget represents a very small percentage of the Union budget, the legality and regularity of EDPS transactions should nevertheless be properly examined by the Court, as from 2018, as transparency is vital for the appropriate functioning of this Union body; requests therefore that the Court issues separate annual activity reports on the annual accounts of this important Union body;
  4. Notes that in 2017, the EDPS had a total allocated budget of EUR 11 324 735, which represented a 21,93 % increase compared to the 2016 budget, and that the budget implementation in terms of commitment appropriations for 2017 amounted to EUR 10 075 534; notes with concern that the implementation rate continued decreasing from 94,66 % in 2015 and 91,93 % in 2016 to 89 % of the available appropriations in 2017; notes that the budget implementation in terms of payment appropriations amounted to EUR 9 368 686,15, corresponding to 77 % of the available appropriations; highlights in this regard Titles I and III with appropriation rates of 88,24 % and 73,10 %; calls on the EDPS to step up its efforts and to define the budget estimates prudently;
  5. Notes that the budget of the EDPS was strongly influenced by two major legislative changes (General Data Protection Regulation <sup>(1)</sup> and the Directive for Data Protection in the Police and Justice Sectors <sup>(2)</sup>); notes that most of the additional resources were allocated to the EDPS for the establishment of the secretariat of the newly created European Data Protection Board (EDPB);

<sup>(1)</sup> 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).

<sup>(2)</sup> 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).

6. Notes the ongoing work of the EDPS on introducing PBB procedures and calls for a swift implementation of those principles; notes that the EDPS evaluated its key performance indicators (KPIs) to take into account its new objectives and priorities based on the EDPS' Strategy 2015 - 2019; welcomes the fact that the strategy is on track, with the values for the majority of KPIs meeting or exceeding their respective targets;
7. Notes that the budget of the EDPS is mostly administrative, with a large amount being used for expenditure relating to persons, buildings, furniture, equipment and miscellaneous running costs;
8. Welcomes the decision of the EDPS to publish its annual activity reports by 31 March with a view to optimising and speeding up the discharge procedure;
9. Underlines the increasingly important role of the EDPS in ensuring the implementation of European data protection and privacy rules in Union institutions and bodies; welcomes the activities of the EDPS, including an increasing number of opinions on Union proposals related to data protection and privacy issues, the support to Union institutions to prepare for the new data protection rules, the participation in the first EU-US Privacy Shield joint review, and the supervision of Europol; encourages the EDPS to continue working in close connection with national data protection authorities in the Member States to ensure effective coordinated supervision and to cooperate in the preparation for the new legal framework;
10. Welcomes the implementation by the EDPS of a 5 % staff reduction in its establishment plan and notes that the Court had no further remarks in that regard;
11. Welcomes the inclusion of the detailed missions undertaken by the members of the EDPS as requested in the last discharge resolution;
12. Welcomes the interinstitutional cooperation as evidenced, for instance through the Service Level Agreements between the EDPS and other Union institutions, the Commission's assistance in financial, accounting and budgetary matters or the participation in various inter-institutional calls for tenders, in particular in the area of Information Technology and Administration;
13. Welcomes the charts in the annual activity report, which provide detailed information about the number of missions, the average duration and the average cost of the staff of the EDPS and its Members; notes the inclusion of a comparative table on procurement as requested in the discharge report of 2016;
14. Regrets that the EDPS does not have an automatic system to extract Human Resource-related information; encourages the EDPS to find a swift agreement with the Commission in relation to adapting the IT-Tool SYSPER for its human resource management;
15. Welcomes the intensified communication to citizens and stakeholders as well as the steady increase of followers on social media platforms; welcomes also the launch of the new website of the EDPS in March 2017;
16. Notes that extra working space was granted to the EDPS to cope with the growing numbers of staff and the creation of the EDPB;
17. Welcomes the high proportion of women in management positions and the measures to ensure gender balance in the institution; notes, however, that only 32 % of total staff were men; underlines that measures to promote gender balance and equal opportunities should benefit all genders;
18. Welcomes the work of the confidential counsellor and the measures to raise awareness about harassment among the staff of the EDPS; encourages the EDPS to monitor closely the efficiency of its policy in this regard, to continue raising awareness about harassment at the work place and to foster a culture of zero tolerance toward harassment;
19. Notes that the 80 members of staff came from 16 different Member States in total; calls on the EDPS to strive for a proportionate representation of all Member States among the population of the staff;

20. Notes that the issue of 'revolving doors' has been dealt with in the Code of Conduct of the Members of the EDPS; welcomes the fact that CVs and declarations of interests of the members of the EDPS are available on the institution's website; encourages the EDPS to ensure that it is transparent with regard to its activities and to exchange best practices with other Union institutions;
  21. Welcomes the available information on the internal control measures; welcomes the follow-up to the recommendations of the Internal Audit Service resulting from the Annual Internal Audit for 2016 and that the three pending recommendations are about to be closed;
  22. Welcomes the Ethics framework of the EDPS, which concerns the Supervisors and all the members of the Secretariat in their relations with other Union institutions and other stakeholders; welcomes the formal establishment of the position of the Ethics Officer of the EDPS; encourages the efforts of the EDPS to align the Code of Conduct to new trends and best practices;
  23. Regrets the lack of information on internal procedures for whistleblowing provided by the EDPS in the context of the 2017 discharge; stresses the importance of ensuring that necessary procedures are in place and that all staff are properly informed of their rights, in order to build an institutional culture of trust;
  24. Notes that the United Kingdom's decision to withdraw from the European Union would not have any direct impact on the financial, human or structural organisation of the EDPS; welcomes the decision of the EDPS to maintain all of its four British members of staff.
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**DECISION (EU) 2019/1434 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2017**

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 2017 (COM(2018) 519 — C8-0328/2018),
- having regard to the financial information on the European Development Funds (COM(2018) 475),
- 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 2017, together with the Commission's replies <sup>(1)</sup>,
- having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendations of 12 February 2019 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 2017 (05368/2019 — C8-0064/2019, 05369/2019 — C8-0065/2019, 05370/2019 — C8-0066/2019, 05371/2019 — C8-0067/2019),
- having regard to the Commission's report on the follow-up to the discharge for the 2016 financial year (COM(2018) 545),
- having regard to the Commission's report to the European Parliament and the Council of 15 December 2017 entitled 'Mid-term Review Report of the External Financing Instruments' (COM(2017) 720), and the accompanying staff working documents entitled 'Evaluation of the Development Cooperation Instrument' (SWD(2017) 600) and 'Evaluation of the eleventh European Development Fund' (SWD(2017) 601),
- having regard to the External Evaluation of the eleventh European Development Fund (final report of June 2017), commissioned by the Commission from a team of external contractors,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou (Benin) on 23 June 2000 <sup>(3)</sup> and amended in Ouagadougou (Burkina Faso) on 22 June 2010 <sup>(4)</sup>,
- 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') <sup>(5)</sup>,
- 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 <sup>(6)</sup>,
- 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 <sup>(7)</sup>,
- 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 <sup>(8)</sup>,

<sup>(1)</sup> OJ C 357, 4.10.2018, p. 315.<sup>(2)</sup> OJ C 357, 4.10.2018, p. 323.<sup>(3)</sup> OJ L 317, 15.12.2000, p. 3.<sup>(4)</sup> OJ L 287, 4.11.2010, p. 3.<sup>(5)</sup> OJ L 344, 19.12.2013, p. 1.<sup>(6)</sup> OJ L 156, 29.5.1998, p. 108.<sup>(7)</sup> OJ L 317, 15.12.2000, p. 355.<sup>(8)</sup> 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 <sup>(9)</sup>,
  - having regard to Article 208 of the Treaty on the Functioning of the European Union,
  - 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 <sup>(10)</sup>,
  - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the ninth European Development Fund <sup>(11)</sup>,
  - 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 <sup>(12)</sup>,
  - 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 <sup>(13)</sup>,
  - 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 (A8-0107/2019),
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 2017;
  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

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<sup>(9)</sup> OJ L 210, 6.8.2013, p. 1.

<sup>(10)</sup> OJ L 191, 7.7.1998, p. 53.

<sup>(11)</sup> OJ L 83, 1.4.2003, p. 1.

<sup>(12)</sup> OJ L 78, 19.3.2008, p. 1.

<sup>(13)</sup> OJ L 58, 3.3.2015, p. 17.

**RESOLUTION (EU) 2019/1435 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2017**

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 2017,
  - 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 (A8-0107/2019),
- A. whereas the Commission entirely supports the management of the European Development Funds (EDF), bearing both the ultimate responsibility for the legality/regularity of the EDF operations and for overseeing the EDF financial reporting process;
- B. whereas EDF development aid is effectually implemented in 79 countries even though the political and social-economical conditions are often complex, unstable and risk associated;
- C. whereas it is crucial to ensure that development aid is used in accordance with its original purpose as stated in Article 208 TFEU, with due consideration of aid and development effectiveness principles;
- D. whereas several Union policies are implemented in a same country or group of countries with different rationale and objectives with a risk of contradicting each other's;
- E. whereas greater coherence with the primary objective of the reduction and, in the long term, the eradication of poverty, sharper emphasis on performance and visible actions are a recurrent axis to be pursued by the EDF;
- F. whereas EDF aid delivery modes should take into account the different stages of development of partner countries, in particular for partner countries which have graduated from low-income to middle-income status;
- G. whereas the prerequisite for sustainable development is a transparent, inclusive and efficient participatory policy framing process upholding the human rights principles;
- H. whereas effective pre-conditionalities and regular checks are key components in ensuring the effectiveness and sound financial management of the EDF;
- I. whereas Parliament is not involved in establishing and allocating EDF resources compared to other development instruments;

**Statement of assurance***Key findings in the 2017 financial implementation*

1. Notes that EDF commitments reached EUR 6 218 million by end 2017, representing 95 % of the annual target as revised in October 2017 (i.e. EUR 6 510 million) whole EDF payments amounted to EUR 4 256 million on 31 December 2017, corresponding to an execution rate of 98,89 % of the annual target as revised in October 2017 (or EUR 6 510 million); takes note, in addition to the aforementioned EDF commitments and payments, that the total European Investment Bank (EIB) commitments reached EUR 667 million and EUR 456 million in payments for 2017;
2. Notes that the share of the United Kingdom represents 14,82 % of the tenth EDF and 14,68 % of the eleventh EDF; underlines the importance of keeping close ties between the European Union and the United Kingdom after its withdrawal from the European Union in relation to the EDF and development aid, and takes note of the Commission proposal to increase heading VI (covering former heading IV and EDF) by 26 % for the upcoming programming period;

3. Welcomes the regular efforts of the Commission's Directorate-General for International Cooperation and Development (DG DEVCO) to reduce old pre-financing, old unspent commitments and old expired contracts with a target of 25 %; notes that this target was exceeded with a reduction of 32,58 % of old EDF pre-financing (37,6 % for its entire area of responsibility) and a reduction of 37,63 % for old EDF unspent commitments; notes also that for the old EDF expired contracts a reduction was not achieved with 18,75 % against the target of 15 %; notes, according to the Court of Auditors' (the 'Court'), of the high complexity of the EDF closing process of old expired contracts as well as the setting-up of a new dedicated procedure to tackle this recurrent issue;
4. Invites DG DEVCO to consider refining or even adapting its existing set of Key Performance Indicators, to better monitor, among others, the ageing of advance contributions paid to Union trust funds (the Bekou Trust Funds and the Union Emergency Trust Fund for Africa);

#### *Reliability of the accounts*

5. Welcomes the Court's opinion that the final annual accounts of the eighth, ninth, tenth and eleventh EDF for the year 2017 present fairly, in all material respects, the financial position of the EDF as of 31 December 2017, and that the results of their operations, their cash flows and the changes in net assets for the year-end, are in accordance with the provisions of the EDF Financial Regulation and with internationally accepted accounting standards for the public sector;

#### *Legality and regularity of the transactions underlying the accounts*

6. Welcomes the Court's opinion, according to which the revenue underlying the accounts for the year 2017 is legal and regular in all material aspects;
7. Expresses its concern on the adverse opinion stated by the Court on the legality and regularity of payments wherein payments underlying the accounts are materially affected by error;
8. Regrets that in every annual activity report since 2012, DG DEVCO had to issue a reservation on the regularity of underlying transactions which points to serious internal management deficiencies;
9. Is concerned that, according to the Court's estimation in its annual report, the level of error rate for expenditure underlying the accounts from the eighth, ninth, tenth and eleventh EDF is 4,5 % compared to 3,3 % in 2016, 3,8 % in 2014 and 2015, 3,4 % in 2013 and 3 % in 2012;
10. Expresses concern in relation to the results of the Court's sampling related to payments transactions, whereby 29 % contained errors (37 among 128 payments audited); regrets that the typology of errors in 2017 remains similar to those in several previous years i.e. expenditure not incurred (42 %), an absence of essential supporting documents (29 %) and serious failure to respect public procurement rules (12 %); regrets that 33 % of 30 payment transactions with quantifiable errors were final transactions being authorised after *ex ante* checks;
11. Regrets that further errors concerned, as in previous years, programme estimates, grants, contributions agreements managed both with international organisations and Member States' cooperation agencies; recalls its concern in relation to the fact that the notional approach applied in multi-donor projects implemented by international organisations and budget support activities limit the Court's audit scope; welcomes however the improvements made by the Commission in 2018 including the adoption of the 'Terms of Reference for Expenditure Verifications' and the 'Roadmap for Reinforcements of Controls under Programme Estimates'; invites the Commission to further reflect on its assumption that Union eligibility criteria have been complied with as long as the pooled amount includes sufficient eligible expenditure to cover the Union's contribution; recalls on the Commission to efficiently address shortcomings in contract management, selection procedures, document management and the procurement system;
12. Urges the Commission to produce detailed explanations in response to these findings and to submit a clear plan to the Parliament outlining the necessary steps in order to correct this seriously worrying situation;
13. Is concerned by the recurrence in 2017 of cases related to recoveries of unspent pre-financing that were incorrectly recorded as operational revenue, although the corrections in 2017 increased to EUR 5,1 million (compared to EUR 3,1 million in 2016);

**Effectiveness (and reliability) of the assurance chain***Oversight component*

14. Believes that the enhancement of the various building blocks of the assurance framework should be pursued in a coordinated manner; reiterates the need to maintain a consistent oversight strategy ensuring a balance between respect for compliance provisions, targets and reliable added value criteria related to performance and the absorption capacity of partner countries, that should be duly reflected in the management of the different aid operations and delivery modes;
15. Acknowledges recurrent weaknesses of the Commission's *ex ante* checks system and recalls the Commission to implement measures to avoid the accounted failure of certain *ex ante* controls; notes that the Court underlined that in some error cases the Commission had sufficient information from its information systems to prevent, detect and correct before making the expenditure, and the estimated level of error would have been consequently 1,8 % lower; considers the new concept of expenditure verification in the new Terms of Reference adopted by the Commission as a useful way to remedy deficiencies in the implementation of the control system;
16. Notes the less prudent approach applied in 2017 by DG DEVCO in its sixth 'Residual Error Rate' analysis, notably for the calculation and extrapolation of errors due to the fact that a very limited number of on-the-spot checks and examination of procurement procedures were included in the 2017 annual review, leading as a result to the issuance of a reservation limited to the scope of grants in direct management (with EUR 82,96 million at risk); recognises the steady efforts carried out so far to reduce the estimated level of error below the 2 % materiality threshold of errors; stresses, however, that achieving this objective should not lead to a blurred vision of the regularity and legality of operations, which would also prevent the comparability of results over several years; calls on all stakeholders to avoid competing methodologies of assessing estimated error levels, in order to present a reliable picture of the situation and to increase confidence and fairness both in the control work performed and in the general control systems;

*Risk management*

17. Recalls that the regular monitoring of high risk factors (external, financial and operational) and their adequate quantification, is a key-prerequisite for a good financial management and quality expenditure and for developing the credibility, sustainability and reputation of the Union interventions; encourages DG DEVCO to continue refining its processes according to risks and financial volumetry and, to adapt conditionalities according to different levels of development, countries risk profiles and governance frameworks;
18. Highlights the need to regularly make evolving the DG DEVCO' s risk mapping or matrix to the emergence of new forms of assistance instruments and facilities within the EU tool kit, like the blended finance, dedicated trust funds and financial partnerships with other international institutions or multilateral development banks;

*Evaluation and reporting component*

19. Invites DG DEVCO to improve significantly its monitoring, evaluation and performance reporting arrangements to ensure that key indicators established in the different performance systems are systematically monitored and that reliable and comprehensive information is provided to policymakers on a timely basis; calls for a long-term evaluation including data gathering, researches, analysis in order to improve the key indicators; believes that undermining performance monitoring and results evaluation is detrimental to public accountability;
20. Believes that the ROM instrument should be used proactively and more rapidly when critical situations occur or persist; emphasises that corrective measures should be taken without delay and the nature of deficiencies at the design level should be structurally assessed; stresses the indispensability of providing Parliament and the budgetary control authority with a clear view of the real extent to which the Union's main development objectives have been achieved;
21. Considers the External Assistance Management Reports from Union delegations as a useful corporate reporting instrument contributing to the assurance building and performance measurement of each Union delegation; notes the decreasing share of projects with implementation issues from 31,1 % (980 projects out of 3 151 ongoing projects) in 2016 to 23,8 % (or 1 059 projects out of 4 444 ongoing projects) for 2017; is concerned, however, that 27 % of current projects whose implementation is difficult, the main reasons are the low perceived capacity or performance of implementing partners, low interest and commitment of stakeholders or insufficient co-financing by partners, factors that should be identified at an early stage in the political dialogue and donor coordination;

## Implementation of the EDF development aid

### *Evaluation of the eleventh EDF*

22. Takes note of the statement of the evaluation of the eleventh EDF that (i) 'there is a real threat that EDF will be pushed into responding to agendas that distance it from its primary objective of poverty alleviation, which are difficult to reconcile with the EDF's core values and compromise what it does well'; and (ii) that 'despite consultations, government and [civil society organisation] views (with some notable exceptions such as in the Pacific region), have rarely been taken account of in programming choices' and that 'the EDF11 programming thus used a top-down approach to apply the concentration principle but at the cost of the Cotonou Agreement's central principle of partnership'; regrets that the Commission has until now completely ignored these findings; considers however that peace building and addressing root causes of migration are fundamental aspects of sustainable development;
23. Notes also that according to the eleventh EDF evaluation, by April 2017, nearly EUR 500 million from the EDF reserve had been disbursed to support the Commission's Directorate-General for European Civil Protection and Humanitarian Aid Operations, nearly EUR 500 million had been allocated in emergency support to individual countries and EUR 1,5 billion had been disbursed to the Union Emergency Trust Fund for Africa; whereas the EDF contributes also to the new European Fund for Sustainable Development;

### *Mid-term review of implementation of external financial instruments*

24. Welcomes the fact that the evaluation shows that the EDF objectives were largely relevant to the policy priorities at the time of its design and that it was generally fit for purpose and aligned with the values and objectives of the Sustainable Development Goals (SDG);
25. Welcomes that some countries where EDF geographic programmes operate have experienced progress in poverty reduction and human and economic development over the last ten years; notes that the situation of other countries remains critical; notes with satisfaction that the EDF priorities are aligned with the SDG's values and objectives;
26. Emphasises that the Union's short-term domestic interests should not be the only driver of its development agenda, and that aid effectiveness principles should be fully applied to all forms of development cooperation;
27. Calls on the DG DEVCO to consider the following points for EDF management to ensure its effectiveness, efficiency and added value:
  - illustrate better the complementarity of EDF funding, the coherence of the Union toolbox and synergies with other external aid instruments,
  - ensure the highest level of regularity and accountability for results for actions funded by the EDF,
  - invites the Commission in that context to better explain the logical framework underlying its interventions, especially to get a better visibility of the expected long-term impacts or sustainability of EDF-financed operations,
  - include in the next annual activity report a structured assessment of the impact of the activities of the eleventh EDF, with a particular focus on human rights and environmental results achieved,
  - considers there is still a need for a more systematic approach to the communication of Union's grant-funded activities to enhance Union's visibility, and to strengthen transparency and accountability along the chain of funding,
  - improve the spirit of partnership through the establishment of democratic ownership of the programme and its implementation while ensuring respect for the fundamental values and principles of the EDF;
28. Considers that for infrastructure-related projects financed through the EDF, an independent *ex ante* assessment that takes into account the social and environmental impact of the projects, 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 environmentally, financially or socially sustainable;
29. Highlights the highly negative findings by the Court on Public-Private Partnerships <sup>(1)</sup> (PPPs) and the Court's recommendation 'not to promote a more intensive and widespread use of PPPs' inside the Union; calls on the Commission to take this recommendation fully into account when dealing with PPPs in developing countries where the environment for successful implementation of PPPs is even more difficult than inside the Union;

<sup>(1)</sup> Special report No 9/2018: Public Private Partnerships in the EU: Widespread shortcomings and limited benefits.

30. Expresses great concern over the fact that in the years 2016, 2017 and 2018 hunger has been on the rise worldwide, with now over 820 million people suffering chronic undernourishment, while at the same time the proportion of Official Development Assistance from the Union and its Member States for food and nutrition security has declined from about 8 % in 2014 to 6 % in 2016, and budgetary commitments for food security under the instruments managed by the Commission having dropped significantly in 2017;
31. Reiterates its strong reservations against the Commission having presented and the EDF Committee having adopted a National Indicative Programme for Eritrea and an Annual Action Programme in 2017 while lacking conclusive evidence of reforms or improvements in the human rights situation in Eritrea; recalls the Commission's and the High Representative's commitments to regularly inform Parliament in this respect;
32. Calls for an incentive-based approach to development by introducing the more-for-more principle, taking as an example the European Neighbouring Policy; believes that the more and the faster a country progresses in its internal reforms in relation to the building and consolidation of democratic institutions, the respect for human rights and the rule of law, the more support it should receive from the Union;
33. Underlines the importance of increasing the attribution of funds aiming at supporting good governance, democracy and the rule of law in developing countries in order to promote accountable and transparent institutions, support capacity building and foster a participatory decision-making and public access to information;
34. Given the shift in aid modalities from direct grants to trust funds and blended finance, including through the European Fund for Sustainable Development, invites the Council, Commission and EIB to adopt an inter-institutional agreement with the Parliament on transparency, accountability and parliamentary scrutiny on the basis of the policy principles set out in the New European Consensus on Development;
35. Strongly reiterates Parliament's call on the Council and Member States to proceed to the integration of the EDF in the Union's budget for the purpose of strengthening democratic scrutiny; welcomes the Commission's commitment to complying with the Parliament's recurrent request to integrate the EDF in the Union's Budget; requests that the Commission, inform Parliament of the state of play of discussions related to the replacement of the Cotonou agreement after 2020;
36. Welcomes the process of the post-Cotonou agreement negotiations in order to maintain the ACP-EU framework;

*The EDF and the management of new nexus*

37. Acknowledges that the EDF is facing great pressure to respond to a growing number of political demands, such as security, migration and borders management, which are difficult to align with the EDF's core values and the principles of the Union's development and cooperation policy, namely poverty eradication as set out in Article 208 TFEU; observes that the management of new nexus put at risk the overall balance of the development policy;
38. Notes that the management of the new nexus brings into play the overall balance of development policy; is of the opinion that emergency responses to successive crisis situations should follow an holistic approach; recalls that respecting the coherence principle of its policy is of paramount importance for the stability of the countries benefiting from European development aid;

**Management of financial instruments outside the budget (EDF contributions to the Union trust funds)**

39. Takes note that the total pledges under the Union trust funds amounted so far to EUR 4,09 billion, the main contribution originating from the EDF with EUR 3 billion and EUR 442,7 million from Member States and other donors; takes note of pledges of nearly EUR 240 million for the Bekou Trust Fund in 2017 with EUR 113 million from the EDF and EUR 65,9 million from Member States and other donors;

40. Recalls the Court's Special Report's main findings on the Bekou Trust Fund, including that the Fund's set-up was appropriate for the context of the Central African Republic and that its effect was positive; underlines that this assessment was largely reflected in the findings of the ad hoc delegation of the Committee on Development to the Central African Republic in February 2018 and the delegation concluding 'that the fund can adequately address needs transiting between rehabilitation, livelihood provision and longer-term development'; recalls that the Fund was established as an European Union emergency Trust Fund with a duration of 60 months, expiring in July 2019 and that its extension seems beneficial but will require Parliament's agreement;
41. Highlights the risk of diversion from classical development objectives such as poverty eradication while acknowledging certain of their potentialities, accelerating development goals implementation or swiftly respond to international crisis;
42. Takes note of the achievements of the European Union Emergency Trust Fund for Africa (EUTF); recalls, however, that EUTF funding coming from development budget lines must not be used for security measures jeopardising migrants' rights; recalls, that EU development cooperation must have the eradication of poverty and sustainable development as the main objectives; stresses, that EUTF projects must integrate human rights at the core of programming and contribute to the realisation of human rights in the countries concerned; strongly recommends to promote gender equality and women's empowerment in EUTF programmes as well as the protection of those most vulnerable, including children and persons with disabilities;
43. Notes the numerous concerns the Court (?) and the authors of the eleventh EDF mid-term evaluation have expressed on the implementation of the EUTF:
- in terms of project implementation, the EUTF had only limited impact in speeding up the process compared to traditional development aid,
  - concerns over the likely effectiveness and sustainability of EUTF projects and over the ability of the Union to closely monitor their implementation,
  - the Northern Africa and Horn of Africa windows have no documented criteria for selecting project proposals,
  - serious flaws in the measurement of performance,
  - no specific risk assessment framework;
- Considers that given such findings, the added value of the EUTF is highly questionable;
44. Believes that enough local ownership and partners involvement should be ensured in the operational governance and policy design to avoid a too centralised modus operandi with a prominent role for donors while consistently respecting the principle of management by results;
45. Stresses however the need to take due care on the systemic issue of donor coordination, monitoring and evaluation according to a more systemic approach to obtain guarantees of trust funds' effectiveness;

#### **Budget support to partner countries**

46. Observes that budget support financed by the EDF in 2017 corresponded to EUR 860,2 million of which EUR 703,1 million were new commitments (covering 54 countries and representing 102 budget support contracts); notes that for the OCTs, EDF disbursements in 2017 amounted to EUR 57,7 million (for 11 countries and 15 budget support contracts); notes that in 2017, DG DEVCO has stopped budget support in two ACP countries respectively due to a lack of progress in the implementation of public finance management (PFM) and lack of stability-oriented macroeconomic policy and transparency in the PFM;
47. Calls on the Commission to ensure consistency between provisions of the General Financial Regulation (GFR) under Article 236 and Article 36 of the proposed Financial Regulation applicable to the eleventh EDF with regard to terms and conditions for the use of budget support to be provided to third countries; observes that the proposed eleventh EDF Financial Regulation includes provisions which are not included in the GFR, notably that budget support shall aim at strengthening contractual partnership between Union and ACP States or OCTs in order to support, *inter alia*, sustainable and inclusive economic growth, and to eradicate poverty, the latter leading to potential difficulties of application of the EDF rules;

(?) Special report No 32/2018, 'European Union Emergency Trust Fund: Flexible but lacking focus'.

48. Invites the Commission to further elaborate on, and clarify, the exact scope and meaning of its margin of flexibility or of interpretation in assessing whether the general eligibility conditions for the making of disbursements to a partner country have been met, with respect to the so called 'differentiation and dynamic approach to eligibility'; is concerned by the final use of the funds transferred and the lack of traceability when the Union's funds are merged within the partner country's budget resources;
49. Believes that the budget support should support specific problem solutions at sectoral level, complemented as needed by the related technical assistance;
50. Remains concerned in relation to the final use of those transferred funds and their possible lack of traceability in the event of weak, unstable and deteriorated public sector financial management; draws attention to the need to support the fight against fraud and corruption in all areas of government covered by the Union's development strategy; emphasises that the risk of resources being diverted remains high and that it is the areas in which public funds are managed which offer scope for corruption and fraud;
51. Urges the Commission to better define and clearly assess the development outcomes to be achieved in each case and above all to enhance control mechanism concerning recipient State's 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 functioning parliamentary democracy or freedoms for civil society and the media, or due to a lack of capacity of oversight bodies;
52. Welcomes the Commission's reactive and consistent approach to suspend budget support in two countries in 2017 and 2018 since the eligibility criteria were no longer met; believes that the Commission shall maintain a constructive dialogue with these countries and offer a possibility to resume budget support, should the countries implement the necessary reforms laid down in the budget support programme;
53. Points out that appropriate monitoring tools have to be reinforced to assess the way budget support contributed to improve domestic revenue mobilisation and related reforms; invites the Commission to provide regular information in its budget support reports concerning the use of budget support contracts for domestic revenue mobilisation; reiterates, however, to strictly follow the risks related to tax avoidance, tax evasion and illicit financial flows;

#### **Cooperation with international organisations**

54. Observes that EDF payments to multi-donor projects implemented by international organisations in 2017 amounted to EUR 812 million;
55. Notes that in 2017, the Commission has signed contracts with UN agencies with a value of more than EUR 411 million of contributions from the EDF, with United Nations Development Programme (EUR 166,33 million), FAO (EUR 152,86 million) and UNICEF (EUR 98,44 million) being the biggest beneficiaries, and contracts with the World Bank worth EUR 92 million;
56. Notes that DG DEVCO does not systematically monitor the operational performance of International Financial Institutions (IFIs) and the key aspects of blending operations; calls on DG DEVCO to improve the quality, appropriateness and timeliness of reporting submitted by the IFIs; encourages international institutions, in particular in the case of co-funded and multi-donor initiatives, to approximate their results management frameworks with the Union;
57. Reiterates the necessity to ensure full transparency and access to data, in accordance with existing Union legislation, on projects implemented by international organisations and civil society organisations, as well as providing clear rules on governing control and monitoring;
58. Welcomes the Court recommendations for improving the transparency of Union funds implemented by non-governmental organisations (NGOs) published in the special report No 35/2018, where it, amongst other things, recommends that the Commission improve the reliability of the information on NGOs in its accounting system, and that the Commission improve the information collected on funds implemented by NGOs; calls therefore on the Commission to implement these proposals before the end of the current mandate;

### **African Peace Facility**

59. Regrets that the mid-term review of the External Financing Instruments did not cover the African Peace Facility (APF), which has not otherwise been properly evaluated since 2011;
60. Calls on DG DEVCO, in line with its reservation, maintained in its 2017 annual activity report, on the management of the APF, to strictly check that the remedial measures introduced to mitigate both financial risks and the risk of irregular and illegal payments are effectively implemented; reiterates its call on the Commission to continue its efforts within the pillar assessment exercise towards reinforcing the control system for the management and operational monitoring of the APF with a view to protecting the EDF against illegal and irregular expenditure;
61. Highlights the following Court's negative findings in the area of Union support to African security, which is often financed through the EDF:
- strengthening the capacity of the internal security forces in Niger and Mali has been slow and there are serious concerns on ownership and sustainability <sup>(3)</sup>,
  - the Union's support for the African Peace and Security Architecture (APSA) has had a poor effect <sup>(4)</sup>.

Highlights as well the serious risk that Union's support through the African Peace Facility to Burundian soldiers participating in the AMISOM mission indirectly finances a Burundian regime exposed to Union sanctions; recalls that for years, DG DEVCO expressed reservations on its expenditure on the support to the APF;

### **European Fund for Sustainable Development**

62. Takes note of the recent launch of this new investment instrument, as part of the External Investment Plan, in order to provide further leverage capacity by attracting private sector investment in development partnerships; believes that due care should be given to its additionality but also to the criteria applied in its management in order to avoid any diversion of development funding to private investors, or to interest or profit outcomes;

### **The EIB ACP investment facility**

63. Acknowledges the EIB's set of priorities in ACP countries, namely support for SDG, climate action, European economic diplomacy and resilience; notes that 39 projects were initiated in 2017 under the ACP investment facility to an overall amount of EUR 1,5 billion out of which EUR 549 million was devoted to local private sector development and EUR 952 million for social and economic infrastructure;
64. Recalls the importance of carrying out thorough *ex ante* and *ex post* assessments in order to ascertain that projects are sustainable and will provide real added value in economic, social, and environmental terms; reiterates that no support in any form should be granted for projects relating to highly polluting technologies;
65. Calls for a thorough scrutiny of potential local actors and intermediaries during the identification and selection of such actors and intermediaries; calls for the EIB to ensure that local communities and citizens affected by its operations are properly consulted and have access to an independent, efficient complaint procedure;
66. Calls for an enlargement of the 'Erasmus for Young Entrepreneurs' programme beyond Europe in particular developing countries while providing the necessary financial mean;
67. Underlines the high importance of supporting micro, small and medium-sized enterprises and calls in particular for the establishment of local solutions for a better access to finance with a further strengthening of micro-finance loan and guarantee system;
68. Recognises that no country has ever developed without engaging in further trade relations with their neighbours and the rest of the world; further encourages the financing of aid for trade activities, in order to allow developing countries to participate to a much greater degree in global value chains in the future; stresses in this context the increasing importance of digital connectivity in order to achieve a more balanced distribution of the globalisation benefits in favour of developing countries;

<sup>(3)</sup> Special report No 15/2018: Strengthening the capacity of the internal security forces in Niger and Mali: only limited and slow progress.

<sup>(4)</sup> Special report No 20/2018: The African Peace and Security Architecture: need to refocus EU support.

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69. Emphasises the importance of the provision of clean water and of the building of additional wastewater disposal facilities;
  70. Draws attention to the scale and implication of energy poverty in developing countries and to the Union's strong involvement in efforts to reduce such poverty; underlines the need for strong and concerted efforts by governments and stakeholders in affected countries to reduce energy poverty.
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**DECISION (EU) 2019/1436 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2017**

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 2017 (COM(2018) 519 — C8-0328/2018),
- having regard to the financial information on the European Development Funds (COM(2018) 475),
- 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 2017, together with the Commission's replies <sup>(1)</sup>,
- having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendations of 12 February 2019 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 2017 (05368/2019 — C8-0064/2019, 05369/2019 — C8-0065/2019, 05370/2019 — C8-0066/2019, 05371/2019 — C8-0067/2019),
- having regard to the Commission's report on the follow-up to the discharge for the 2016 financial year (COM(2018) 545),
- having regard to the Commission's report to the European Parliament and the Council of 15 December 2017 entitled 'Mid-term Review Report of the External Financing Instruments' (COM(2017) 720), and the accompanying staff working documents entitled 'Evaluation of the Development Cooperation Instrument' (SWD(2017) 600) and 'Evaluation of the eleventh European Development Fund' (SWD(2017) 601),
- having regard to the External Evaluation of the eleventh European Development Fund (final report of June 2017), commissioned by the Commission from a team of external contractors,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou (Benin) on 23 June 2000 <sup>(3)</sup> and amended in Ouagadougou (Burkina Faso) on 22 June 2010 <sup>(4)</sup>,
- 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') <sup>(5)</sup>,
- 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 <sup>(6)</sup>,
- 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 <sup>(7)</sup>,

<sup>(1)</sup> OJ C 357, 4.10.2018, p. 315.

<sup>(2)</sup> OJ C 357, 4.10.2018, p. 323.

<sup>(3)</sup> OJ L 317, 15.12.2000, p. 3.

<sup>(4)</sup> OJ L 287, 4.11.2010, p. 3.

<sup>(5)</sup> OJ L 344, 19.12.2013, p. 1.

<sup>(6)</sup> OJ L 156, 29.5.1998, p. 108.

<sup>(7)</sup> OJ L 317, 15.12.2000, p. 355.

- having regard to Article 11 of the Internal Agreement of 17 July 2006 between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies <sup>(8)</sup>,
  - 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 <sup>(9)</sup>,
  - having regard to Article 208 of the Treaty on the Functioning of the European Union,
  - 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 <sup>(10)</sup>,
  - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the ninth European Development Fund <sup>(11)</sup>,
  - 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 <sup>(12)</sup>,
  - 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 <sup>(13)</sup>,
  - 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 (A8-0107/2019),
1. Approves the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2017;
  2. Instructs its President to forward this decision to the Council, the Commission, the Court of Auditors and the European Investment Bank, and to arrange for its publication in the *Official Journal of the European Union* (L series).

*The President*  
Antonio TAJANI

*The Secretary-General*  
Klaus WELLE

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<sup>(8)</sup> OJL 247, 9.9.2006, p. 32.

<sup>(9)</sup> OJL 210, 6.8.2013, p. 1.

<sup>(10)</sup> OJL 191, 7.7.1998, p. 53.

<sup>(11)</sup> OJL 83, 1.4.2003, p. 1.

<sup>(12)</sup> OJL 78, 19.3.2008, p. 1.

<sup>(13)</sup> OJL 58, 3.3.2015, p. 17.

**DECISION (EU) 2019/1437 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2017,
  - 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 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0095/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0113/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 33.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 33.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 211, 14.8.2009, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1438 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0113/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the Agency for the Cooperation of Energy Regulators (the 'Agency') for the financial year 2017 was EUR 13 272 160, representing a decrease of 16,38 % compared to 2016, which is mainly due to the decrease of revenues related to the Regulation on wholesale Energy Market Integrity and Transparency (REMIT) operations; whereas the entire budget of the Agency derives from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2017 (the 'Court's report'), has stated that it obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with satisfaction that budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 98,72 %, reaching the Agency's planned target and representing an increase of 0,61 % compared to 2016; notes that the payment appropriations execution rate was at 75,81 %, representing an increase of 15,87 % compared to the previous year;

**Cancellation of carryovers**

2. Notes that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 122 606,52, representing 2,03 % of the total amount carried forward, showing a notable decrease of 7,77 % in comparison to 2016;

**Performance**

3. Notes with satisfaction that the Agency uses certain measures as Key Performance Indicators to assess the added value provided by its activities, in particular to estimate the impact of network codes and guidelines, and to improve its budget management;
4. Acknowledges that the Agency overall delivered on its Work Programme despite significant challenges related to the available resources;
5. Notes with appreciation that the Agency succeeded on the implementation of the regulation on wholesale energy market integrity and transparency and that 2017 was the first full year of data collection following the core implementation of this regulation in 2016; notes as well that in 2017 the Agency reached a critical milestone with the adoption of all Network Codes and Guidelines in electricity and gas and it shift its focus to accompanying and monitoring the implementation of the already adopted network codes and guidelines;
6. Welcomes the fact that the Agency has outsourced accounting services to the Commission and shares resources with other Agencies in the areas of Human Resources management, Information and Communication Technology management, budget and finance, procurement and facility management;

<sup>(1)</sup> OJ C 84, 17.3.2017, p. 202.

**Staff policy**

7. Notes that, on 31 December 2017, the establishment plan was 92,65 % filled, with 63 temporary agents (TAs) appointed out of 68 TAs authorised under the Union budget (compared to 69 authorised posts in 2016); notes that in addition 21 contract agents and three seconded national experts were working for the Agency in 2017;
8. Notes with concern that human resources and budget constraints at the Agency in 2017 posed risks of delays, as well as a necessity of reprioritisation of objectives and of reducing the scope of some reports and opinions; considers that any enhancement of tasks and the role of the Agency requires a corresponding increase in its resources and staff;
9. Regrets the gender imbalance within the Agency's senior management members, with 5 out of 6 being male, 1 being female; asks the Agency to take measures ensuring better gender balance within its senior management;
10. Notes that the Agency has adopted the Commission's model decision on the policy on protecting the dignity of the person and preventing harassment; acknowledges that it organised training sessions and enabled confidential counselling;
11. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office (EPSO) in order to increase publicity; takes note of the Agency's reply that four of the nine vacancy notices already have been published on the EPSO website; understands the concern of the Agency for what concerns translation costs;

**Procurement**

12. Notes from the Court's report that by the end of 2017 the Agency was not yet using any of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); calls on the Agency to introduce all of the necessary tools to manage procurement procedures and report to the discharge authority on the progress made in that field;

**Prevention and management of conflicts of interests and transparency**

13. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistle-blower protection; notes the resignation of a member from the Administrative Board in October 2017, for whom a potential conflict of interest was identified;
14. Welcomes the further steps taken in order to enhance the transparency of the Agency's activities by reporting the meetings that the Agency's staff have with external stakeholders, namely, the Director's meeting with lobbyists, and their availability on the Agency's website since January 2018;

**Internal controls**

15. Notes that an assessment of the effectiveness of the Agency's sixteen internal control standards was performed in 2017; notes with appreciation that no significant or material weaknesses in the Agency's internal control standards were found in 2017;
16. Notes with concern from the Court's report that the backup data regarding the REMIT is stored at the same location as the original data, which causes a considerable risk to business continuity in case of major disasters; takes note of the Agency's reply that the re-establishment of the disaster recovery site would require additional financial resources;
17. Notes that the Commission's internal audit service (IAS) conducted a full risk assessment, including with regard to IT, in 2016 with the result of a new strategic audit plan for the Agency for the period 2017 to 2019 and formulated the audit topics for the next planning period; calls on the Agency to report to the discharge authority of any developments in that matter;
18. Observes that the IAS performed an audit on the Human Resources Management function of the Agency; notes with concern that a critical recommendation pointed to the lack of established guidance for reporting and handling potential fraud cases and their outcome in the area of staff recruitment; calls on the Agency to report to the discharge authority on measures taken to mitigate that risk;

**Other comments**

19. Expresses its concern that the Agency did not carry out a comprehensive analysis in 2017 of the likely impact of the United Kingdom's decision to withdraw from the European Union on its organisation, operations and accounts; notes, however, from the Agency's reply that it carried out such an analysis in 2018; calls on the Agency to report to the discharge authority on the impact of the United Kingdom's decision to withdraw from the European Union and actions required;
  20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(2)</sup> on the performance, financial management and control of the agencies.
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<sup>(2)</sup> Texts adopted, P8\_TA(2019)0254 (see page 361 of this Official Journal).

**DECISION (EU) 2019/1439 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2017,
  - 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 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0095/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0113/2019),
1. Approves the closure of the accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 33.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 33.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 211, 14.8.2009, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1440 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications (BEREC) for the financial year 2017**

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 2017,
  - 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 2017, together with the Office's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0096/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office <sup>(5)</sup>, and in particular Article 13 thereof,
  - having regard to Regulation (EU) 2018/1971 of the European Parliament and of the Council of 11 December 2018 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Agency for Support for BEREC (BEREC Office), amending Regulation (EU) 2015/2120 and repealing Regulation (EC) No 1211/2009 <sup>(6)</sup>, and in particular Article 28 thereof,
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, and in particular Article 108 thereof,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0114/2019),
1. Grants the Director of the Office of the Body of European Regulators for Electronic Communications discharge in respect of the implementation of the Office's budget for the financial year 2017;

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 38.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 38.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 337, 18.12.2009, p. 1.

<sup>(6)</sup> OJ L 321, 17.12.2018, p. 1.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

2. Sets out its observations in the resolution below;
3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the 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

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**RESOLUTION (EU) 2019/1441 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0114/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the Office of the Body of European Regulators for Electronic Communications (the 'Office') for the financial year 2017 was EUR 4 246 000, the same amount as in 2016; whereas the entire budget of the Office derives from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Office's annual accounts for the financial year 2017 (the 'Court's report'), stated that it had obtained reasonable assurances that the Office's annual accounts were reliable and that the underlying transactions were legal and regular;

**Budget and financial management**

1. Notes with appreciation that budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99,94 %, representing an increase of 3,74 % compared to 2016; notes that the payment appropriations execution rate was at 86,92 %, representing a notable increase of 9,73 % compared to 2016;
2. Notes from the Court's report that the Office requested translations from the Translation Centre for the Bodies of the European Union (CdT) for four calls for expression of interest for the establishment of staff reserve lists; notes that, taking into account that the establishment plan was already fulfilled, the Court concluded that that request for translation was not justified; notes that, according to the Office's reply, the request was made because the Office's management committee requested the establishment of reserve lists for 75 % of job profiles with the aim of keeping the vacancy rate below 15 % in order to mitigate risks related to high staff turnover;

**Cancellation of carryovers**

3. Acknowledges that the cancellations of carryovers from 2016 to 2017 amounted to EUR 20 412, representing 2,53 % of the total amount carried forward, showing a decrease of 4,76 % in comparison to 2016;

**Performance**

4. Notes with satisfaction that the Office uses several types of measures as key performance indicators to assess the added value provided by its activities and to improve its budget management;
5. Acknowledges that the Office has reviewed its strategy taking into account the market and technological developments in order to adapt to the new environment regarding electronic communications, safeguarding of open internet and connectivity;
6. Notes with concern that the Office does not share resources with other Agencies; calls on the Office to explore further possibilities to share services and report to the discharge authority on the steps taken in that regard;

<sup>(1)</sup> OJ C 84, 17.3.2017, p. 189

7. Notes that the Office has outsourced its accounting services to the Commission; notes with concern from the Court's report, however, that while those events caused significant modifications to the Office's procedures and accounting system, it has not been re-validated since 2013; notes the Office's reply to the effect that the validation approach is in progress; calls on the Office to inform the discharge authority about the developments in that regard;
8. Welcomes the Commission's proposal to incorporate into the Office's founding regulation an obligatory periodical external performance evaluation every five years;

### **Staff policy**

9. Notes that, on 31 December 2017, the establishment plan was 100 % fulfilled, with 14 temporary agents appointed out of 14 temporary agents authorised under the Union budget (15 authorised posts in 2016); notes that in addition nine contract agents and four seconded national experts have been working for the Office in 2017;
10. Notes with concern that the Office was negatively affected with the highest possible rate of cut of 12,5 %, according to the ECA report on the implementation of the 5 % reduction of staff posts, published on 21 December 2017, although the Regulation (EU) 2015/2120 assigned additional tasks to the Office;
11. Regrets the gender imbalance within the Office's management board members, with 24 out of 29 being male, 5 being female; asks in this regard the Commission and the Member States to take into account the importance of ensuring gender balance when presenting their nominations for members of the Board;
12. Notes that the Office has adopted a decision on the policy on protecting the dignity of the person and preventing harassment, and furthermore enabled confidential counsellor trainings;
13. Notes with concern that in 2017 the average employment period in the Office was only 2,7 years which is reflected in a high staff turnover; understands that the Office struggles to attract professionals, inter alia because of the low salary correction coefficient of the host country (74,9 %); expresses its concern that the reduction of the posts authorised under the Union budget in recent years together with the additional tasks acquired has increased the workload of the Office's staff; points out that this situation may pose risks to the implementation of its work programmes; acknowledges that the management is continuously working on the introduction of mitigation measures and calls on the Office to report to the discharge authority on the progress made in this regard;

### **Procurement**

14. Notes from the Court's report that by the end of 2017 the Office had not yet implemented all of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes that, according to the Office's reply, it plans to implement these by the end of 2018; calls on the Office to report to the discharge authority on the progress made in that field;

### **Prevention and management of conflicts of interests and transparency**

15. Notes the Office's existing measures and ongoing efforts to secure transparency and prevention and management of conflicts of interests; points out with concern, however, that it does not publish the CVs of the board members on its website; calls on the Office to report to the discharge authority on the measures taken in this regard;
16. Regrets that the Office did not have internal rules on whistleblowing in place on 31 December 2017; notes however that the Office plans to adopt these by the end of 2018; calls on the Office to report to the discharge authority on their implementation;

### **Internal controls**

17. Notes with appreciation that in 2017, the Office undertook an internal exercise to assess its internal control systems, concluding that they have been effectively implemented;

**Other comments**

18. Notes that, unlike most other Agencies, the Office did not carry out a comprehensive analysis of the likely impact of the United Kingdom's decision to withdraw from the European Union on its organisation, operations and accounts; invites the Office to consider undertaking such an analysis and report to the discharge authority on the measures taken in that regard;
  19. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(2)</sup> on the performance, financial management and control of the agencies.
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<sup>(2)</sup> Texts adopted, P8\_TA(2019)0254 (see page 361 of this Official Journal).

**DECISION (EU) 2019/1442 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2017**

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 2017,
  - 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 2017, together with the Office's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0096/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office <sup>(5)</sup>, and in particular Article 13 thereof,
  - having regard to Regulation (EU) 2018/1971 of the European Parliament and of the Council of 11 December 2018 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Agency for Support for BEREC (BEREC Office), amending Regulation (EU) 2015/2120 and repealing Regulation (EC) No 1211/2009 <sup>(6)</sup>, and in particular Article 28 thereof,
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, and in particular Article 108 thereof,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0114/2019),
1. Approves the closure of the accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2017;
  2. Instructs its President to forward this decision to the Director 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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 38.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 38.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 337, 18.12.2009, p. 1.

<sup>(6)</sup> OJ L 321, 17.12.2018, p. 1.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1443 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union (CdT) for the financial year 2017**

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 2017,
  - 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 2017, together with the Centre's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0074/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union <sup>(5)</sup>, 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 <sup>(6)</sup>, and in particular Article 108 thereof,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Culture and Education (A8-0122/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 205.<sup>(2)</sup> OJ C 434, 30.11.2018, p. 205.<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.<sup>(5)</sup> OJ L 314, 7.12.1994, p. 1.<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1444 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Culture and Education (A8-0122/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the Translation Centre for the Bodies of the European Union ('the Centre') for the financial year 2017 was EUR 49 429 100, representing a decrease of 2,27 % compared to 2016; whereas 88,93 % of the Centre's budget derives from direct contributions from institutions, other agencies and bodies;
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2017 ('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;

**Budget and financial management**

1. Notes that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 93,12 %, representing an increase of 3,75 % compared to the previous year; observes that the payment appropriations execution rate was 85,40 %, representing an increase of 3,21 % compared to the previous year;

**Cancellation of carry-overs**

2. Notes with concern the relatively high level of cancelled carry-overs in 2017 amounting to EUR 317 986,20 and still representing 8,76 % of the total amount carried over, despite a decrease of 1,34 % in comparison to 2016;

**Performance**

3. Notes that the Centre uses input and output indicators as Key Performance Indicators (KPIs) to assess the results of its activities and several indicators to enhance its budget management; invites the Centre to further develop the KPIs to assess the outcome and impact of its activities in order to gain qualitative advice on how to provide more added value for the Centre's outputs and improve the Centre's business model;
4. Notes that the Centre has started revising the ex-ante evaluation of programmes and activities in line with the guidance provided by the Commission and that input and output indicators are now in place in the Centre's work programmes;
5. Notes that the implementation rate of the Centre's amended work programme for 2017 was 87,7 %;
6. Notes with satisfaction the impact of the new pricing structure for the translation of documents, which corresponded to a saving of EUR 3,2 million for the Centre's clients in 2017, while the Centre's revenues remained stable during 2017 notwithstanding the impact of the new pricing structure;
7. Welcomes the cooperation agreement signed with the European School Luxembourg II (EEL2), bringing the Centre's portfolio to 65 clients at the end of 2017;

<sup>(1)</sup> OJ C 415, 5.12.2017, p. 1.

8. Notes with satisfaction that the Centre implemented two actions to share resources with other agencies on overlapping tasks through the EU Agencies Network: a shared services catalogue, which lists all the services that could be shared by the agencies and a joint procurement portal, on which the agencies' procurement plans are shared;
9. Welcomes the Centre's efforts to streamline multilingualism into its products, acknowledged by the European Ombudsman in 2017 by awarding the Centre together with the European Union Intellectual Property Office (EUIPO) and the European Agency for Safety and Health at Work (EU-OSHA) with the Ombudsman's Award for Good Administration in the category 'Excellence in citizen/customer focused services delivery', for their jointly developed innovative project that facilitates the translation management of multilingual websites;
10. Welcomes the fact that the Centre has made available to the Union institutions the new version of the IATE (InterActive Terminology for Europe), ensuring that the interinstitutional terminology database keeps pace with innovation;
11. Welcomes the external evaluation of the Centre's business model, carried out in 2017; calls on the Centre to report to the discharge authority on the outcome of the final evaluation;

#### **Staff policy**

12. Notes that, on 31 December 2017, the establishment plan was 96,9 % executed, with 189 officials or temporary agents appointed out of 195 temporary agents and officials authorised under the Union budget (compared with 197 authorised posts in 2016); notes that, in addition, 26 contract agents worked for the Centre in 2017;
13. Insists on the adequate geographical distribution of its staff as well as of its middle and high management;
14. Notes that the Centre adopted a policy on protecting the dignity of the person and preventing harassment;

#### **Procurement**

15. Notes that, according to the Court's report, by the end of 2017 the Centre had not yet been using all of the tools launched by the Commission aimed at introducing a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); calls on the Centre to introduce all of the necessary tools to manage procurement procedures and report to the discharge authority on their implementation;

#### **Prevention and management of conflicts of interest and transparency**

16. Notes that the Centre opted for the publication of only declarations of interests, without CVs, due to the management problems associated with the size of its management board (approximately 130 members and alternate members); notes that the director's CV and declaration of interests are published on the Centre's website; calls on the Centre to report to the discharge authority on the measures taken in this regard;
17. Notes that, according to the Court's report, there is a need to strengthen the accounting officer's independence by making him directly responsible to the Centre's director and management board; welcomes the steps already taken in order to ensure the independence of the accounting officer;
18. Notes that, although the Centre is not fee financed, it depends on revenue received from its clients, who are represented on the Centre's management board, and that there is therefore a risk of conflicts of interests regarding the pricing of the Centre's products which could be solved if the Commission collected the fees on behalf of the Centre's clients and would prompt the Centre to be mainly funded from the Union budget; calls on the Centre to report to the discharge authority on measures taken in order to mitigate such a risk;

#### **Internal controls**

19. Notes that the Commission's Internal Audit Service (IAS) performed an onsite risk assessment in 2017 covering all operational and support activities of the Centre; notes that the result of the risk assessment was the IAS Strategic Internal Audit Plan 2018-2020, which was approved by the management board;

20. Acknowledges that the follow-up on the outstanding recommendations of the audit on Business Continuity Management and the audit on the Management of the Workflow for Translation of Documents concluded that all recommendations have been adequately and effectively implemented;

#### **Other comments**

21. Reaffirms its strong commitment to multilingualism in the European Union as one of the fundamental prerequisites for the proper functioning of the Union's democratic system; points to the role that the Translation Centre plays in delivering high-quality translation and language services;
22. Notes with concern that, according to the Court's report, several agencies and bodies make increasing use of other solutions instead of the Centre's translation services, meaning that the Centre's capacity is underused, that there is a duplication of systems and that the Centre's business model and continuity could be at risk; invites the Centre and the Commission to proactively consider solutions to the issue at hand and improvements to its business model in order to be able to mitigate those risks;
23. Regrets the fact that the European Union Intellectual Property Office (EUIPO) decided, on 26 April 2018, to terminate the translation arrangement it concluded with the Centre, despite its legal obligation to avail of the services of the Centre, as provided for in Article 148 of Regulation (EU) 2017/1001 of the European Parliament and of the Council <sup>(2)</sup>, which established the EUIPO; takes note of the legal action brought before the General Court by the Centre on 6 July 2018; calls on the Centre to keep the discharge authority updated on the developments of the legal proceedings;
24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(3)</sup> on the performance, financial management and control of the agencies.

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<sup>(2)</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ L 154, 16.6.2017, p. 1).

<sup>(3)</sup> Texts adopted, P8\_TA(2019)0254 (see page 361 of this Official Journal).

**DECISION (EU) 2019/1445 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2017**

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 2017,
  - 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 2017, together with the Centre's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0074/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union <sup>(5)</sup>, 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 <sup>(6)</sup>, and in particular Article 108 thereof,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Culture and Education (A8-0122/2019),
1. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 205.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 205.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 314, 7.12.1994, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1446 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2017,
  - 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 2017, together with the Centre's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0068/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training <sup>(5)</sup>, and in particular Article 12a thereof,
  - having regard to Regulation (EU) 2019/128 of the European Parliament and of the Council of 16 January 2019 establishing a European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation (EEC) No 337/75 <sup>(6)</sup>,
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, 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 (A8-0119/2019),
1. Grants the Executive 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 2017;
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Centre for the Development of Vocational Training, 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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 43.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 43.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 39, 13.2.1975, p. 1.

<sup>(6)</sup> OJ L 30, 31.1.2019, p. 90.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1447 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0119/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Centre for the Development of Vocational Training (the 'Centre') for the financial year 2017 was EUR 17 869 389, representing a slight decrease of 0,84 % compared to 2016; whereas the budget of the Centre derives mainly from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Centre's annual accounts for the financial year 2017 (the 'Court's report'), has stated that it obtained reasonable assurances that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99,95 %, representing a slight decrease of 0,04 % compared to 2016; takes note that the payment appropriations execution rate was at 89,66 %, representing a decrease of 4,89 % compared to the previous year;

**Cancellation of carryovers**

2. Notes with concern that the cancellation of carryovers from 2016 to 2017 amounted to EUR 52 767, representing 5,06 % of the total amount carried over, an increase of 2,31 % in comparison to 2016;

**Performance**

3. Notes with satisfaction that the Centre uses an exemplary performance measurement system that includes key performance indicators to assess the added value provided by its activities in the project, activity and organisational levels and other measures to improve its budget management;
4. Appreciates the Centre's continued high-quality work, providing research, analysis and technical advice to assist the development of European lifelong learning and Vocational Education and Training (VET) policies and stresses to this end the importance of ensuring adequate staff and financial resources allowing the Centre to implement its tasks;
5. Welcomes the Centre's focus on the development of competences and skills, in particular among the low-skilled, to support the objective of labour market inclusion through VET, work-based learning and apprenticeships and its contributions to the Erasmus+ Programme, the New Skills Agenda for Europe, Europass and Skills Panorama which has succeeded in reaching its primary target groups, policy makers and experts;
6. Welcomes the Centre's initiative on a new strand of work on digitalisation and the future of work and further welcomes the launch of the Centre's CareersNet, its new network for research and lifelong guidance and career development;
7. Welcomes the initiative of the Centre to reinforce its work on lifelong guidance and career development by setting up a network for research and cooperation in this field and by developing tools to integrate labour market intelligence into guidance;

<sup>(1)</sup> OJ C 84, 17.3.2017, p. 1.

8. Notes the Centre's close cooperation with the European Training Foundation and the European Foundation for the Improvement of Living and Working Conditions, formalised in collaboration agreements; notes with satisfaction that the Centre and the European Union Agency for Network and Information Security signed a service-level agreement which enables them to share conference facilities and storage space among other synergies; emphasises in this context that the Centre is one of the four Agencies on social policies; expresses its disappointment with the outcome in this respect of the Interinstitutional Working Group (IIWG) on decentralised agencies, as no specific proposals were developed to merge or co-locate agencies concentrating on related policy fields; asks the Centre to cooperate with the three other Agencies on social policies to investigate possible mergers;
9. Acknowledges that the Centre has been taking measures in light of the observations and comments from the discharge authority related to the implementation of the budget for the financial year 2016 with the aim of further improving the Centre's operations;
10. Notes that the Centre was subjected to external evaluation as required by the financial rules, covering the period 2013 to 2016; notes that the final report of the evaluation should have been received in 2018; calls on the Centre to report to the discharge authority on the results of that evaluation;

### **Staff policy**

11. Notes that, on 31 December 2017, the establishment plan was 93,48 % executed, with 86 officials or temporary agents appointed out of 92 temporary agents and officials authorised under the Union budget (compared with 94 authorised posts in 2016); notes that in addition, 26 contract agents and four seconded national experts worked for the Centre in 2017;
12. Notes the departure of the Centre's head of service for human resources in April 2017 as well as the departure of the Centre's legal advisor and the resulting additional workload for the remaining staff; calls on the Centre to report to the discharge authority of any developments in this regard;
13. Notes that the Centre has a dignity at work policy in place and that in 2017 a mandatory session on dignity at work and prevention of harassment was delivered, and furthermore workshops and counselling skill session were offered;
14. Notes with regret from the Court's report that two recruitment procedures for management positions were considered to be irregular; notes the Centre's reply in this regard and expects that this concern will be addressed properly; urges the Centre to report to the discharge authority on the measures taken to respond to this observation;
15. Notes with regret that the transparency of recruitment processes is not always fully given; therefore welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office (EPSO) in order to increase publicity; takes note of the Centre's reply that it already publishes some vacancies on EPSO and that translating all vacancy notices in the Union languages would considerably increase costs;

### **Procurement**

16. Notes that, according to the Court's report, by the end of 2017 the Centre was not yet using any of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes that, according to the Centre's report, it has planned to implement the necessary electronic measures in late 2018; calls on the Centre to report to the discharge authority on the progress made regarding this matter;

### **Prevention and management of conflicts of interests and transparency**

17. Notes the Centre's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistleblower protection; points out with concern, however, that the Centre does not publish the CVs of its senior management on its website, and that the Centre's senior management, in-house experts and assistants declare potential conflicts of interest only as they occur according to Centre's policy on the prevention and management of conflict of interests since 2014; calls on the Centre to report to the discharge authority on the measures taken in this regard;
18. Reiterates its call for the Centre to make public the minutes of its management board meetings;

19. Reiterates the need to urgently implement independent disclosure, advice and referral mechanisms with sufficient budgetary resources, in order to help reporting persons use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice in line with the proposal for a directive on the protection of persons reporting on breaches of Union law (2018/0106 (COD)) which is currently under interinstitutional negotiations;

#### **Internal audit**

20. Takes note that the internal audit service (IAS) conducted an audit on the Centre's web-based services with the focus on Europass, Skills Panorama, Mobility Scoreboard and the European qualifications framework web pages, based on the IAS Strategic Audit Plan 2017 to 2019; welcomes the fact that the design and functioning of the Centre's internal control system was stated as effective and efficient in relation to these tools;
21. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(?)</sup> on the performance, financial management and control of the agencies.

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<sup>(?)</sup> Texts adopted, P8\_TA(2019)0254 (see page 361 of this Official Journal).

**DECISION (EU) 2019/1448 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Centre for the Development of Vocational Training  
for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2017,
  - 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 2017, together with the Centre's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0068/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training <sup>(5)</sup>, and in particular Article 12a thereof,
  - having regard to Regulation (EU) 2019/128 of the European Parliament and of the Council of 16 January 2019 establishing a European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation (EEC) No 337/75 <sup>(6)</sup>,
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, 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 (A8-0119/2019),
1. Approves the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2017;
  2. Instructs its President to forward this decision to the Executive 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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 43.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 43.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 39, 13.2.1975, p. 1.

<sup>(6)</sup> OJ L 30, 31.1.2019, p. 90.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1449 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Law Enforcement Training for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Law Enforcement Training for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0084/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL) and replacing and repealing Council Decision 2005/681/JHA <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0121/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 112.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 112.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 319, 4.12.2015, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1450 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training for the financial year 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0121/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Union Agency for Law Enforcement Training (the 'Agency') for the financial year 2017 was EUR 10 524 359 representing an increase of 2,26 % compared to 2016; 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 Agency for the financial year 2017 (the 'Court's report'), states that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 97,09 %, representing an increase of 1,14 % compared to 2016; notes that the payment appropriations execution rate was 84,02 %, representing an increase of 5,17 % compared to the previous year;

**Cancellation of carry-overs**

2. Regrets the high level of cancellations of carry-overs from 2016 to 2017, amounting to EUR 189 154, representing 12,81 % of the total amount carried forward, showing a slight decrease of 1,44 % in comparison with 2016;

**Performance**

3. Notes with satisfaction that the Agency uses key performance indicators to measure its training activities and their impact, in particular the satisfaction level of the participants, in order to assess the added value provided by them, and performance indicators to improve its budget management;
4. Observes that the change management plan of the Agency concerning the necessary preparations for operating under its new extended mandate was implemented at a rate of 83 %; notes that 93 % of participants of the Agency's training activities stated that they were at least satisfied with the trainings, and that the Agency finalised the implementation of the EU/MENA Counter-Terrorism Training Partnership programme;
5. Notes with satisfaction that the Agency cooperates closely with the Justice and Home Affairs agencies' network and the nine agencies that comprise it; notes that they share trainings and organise courses together;
6. Welcomes the commitment of the Agency to follow-up on the Commission's Internal Audit Service report on 'Needs assessment, Planning and Budgeting of Training activities'; stresses the importance of the Agency to deliver on its commitment;
7. Observes that the five-year periodical external evaluation concluded in January 2016 issued 17 recommendations, for which the Agency plans to implement all corrective actions by the end of 2018; calls on the Agency to report to the discharge authority on the actions taken to address these recommendations;

<sup>(1)</sup> OJ C 258, 8.8.2017, p. 4

8. Regrets the fact that the Agency is geographically located far from Europol, which undermines the possibility of finding synergies with this other agency specialised in police matters; calls upon the Agency to provide the discharge authority with a report outlining the possible obstacles in its interactions with Europol and the measures taken and to be taken to overcome these challenges;

### **Staff policy**

9. Notes that, on 31 December 2017, the establishment plan was 96,77 % executed, with 30 temporary agents appointed out of 31 temporary agents authorised under the Union budget (compared with 28 authorised posts in 2016); notes that in addition, 16 contract agents and 6 seconded national experts worked for the Agency in 2017;
10. Welcomes that the Agency continued organising webinars to provide law enforcement officers with information and best practice on identifying and investigating hate crimes and different forms of gender-based violence, and that it offered training to raise awareness of 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.
11. Calls upon the Agency to further incorporate in its curriculum and its training activities a significant element of anti-radicalisation, anti-racism and anti-discrimination training, wherever possible; requests the Agency to as well develop specific training on the procedural safeguards for children who are suspects or accused in criminal proceedings;
12. Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment; notes that it enables information sharing and training as well as confidential counselling;
13. Observes that, as a consequence of its relocation from the United Kingdom to Hungary and the resulting lower correction coefficient applied to staff salaries, the staff turnover was high and geographical balance is not always ensured as applications from other Member States than the host country has decreased; notes with concern that some members of staff have an outstanding legal dispute regarding the relocation; notes that a number of mitigating actions have been implemented; points out with concern that this may impact business continuity and the Agency's ability to implement activities; calls on the Agency to report to the discharge authority of any developments in this matter;
14. Agrees with the Court that publishing vacancy notices on the website of the European Personnel Selection Office (EPSO) would be relevant and useful as EPSO publications increase transparency and publicity and allow citizens to identify vacancies published by the different European institutions and agencies collectively; requests therefore that the Agency also publishes all of its vacancy notices on the EPSO website; invites the European Commission to consider measures aimed at reducing the financial burden for the translation of vacancy notices upon the agencies, including by establishing an ad hoc framework agreement with the Translation Centre for the Bodies of the European Union (CdT);
15. Welcomes the suggestion of the Court to publish vacancy notices on EPSO's website in order to increase publicity; understands the Agency's reply concerning the high translation costs triggered by such publication; furthermore, notes the Agency's intention to publish all its vacancies on the interagency job board developed by the EU Agencies Network;

### **Procurement**

16. Notes that, according to the Court's report, by the end of 2017 the Agency had not yet implemented all the tools launched by the Commission aiming to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes that, according to the Agency's reply, preparatory actions to implement e-submission are ongoing; calls on the Agency to report to the discharge authority on the progress made in that field;
17. Notes with concern that in December 2016 the Agency signed a four-year framework contract worth EUR 1,6 million for the provision of temporary staff with one economic operator only on grounds of price, without taking into account quality criteria; notes the Agency's reply that it considered that quality was embedded in the technical specifications and the choice to award a single contract was made on basis of prior experience and national specificities;

**Prevention and management of conflicts of interest and transparency**

18. Welcomes the fact that the Agency adopted a revised anti-fraud strategy during 2017; regrets that the Agency had not set up and implemented internal rules on whistleblowing by 31 December 2017; notes however that agency-specific internal rules are expected to be adopted by the end of 2018; calls on the Agency to report to the discharge authority on their implementation;

**Other comments**

19. Stresses that the relocation of the Agency to Budapest in 2014 and the revision of its mandate in 2016 triggered modifications to the Agency's accounting procedures that have not been revalidated since 2013; notes the Agency's response that the re-validation is currently subject to discussions and planning within the Directorate-General for Budget (DG BUDG);
20. Notes that in February 2017 the Agency successfully completed the ISO 9001:2015 certification of the Agency's Management System in order to improve and better demonstrate its commitment to quality;
21. Notes with concern that, unlike most of the other agencies, the Agency did not carry out a comprehensive analysis of the likely impact of the United Kingdom's decision to withdraw from the European Union on its organisation, operations and accounts; notes from the Agency's reply that the corresponding risks have been informally evaluated as low; calls on the Agency to report to the discharge authority on the measures taken in order to conclude a more formal analysis preparing to mitigate any potential risks involved;
22. Notes the Agency's efforts to ensure a cost-effective and environment-friendly work-place; points out that the Agency does not have a carbon off-setting scheme in place but acknowledges that it is considering introducing such a scheme, and that the Agency encourages its staff to make use of public transportation to reduce emissions;
23. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(?)</sup> on the performance, financial management and control of the agencies.

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<sup>(?)</sup> Texts adopted, P8\_TA(2019)0254 (see page 361 of this Official Journal).

**DECISION (EU) 2019/1451 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Law Enforcement Training for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Law Enforcement Training for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0084/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL) and replacing and repealing Council Decision 2005/681/JHA <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0121/2019),
1. Approves the closure of the accounts of the European Union Agency for Law Enforcement Training for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 112.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 112.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 319, 4.12.2015, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1452 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Aviation Safety Agency (now European Union Aviation Safety Agency) (EASA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0079/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC <sup>(5)</sup>, and in particular Article 60 thereof,
  - having regard to Regulation (EU) 2018/1139 of the European Parliament and of the Council of 4 July 2018 on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency, and amending Regulations (EC) No 2111/2005, (EC) No 1008/2008, (EU) No 996/2010, (EU) No 376/2014 and Directives 2014/30/EU and 2014/53/EU of the European Parliament and of the Council, and repealing Regulations (EC) No 552/2004 and (EC) No 216/2008 of the European Parliament and of the Council and Council Regulation (EEC) No 3922/91 <sup>(6)</sup>, and in particular Article 121 thereof;
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, 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 (A8-0120/2019),
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 2017;

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 46.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 46.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 79, 19.3.2008, p. 1.

<sup>(6)</sup> OJ L 212, 22.8.2018, p. 1.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

2. Sets out its observations in the resolution below;
3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union 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

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**RESOLUTION (EU) 2019/1453 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency (now European Union Aviation Safety Agency) for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0120/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Aviation Safety Agency ('the Agency') for the financial year 2017 was EUR 191 611 843, representing a decrease of 0,92 % compared to 2016; whereas EUR 34 870 000 of the Agency's budget derives from the Union budget and EUR 101 397 000 is revenue from fees and charges;
- 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 2017 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99 %, representing the same rate as in 2016; notes, furthermore, that the payments appropriations execution rate was 93,75 %, showing an increase of 2,55 % compared to 2016;
2. Notes with concern from the Court's report in its comments from previous years, as an ongoing remark that, although Industry financed activities resulted in a deficit of EUR 7 600 000 in 2016, budgetary results fluctuate over the years and the Agency has accumulated EUR 52 000 000 surplus from this category of activity; recalls that the Agency's founding Regulation establishes that Industry fees levied should be adequate to cover the Agency's cost for the related certification activities and thus does not foresee an accumulated surplus; calls on the Agency to report to the discharge authority on the ongoing corrective actions and how it plans to avoid such surplus in the future;
3. Acknowledges from the Agency that it intends to amend both its Financial and Fees and charges regulations <sup>(2)</sup> to better formalise the treatment of an accumulated surplus; takes note from the Agency that it started the revision in 2018 and that the entry into force of the revised Commission Fees and Charges Regulation is planned for 1 January 2020; calls on the Agency to report to the discharge authority on the implementation of that revision, including on the provisions clarifying the treatment of a potential surplus;

**Cancellation of carryovers**

4. Notes that the cancellations of carryovers from 2016 to 2017 amounted to EUR 239 829, representing 2,6 % of the total amount carried over, showing a decrease of 1,07 % in comparison to 2016;

**Performance**

5. Acknowledges that the Agency uses various Key Performance Indicators to measure the added value provided by its activities and to enhance its budget management, and evaluates the relevancy of its rules and standards procedures on a periodical basis;

<sup>(1)</sup> OJ C 108, 22.3.2018, p. 229.

<sup>(2)</sup> Commission Regulation (EU) No 319/2014 of 27 March 2014 on the fees and charges levied by the European Aviation Safety Agency, and repealing Regulation (EC) No 593/2007 (OJ L 93, 28.3.2014, p. 58).

6. Notes that in 2017, the Agency was audited by the International Civil Aviation Organisation; notes with satisfaction that, while the official results pend publication, initial input suggests that the Agency is amongst the top aviation authorities in the world;
7. Acknowledges that the Agency launched the European Strategic Coordination Platform and the European Centre for Cybersecurity in Aviation, and the first phase of the Data4Safety initiative, which aims to support European technologies and market leadership in civil aviation to enhance European know-how in Big Data technologies; notes in addition that it signed agreements with France, Germany and Italy regarding cooperation between civil and military aviation safety;
8. Notes that on 11 September 2018 Regulation (EU) 2018/1139 entered into force including a new section for drones and a new mandate for the Agency that redefines its competences; notes also that that Regulation empowers the Agency to propose to the Commission the technical expertise to regulate drones of all sizes, including the small ones;
9. Notes that in 2017 the Agency experienced a significant increase in the management of earmarked projects which altogether, amount for EUR 11 300 000 (EUR 7 300 000 in 2016); welcomes that these projects are aimed at improving the regulatory and oversight capabilities of national and regional aviation authorities throughout the world as well as contributing to research projects to enhance global aviation safety and to promote EU standards;
10. Urges the Commission and Member States to provide necessary resources for the new and reinforced competences concerning, among others, risks to civil aviation arising from conflict zones, environmental related topics and the certification and registration of unmanned aircraft;
11. Welcomes the active role of the Agency in the call for proposals under the Horizon 2020 programme; urges the Agency to remain active in the field of research and development;
12. Notes that the Agency performed its yearly risk assessment exercise in line with the methodology developed for EU organisations; notes that further to the identification of potential risks, no prominent risks materialised in 2017;
13. Notes with satisfaction that the Agency shares resources on overlapping tasks with other Agencies, including notably the European Food Safety Agency, the European Union Intellectual Property Office, the European Training Foundation and the European Securities Market Authority, in the areas of surveys, e-learning and cloud services;

### **Staff policy**

14. Notes that, on 31 December 2017, the establishment plan was 100 % executed, with 673 temporary agents appointed out of 678 temporary agents authorised (including 5 subsidy posts) under the Union budget (compared with 676 authorised posts in 2016); notes that due to the non-adoption of the revised basic regulation, the 5 subsidy posts were not filled in 2017; notes that in addition 80 contract agents and 18 seconded national experts worked for the Agency in 2017;
15. Regrets the gender imbalance within the Agency's senior management, with 5 out of 5 being male, and within the management board members, with 25 out of 29 being male, 4 being female; asks in this regard the Commission and the Member States to take into account the importance of ensuring gender balance when presenting their nominations for members of the Board; asks as well the Agency to take measures ensuring better gender balance within its senior management;
16. Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment; acknowledges that it organised information sessions and enabled confidential counselling;

17. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office in order to increase publicity; understands that the Agency's working language is English and notes that the Agency uses the inter-agency job board established by the Agencies Network to publish its vacancy notices;

### **Procurement**

18. Notes from the Court's report that the Agency chose to use framework contracts with three contractors in cascade for the procurement of IT services for a value of EUR 22 000 000; notes that the Court considers that in such circumstances a competitive procedure between the selected contractors must be used for the specific purchases; welcomes the Agency's reply that it will place increased consideration on the reopening of competitions in order to ensure enhance competition; calls on the Agency to report to the discharge authority on the actions taken to address these recommendations;
19. Notes from the Court's report that by the end of 2017 the Agency was using some of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement), but not e-invoicing; calls on the Agency to introduce all of the necessary tools to manage procurement procedures and report to the discharge authority on the progress made in that field;

### **Prevention and management of conflict of interest and transparency**

20. Acknowledges from the Agency that in 2017 it reviewed the process in place concerning its 'Policy on impartiality and independence: prevention and mitigation of Conflict of Interest' to extend the completion, review and update of Declarations of Interest to all staff members; notes that according to the Agency the publication of an IAS audit report on the prevention and mitigation of conflict of interest is expected in April 2019; calls on the Agency to report to the discharge authority on the comprehensive review of its current system for prevention and mitigation of conflict of interest in 2018/2019 and on the implementation of the Commission's recommendations; welcomes the Agency's new guidelines on whistleblowing;
21. Notes that 70 % of the Agency's income consist of fees; takes note of the Agency's view that the fact that applicants pay fees does not necessarily imply a conflict of interest; calls on the Agency to report to the discharge authority on measures taken in order to ensure that no conflict of interest occurs as regards fee financing;
22. Welcomes the further steps taken in order to enhance the transparency of the Agency's activities by reporting the meetings that the Agency's staff have with external stakeholders, and their availability on the Agency's website;
23. Encourages the Agency to ensure the independence of the accounting officer; notes that following the Court's report, the Agency's Management Board fulfilled the request of the Court by making the accounting officer administratively directly responsible to the Agency's Director and functionally responsible to the Management Board, with effect from January 2019; calls on the Agency to report to the discharge authority on the measures taken in this regard;

### **Internal controls**

24. Notes that in 2017, the Internal Audit Services performed a risk assessment exercise to support their development of the next (2018-2020) audit cycle;
25. Notes that the Internal Audit Capability performed four audit assurance engagements in 2017 to assess whether the relevant regulations were complied with, the process objectives were met, and the key risks were properly mitigated; notes with satisfaction that this level of assurance was provided in each of the reviews and recommendations were given to further enhance either the control environment or the overall efficiency of the processes; acknowledges furthermore that in the follow-up on audits carried out in 2016, the residual risks were considerably reduced to an acceptable level, and all open actions as being implemented with the final action scheduled to be closed by mid-2018;

26. Notes that the annual assessment of the Agency's management standards, based on the latest version of ISO standards and the new Internal Control Framework, has concluded that the Agency's management system is compliant with the management standards thanks to a robust monitoring system established at both management and process levels;
  27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(3)</sup> on the performance, financial management and control of the agencies.
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<sup>(3)</sup> Texts adopted, P8\_TA(2019)0254 (see page 361 of this Official Journal).

**DECISION (EU) 2019/1454 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Aviation Safety Agency (now European Union Aviation Safety Agency) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2017,
- having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
- having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0079/2019),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC <sup>(5)</sup>, and in particular Article 60 thereof,
- having regard to Regulation (EU) 2018/1139 of the European Parliament and of the Council of 4 July 2018 on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency, and amending Regulations (EC) No 2111/2005, (EC) No 1008/2008, (EU) No 996/2010, (EU) No 376/2014 and Directives 2014/30/EU and 2014/53/EU of the European Parliament and of the Council, and repealing Regulations (EC) No 552/2004 and (EC) No 216/2008 of the European Parliament and of the Council and Council Regulation (EEC) No 3922/91 <sup>(6)</sup>, and in particular Article 121 thereof;
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, 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 (A8-0120/2019),

1. Approves the closure of the accounts of the European Aviation Safety Agency for the financial year 2017;

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 46.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 46.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 79, 19.3.2008, p. 1.

<sup>(6)</sup> OJ L 212, 22.8.2018, p. 1.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

2. Instructs its President to forward this decision to the Executive Director of the European Union Aviation Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

*The President*  
Antonio TAJANI

*The Secretary-General*  
Klaus WELLE

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**DECISION (EU) 2019/1455 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Asylum Support Office (EASO) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2017, together with the Office's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0098/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0123/2019),
1. Postpones its decision on granting the Executive Director of the European Asylum Support Office discharge in respect of the implementation of the Office's budget for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 116.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 116.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 132, 29.5.2010, p. 11.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1456 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0123/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Asylum Support Office ('the Office') for the financial year 2017 was EUR 86 795 482, representing an increase of 32,78 % compared to 2016; whereas the increase was related to the new additional tasks expanding the Office's mandate; whereas EUR 75 376 000 of the Office's budget derives from the Union budget, the remaining part being contributions from associate countries and other income;
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Asylum Support Office for the financial year 2017 ('the Court's report'), states that it has obtained reasonable assurances that the Office's annual accounts are reliable and that it has obtained sufficient audit evidence on the legality and regularity of revenue underlying the accounts; whereas, however, the Court issued a basis for an adverse opinion on the legality and regularity of the payments underlying the accounts meaning that the payment underlying the accounts for the year ended 31 December 2017 are materially affected by error;

**Follow-up to the 2016 discharge**

1. Recalls the European Parliament decision of 24 October 2018 <sup>(2)</sup> refusing to grant the Office's Executive Director discharge for the financial year 2016; welcomes in this regard the corrective measures taken in the meantime by the Office's Management Board and the new *ad interim* Executive Director; emphasises, however, that the budget for the financial year 2017 was implemented under the supervision of the Office's previous management;
2. Recalls the *in camera* presentation by the European Anti-Fraud Office (OLAF) to Parliament's Committee on Budgetary Control of 20 November 2018 on the outcome of the investigation by OLAF;
3. Regrets the irregularities discovered by OLAF regarding the breach of procurement procedures, misappropriation of EU funds, mismanagement, abuse of position in human resources issues, breaches of data protection rules, harassment and inappropriate behaviour towards staff members; calls on the Office to report to the discharge authority on the follow-up of the measures proposed by OLAF;
4. Acknowledges the major risks inherent to the nature of the Office's activities and extraordinary operational challenges caused by the migration influx in 2015, 2016 and 2017; regrets however that those risks were not mitigated by a solid governance structure and effective controls;

**Basis for an adverse opinion on the legality and regularity of the payments underlying the accounts for the financial year 2017**

5. Regrets to note that, according to the Court's report, the material and systematic instances of non-compliance of payments with the Office's Financial Regulation and other applicable rules and provisions, mainly related to public procurement and recruitment procedures underlying payments; regrets, furthermore, that the systematic nature of non-compliances demonstrated an inadequate internal control system; deeply regrets that the combined error from non-compliant payments amounts at least to EUR 7,7 million, or 10,3 % of the Office's total payments made in 2017;

<sup>(1)</sup> OJ C 415, 5.12.2017, p. 36.

<sup>(2)</sup> Texts adopted, P8\_TA(2018)0406.

**Budget and financial management**

6. Notes that budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 96,88 %, representing a decrease of 2,25 % compared to 2016; notes furthermore that the payment appropriations execution rate was 92,03 %, representing an increase of 5,79 % compared to 2016; notes that the Office implemented 29 % of the associate countries' contributions and 96 % of grants for operational expenditure; calls on the Office to implement this amount fully;
7. Notes with concern that the Office is highly dependent on sufficient resources, mainly on experts, being made available by Member States, especially by Greece and Italy, as also addressed in the Court's Special Report No 6/2017 entitled 'EU response to the refugee crisis: the hotspot approach';

**Cancellation of carry-overs**

8. Regrets that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 341 190, representing 11,68 % of the total amount carried over, showing an increase of 0,82 % in comparison to 2016;

**Performance**

9. Notes that the Office plays an active role in the Network of Justice and Home Affairs Agencies, supporting closer cooperation and greater synergies between the agencies working in that policy field; notes, furthermore, the renewed cooperation strategy of the joint EASO-Frontex Management Board for 2017-2018 and the settled focus on migration management support teams in the hotspots and data-sharing;
10. Notes that the Office uses qualitative indicators as Key Performance Indicators (KPIs) to demonstrate the impact of the Office's support in the implementation of the Common European Asylum System (CEAS), as well as other KPIs to enhance its budget management;

**Staff policy**

11. Notes with concern that, on 31 December 2017, the establishment plan was only 80,65 % filled, with 125 temporary agents appointed out of 155 temporary agents authorised under the budget of the Union (91 authorised posts in 2016); notes that in addition 68 contract agents and 5 seconded national experts were working for the Office in 2017; notes that no permanent staff are foreseen in the establishment plan and that the Office employs temporary agents and contractual agents and urges the budgetary authority to provide for the possibility to hire permanent staff;
12. Regrets that, according to the Court's report, as from the end of 2017, the human resources situation at the Office has deteriorated exponentially: for the Office's management, 4 out of 10 head of unit posts and 18 out of 27 head of sector posts were vacant; urges the Office to publish all vacant positions; notes, in addition, that in the administrative department, 3 out of 4 head of unit posts and 5 out of 10 head of sector posts were vacant; expresses its grave concern that this creates considerable managerial challenges for the Office and poses a significant risk to the continuation of the Office's operations at the current scale; regrets that, despite repeated attempts, the Office did not succeed in recruiting or retaining enough staff in 2017; acknowledges from the Office's reply that it is investing in staff satisfaction and taking measures in order to diminish staff turnover, such as implementing flexible ways of working, also to compensate the low correction coefficient of Malta; calls on the Office to keep the discharge authority up to date on the corrective measures taken to mitigate those risks; urges the Office to give priority to filling the vacant mid management posts with highly qualified permanent staff, in order to train the other new staff members;
13. Notes that, according to the Court's report, in 2017, payments in respect of staff amounted to EUR 13,5 million; regrets that the Court found serious weaknesses in four of the fourteen recruitment procedures audited; points out, as an example, that some recruitment procedures for administrative officers were not suitable for the grade advertised, and that for one procedure, the Office did not adequately document the eligibility checks of candidates;
14. Notes the Office's increased presence in Italy in 2017 due to the necessity of further support in the form of employing mobile teams and a Helpdesk in Rome; notes the opening of an operational office in Nicosia within the premises of the Asylum Service and the permanent placement of a Field Coordinator in Nicosia in line with the amendment to the Special Support Plan to Cyprus;

15. Notes that the Office has initiated an internal process with a view to adopting the Commission decision on the policy on protecting the dignity of the person and preventing harassment, and that it will set up a network of confidential counsellors; calls on the Office to report to the discharge authority on the implementation of that policy;

### **Procurement**

16. Notes that, according to the Court's report, the number of procurement procedures increased significantly from 87 in 2015 to 140 in 2017 and that the number of payments increased by 225 %, from 2 578 in 2015 to 8 381 in 2017; welcomes the fact that the Office registered considerable progress during 2017 in decreasing the ratio of late payments; notes that the overall percentage of late payments significantly decreased from 65 % in January 2017 to 9,5 % in December 2017 and that this positive trend continues in 2018, with a ratio of late payments at targeted level of less than 10 %;
17. Notes that, according to the Court's report, in 2017, payments for interim services amounted to EUR 7,7 million; recalls that that contract was considered irregular by the Court in its 2016 audit; deeply regrets that the Office nevertheless paid EUR 4,8 million under this irregular contract in 2017; calls on the Office to report to the discharge authority on the corrective measures envisaged in this regard;
18. Notes that, according to the Court's report, a contract amounting to EUR 4 million for travel services was considered irregular by the Court in its 2016 audit; regrets that the Office nevertheless paid EUR 1,5 million under that irregular contract in 2017; calls on the Office to report to the discharge authority on the corrective measures envisaged in this regard;
19. Notes with concern that, according to the Court's report, the Office did not carry out an adequate assessment of needs and of alternative solutions before entering into multi-million euro contracts related to interim services; regrets, furthermore, that the monitoring of contracts was poor, which exposed the Office to significant financial and reputational risks; acknowledges that the Office is carrying out an internal inquiry into this matter; calls on the Office to report to the discharge authority on the outcome of the inquiry and the measures taken to mitigate those risks;
20. Notes with satisfaction that the Office has taken steps to strengthen its procurement sector by adding seniority and additional support staff to the procurement sector and that measures have also been taken to strengthen procurement procedures, including the introduction of systematic checks for every quotation above EUR 135 000 from 1 January 2018;

### **Prevention and management of conflicts of interest and transparency**

21. Acknowledges from the Office that, in 2018, it began to implement the Commission decision regarding whistleblowing and developed a practical guide for the management and prevention of conflicts of interests as well as rules for the protection of whistleblowers; calls on the Office to report to the discharge authority on the implementation of those measures;
22. Notes with concern that, although the Office publishes the declarations of interest and CVs of its Management Board members on its website, it does not publish the declarations of interests of the senior management; calls on the Office to publish those missing documents and to report to the discharge authority on the measures taken in this regard;
23. Notes with concern that, according to the Court's report, the Office lacks an adequate verification of legal services to ensure that services are used for the purpose of defending the Office only, and not to defend the interests of individuals; regrets that the related procedures to protect against conflicts of interests are not always effective; notes from the Office's reply that internal inquiries continue into this matter; calls on the Office to report to the discharge authority on the outcome of those inquiries and the measures taken to mitigate the risks involved;

### **Internal controls**

24. Regrets that the operational challenge caused by the migration crisis was not mitigated by a solid governance structure and effective internal controls in 2017; notes with concern that, according to the Court's report, the Management Board did not establish an internal audit capability within the Office and that the operations in Greece and Italy were not covered by an internal audit activity; regrets that until the end of 2017, the Management Board's supervision of financial management was limited;

25. Notes with concern that, according to the Court's report, the lack of internal controls led to numerous instances of material non-compliance as regards payments for interim services, staff expenditure, rent and related works, travel expenditure as well as other payments;
26. Regrets the existence of critical internal control deficiencies in 8 of the 15 Internal Control Standards in 2017, and that moderate deficiencies affected the rest of them; expresses its concern that during 2017, the Office did not monitor regularly the implementation of internal control systems;
27. Notes that during 2017, the Commission issued a revised set of Internal Control Standards that were adopted by the Management Board at its meeting in November 2017; notes that those new standards began to apply in 2018 and that the Office has established indicators to monitor the implementation of the new standards against a timeline; calls on the Office to report to the discharge authority on the implementation of the new Internal Control Standards;

### Other comments

28. Acknowledges nevertheless the efforts of the Office to address the weaknesses identified by the Court in an efficient and speedy way; calls on the Office to report regularly to the European Parliament on progress in terms of efficiency and implementation of those measures to address the key issues identified by the Court; calls on the Office to justify thoroughly to the European Parliament the gaps between resources currently available, the ones programmed but not yet available, and the ones not yet programmed but truly necessary in order for the Office to fulfil its mission;
29. Regrets that the Office did not publish its Annual Activity Report for 2017 by the deadline of 1 July 2018, as stipulated in Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(3)</sup>; notes that the report was adopted by the board on 10 January 2019;
30. Notes that on 4 May 2016 the Commission presented a proposal for a new regulation that would transform the Office into a fully-fledged agency and that, following the discussions on the reform of the CEAS, the Commission proposed an amended regulation on 12 September 2018;
31. Recalls the fact that the Office is one of the few multi-location Union agencies; notes with concern that the Office entered into lease contracts in several locations without having carried out an adequate local market analysis; points out, for example, that in Lesvos the Office adapted the office space to its needs and accepted works contracts worth EUR 0,7 million, representing several times the annual value of the lease contract and entailing financial risks from investing considerable amounts to rented premises; calls on the Office to review its lease and works contracts and to report to the discharge authority on measures taken to mitigate any financial and operational risks;
32. Notes that the Office amended its lease agreement in Malta and that, in the second half of 2016, it expanded its office space to an additional block of the building where its premises are situated; emphasises that, as a consequence of the increase in responsibilities and tasks, the number of staff should increase to 500 by the end of 2020 thus creating a considerable demand for more office space; repeats its calls on the Office to report to the discharge authority on the expected budgetary consequences of this increase and on the measures planned to address the demands; regrets that the Office did not manage to reach an agreement in 2017 with Transport Malta, the owners of the headquarters, for the lease of additional premises within the complex and that this had a direct impact on rental costs and on other related costs, such as building maintenance and security; notes that the Lease Agreement was signed on 9 October 2018;
33. Welcomes the appointment of the new *ad interim* Executive Director, who took office in 6 June 2018; acknowledges the new management's commitment to ambitious reforms and warmly welcomes in this regard the Governance Action Plan, endorsed by the Management Board, which proposes a set of measurable objectives and deliverables aimed at reinforcing the internal governance of the Office, rebuilding internal capacity and restoring trust; calls on the new management to continue its determined and transparent efforts to develop a more accountable, trustworthy and efficient governance structure, and related procedures, for the Office; reminds the Office to be fully transparent in procedures and processes across the board in the Office in order to rebuild the trust and certainty among staff members; and to report to the discharge authority on the developments as regards the implementation of the new Governance Action Plan;

<sup>(3)</sup> OJ L 328, 7.12.2013, p. 42.

34. Notes with concerns, that no one recognised the appalling behaviours of the former Executive Director over several years; regrets that the unacceptable behaviours were not made aware of earlier; regrets that the responsible monitoring bodies failed to uncover the various irregularities; calls the Commission to propose an early reaction mechanism to those kinds of misbehaviours;
  35. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(4)</sup> on the performance, financial management and control of the agencies.
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<sup>(4)</sup> Texts adopted, P8\_TA(2019)0254 (see page 361 of this Official Journal).

**DECISION (EU) 2019/1457 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Asylum Support Office for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2017, together with the Office's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0098/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0123/2019),
1. Postpones the closure of the accounts of the European Asylum Support Office for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 116.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 116.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 132, 29.5.2010, p. 11.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1458 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Banking Authority (EBA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Banking Authority for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2017, together with the Authority's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0092/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0124/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 51.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 51.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 331, 15.12.2010, p. 12.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1459 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0124/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Banking Authority (the 'Authority') for the financial year 2017 was EUR 38 419 554 representing an increase of 5,28 % compared to 2016; whereas the Authority is financed by a contribution from the Union (EUR 14 543 000, representing 38 %), and contributions from national supervisory authorities of the Member States and observers (EUR 23 876 555 representing 62 %);
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Authority for the financial year 2017 (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. Observes that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 95,90 %, representing a decrease of 0,85 % compared to 2016; notes that the rate of execution of payment appropriations was 87,27 %, representing a decrease of 1,41 % compared to the previous year;
2. Notes that, as the Authority's workload is increasingly shifting from regulatory tasks to enforcing and applying the Union law, the Authority's budgetary and personnel resources should be reallocated internally; stresses, in this respect, the need to ensure an appropriate level of prioritisation as regards resource allocation;

**Cancellation of carry-overs**

3. Acknowledges that the cancellation of carry-overs from 2016 to 2017 amounted to EUR 76 566, representing 2,6 % of the total amount carried over, showing a notable decrease of 7,13 % compared to 2016;

**Performance**

4. Notes with satisfaction that the Authority uses 14 key performance indicators to assess the results of its activities, as far as the limitations of the Authority to control these results allow, and to improve its budget management;
5. Notes with satisfaction that the Authority delivered the regulatory products in line with its Work Programme and achieved all the targets stated in the applications of the Authority's service level agreements;
6. Stresses that, while making sure that all assignments resulting from the regulatory framework laid down by the European Parliament and the Council are carried out in full and within deadline, the Authority should fulfil the tasks and the mandate assigned to it by the European Parliament and the Council and should stay within the mandate of those assignments, so as to achieve optimal use of resources and achievement of objectives; calls on the Authority to ensure a proper follow-up and implementation of the Court's recommendations;
7. Stresses that the authority should pay particular attention to the principle of proportionality in carrying out its mandate; underlines that, in particular when formulating Level 2 and Level 3 measures, attention should be devoted to specific features of national financial markets;

<sup>(1)</sup> OJ C 108, 22.3.2018, p. 248.

8. Notes that the recent Authority stress tests have highly debatable results; calls on the Authority, the European Systemic Risk Board, the European Central Bank and the Commission to use consistent methodologies, scenarios and assumptions when defining the stress tests in order to avoid as much as possible potential distortions of the results;
9. Notes that an external evaluation of the three European Supervisory Authorities was carried out in 2017; calls on the Authority to report to the discharge authority on the measures taken (by the Authority) to address the shortcomings identified by the external evaluation;
10. Stresses the need to allocate more resources to anti-money laundering tasks to fulfil the Authority's oversight functions and inquiries into national institutions; urges the Authority to ensure that competent authorities and credit and financial institutions apply the European Anti-Money Laundering and Countering the Financing of Terrorism (the 'AML/CFT') legislation effectively and consistently; requests the Authority to develop common guidance in cooperation with the European Securities and Markets Authority ('ESMA') and the European Insurance and Occupational Pensions Authority ('EIOPA') on how to integrate AML/CFT risks in prudential supervision; welcomes the Commission's proposal to extend the supervisory powers of the Authority related to AML/CFT from the banking sector to the financial sector as a whole, thereby giving it a leading role on the relevant tasks and supervisory powers; furthermore in this context welcomes the adoption of the whistleblowing policy and stresses the need for national supervisory authorities to adopt similar policies;
11. Requests the Authority to conduct an inquiry into dividend arbitrage trading schemes such as cum-ex in order to assess potential threats to the integrity of financial markets and to national budgets; to establish the nature and magnitude of actors in these schemes; to assess whether there were breaches of either national or Union law; to assess the actions taken by financial supervisors in Member States; and to make appropriate recommendations for reform and for action to the competent authorities concerned;
12. Welcomes the fact that the Authority shares practices and templates with ESMA and EIOPA, with which the Authority holds regular meetings and forms a Joint Committee;

#### **Staff policy**

13. Notes that, on 31 December 2017, the establishment plan was 100 % executed, with 134 temporary agents authorised under the Union budget (compared with 127 authorised posts in 2016); notes that in addition 41 contract agents and 15 seconded national experts worked for the Authority in 2017;
14. Notes that the Authority has adopted the Commission's model decision on the policy on protecting the dignity of the person and preventing harassment in April 2017;
15. Recalls that, following the United Kingdom's decision to withdraw from the Union, the Authority will relocate from London to Paris; notes with concern that this relocation affected the recruitment of staff due to an increasing number of resignations in 2017; acknowledges that the Authority has published ten vacancy notices to establish a reserve list that will be used to fill any vacancies following resignations;
16. Welcomes the suggestion of the Court to publish vacancy notices on the website of the European Personnel Selection Office as well as on the website of the Authority in order to increase publicity;

#### **Procurement**

17. Notes with satisfaction that the Authority participates in several inter-institutional procurement procedures with Commission directorates-general and with other agencies;
18. Notes with concern that, according to the Court's report, in four out of five audited open procurement procedures, the procedure to identify the most economically advantageous solution was not satisfactory; observes the Authority's reply and notes its reasoning; invites the Authority to find a more balanced approach between quality and price criteria in order to improve the economy of its procurements;

19. Notes that, according to the Court's report, by the end of 2017 the Authority was not yet using all of the tools for all its procedures, launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes from the Authority that it implemented e-submission in August 2018; calls on the Authority to report to the discharge authority on the progress made regarding the implementation of the remaining tools;

#### **Prevention and management of conflicts of interests and transparency**

20. Acknowledges the measures the Authority already has in place and its ongoing efforts to secure transparency, to prevent and manage conflicts of interests, and to protect whistle-blowers; welcomes the further steps taken in order to enhance the transparency of the Authority's activities by reporting the meetings that the Authority's staff have with external stakeholders, and their availability on the Authority's website;
21. Notes with satisfaction that the Authority has developed an Anti-Fraud Strategy for the period 2015-2017; notes that, according to the fraud risk assessment undertaken by the Authority, the risk is low to medium and that for thirteen scenarios the risk has been considered material or even significant; notes that the internal controls, IT security standards and other measures proposed after that evaluation aim to mitigate the risks; calls on the Authority to inform the discharge authority about the developments in this regard;
22. Considers that, while carrying out its work and in particular when drafting implementing measures, the Authority needs to regularly and comprehensively inform the European Parliament and Council about its activities; stresses that it is essential for the Authority, in view of the nature of its assignments, to exhibit transparency, not only to the European Parliament and the Council, but to the Union citizens as well;

#### **Other comments**

23. Highlights that the Authority's revenue will decrease as a result of the United Kingdom's decision to withdraw from the Union, and stresses the need to find adequate arrangements for its funding, that would allow the Authority to fulfil its mandate consistently, independently and efficiently;
24. Notes that due to the United Kingdom's decision to withdraw from the Union, the seat of the Authority will be moved to Paris, France at the beginning of 2019; notes that the Authority's accounts include provisions for related costs amounting to EUR 6,7 million and disclose EUR 11,2 million remaining future contractual payments as scheduled for the office in London; notes that the building costs include inter alia the continued payment of rent and building charges for the London offices until the break of the lease at the end of 2020, whereas the Authority intends to offset those costs by capitalisation of the rent-free period received from the landlord and by using the French government contribution to ensure that the Authority pays rent and charges on only one office in 2019 and 2020;
25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(?)</sup> on the performance, financial management and control of the agencies.

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<sup>(?)</sup> Texts adopted, P8\_TA(2019)0254 (see page 361 of this Official Journal).

**DECISION (EU) 2019/1460 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Banking Authority for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Banking Authority for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2017, together with the Authority's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0092/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0124/2019),
1. Approves the closure of the accounts of the European Banking Authority for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 51.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 51.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 331, 15.12.2010, p. 12.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1461 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control (ECDC) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2017,
  - 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 2017, together with the Centre's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0081/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0134/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 128.<sup>(2)</sup> OJ C 434, 30.11.2018, p. 128.<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.<sup>(5)</sup> OJ L 142, 30.4.2004, p. 1.<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1462 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0134/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Centre for Disease Prevention and Control (the 'Centre') for the financial year 2017 was EUR 58 042 653, representing a slight decrease of 0,35 % compared to 2016; whereas 97,80 % of the Centre's budget derives from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2017 (the 'Court's report'), states that it has obtained reasonable assurances that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99,78 %, representing an increase of 1,76 % compared to 2016; notes that the payment appropriations execution rate was 81,71 %, representing an increase of 2,45 % compared to the previous year;
2. Recalls that, as a Union agency, the Centre has a budget which is denominated in euro; however, since its seat is outside the Euro-zone (in Sweden), a lot of its expenses are incurred in Swedish krona (SEK); furthermore, the Centre is exposed to exchange rate fluctuations since not only does it have bank accounts in Swedish krona, it also carries out certain transactions in other foreign currencies;

**Cancellation of carry-overs**

3. Notes with concern that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 953 754, representing 8,73 % of the total amount carried over, showing however a decrease of 3,11 % compared to 2016;

**Performance**

4. Notes with satisfaction that the Centre uses several key performance indicators (KPIs) in order to evaluate the added value provided by its activities and the list of KPIs comprised in the Commission Staff Working Document of 13 March 2015 <sup>(2)</sup> among others to improve its budget management;
5. Acknowledges that the Centre finalised the roadmap for the reengineering of its disease surveillance systems, published evaluations addressing new health threats in the Union, and continued to support the monitoring of microbiology laboratories capabilities in the Union;
6. Recalls that the Centre's mission is to identify, assess and communicate current and emerging threats to human health from communicable diseases; stresses that in 2017 the Centre responded to 59 formal scientific requests, 35 of which came from Parliament, and published a total of 210 reports (compared to 158 in 2016), including 38 rapid risk assessments addressing new disease threats in Europe, and 78 surveillance reports;

<sup>(1)</sup> OJ C 108, 22.3.2018, p. 213.

<sup>(2)</sup> Commission Staff Working Document of 13 March 2015, 'Guidelines on key performance indicators (KPI) for directors of EU decentralised agencies', SWD(2015)0062.

7. Notes that the Centre also launched the EPHEBUS project, aimed at evaluating all infectious disease surveillance systems in the Union/EEA public health sector, and started evaluating its disease programmes;
8. Welcomes that the Centre has prioritised activities addressing the threats posed by antimicrobial resistance and the rise of vaccine hesitancy in the Union;
9. Notes with satisfaction that the Centre shares best practice and regularly works with other agencies, most notably the European Food Safety Authority, the European Medicines Agency and the European Monitoring Centre for Drugs and Drug Addiction; acknowledges furthermore that the Centre participates in inter-institutional procurements organised by other agencies; stresses that the Centre should continue promoting cooperation with other Union agencies and international organisations, and foster dialogue with stakeholders and citizens;
10. Takes note that an external evaluation for the period 2013-2017 will be carried out in 2018-2019; calls on the Centre to report to the discharge authority on its outcome;

#### **Staff policy**

11. Notes that, on 31 December 2017, the establishment plan was 91,21 % executed, with 166 temporary agents appointed out of 182 temporary agents authorised under the Union budget (compared with 186 authorised posts in 2016); notes that in addition, 97 contract agents and three seconded national experts worked for the Centre in 2017;
12. Notes that the Centre has adopted a policy on protecting the dignity of the person and preventing harassment; acknowledges that it offers confidential counselling as well as training sessions; notes that two cases of harassment were reported and investigated in 2017;

#### **Procurement**

13. Acknowledges that the use of electronic workflows for procurement, based on the Commission's DG DIGIT application e-PRIOR, in addition to the improvements in procurement monitoring, improved the Centre's procurement processes; acknowledges furthermore that the Centre completed 316 procurement procedures in 2017;

#### **Prevention and management of conflicts of interest and transparency**

14. Notes that the declaration of interest and the CV of the Director are published on the Centre's website; notes with concern that some declarations of interest and CVs of the management board and of the advisory forum are missing; calls on the Centre to report to the discharge authority on the measures taken in this regard;
15. Acknowledges the Centre's existing measures and ongoing efforts to secure transparency, prevention, management of conflicts of interest, and whistle-blower protection; notes that, according to the Centre, the European Anti-Fraud Office closed one case of whistleblowing in 2017 without further action; notes that six potential conflicts of interest were identified and further investigated in 2017, out of which one conflict of interest was identified, resulting in a person being asked to abstain from discussion on a specific agenda point;

#### **Internal controls**

16. Notes with concern that 26 overrides of controls and deviations from established processes and procedures occurred in 2017, representing however 14 fewer than in 2016; acknowledges that an action plan to reduce the number of such overrides was adopted; calls on the Centre to report to the discharge authority on the results of the corrective actions taken in this regard;
17. Observes that, in addition to the internal procedure on meetings with the pharmaceutical industry, an internal procedure on the conclusion of memoranda of understandings and collaboration agreements with third parties is under development; calls on the Centre to report to the discharge authority on the progress made in this regard;

**Other comments**

18. Notes that in July 2016, the Centre signed a new lease agreement for its new premises, that took effect at the end of February 2018, and that the duration of the new lease agreement is 15 years; notes that the Centre moved to the new premises in April 2018;
  19. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(?)</sup> on the performance, financial management and control of the agencies.
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<sup>(?)</sup> Texts adopted, P8\_TA(2019)0254 (see page 361 of this Official Journal).

**DECISION (EU) 2019/1463 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2017,
  - 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 2017, together with the Centre's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0081/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0134/2019),
1. Approves the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2017;
  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

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<sup>(1)</sup> OJ C 434, 30.11.2018, p. 128.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 128.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 142, 30.4.2004, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1464 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Chemicals Agency (ECHA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0088/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0125/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 56.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 56.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 396, 30.12.2006, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1465 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0125/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Chemicals Agency (the 'Agency') for the financial year 2017 was EUR 110 530 554 representing a slight decrease of 0,28 % compared to 2016; whereas the Agency received Union subsidies of EUR 69 340 298 (62,7 % of the total budget); whereas rest of the Agency's budget derives from income from fees and charges;
- B. whereas the Court of Auditors (the 'Court') in its report on the annual accounts of the Agency for the financial year 2017 (the 'Court's report'), states that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Acknowledges that budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 98 %, representing an increase of 1 % compared to 2016; notes moreover that the payment appropriations execution rate was 87 %, representing an increase of 1 % in comparison to 2016;
2. Emphasises that the Agency is partly self-financed and receives fees from companies requesting the registration of chemicals as required under the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation; notes that the applicable fees depend on the size of the companies and the volume of chemicals registered; according to the Court's report, since the first registrations in 2009, some 30 % of the companies claimed to be micro companies or small or medium-sized enterprises (SMEs); notes with concern however that, thanks to the Agency's effective system of ex-post verifications, the Agency identified that some 55 % of the micro companies and SMEs had categorised their size incorrectly resulting in lower fees; endorses the measures taken by the Agency to have invoiced particularly high fee corrections amounting to EUR 16,4 million; furthermore, urges the national enforcement authorities to enhance the verification systems of the volumes declared by the companies, and to fully and effectively implement the Strategies and minimum criteria for enforcement of Chemical Regulations framework; calls on the Agency to report to the discharge authority on its efforts, and on the achieved results, to reduce the considerable verification backlog and to implement the fee corrections;
3. Acknowledges the challenges for the Agency related to the verification of the correctness of its fee income, in particular with respect to the substantial fee reductions provided for in the legislation for SMEs; welcomes in this respect the Agency's proactive approach but recalls that a financial ex-post verification of each registrant's size is not specified in legislation as a core task of the Agency and that the Agency has not been staffed to carry out this financial work; calls on the Commission to ensure that the Agency is properly resourced to ensure the effective and proportionate verification of its fee income in a timely manner;
4. Notes with concern that according to the Court's report, as the third registration deadline for chemicals under the REACH Regulation expires in 2018, income from fees and charges is expected to drop from 2019 onwards and the Agency will become more reliant on the Union budget to finance its operations; takes note, however, that according to the Agency's reply, it has made alternative proposals to the Commission and that the Commission committed itself to assess alternatives to ensure the financing of the Agency; calls on the Agency to keep the discharge authority updated on the developments in this regard;

<sup>(1)</sup> OJ C 415, 5.12.2017, p. 12.

5. Notes that the fees paid by industry vary substantially year by year, which complicates budget planning and that fees paid with regard to one regulation can only be used in that section of the Agency's budget, which can mean surplus in one section and deficit in other sections of its budget; asks the Commission to propose measures ensuring more balanced financing of the activities related to all regulations that the Agency implements;

#### **Cancellation of carry-overs**

6. Acknowledges that the cancellation of carry-overs from 2016 to 2017 amounted to EUR 364 031, representing 2,64 % of the total amount carried over, showing a decrease of 5,23 % in comparison to 2016;

#### **Performance**

7. Acknowledges that the Agency uses Key Performance Indicators (KPIs) and furthermore introduced new efficiency performance indicators and improved the workload KPIs in order to enhance the oversight of each activity from output, resources, performance and efficiency point of view; takes note that the Agency uses certain budgetary rates as KPIs in order to enhance its budget management; invites the Agency to develop more outcome and impact focused KPIs assessing the added value provided by the Agency's activities in its revision of the overall performance management system; calls on the Agency to report to the discharge authority on the progress made in this regard;
8. Acknowledges that, despite the risks and constraints in some areas, the Agency reached 70 out of 79 of its KPI targets, and that it kept implementing both the improvement actions in the application for authorisation and its integrated regulatory strategy;
9. Recalls that the Agency is a consolidated entity in accordance with Article 185 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council<sup>(2)</sup> ('Financial Regulation'), and 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 and provides information on chemicals and addresses chemicals of concern;
10. Notes that approximately 15 900 registration dossiers were received in 2017 (out of which 8 500 generating a fee), which represents an increase of 48,6 % compared to 2016; stresses that this increase in registration activity is directly linked to the last REACH registration deadline of 1 June 2018;
11. Notes with appreciation that the Agency shares its Internal Audit Capability with the European Global Navigation Satellite Systems Agency and closely collaborates with other agencies, including the sharing of services, under the roof of inter-agency network and through Memoranda of Understanding with multiple agencies;
12. According to the Court's report, unlike most other agencies, the Agency's founding regulation does not explicitly require periodical external evaluations of its activities, which are key elements to assess performance; encourages the Agency to undertake an external evaluation at least every five years;

#### **Staff policy**

13. Notes that, on 31 December 2017, the establishment plan was 96,52 % executed, with 444 temporary agents appointed out of 460 temporary agents authorised under the Union budget (compared with 455 authorised posts in 2016); notes that in addition, 119 contract agents and 8 seconded national experts worked for the Agency in 2017;
14. Notes that the Agency has an anti-harassment policy and respective guidelines in place; acknowledges that it organised training sessions and enabled confidential counselling;
15. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office (EPSO) in order to increase their publicity; takes note of the Agency's suggestion for EPSO to promote also the interagency job board developed by the EU Agencies Network;

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<sup>(2)</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

16. Notes that while the 2018 registration deadline was the final regulatory deadline of the REACH registration for phase-in substances, the Agency's registration activity is expected to remain at a high level during the remaining period of this strategy; furthermore, notes that following the Agency's strategic analysis of its future direction, the Agency has identified certain existing activity areas that are expected to grow and a number of potential new tasks that the Agency may assume; stresses that undercapacity of staff should be avoided;

#### **Prevention and management of conflicts of interests and transparency**

17. According to the Agency, its budgeted fee income for 2017 represents 35 % of the total income; acknowledges the Agency's exemplary system of monitoring and preventing any conflicts of interest and its view that because of the measures taken there is no danger of such conflicts due to the cost-covering purpose of the fees and the regular assessment of the Agency's staff involved in the opinion making to ensure independence; notes that the Agency would welcome a solution where the Commission collected the fees on behalf of the Agency, which would facilitate the Agency's financial management and help in mitigating the risks of shortfalls;
18. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency and whistleblower protection; according to the Agency, all meetings of its senior management with interest groups are registered and published on its website to ensure full transparency;

#### **Internal audit**

19. Notes that the Commission's Internal Audit Service (IAS) carried out a risk assessment and prepared the IAS strategic audit plan for 2018-2020 and furthermore, conducted preliminary interviews for an audit on conflicts of interest and ethics in October 2017; calls on the Agency to report to the discharge authority on the outcome of that audit and any respective actions taken as a response to the recommendations;

#### **Other comments**

20. Notes that, having selected the new building and having signed a lease contract in 2017, the Agency is planning to move to new premises in Helsinki in January 2020; notes that that move is due to the partial malfunctioning of its current building, particularly as regards the air quality issues in the current premises;
21. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(3)</sup> on the performance, financial management and control of the agencies.

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<sup>(3)</sup> Texts adopted, P8\_TA(2019)0254 (see page 361 of this Official Journal).

**DECISION (EU) 2019/1466 OF THE EUROPEAN PARLIAMENT**  
**of 26 March 2019**  
**on the closure of the accounts of the European Chemicals Agency for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0088/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0125/2019),
1. Approves the closure of the accounts of the European Chemicals Agency for the financial year 2017;
  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

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<sup>(1)</sup> OJ C 434, 30.11.2018, p. 56.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 56.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 396, 30.12.2006, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1467 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Environment Agency (EEA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0072/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0127/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 103.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 103.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 126, 21.5.2009, p. 13.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1468 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2017**

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 2017;
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0127/2019);
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Environmental Agency ('the Agency') for the financial year 2017 was EUR 70 430 306, representing a significant increase of 39,44 % compared to 2016; whereas the increase was related to the future role of the Agency and the new tasks allocated to it; whereas the Agency's budget derives mainly from the Union budget (59,19 %) and the contributions under specific agreements, namely the Copernicus and European Human Biomonitoring Programmes (40,80 %);
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Environmental Agency for the financial year 2017 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99,97 %, representing the same rate as in 2016; notes that the payment appropriations execution rate was 89,04 %, representing a slight decrease of 0,78 % compared to the previous year;

**Cancellations of carry-overs**

2. Regrets the high level of cancellations of carry-overs from 2016 to 2017, amounting to EUR 443 566 and representing 10,55 % of the total amount carried over, showing a considerable increase of 5,16 % in comparison to 2016;

**Performance**

3. Notes that the Agency uses certain key performance indicators (KPIs) to assess the added value provided by its activities, and that in 2017 the Agency improved its quality management by developing an overarching structure for performance management setting out KPIs for the period 2019-2021; notes furthermore that the Agency makes use of a balanced scoreboard to measure its improvements in budget management;
4. Acknowledges that, according to its management board, the Agency achieved satisfactory results with regard to the targets set out in the annual work programme for 2017; notes, however, that certain activities could not be fully delivered due to a number of circumstances such as limited staff resources or the late delivery of input data; acknowledges that the Agency continued effective cooperation with its European Environment Information and Observation Network (Eionet), and furthermore continued to be involved inter alia in the Environmental Knowledge Community, the Joint EEA-Scientific Committee seminars on EEA priority areas and the EEAcademy; insists that the Agency's capacity to respond to policy developments will depend on the future level of allocated resources or on the discontinuation of present tasks;
5. Notes with concern that the Agency does not share resources on overlapping tasks with other agencies with similar activities; takes note however from the Agency that it is constantly engaging with the Commission to identify and agree on a division of tasks with the relevant Commission services (e.g. DG Environment, DG CLIMA, Joint Research Centre and Eurostat); calls on the Agency to report to the discharge authority on the developments in this regard;

<sup>(1)</sup> OJ C 360, 24.10.2017, p. 1.

6. Takes note that in 2016, the Commission started an external evaluation of the Agency and the Eionet; calls on the Agency to report to the discharge authority on the results of this evaluation;
7. Commends the quality of the outputs of the Agency released in 2017, such as the report on 'climate change, impacts and vulnerability in Europe', the European Air Quality Index and the Environmental indicator report 2017;

#### **Staff policy**

8. Acknowledges that, on 31 December 2017, the establishment plan was 99,21 % filled, with 126 officials or temporary agents appointed out of 127 posts authorised under the Union budget (130 authorised posts in 2016); notes that in addition 66 contract agents and 20 seconded national experts have been working for the Agency in 2017;
9. Regrets deeply the gender imbalance within the Agency's senior management, with 7 out of 8 being male, 1 being female; asks the Agency to take measures ensuring better gender balance within its senior management;
10. Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment; acknowledges that it offers e-learning courses and called for expressions of interest among members of staff as regards becoming confidential counsellors;
11. Notes with concern from the Court's report that several weaknesses were pointed out in the recruitment procedures organised by the Agency leading to a lack of transparency and potential unequal treatment of candidates; notes from the Agency's reply that it plans to develop its recruitment procedures in light of the weaknesses identified; calls on the Agency to report to the discharge authority on the developments in this regard;
12. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office in order to increase publicity; understands the Agency's reply concerning the translation costs; furthermore acknowledges from the Agency its intention to publish all its vacancies on the interagency job board developed by the Agencies Network;

#### **Procurement**

13. Notes with concern from the Court's report that some weaknesses were identified in several public procurement procedures, including the fact that tender specifications used by the Agency for different calls for tenders did not specify any minimum requirements for the selection criteria with respect to economic and financial capacity; notes from the Agency's reply that these requirements were modified in 2017;
14. Notes from the Court's report that by the end of 2017 the Agency was not yet using all of the tools launched by the Commission aimed at introducing a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes from the Agency's reply that the Agency has introduced e-invoicing and e-tendering for certain procedures and is in the process of extending them to all its procedures; calls on the Agency to introduce all of the necessary tools to manage procurement procedures and report to the discharge authority on the progress made in that field;

#### **Prevention and management of conflicts of interests and transparency**

15. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention, management of conflicts of interests, and whistleblower protection;
16. Notes from the Court's report that there is a need to strengthen the accounting officer's independence by making him directly responsible to the Agency's executive director and management board; notes from the Agency's reply that it considers that the functional independence of the accounting officer is already guaranteed;

#### **Internal controls**

17. Takes note that, according to the Commission's Internal Audit Service's audit in 2015, of which some recommendations still remain open, the Agency should implement a data and information management framework in the daily operation of the Agency, and update and implement the IT strategy, which should be in line with new IT technologies and the new multiannual work programme; calls on the Agency to report to the discharge authority on the measures taken in this regard;

18. Notes that the management board started a review of the two governance bodies of the Agency, expected to be concluded by the end of 2018;

**Other comments**

19. Notes that the Agency's management board agrees with the proposed future role of the Agency and the Eionet in relation to 'Energy Union Governance', 'Monitoring and reporting of CO<sub>2</sub> emissions from Heavy Duty Vehicles', and the Commission's 'Actions to Streamline Environmental Reporting', and welcomes the proposal of the Commission to grant additional resources in the form of contract agents and funds to the Agency for its proposed new tasks;
20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(2)</sup> on the performance, financial management and control of the agencies.

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<sup>(2)</sup> Texts adopted, P8\_TA(2019)0254 (see page 361 of this Official Journal).

**DECISION (EU) 2019/1469 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Environment Agency for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0072/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0127/2019);
1. Approves the closure of the accounts of the European Environment Agency for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 103.<sup>(2)</sup> OJ C 434, 30.11.2018, p. 103.<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.<sup>(5)</sup> OJ L 126, 21.5.2009, p. 13.<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1470 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Fisheries Control Agency (EFCA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0087/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a European Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0133/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 109.<sup>(2)</sup> OJ C 434, 30.11.2018, p. 109.<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.<sup>(5)</sup> OJ L 128, 21.5.2005, p. 1.<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1471 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Fisheries Control Agency for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A8-0133/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Fisheries Control Agency ('the Agency') for the financial year 2017 was EUR 17 113 000, representing an increase of 71,70 % compared to 2016; whereas the increase related mainly to Title III (operational budget), with an increase of 295 % aimed at further chartering of means by the Agency (new European Coast Guard function); 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 2017 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 2017 resulted in a budget implementation rate of 98,9 %, representing a decrease of 0,7 % compared to 2016; notes with regret that the payment appropriations execution rate was at 73,8 %, representing a decrease of 14,7 % compared to 2016;

**Cancellation of carryovers**

2. Notes with concern that the cancellation of carryovers from 2016 to 2017 amounted to EUR 53 595, representing 5,22 % of the total amount carried over, and an increase of 0,5 % compared to 2016;

**Performance**

3. Notes with satisfaction that the Agency uses a number of Key Performance Indicators to support its multiannual strategic objectives and to assess the added value provided by its activities, and to improve its budget management;
4. Notes that the Agency implemented 93 % of its activities on time and that it implemented 90 % of its Annual Communication Strategy Plan;
5. Notes with satisfaction that the Agency, the European Border and Coast Guard Agency and the European Maritime Safety Agency adopted a tripartite working arrangement defining the cooperation between those agencies and the cooperation with national authorities carrying out coast guard functions; calls on the Agency to report to the discharge authority on future plans and developments regarding that cooperation;
6. Agrees that keeping the same high level of inspections as in 2016 was a challenging achievement, in the context of cooperation on the European coast guard functions;
7. Points out that the 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;
8. Points out that the Agency should be given sufficient resources to conduct new types of operations to disrupt people smuggling routes, as well as to use the data provided by its ship reporting systems in order to detect vessels carrying migrants;

<sup>(1)</sup> OJ C 84, 17.3.2017, p. 158.

9. Nevertheless insists on the paramount importance of the core inspections activities in the context of the implementation of the landing obligation;
10. Takes note that the results of the second Five-Year Independent External Evaluation of the Agency for the period 2012-2016 were presented on 20 June 2017; notes with satisfaction that the report confirms the Agency's positive performance across all evaluation criteria;

#### **Staff policy**

11. Notes that, on 31 December 2017, the establishment plan was 96,72 % filled, with 59 Temporary Agents (TAs) appointed out of 61 TAs authorised under the Union budget (51 authorised posts in 2016); notes that in addition eight Contract Agents and five Seconded National Experts have been working for the Agency in 2017; notes that, due to the change in the founding regulation, the Agency was granted 13 posts for the associated new tasks, out of which three were used for the redeployment pool of agencies;
12. Notes that the Agency has adopted the Commission's model decision on the policy on protecting the dignity of the person and preventing harassment, and that a call for confidential counsellors was launched in 2017 and training was being finalised in 2018;
13. Invites the Agency to further strengthen its gender balance policy in order to transcend the traditionally male domain from which its experts originate: in spite of a majority of female staff under the Executive Director and in the Resources and IT Unit, only 22 % of staff of grade AD8 and above are women;

#### **Procurement**

14. Highlights that the main procurement activity in 2017 was focused on launching the open call for Chartering an Offshore Fisheries Patrol Vessel (EUR 20 million), which was finalised successfully and resulted in the signature of a framework contract;
15. Notes with satisfaction that, following the objective of Union agencies of sharing procurement efforts, the Agency launched its first inter-institutional open call for tender in 2017 and that two other agencies joined that procurement procedure; calls on the Agency to report to the discharge authority on future developments regarding its joint procurement procedures;

#### **Prevention and management of conflicts of interests and transparency**

16. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistle-blower protection; notes with satisfaction that experts who do not sign a declaration of interests are not allowed to work under a specific contract and that the Agency monitors regularly the submission of the declarations;

#### **Internal Controls**

17. Welcomes the fact that the Agency developed and implemented a centralised monitoring of all audit recommendations issued by the Court and the Internal Audit Service, in order to consolidate and monitor them, as well as to improve the follow-up of corresponding action plans;

#### **Other comments**

18. Notes the Agency's efforts to ensure a cost-effective and environment-friendly working place; points out, however, that the Agency does not have any additional measures in place to reduce or offset CO<sub>2</sub> emissions;
19. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(2)</sup> on the performance, financial management and control of the agencies.

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<sup>(2)</sup> Texts adopted, P8\_TA(2019)0254 (see page 361 of this Official Journal).

**DECISION (EU) 2019/1472 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Fisheries Control Agency for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0087/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a European Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0133/2019),
1. Approves the closure of the accounts of the European Fisheries Control Agency for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 109.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 109.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 128, 21.5.2005, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1473 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Food Safety Authority (EFSA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2017, together with the Authority's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0080/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0128/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 132.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 132.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 31, 1.2.2002, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1474 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2017**

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 2017,
  - having regard to its resolution of 16 January 2019 on the Union's authorisation procedure for pesticides <sup>(1)</sup>,
  - having 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 (A8-0128/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(2)</sup>, the final budget of the European Food Safety Authority ('the Authority') for the financial year 2017 was EUR 79 558 730,31, representing an increase of 0,08 % compared to 2016; whereas the budget of the Authority derives mainly from the Union budget;
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Authority for the financial year 2017 ('the Court's report'), states that it has obtained reasonable assurances that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99,98 %, representing a slight decrease of 0,02 % compared to 2016; notes, furthermore, that the payment appropriations execution rate was at 92,31 %, representing an increase of 2,65 % compared to 2016;
2. Reiterates its concern stemming from the repeatedly low level of financial appropriations from the Union budget for the Authority;
3. Regrets the growing mismatch between increasing tasks and shrinking resources, which resulted in relevant delays in the delivery of some projects;

**Cancellation of carry-overs**

4. Notes that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 291 011,86, representing 3,55 % of the total amount carried over, showing a decrease of 2,31 % in comparison to 2016;

**Performance**

5. Notes with satisfaction that the Authority has introduced several impact and outcome Key Performance Indicators (KPIs) in its comprehensive performance based management approach to measure the added value provided by its activities; notes furthermore that the Authority uses other KPIs to enhance its budget management;
6. Acknowledges that 2017 was the first year of the implementation of the Authority's Strategy 2020 plan and of the new policy set up to ensure the independence of professionals involved in the Authority; welcomes the fact that its performance was satisfactory, with only nine indicators presenting moderate deviation and two relevant deviation out of the 65 indicators in total;
7. Welcomes the contribution of the Authority to the safety of the Union food and feed chain, and its considerable efforts in providing Union risk managers with comprehensive, independent and up-to-date scientific advice on questions linked to the food chain, communicating clearly to the public on its outputs and the information on which they are based, and cooperating with interested parties and institutional partners to promote coherence and trust in the Union food safety system;

<sup>(1)</sup> Texts adopted, P8\_TA(2019)0023.

<sup>(2)</sup> OJ C 311, 19.9.2017, p. 9.

8. Believes that the Authority should continue paying special attention to public opinion, and commit itself to openness and transparency;
9. Highlights that the Authority finalised 779 questions through scientific opinions, technical reports and supporting publications;
10. Notes that the Authority's external evaluation started in 2017 and the results became available in 2018; calls on the Authority to report to the discharge authority on the conclusions of this evaluation and the respective measures taken in order to address any recommendations;
11. Notes with appreciation that the Authority shares resources and activities with the European Chemicals Agency, the European Medicine Agency and the European Centre for Disease Prevention and Control in the areas of data collection, analysis and databases and in scientific assessments;

#### **Staff policy**

12. Notes that, on 31 December 2017, the establishment plan was 96,28 % executed, with 311 officials and temporary agents appointed out of 323 posts authorised under the Union budget (compared with 330 authorised posts in 2016); notes that in addition, 120 contract agents and 12 seconded national experts worked for the Authority in 2017;
13. Notes that the Authority has adopted the Commission's model decision on the policy on protecting the dignity of the person and preventing harassment; acknowledges that it organised training sessions and enabled confidential counselling;
14. Notes with concern that in 2017, two formal complaints were received, requesting the opening of a formal procedure for harassment; takes note of the Authority's conclusion that there was no beginning of proof, which is required for the opening of an administrative inquiry;

#### **Procurement**

15. According to the Court's report, the Authority awarded three framework contracts in cascade on behalf of nine agencies joining in the open call for tender; notes the Court's observation that framework contracts with reopening of competition for each specific contract were more appropriate than cascades for obtaining good value for money for procurements where the actual services to be delivered are not known when the call is launched; takes note of the Authority's justification and notes furthermore from its reply that the Authority finds the cascading mechanism a better fit in respect of the long term nature of the specific framework contract;

#### **Prevention and management of conflicts of interest and transparency**

16. Acknowledges the Authority's existing measures and ongoing efforts to secure prevention and management of conflicts of interest and transparency; welcomes the recent Authority's decision on implementing rules laying down guidelines on whistleblower's' protection and confidentiality of their identity; welcomes the Authority's updated policy on independence, which was adopted in 2017 after stakeholder and public consultation and which aims to build on from the policy it replaces in order to ensure that the Authority may reach a correct balance between attracting the relevant expertise from the scientific community but at the same time guarding its activities against any undue influence; welcomes also the new definition of what constitutes a conflict of interest which was adopted in the new Authority's policy on independence; welcomes further the publication on the Authority's website of the declarations of interest by the members of the Management Board; regrets that the publication of their CVs is still missing; notes with appreciation that the Authority implemented rules on competing interest management as of July 2018 replacing the rules on the declarations of interest of 2014;
17. Notes that the Parliament has repeatedly called on the Authority through its annual discharge reports to implement a two-year cooling off period which would prevent experts with financial interests linked to companies whose substances are evaluated by the Authority from sitting in the Authority's scientific panels or working groups;
18. Is convinced that a sufficient budget and resources should be allocated to the Authority to ensure that it can hire independent experts free from conflicts of interest;

19. Notes with appreciation the Authority's commitment to adopt a yearly report on independence related activities, which will be included as an annex to the consolidated annual report and contain findings of audits, compliance and veracity checks;
20. Welcomes that Member States' experts will now have to submit a public declaration of interest to the Authority; insists that those declarations are checked by the Authority and made public;
21. According to the Court's report, there is a need to strengthen the accounting officer's independence by making the officer directly responsible to the Authority's Executive Director and Management Board; according to the Authority's reply, it already has formal requirements in place to ensure the independence of the accounting officer;
22. Recalls recommendations of the Parliament's resolution of 16 January 2019 on the Union's authorisation procedure for pesticides, and in particular its call on the Authority: to improve its risk communication in order to inform the public in an appropriate, understandable and easily accessible way; to regularly update its guidance documents in line with the most recent developments in all relevant fields, with a view to assessing the short- and long-term effects of residue levels of active substances, formulations and mixtures in surface waters, soil, wind and dust; to increase the user-friendliness of the information provided on its website and to facilitate data mining; to publish its opinions in peer-reviewed journals in order to intensify constructive discussion and incentivise and encourage more national experts and other scientists to participate in its work;
23. Notes that a group of Members of the European Parliament filed a lawsuit against the Authority on grounds of limiting of access to documents in the 'glyphosate' case; calls on the Authority to fully and without further delay implement the ruling of 7 March 2019 of the Court of Justice of the European Union;

#### **Internal controls**

24. Notes with appreciation that the Authority revised its risk management process to ensure that all risks are covered, and furthermore that it has developed an anti-fraud strategy, following an internal risk assessment carried out in accordance with the European Anti-Fraud Office methodology and guidance;
25. Acknowledges that the Authority implemented a financial ex-post control strategy in the form of a proportionate control approach in line with the legal obligations and furthermore defined the assurance governance and revised its internal control framework towards a principle-based approach;
26. Takes note that the Commission's Internal Audit Service (IAS) reviewed the implementation of the action plan that followed upon an IAS recommendation to update the Authority's IT governance and concluded that all audit recommendations had been adequately and effectively implemented;
27. According to the Court's report, the IAS issued an audit report 'The process for Evaluation of Regulated Products: Assessment Phase in Pesticides Authorisation' and two very important observations were identified; notes that the Authority is preparing a corresponding action plan; calls on the Authority to report to the discharge authority on the implementation of that action plan;
28. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(?)</sup> on the performance, financial management and control of the agencies.

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<sup>(?)</sup> Texts adopted, P8\_TA(2019)0254 (see page 361 of this Official Journal).

**DECISION (EU) 2019/1475 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Food Safety Authority for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2017, together with the Authority's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0080/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0128/2019),
1. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 132.<sup>(2)</sup> OJ C 434, 30.11.2018, p. 132.<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.<sup>(5)</sup> OJ L 31, 1.2.2002, p. 1.<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1476 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Institute for Gender Equality (EIGE) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2017, together with the Institute's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0091/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0150/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 136.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 136.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 403, 30.12.2006, p. 9.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1477 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A8-0150/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Institute for Gender Equality ('the Institute') for the financial year 2017 was EUR 7 722 898, representing an increase of 1,24 % compared to 2016; whereas the entire budget of the Institute derives from the Union budget;
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Institute for Gender Equality for the financial year 2017 ('the Court's report'), states that it has obtained reasonable assurances that the Institute's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Acknowledges that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 98,92 %, representing a slight increase of 0,5 % compared to 2016; notes that the payment appropriations execution rate was 80,95 %, representing a notable increase of 8,12 % compared to the previous year; observes that, after analysing the advantages and disadvantages of differentiated appropriations, the Institute decided not to adopt them as a measure to address the multiannual nature of its operations; calls on the Institute to remain aware of the situation at hand, and to report to the discharge authority on any developments in that regard;

**Cancellation of carry-overs**

2. Welcomes the fact that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 34 865, representing 1,79 % of the total amount carried forward, showing a decrease of 0,07 % in comparison to 2016;

**Performance**

3. Recalls that the Institute was established in order to contribute and to strengthen the promotion of gender equality in the Union, including gender mainstreaming in all relevant Union policies and the resulting national policies, the fight against discrimination based on sex, and raising Union citizens' awareness of gender equality, and welcomes the prioritising of the work on several areas with outputs of high quality and high visibility, without losing focus on gender mainstreaming;
4. Welcomes the fact that the Institute uses certain Key Performance Indicators in relation to operational objectives and management of financial and human resources to assess the added value provided by its activities and to improve its budget management;
5. Notes with satisfaction that the Institute implemented its work programme effectively and fulfilled 98,75 % of the single programming document activities in 2017; notes furthermore that the Institute has released the third edition of the Gender Equality Index to monitor the progress of gender equality in the Union;
6. Welcomes that the outreach of the Institute's communication activities grew significantly in 2017 and its publications have received positive feedback from users, which contributed to spreading the messages of gender equality and raising the citizen's awareness in the Union;

<sup>(1)</sup> OJ C 84, 17.3.2017, p. 148.

7. Appreciates the work of the Institute on the topic of digitalisation and welcomes its project focusing on work-life balance, the gender pay and pension gap, and the development of a gender-sensitive parliament tool;
8. Welcomes the ongoing cooperation between the Institute and the Committee on Women's Rights and Gender Equality and welcomes the Institute's contribution to the ongoing efforts of the Committee including on the study and promotion of gender budgeting and on gender aspects of Trafficking in Human Beings; welcomes in this respect in particular EIGE's contribution to integrate to the Anti-Trafficking Directive and the Victims' Rights Directive a gender perspective;
9. Supports the work of the Institute, which, by means of studies and research, enables the FEMM Committee to obtain data that is indispensable in order for it to do its work properly by providing official, high-quality data free from any ideological influence;
10. Welcomes the Institute's participation and its valuable contributions of gender aspects in the European Justice and Home Affairs Agencies' network;
11. Notes with satisfaction that the Institute proactively initiated a joint activity with other agencies in 2017 consisting of training and experience-sharing workshops on preventing harassment; notes furthermore that the Institute supported the European Institute of Innovation and Technology in mainstreaming a gender perspective in its operations and contributed to a joint publication with the European Foundation for the Improvement of Living and Working Conditions;
12. Notes that the Institute has advanced on some recommendations of the External Evaluation (2015); welcomes the Institute's effort to shift toward a project-led organisation which will increase internal synergies and promote knowledge sharing across the units; appreciates that the Institute has started to implement an action plan addressing the recommendations and calls on the Institute to further continue this process to improve governance and efficiency;

### **Staff policy**

13. Notes that, on 31 December 2017, the establishment plan was 96,30 % executed, with 26 temporary agents appointed out of 27 temporary agents authorised under the Union budget (compared with 28 authorised posts in 2016); notes that, in addition, 15 contract agents and 4 seconded national experts were working for the Institute in 2017;
14. Regrets the gender imbalance within the Institute's management board members, with 26 out of 32 members being female, 6 being male; asks in this regard the Commission and the Member States and other concerned parties to take into account the importance of ensuring gender balance when presenting their nominations for members of the Board;
15. Notes that the Vilnius City District Court issued on 21 February 2019 its judgment in the case brought by five former interim staff workers of the Institute against the Institute's temporary staffing agency on unequal remuneration; regrets that the interim staff have been remunerated less than the Institute's statutory staff; notes from the Institute that according to the Institute's applicable rules interim staff cannot perform all the tasks assigned to the Institute's statutory staff; notes the possible reputational damage caused to the Institute; calls on the Institute to report to the discharge authority on the measures taken by the temporary staffing agency as regards the ruling of the Vilnius City District Court and in order to mitigate such risks in the future;
16. Notes that the Institute has in place a policy on protecting the dignity of the person and preventing harassment; notes that the Institute organised training sessions and enabled confidential counselling;
17. Notes that there has been a follow-up by the Institute on the reports related to sexual harassments of female workers and trainees in the agency; underlines that the agency must be a role model in combating sexual harassment and ensuring safety and dignity for all its members of staff; supports the Institute in implementing its zero tolerance policy on sexual harassment;

18. Takes note of the court ruling in which the Lithuanian court decided that Manpower violated the principle of equal remuneration of temporary agency workers enshrined in Article 75 of the Lithuanian Labour Code; expresses its deep concerns regarding the working conditions of the temporary agency workers at the Institute; urges the Director to take a far more active role in ensuring that the Institute offers better remuneration to the temporary agency workers; urgently requests the Institute to inform Parliament's Committee on Budgetary Control on the requirements for tenders;
19. Welcomes the suggestion of the Court to also publish vacancy notices on the website of the European Personnel Selection Office in order to increase publicity; notes from the Institute's reply that, in addition to the financial constraints, it is of the opinion that the channels it currently uses ensure proper transparency and publicity;

#### **Procurement**

20. Notes with concern that, according to the Court's report, the Institute was brought to court by unsuccessful tenders, claiming a total of EUR 700 000 in damages (amounting to up to 9 % of the Institute's annual budget) and the annulment of the award decision; observes that the Institute is already preparing to financially address the potential losses; notes from the Institute's reply that it will adjust the procurement procedures regardless of the final judicial decision; calls on the Institute to report to the discharge authority on developments in that regard;
21. Notes with concern that, according to the Court's report, the Institute issued and finalised a tender process to obtain a supplier for travel services without guaranteeing the best value-for-money; notes from the Institute's reply that it has internal controls in place to check and control the prices of services provided by the selected supplier; notes furthermore that the Institute is intending not to renew this contract but to participate in a joint procurement procedure organised by the Commission; calls on the Institute to report to the discharge authority on the progress made in that regard;
22. Notes that, according to the Court's report, the Institute had not yet, by the end of 2017, introduced the tools launched by the Commission aimed at introducing a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes from the Institute's reply that the Institute is implementing e-submission and e-invoicing in compliance with the timelines set by the Commission by the end of 2018; calls on the Institute to report to the discharge authority on the progress made in that regard;

#### **Prevention and management of conflicts of interests and transparency**

23. Notes the Institute's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistleblower protection; points out with concern, however, that the Institute publishes only the CV of its director but not the CVs of its senior management on its website; calls on the Institute to report to the discharge authority on the measures taken in this regard;

#### **Internal audit**

24. Notes that in 2017, the Commission's Internal Audit Service (IAS) carried out an audit on stakeholder management and external communication, concluding that the internal controls of the Institute are adequate; notes that in order to address the three recommendations of the IAS graded as 'important', an action plan has been set up and is to be completed by the end of 2018; calls on the Institute to report to the discharge authority on the implementation of the three recommendations;
25. Notes the Institute's efforts to ensure a cost-effective and environmentally-friendly working place; observes that the Institute does not have any specific measures in place to reduce or offset CO<sub>2</sub> emissions, but notes that it encourages its staff to use public transport or bicycles for commuting;
26. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(?)</sup> on the performance, financial management and control of the agencies.

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<sup>(?)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1478 OF THE EUROPEAN PARLIAMENT**  
**of 26 March 2019**  
**on the closure of the accounts of the European Institute for Gender Equality for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2017, together with the Institute's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0091/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0150/2019),
1. Approves the closure of the accounts of the European Institute for Gender Equality for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 136.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 136.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 403, 30.12.2006, p. 9.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1479 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2017, together with the Authority's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0093/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0137/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 61.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 61.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 331, 15.12.2010, p. 48

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1480 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0137/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Insurance and Occupational Pensions Authority (the 'Authority') for the financial year 2017 was EUR 23 999 257, representing an increase of 10,28 % compared to 2016; whereas the Authority is financed by a contribution from the Union (EUR 8 946 404, representing 37 %) and contributions from national supervisory authorities from the Member States (EUR 15 052 852, representing 63 %);
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2017 (the 'Court's report'), has stated that it has obtained reasonable assurances that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with appreciation that budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99,79 %, reaching the Authority's planned target and representing an increase of 0,11 % compared to 2016; notes furthermore that the payment appropriations execution rate was at 88,09 %, representing a slight decrease of 0,88 % compared to 2016;
2. Takes note of the Authority's efforts to reallocate internally the Authority's budgetary and personnel resources, as the Authority's workload is increasingly shifting from regulatory tasks to supervisory convergence and enforcement; stresses, in this respect, the need to ensure an appropriate level of prioritisation as regards resource allocation;

**Cancellation of carry-overs**

3. Notes with concern that the cancellation of carry-overs from 2016 to 2017 amounted to EUR 127 694, representing 5,47 % of the total amount carried over, a rate similar to 2016;

**Performance**

4. Notes with satisfaction that the Authority has set 13 strategic level targets measured with Key Performance Indicators (KPIs) which are divided between its three operational strategic objectives to assess the added value provided by its activities, and to improve its budget management, in addition to other indicators used internally;
5. Notes that the Authority achieved its target for eight KPIs; acknowledges that it was only close to achieve the target for the remaining five KPIs, some of which were rather ambitious and were missed only marginally;
6. Underlines the central role of the Authority in contributing to high quality common regulatory and supervisory standards and practices, to the consistent application of legally binding Union acts, to stimulate and facilitate the delegation of tasks and responsibilities among competent authorities, to monitor and assess market developments within the scope of its competence and to foster the protection of policy holders, pension scheme members and beneficiaries;

<sup>(1)</sup> OJ C 84, 17.3.2017, p. 179.

7. Highlights the role of the Authority in facilitating and promoting the coordination between national supervisory authorities and, where appropriate, with institutions responsible for international supervision;
8. Notes, however, that the European Insurance and Occupational Pensions Authority faced limitations in terms of the architecture of the supervision system, scarcity of resources and, in some instances, insufficient support and collaboration from National Competent Authorities (NCAs); points out that much still needs to be done by the European Insurance and Occupational Pensions Authority, legislators and NCAs to achieve supervisory convergence;
9. Stresses that, while making sure that all assignments are carried out in full and within deadline, the Authority should fulfil the tasks and the mandate assigned to it by the European Parliament and the Council and should stay within the mandate of those assignments; calls on the Authority to ensure a proper follow-up and implementation of the Court's recommendations;
10. Considers that, while carrying out its work and in particular when drafting implementing measures, the Authority needs to regularly and comprehensively inform the European Parliament and Council about its activities; stresses that it is essential for the Authority, in view of the nature of its assignments, to exhibit transparency not only to the European Parliament and the Council, but to the Union citizens as well;
11. Stresses that the Authority should pay particular attention to the principle of proportionality in carrying out its mandate; underlines that, in particular when formulating Level 2 and Level 3 measures, attention should be devoted to specific features of national financial markets;
12. Stresses the need to allocate sufficient resources, to address existing anti money laundering competences and to ensure a swift exchange with the European Banking Authority ('EBA') regarding money laundering and countering the financing of terrorism;
13. Welcomes in the context of the Authority's oversight function with regards to AML and CFT the adoption of a whistleblowing policy and stresses the need for national supervisory authorities to adopt similar policies;
14. Notes with satisfaction that the Authority is proactive in identifying opportunities for efficiency and synergies with other agencies, in particular with EBA and the European Securities and Markets Authority ('ESMA'), through the European Supervisory Authorities' Joint Committee and through joint procurements; asks the Authority to develop common guidance in exchange with EBA and ESMA on how to integrate AML/CFT risks in prudential supervision;
15. Warmly welcomes the Authority's reorganisation aimed, among other matters, at obtaining cost savings and efficiency gains by merging or increasing the coordination of its departments, by introducing a rolling budget forecast process or by implementing new financial circuits;
16. Notes that the Authority is replacing its current e-human resources management system with Sysper, which is provided by the Commission; acknowledges that the Authority will allow the organisation to benefit from lower costs, synergies and efficiency; calls on the Authority to report to the discharge authority on the concrete results in this regard;
17. Notes, in addition, that according to the Court, the shift of the Authority from regulation to supervision is especially challenging, due to limited resources for supervision tasks (14 % of the Authority's staff), in particular for supervision of cross-border business and internal models;
18. Notes, however, that the Court's assessment is very brief and offers few suggestions for improving the efficiency of the Authority's financial management; calls on the Authority to ensure a proper follow-up and implementation of the Court's recommendations;
19. Notes that an external evaluation of the three European Supervisory Authorities was carried out in 2017; calls on the Authority to report to the discharge authority on the measures taken (by the Authority) to address the shortcomings identified by the external evaluation;

**Staff policy**

20. Notes that, on 31 December 2017, the establishment plan was 99,01 % executed, with 100 temporary agents appointed out of 101 temporary agents authorised under the Union budget (compared with 93 authorised posts in 2016); notes that, in addition, 34 contract agents and 17 seconded national experts worked for the Authority in 2017;
21. Notes that the Authority has adopted a policy on protecting the dignity of the person and preventing harassment;
22. Welcomes the suggestion of the Court to publish vacancy notices on the website of the European Personnel Selection Office in order to increase publicity; understands the Authority's reply concerning the high translation costs triggered by such publication;

**Procurement**

23. Notes with satisfaction that the Authority has been one of the first agencies in the Union to launch a project delivering an e-procurement solution; welcomes the fact that the solution provides a more efficient and transparent procurement process benefiting both the Authority and its potential suppliers;

**Prevention and management of conflicts of interest and transparency**

24. Acknowledges the measures the Authority already has in place and its ongoing efforts to secure transparency, to prevent and manage conflicts of interests, and to protect whistleblowers; welcomes the fact that the Authority publishes a register of meetings with external stakeholders on its website;
25. Notes that, according to the Court's report, there is a need to strengthen the accounting officer's independence by making him directly responsible to the Authority's director and management board; notes with satisfaction the measures already taken in order to strengthen that independence;
26. Notes that a dedicated ethics officer for the Authority's Staff was appointed in early 2017 supporting the strengthening of the ethics officer function; calls on the Authority to report to the discharge authority on the progress made in that field;

**Internal controls**

27. Notes that the Commission's Internal Audit Service performed an audit to assess the effectiveness of the management controls in the stress test process of the Authority; calls on the Authority to report to the discharge authority about the results of that audit;
28. Welcomes the fact that the Authority introduced two new supervisory departments on processes and convergence to strengthen its focus on supervision;

**Other comments**

29. Notes that a future decrease in the Authority's revenue resulting from the United Kingdom's decision to withdraw from the Union is possible; notes that other risks related to that fact are the continuity of contracts and the consistency of approaches to the Union oversight cross-border banking groups; calls on the Authority to remain aware of those risks and to prepare to mitigate them;
30. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(?)</sup> on the performance, financial management and control of the agencies.

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<sup>(?)</sup> Texts adopted, P8\_TA-PROV(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1481 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2017, together with the Authority's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0093/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0137/2019),
1. Approves the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 61.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 61.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 331, 15.12.2010, p. 48.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1482 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology (EIT) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2017, together with the Institute's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0097/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0152/2019),
1. Grants the interim director of the European Institute of Innovation and Technology discharge in respect of the implementation of the Institute's budget for the financial year 2017;
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the interim director of the European Institute of Innovation and Technology, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

*The President*  
Antonio TAJANI

*The Secretary-General*  
Klaus WELLE

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 64.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 64.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 97, 9.4.2008, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1483 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0152/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Institute of Innovation and Technology (the 'Institute') for the financial year 2017 was EUR 338 465 181, representing an increase of 15,20 % compared to 2016, mainly due to the increase in grants appropriated to the Institute to allocate among the Knowledge and Innovation Communities (KICs); whereas the overall contribution of the Union to the Institute's budget for 2017 amounted to EUR 315 147 801,58;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Institute's annual accounts for the financial year 2017 (the 'Court's report'), states that it has obtained reasonable assurances that the Institute's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 91,23 %, representing a decrease of 3,8 % compared to 2016; observes that this low number is linked to the low implementation rate of commitments appropriations of grants; acknowledges from the Institute that it will try to improve its budgetary processes to enhance the implementation; notes that the payment appropriations execution rate was 99,5 %, representing a slight increase of 0,36 % compared to 2016; notes that there was a low implementation rate due to an unforeseen delay in introducing Sysper for human resource management as well as overestimation of other maintenance costs; particularly calls on the Institute to enhance the implementation in this area;
2. Notes with concern from the Court's report that the knowledge and innovation communities (KICs), did not fully use the grants awarded by the Institute, mainly due to an incomplete implementation of the business plans; acknowledges from the Institute's reply that it intends to address this issue by moving towards multi-annual grant agreements with KICs in the post-2020 period; calls on the Institute to report to the discharge authority on the steps taken in this regard;
3. Notes with concern from the Court's report that an increase in the single reimbursement rates (SRRs) occurred in several KICs, against the purpose of encouraging KICs to find own sources of financing and incentivising them to become gradually independent from the Institute; takes note of the Institute's reply that the adjustment of the SRRs is in line with the applicable legal basis, and that it considers that some KICs are able to obtain significant proportion of resources by their own;
4. Regrets that some activities were added to two KICs, amending the initial business plans and the grants allocated to them, which is against the Rules of Application of the Financial Regulation, since it impairs equal treatment of the KICs; notes from the Institute's reply that they do not consider that this is the case, as the possibility to add tasks to the KICs exists and that the changes in grants are not important (3,9 % and 0,6 %);
5. Notes with satisfaction that the detected error rate during *ex post* verification of 2016 grants, performed by an external service provider, was 0,98 % and the residual error rate is 0,95 %, which is well below the materiality level of 2 %.

<sup>(1)</sup> OJ C 166, 24.5.2017, p. 14

**Cancellation of carryovers**

6. Regrets that the cancellations of carryovers from 2016 to 2017 amounted up to 95 721, representing 16,26 % of the total amount carried forward, and showing a notable increase of 5,33 % in comparison to 2016; notes with concern that this high amount is mainly due to the impossibility of the KICs to absorb the grants carried forward;

**Performance**

7. Acknowledges that the Institute uses certain key performance indicators (KPIs) to measure the performance of the KICs, as well as Horizon 2020 KPIs to assess its own performance in managing the KICs and indicators set out in the single programming document to measure other operational activities; notes furthermore that it uses additional KPIs to enhance its budget management;
8. Welcomes the fact that the Institute has conducted joint public procurement procedures and set up common selection committees for the staff with the European Union Agency for Law Enforcement Training, taking advantage that they are both located in Budapest;
9. Observes that an external evaluation to assess the impact, governance, processes and progress towards financial sustainability of the first wave of KICs for the period 2010 to 2016 was made in 2017, and during 2018 the Institute will conclude the review; calls on the Institute to report to the discharge authority on the conclusions of this review;

**Staff policy**

10. Notes that, on 31 December 2017, the establishment plan was 92,68 % filled, with 38 temporary agents (TAs) appointed out of 41 TAs authorised under the Union budget (39 authorised posts in 2016); notes that in addition 20 contract agents and two seconded national experts have been working for the Institute in 2017; urges the Institute to refrain from relying too heavily on temporary contracts;
11. Notes that the Institute has adopted a policy on protecting the dignity of the person and preventing harassment; acknowledges that it participated in the call for expression of interests for interagency confidential counsellors;
12. Takes note of the fact that the Institute is structurally understaffed, as also endorsed by the Court in its Special Report No 4/2016; regrets that the Institute's requests to significantly increase its staff capacity have been declined by the Commission; calls on the Institute to report to the discharge authority of any developments in this matter;
13. Notes from the Court's report that, according to the Institute's statutes, it can only offer TAs contracts for a maximum of five years, extendable for a further five years, and given that there are key staff members that will reach the maximum ten years in 2020, is concerned by the fact that the continuity of the operations could be potentially hampered; notes from the Institute's reply that it is aware of the problem and for that reason has requested the legal opinion of the Commission by letter; calls on the Institute to report to the discharge authority of the evolutions regarding that matter;
14. Regrets to note from the Court's report that the Institute's current interim director was appointed in 2014, and has held the post ever since as ad interim; points out that that practice is at odds with the Staff Regulations which limits the duration to a maximum of one year; regrets that a selection procedure for the nomination for a new director launched in 2016 was unsuccessful; takes note that a vacancy notice was again published in June 2018; urges the Institute to replace the interim director by a new director, without further delay; calls on the Institute to report to the discharge authority on the results of the ongoing selection process;
15. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office in order to increase publicity; understands the Institute's reply concerning the high translation costs triggered by such publication;

**Procurement**

16. Notes from the Court's report that by the end of 2017 the Institute had not yet implemented all of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes from the Institute's reply that it intends to adopt the e-tendering and e-submission tools, for which preparatory actions are ongoing; calls on the Agency to report to the discharge authority on the implementation of all the necessary tools;

17. Notes with regret an ongoing issue from the Court's report from 2016, when it found significant weaknesses when auditing the procurement procedures of the KIC Legal Entities (LEs), which were considered to be a high risk area, including irregularities such as direct award of contracts, and significant extensions of initial contracts or contracts without limits in time, volume, quality or price, quantifying the irregular procurement procedures in 2016 up to EUR 2 200 000; welcomes the measures taken and the recommendations given by the Institute to address this issue; calls on the Institute to report to the discharge authority on the implementation of the KIC LEs' action plans;

#### **Prevention and management of conflicts of interests and transparency**

18. Acknowledges the Institute's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistleblower protection; takes note of the fact that in 2017 several conflicts of interests cases were identified and assessed and that adequate measures were taken; notes that two cases of suspected fraud were dismissed by the European Anti-Fraud Office in 2017, leaving one enquiry open from 2016;

#### **Internal controls**

19. Notes that the Commission's Internal Audit Service finalised the Audit on Monitoring of Grant Agreements concluding that the framework is adequate but the implementation should be improved; regrets that the reviews of the KICs by the Institute were not based on their annual reports, and that the Institute did not cover systematically some risks, that it did not address all governance requirements in detail and that it did not provide feedback on good governance to the second wave of KICs; points out furthermore that although it is stated in the 2016 Work Programme, the Institute did not issue a report on good governance of KICs;
20. Regrets the number of outstanding issues and ongoing corrective measures in response to the Court's comments in 2014, 2015 and 2016 related in particular to funding condition, funding from public, grants and private sources; calls on the Institute to complete the corrective actions as soon as possible and report to the discharge authority on their implementation;
21. Notes with concern that in 2017, two exception reports (estimated in EUR 5 318 720) related to overriding controls or deviations from established processes and procedures and five non-compliance events (estimated in EUR 2 250) were recorded; acknowledges however from the Institute that all events were assessed and corrective measures taken;

#### **Other comments**

22. Notes that the original target set by the Commission for the Institute to obtain financial autonomy was by 2010; acknowledges that the Commission finally granted the Institute full financial autonomy in December 2017, since it achieved compliance with the internal control standards;
23. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(2)</sup> on the performance, financial management and control of the agencies.

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<sup>(2)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1484 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2017, together with the Institute's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0097/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0152/2019),
1. Approves the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2017;
  2. Instructs its President to forward this decision to the interim director of the European Institute of Innovation and Technology, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

*The President*  
Antonio TAJANI

*The Secretary-General*  
Klaus WELLE

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 64.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 64.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 97, 9.4.2008, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1485 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Medicines Agency (EMA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0075/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0135/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 141.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 141

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 136, 30.4.2004, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1486 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0135/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Medicines Agency (‘the Agency’) for the financial year 2017 was EUR 331 266 000, representing an increase of 7,41 % compared to 2016; whereas the Agency is a fee-funded agency, with 86 % of its 2017 revenue stemming from fees paid by the pharmaceutical industry for services provided, and 12 % stemming from the Union budget;
- B. whereas the Court of Auditors (‘the Court’) in its report on the annual accounts of the Agency for the financial year 2017 (‘the Court’s report’), has stated that it has obtained reasonable assurances that the Agency’s annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes that budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 92,92 %, representing a decrease of 3,38 % compared to 2016; notes furthermore that the payment appropriations execution rate was 76,62 %, representing a decrease of 5,73 % compared to 2016;

**Cancellation of carryovers**

2. Regrets that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 4 350 908, representing 10,11 % of the total amount carried-over, showing a notable increase of 5,65 % in comparison to 2016; calls on the Agency to report to the discharge authority on the measures taken to ensure complete use of the appropriations carried-over, in order to avoid substantial resources being de-committed;

**Performance**

3. Acknowledges that the Agency uses several key performance indicators, including a combination of operational, management/governance and communication/stakeholder indicators to measure its workload volumes, its work programme implementation and its stakeholders satisfaction amongst others, in order to assess the added value provided by its activities, and that it furthermore uses budget planning and monitoring methodology to enhance its budget management;
4. Acknowledges that the Agency implemented in November 2017 a new and improved version of the EudraVigilance system, an information system used to report suspected side effects of medicines;
5. 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;
6. Stresses that a number of the Agency’s activities were delayed or postponed due to the United Kingdom’s decision to withdraw from the European Union or external circumstances;
7. Highlights that in 2017, the Agency recommended 110 new medicines for marketing authorisation (92 for human use and 18 for veterinary use), and that those included 42 new active substances (35 for human use and 7 for veterinary use);

<sup>(1)</sup> OJ C 420, 7.12.2017, p. 3.

8. Welcomes the fact that in 2017 the Agency implemented a communication plan strengthening collaboration with national competent authorities, patient-and-consumer, and healthcare-professional organisations;
9. Notes with satisfaction that the Agency cooperates with other Agencies on joint scientific outputs and exchanges support or scientific data; acknowledges furthermore that the Agency has formal working arrangements with its five main Agency partners;
10. Notes that the Agency's management board adopted the multiannual work plan 2018-2020, which supports the implementation of the joint strategy for the European medicines regulatory network and furthermore outlines key initiatives and activities for the coming years;

#### **Staff policy**

11. Notes that, on 31 December 2017, the establishment plan was 97,82 % executed, with 583 temporary agents appointed out of 596 temporary agents authorised under the Union budget (compared with 602 authorised posts in 2016); notes that in addition 147 contract agents and 36 seconded national Experts worked for the Agency in 2017; notes that the staff expenses increased by 10 million euros; asks the Agency to report comprehensively on this expenditure; urges the Agency to not replace permanent staff by more expensive contract agents;
12. Notes that the Agency has adopted the Commission's model decision on the policy on protecting the dignity of the person and preventing harassment; acknowledges that the Agency put in place a system of confidential counsellors following an inter-agency call for expression and appointed a Harassment Prevention Coordinator;
13. Notes with concern that, according to the Agency and to the Court's report, while significant new tasks were assigned to the Agency, the Agency's staff establishment plan was not increased in 2017, leading to a critical dependence on external expertise in affected areas; welcomes that the management board of the Agency was verbally informed by DG SANTE representative that the Agency's request to hire up to 40 time-limited contract agents in 2019 has been accepted; welcomes the measures already taken by the Agency to mitigate the risks involved and calls on the Agency to report to the discharge authority on further decisions taken in order to improve the situation;
14. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office in order to increase publicity; understands the Agency's concerns regarding translation costs;

#### **Procurement**

15. Notes that, according to the Court's report, by the end of 2017 the Agency had not yet introduced all of the tools launched by the Commission aimed at introducing a single solution for the electronic exchange of information with third parties that participate in public procurement procedures (e-procurement); notes that, according to the Agency's reply, it signed a Memorandum of Understanding with the Commission for access to and the use of e-submission; calls on the Agency to introduce all the necessary tools and report to the discharge authority on the progress made in that field;

#### **Prevention and management of conflicts of interests and transparency**

16. Stresses that the Agency's clients - the pharmaceutical industry - pay for the procedure, not for the outcome of the Agency's assessments; understands that according to the Agency it considers its recommendations to be made independently and that they, therefore, do not create conflicts of interest, in respect of which any potential risks are however duly considered, prevented and mitigated;
17. Welcomes the fact that the Agency also requests all IT consultants to sign individual declarations of interest and confidentiality undertaking at the beginning of their assignment;
18. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention, management of conflicts of interest, and whistle-blower protection; notes with concern that in 2017 the Agency received 25 reports on cases of whistleblowing from an external source, 15 cases were closed in 2017 and 10 cases are still ongoing; calls on the Agency to report to the discharge authority on any developments in that regard;

19. Highlights that no breach of trust procedure was initiated for management board members, scientific committee members or experts, and that no cases of conflicts of interests were noted in relation to staff members in 2017;
20. Notes that the Agency meets with external stakeholders and has rules in place to govern its interactions with stakeholders and furthermore that it publishes the minutes of meetings with 'interest representatives' on its website; notes with satisfaction that the Agency developed a framework for stakeholder relation management in consultation with the Commission, which encompassed transparency measures;
21. Notes that, according to the Court's report, there is a need to strengthen the accounting officer's independence by making him directly responsible to the Agency's Executive Director and management board; Notes that, according to the Agency's reply, it is satisfied with the level of independence provided by the current framework, but it will consider, nevertheless, what changes could be introduced; calls on the Agency to report to the discharge authority on the developments in this regard; notes furthermore from the Agency that it launched the re-validation of its accounting systems in March 2018;
22. Welcomes the inquiry that the European Ombudsman opened into the arrangements that the Agency has in place for engaging with medicine producers before they apply for authorisations to market their medicines in the Union and welcomes the fact that all interested parties are invited to put forward their comments on this issue, especially since the Agency's income on fees and charges related to marketing authorisations increased by 14 million euros;
23. Acknowledges from the Agency that pre-submission meetings contribute to the development of medicines; notes that in the light of the pre-submission meetings, the experts of the Committee for Medicinal Products for Human Use (CHMP) perform both the role of consultant and of evaluator of the marketing authorisation applications; calls upon the Agency to at least publish a list of pre-submission activities, once the marketing authorisation has been given;

#### **Internal audit**

24. Notes with concern that the Commission's Internal Audit Service carried out an audit of the Agency's 'Implementation of the pharmacovigilance fees Regulation' <sup>(2)</sup>, which concluded that although the design of the management and the internal control system is adequate, there is a significant weakness, which was recorded as a 'very important' recommendation, regarding the Agency's management of the continuous deficit between income from pharmacovigilance fees and the related costs; notes that the Agency prepared an action plan which includes the ongoing evaluation by the Commission of the current fee and remuneration system; calls on the Agency to report to the discharge authority on the corrective actions taken to address the recommendations;

#### **Other Comments**

25. Notes that the Court issued an emphasis of matter paragraph in relation to the two London-based agencies, concerning the United Kingdom's decision to withdraw from the European Union; notes that the seat of the Agency will move to Amsterdam at the beginning of 2019 and that the Agency's accounts include provisions for related costs amounting to EUR 18 600 000; regrets that the lease agreement for the London based premises sets a rental period until 2039 with no exit clause; deeply regrets that the notes to the accounts disclose an amount of EUR 489 000 000 remaining rent until 2039, of which a maximum amount of EUR 465 000 000 corresponding to the lease period after the Agency's planned move to Amsterdam is disclosed as a contingent liability; urges the Agency and the European Commission to do their utmost to minimise the financial, administrative and operational impact of the unfavourable lease agreement and to report to the discharge authority on the developments in this regard;
26. Notes that the High Court of Justice of England and Wales issued on 20 February 2019 its judgment in the case brought by the Canary Wharf Group against the Agency on the lease of its London premises; regrets that the Court ruled that Brexit and its consequences are not a cause for terminating the contract, despite recognising that Brexit was not foreseeable by the parties when the contract was signed in 2011; observes however that the judgment confirms the possibility for the Agency to sublet or assign the premises in London subject to the landlord's consent; encourages the Agency to explore this possibility in order to find a satisfactory solution before the end of the first semester 2019;

<sup>(2)</sup> Regulation (EU) No 658/2014 of the European Parliament and of the Council of 15 May 2014 on fees payable to the European Medicines Agency for the conduct of pharmacovigilance activities in respect of medicinal products for human use (OJ L 189, 27.6.2014, p. 112).

27. Acknowledges that the Agency established an operations and relocation preparedness task force to ensure that the Agency takes all the necessary steps to maintain the continuity of its business operations following the United Kingdom's withdrawal from the European Union and the Agency's transfer to the Netherlands; notes with satisfaction that in 2017, the Agency took several steps towards the relocation to Amsterdam, including an impact assessment, staff surveys, a dedicated recruitment and selection strategy following the United Kingdom's decision to withdraw from the European Union and preparations for the relocation of the Agency's data centres;
28. Highlights that, according to the Agency, it requires significant resources to be redistributed for relocation tasks and that a shortage of human resources may result in challenges for the Agency to fulfil its core and legislative responsibilities; calls on the Agency to report to the discharge authority on any developments in that regard;
29. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(3)</sup> on the performance, financial management and control of the agencies.

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<sup>(3)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1487 OF THE EUROPEAN PARLIAMENT**  
**of 26 March 2019**  
**on the closure of the accounts of the European Medicines Agency for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0075/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0135/2019),
1. Approves the closure of the accounts of the European Medicines Agency for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 141.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 141.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 136, 30.4.2004, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1488 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2017,
  - 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 2017, together with the Centre's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0071/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0139/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 149.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 149.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 376, 27.12.2006, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1489 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0139/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Monitoring Centre for Drugs and Drug Addiction (the 'Centre') for the financial year 2017 was EUR 15 828 389, representing an increase of 2,64 % compared to 2016; whereas the budget of the Centre derives mainly from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2017 (the 'Court's report'), states that it has obtained reasonable assurances that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with appreciation that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, representing a slight increase of 0,05 % compared to 2016; notes that the payment appropriations execution rate was 94,70 %, representing a decrease of 0,94 % compared to the previous year;

**Cancellation of carry-overs**

2. Notes that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 18 245, representing 3,90 % of the total amount carried forward, showing an increase of 0,15 % compared to 2016;

**Performance**

3. Notes with satisfaction that the Centre measures the achievement of its 68 annual targets with 50 key performance indicators, which are divided into eight strategic objectives, to assess the added value provided by its activities, and to improve its budget management;
4. Acknowledges that the Centre has reached 90 % of the annual targets set for 2017 and that it successfully implemented the first year of its Strategy 2025;
5. Notes with appreciation that the Centre shares synergies with the European Maritime Safety Agency in corporate and support services and the management of common premises in Lisbon; acknowledges that operational synergies have been put in place with other Union agencies in the areas of Justice and Home Affairs and Health;

**Staff policy**

6. Notes that, on 31 December 2017, the establishment plan was 93,51 % executed, with 72 officials or temporary agents appointed out of 77 officials and temporary agents authorised under the Union budget (compared with 79 authorised posts in 2016); notes that in addition, 29 contract agents and 1 seconded national expert worked for the Centre in 2017;
7. Notes that the Centre has general provisions on building and sustaining a working culture based on dignity and respect in place to prevent and fight against harassment; acknowledges that it enables confidential counselling;

<sup>(1)</sup> OJ C 25, 24.1.2018, p. 1.

8. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office in order to increase publicity; notes that, according to the Centre's reply, it is committed to assessing the cost-benefit of this action and in addition plans to publish all future vacancies in the inter-agency job board developed by the EU Agencies Network;

#### **Procurement**

9. Notes with appreciation that the Centre put in place a procurement plan which was successfully executed in close collaboration with all units;
10. Notes that, according to the Court's report, by the end of 2017 the Centre was not yet using any of the tools launched by the Commission aimed at introducing a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes that, according to the Centre's reply, the Centre has set up the tools required for 'e-invoicing' and has planned the preparatory operations required to be able to use 'e-tendering' and 'e-submission' from October 2018 as required by the relevant legal framework; calls on the Centre to report to the discharge authority on the progress made;

#### **Prevention and management of conflicts of interest, and transparency**

11. Notes that, according to the Court's report, there is a need to strengthen the accounting officer's independence by making him directly responsible to the Centre's Director and management board; notes that, according to the Centre's reply, in its view the current organisational setting has not affected the independence of the accounting officers; notes furthermore that the Centre is however ready to follow up on the recommendation of the Court;

#### **Internal controls**

12. Notes that the Commission's Internal Audit Service (IAS) outlined the importance of undertaking an analysis of the needs of data collection, validation and quality assurance processes and to review its data quality management framework and its alignment with the Centre's Strategy 2025; observes that the Centre adopted an action plan to address these recommendations in December 2017; calls on the Centre to report to the discharge authority on the developments made in this regard;
13. Notes with regret that one of the recommendations, graded as 'important', included in the 2013 IAS audit on 'Budget and Monitoring' is still not fully implemented; notes with concern that, according to the Court's report, several recommendations included in the 2015 IAS audit on IT project management are only partly implemented and still ongoing; calls on the Centre to report to the discharge authority on the implementation of these recommendations;
14. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(?)</sup> on the performance, financial management and control of the agencies.

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<sup>(?)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1490 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction  
for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2017,
  - 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 2017, together with the Centre's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0071/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0139/2019),
1. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 149.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 149.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 376, 27.12.2006, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1491 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Maritime Safety Agency (EMSA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0078/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0130/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 75.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 75.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 208, 5.8.2002, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1492 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0130/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Maritime Safety Agency (‘the Agency’) for the financial year 2017 was EUR 86 276 654,33 representing an increase of 22,87 % compared to 2016; whereas the increase was mainly related to the enhanced mandate of the Agency; whereas the Agency’s budget derives entirely from the Union budget;
- B. whereas the Court of Auditors (‘the Court’), in its report on the annual accounts of the European Maritime Safety Agency for the financial year 2017 (‘the Court’s report’), has stated that it has obtained reasonable assurances that the Agency’s annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 98,04 %, representing a slight decrease of 0,03 % compared to 2016 and a payment appropriations execution rate of 96,25 %, representing a decrease of 1,55 %;

**Cancellation of carryovers**

2. Deeply regrets the high level of cancellations of carryovers from 2016 to 2017 amounting to EUR 792 182 and representing 23,30 % of the total amount carried over, showing a considerable increase of 12,12 % in comparison to 2016;

**Performance**

3. Notes with satisfaction that the Agency uses a number of specific Key Performance Indicators (KPIs) to measure the implementation of its annual work programme and that the evaluation of the Agency represents the main instrument to assess the added value provided by its activities; acknowledges the Agency’s constructive approach, giving emphasis to both multi-annual and annual strategic objectives and to the proper evaluation of the achievement of these objectives; notes that the Agency uses only the budgetary execution rate as the main KPI to improve its budget management;
4. Notes with satisfaction that the Agency succeeded in the operations related to the extension of its mandate and that its quality system for visits and inspections were consolidated;
5. Notes that the high quality of information systems and databases developed by the Agency have resulted in an increasing interest expressed by third countries in exploring the potential for exporting the Agency’s knowledge and, by extension, Union standards and solutions beyond the geographical dimension while safeguarding Agency resources and Union interests;
6. Notes with satisfaction that the Agency shares synergies with the European Monitoring Centre for Drugs and Drug Addiction in corporate and support services and the management of common premises in Lisbon; notes with satisfaction that the Agency cooperates with the European Fisheries Control Agency and the European Border and Coast Guard Agency for what concerns the European coastguard function;

<sup>(1)</sup> OJ C 108, 22.3.2018, p. 225.

7. Welcomes the fact that the Agency is looking for synergies of actions with other Union agencies in order to gain in effectiveness and efficiency and to reduce costs; welcomes and encourages in this framework the Agency's collaboration with other Union Agencies in support of the EU Migration Agenda, such as the provision, by the Agency, of an increasing number of services to Frontex; encourages the Agency to cooperate with other Union Agencies in addressing the refugee crisis, including in the performance of critically important activities outside its original mandate, such as by contributing know-how, operational support and staff to help to tackle the refugee crisis;
8. Regrets that delays in the Remote Piloted Aircraft Services (RPAS) operations resulted in a budget amendment which included a reduction of Union subsidy corresponding to the amount not used in 2017 and that related to the European cooperation on coast guard functions; welcomes however the Agency's efforts, through these projects, to deliver operational services, analysis, expertise, and technical support to the Commission, the Member States and users in the maritime sector; encourages therefore the Agency to intensify its efforts to overcome organisational, technical, legal and contractual problems linked to the deployment RPAS operations;
9. Calls on the Agency to take maximum advantage of the potential uses of the RPAS; highlights that the RPAS is multi-purpose in nature and can be used for a range of activities which include vessels and people in distress, the monitoring and detection of marine pollution including oil spills and litter, as well as the general identification and tracking of vessels of all sizes and their activities including identifying potentially illegal activities (e.g. illegal fishing, drug trafficking, illegal migration, etc.);
10. 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;
11. Notes that the independent external evaluation on the implementation of the Agency's Founding Regulation took place in 2017; notes with satisfaction that the outcome was positive, concluding that 'overall EMSA is providing added value in all its areas and for all its stakeholders';

### **Staff policy**

12. Notes that, on 31 December 2017, the establishment plan was 98,58 % executed, with 205 temporary agents appointed out of 212 temporary agents authorised under the Union budget (compared with 202 authorised posts in 2016); notes that in addition, 44 contract agents and 19 seconded national experts have been working for the Office in 2017;
13. Regrets the gender imbalance within the Agency's Administrative board members, with 46 out of 56 being male, 10 being female; takes note from the Agency that the nomination of the Agency's Administrative Board falls under the remit of the Commission and the Member States; asks in this regard the Commission and the Member States to take into account the importance of ensuring gender balance when presenting their nominations for members of the Board;
14. Notes that the Agency has adopted the Commission's model decision on the policy on protecting the dignity of the person and preventing harassment, and that confidential counsellors are appointed and trained;
15. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office in order to increase publicity; understands the Agency's reply concerning the high translation costs triggered by such publication;

### **Procurement**

16. Notes from the Court's report that by the end of 2017 the Agency was not yet using all of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes from the Agency's reply that the Agency introduced the e-procurement modules from the beginning of 2018;

17. Notes with concern from the Court's report that the Agency did not systematically check prices and uplifts charged with the suppliers' quotes and invoices issued to the framework contractor for the acquisition of software licences; notes from the Agency's reply that it will remind the Project Officers to consistently check these prices and will request the Contracting Authority to ask the contractor to provide information about the prices; calls on the Agency to report to the discharge authority on any development on this issue;

#### **Prevention and management of conflicts of interests and transparency**

18. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests and whistleblower protection; notes with satisfaction that the Agency implements its fraud prevention and detection strategy and that a number of specific actions continue to be implemented, including training courses on Ethics and Integrity;
19. Notes that no cases of conflict of interest were reported in 2017; welcomes the strong internal controls aiming to make all staff aware of the obligations related to the declarations of absence of conflict of interest;

#### **Internal controls**

20. Takes note that the Commission's Internal Audit Service (IAS) audited the Project-Financed Actions (PFAs) of the Agency, concluding that the management and control systems designed for this subject are adequately designed and effectively and efficiently implemented; points out with some concern that the IAS issued three recommendations, from which the Agency only accepted one, despite of the fact that the two rejected recommendations were categorised as 'Very Important'; takes note of the Agency's justification for the rejection, requesting the Commission to develop horizontal guidance on PFAs and the calculation of agencies' costs relating to PFAs;
21. Notes that the IAS audited the Agency's Human Resources management and control systems, concluding that they are adequate and able to support the Agency in achieving its strategic objectives; notes that the IAS issued three recommendations categorised as 'Important' and two as 'Desirable', that the Agency accepted and for which it has developed an action plan to address the needs for improvement; calls on the Agency to report to the discharge authority on the evolution of the measures taken;
22. Notes that, in accordance with the Risk management Policy, the risk register was updated in 2017, and that this update did not result in any critical risks that could lead to a formal reservation to the Authorising Officer's annual declaration of assurance; notes further that none of the risks previously identified materialised in 2017;

#### **Other comments**

23. Notes the Agency's preliminary efforts to ensure a cost-effective and environment-friendly working place; points out, however, that the Agency does not have any additional measures in place to reduce or offset CO<sub>2</sub> emissions;
24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(?)</sup> on the performance, financial management and control of the agencies.

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<sup>(?)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1493 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Maritime Safety Agency for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0078/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0130/2019),
1. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 75.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 75.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 208, 5.8.2002, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1494 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security (ENISA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Network and Information Security for the financial year 2017,
  - 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 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0082/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 526/2013 of the European Parliament and of the Council of 21 May 2013 concerning the European Union Agency for Network and Information Security (ENISA) and repealing Regulation (EC) No 460/2004 <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0129/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 79.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 79

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 165, 18.6.2013, p. 41.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1495 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0129/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Union Agency for Network and Information Security (the 'Agency') for the financial year 2017 was EUR 11 175 224,40, representing an increase of 1,28 % compared to 2016; whereas the budget of the Agency derives mainly from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2017 (the 'Court's report'), has stated that it obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with appreciation that budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99,99 %, representing an increase of 1,52 % compared to 2016; notes that the payment appropriations execution rate was 88,19 %, representing a slight decrease of 0,99 % compared to 2016;

**Cancellation of carryovers**

2. Notes with concern that the cancellations of carryovers from 2016 to 2017 amounted to EUR 90 916, representing 9,39 % of the total amount carried forward, showing an increase of 3,67 % in comparison to 2016;

**Performance**

3. Notes with satisfaction that the Agency uses certain key performance indicators (KPIs) to assess the added value provided by its activities and to enhance its budget management, focusing more qualitative indicators for the assessment of the achievement of its operational goals and more quantitative indicators for its administrative goals; notes, furthermore, that impact indicators show that the Agency's results exceeded the targets established in the Work Programme 2017, against the framework of the ENISA Strategy 2016–2020; invites the Agency to further develop the KPIs to better assess the outcome and impact of its activities, in order to gain advise on how to provide more added value for the Agency's outputs;
4. Notes with appreciation that, in 2017, the Agency started the process of helping Member States to implement Directive (EU) 2016/1148 <sup>(2)</sup> and that it compiled a data breach severity assessment tool, in collaboration with several Member States' authorities, in order to set up a coherent framework at Union level;
5. Notes in addition that in 2017 ENISA received the EU Ombudsman Award for Good Administration for Excellence in Innovation – Transformation;
6. Notes with appreciation that the Agency and the European Centre for the Development of Vocational Training signed a service-level agreement which enables them to share conference facilities and storage space among other synergies;
7. Notes that a study on the external evaluation of the Agency's performance over the 2013 to 2016 period was carried out on behalf of the Commission in 2017; calls on the Agency to report to the discharge authority on the outcome of this study and the respective actions taken to in order to address any recommendations made;

<sup>(1)</sup> OJ C 116/05, 28.3.2018, p. 20.

<sup>(2)</sup> Directive (EU) 2016/1148 of the European Parliament and of the Council of 6 July 2016 concerning measures for a high common level of security of network and information systems across the Union (OJ L 194, 19.7.2016, p. 1).

**Staff policy**

8. Notes with concern that, on 31 December 2017, the establishment plan was only 87,5 % executed, with 42 temporary agents appointed out of 48 temporary agents authorised under the Union budget (compared with 48 authorised posts in 2016); notes that, in addition, 29 contract agents and three seconded national experts worked for the Agency in 2017;
9. Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment; acknowledges that it organised training sessions and enabled confidential counselling;
10. Notes from the Court's report that in 2016, the Agency moved eight additional staff to Athens, reducing the number of staff in Heraklion to 14; notes that according to the Agency, at the end 2017, that number was further reduced to 11 staff members; highlights the fact that in accordance with the Court's 2013 Report, it is likely that costs could be further reduced if all staff were centralised in one location; calls on the Agency to report to the discharge authority on any possible measures to address the situation;
11. Notes with concern that the Agency finds it difficult to recruit, attract and hold suitably qualified staff, mainly due to the types of post that are being offered (contract agents posts) and the low correction coefficient factor which applies to the salaries of the Agency's employees in Greece;
12. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office in order to increase publicity; understands the concern of the Agency for what concerns translation costs;
13. Regrets that, as pointed out by the Court, the hand-over process to the new accounting officer of the Agency was improperly carried out, in particular there was no hand-over report transmitted to the new accountant; notes from the Agency's reply that informal meetings took place in order to transfer knowledge and that the Agency will implement corrective actions to ensure adequate hand-over to new staff in the future; calls on the Agency to report to the discharge authority on the implementation of the corrective actions;

**Prevention and management of conflicts of interests and transparency**

14. Notes the Agency's existing measures on and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistleblower protection; points out with concern, however, that only the CVs of the executive director and the Chair of the management board (MB) are published on its website, and furthermore, that the Agency publishes only the executive director's declaration of conflicts of interests on its website, but not of the other senior management members; calls on the Agency to publish the CVs of all the members of the MB and the declarations of conflicts of interests of its senior management and to report to the discharge authority on the measures taken in this regard;

**Other comments**

15. Notes with concern that, unlike most other agencies, the Agency did not carry out a comprehensive analysis of the likely impact of the United Kingdom's decision to withdraw from the European Union on its organisation, operations and accounts; notes from the Agency's reply that it has revised some of its relevant internal processes in that regard; calls on the Agency to report to the discharge authority on the measures taken in order to mitigate any risks involved;
16. Notes the Agency's moderate efforts to ensure a cost-effective and environment-friendly working place; points out that the Agency does not have any additional measures in place to reduce or offset CO<sub>2</sub> emissions;
17. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(?)</sup> on the performance, financial management and control of the agencies.

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<sup>(?)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1496 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Union Agency for Network and Information Security for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Network and Information Security for the financial year 2017,
  - 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 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0082/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 526/2013 of the European Parliament and of the Council of 21 May 2013 concerning the European Union Agency for Network and Information Security (ENISA) and repealing Regulation (EC) No 460/2004 <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0129/2019),
1. Approves the closure of the accounts of the European Union Agency for Network and Information Security for the financial year 2017;
  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

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<sup>(1)</sup> OJ C 434, 30.11.2018, p. 79.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 79.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 165, 18.6.2013, p. 41.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1497 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Railway Agency  
(now European Union Agency for Railways) (ERA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency (now European Union Agency for Railways) for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Railways for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0083/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 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 (Agency Regulation) <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 <sup>(7)</sup>, 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 (A8-0158/2019),
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 2017;
  2. Sets out its observations in the resolution below;

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 83.<sup>(2)</sup> OJ C 434, 30.11.2018, p. 83.<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.<sup>(5)</sup> OJ L 164, 30.4.2004, p. 1.<sup>(6)</sup> OJ L 138, 26.5.2016, p. 1.<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European 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

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**RESOLUTION (EU) 2019/1498 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Railway Agency (now European Union Agency for Railways) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Railway Agency (now European Union Agency for Railways) for the financial year 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0158/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Union Agency for Railways (the Agency) for the financial year 2017 was EUR 30 732 000, representing an increase of 11,57 % compared to 2016; whereas the budget of the Agency derives mainly from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Railway Agency for the financial year 2017 (the Court's report), states that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with appreciation that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99,99 %, representing an increase of 0,79 % compared to 2016; notes that the payment appropriations execution rate was 87,30 %, representing a decrease of 4,27 % compared to 2016;
2. Notes that, in accordance with the provisions of the Agency's new founding Regulation that entered into force in June 2016, the Agency is authorised to charge fees for some of its new competences; notes that a charging regime for issuing certificates, authorisations and approvals was introduced, with the aim of being fully operational in 2019 and the requirement of implementing a new resources system and internal procedures within the Agency to ensure statutory and fee-based tasks are identified and tracked; calls on the Agency to report to the discharge authority on the implementation of this new system;

**Cancellation of carry-overs**

3. Notes that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 69 473, representing 3,40 % of the total amount carried over, showing a decrease of 1,12 % in comparison to 2016;

**Performance**

4. Notes with satisfaction that the Agency uses an extensive set of 24 Railway Indicators across four operational activities as Key Performance Indicators to assess the added value provided by its activities and other indicators to improve its budget management;
5. Highlights the Agency's role in ensuring the safety and interoperability of the European rail system and improving competitiveness of rail with other modes of transport, by reducing administrative and technical barriers, encouraging market entry and ensuring non-discrimination, spending public money more efficiently on public rail transport services and through better governance of the infrastructure; supports the Commission's vision of a European railway system that leads the world on safety performance;
6. Welcomes the Agency's role in the follow-up of the development, testing and implementation of European Railway Traffic Management System (ERTMS), as well as in evaluating the specific ERTMS projects; notes also that the 4th Railway Package comprises a technical pillar that enhances the role of Agency by introducing new tasks to ensure a uniform implementation of the EU framework; stresses that, as the Agency receives greater responsibilities, it will need to be given the necessary financial, material and human resources to perform its new and additional tasks effectively and efficiently;

<sup>(1)</sup> OJ C 84, 17.3.2017, p. 96.

7. 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;
8. Acknowledges that the Agency met its target of 95 % achievement of timely delivery of issuing reports, advice and opinions; points out that the Agency did not achieve the goal of 90 % achievement of all outputs using financial and human resource planning, with only 67 % categorised as fully achieved and 18 % as partially achieved;
9. Welcomes the Agency's cooperation with the European Securities and Markets Authority, sharing accountancy services and having participated in a joint call for tenders;
10. 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;
11. Welcomes the certification, under ISO 9001, of the Agency's Integrated Management System (IMS), which is an independent acknowledgement of the continuous improvement of the Agency's performance;

### **Staff policy**

12. Notes that, on 31 December 2017, the establishment plan was 92,09 % executed, with 128 temporary agents appointed out of 139 temporary agents authorised under the Union budget (compared with 135 authorised posts in 2016); notes that in addition 34 contract agents and 2 seconded national experts worked for the Agency in 2017;
13. Notes that the results of the annual benchmarking exercise regarding the staff are similar to those of 2016 with 18 % of the staff assigned to administrative tasks, 69,5 % assigned to operational task, i.e. a slight decrease (0,5 %) compared to 2016 (from 65 % to 70 %), while the staff assigned to control and financial tasks remained around 12 %;
14. Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment, that it provides awareness raising sessions for its staff and managers and that confidential counsellors are promoted; points out the relatively high number of alleged harassment cases in the Agency in 2017, with 12 reported but none investigated; urges the Agency to report to the discharge authority on the measures taken in order to address this issue;
15. Calls on the Agency to take into consideration and undertake all necessary actions concerning the recommendations of the Internal Audit Service for 2017 on Human Resources and competency management; welcomes the adoption of the Agency's code of good administrative behaviour in January 2018, containing in particular all measures preventing conflicts of interest;

### **Procurement**

16. Notes with concern that 29 exceptions and 7 non-compliance events were registered in 2017, which represents an increase in comparison to 2016; acknowledges that the Agency identified the main areas of concern in this regard; calls on the Agency to report to the discharge authority on the measures taken to decrease their occurrences in the future;
17. Notes that, according to the Court's report, for one audited payment, the Agency purchased IT services, through the contractor, without any competitive procedure or prior market research; takes note of the Agency's reply that the contract was used according to the contractual provisions;

### **Prevention and management of conflicts of interest and transparency**

18. Notes that the Agency has published the declarations of conflicts of interest and the CVs of its management board members on their website; regrets that the Agency expects its senior management staff to complete and sign a declaration of conflicts of interest only when they are involved in an evaluation committee; calls on the Agency to report to the discharge authority on any development made in order to address this issue;

19. Notes that, according to the Agency, it continued to implement the action plan defined in the Agency's Antifraud Strategy; notes that one case of suspicion of fraud was transmitted by the Agency to the European Anti-Fraud Office for investigation and that it formally decided to open an investigation; urges the Agency to report to the discharge authority on the outcome of this investigation;
20. Regrets that the Agency had still not set up rules on whistleblowing but that they were to be adopted by the end of 2018; asks the Agency to report to the discharge authority when its whistleblowing rules have been established and implemented;

#### **Internal controls**

21. Notes that in the light of the preliminary results of the assessment of the compliance and effectiveness of the internal control against the ERA management standards, it can be considered that the Agency's control system as a whole works as intended and adequately mitigates the main risks to the achievement of the Agency's objectives;
22. Supports the Court's view that the principle of segregation of duties between the Authorising Officer and the Accounting Officer implies that both functions are mutually exclusive; trusts the Agency that this concern will be tackled by its undergoing re-organisation; calls on the Agency to report to the discharge authority on the measures taken to respond to this observation;

#### **Other comments**

23. Notes that by the end of the transitional period (16 June 2019), the Agency will transform from a mere policy preparation and dissemination role into an authority working directly for the industry as regards authorisations for safety certifications and rolling stock; encourages the Agency management to continue its focus on the preparation of the new tasks under the Fourth Railway Package technical pillar, recommending to put high priority on human resource management; notes the progress regarding preparatory decisions for the adoption of a framework for auditing Notified Bodies and the One-Stop-Shop and the policy on monitoring the performance and decision making of National Safety Authorities; calls on the Agency to report to the discharge authority on the steps taken for this move to be successful and deliver benefits in terms of reduced costs;
24. Deplores that numerous contacts with French authorities have not resulted in the signature of the Agency's headquarter agreement according to Article 71 of the Agency Regulation; regrets further that the Management Board has been unable in 2017 to unanimously adopt implementing rules for the language arrangements for the Agency, leading to extra costs and delays, e.g. during recruitment; deplores that the agency continues to operate in two locations; calls for the agency to relocate all activities to its headquarters and operate only from that site;
25. Acknowledges from the Agency that, regarding the United Kingdom's decision to withdraw from the European Union and its potential effect on the Agency's staff, intensive exchange with the UK rail sector has confirmed their interest in staying in the 'European System';
26. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(?)</sup> on the performance, financial management and control of the agencies.

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<sup>(?)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1499 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Railway Agency (now European Union Agency for Railways) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency (now European Union Agency for Railways) for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Railways for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0083/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 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 (Agency Regulation) <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 <sup>(7)</sup>, 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 (A8-0158/2019),
1. Approves the closure of the accounts of the European Union Agency for Railways for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 83.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 83.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 164, 30.4.2004, p. 1.

<sup>(6)</sup> OJ L 138, 26.5.2016, p. 1.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1500 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Securities and Markets Authority (ESMA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2017, together with the Authority's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0094/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0141/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 87.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 87.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 331, 15.12.2010, p. 84.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1501 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0141/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Securities and Markets Authority (the 'Authority') for the financial year 2017 was EUR 42 076 719, representing an increase of 6,37 % compared to 2016; whereas the Authority is financed by a contribution from the Union (EUR 11 019 552, 26,19 %), contributions from national supervisory authorities of the Member States (EUR 18 584 866, 44,17 %) and fees received from supervised entities (EUR 11 831 781, 28,12 %);
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Authority for the financial year 2017 (the 'Court's report'), has stated that it has obtained reasonable assurances that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with appreciation that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, representing an increase of 0,03 % compared to 2016; notes that the payment appropriations execution rate was at 89,76 %, representing an increase of 2,47 % compared to the previous year;

**Cancellation of carry-overs**

2. Notes that the cancellation of carry-overs from 2016 to 2017 amounted to EUR 164 310, representing 3,51 % of the total amount carried over, and a decrease of 3,65 % in comparison to 2016;

**Performance**

3. Acknowledges that the Authority uses certain measures as key performance indicators to assess the added value provided by its activities and to improve its budget management;
4. Notes that the Authority completed 90 % of the activities included in its annual work programme;
5. Highlights the role of the Authority in facilitating and promoting the coordination between national supervisory authorities and, where appropriate, with institutions responsible for international supervision;
6. Acknowledges that the Authority's task is to improve the functioning of the EU internal financial markets by ensuring a high, effective and consistent level of regulation and supervision, to promote the integrity and stability of the financial systems and to strengthen international supervisory coordination in order to ensure the stability and effectiveness of the financial system;
7. Stresses that, while making sure that all assignments are carried out in full and within deadline, the Authority should fulfil the tasks and the mandate assigned to it by the European Parliament and the Council and should stay within the mandate of those assignments; calls on the Authority to ensure a proper follow-up and implementation of the Court's recommendations;

<sup>(1)</sup> OJ C 154, 2.5.2018, p. 3.

8. Stresses that the Authority should pay particular attention to the principle of proportionality in carrying out its mandate; underlines that, in particular when formulating Level 2 and Level 3 measures, attention should be devoted to specific features of national financial markets;
9. Notes that, as the Authority's workload is increasingly shifting from regulatory tasks to enforcing and applying the Union law, the Authority's budgetary and personnel resources should be reallocated; stresses, in this respect, the need to ensure an appropriate level of prioritisation as regards resource allocation;
10. Believes that any potential increase in the Authority's means must be accompanied by adequate rationalisation measures;
11. Requests the European Securities and Markets Authority and the European Banking Authority ('EBA') to conduct an inquiry into dividend arbitrage trading schemes such as cum-ex in order to assess potential threats to the integrity of financial markets and to national budgets; to establish the nature and magnitude of actors in these schemes; to assess whether there were breaches of either national or Union law; to assess the actions taken by financial supervisors in Member States; and to make appropriate recommendations for reform and for action to the competent authorities concerned;
12. Stresses the need to allocate sufficient resources, to address existing anti-money laundering competences and to ensure a swift exchange with EBA regarding money laundering and countering the financing of terrorism; asks the Authority to develop common guidance in exchange with EBA and the European Insurance and Occupational Pensions Authority ('EIOPA') on how to integrate AML/CFT risks in prudential supervision;
13. Welcomes the fact that the Authority, along with EBA and EIOPA, forms part of the Joint Committee which aims to ensure cross-sector consistency and joint positions in the area of supervision of financial conglomerates and on other cross-sector issues, and that it shares an accounting officer with the European Union Agency for Railways;
14. Notes that an external evaluation of the three European Supervisory Authorities was carried out in 2017; calls on the Authority to report to the discharge authority on the measures taken (by the Authority) to address the shortcomings identified by the external evaluation;

#### **Staff policy**

15. Notes that, on 31 December 2017, the establishment plan was 97,33 % executed, with 146 temporary agents appointed out of 150 temporary agents authorised under the Union budget (compared with 140 authorised posts in 2016); notes that in addition 55 contract agents and 23 seconded national experts worked for the Authority in 2017;
16. Notes that the staff turnover rate of the Authority was 6,5 %, meeting the Authority's target of less than 10 % and implying a decrease of 1,50 % in comparison to the previous year;
17. Welcomes the suggestion of the Court to publish vacancy notices on the website of the European Personnel Selection Office in order to increase publicity; understands the Authority's reply concerning the high translation costs triggered by such publication;
18. Notes that the Authority has adopted a policy on protecting the dignity of the person and preventing harassment;

#### **Procurement**

19. Observes with satisfaction that the Authority successfully led an inter-EU Agency open tender procurement procedure for language e-learning, making an online learning platform for European languages available to staff; notes that thirty EU Agencies joined that procedure;

#### **Prevention and management of conflicts of interests and transparency**

20. Acknowledges the measures the Authority already has in place and its ongoing efforts to secure transparency, to prevent and manage conflicts of interests, and to protect whistleblowers; furthermore, welcomes the fact that the Authority publishes a register of staff meetings with external stakeholders;
21. Welcomes in the context of the Authority's oversight function with regards to AML and CFT the adoption of guidelines on whistleblowing and stresses the need for national supervisory authorities to adopt similar policies;

22. Notes that 28 % of the Authority's budget came from fees charged to the entities it supervises; notes with satisfaction that measures have been implemented in order to mitigate any conflicts of interests, and that those structures and processes have been audited; calls on the Authority to continue reporting to the discharge authority on its measures to ensure that no conflict of interest occurs; furthermore, notes that the Authority believes that if the Commission collected the fees, inefficiencies would arise as the Authority already has the appropriate fee-setting and collection structures and processes in place, and the Authority considers that the procedure requires specific expertise due to its dynamic and technical nature;
23. Considers that, while carrying out its work and in particular when drafting implementing measures, the Authority needs to regularly and comprehensively inform the European Parliament and Council about its activities; stresses that it is essential for the Authority, in view of the nature of its assignments, to exhibit transparency, not only to the European Parliament and the Council, but to the Union citizens as well;

#### **Internal Controls**

24. Notes that the Commission's Internal Audit Service (IAS) performed an audit on Peer Reviews of National Competent Authorities, concluding that the processes are generally adequate, efficient and effective; notes that the IAS made four recommendations, none of which were considered as critical or very important; calls on the Authority to report to the discharge authority on the measures taken to address those recommendations;

#### **Other comments**

25. Notes that, according to the Court's report, the United Kingdom's decision to withdraw from the European Union might affect the Authority's activities since the most significant supervised entities are currently located there; notes that a future decrease of the Authority's revenue resulting from the United Kingdom's decision to withdraw from the European Union is possible; calls on the Authority to remain aware of the situation in hand, prepare to mitigate any risks that may occur, and report to the discharge authority on any developments in that regard;
26. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(?)</sup> on the performance, financial management and control of the agencies.

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<sup>(?)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1502 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Securities and Markets Authority for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2017, together with the Authority's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0094/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0141/2019),
1. Approves the closure of the accounts of the European Securities and Markets Authority for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 87.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 87.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 331, 15.12.2010, p. 84.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1503 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Training Foundation (ETF) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2017, together with the Foundation's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0077/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0131/2019),
1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 184.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 184.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 354, 31.12.2008, p. 82.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1504 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0131/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Training Foundation (the 'Foundation') for the financial year 2017 was EUR 20 144 089, representing a decrease of 3,62 % compared to 2016; whereas the budget of the Foundation derives almost entirely from the Union budget;
- B. whereas the Court of Auditors, in its report on the Foundation's annual accounts for the financial year 2017 (the 'Court's report'), has stated that it obtained reasonable assurances that the Foundation's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2017 resulted in a high budget implementation rate of 99,93 %, representing a slight decrease of 0,06 % compared to 2016; takes note that the payment appropriations execution rate was 97,97 %, representing an increase of 0,31 % compared to the previous year;

**Cancellation of carryovers**

2. Notes with concern that the Foundation's level of cancellations of carry-overs from 2016 to 2017 amounted to at EUR 42 925, still representing 9,16 % of the total amount carried over, despite of a significant decrease of 8,42 % in comparison to 2016;

**Performance**

3. Notes with satisfaction that the Foundation uses certain key performance indicators (KPIs) in addition to other productivity and quality indicators, to assess the added value provided by its activities and to improve its budget management;
4. Welcomes the Foundation's support and complementarity to the external policies, notably the Enlargement and Neighbourhood Policies, and the foreign policy instruments of the Union; welcomes the Foundation's inputs to bilateral external assistance related to policy dialogue and Union reporting processes; acknowledges its willingness to be better involved in Vocational Education and Training (VET) issues contained in Union aid granted to third countries and encourages the Foundation's availability to support Union aid to strengthen VET reform globally;
5. Acknowledges the work of the Foundation to support the Union partner countries to harness their human capital through the reform of education, training and labour market systems in the context of the Union's external relations policy; welcomes the Foundation's activities regarding the development of skills and the facilitation of lifelong learning to support partner countries to improve the employability and employment prospects of their citizens;

<sup>(1)</sup> OJ C 84, 17.3.2017, p. 28.

6. Welcomes support from the Foundation to the Union candidate countries in areas such as work-based learning, continuing professional development of VET teachers and entrepreneurial learning; supports the Foundation's efforts in the Western Balkans aiming to modernise qualifications and qualifications systems; acknowledges the progress achieved with the development and implementation of national qualification frameworks at different levels as well as the validation of informal and non-formal learning (VINFIL); welcomes the Foundation's report on 'Tracking vocational graduates in the EU candidate countries'; encourages further the Foundation's work in the countries of the Eastern Partnership in both regional and country specific activities linked to enhance the quality of vocational schools, equipment and delivery;
7. Welcomes the activities and the support carried out in Central Asia with regard to monitoring Union technical assistance and budget support in these countries and on promoting regional cooperation aligned with the Central Asia Education Platform (CAEP); supports the continuous engagement of Central Asia in a system-wide policy analysis and monitoring progress exercise in VET through the Torino Process.
8. Notes that the Foundation achieved a 93 % activity completion rate with a timely completion rate of 88 %, that it launched the forum for quality in vocational education and training (VET) and that it could succeed in reaching its targets for 13 out of 14 KPIs;
9. Welcomes the Foundation's agreements and annual action plans on cooperation in areas of policy overlap with the European Foundation for the Improvements of Living and Working Conditions and with the European Centre for the Development of Vocational Training; appreciates that the Foundation became the leader of the inter-Agency contract for the provision of benchmarked staff engagement surveys;

#### **Staff policy**

10. Notes that on 31 December 2017, the establishment plan was 96,6 % executed, with 85 temporary agents appointed out of 88 temporary agents authorised under the Union budget (compared with 90 authorised posts in 2016); notes that in addition, 40 contract agents and one seconded national expert worked for the Foundation in 2017;
11. Stresses the importance of ensuring adequate staff and financial resources allowing the Foundation to implement its tasks;
12. Notes that the Foundation has several anti-harassment measures in place and that all newcomers attend an information session presented by confidential counsellors;

#### **Prevention and management of conflicts of interests and transparency**

13. Notes the Foundation's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistle-blower protection; notes that an independent disclosure, advice and referral body for whistle-blowers was established by appointing the Foundation's legal advisor as the Foundation's ethics and integrity correspondent; notes that the role of the European Anti-Fraud Office Correspondent and Ombudsman Correspondent was combined with the role of Ethics and Integrity Correspondent in order to have one central channel through which staff can report wrongdoing while ensuring independence and confidentiality;
14. Welcomes the fact that the Foundation launched an obligatory on-line anti-fraud awareness exercise among its existing staff, as well as among its new staff in the form of an obligatory induction exercise;

#### **Internal controls**

15. Notes that the Foundation revised its internal control framework in 2017 and that the Governing Board adopted the Internal Control Principles; acknowledges the fact that the assessment was based on the 16 internal control standards (ICS) in place and as a result, 10 out of 16 ICS were assessed as needing solely 'slight improvements', whereas none of the ICS were neither perceived as needing 'significant improvements' nor as having 'no system in place'; calls on the Foundation to report to the discharge authority on the measures taken in order to improve the situation;
16. Notes that the Commission's internal audit service (IAS) carried out an audit on progress monitoring in VET and that the audit resulted in four recommendations with three of them being referred to as 'important' and one of them as 'desirable'; notes that the Foundation has therefore developed an action plan that was due to be implemented in 2018; acknowledges the fact that the Foundation has no outstanding open audit recommendation issued by the IAS prior to 2017;

**Other comments**

17. Welcomes that the Foundation considers that the concerns related to the premises in Villa Gualino have been overcome and their presence in the current facilities is secure for the foreseeable future;
  18. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(2)</sup> on the performance, financial management and control of the agencies.
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<sup>(2)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1505 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Training Foundation for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2017, together with the Foundation's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0077/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0131/2019),
1. Approves the closure of the accounts of the European Training Foundation for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 184.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 184.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 354, 31.12.2008, p. 82.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1506 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****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 (now European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice) for the financial year 2017**

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 2017,
  - 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 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0099/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 1077/2011 of the European Parliament and of the Council of 25 October 2011 establishing a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice <sup>(5)</sup>, and in particular Article 33 thereof,
  - having regard to Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), and amending Regulation (EC) No 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) No 1077/2011 <sup>(6)</sup>, and in particular Article 47 thereof,
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, 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 (A8-0145/2019),
1. Grants the Executive Director of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice discharge in respect of the implementation of the Agency's budget for the financial year 2017;

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 153.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 153.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 286, 1.11.2011, p. 1.

<sup>(6)</sup> OJ L 295, 21.11.2018, p. 99.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

2. Sets out its observations in the resolution below;
3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for 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

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**RESOLUTION (EU) 2019/1507 OF THE EUROPEAN PARLIAMENT****of 26 March 2019**

**with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (now European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice) for the financial year 2017**

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 (now European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice) for the financial year 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0145/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, 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 2017 was EUR 155 801 818, representing a significant increase of 89,38 % compared with 2016; whereas the increase was related to the additional tasks of the Agency under Regulation (EU) 2018/1726 of the European Parliament and of the Council <sup>(2)</sup> that came into force on 11 December 2018; whereas the budget of the Agency derives mainly from the Union budget;
- B. whereas the Court of Auditors (the ‘Court’), in its report on the annual accounts of the Agency for the financial year 2017 (‘the Court’s report’), states that it has obtained reasonable assurances that the Agency’s annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with appreciation that budget-monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, representing an increase of 2,1 % compared with 2016; notes furthermore that the payment appropriations execution rate was 91,53 %, representing an increase of 0,68 % compared with 2016;
2. Notes that, according to the Court’s report, although the Agency paid the full price for construction works for its new premises in Strasbourg in 2016, the work is still not finalised, due to the inability of the contractor to deliver, and that only 70 % of the works are covered by the accepted works progress reports; acknowledges that prepayments to the contractor are covered by bank guarantees, released progressively upon acceptance of works; notes that the contractor submitted a financial claim and filed a court case against the Agency; notes that, according to the Agency, it registered a statement of defence with the Administrative Court of Strasbourg, and that the decision of this court is pending; calls on the Agency to report to the discharge authority on the final decision of the Administrative Court of Strasbourg;

**Cancellation of carry-overs**

3. Regrets that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 658 000, representing 12,20 % of the total amount carried over, representing a notable increase of 7,11 % in comparison with 2016;

**Performance**

4. Notes with satisfaction that the Agency uses several key performance indicators (KPIs) in areas such as system performance, security and the level of customer satisfaction to measure the added value provided by its activities, and various other KPIs to enhance its budget management;

<sup>(1)</sup> OJ C 108, 22.3.2018, p. 270.

<sup>(2)</sup> Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), and amending Regulation (EC) No 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) No 1077/2011 (OJ L 295, 21.11.2018, p. 99).

5. Welcomes the Agency's continuous co-operation with the Justice and Home Affairs agencies network, notably the European Union's Judicial Cooperation Unit, the European Union Agency for Network and Information Security, the European Union Agency for Law Enforcement Training and the European Asylum Support Office, with all of which the Agency shares best practice;
6. Observes that the Agency underwent an external evaluation in 2016 which concluded that the Agency fulfils its mandate effectively and suggested particular ways of improving its operations and identified potential opportunities to extend its mandate; notes that in 2017 the Agency implemented an action plan to address these recommendations; notes furthermore that the Commission took the findings into account in its proposal for reforming the Agency's founding act that became Regulation (EU) 2018/1726;
7. Emphasises the importance of the final report of the High Level Expert Group on Information Systems and Interoperability and welcomes the Commission's proposals for regulations on interoperability between the Union information systems in relation to police and judicial cooperation, asylum and migration, and borders and visa;
8. Notes with concern that, according to the Court's report, the Agency currently manages three separate, non-integrated large-scale IT systems, which may prevent the Agency from realising economies of scale and synergies between those three systems, and that the extension of the Agency's mandate to manage several additional IT systems is expected during the coming years; welcomes the suggestion of the Court that the Agency should prepare a detailed cost-benefit analysis to support a discussion on the future development strategy for the IT systems it manages; notes that, according to the Agency's reply, a study was undertaken in order to have a clear picture related to the future architecture for interoperable IT systems; calls on the Agency to report to the discharge authority on the outcome of this study and the corrective actions planned;
9. Notes that in November 2017 the Management Board adopted an updated long term strategy for the Agency, covering the period 2018-2022 and setting the direction for the future development of the Agency, and expects the implementation of this strategy to further improve the performance of the Agency;

### Staff policy

10. Notes with concern that on 31 December 2017 the establishment plan was only 87,02 % executed, with 114 temporary agents appointed out of 131 temporary agents authorised under the Union budget (compared with 118 authorised posts in 2016); acknowledges that the difference between the 114 temporary agents appointed and the 131 authorised is justified by the facts that two posts were added in anticipation of the recast of Regulation (EU) No 603/2013 of the European Parliament and of the Council<sup>(3)</sup> and that 14 posts were provided under Regulation (EU) 2017/2226 of the European Parliament and of the Council<sup>(4)</sup> which entered into force on 29 December 2017 and thus only enabled the Agency to start the recruitment process after that date; notes with satisfaction that the job offer for the post of head of the Operations Information Unit was sent and accepted by the end of 2017; notes that, in addition, 32 contract agents and seven seconded national experts worked for the Agency in 2017;
11. Notes that the Agency has adopted the Commission's model decision on the policy on protecting the dignity of the person and preventing harassment; acknowledges that the Agency offers e-learning material and has published calls for confidential counsellors;
12. Regrets the gender imbalance within the Agency's Management Board with 46 out of 52 members being male and 6 being female; in this regard requests the Commission, the Member States and other concerned parties to take into account the importance of ensuring gender balance when presenting their nominees for members of the Management Board;

<sup>(3)</sup> Regulation (EU) No 603/2013 of the European Parliament and of the Council of 26 June 2013 on the establishment of 'Eurodac' for the comparison of fingerprints for the effective application of Regulation (EU) No 604/2013 establishing the criteria and mechanisms for determining the Member State responsible for examining an application for international protection lodged in one of the Member States by a third-country national or a stateless person and on requests for the comparison with Eurodac data by Member States' law enforcement authorities and Europol for law enforcement purposes, and amending Regulation (EU) No 1077/2011 establishing a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (OJ L 180, 29.6.2013, p. 1).

<sup>(4)</sup> Regulation (EU) 2017/2226 of the European Parliament and of the Council of 30 November 2017 establishing an Entry/Exit System (EES) to register entry and exit data and refusal of entry data of third-country nationals crossing the external borders of the Member States and determining the conditions for access to the EES for law enforcement purposes, and amending the Convention implementing the Schengen Agreement and Regulations (EC) No 767/2008 and (EU) No 1077/2011 (OJ L 327, 9.12.2017, p. 20).

13. Notes with concern that, according to the Court's report, the small number of staff creates significant risks for the continuity of the Agency's operations, particularly considering that the head of the Application Management and Maintenance unit also occupied ad interim the posts of head of the Operations Department and head of the Operations and Infrastructure Unit and thereby combined the three highest management posts in the Operations Department; acknowledges that the Agency successfully delivered its mandate throughout 2017, despite the lack of resources in the operational and horizontal functions in the Agency; supports the continued efforts necessary for staff retention and development in the Agency; welcomes in this regard the Agency's measure to appoint a different staff member as interim head of the Operations and Infrastructure Unit; urges the Agency to fulfil all posts with permanent staff without further delay;
14. Calls on the Agency to continue its efforts to ensure staff retention and development within the Agency; welcomes how the Agency handled the substantially increased workload in 2017 despite the high turnover in expert staff;
15. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office in order to increase publicity; understands the concern of the Agency with regard to translation costs;

### **Procurement**

16. Notes with concern that, according to the Court's report, the Agency encountered difficulties in attracting sufficient competition for several middle-value procurement procedures, receiving only one offer in the procedures concerned;
17. Notes with regret that the audit undertaken by the Commission's Internal Audit Service (IAS) with respect to the Agency's procurement processes found significant weaknesses, including two 'very important' issues regarding the estimation of contract values and key controls and three other findings rated as 'important'; acknowledges that many of the weaknesses are related to the insufficient staffing of the Financial and Procurement Unit and the procurement sector in particular; notes that the Agency has put in place an action plan addressing the audit findings and the IAS's recommendations; calls on the Agency to report to the discharge authority on the measures taken to mitigate these weaknesses;
18. Notes that, according to the Court's report, the Agency makes extensive use of external contractors and that 90 % of the work relating to the development and implementation of IT projects is carried out by the Agency in a combined effort with external contractors; notes with concern that although all phases of IT projects are under the Agency's control, outsourcing the development of sensitive IT systems to such an extent creates considerable risk of over-reliance and over-dependency on external contractors; acknowledges the Agency's reply that the complete development of those systems in-house and the reduction of outsourcing would require a substantial increase of the staff of the Agency and that in order to ensure proper segregation of duties, contractors involved in quality assurance are not involved in providing external support to the operational management of large-scale IT systems; calls on the Agency to, therefore, limit dependency on external contractors by better use of its own resources and to set up a proper policy to limit the use of external contractors;
19. Requests the Agency to take all necessary measures to ensure that contractors having access to sensitive information about IT systems or the data they process are legally bound to stringent confidentiality rules and to demand that such contractors have formal national security clearances at the time of accessing such information; requests the Agency to ensure that its contractors are not bound by any laws of third countries that could bring them into conflict with the confidentiality arrangements established by the Agency;
20. Notes that, according to the Court's report, by the end of 2017, the Agency had not yet introduced all of the tools launched by the Commission to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes on the basis of information from the Agency that it has already introduced e-invoicing and e-tendering for certain procedures, but not e-submission; calls on the Agency to introduce all the necessary tools and report to the discharge authority on their implementation;

**Prevention and management of conflicts of interests and transparency**

21. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistleblower protection; notes with concern that the Agency does not publish the CVs of the members of its Management Board or of its managerial staff in general, only of its executive director; calls on the Agency to publish the CVs of all members of its Management Board and of its managerial staff and to report to the discharge authority on the measures taken in this regard; encourages the Agency to use the Independence Policy of the European Chemicals Agency (ECHA) as a best practice and an exemplary system of monitoring and preventing any conflicts of interest;
22. Regrets that despite previous calls the Agency does not publish the declarations of interests of the members of its Management Board, of its managerial staff in general, and of its executive director; calls for the publication of declarations of interests listing membership to all other organisations; stresses that it is not for the members of the Management Board, the managerial staff or the executive director to declare themselves out of conflict of interest but that a neutral body should assess the existence of conflicts of interest;

**Internal controls**

23. Takes note that as of 31 December 2017, the Agency had 23 open audit recommendations which were rated as 'very important', including nine which had been issued recently, three that were past their due date and four that were still in progress; notes that no 'critical' issue is open; calls on the Agency to report to the discharge authority on the implementation of these audit recommendations;

**Other comments**

24. Notes the reconstruction of the Agency's operational site in Strasbourg, France, and the construction of the new headquarters building in Tallinn, Estonia; notes that the Agency also has a backup site in Sankt Johann im Pongau, Austria, and a liaison office in Brussels, Belgium; notes with concern that the relocation to new premises in Strasbourg suffered considerable delays and that there have been several failings on the part of the contractor responsible;
25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(5)</sup> on the performance, financial management and control of the agencies.

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<sup>(5)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1508 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****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 (now European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice) for the financial year 2017**

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 2017,
  - 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 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0099/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 1077/2011 of the European Parliament and of the Council of 25 October 2011 establishing a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice <sup>(5)</sup>, and in particular Article 33 thereof,
  - having regard to Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), and amending Regulation (EC) No 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) No 1077/2011 <sup>(6)</sup>, and in particular Article 47 thereof,
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, 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 (A8-0145/2019),
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 2017;

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 153.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 153.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 286, 1.11.2011, p. 1.

<sup>(6)</sup> OJ L 295, 21.11.2018, p. 99.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice, 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

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**DECISION (EU) 2019/1509 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work (EU-OSHA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2017,
  - 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 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0073/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work <sup>(5)</sup>, and in particular Article 14 thereof,
  - having regard to Regulation (EU) 2019/126 of the European Parliament and of the Council of 16 January 2019 establishing the European Agency for Safety and Health at Work (EU-OSHA), and repealing Council Regulation (EC) No 2062/94 <sup>(6)</sup>,
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, 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 (A8-0138/2019),
1. Grants the Executive 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 2017;
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Agency for Safety and Health at Work, 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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 90.<sup>(2)</sup> OJ C 434, 30.11.2018, p. 90.<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.<sup>(5)</sup> OJ L 216, 20.8.1994, p. 1.<sup>(6)</sup> OJ L 30, 31.1.2019, p. 58.<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1510 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0138/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Agency for Safety and Health at Work (the ‘Agency’) for the financial year 2017 was EUR 15 656 308, representing a decrease of 6,10 % compared to 2016; whereas the budget of the Agency derives mainly from the Union budget;
- B. whereas the Court of Auditors (the ‘Court’) in its report on the Agency’s annual accounts for financial year 2017 (the ‘Court’s report’), has stated that it obtained reasonable assurances that the Agency’s annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 96,03 %, representing a slight decrease of 0,28 % compared to 2016; notes with concern that the payment appropriations execution rate was at 72,23 %, representing only a slight increase of 1,88 % compared to the previous year;

**Cancellation of carry-overs**

2. Notes that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 194 467,98 representing 4,93 % of the total amount carried over, showing an increase of 1,17 % in comparison to 2016; notes, furthermore, the relatively high level of unplanned carry-overs from 2017 to 2018 for title II, amounting to EUR 200 000, relating mainly to internal office space re-organisation;

**Performance**

3. Notes that the Agency uses certain key performance indicators to measure its performance and to enhance its budget management; notes furthermore with satisfaction that the Agency plans to introduce a revised performance management framework in 2018, which aims to provide more meaningful performance indicators to better assess the added value provided by the Agency’s activities; calls on the Agency to report to the discharge authority on the implementation of this framework;
4. Notes that, although the Agency performed well in making use of the available resources, the items related to web communications and work programme delivery were slightly below the targets set;
5. Supports the Agency’s activities and analysis on occupational safety and health which contribute to the Union policy aiming to promote healthy and safe workplaces across the Union and stresses to this end the importance of ensuring adequate staff and financial resources allowing the Agency to implement its tasks;
6. Welcomes the Agency’s strong commitment to ensure that all workers enjoy the same occupational health and safety rights regardless of the size of the company, the type of contract or the employment relationship;
7. Appreciates the Agency’s sustained support to medium, small and micro enterprises, in the form of practical tools and guidelines to enable them to comply with Occupational Safety and Health (OSH) legislation; welcomes the finalisation of the project ‘Healthy Workplaces for All Ages’ that promotes safe and healthy conditions throughout working life;

<sup>(1)</sup> OJ C 248, 29.7.2017, p. 3

8. Notes that three external evaluations ended in 2017: a mid-term evaluation of the Multi-annual Strategic Programme 2014 to 2020, an *ex-post* evaluation of the safer and healthier work at any age, and an *ex-post* evaluation of the European Survey of Enterprises on New and Emerging Risks II; acknowledges that all of them obtained a positive result and the recommendations made have already been implemented;
9. Welcomes the Agency's efforts to streamline multilingualism into its products acknowledged by the European Ombudsman in 2017 by awarding the Agency together with the European Union Intellectual Property Office (EUIPO) and the Translation Centre for the Bodies of the European Union (CdT) with the Ombudsman's Award for Good Administration in the category 'Excellence in citizen/customer focused services delivery' for their jointly developed innovative project that facilitates the translation management of multilingual websites;
10. Notes with satisfaction that the Agency proactively shares tasks with other agencies in subjects such as security, facilities management or banking services, and is planning to further increase collaboration in the future; highlights the importance of good cooperation between Agencies working in the field of employment, social affairs and inclusion and particularly the cooperation between the Agency, Eurofound, Cedefop and European Institute for Gender Equality (EIGE);

### **Staff policy**

11. Notes that, on 31 December 2017, the establishment plan was 97,5 % executed, with 39 temporary agents appointed out of 40 temporary agents authorised under the Union budget (compared with 41 authorised posts in 2016); notes that, in addition, 24 contract agents worked for the Agency in 2017;
12. Notes that the Agency has a policy on protecting the dignity of the person and preventing harassment in place; notes with concern that one investigation on harassment was initiated in 2016 and concluded in 2017; regrets that the result showed a breach of Article 12a (3) of the Staff Regulations; calls on the Agency to report to the discharge authority on the disciplinary measures taken and on the measures foreseen in order to mitigate such risks in the future;

### **Procurement**

13. Notes from the Court's report that by the end of 2017 the Agency was not yet using any of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); calls on the Agency to implement all the necessary tools and report to the discharge authority on the progress made in that regard;
14. Welcomes the fact that the Agency launched its first e-tender successfully in November 2018;
15. Notes with concern from the Court's report that the Agency signed a framework contract for the provision of IT consultancy services from 2014 to 2017, for which prices were set contingent to the time spent on the projects and not linked to the delivery, and over which the Agency has limited monitoring possibilities, since for example in 2016 half of the services were carried out offsite its premises; calls on the Agency to report to the discharge authority on the measures taken in this regard;

### **Prevention and management of conflicts of interests and transparency**

16. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency and the prevention and management of conflict of interest; notes furthermore from the Agency that it plans to adopt the model decision on whistle-blowing for which the Commission has given an *ex ante* agreement <sup>(?)</sup>;
17. Notes from the Court's report that there is a need to strengthen the accounting officer's independence by making him directly responsible to the Agency's Executive Director and management board; calls on the Agency to report to the discharge authority on the steps taken in this direction; recognises that in response to this recommendation by the Court, the Agency is currently preparing a decision for the Governing Board to outsource the position of Accounting Officer to DG BUDG
18. Calls on the Agency to use the new Founding Regulation as an opportunity to further enhance the independence of the Accounting Officer;

<sup>(?)</sup> Commission Decision C(2018) 1362 of 27 February 2018.

**Other comments**

19. Notes that the Agency carried out an analysis of the likely impact of the United Kingdom's decision to withdraw from the Union on its organisation, operations and accounts; calls on the Agency to report to the discharge authority on the outcome of that analysis;
  20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(3)</sup> on the performance, financial management and control of the agencies.
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<sup>(3)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1511 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2017,
  - 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 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0073/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work <sup>(5)</sup>, and in particular Article 14 thereof,
  - having regard to Regulation (EU) 2019/126 of the European Parliament and of the Council of 16 January 2019 establishing the European Agency for Safety and Health at Work (EU-OSHA), and repealing Council Regulation (EC) No 2062/94 <sup>(6)</sup>,
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, 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 (A8-0138/2019),
1. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2017;
  2. Instructs its President to forward this decision to the Executive 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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 90.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 90.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 216, 20.8.1994, p. 1.

<sup>(6)</sup> OJ L 30, 31.1.2019, p. 58.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1512 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the Euratom Supply Agency (ESA)  
for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0089/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 1(2) thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 68 thereof,
  - having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency <sup>(5)</sup>, and in particular Article 8 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 (A8-0132/2019),
1. Grants the Acting Director-General of the Euratom Supply Agency discharge in respect of the implementation of the Agency's budget for the financial year 2017;
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Acting Director-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

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<sup>(1)</sup> OJ C 434, 30.11.2018, p. 188.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 188.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 41, 15.2.2008, p. 15.

**RESOLUTION (EU, Euratom) 2019/1513 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0132/2019),
- A. whereas, according to its financial statements of revenue and expenditure, the final budget of the Euratom Supply Agency (the 'Agency') for the financial year 2017 was EUR 123 000, representing a slight decrease of 1,6 % compared to 2016; whereas the entire budget of the Agency derives from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2017 (the 'Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with satisfaction that budget monitoring efforts during the financial year 2017 resulted in a commitment appropriations execution rate of 98,88 %, representing an increase of 4,54 % compared to 2016; notes with concern, however, that the payment appropriation execution rate was 74,64 %, representing a decrease of 11,48 % compared to 2016;

**Cancellation of carryovers**

2. Welcomes the fact that the cancellation of carryovers from 2016 to 2017 amounted to EUR 148,09 representing 1,44 % of the total amount carried over, and a decrease of 2,07 % in comparison to 2016;

**Performance**

3. Notes from the Agency that in 2017 it processed 320 transactions, including contracts, amendments and notifications, and continued to take responsibility for the Union common nuclear supply policy in line with its statutory mandate, in order to ensure the security of the supply of nuclear materials; acknowledges the Agency's continuing efforts on the diversification of sources of supply;

**Staff policy**

4. Notes that the Agency had 17 staff at the end of 2017, all being Commission Officials, out of 25 authorised by the establishment plan, the same as in 2016;

**Other comments**

5. Notes that the United Kingdom (UK) submitted its intention to withdraw from the Union, including Euratom; notes that from the withdrawal date, the UK will have sole responsibility for ensuring compliance with its international obligations arising from its membership in the International Atomic Energy Agency and from various international treaties and conventions to which it is a party; observes in particular that the UK must establish its own nuclear safeguards regime and negotiate bilateral nuclear cooperation agreements with the various nations now covered by Euratom agreements; calls on the Agency to remain aware and up-to-date of the situation and report to the discharge authority of any developments in that regard;
6. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(1)</sup> on the performance, financial management and control of the agencies.

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<sup>(1)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU, Euratom) 2019/1514 OF THE EUROPEAN PARLIAMENT**  
**of 26 March 2019**  
**on the closure of the accounts of the Euratom Supply Agency for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0089/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 1(2) thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 68 thereof,
  - having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency <sup>(5)</sup>, and in particular Article 8 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 (A8-0132/2019),
1. Approves the closure of the accounts of the Euratom Supply Agency for the financial year 2017;
  2. Instructs its President to forward this decision to the Acting 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

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<sup>(1)</sup> OJ C 434, 30.11.2018, p. 188.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 188.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 41, 15.2.2008, p. 15.

**DECISION (EU) 2019/1515 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2017**

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 2017,
  - 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 2017, together with the Foundation's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0069/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions <sup>(5)</sup>, and in particular Article 16 thereof,
  - having regard to Regulation (EU) 2019/127 of the European Parliament and of the Council of 16 January 2019 establishing the European Foundation for the improvement of living and working conditions (Eurofound), and repealing Council Regulation (EEC) No 1365/75 <sup>(6)</sup>,
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, 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 (A8-0143/2019),
1. Grants the Executive 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 2017;
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Foundation for the Improvement of Living and Working Conditions, 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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 94.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 94.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 139, 30.5.1975, p. 1.

<sup>(6)</sup> OJ L 30, 31.1.2019, p. 74.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1516 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0143/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Foundation for the Improvement of Living and Working Conditions (the 'Foundation') for the financial year 2017 was EUR 20 480 000 representing a decrease of 1,49 % compared to 2016; whereas the budget from the Foundation derives mainly from the Union budget;
- B. whereas the Court of Auditors (the 'Court') in its report on the Foundation's annual accounts for the financial year 2017 (the 'Court's report'), has stated that it obtained reasonable assurances that the Foundation's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, the same as in the 2016; takes note of the fact that the payment appropriations execution rate was 80,7 %, representing a decrease of 4,1 % compared to 2016;

**Cancellation of carry-overs**

2. Welcomes the fact that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 37 528, representing 1,2 % of the total amount carried over, showing a decrease of 3,7 % in comparison to 2016;

**Performance**

3. Notes with satisfaction that the Foundation uses certain key performance indicators (KPIs), included in its performance monitoring system, which in addition to the KPIs consists of 'metrics' (other indicators for operational processes) and qualitative assessment and evaluation, to assess the added value, including the outcome and impact, provided by its activities, and to improve its budget management;
4. Acknowledges the fact that the delivery of work programme outputs planned for 2017 reached 90 % of achievement (35 of 39 outputs), whereas four outputs had to be delayed due to unforeseen events and were replanned to be delivered in early 2018, and that the Foundation contributed to 194 policy development Union level events (49 % of them being priority Union-level events);
5. Appreciates that the Foundation's high-quality work in expanding and disseminating knowledge has contributed to the planning and establishment of better living and working conditions in the Union; recognises the Foundation's active role as an essential contributor to policy development and its active role as a source of information for the ongoing EU initiatives, such as the implementation of the European Pillar of Social Rights, work-life balance, access to social protection and improving working conditions; welcomes the Foundation's analysis and policy input as regards trends in quality of life against a background of the changing social and economic profile in the Overview report of the fourth European Quality of Life Survey;
6. Acknowledges the Foundation's progress in completing its four-year programme that identified four specific priority policy areas for the Foundation's future work programme;

<sup>(1)</sup> OJ C 108, 22.3.2018, p. 207.

7. Notes with satisfaction that the Foundation continued cooperation with other EU Agencies and implemented actions agreed in annual plans with the European Agency for Safety and Health at Work (EU-OSHA), the European Union Fundamental Rights Agency, the European Institute for Gender Equality, the European Training Foundation (ETF) and the European Centre for the Development of Vocational Training (Cedefop), and continued its preparations in collaboration with Cedefop on the fourth European Company Survey, and in the sharing of the survey costs; acknowledges the fact that the Foundation initiated a new inter-agencies framework contract with eight participating agencies for evaluation and feedback services;
8. Observes that the Foundation was the subject of the external 'cross-agencies' evaluation, together with the Cedefop, the EU-OSHA and the ETF, covering the period 2012 to 2016, which focused on the assessment of the Agencies' work regarding relevance, effectiveness, efficiency, coherence and Union added-value, as well as the future of the four Agencies; calls on the Foundation to report to the discharge authority on the results of the final report, particularly as regards to the evaluation on the Union added value provided by the Foundation, and the views on the future of the Foundation;
9. Notes with satisfaction that the Commission's proposal for a new founding regulation includes the obligation of performing an external evaluation every five years;

### **Staff policy**

10. Notes that on 31 December 2017, the establishment plan was 95,70 % executed, with 89 officials or temporary agents appointed out of 93 officials and temporary agents authorised under the Union budget (95 authorised posts in 2016); notes that, in addition, 10 contract agents and one seconded national expert worked for the Foundation in 2017;
11. Welcomes the results of the job screening exercise, carried out in December 2017, showing a relatively high level of stability year on year;
12. Notes the fact that the Foundation has adopted a policy on protecting the dignity of the person and prevention of harassment in 2017, and furthermore that it has a Dignity and Respect Programme in place;
13. Notes from the Court's report that the Foundation reported underpayments and overpayments to thirty members of staff for the period 2005 to 2014 in relation to the transition to the new EU Staff Regulations in 2005; notes that the Foundation corrected all underpayments, but will not recover the overpayments; notes that a full evaluation of the payroll function was implemented and that actions have been taken, but the issue is still ongoing; calls on the Foundation to continue its efforts on resolving the issue and keep the discharge authority updated on the progress;

### **Procurement**

14. Notes that the Foundation's Advisory Committee on Procurement and Contracts (ACPC) examined 30 dossiers in 2017; notes that in addition the ACPC carries out an annual *ex post* verification of randomly selected low-value contracts awarded; welcomes the fact that the ACPC was satisfied overall that the Foundation adhered to the procurement procedures in 2017;
15. Notes from the Court's report that by the end of 2017 the Foundation was not yet using all of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes from the Foundation's reply that some of the tools are already in place; calls on the Foundation to introduce all of the necessary tools to manage procurement procedures and report to the discharge authority on their implementation;

### **Prevention and management of conflicts of interest and transparency**

16. Notes the Foundation's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistleblower protection; appreciates that in 2017 the Foundation implemented an ethics code and that the Foundation is committed to informing the discharge authority about any case of alleged or confirmed conflict of interest;
17. Notes from the Court's report that there is a need to strengthen the accounting officer's independence by making him directly responsible to the Foundation's Executive Director and management board; welcomes the steps already taken in order to ensure the accounting officer's independence;

**Internal controls**

18. Acknowledges the fact that the Foundation adapted the internal control framework focusing on monitoring the performance of the internal control system, in order to make it more suitable for the Foundation's environment;
19. Notes with satisfaction that the implementation of the action plan addressing the Commission's internal audit service (IAS) findings in relation to project management has been finalised and all agreed actions have been introduced;
20. Notes with satisfaction that the Foundation and the IAS agreed to carry out a performance audit on 'Prioritisation of activities and allocation of resources' in 2018; calls on the Foundation to report the results of this audit to the discharge authority;

**Other comments**

21. Notes the Foundation's preliminary efforts to ensure a cost-effective and environment-friendly working place; points out, however, that the Foundation does not have any additional measures in place to reduce or offset CO<sub>2</sub> emissions;
22. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(2)</sup> on the performance, financial management and control of the agencies.

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<sup>(2)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1517 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2017**

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 2017,
  - 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 2017, together with the Foundation's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0069/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof
  - having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions <sup>(5)</sup>, and in particular Article 16 thereof,
  - having regard to Regulation (EU) 2019/127 of the European Parliament and of the Council of 16 January 2019 establishing the European Foundation for the improvement of living and working conditions (Eurofound), and repealing Council Regulation (EEC) No 1365/75 <sup>(6)</sup>,
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, 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 (A8-0143/2019),
1. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2017;
  2. Instructs its President to forward this decision to the Executive 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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 94.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 94.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 139, 30.5.1975, p. 1.

<sup>(6)</sup> OJ L 30, 31.1.2019, p. 74.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1518 OF THE EUROPEAN PARLIAMENT**  
**of 26 March 2019**  
**on discharge in respect of the implementation of the budget of Eurojust for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Union's Judicial Cooperation Unit for the financial year 2017, together with Eurojust's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council recommendation of 12 February 2019 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0076/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime <sup>(5)</sup>, and in particular Article 36 thereof,
  - having regard to Regulation (EU) 2018/1727 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for Criminal Justice Cooperation (Eurojust), and replacing and repealing Council Decision 2002/187/JHA <sup>(6)</sup>, and in particular Article 63 thereof;
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, 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 (A8-0155/2019),
1. Grants the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust's budget for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 161.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 161.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 63, 6.3.2002, p. 1.

<sup>(6)</sup> OJ L 295, 21.11.2018, p. 138.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1519 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0155/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of Eurojust for the financial year 2017 was EUR 48 689 237, representing an increase of 11,83 % compared to 2016; whereas the budget increase relates mainly to transition of Eurojust to its new premises; whereas the entire budget of Eurojust derives from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Eurojust for the financial year 2017 (the 'Court's report'), states that it has obtained reasonable assurances that Eurojust's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99,97 %, representing a slight increase of 0,08 % compared to 2016 and including EUR 11 130 000 that was ring-fenced for the new building; notes that the payment appropriations execution rate was 83,95 %, representing an increase of 3,53 % compared to 2016;
2. Welcomes the lack of remarks of the Court regarding the execution of the 2017 budget of Eurojust; welcomes especially that most of the recommendations issued by the Court for previous years have been closed;

**Cancellation of carry-overs**

3. Notes that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 234 228, representing 2,96 % of the total amount carried over, showing a decrease of 2,64 % compared to 2016;
4. Highlights, in particular, that as from 2017 the Court does no longer report excessive carry-overs of commitment appropriations from the previous year (2016) to the current year (2017) for Title II (expenditure for support activities);

**Performance**

5. Notes with satisfaction that Eurojust uses certain quantitative and qualitative key performance indicators to measure the achievement of its objectives for its annual activities including impact, outcome and technical and operational indicators to improve its budget management; acknowledges Eurojust's efforts to enhance its performance evaluation framework to provide more meaningful information that would better indicate the achievement of its strategic objectives and assess the added value provided by its activities;

<sup>(1)</sup> OJ C 279, 8.8.2018, p. 9.

6. Notes that Eurojust implemented an in-depth reorganisation of its administration, with more resources being devoted to reinforcing support to operational work, which has created synergies and efficiency gains; notes that these gains were exemplified by the high rate of budget and payment execution;
7. Notes with satisfaction that in 2017, Eurojust contributed to counter-terrorism projects of the European Union Agency for Law Enforcement Cooperation (Europol) and other justice and home affairs partners and furthermore participated in two joint tender procedures with Europol; notes with satisfaction that Eurojust intends to develop a procurement strategy aimed at further reaping the benefits of inter-agency and inter-institutional joint procurement procedures; strongly encourages Eurojust to further develop cooperation projects with the other institutions, bodies, offices and agencies of the Union, in the field of justice and home affairs;
8. Recalls the importance and the added value of Eurojust in the fight against organised crime across Europe and, in particular, its role in funding Joint Investigation Teams (JITs); welcomes, in that regard, the recent conclusion of a new memorandum of understanding between Eurojust and Europol <sup>(?)</sup> laying down criteria and conditions for the financial support to JITs activities provided by both of them;

### **Staff policy**

9. Notes that, on 31 December 2017, the establishment plan was 97,2 % executed, with 202 temporary agents, appointed out of 208 temporary agents authorised under the Union budget (compared with 203 authorised posts in 2016); notes that in addition, 21 contract agents and 17 seconded national experts worked for Eurojust in 2017;
10. Notes with satisfaction that Eurojust has adopted a policy on preventing harassment and organised trainings and enabled confidential counselling;
11. Welcomes the Court's suggestion that Eurojust publish vacancy notices on the website of the European Personnel Selection Office in order to increase publicity; understands Eurojust's concerns regarding translation costs;
12. Encourages Eurojust to consider adopting a fundamental rights strategy, including a reference to fundamental rights in a code of conduct that could define the duties of its staff and training for staff; setting up mechanisms ensuring that any violation of fundamental rights be detected and reported, and that risks of such violations be swiftly brought to the attention of the main bodies of Eurojust; establishing, whenever relevant, the position of a fundamental rights officer, reporting directly to the management board to ensure a certain degree of independence vis-a-vis other staff, in order to ensure that threats to fundamental rights shall be immediately addressed, and that a constant upgrading of the fundamental rights policy within the organisation; developing a regular dialogue with civil society organisations and relevant international organisations on fundamental rights issues; making compliance with fundamental rights a central component of the terms of reference of the collaboration of the Eurojust concerned with external actors, including in particular members of national administrations with whom it interacts at operational level;

### **Prevention and management of conflicts of interests and transparency**

13. Acknowledges Eurojust's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest; regrets that the Eurojust's policy is to publish declarations of absence of conflicts of interest rather than declarations of interest for the Administrative Director and the members of the management board; calls for the publication of declarations of interests;
14. Notes that Eurojust adopted its internal rules on whistleblowing on the basis of the Commission's model rules in June 2018; asks Eurojust to provide details on whistleblowing cases in 2017, if any, and on how they were handled; underlines the importance of awareness-raising and training of staff as means of fostering a positive and trusting environment in which whistleblowing is an accepted part of the corporate culture;

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<sup>(?)</sup> Memorandum of Understanding on the joint establishment of rules and conditions for financial support to joint investigation team activities between Europol and Eurojust, signed on the 1 June 2018.

15. Regrets that the recommendation issued by the Court in 2010 to reconsider the definition of respective roles and responsibilities between the Administrative Director and the College of Eurojust to avoid overlap of responsibilities resulting from the Founding Decision <sup>(3)</sup> was still open at the end of 2017; acknowledges that addressing this issue is not under Eurojust's control but was under consideration by the co-legislators in the context of the review of Eurojust's mandate; welcomes the adoption of Regulation (EU) 2018/1727 of the European Parliament and of the Council <sup>(4)</sup> and expects that these issues are resolved with the new structure and the clarification of roles and responsibilities therein, including the new Executive Board;

#### **Internal controls**

16. Observes that in 2017, following the recommendation of the Internal Audit Service, Eurojust removed its accounting staff from the Budget, Finance and Procurement Unit to enhance their independence; notes furthermore that the Accounting Officer, as Head of the Accounting Office, is appointed by the College of Eurojust;

#### **Other comments**

17. Acknowledges that Eurojust successfully completed the move to its new premises in June 2017 with no loss of operational capacity and that all necessary financial, security, legal and other practical arrangements were made in a timely manner; notes that regarding the investments in the new premises planned for 2017, EUR 11 130 000 were committed and EUR 8 790 000 (79 %) had been paid by 31 December 2017; calls on Eurojust to report to the discharge authority on further developments in that regard;
18. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(5)</sup> on the performance, financial management and control of the agencies.

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<sup>(3)</sup> Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime (OJ L 63, 6.3.2002, p. 1).

<sup>(4)</sup> Regulation (EU) 2018/1727 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for Criminal Justice Cooperation (Eurojust), and replacing and repealing Council Decision 2002/187/JHA (OJ L 295, 21.11.2018, p. 138).

<sup>(5)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1520 OF THE EUROPEAN PARLIAMENT**  
**of 26 March 2019**  
**on the closure of the accounts of Eurojust for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Union's Judicial Cooperation Unit for the financial year 2017, together with Eurojust's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council recommendation of 12 February 2019 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0076/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime <sup>(5)</sup>, and in particular Article 36 thereof,
  - having regard to Regulation (EU) 2018/1727 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for Criminal Justice Cooperation (Eurojust), and replacing and repealing Council Decision 2002/187/JHA <sup>(6)</sup>, and in particular Article 63 thereof,
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(7)</sup>, 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 (A8-0155/2019),
1. Approves the closure of the accounts of Eurojust for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 161.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 161.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 63, 6.3.2002, p. 1.

<sup>(6)</sup> OJ L 295, 21.11.2018, p. 138.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1521 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Cooperation (Europol) (before 1 May 2017: European Police Office) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2017, together with Europol's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council recommendation of 12 February 2019 on discharge to be given to Europol in respect of the implementation of the budget for the financial year 2017(05825/2019 — C8-0090/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol) <sup>(5)</sup>, and in particular Article 43 thereof,
  - having regard to Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA <sup>(6)</sup>, 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 <sup>(7)</sup>, 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 (A8-0154/2019),
1. Grants the Executive Director of the European Union Agency for Law Enforcement Cooperation (Europol) discharge in respect of the implementation of Europol's budget for the financial year 2017;
  2. Sets out its observations in the resolution below;

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 165.<sup>(2)</sup> OJ C 434, 30.11.2018, p. 165.<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.<sup>(5)</sup> OJ L 121, 15.5.2009, p. 37.<sup>(6)</sup> OJ L 135, 24.5.2016, p. 53.<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Law Enforcement Cooperation (Europol), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

*The President*  
Antonio TAJANI

*The Secretary-General*  
Klaus WELLE

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**RESOLUTION (EU) 2019/1522 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Cooperation (Europol) (before 1 May 2017: European Police Office) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0154/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Union Agency for Law Enforcement Cooperation ('Europol') for the financial year 2017 was EUR 119 234 720, representing an increase of 14,35 % compared to 2016; whereas the increase was due to additional tasks expanding its mandate; whereas Europol's budget mainly derives from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2017 (the 'Court's report'), states that it has obtained reasonable assurances that Europol's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2017 resulted in a high budget implementation rate of 99,72 %, representing a slight decrease of 0,03 % compared to 2016; notes that the payment appropriations execution rate was 89,01 %, indicating a decrease of 1,97 % compared to 2016;
2. Notes that following the growth prognosis for Europol an additional permanent building will be required as of 2023; asks Europol to consider to be vigilant in relation to the additional costs;

**Cancellation of carry-overs**

3. Notes with concern that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 834 972, representing 9,08 % of the total amount carried over, showing a notable decrease of 6,35 % compared to 2016;

**Performance**

4. Notes with satisfaction that Europol monitored its performance through **33** Key Performance Indicators, 36 other performance indicators and the implementation of around 140 specific actions planned in its Work Programme, with the performance reporting framework in general aimed at assessing the added value of Europol's activities and at enhancing its budget management;
5. Notes that Europol achieved 78 % of the targets set for performance indicators (86 % in 2016) and that it progressed in the implementation of 80 % of the actions contained within the 2017 Work Programme (76 % in 2016);

<sup>(1)</sup> OJ C 108, 22.3.2018, p. 245.

6. Notes with satisfaction that in May 2017 Regulation (EU) 2016/794 of the European Parliament and of the Council <sup>(2)</sup> became applicable, enhancing Europol's mandate to effectively counter continuously evolving threats from cross-border crimes and terrorism across the Union and beyond;
7. Requests Europol to provide more information on the tasks and budgetary implications of its Internet Referral Unit (EU-IRU), which is not explicitly listed in the budget, but forms part of its European Counterterrorism Centre (ECTC); reminds that Article 4(1) of Regulation (EU) 2016/794 makes a reference to referrals of internet content in relation with terrorism to the online service providers, whereas Europol in close cooperation with industry actually supports related investigations by competent authorities; specifically requests information on the subsequent follow-up on cases identified and referred of terrorist internet content, including at the request of competent authorities in Member States;
8. Recalls the importance and the added value of Europol in the fight against organised crime across Europe and, in particular, its role in funding Joint Investigation Teams (JITs); welcomes, in that regard, the recent conclusion of a new memorandum of understanding between Europol and Eurojust <sup>(3)</sup> laying down criteria and conditions for the financial support to JITs activities provided by both of them;
9. Notes with appreciation that Europol carries out security tasks side-by-side with the European Border and Coast Guard Agency, the European Asylum Support Office and national authorities; notes moreover that Europol shared legal advice with other Union agencies located in the Netherlands and joined in multiple interinstitutional-interagency procurement procedures; encourages Europol to further develop its cooperation with the other institutions, bodies, offices and agencies of the Union in the field of justice and home affairs;
10. Emphasises that Europol is one of the nine Union agencies on justice and home affairs; expresses its disappointment with the outcome of the Interinstitutional Working Group (IIWG) on decentralised agencies' resources, as no specific proposals were developed to merge or co-locate agencies concentrating on related policy fields; asks Europol to cooperate with the eight other Union agencies on justice and home affairs to investigate possible mergers;

### **Staff policy**

11. Notes that, on 31 December 2017, the establishment plan was 97,27 % executed, with 535 temporary agents appointed out of 550 temporary agents authorised under the Union budget (compared with 505 authorised posts in 2016); notes that, in addition, 159 contract agents and 71 seconded national experts worked for Europol in 2017; urges Europol to refrain from relying too heavily on contract agents and to not replace permanent staff by more expensive contract agents;
12. Regrets the gender imbalance within Europol's senior management members, with 133 out of 151 members being male and 18 being female, and within the members of the management board, with 11 out of 53 being female; asks in this regard the Commission and the Member States to take into account the importance of ensuring gender balance when presenting their nominations for members of the management board; asks as well Europol to take measures ensuring better gender balance within its senior management;
13. Notes that Europol has adopted a policy on protecting the dignity of the person and preventing harassment; acknowledges that Europol organised training sessions and enabled confidential counselling;
14. Notes with concern that four formal procedures in the form of administrative inquiries were opened with regard to sexual harassment and inappropriate behaviour during the course of 2017; notes that Europol completed the administrative inquiries with disciplinary action swiftly, where applicable and initiated corresponding actions to address the matter and that no case was taken to court; notes that no administrative inquiry into allegations of sexual harassment was brought forward in Europol in 2018; calls on Europol to do its utmost to avoid structural deficiencies as regards inappropriate behaviour in order to prevent such cases from happening in the first place;

<sup>(2)</sup> 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).

<sup>(3)</sup> Memorandum of Understanding on the joint establishment of rules and conditions for financial support to joint investigation team activities between Europol and Eurojust, signed on 1 June 2018.

15. Welcomes the suggestion of the Court to also publish vacancy notices on the website of the European Personnel Selection Office in order to increase publicity; understands the concern of Europol as regards translation costs;
16. Encourages Europol to consider adopting a fundamental rights strategy; including a reference to fundamental rights in a code of conduct that could define the duties of its staff and training for staff; setting up mechanisms ensuring that any violation of fundamental rights be detected and reported, and that risks of such violations be swiftly brought to the attention of the main bodies of Europol; establishing, whenever relevant, the position of a fundamental rights officer, reporting directly to the management board to ensure a certain degree of independence vis-a-vis other staff, in order to ensure that threats to fundamental rights shall be immediately addressed, and that a constant upgrading of the fundamental rights policy within the organisation; developing a regular dialogue with civil society organisations and relevant international organisations on fundamental rights issues; making compliance with fundamental rights a central component of the terms of reference of the collaboration of Europol concerned with external actors, including in particular members of national administrations with whom it interacts at operational level;

#### **Prevention and management of conflicts of interest and transparency**

17. Notes Europol's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest and whistleblower protection; notes the proactive measures taken against the four potential conflict of interest cases identified in 2017; notes that Europol has published declarations of absence of conflicts of interest rather than declarations of interest; acknowledges however the adoption in October 2018 of a new model declaration on the declaration of interests, by the management board, on the basis of a proposal from Europol; notes with satisfaction that this new model declaration is being applied for all members of the management board, as well as for the Executive Director and deputy executive directors; notes, however, that to this date not all declarations have been updated to the new model; calls on Europol to swiftly proceed in this sense and publish the new declarations;

#### **Internal controls**

18. Notes that in 2016 the Commission's Internal Audit Service (IAS) performed an audit on procurement and that in 2017 the final IAS audit report on procurement was released containing three recommendations graded as 'important'; notes that Europol developed an action plan in 2017 and reported to the IAS in August 2018 on the implementation of those recommendations; notes, moreover, that the IAS undertook a risk assessment over the entire organisation's process landscape without grading any process area as 'enhance risk mitigation';
19. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(4)</sup> on the performance, financial management and control of the agencies.

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<sup>(4)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1523 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Union Agency for Law Enforcement Cooperation (Europol) (before 1 May 2017: European Police Office) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2017, together with Europol's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council recommendation of 12 February 2019 on discharge to be given to Europol in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0090/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol) <sup>(5)</sup>, and in particular Article 43 thereof,
  - having regard to Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA <sup>(6)</sup>, 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 <sup>(7)</sup>, 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 (A8-0154/2019),
1. Approves the closure of the accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2017;
  2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Law Enforcement Cooperation (Europol), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

*The President*  
Antonio TAJANI

*The Secretary-General*  
Klaus WELLE

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 165.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 165.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 121, 15.5.2009, p. 37.

<sup>(6)</sup> OJ L 135, 24.5.2016, p. 53.

<sup>(7)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1524 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights (FRA) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0070/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0136/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 169

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 169

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 53, 22.2.2007, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1525 OF THE EUROPEAN PARLIAMENT  
of 26 March 2019**

**with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0136/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Union Agency for Fundamental Rights ('the Agency') for the financial year 2017 was EUR 22 852 250, representing an increase of 5,78 % compared with 2016; whereas the Agency's budget derives almost exclusively from the Union budget;
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2017 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with appreciation that budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, the same rate as in 2016; notes with concern that the payment appropriations execution rate was low at 72,11 %, representing a slight decrease of 1,1 % compared with the previous year;

**Cancellation of carry-overs**

2. Notes that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 117 566, representing 2,05 % of the total amount carried over, representing a decrease of 1,22 % in comparison to 2016;

**Performance**

3. Notes with satisfaction that the Agency uses 31 key performance indicators (KPIs) as part of its Performance Measurement Framework to assess the results and impact of its activities, and five additional KPIs to enhance its budget management;
4. Welcomes the Agency's cooperation with other agencies, notably the European Border and Coast Guard Agency, the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice, the European Union Agency for Law Enforcement Cooperation, the European Union Agency for Law Enforcement Training and the European Asylum Support Office, in order to achieve common policy objectives;
5. Encourages the Agency to intensify its co-operation with international organisations, such as the Council of Europe and the United Nations, in order to find and use synergies, whenever possible;
6. Notes that the Agency's second external evaluation took place in 2017; notes with satisfaction that the results are positive overall; notes the recommendations put forward to the Commission by the Agency's Management Board;
7. Notes that the Commission requested the Agency for the first time to evaluate the fundamental rights impact of a Union law instrument; acknowledges furthermore that the Agency developed a training module for national authorities in order to promote compliance with the Charter of Fundamental Rights of the European Union ('the Charter');

<sup>(1)</sup> OJ C 116/04, 28.3.2018, p. 17.

8. Highlights the value of the Agency's studies and opinions for the development of Union legislation; 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, including issues of judicial and police cooperation in criminal matters; regrets that the Agency's current mandate limits its possibilities to undertake actions and studies in certain thematic areas; recommends the inclusion of those thematic areas in the new multiannual financial framework;
9. Welcomes the fact that the Agency continued its research on the situation of minorities in the Union in the context of the Second European Union minorities and discrimination survey; in this regard, especially welcomes the publication of the latest thematic report on the discrimination faced by people of African descent in the Union; welcomes, furthermore, the publication of the study on the transition from education to employment of young Roma;
10. Welcomes the Agency's continuous work on doing research on the situation of Roma in the Union, thereby contributing to monitoring the efficiency and shortcomings of the inclusion strategies and related policies of the Union and 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;
11. Welcomes the commitment of the Agency on children's rights, which has been continued with the studies carried out on the minimum age requirements for participation in criminal and civil proceedings across the Union, on the age assessment and fingerprinting of children in asylum proceedings and on child poverty in the Union.

#### **Staff policy**

12. Notes that, on 31 December 2017, the establishment plan was 97,22 % executed, with 70 temporary agents appointed out of 72 temporary agents authorised under the Union budget (compared with 74 authorised posts in 2016); notes that, in addition, 30 contract agents and 8 seconded national experts worked for the Agency in 2017;
13. Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment; acknowledges that it offers confidential counselling as well as training sessions; notes that two allegations of inappropriate behaviour were investigated in 2017 and closed in 2018;

#### **Procurement**

14. Regrets that this led to additional administrative overhead for the Agency and although it affected the timing of its operations it did not cause any delay to the implementation period of projects; notes that measures have been taken by the Agency to mitigate risks of unsuccessful tender procedures in the future; notes the request for additional funding of the Agency but points out that budgetary constraints should not lead to unsuccessful public procurement procedures; asks therefore the Agency to conduct appropriate market research before launching call for tenders for studies and to continue to improve the efficiency of its public procurement procedures;
15. Notes that, according to the Court's report, by the end of 2017, the Agency had not yet introduced all of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange and storage of information with third parties participating in public procurement procedures (e-procurement); notes that, according to the Agency, it already has some of the tools in place and that it is in the process of introducing the remaining tools by the beginning of 2019; calls on the Agency to report to the discharge authority on the implementation of all the necessary tools;

#### **Prevention and management of conflicts of interests and transparency**

16. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and whistleblower protection; notes that, according to the Agency, it assessed and mitigated a number of potential and perceived conflicts of interest in 2017, with none resulting in actual conflicts;

17. Notes that, according to the Court's report, there is a need to strengthen the accounting officer's independence by making him directly responsible to the Agency's Director and Management Board; welcomes the fact that such reorganisation is expected to be implemented by the end of 2018; calls on the Agency to report to the discharge authority on the implementation of the reorganisation;
18. Notes that, during recent years, two legal proceedings were brought against the Agency concerning allegations of irregular recruitment decisions; notes that the General Court of the European Union dismissed both cases and ordered the applicants to pay the costs; notes the allegations in the press of potential conflict of interest relating to the use of the consulting services of a former stand-by temporary judge of the Civil Service Tribunal; calls on the Agency to report to the discharge authority on measures taken to mitigate any risks of potential conflict of interest;

#### **Internal controls**

19. Notes that in 2017 the Commission's Internal Audit Service carried out an audit on governance and ethics in the Agency, and that an external evaluation of the Agency's performance in the 2013-2017 period was carried out on behalf of the Commission; acknowledges that the Agency prepared action plans to address any areas for improvement;
20. Welcomes the closure of the 2016 recommendation of the Court regarding the improvement of the Formal (sub-) delegations process for authorising officers;

#### **Other comments**

21. Notes the Agency's efforts to ensure a cost-effective and environmentally-friendly working place; points out, however, that the Agency does not have additional specific measures in place to reduce or offset CO<sub>2</sub> emissions;
22. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(2)</sup> on the performance, financial management and control of the agencies.

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<sup>(2)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1526 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0070/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0136/2019),
1. Approves the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 169.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 169.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 53, 22.2.2007, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1527 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency (Frontex) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Border and Coast Guard Agency (the Agency) for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Border and Coast Guard Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0085/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC <sup>(5)</sup>, and 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 <sup>(6)</sup>, 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 (A8-0153/2019),
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 2017;
  2. Sets out its observations in the resolution below;

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 173<sup>(2)</sup> OJ C 434, 30.11.2018, p. 173<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.<sup>(5)</sup> OJ L 251, 16.9.2016, p. 1.<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the executive director of the European 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

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**RESOLUTION (EU) 2019/1528 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency for the financial year 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0153/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the final budget of the European Border and Coast Guard Agency ('the Agency') for the financial year 2017 was EUR 280 560 000, representing an increase of 20,54 % compared to 2016; whereas the increase was related to the considerable extension of the Agency's mandate in 2017, in response to the migration crisis faced by the Union; whereas the Agency's budget derives mainly from the Union budget;
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Border and Coast Guard Agency (Frontex) for the financial year 2017 ('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;

**Budget and financial management**

1. Notes that the budget-monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 97,63 % representing a slight decrease of 0,27 % compared to 2016; notes with concern that the payment appropriations execution rate was low at 66,42 %, representing a slight increase of 0,35 % compared to 2016;
2. Notes from the Court's report that the initial budget of the Agency included a EUR 8 800 000 statutory financial operational reserve for financing the deployment of rapid border interventions and return interventions; notes that the Agency transferred overall EUR 3 800 000 from the reserve to its operational budget to fund other activities; notes with concern that the transfers are not in compliance with the Agency's financial regulation; takes note from the Agency's reply that it considers that the legislator should provide for clarification on the implementation of transfers from the reserve; calls on the Agency to avoid such non-compliant actions in the future and report to the discharge authority on which clarification the Agency considers necessary;

**Cancellation of carryovers**

3. Regrets the high level of cancellations of carryovers from 2016 to 2017, amounting to EUR 11 125 174 and representing 14,96 % of the total amount carried forward, a similar rate as in 2016; calls on the Agency to report to the discharge authority on the measures to be taken to ensure complete use of the appropriations carried over in order to avoid substantial resources being de-committed as in the previous years;

**Performance**

4. Notes with satisfaction that the Agency uses various Key Performance Indicators (KPIs) to measure the added value provided by its activities; takes note that the Agency plans to revise its indicators in 2019; invites the Agency to further develop the KPIs for enhancing its budget management, particularly taking into account the extension of its mandate and the continuously increasing budget, and report to the discharge authority on the developments made in that regard; expresses its concerns as regards the part of the budget that could not be absorbed by the Agency;

<sup>(1)</sup> OJ C 108, 22.3.2018, p. 112.

5. Recalls that, in response to the migration and asylum situation in 2015 faced by the Union, the mandate of the Agency was considerably extended in 2016 for the Agency to be able to better address the needs and challenges being faced at the external borders of the Union; stresses that in 2017 systems and procedures were still in the process of being adapted to cope with the new mandate of the Agency which was updated in 2016 by Regulation (EU) 2016/1624 of the European Parliament and of the Council<sup>(2)</sup>;
6. Regrets that the majority of the Agency's 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; calls on the Agency to set relevant strategic objectives for its activities and to establish an effective result-oriented monitoring and reporting system with relevant and measurable KPIs;
7. Notes the management board's approval of the reorganisation of the Agency structures in June 2017, affecting the allocation of resources; calls on the Agency to report to the discharge authority on the implementation of this new organisational structure;
8. Notes with satisfaction that all Member States and Schengen associated countries participated in at least one joint operation and that 26 Member States took part as organisers or participants in return operations coordinated and co-financed by the Agency, amounting to two more Member States than in 2016;
9. Welcomes the fact that the Agency promotes interagency cooperation, especially in the field of coastguard function, but also in the field of customs and law enforcement cooperation, in order to fully exploit the advantages of multi-purpose operations as an important element of integrated border management;
10. Notes with satisfaction that the Agency cooperates with other agencies, inter alia by supporting them in recruitments, building projects and security consultancies, and shares offices with the European Union Agency for Law Enforcement Cooperation, the European Union's Judicial Cooperation Unit and the European Asylum Support Office in the framework of the European Regional Task Force in Italy and Greece;
11. Urges the Agency to develop a comprehensive business continuity plan;

### **Staff policy**

12. Regrets that, on 31 December 2017, the establishment plan was only 74,43 % filled, with 262 temporary agents appointed out of 352 temporary agents authorised under the Union budget (275 authorised posts in 2016); notes that, in addition, 139 contract agents and 113 seconded national experts have been working for the Agency in 2017;
13. Notes again with concern the gender imbalance in the Agency's management board; recalls that Member States are responsible for nominating members of the management board; calls on Member States to ensure gender balance when nominating their members to the Agency's management board; calls on the Agency to proactively remind Member States of the importance of gender balance; points out that measures aimed at achieving a better geographical balance in the Agency's staff composition would be desirable;
14. Notes that 2017 was the second year of the five-year growth plan following the adoption of Regulation (EU) 2016/1624 that significantly increased resources in the area of the Agency's budget and staff; notes from the Court's report that, following the extension of its mandate, the Agency's staff will more than double from 365 in 2016 to 1 000 in 2020; notes moreover that the planned increase in staff will require additional office space; calls on the Agency to report to the discharge authority on the measures taken in order to address the challenges concerning the increasing staff numbers and to keep it closely informed of the further steps, including financial calculations, relating to the construction of the new headquarters;

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<sup>(2)</sup> Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC (OJ L 251, 16.9.2016, p. 1).

15. Notes with concern that the Agency experiences difficulties in finding staff with the required profiles, often because of the low salary correction coefficient (66,7 %); calls on the Agency to report to the discharge authority on the outcome of the discussions with the Commission on possible mitigating measures, and the Agency's plans for other possible measures to attract new staff, particularly taking into account the Agency's extending mandate and increasing amount of recruitments; calls on the Agency to appoint a new fundamental rights officer without further delay in order to ensure that threats to fundamental rights-related issues are immediately addressed, and that the fundamental rights policy within the organisation be constantly upgraded;
16. Deeply deplores that, despite repeated calls of Parliament and a significant overall staff increase for the Agency, the fundamental rights officer still lacks adequate human resources and is therefore clearly hampered from properly conducting the tasks entrusted to her by Regulation (EU) 2016/1624; urges the Agency to provide its fundamental rights officer with adequate resources and staff, in particular for setting up a complaint mechanism and for further developing and implementing the Agency's strategy for monitoring and ensuring the protection of fundamental rights.
17. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office in order to increase publicity; understands the Agency's concern as regards translation costs;
18. Notes that the Agency uses the 'Code of Conduct for all persons participating in Frontex operational activities' and confidential reporting as measures to address matters of harassment;
19. Notes with concern from the Court's report that in 2017 the Agency continued making irregular recruitments on external selection procedures, appointing candidates at higher AST grades than the maximum grade provided for by the Staff Regulations; points out that in this regard two recruitments were considered irregular in 2017 (14 in 2016); takes note of the Agency's justification for the recruitments and acknowledges that since March 2017 the Agency has not appointed any external candidates for grades higher than AST4;

#### **Procurement**

20. Acknowledges from the Agency that it was revising its entire financial scheme in 2017 aiming at simplifications, switching from grants to service contracts and introducing flat rates; calls on the Agency to report to the discharge authority on the implementation of the new scheme;
21. Notes from the Court's report that by the end of 2017, the Agency had not yet introduced all of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange and storage of information with third parties participating in public procurement procedures (e-procurement); notes that the Agency had introduced e-invoicing and e-tendering for certain procedures, but not e-submission; calls on the Agency to introduce all of the necessary tools to manage procurement procedures and report to the discharge authority on their implementation;

#### **Prevention and management of conflicts of interests and transparency**

22. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and whistle-blower protection; takes note from the Agency that it drew up draft internal rules on whistleblowing but, after being advised to do so by the Commission, it will implement the Commission model decision once notified to the agencies; calls on the Agency to report to the discharge authority on the implementation of this decision and to adopt its whistleblowing policy without further delay;
23. Recalls that the provisions on information and communication as part of the accountability of the Agency towards the public were considerably modified by Regulation (EU) 2016/1624, requiring the Agency to be more transparent about its activities; regrets that the Agency still does not fully live up to those new rules and calls upon it to implement them without delay;

**Internal control**

24. Notes from the Court's report that the Agency's grant expenditure increased considerably from EUR 123 000 000 in 2016 to EUR 167 000 000 in 2017; notes with concern that in 2017 the Agency did not carry out any *ex post* verifications on grant expenditure reimbursements; takes note that the Agency considers that the *ex ante* verifications performed before reimbursement had improved and, once the *ex ante* coverage reached a certain level, could provide the necessary assurance; points out, however, that as the Court has consistently reported since 2014, the proof of expenditure claimed by cooperating countries is often insufficient, which was also confirmed in 2017; calls on the Agency to report to the discharge authority on the measures taken to mitigate these risks;
25. Takes note that the Agency revised its internal control framework (ICF) and altered the former compliance-based approach into a risk-based one; acknowledges that the revised ICF was adopted in November 2017 and, subsequently, a consolidated Frontex Improvement Log was established;
26. Notes from the Court's report that the Agency financed support to Iceland's Coast Guards for the deployment of an airplane in Greece and that, before reimbursing the expenditure claimed by Iceland, the Agency asked for invoices as evidence for one category of declared expenditure; regrets that although the invoices were never provided, the Agency reimbursed EUR 440 000, which shows that the *ex ante* verification was ineffective; takes note of the Agency's consideration that the hourly maintenance cost estimation gives sufficient grounds for approving the expenditure;
27. Notes with concern that the Agency still has no comprehensive business continuity plan approved by the management board; calls on the Agency to take the necessary steps in order to adopt such a plan and report to the discharge authority on its adoption;
28. Requests the management board of the Agency to adopt clear service level agreements for the continuity of its activities in case of a site disaster, as well as corresponding IT recovery objectives and maximum allowable data loss for its most critical systems and applications; requests the Agency to develop the supporting plans, to exercise them adequately and have test results responsibly endorsed by its management board;

**Other comments**

29. Observes that the headquarters agreement between the Agency and the Polish government entered into force on 1 November 2017; notes that it has an effect on several processes of the Agency with major consequences on the working conditions and the management facilities; asks the Agency to report to the discharge authority on the resulting projects, in particular the construction of the new headquarters building and the establishment of a European school in Warsaw;
30. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(3)</sup> on the performance, financial management and control of the agencies.

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<sup>(3)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1529 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Border and Coast Guard Agency for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Border and Coast Guard Agency (the Agency) for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European Border and Coast Guard Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0085/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC <sup>(5)</sup>, and 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 <sup>(6)</sup>, 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 (A8-0153/2019),
1. Approves the closure of the accounts of the European Border and Coast Guard Agency for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 173.

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 173.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 251, 16.9.2016, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1530 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European GNSS Agency (GSA)  
for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0086/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0142/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 98

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 98

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 276, 20.10.2010, p. 11.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1531 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0142/2019),
- A. whereas, according to its statement of revenue and expenditure <sup>(1)</sup>, the Union subsidy to the final budget of the European GNSS Agency (the 'Agency') for the financial year 2017 was EUR 28 467 648, representing a decrease of 2,13 % compared to 2016; whereas the Agency's budget derives mainly from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2017 (the 'Court's report'), stated that it had obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

**Budget and financial management**

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, representing the same rate as in 2016; notes furthermore that the execution rate of payment appropriations was 86,20 %, representing an increase of 3,78 % compared to 2016;
2. Notes that in addition to its core budget, the Agency continued to manage a large amount of delegated budget in 2017 following the signature of the European Geostationary Navigation Overlay Service (EGNOS) and the Galileo Delegation Agreement amendments; notes that a total of EUR 416 000 000 was committed under a delegated budget in 2017 and EUR 638 000 000 made in payments;

**Cancellation of carry-overs**

3. Notes with concern that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 270 961, representing 5,30 % of the total amount carried forward, showing however a slight decrease of 1,15 % in comparison to 2016;

**Performance**

4. Welcomes the fact that the Agency uses certain Key Performance Indicators to measure the added value provided by its activities and to enhance its budget management;
5. Notes that the handover of the service provision to the Galileo Service Operator was completed, and that the first Galileo User Assembly in Madrid took place, in 2017;
6. Welcomes the fact that the Agency has outsourced its accounting services to the Commission and that it shares the provision of the services related to business continuity management and the internal audit capability with other Agencies;
7. Notes that, according to the Court's report, in 2017 a mid-term evaluation of the Galileo and EGNOS programmes and of the Agency's performance in the period 2014 to 2016 was carried out on behalf of the Commission; calls on the Agency to report to the discharge authority on the results of this evaluation;

<sup>(1)</sup> OJ C 84, 17.3.2017, p. 127

**Staff policy**

8. Notes that on 31 December 2017 the establishment plan was 91,38 % executed, with 106 temporary agents appointed out of 116 temporary agents authorised under the Union budget (compared with 113 authorised posts in 2016); notes that, in addition, 55 contract agents and 5 seconded national experts worked for the Agency in 2017; notes that, in order to support the Agency's extended remit, new temporary employees were recruited as a first step towards boosting staff numbers with a view to giving the Agency the additional resources it needs to meet the challenges ahead;
9. Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment; acknowledges that it offers confidential counselling as well as training sessions;
10. Regrets the gender imbalance within the Agency's senior management members, with 10 out of 12 being male and 2 being female; asks the Agency to take measures with a view to ensuring better gender balance within its senior management;
11. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office in order to increase publicity; understands the Agency's concern for what concerns translation costs; notes furthermore that the Agency introduced new job posting tools, advertising extensively on social media and improving the job opportunities webpage;

**Procurement**

12. Notes that, according to the Court's report, the Agency signed a framework contract regarding the exploitation of the Galileo satellite system for 2017 to 2027 on 15 December 2016, amounting to EUR 1 500 000 000; notes moreover that the contract was awarded following a public procurement procedure; points out that one of the tenderers involved has launched legal proceedings, challenging the outcome of the procurement procedure; notes that the judgment of the Court of Justice of the European Union will rule on the legality and regularity of the procurement procedure for the framework contract and all related specific contracts and future payments; points out that the Agency disclosed and explained the matter in the financial statements 2017, together with the information that EUR 49 000 000 (7 % of the 2017 budget including amounts received through delegation agreements) were paid under the framework contract in 2017; calls on the Agency to prepare to mitigate any financial or operational risks that may occur, and report to the discharge authority on the developments in the process;
13. Notes that, according to the Court's report, the Agency was not, at the end of 2017, yet using any of the tools launched by the Commission aiming to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes that the Agency is undertaking the needed steps to use the 'e-submission' module; calls on the Agency to introduce all of the necessary tools to manage procurement procedures and report to the discharge authority on their implementation;

**Prevention and management of conflicts of interests and transparency**

14. Notes that one former Commission official occupies an advisory role under the Active Senior Initiative, without receiving salary entitlements from the Agency;
15. Notes that, according to the Agency, both the declarations of interest and the short CVs of its top management have been published in its website; regrets however that the CVs of the Administrative board members are not published; calls on the Agency to report to the discharge authority on the actions taken in that regard;
16. Notes that the Agency adopted an internal whistleblowing policy in June 2018, after receiving an approval from the Commission;

**Other comments**

17. Notes that, following the United Kingdom's decision to withdraw from the Union, an important decision for Galileo was taken to relocate the secondary Galileo Security Monitoring Centre (GSMC) from Swanwick to Madrid and that, at the same time, the Agency has been working closely with the French authorities on the upgrade and future extension of the main GSMC in Saint-Germain-en-Laye;

18. Welcomes the Agency's commitment and cooperation with the Commission in order to minimise any negative operational or financial impact that might stem from the United Kingdom's decision to withdraw from the Union; notes that in 2017 the Agency set up an inventory of contracts and grants affected by the United Kingdom's decision to withdraw from the Union with an analysis of the potential consequences, and is currently negotiating mitigating measures with relevant contractors; calls on the Agency to keep the discharge authority informed of the outcome of the negotiations and the analysis conducted;
  19. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 <sup>(2)</sup> on the performance, financial management and control of the agencies.
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<sup>(2)</sup> Texts adopted, P8\_TA(2019)0254. See page 361 of this Official Journal.

**DECISION (EU) 2019/1532 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European GNSS Agency for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS Agency for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Agency for the financial year 2017, together with the Agency's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2017 (05825/2019 — C8-0086/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council <sup>(5)</sup>, 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 <sup>(6)</sup>, 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 (A8-0142/2019),
1. Approves the closure of the accounts of the European GNSS Agency for the financial year 2017;
  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

<sup>(1)</sup> OJ C 434, 30.11.2018, p. 98

<sup>(2)</sup> OJ C 434, 30.11.2018, p. 98

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 276, 20.10.2010, p. 11.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1533 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the Bio-based Industries Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2017, together with the joint undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 — C8-0103/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 209 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 71 thereof,
  - having regard to Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0103/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 10.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 12.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 169, 7.6.2014, p. 130.

<sup>(6)</sup> OJ L 38, 7.2.2014, p. 2.

**RESOLUTION (EU) 2019/1534 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Bio-based Industries Joint Undertaking for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0103/2019),
- A. whereas the Bio-based Industries Joint Undertaking (the 'Joint Undertaking') was established as a public-private partnership by the Council Regulation (EU) No 560/2014 for a period of 10 years with the aim of bringing together all relevant stakeholders and contributing to establishing the Union as a key player in research, demonstration and deployment of advanced bio-based products and biofuels;
- B. whereas pursuant Articles 38 and 43 of the Joint Undertaking's financial rules, adopted by the decision of its governing board on 14 October 2014, the Joint Undertaking is required to prepare and adopt its own annual accounts prepared by its accounting officer who is appointed by the governing board;
- C. whereas the founding members of the Joint Undertaking are the Union, represented by the Commission, and industrial partners, represented by the Bio-based Industries Consortium (the 'BIC');

**General**

1. Notes that the maximum Union contribution to the activities of the Joint Undertaking is EUR 975 000 000, to be paid from Horizon 2020; notes that the industry members of the Joint Undertaking are to contribute resources of at least EUR 2 730 000 000 over the period of the Joint Undertaking, consisting of at least EUR 975 000 000 of in-kind and cash contributions to the Joint Undertaking's operational activities and at least EUR 1 755 000 000 of in-kind contributions to implement additional activities outside the work plan of the Joint Undertaking;
2. Notes that 17 out of 82 retained proposals from the 2017 call for proposals were at the grant agreement preparation stage by the end of 2017; notes, moreover, that by early 2017, the Joint Undertaking programme will have a portfolio of 82 ongoing projects with a total of 932 participants from 30 countries with a total grant value of EUR 414 000 000;
3. Notes that the objectives of the Joint Undertaking could not be addressed with traditional Union instruments; observes that the Joint Undertaking has provided a structuring effect, bringing together the sectors and actors towards deployment of new value chains, and it has mobilised increasing investments on developing innovations for the bio-based industries;

**Budget and financial management**

4. Notes that the report of the Court of Auditors' (the 'Court') on the Joint Undertaking's annual accounts for the financial year 2017 (the 'Court's report') finds the 2017 annual accounts of the Joint Undertaking to present fairly, in all material respects, its financial position on 31 December 2017 and the results of its operations and cash flows for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer;
5. Notes that the Joint Undertaking's annual accounts provide that the final 2017 budget is to be available for implementation and include commitment appropriations of EUR 92 900 000 and payment appropriations of EUR 91 600 000, the utilisation rates for commitment and payment appropriations of which were 97 % and 95 %, respectively;
6. Observes that the payment appropriations were used mainly for the pre-financing of grant agreements resulting from the 2016 calls for proposals;

7. Notes that out of the EUR 1 186 750 000 of Horizon 2020 funds allocated to the Joint Undertaking, including EUR 975 000 000 of operational and administrative costs and industry members' cash contributions to the administrative (EUR 29 250 000) and operational costs (EUR 182 500 000), by the end of 2017, the Joint Undertaking made commitments of EUR 509 800 000 (42,96 %) and payments of EUR 172 200 000 (representing 14,51 % of the allocated funds) for the implementation of its first wave of projects;
8. Expresses concern about the fact that out of the EUR 975 000 000 of contributions to be made by the industry members to the operational activities and administrative costs of the Joint Undertaking, industry members had reported in-kind contributions of only EUR 26 000 000 for operational activities, and the governing board had validated cash contributions by the members to the Joint Undertaking's administrative costs of EUR 5 800 000; calls on the Joint Undertaking to inform the discharge authority on the development of in-kind contributions and payments made;
9. Regrets that out of the minimum EUR 182 500 000 of cash contributions to be made by the industry members to the Joint Undertaking's operational cost, only EUR 800 000 were paid by the end of 2017, having suspended the Commission EUR 50 000 000 of its cash contributions as a consequence; observes that there is a high risk that the minimum will not be achieved by the end of the Joint Undertaking's programme; notes that the Commission proceeded to a reduction in the Union contribution to the Joint Undertaking by EUR 140 000 000, that should still allow for a consistent calls for proposals in 2020 in order to achieve the Joint Undertaking's strategic objectives in 2024; welcomes that in January 2018, amendments to Regulation (EU) No 560/2014 were adopted which allow the private sector to contribute financially at a project level on top of programme level; emphasizes that a positive trend has been observed in the sphere of in-kind contributions to operational activities that are expected to increase by 61 % (EUR 72 500 000 instead of estimated EUR 45 000 000) in 2018 calls for proposals;

### **Performance**

10. Welcomes that the absence of established key performance indicators is no longer an issue under Horizon 2020; notes with appreciation that available Joint Undertaking specific key performance indicators were found to be on track; welcomes the fact that 2020 target values of 7 out of 8 key performance indicators were exceeded in 2017;
11. Observes that the management cost ratio (administrative and operational budget) remains below 5 %, thus pointing to rather lean and efficient organisational structure of the Joint Undertaking;
12. Notes with concern the value of leverage effect of 2,077 at the end of 2017, that is below expectation; calls the Joint Undertaking to take steps to meet the target leverage effect of 2,80 over the whole period from 2014 to 2020;
13. Notes with appreciation that Joint Undertaking's calls for proposals are fully open to the participation of any stakeholder; welcomes the Joint Undertaking's great efforts in communicating its objectives and results as well as its calls to the stakeholders in the Union through its events, meetings and website;
14. Takes note of the fact that experts confirm that the Joint Undertaking has attracted a satisfactory level of participation of the best Union players in the areas of the selected value chains;
15. Welcomes the fact that all calls for proposals were published and closed according to the respective work plans and that the results regarding 'time-to-grant' and 'time-to-pay' remained well below the defined targets;

### **Procurement and recruitment procedures**

16. Notes that by the end of 2017, the Joint Undertaking's staff was almost complete, with 20 posts filled out of a total of 22 posts allocated to the Joint Undertaking by the staff establishment plan; takes note that the Joint Undertaking recruited 2 temporary agents and 2 contract agents during 2017; notes, moreover, that in order to address additional workload, the Commission authorised the Joint Undertaking to split one position in the establishment plan into one temporary agent with a lower grade and one additional contract agent; takes note that that measure is still pending on the approval of the governing board;

**Internal audit**

17. Notes that in November 2017, the Internal Auditing Service performed the audit field work for the audit 'Limited review of the implementation of the Internal Control Standards (ICSs) in the BBI JU'; calls on the Joint Undertaking to report to the discharge authority of the results of this audit;
18. Observes that the Programme Office performed a self-assessment of its ICSs to assess the current level of implementation of the ICSs and to explore the conditions necessary to move the Internal Control Framework of the organisation to a higher degree of maturity; notes that the conclusion is that the Joint Undertaking enjoys a good maturity level for the implementation of the ICSs and that an action plan for these has been updated;
19. Notes with concern from the Court's Report that there are still some ICS that are pending to be implemented, such as ICSs 8 (Processes and procedures), 10 (Business continuity) and 11 (Document management);
20. Takes note of the fact that in 2017, the Joint Undertaking, together with the Common Audit Service of Commission's Directorate-General Research and Innovation launched the first *ex-post* audit of a random sample of Horizon 2020 interim cost claims; calls on the Joint Undertaking to report to the discharge authority on the results of this audit;
21. Notes with appreciation that the residual error rate is below materiality, amounting to 1,44 % for Horizon 2020;
22. Notes that the Commission's Interim Evaluation on the Joint Undertaking's activities from 2014 to 2016 was carried out, an Action Plan was prepared to address the recommendations raised, e.g. the promotion of new value chains with the involvement of new actors, encouragement of further national and regional bio economy strategies in the Member States, better coordination with the Commission to avoid double financing, increasing to the maximum level the possible industry's financial and in-kind contributions, etc.; notes that several actions have already been undertaken;

**Legal framework**

23. Notes with appreciation that in 2017, the human resources unit continued to strengthen the legal framework paying particular attention to the application of the implementing rules of the Commission to the Joint Undertaking; welcomes the fact that, in that respect, seven new implementing rules have been adopted by the governing board in 2017;

**Prevention and management of conflicts of interests and transparency**

24. Welcomes the fact that the Joint Undertaking, together with six other joint undertakings, launched a common joint-undertaking call for expression of interest to select up to seven confidential counsellors that will set up a network of confidential counsellors.
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**DECISION (EU) 2019/1535 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the Bio-based Industries Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2017, together with the joint undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 – C8-0103/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 209 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 71 thereof,
  - having regard to Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0103/2019),
1. Approves the closure of the accounts of the Bio-based Industries Joint Undertaking for the financial year 2017;
  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

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 10.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 12.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 169, 7.6.2014, p. 130.

<sup>(6)</sup> OJ L 38, 7.2.2014, p. 2.

**DECISION (EU) 2019/1536 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the Clean Sky 2 Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2017, together with the Joint Undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 – C8-0102/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 209 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 71 thereof,
  - having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0095/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 18.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 18.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 169, 7.6.2014, p. 77.

<sup>(6)</sup> OJ L 38, 7.2.2014, p. 2.

**RESOLUTION (EU) 2019/1537 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Clean Sky 2 Joint Undertaking for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0095/2019),
- A. whereas the Joint Undertaking started to work autonomously on 16 November 2009;
- B. whereas the Clean Sky 2 Joint Undertaking (the 'Joint Undertaking') established by Regulation (EU) No 558/2014<sup>(1)</sup> replaced, with effect from 27 June 2014, the Clean Sky Joint Undertaking under Horizon 2020;
- C. whereas the main objectives of the Joint Undertaking are to improve significantly the environmental impact of aeronautical technologies and to enhance the competitiveness of European aviation; whereas the lifetime of the Joint Undertaking has been extended until 31 December 2024;
- D. whereas the founding members of the Joint Undertaking are the Union, represented by the Commission, the leaders of the Integrated Technology Demonstrators (ITDs), innovative aircraft development platforms (IADPs) and the transversal areas (TAs) together with the associate members of the ITDs;
- E. whereas the maximum contribution from the Union to the Joint Undertaking second phase of activities is EUR 1 755 000 000 to be paid from the budget of Horizon 2020;

**Budgetary and financial management**

1. Notes that the Court of Auditors (the 'Court') stated that the 2017 annual accounts of the Joint Undertaking for the year ended 31 December 2017 present fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2017, the results of its operations, its cash flows, and having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 — C8-102/2019), the changes in net assets for the year then ended, in accordance with its Financial Regulation and with the accounting rules adopted by the Commission's accounting officer;
2. Notes that the Court, in its report on the Clean Sky 2 (the 'Court's report'), indicated the transactions underlying the annual accounts as legal and regular in all material aspects;
3. Notes that the Joint Undertaking's final budget for 2017 included commitment appropriations of EUR 313 429 392 and payment appropriations of EUR 243 503 223;
4. Notes that the commitment appropriations utilisation rate was 99,6 % (compared to 97,5 % in 2016) and the rate of payment appropriations was 98,5 % (compared to 87,9 % in 2016);

**Multiannual budget implementation under FP7**

5. Notes that out of the total amount of EUR 817 200 000 for the operational and administrative activities to be funded under the Seventh Framework Programme (including EUR 800 000 000 of Union cash contributions, EUR 14 900 000 of private members' cash contribution to cover administrative costs and EUR 2 300 000 interest received on the pre-financed Seventh Framework Programme funds), the Joint Undertaking made commitments of EUR 815 200 000 (99,75 %) and payments of EUR 815 100 000 (99,74 %) by the end of 2017; notes that the Union had contributed with EUR 800 000 000 in cash; welcomes that the Clean Sky was the first European Joint Undertaking that successfully closed the FP7 Programme;

<sup>(1)</sup> 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. Takes note that by the end of 2017, the Governing Board validated in-kind contributions from other members of EUR 594 100 000, and that other members' cash contribution to the administrative costs were EUR 14 900 000;

#### **Multianual budget implementation under Horizon 2020**

7. Notes that out of the total amount of EUR 1 794 000 000 for the operational and administrative activities to be funded under Horizon 2020 (including EUR 1 755 000 000 from the Union cash contribution and EUR 39 000 000 cash contribution from private members), the Joint Undertaking made commitments of EUR 1 009 600 000 and payments of EUR 493 000 000;
8. Notes that at the end of 2017, the governing board had validated in-kind contributions of EUR 54 000 000 and a further EUR 211 600 000 had been reported; notes, moreover, that the industry members' cash contributions to the administrative costs were EUR 9 500 000;

#### **Calls for proposals**

9. Notes that in 2017 the Joint Undertaking launched two calls for proposals, received 263 eligible proposals (out of the total of 265) and selected 73 proposals to be funded;
10. Welcomes the successful closure of the Clean Sky programme with the delivery in 2017 of a total of 28 significant demonstrators (ground and flight tested) together with having selected all its Core Partners and having achieved the addition of the Partners to the programme, bringing the total to 497 participants;
11. Notes with satisfaction that the final call for Core Partners, which led to the establishment of full complement of 245 private members of the programme (including their participating affiliates), 192 of which were selected via the calls for Core Partners;

#### **Performance**

12. Welcomes that the absence of established Key Performance Indicators (KPIs) is no longer an issue under Horizon 2020; regrets that information on third set of KPIs is not yet available due to nature of the projects; takes note that the experts call for further monitoring activity and analysis, making a clear distinction between the actually achieved KPIs at the end of each year and the projected KPIs;
13. Observes that the management cost ratio (administrative and operational budget) remains below the 5 %, thus pointing to rather lean and efficient organisational structure of the Joint Undertaking;
14. Welcomes the 2016 interim value of leverage effect of 1,55 exceeding the target leverage effect over the whole 2014-2020 period;
15. Welcomes the fact, that all calls for proposals were published and closed according to the respective work plans and that the results regarding 'time-to-grant' and 'time-to-pay' remained well below the defined targets;

#### **Key controls and supervisory systems**

16. Notes that the Joint Undertaking set up *ex ante* control procedures based on financial and operational desk reviews, *ex post* audits at beneficiaries of grants for Seventh Framework Programme interim and final payments and for Horizon 2020 project cost claims, it is the Commission the responsible of the *ex post* audits;
17. Notes that the residual error rate for the *ex post* audits reported by the Joint Undertaking were 1,40 % for Seventh Framework Programme projects and 1,6 % for Horizon 2020 projects, which is considered below materiality level;

#### **Anti-fraud strategy**

18. Observes that the Joint Undertaking decided in 2017 to focus on measures for preventing and detecting double funding, as a result of the outcome of an antifraud risk assessment following a dedicated staff survey;

**Internal audit**

19. Observes that the Commission's Final Evaluation on the Joint Undertaking for the period between 2008 and 2016 and the Interim Evaluation on the Joint Undertaking operating under Horizon 2020 covering the period from 2014 to 2016 were carried out and that an Action Plan has been endorsed by the Board to implement some recommendations for which several actions have already been initiated;
20. Notes that in 2017, the Internal Audit Service (IAS) finalised an audit on the performance management of the Joint Activities; notes that the audit identified two 'very important' issues, in the area of measuring the achievement of the strategic objectives and the impact of the Joint Undertaking activities; notes with regret that the IAS had not issued an internal audit report for 2017 on the implementation of the agreed actions stemming from previous years' audits and risk assessments;

**Other comments**

21. Welcomes the setup of a working group in 2017 on synergies between national and regional programmes and the Joint Undertaking, aiming at identifying areas of cooperation and contribute to the Joint Undertaking action plan and activities on synergies with the European Structural and Investment Funds and cooperation with Member States and Regions.
22. Welcomes the 2017 reinforcement of the Joint Undertaking's digital strategy at its website and social media channels and other activities leading to strengthened visibility of the Clean Sky 2 and further welcomes stronger coordination with its stakeholders;

**Human resources**

23. Notes that on 31 December 2017 the Joint Undertaking had 39 posts filled; notes that in 2017 the Joint Undertaking launched the recruitment procedure of 2 positions.
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**DECISION (EU) 2019/1538 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the Clean Sky 2 Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2017, together with the Joint Undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 – C8-0102/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 209 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 71 thereof,
  - having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0095/2019),
1. Approves the closure of the accounts of the Clean Sky 2 Joint Undertaking for the financial year 2017;
  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

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 18.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 18.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 169, 7.6.2014, p. 77.

<sup>(6)</sup> OJ L 38, 7.2.2014, p. 2.

**DECISION (EU) 2019/1539 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the ECSEL Joint Undertaking for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the ECSEL Joint Undertaking for the financial year 2017, together with the joint undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 — C8-0107/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 209 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 71 thereof,
  - having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0102/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 10

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 12

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1

<sup>(5)</sup> OJ L 169, 7.6.2014, p. 152.

<sup>(6)</sup> OJ L 38, 7.2.2014, p. 2.

**RESOLUTION (EU) 2019/1540 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the ECSEL Joint Undertaking for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0102/2019),
- A. whereas the ECSEL Joint Undertaking on Electronic Components and Systems for European Leadership (the 'Joint Undertaking') was established on 7 June 2014 within the meaning of Article 187 of the Treaty on the Functioning of the European Union for the implementation of the Joint Technology Initiative on 'Electronic Components and Systems for European Leadership' ('ECSEL'), for a period up to 31 December 2024;
- B. whereas the Joint Undertaking was established by Council Regulation (EU) No 561/2014 <sup>(1)</sup> in June 2014 to replace and succeed the ARTEMIS and the ENIAC Joint Undertakings;
- C. whereas the Joint Undertaking has a specific tripartite approach and the members of the Joint Undertaking are the Union, the Member States and, on a voluntary basis, the countries associated to Horizon 2020 ('Participating States') and private member associations ('Private Members') that represent their constituent companies and other organisations active in the field of electronic components and systems in the Union; whereas the Joint Undertaking should be open to new members;
- D. whereas the main objective of the Joint Undertaking is to contribute to the development of a strong and globally competitive electronic components and systems industry in the Union, building on aligned strategies of the Member States to attract private investments;
- E. whereas the contributions to the Joint Undertaking envisaged for the entire period of Horizon 2020 amount to EUR 1 184 874 000 from the Union, EUR 1 170 000 000 from the Participating States and EUR 1 657 500 000 from the Private Members;

**Budgetary and financial management**

1. Notes that the Court of Auditors (the 'Court'), in its report on the Joint Undertaking's annual accounts for the financial year 2017 (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 2017 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 that the Joint Undertaking's final budget for the financial year 2017 included commitment appropriations of EUR 183 900 000 and payment appropriation of EUR 290 100 000; notes that the utilisation rates for commitment and payment appropriations were 98 % and 83 % respectively;
3. Acknowledges the fact that the Court's report states that the transactions underlying the annual accounts of the Joint Undertaking for the financial year 2017 are, in all material respects, legal and regular;
4. Notes that the Court issued a qualified opinion on the legality and regularity of payments underlying the accounts which is a result of projects taken over from Joint Undertaking's legal predecessors Artemis and ENIAC Joint Undertakings; invites the Court to reconsider the methodology that results in repetitive qualified opinions based on this reoccurring issue that cannot be solved until the Seventh Framework Programme projects are terminated;

<sup>(1)</sup> OJ L 169, 7.6.2014, p. 152.

5. Notes the complexity of the Joint Undertaking's budgetary and accounting model stemming from its tripartite nature; notes that the Joint Undertaking would welcome further simplification and streamlining of accounting and auditing;
6. Notes that out of the EUR 1 204 700 000 of Horizon 2020 funds allocated to the Joint Undertaking, including EUR 19 700 000 in industry member's cash contribution to the Joint Undertakings' administrative costs by the end of 2017 the Joint Undertaking had made commitments of EUR 455 000 000 and payments of EUR 314 000 000 (31,81 % of the allocated funds), mostly pre-financing payments for the first wave of Horizon 2020 projects;
7. Notes that out of the EUR 1 657 500 000 of contributions to be made by industry members to the activities of the Joint Undertaking, at the end of 2017, the Joint Undertaking estimated that the members had made in-kind contributions of EUR 421 000 000, compared to the Union's cash contribution of EUR 377 000 000;

### **Performance**

8. Welcomes the fact that the absence of established key performance indicators (KPIs) is no longer an issue under Horizon 2020; observes that most of the third set KPIs targets were already met;
9. Observes that the management cost ratio (administrative/operational budget) remains below the 5 %, thus pointing to rather lean and efficient organisational structure of the Joint Undertaking;
10. Welcomes the 2017 value of leverage effect of 3,0 exceeding the target leverage effect over the whole 2014 to 2020 period;
11. Notes with appreciation that the Joint Undertaking has made very good efforts to be transparent, with all the calls for proposals made having been made public;
12. Welcomes the Joint Undertaking's strong position in its area of expertise across whole Europe and its ability to create an interconnected ecosystem of relevant stakeholders; takes note of the fact that experts underscore that the Joint Undertaking attracts the best European players in the semiconductor and systems domains; calls on ECSEL to involve more SMEs;
13. Welcomes the fact that all calls for proposals were published and closed according to the respective work plans and that the results regarding 'time-to-grant' and 'time-to-pay' remained well below the defined targets;

### **Procurement**

14. Notes with regret that the Court noticed significant shortcomings in the management of the procurement procedures for administrative services; notes from the Joint Undertaking's replies that a budget, procurement and contracts assistant has been nominated to handle this problem;

### **Internal controls**

15. Welcomes the fact that the Joint Undertaking has taken steps to assess the implementation of *ex-post* audits by the national funding authorities (NFAs), and has obtained written statements from the NFAs declaring that the implementation of their national procedures provided for a reasonable assurance of the legality and regularity of transactions;
16. Notes with satisfaction the fact that the issue concerning the variation in the methodologies and procedures used by the NFAs is no longer relevant to the implementation of Horizon 2020 projects, as the *ex-post* audits are undertaken either by the Joint Undertaking or by the Commission; notes that in accordance with the provisions of the common *ex post* audit plan for Horizon 2020, there are at present 17 *ex-post* audits already launched on transactions relating to the activities of the Joint Undertaking;
17. Notes with regret that in 2017, the Joint Undertaking had not properly documented in its register of exceptions management overrides of controls nor deviations from established processes and procedures; observes from their replies that the Joint Undertaking has taken actions to address this issue, like revising Internal Control Standard 8, that it has a register of exceptions and that a training session took place for its staff in 2018;

18. Observes that the Commission's Final Evaluation on the ARTEMIS and the ENIAC Joint Undertakings for the period 2008 to 2013, together with the Interim Evaluation on the Joint Venture operating under Horizon 2020 covering the period 2014 to 2016 was undertaken; notes that the Joint Undertaking prepared and adopted an action plan to address the recommendations of these evaluations and that some activities already been initiated;

#### **Internal audit**

19. Notes that in 2017 the Commission Internal Audit Services performed an audit on performance management and requested that the Joint Undertaking formulate an action plan to address the recommendations in that report <sup>(2)</sup>; notes that an Action Plan was adopted by the Joint Undertaking's Governing Board in April 2018;

#### **Human resources management**

20. Notes that on 31 December 2017, the Joint Undertaking employed 29 staff, the same number as in the year before; notes that the Joint Undertaking filled one communication position and advertised two posts, one for internal control and audit management and the other for head of administration and finance, plus a seconded national expert position;
21. Welcomes the fact that with a view to adapting the structure of the organisation to priorities and needs for expertise, the organisation chart of the Joint Undertaking was updated on 1 June 2017.

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<sup>(2)</sup> AAR, p. 51.

**DECISION (EU) 2019/1541 OF THE EUROPEAN PARLIAMENT**  
**of 26 March 2019**  
**on the closure of the accounts of the ECSEL Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the ECSEL Joint Undertaking for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the ECSEL Joint Undertaking for the financial year 2017, together with the joint undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 — C8-0107/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 209 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 71 thereof,
  - having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0102/2019),
1. Approves the closure of the accounts of the ECSEL Joint Undertaking for the financial year 2017;
  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

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<sup>(1)</sup> OJ C 452, 14.12.2018, p. 10

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 12

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 169, 7.6.2014, p. 152.

<sup>(6)</sup> OJ L 38, 7.2.2014, p. 2.

**DECISION (EU) 2019/1542 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2017, together with the Joint Undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 — C8-0105/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 209 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 71 thereof,
  - having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0105/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 48.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 50.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 169, 7.6.2014, p. 108.

<sup>(6)</sup> OJ L 38, 7.2.2014, p. 2.

**RESOLUTION (EU) 2019/1543 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0105/2019),
- 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 <sup>(1)</sup> for a period until 31 December 2017 to focus on developing market applications and facilitating additional industrial efforts towards a rapid deployment of fuel cells and hydrogen technologies; whereas Regulation (EC) No 521/2008 was repealed by Council Regulation (EU) No 559/2014 <sup>(2)</sup>;
- B. whereas Regulation (EU) No 559/2014 established the Fuel Cells and Hydrogen 2 Joint Undertaking ('FCH2') in May 2014 to replace and succeed FCH for a period until 31 December 2024;
- C. whereas the members of FCH were the Union, represented by the Commission, the Fuel Cell and Hydrogen Joint Technology Initiative Industry Grouping, and the Research Grouping N.ERGHY;
- D. whereas the members of FCH2 are the Union, represented by the Commission, the New Energy World Industry Grouping AISBL ('Industry Grouping'), renamed Hydrogen Europe in 2016, and the New European Research Grouping on Fuel Cells and Hydrogen AISBL ('Research Grouping');
- E. whereas the maximum Union contribution towards the FCH2's first phase of activities is EUR 470 000 000 from the Seventh Framework Programme; whereas the contributions from the other members must be at least equal to the Union contribution;
- F. whereas in FCH2, the maximum Union contribution is EUR 665 000 000 from the Horizon 2020 and the members from the Industry and Research Groupings are expected to contribute resources of at least EUR 380 000 000, comprising in-kind contributions in the Horizon 2020 projects funded by the FCH2, in-kind contributions to additional activities (of at least EUR 285 000 000) and in cash-contributions to administrative costs;

**Budget and financial management**

1. Notes that the report of the Court of Auditors (the 'Court') on the annual accounts of FCH2 (the 'Court's report') finds the 2017 annual accounts to present fairly, in all material respects, the financial position of the FCH2 at 31 December 2017, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer; notes, moreover, that FCH2's accounting rules are based on internationally-accepted accounting standards for the public sector;
2. Notes that FCH2's final budget for the financial year 2017 included commitment appropriations of EUR 127 800 000 and payment appropriations of EUR 198 600 000; notes that payment appropriations increased by 71, 95 %, and were mainly used for pre-financing the 2016 and 2017 calls for proposals;
3. Notes that the overall 2017 budget execution of commitment and payment appropriations reached 96 % and 89 % respectively,

<sup>(1)</sup> Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking (OJ L 153, 12.6.2008, p. 1).

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

**Multiannual budget implementation under the Seventh Framework Programme**

4. Notes that out of the EUR 490 000 000 of the funds for FCH's activities (including EUR 470 000 000 in cash contributions from the Union and EUR 20 000 000 of administrative costs from other members), by the end of 2017, the FCH2 had made commitments of EUR 481 700 000 and payments of EUR 418 500 000; points out that according to the FCH's payment plan for ongoing projects of the Seventh Framework Programme, another EUR 25 700 000 will be paid in 2018 and EUR 17 400 000 in the subsequent years, totalling a prevision of 94,3 % of the total FCH's budget;
5. Notes that out of the EUR 470 000 000 of in-kind and cash contributions to be made by the members of the Industry and Research Groupings to the operational activities of the FCH, by the end of 2017, the governing board had validated contributions of EUR 396 200 000; points out that additional in-kind contributions to operational activities of EUR 55 800 000 had been reported to the FCH2 by the end of 2017, highlights the fact that consequently, at the end of 2017, the total contribution of the members of the Industry and Research Groupings to the Joint Undertaking amounted to EUR 452 000 000, compared to the Union contribution of EUR 405 800 000;

**Multiannual budget implementation under Horizon 2020**

6. Notes that out of the EUR 684 000 000 of Horizon 2020 funds allocated (including EUR 665 000 000 from cash contributions of the Union and EUR 19 000 000 from cash contributions to administrative costs from industry and research members), the FCH2 made commitments of EUR 407 200 000 (59,53 %) and payments of EUR 223 300 000;

**Other issues**

7. Notes that by the end of 2017, the members of the Industry and Research Groupings had reported in-kind contributions of EUR 25 100 000 for operational activities of EUR 1 300 000 of which EUR 600 000 had been validated by the governing board of the FCH2,
8. Takes note of the fact that the Union cash contribution was EUR 234 300 000 at the end of 2017;
9. Notes that for the Seventh Framework Programme, at the end of 2017, 46 payments for interim and mainly final periodic reports were made for a total of EUR 27 100 000; notes that the budget execution (in terms of payment appropriations) was 73,8 % (compared to 73,7 % in 2016);
10. Notes that for the Horizon 2020, in terms of payment appropriations, 40 pre-financing payments were made for the projects of the 2016 and 2017 calls for proposals, 8 payments to studies and 2 to the joint research centre; notes, moreover, that the budget execution (in terms of payments) reached 93,3 % (compared to 98 % in 2016); notes with satisfaction the fact that in terms of commitment appropriations the budget execution reached 99,8 % when it was of 78,6 % in the previous year, due to the decision to take two additional projects from the reserve list of the 2017 calls for proposals;
11. Observes that the fourth Additional Activities Plan covering 2018, including certifiable additional activities for EUR 250 160 000, was adopted by the FCH2 in December 2017; observes that the FCH2 has developed a methodology, which provides for robust controls for the collection, reporting and certification of additional activities and includes a model audit programme and audit certificate for the certification by independent external auditors;

**Performance**

12. Welcomes the revision of the technico-economic key performance indicators (KPIs) included in the addendum to the multi-annual work plan endorsed by the FCH2 governing board; observes that most of the 2017 KPIs have been met while projects still ongoing are on track to achieve targets for 2017 and beyond;
13. Observes the fact that the management cost ratio (administrative and operational budget) remains below 5 %, thus pointing to rather lean and efficient organisational structure of the FCH2;
14. Welcomes the 2017 value of leverage effect of 1.95 exceeding the target leverage effect over the whole period from 2014 to 2020;

15. Takes note of the fact that experts have counted among the participants of the FCH2 calls many of the world class car manufacturers as well as top energy and utility companies, top innovators are well represented; notes also the engagement of the industry into the planning and execution of the programme; observes that the experts recommend strengthening the value chain approach by a greater participation of end users and customers;
16. Welcomes the fact that all calls for proposals were published and closed according to the respective work plans and that the results regarding 'time-to-grant' and 'time-to-pay' remained well below the defined targets;

#### **Internal audit**

17. Notes that in 2017, the FCH2 finalised implementation of all action plans addressing recommendations on internal audit service (IAS) audits on the performance management undertaken by the IAS in 2016, with an exception of one action; notes that in 2017, the IAS undertook a new audit on coordination with the Commission's Central Support Centre and implementation of its tools and services in the FCH2; notes, moreover, that on 7 December 2017, the FCH2 received a final audit report from the IAS on this audit, which resulted in three recommendations; welcomes the fact that the FCH2 agreed with all the recommendations and sent an action plan to IAS on 15 January 2018, which was subsequently agreed by the IAS in January 2018;
18. Notes that the *ex post* audit effort was pursued with the launch of 16 new audits for the Seventh Framework Programme, using the research, technological development and demonstration framework contract with one external audit firm; takes note that the residual error rate was below 2 %; observes that 11 new audits for Horizon 2020 were launched in 2017; calls on the FCH2 to report to the discharge authority on the results of these audits;
19. Observes that the Commission's final evaluation on the FCH for the period between 2008 and 2016 and the interim evaluation on the FCH2 operating under Horizon 2020 covering the period from 2014 to 2016 were carried out, having an action plan been endorsed by the governing board, of which several actions have already been initiated, with the expectation of completing most of the programme between 2018 and 2019, but taking into consideration that a small number of actions are expected to be implemented by the following programming period;

#### **Internal controls**

20. Welcomes the fact that the FCH2 has set up *ex ante* control procedures based on financial and operational desk reviews, *ex-post* audits at beneficiaries of grants for Seventh Framework Programme interim and final payments and for Horizon 2020 project cost claims, while the Commission is the responsible of the *ex post* audits; welcomes the fact that the residual error rate for the *ex post* audits at the end of 2017 was 1,13 %, which the Court finds below materiality;
  21. Welcomes that the FCH2 has adopted rules on prevention and management of conflict of interest covering its staff and bodies in November 2017;
  22. Takes note of the fact that in 2017, the FCH2, together with the Common Audit Service of Commission's Directorate-General Research and Innovation launched the first *ex post* audit of a random sample of Horizon 2020 interim cost claims; calls on the FCH2 to report to the discharge authority on the results of this audit.
  23. Notes that on 31 December 2017, the total number of posts filled in the FCH2 was 26, representing 11 different Member States;
  24. Welcomes the numerous communication activities organised in 2017 that further contributed to increased visibility of the FCH2.
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**DECISION (EU) 2019/1544 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2017, together with the joint undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 – C8-0105/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 209 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 71 thereof,
  - having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0105/2019),
1. Approves the closure of the accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2017;
  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

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 48.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 50.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 169, 7.6.2014, p. 108.

<sup>(6)</sup> OJ L 38, 7.2.2014, p. 2.

**DECISION (EU) 2019/1545 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking ('IMI 2 Joint Undertaking') for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the IMI 2 Joint Undertaking for the financial year 2017, together with the IMI 2 Joint Undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the IMI 2 Joint Undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 – C8-0104/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 209 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 71 thereof,
  - having regard to Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the IMI 2 Joint Undertaking <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0104/2019),
1. Grants the Executive Director of the IMI 2 Joint Undertaking discharge in respect of the implementation of the IMI 2 Joint Undertaking's budget for the financial year 2017,
  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 IMI 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

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 57.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 59.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 169, 7.6.2014, p. 54.

<sup>(6)</sup> OJ L 38, 7.2.2014, p. 2.

**RESOLUTION (EU) 2019/1546 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0104/2019),
- A. whereas the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ('IMI Joint Undertaking') was set up in December 2007 for a period of 10 years to improve significantly the efficiency and effectiveness of the drug development process with the long-term aim that the pharmaceutical sector produce more effective and safer innovative medicines;
- B. whereas following the adoption of Council Regulation (EU) No 557/2014 <sup>(1)</sup> in May 2014 the Innovative Medicines Initiative 2 Joint Undertaking ('IMI 2 Joint Undertaking') replaced the IMI Joint Undertaking in June 2014 with the aim of finalising research activities of the Seventh Framework Programme and extended the lifetime of the Joint Undertaking until 31 December 2024;
- C. whereas the Union, which is represented by the Commission, and the European Federation of Pharmaceutical Industries and Associations are the founding members of the Joint Undertaking;
- D. whereas the maximum contribution for the period of 10 years from the Union to the IMI Joint Undertaking is EUR 1 000 000 000, to be paid from the budget of the Seventh Framework Programme and the founding members are to contribute equally to the running costs, each with an amount not exceeding 4 % of the total Union contribution;
- E. whereas the maximum contribution for the period of 10 years from the Union to the IMI 2 Joint Undertaking is EUR 1 638 000 000, to be paid from the budget of Horizon 2020 and the members, other than the Commission, have to contribute 50 % of the running costs and should contribute to operational costs through cash or in-kind contributions, or both, equal to the financial contribution of the Union;

**Budgetary and financial management**

1. Notes that, in the European Court of Auditors' ('the Court') opinion, the accounts of the IMI 2 Joint Undertaking for the year ended on 31 December 2017 present fairly, in all material respects, the financial position of the IMI 2 Joint Undertaking at 31 December 2017, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer and are based on internationally-accepted accounting standards for the public sector;
2. Notes the clean opinion of the Court on the legality and regularity of transactions underlying the annual accounts of the IMI 2 Joint Undertaking for the year 2017 which are legal and regular in all material respects;
3. Notes that the final 2017 budget available for the Seventh Framework Programme and Horizon 2020 programme implementation included commitment appropriations of EUR 322 396 498 and payment appropriations of EUR 206 372 367; notes that the utilisation rates for commitment appropriations were 97,07 % (an increase of 2,99 % compared to 2016);

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

4. Regrets to note that payment appropriations were for the fourth consecutive year below 75 %: in 2017 they were at 71,96 %; takes note that this low implementation was mainly due to a reduction or postponement of clinical trials within some large and complex projects of the anti-microbial resistance and Ebola programmes and to delays in concluding grant agreements for calls under Horizon 2020; invites the IMI 2 Joint Undertaking to present updated information to the discharge authority and to improve the payment appropriations for the procedure next year;
5. Welcomes that the number of payments increased by 9,33 % (from 75 % to 82 %); points out that the paid amount decreased due to the higher amount of the costs recognised against pre-financing already paid to IMI Joint Undertaking and IMI 2 Joint Undertaking projects (clearings increased by 189 %, from EUR 20 347 000 to EUR 58 846 383);
6. Acknowledges the inherent limitations in the forecasting of payment appropriation process; notes with regret that these limitations result in weaknesses when planning and monitoring payment appropriations, reflected in EUR 78 700 000 near the end of 2017 of unused payment appropriations from previous years; welcomes the corrective measures put in place by the IMI 2 Joint Undertaking to break the cycle of over budgeting; notes that the IMI 2 Joint Undertaking governing board decided to reduce the operational payment appropriations of the given year by EUR 56 000 000 and the accumulated unused from previous years by EUR 25 800 000;
7. Notes that out of the EUR 1 000 000 000 of the Seventh Framework Programme funds allocated to the IMI Joint Undertaking, by the end of 2017 the IMI 2 Joint Undertaking had made commitments of EUR 966 060 000 and payments of EUR 719 978 000; observes that the high level of outstanding payments of EUR 246 082 000 (25,47 %) was mainly due to the delayed start of the Seventh Framework Programme activities during the first years of the IMI Joint Undertaking;
8. Notes that out of the EUR 1 000 000 000 of contributions to be made by the industry members to the activities of the IMI Joint Undertaking, by the end of 2017 the IMI 2 Joint Undertaking had validated in-kind and cash contributions of EUR 551 800 000 (EUR 529 900 000 in-kind and EUR 21 900 000 in cash contributions); points out that a further EUR 153 000 000 of in-kind contributions without validation had been reported by the members to the IMI 2 Joint Undertaking; highlights the fact that consequently, at the end of 2017, the in-kind and cash contributions of the industry members totalled EUR 705 100 000, compared to the Union's cash contributions to the Seventh Framework Programme activities of the IMI Joint Undertaking, which amounted to EUR 827 200 000;
9. Notes that out of the EUR 1 680 000 000 of Horizon 2020 funds allocated to the IMI Joint Undertaking, by the end of 2017 the IMI 2 Joint Undertaking had made commitments of EUR 819 010 000 (50 %) and payments of EUR 179 650 000 (10,97 % of the allocated funds and 21,93 % of the committed funds) for the implementation of 13 calls for proposals; acknowledges the fact that the low level of payments is due to the time required by project consortia to conclude Horizon 2020 grant agreements with the industry partners, which delays IMI Joint Undertaking planned pre-financing for the given year, and due to the duration of the projects, often spanning over 5 years, bringing a large share of the payments beyond 2020;
10. Notes that out of the EUR 1 638 000 000 of in-kind and cash contributions to be made by the industry members and associated partners to the activities of the IMI 2 Joint Undertaking, EUR 82 500 000 had been validated by the Executive Director and a further amount of EUR 50 300 000 had been reported by the end of 2017; notes in addition that the Executive Director had validated cash contributions by the industry members of EUR 7 600 000; notes moreover that consequently, at the end of 2017, the total contributions of the industry members to the Horizon 2020 activities of the IMI 2 Joint Undertaking amounted to EUR 140 400 000, compared to the Union's cash contribution of EUR 157 300 000; highlights the fact that, at this stage of programme implementation, commitments of EUR 391 000 000 of Union funds and EUR 381 000 000 of industry in-kind contributions have been allocated to 40 Horizon 2020 projects (of which 37 were still running at the end of 2017);
11. Notes that, on 31 December 2017, the staff total posts filled of the IMI 2 Joint Undertaking was 49, 8 more than the previous year;

**Performance**

12. Welcomes that the absence of established key performance indicators (KPIs) is no longer an issue under Horizon 2020; regrets the slow progression in fulfilling some of the KPIs specific to IMI Joint Undertaking that were set for the duration of the whole programme (less than 60 % of the third set of 2017 target KPIs were reached); welcomes the IMI 2 Joint Undertaking governing board decision to approve a new set of IMI Joint Undertaking specific KPIs better aligned with the programme objectives;
13. Observes that the management cost ratio (administrative/operational budget) remains below 5 %, thus pointing to rather lean and efficient organisational structure of the IMI 2 Joint Undertaking;
14. Welcomes that the 2016 interim value of leverage effect of 0,96 almost reached the target leverage effect over the whole 2014-2020 period;
15. Observes that IMI 2 Joint Undertaking's calls are open to newcomers through several modes; notes however that participation of associated partners is still low considering the objectives established in the IMI 2 Joint Undertaking's Regulation and will need to be scaled up in the remaining years;
16. Welcomes the fact, that all calls for proposals were published and closed according to the respective work plans and that the results regarding 'time-to-grant' and 'time-to-pay' remained well below the defined targets;
17. Welcomes the strategy to involve SMEs as IMI Joint Undertaking's beneficiaries and thus contributing to the creation of a value chain; further welcomes the involvement of the patients organisations; acknowledges that at the end of 2017 approximately 50 % of IMI Joint Undertaking's projects had patient organisations engaged in some sort of way;

**Anti-fraud strategy**

18. Notes that the IMI 2 Joint Undertaking has an anti-fraud strategy aligned with the common anti-fraud strategy of the Directorate-General for Research and Innovation; welcomes the fact that in 2017 no new cases were reported to the European Anti-Fraud Office (OLAF); notes, however, that two requests for information were received from OLAF, one in which no measures were needed and other for which the IMI 2 Joint Undertaking set up the recovery procedure;

**Internal audit**

19. Notes that the Commission's Internal Audit Service (IAS) issued the final audit report on 'H2020 Grant Process the IMI 2 Joint Undertaking' in February 2017; highlights the fact that the IAS recommended that IMI 2 Joint Undertaking explains the activities undertaken by its advisory bodies and their interaction with the European Federation of Pharmaceutical Industries and Associations (EFPIA) among others, provide information about the role and activities undertaken by EFPIA representatives or ensure that all evaluators sign their respective declaration of interest before the kick-off of the remote evaluation;
20. Welcomes the fact that IMI 2 Joint Undertaking prepared an action plan and all four recommendations were implemented by the end of 2017;
21. Welcomes that the Joint Undertaking prepared an Action Plan in November 2017 including a wide set of actions to be implemented, of which some were already initiated, such as development of webinars, participation of SMEs, etc.;

**Internal control systems**

22. Acknowledges the fact that the IMI 2 Joint Undertaking has set up reliable *ex ante* control procedures based on financial and operational desk reviews; observes that for the Seventh Framework Programme interim and final payments, the Joint Undertaking performs *ex post* audits at the beneficiaries whilst for Horizon 2020 project cost claims the Commission's Common Audit Service is responsible for the *ex post* audits; notes that the error rates for the *ex post* audits reported by the Joint Undertaking at the end of 2017 were 1,29 % for the Seventh Framework Programme and 0,81 % for Horizon 2020;

23. Welcomes the fact that the IMI 2 Joint Undertaking could reduce the delays in administrative payments to contractors from 34 % to 11,1 % and the time-to-pay for interim payments to project beneficiaries from 94 to 65 days in 2017; acknowledges in this respect that the average time-to-pay for final payments of costs claimed by beneficiaries was 52 days;
  24. Observes that the Commission completed the final evaluation of the IMI 2 Joint Undertaking activities (2008-2016) and the interim evaluation of its Horizon 2020 activities (2014-2016) in 2017 with a favourable assessment and four recommendations for which action plans have been established;
  25. Notes that by the end of 2017, the Commission's Common Support Centre had not finished specific developments in the Horizon 2020 grant management and monitoring tools to serve the IMI 2 Joint Undertaking's reporting and processing needs for in-kind contributions; calls on the IMI 2 Joint Undertaking to report to the discharge authority these results;
  26. Welcomes the new website launched in 2017, which is reflecting the suggestions of IMI Joint Undertaking's main stakeholders and its own communication objectives and contributes to further visibility of the Joint Undertaking.
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**DECISION (EU) 2019/1547 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking ('IMI 2 Joint Undertaking') for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the IMI 2 Joint Undertaking for the financial year 2017, together with the IMI 2 Joint Undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the IMI 2 Joint Undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 – C8-0104/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 209 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 71 thereof,
  - having regard to Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the IMI 2 Joint Undertaking <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0104/2019),
1. Approves the closure of the accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2017,
  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

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 57.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 59.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 169, 7.6.2014, p. 54.

<sup>(6)</sup> OJ L 38, 7.2.2014, p. 2.

**DECISION (EU, Euratom) 2019/1548 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****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 2017**

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 2017,
  - 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 2017, together with the Joint Undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 — C8-0100/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Decision No 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0126/2019),
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 2017,
  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

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 36.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 36.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 90, 30.3.2007, p. 58.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU, Euratom) 2019/1549 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0126/2019),
- A. whereas the European Joint Undertaking for ITER and the Development of Fusion Energy (the 'Joint Undertaking') was established in March 2007 for a period of 35 years by Council Decision 2007/198/Euratom <sup>(1)</sup>;
- B. whereas the members of the Joint Undertaking are Euratom, represented by the Commission, the member states of Euratom, and third countries which have concluded a cooperation agreement with Euratom in the field of controlled nuclear fusion;
- C. whereas the objectives of the Joint Undertaking are to provide the Union's contribution to the ITER international fusion energy project, to implement the broader approach agreement between Euratom and Japan, and to prepare for the construction of a demonstration fusion reactor;
- D. whereas the Joint Undertaking started to work autonomously in March 2008;

**General**

1. Notes that the report of the Court of Auditors (the 'Court') on the Joint Undertaking's annual accounts for the financial year 2017 (the 'Court's report') finds the annual accounts to be presented fairly, in all material respects, its financial position as at 31 December 2017 and the results of its operations, its cash flows and the changes in its net assets for the year then ended, to be in compliance with its financial regulation and the accounting rules adopted by the Commission's accounting officer;
2. Acknowledges that the transactions underlying the annual accounts of the Joint Undertaking for the financial year 2017 are, in all material respects, legal and regular;
3. Highlights the fact that the Joint Undertaking is responsible for the management of the Union's contribution to the ITER project and that the budget cap of EUR 6 600 000 000 until 2020 must be maintained; notes that that figure does not include the EUR 663 000 000 proposed by the Commission in 2010 to cover potential contingencies;
4. Notes that in November 2016, the Council of ITER Organisation (the 'ITER Council') approved a new ITER project baseline for the scope, schedule and the costs of the project; notes, moreover, that the overall project schedule for operations 'First Plasma' and 'Deuterium-Tritium' was approved; notes the fact that following the approval of the new ITER project baseline, the Joint Undertaking set the new timetable and recalculated the related cost at completion of the Joint Undertaking's contribution to the project construction phase;
5. Expresses ongoing concern that the estimated completion date for the whole construction phase is currently planned with a delay of about 15 years compared to the original baseline; acknowledges the fact that the ITER Project reported completing 50 percent of the 'total construction work scope through First Plasma' at the end of 2017; notes that the new schedule endorsed by the ITER Council set out a four-stage approach, making December 2025 the deadline for achieving the first strategic milestone of the project construction phase ('First Plasma') and December 2035 the estimated completion date for the whole construction phase; acknowledges the fact that the aim of the new staged approach is to better align the project implementation with the priorities and constraints of all members of the ITER Organisation;

<sup>(1)</sup> Council Decision No 2007/198/Euratom of 27 March 2007 establishing a Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it (OJ L 90, 30.3.2007, p. 58).

6. Notes that the Court's report found that the results, which were presented to the Joint Undertaking's Governing Board in December 2016, indicated an expected additional funding requirement of EUR 5 400 000 000 (in 2008 values) to that already committed for the construction phase after 2020, which represents an increase of 82 % in relation to the approved EUR 6 600 000 000 (in 2008 values) budget; reiterates the fact that the amount of EUR 6 600 000 000 adopted by the Council in 2010 serves as a ceiling for the Joint Undertaking's spending up to 2020; recognises that the additional funding required to complete the ITER project must involve future Multiannual Financial Framework commitments;
7. Highlights the fact that in addition to the construction phase, the Joint Undertaking will have to contribute to the ITER operational phase and to the subsequent ITER deactivation and decommissioning phases; takes note that the contribution to the deactivation and the decommissioning phases were estimated at EUR 95 540 000 (in 2001 values) and EUR 180 200 000 (in 2001 values); is concerned that the contribution for the operational phase after 2035 has not yet been estimated in financial terms; calls on the Joint Undertaking to estimate the cost of the operational phase after 2035 as soon as possible;
8. Stresses that on 14 June 2017, the Commission issued a communication entitled 'EU contribution to a reformed ITER project', in which it suggested that a contingency of up to 24 months in terms of schedule and 10 to 20 % in terms of budget would be appropriate; notes in addition that the measures taken to respect the EUR 6 600 000 000 capped budget included postponing the procurement and installation of all components not essential to First Plasma; **is very concerned** that while positive steps have been taken to improve the management and control of the ITER project construction phase, there remains an ongoing risk of further cost increases and delays in project implementation compared to the new proposed baseline; calls on the Joint Undertaking and indeed all parties of the project to take appropriate action to identify and analyse all potential risks and set up an Action Plan that will also include a further analysis on the impact of Brexit;

#### **Budget and financial management**

9. Notes that the final 2017 budget available for implementation included commitment appropriations of EUR 588 916 058 and payment appropriations of EUR 864 914 263; notes that the utilisation rates for commitment and payment appropriations were 99,9 % and 96,3 % respectively (99,8 % and 98,1 % in 2016);
10. Regrets that, due to serious shortcomings in the budget planning process coupled with the acceleration of some contracts, the Joint Undertaking finally needed EUR 832 600 000 in payment appropriations for 2017, while the initial amount approved in February 2017 amounted to EUR 548 600 000; notes with regret that the Joint Undertaking has estimated a lack of payment appropriations of about EUR 150 000 000 for the 2018 budget; notes from the Joint Undertaking's reply that the Euratom provided additional payment appropriations and that the payment forecasting system has been totally redesigned and integrated;
11. Notes that out of EUR 588 916 058 available for commitment appropriations, 96,5 % was implemented through direct individual commitments (99,7 % in 2016);
12. Acknowledges almost full implementation of the 2017 budget and the automatic carry-overs;
13. Notes that, in 2017, the balance of the budget outturn amounted to EUR 17 236 192 (EUR 5 880 000 in 2016);

#### **Performance**

14. Observes that the Joint Undertaking uses sets of technical and non-technical objectives and key performance indicators to measure its performance; welcomes that the Joint Undertaking delivered seven of the nine planned ITER Council milestones in 2017; notes with appreciation that at the overall ITER Project level, 30 out of 32 ITER Council milestones were achieved;
15. Notes that the content, structure and therefore the reliability and effectiveness of the schedules has been improved during the last years;

**Prevention and management of conflicts of interest and transparency**

16. Notes that in 2017, the Joint Undertaking's governing board continued implementing the public procurement part of the anti-fraud strategy; notes that the Joint Undertaking adopted a checklist based in its own set of procurement fraud risk indicators, i.e., red flags, considered a prerequisite to the development of the Anti-fraud IT tool, having developed them internally; acknowledges that the use of the checklist is now being introduced in the internal processes of the Joint Undertaking together with other procurement changes; notes that the Ethics and Integrity sessions were given to newcomers;

**Personal selection and recruitment**

17. Notes with regret that significant shortcomings were found by the Court in relation to the recruitment of key management staff; calls on the Joint Undertaking to report to the discharge authority in any improvement made in that regard;

**Internal control**

18. Notes that the Joint Undertaking has not consistently followed on the declarations of interests from senior management; calls on the Joint Undertaking to report to the discharge authority any improvement made in this regard;
19. Observes that in 2018 the General Court of the Court of Justice of the European Union annulled two 2015 employment decisions due to irregularities in the recruitment process; notes from the Joint Undertaking's reply that it appealed against those annulments and that the European Ombudsman had ruled in favour of the Joint Undertaking in those cases;
20. Notes with regret that significant shortcomings in the internal communication strategies did not ensure the dissemination of appropriate information on the estimated costs of the decommissioning phase within the organisation and, therefore, the Joint Undertaking disclosed no provision for such liability in the accounts of the previous years; notes that the amount of the accounting provision up to 31 December 2017 has been estimated at EUR 85 200 000;

**Operational procurement and grants**

21. Notes that during 2017, 83 operational procurement procedures were launched, and 69 operational procurement contracts were signed.
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**DECISION (EU, Euratom) 2019/1550 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2017**

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 2017,
  - 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 2017, together with the joint undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 — C8-0100/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Decision No 2007/198/Euratom of 27 March 2007 establishing a Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0126/2019),
1. Approves the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2017,
  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

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 36.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 36.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 90, 30.3.2007, p. 58.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1551 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2017, together with the Joint Undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 – C8-0101/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having 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 (A8-0118/2019),
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 2017;
  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

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 66.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 68.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 64, 2.3.2007, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**RESOLUTION (EU) 2019/1552 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the SESAR Joint Undertaking for the financial year 2017**

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 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0118/2019),
- A. whereas the SESAR Joint Undertaking (the 'Joint Undertaking') was set up in February 2007 to run the Single European Sky Air Traffic Management Research (SESAR) programme, which aims to modernise traffic management in the Union;
- B. whereas, following the adoption of Council Regulation (EU) No 721/2014 <sup>(1)</sup>, the SESAR 2 programme extended the lifetime of the Joint Undertaking until 31 December 2024;
- C. whereas the Joint Undertaking was designed as a public-private partnership, with the Union and Eurocontrol as founding members;
- D. whereas the Union contribution for the deployment phase of the SESAR 2 Programme 2014 to 2024 funded by Horizon 2020 is EUR 585 000 000; whereas under the new Horizon 2020 Membership Agreements, the contribution from Eurocontrol is expected to be around EUR 500 000 000, and the other partners from the aviation industry will contribute with at least EUR 720 700 000, and being around 90 % the in-kind contributions from Eurocontrol and other partners;
- E. Notes that the Joint Undertaking has presented its budget in two separate sections: (1) SESAR 1 and (2) SESAR 2020; notes further that SESAR 1 was co-financed from TEN-T and the Seventh Research Framework programmes and SESAR 2020 is co-financed from Horizon 2020;

**General**

1. Observes from the report of the Court of Auditors (the 'Court') on the Joint Undertaking's annual accounts for the year ended 31 December 2017 (the 'Court's report') present fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2017, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer;
2. Acknowledges that the Court's report states that the transactions underlying the annual accounts of the Joint Undertaking for the financial year 2017 are, in all material respects, legal and regular;
3. Notes that at the end of 2017, the Joint Undertaking operated under four different sources of funding; notes the diversity of applicable legal frameworks with own templates and obligations under which the Joint Undertaking operates and acknowledges the high degree of complexity of such model;

**Budget and financial management**

4. Notes that in 2017, the total payment appropriations of the Joint Undertaking were EUR 191 813 383 (2016: EUR 157 152 638), EUR 213 022 000 (2016: EUR 162 851 972) including assigned revenue and carry-overs; notes that the commitment appropriations were EUR 113 346 265 (2016: EUR 99 073 761), EUR 130 944 000 (2016: EUR 101 407 854) including assigned revenue and carry-overs;
5. Notes that according to the Court's report the utilisation rates for commitment and payment appropriations were 80,24 % and 67,97 % respectively (95,7 % and 63,2 % in 2016);

<sup>(1)</sup> OJ L 192, 1.7.2014, p. 1.

6. Notes that the implementation rates for SESAR 1 commitments and payment appropriations were 11 % and 68 % respectively, with such a low rates explained by an unexpected assigned revenue of around EUR 17 million and that in December 2016, the SESAR 1 programme was formally closed and the last payment was done in December 2017, having the Joint Undertaking to ensure by the end of 2017 sufficient the Seventh Framework Programme funds for the reimbursement of cash contributions received in excess from the SESAR 1 industry members and for the payment of delayed but still justified cost claims for on-going the Seventh Framework Programme projects;
7. Notes that for SESAR 2020, the commitments and payments were 92 % and 68 % implemented respectively, being the last one low due to delays in the implementation of the Horizon 2020 projects conducted by the industry members and a rather conservative budget planning considering the risk of delayed reception of the annual financial implementation delegation agreements;
8. Notes that 476 cost statements were audited as part of the 2016 audit, representing all 15 members and amounting to EUR 120 000 000 or 14 % out of the total costs claimed of EUR 884 000 000, with a residual error rate of 1,09 %;

#### **Multiannual budget implementation under the Seventh Framework Programme and TEN-T**

9. Notes that out of the total operational and administrative budget of EUR 892 800 000 for SESAR 1 activities, by the end of 2017 the Joint Undertaking had made commitments of EUR 853 000 000 and payments of EUR 801 000 000 (89,7 % of the available budget);
10. Notes that out of the EUR 1 254 500 000 of in-kind and cash contributions to be made by the other members to the operational and administrative activities of the Joint Undertaking (EUR 670 200 000 from Eurocontrol and EUR 584 300 000 from the air traffic sector members), by the end of 2017 the Joint Undertaking had validated contributions of EUR 1 099 900 000 (EUR 560 700 000 from Eurocontrol and EUR 539 200 000 from the air traffic sector);
11. Notes that at the end of 2017, cumulative cash contributions from the Union amounted to EUR 633 900 000, compared to total in-kind and cash contributions of EUR 560 700 000 from Eurocontrol, and EUR 539 200 000 from the air traffic sector members;
12. Notes that in 2017 the Joint Undertaking proceeded with the financial and administrative closure of SESAR 1; takes note that in 2017 SESAR 1 received EUR 37 million from the Union in order to cover the outstanding obligations towards the members of the Joint Undertaking resulting from the assessment of the final financial statements, received and reviewed in 2017 and also to cover the provision of probable additional audits, potential legal actions against the Joint Undertaking and the reimbursement of surplus cash contributions of its members; also notes that EUR 25,9 million was validated as cash contribution from Eurocontrol, of which EUR 13,4 million is from 2016, but is part of 2017 budget due to technical issues, and EUR 12,5 million for 2017; notes that the Joint Undertaking received EUR 16,8 million as exceptional revenues, mainly composed of recoveries related to members; welcomes the fact that the remaining cash surplus of EUR 23,1 million and payment appropriations of EUR 38,6 million are sufficient to meet all obligations and to close SESAR 1;

#### **Multiannual budget implementation under Horizon 2020**

13. Notes that out of the EUR 639 800 000 of Horizon 2020 operational and administrative budget allocated to the Joint Undertaking for the implementation of SESAR 2020, by the end of 2017 the Joint Undertaking had made commitments of EUR 236 700 000 and payments of EUR 112 300 000; notes, moreover, that those payments were mainly pre-financing payments for the first and second wave of SESAR 2020 projects;
14. Observes that the other members committed to make in-kind and cash contributions of at least EUR 825 900 000 to the Joint Undertaking's SESAR 2020 operational activities (about EUR 500 000 000 from Eurocontrol and an estimated amount of EUR 325 900 000 from the air traffic sector); notes, moreover, that at the end of 2017, the other members had reported in-kind contributions of EUR 97 300 000 but that they had not yet been validated;
15. Welcomes the fact that for the first time the Section 2 of the 2017 budget includes the running costs and the in-kind contributions related to SESAR 2020; notes that SESAR 2020 received EUR 75,5 million from the Union to cover the outstanding obligations of 2017 and the first months of 2018 and EUR 6,7 million was received from Eurocontrol as cash contribution for the running costs;

16. Takes note that at the end of 2017, the Commission's common Horizon 2020 grant management and monitoring tools had not finished the specific developments needed for the processing of the Joint Undertaking's in-kind contributions;
17. Notes that by the end of 2017, the cumulative Union cash contributions to the operational activities of the Joint Undertaking amounted to EUR 132 900 000 and the contributions from the air traffic sector and Eurocontrol amounted to EUR 104 000 000;
18. Notes that the first audits of SESAR 2020 indicate that the number and level of errors is lower due to simplifications introduced in Horizon 2020 and the increased experience of major beneficiaries;

### **Performance**

19. Welcomes that the absence of established key performance indicators (KPIs) is no longer an issue under Horizon 2020; regrets that information on third set of KPIs is not yet available due to insufficient projects maturity; notes however that the KPIs show that overall the targets were met; takes note that the experts call for further monitoring activity and analysis, making a clear distinction between the actually achieved KPIs at the end of each year and the projected KPIs;
20. Notes that the Joint Undertaking met its key policy and operational objectives as outlined in the Single Programming Document for the period 2017-2019;
21. Welcomes the publication by SESAR of the roadmap to ensure safe and secure drone operations across Europe; considers that a variety of innovations, including technologies related to Air Traffic Management (ATM), are required to safely integrate drones into European airspace; notes with interest its overview of the development of the European drone market to 2050 and the huge potential for Europe and its global competitiveness, as well as the actions that need to be taken in the coming 5 to 10 years to unlock that potential, including support for research and development achieved by setting up, at Union level, an ecosystem that encompasses both a regulatory framework and technology, and that brings together all key public and private stakeholders, and results in the provision of increased levels of Union funding, boosting small and medium-sized enterprises in the sector in particular;
22. Observes that the management cost ratio (administrative/operational budget) remains below the 5 %, thus pointing to rather lean and efficient organisational structure of the Joint Undertaking;
23. Notes with concern the interim value of leverage effect of 0,56 at the end of 2017; calls the Joint Undertaking to take steps to meet the estimated target leverage effect over the whole 2014-2020 period of 0,85;
24. Notes with appreciation the experts note that, in comparison to the operation of the Joint Undertaking under the Seventh Framework Programme, a greater emphasis is already placed on achieving a wider involvement of the full range of stakeholders for the implementation of the European Air Traffic Management Master Plan (the 'ATM Master Plan');

### **Procurement and recruitment procedures**

25. Notes from the Court's report that at 31 December 2017, the Joint Undertaking employed 40 staff (2016: 44);
26. Notes the results of the 2017 Human Resources benchmarking exercise: 60 % operational posts, 30 % administrative and 10 % of neutral posts;
27. Points out that the Joint Undertaking launched eight procurement procedures, leading to 14 Framework and Direct Service Contracts; observes that the Joint Undertaking placed 29 Specific Contracts and 13 amendments, amounting the total value of the procurement activities finalised in 2017 to over EUR 5 540 000;

### **Prevention and management of conflicts of interests and transparency**

28. Notes that during 2017 ten audits were carried out by a different external audit company and for one audit the Framework Contract of the Directorate-General for Budget had to be used due to an identified conflict of interest of the three firms in the Joint Undertaking Framework Contract; acknowledges that nine audits were performed by the statutory auditor; takes note that the Joint Undertaking has a revised framework contract in place for audit services with three external audit firms and the audit activity is performed solely by those firms; highlights the fact that no material issue has been identified in the audits performed to date that would require the attention of the Administrative Board;

### **Internal control**

29. Welcomes with satisfaction that the Joint Undertaking has set up *ex-ante* control procedures based on financial and operational desk reviews, and performs *ex-post* audits of beneficiaries;
30. Welcomes the fact that the Joint Undertaking has continued to apply a multi-faceted approach for the purpose of effectively reviewing, managing and mitigating risks, and expects the Joint Undertaking to pay attention to critical corporate risks it has identified regarding ATM Master Plan and SESAR 2020;
31. Regrets that the external auditor observed shortcomings in the Joint Undertaking's financial control processes which are mainly due to the complex financial regulatory framework, the recent departure of key finance staff and the overload of work in the finance department;

### **Internal audits**

32. Notes that as regards SESAR 1, the audit work is almost completed, after 20 audit exercises in seven selected members were planned of which 18 were completed in 2017 as part of the fourth cycle of audits as described in the *Ex Post* Audit Strategy of the Joint Undertaking; welcomes that the residual error rate for the year 2017 was 0,36 %;
33. Observes that the Commission's Interim Evaluation on the Joint Undertaking's operating activities under Horizon 2020 covering the period from 2014 to 2016 was carried out; notes that the Joint Undertaking's Administrative Board adopted an Action Plan in May 2018, which includes a number of activities that have been already initiated;
34. Notes that in October 2016 the Commission's Internal Audit Service (IAS) performed an audit on 'H2020 Grant processes'; observes that the IAS issued five recommendations, one of them being rated as 'very important'; notes furthermore that a detailed action plan has been set up and that by the end of 2017 the action plan for 4 out of 5 recommendations was implemented; invites the Joint Undertaking to report to the discharge authority on the implementation of the remaining open recommendation;
35. Notes that in October 2017, the IAS performed an audit on the Joint Undertaking's governance, risk management and internal control processes for coordination with the Common Support Centre (CSC) and the implementation of the CSC tools and services; observes that the IAS issued three recommendations; calls on the Joint Undertaking to report to the discharge authority on the implementation of these recommendations;

### **Other issues**

36. Takes note that the Commission's Final Evaluation on SESAR 1 Programme (2007-2016) was carried out during 2017, showing that the Joint Undertaking is delivering on its objectives, helping to overcome fragmentation and create continuity of research goals; observes that the Commission's interim Final Evaluation on SESAR 2020 (2014-2016) was undertaken, concluding that Research partnerships between the Union, the private sector and the Member States are on track to deliver their objectives; welcomes the fact that an action plan was approved to address the recommendations raised in those evaluations;
37. Notes that the European airspace management remains fragmented and the Single European Sky as a concept has not yet been achieved; reiterates the vital role of SESAR in coordinating and implementing research into the SESAR project and meeting the project objectives;
38. Calls on SESAR and the Commission to evaluate the results of the deployment of SESAR solution, especially from the point of view of assuring the interoperability and of the steps forward in completion of the Single European Sky;

39. Observes that in 2017, the Court published a special report on the Single European Sky Initiative; regrets that this report together with the Commission's final evaluations observed delays in the execution of the ATM Master Plan and the misalignment between the fixed regulatory lifespan of the Joint Undertaking's activities and the planned duration of the work expected; further notes the Court's emphasis on the Joint Undertaking's need to reinforce its accountability on the execution of the ATM Master Plan;
  40. Notes that the auditors sampled sixteen SESAR projects, which were audited in five different countries, and involved various SESAR stakeholders; calls on the Joint Undertaking to fully take into account the recommendations of the special report and take appropriate action.
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**DECISION (EU) 2019/1553 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the SESAR Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2017, together with the Joint Undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 – C8-0101/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 70 thereof,
  - having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having 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 (A8-0118/2019),
1. Approves the closure of the accounts of the SESAR Joint Undertaking for the financial year 2017;
  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

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 66.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 68.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 64, 2.3.2007, p. 1.

<sup>(6)</sup> OJ L 328, 7.12.2013, p. 42.

**DECISION (EU) 2019/1554 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the Shift2Rail Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Shift2Rail Joint Undertaking for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the Shift2Rail Joint Undertaking for the financial year 2017, together with the Joint Undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 – C8-0106/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 209 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 71 thereof,
  - having regard to Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having 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 (A8-0163/2019),
1. Grants the Executive Director of the Shift2Rail Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2017,
  2. Sets out its observations in the resolution below,
  3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Shift2Rail Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

*The President*  
Antonio TAJANI

*The Secretary-General*  
Klaus WELLE

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 10.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 12.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 177, 17.6.2014, p. 9.

<sup>(6)</sup> OJ L 38, 7.2.2014, p. 2.

**RESOLUTION (EU) 2019/1555 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Shift2Rail Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Shift2Rail Joint Undertaking for the financial year 2017,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0163/2019),
- A. whereas the Shift2Rail Joint Undertaking (the 'Joint Undertaking') was established in June 2014 for a period of 10 years by Council Regulation (EU) No 642/2014 <sup>(1)</sup>;
- B. whereas the founding members are the Union, represented by the Commission, and rail industry partners (key stakeholders, including rail equipment manufacturers, railway companies, infrastructure managers and research centres) with the possibility that other entities may participate in the Joint Undertaking as associated members;
- C. whereas the objectives of the Joint Undertaking are: (a) to achieve a Single European Railway Area; (b) to enhance the attractiveness and competitiveness of the European railway system and to drive forward its innovative technologies and solutions; (c) to ensure a modal shift from road transport; and (d) to maintain the European rail industry's leading position in the global market;
- D. Stresses that the Joint Undertaking needs to be given the necessary financial, material and human resources to reach these key objectives effectively and efficiently;
- E. whereas the Joint Undertaking started to work autonomously in May 2016;

**General**

1. Acknowledges that the Court of Auditors' report on the annual accounts of the Joint Undertaking for the year ended 31 December 2017 (the 'Court's report') presents fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2016, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the Financial Regulation and with accounting rules adopted by the Commission's accounting officer;
2. Acknowledges that the Court's report states that the transactions underlying the annual accounts of the Joint Undertaking for the financial year 2017 are, in all material respects, legal and regular;
3. Notes that the maximum Union contribution to the activities of the Joint Undertaking is EUR 450 000 000, to be paid from Horizon 2020; notes that the industry members of the Joint Undertaking are to contribute resources of at least EUR 470 000 000, consisting of at least EUR 350 000 000 for in-kind and cash contributions to the operational activities and administrative costs of the Joint Undertaking and at least EUR 120 000 000 of in-kind contributions to the Joint Undertaking's additional activities;
4. Recalls that research and innovation is not an isolated process using a simple rule for process management; stresses therefore that it is significantly important to identify among the research and innovation projects those that are capable to bring innovative solutions to the market; highlights that changes in the Regulation establishing the Joint Undertaking and in its Statutes will be very important for the next development of the Joint Undertaking in order to improve its efficiency; stresses, in particular that there is a need to foresee the use of the principle of multiannual financing and to adopt flexible timetables for publishing projects proposals;

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

### Budget and financial management

5. Notes that the final 2017 budget available for implementation included commitment appropriations of EUR 68 600 000 and payment appropriations of EUR 44 100 000; stresses that the utilisation rates for commitment and payment appropriations were 94 % and 79 % respectively which represent a low level especially for payment appropriations; notes moreover that most of the payments made by the Joint Undertaking in 2017 were pre-financing payments for Horizon 2020 projects selected under the 2017 calls for proposals; notes that the Joint Undertaking's unused payment appropriations from previous years amounted to 7,6 million EUR; notes that according to the Joint Undertaking's reply the full amount was considered to cover the first quarter of 2018 due to the timing of the Commission's payment;
6. Observes that out of EUR 411 500 000 (including EUR 398 000 000 as the maximum of the Union cash contribution and the industry members' cash contribution to the Joint Undertakings' administrative costs of EUR 13 500 000) by the end of 2017, the Joint Undertaking had made commitments of EUR 158 800 000 and payments of EUR 78 600 000 (19,1 % of the allocated funds) for the implementation of its first wave of projects; this shows that the Joint Undertaking has currently signed interdependent multiannual grant agreements and procurement contracts for the implementation of 39 % of the Joint Undertaking's research and innovation programme, in line with the Joint Undertaking's multi-annual work programme;
7. Acknowledges the fact that out of EUR 350 000 000 of contributions to be made by the industry members to the operational activities and administrative costs of the Joint Undertaking, by the end of 2017, i.e. four months after the Joint Undertaking had launched its first Horizon 2020 projects, the industry members had reported in-kind contributions of EUR 34 900 000 for operational activities, of which EUR 3 000 000 had been certified; notes that the Governing Board had validated cash contributions to the Joint Undertaking's administrative costs of EUR 4 900 000;
8. Regrets that, by the deadline of 31 January 2018, none of the Other Members was in the position to have its costs related to 2017 in-kind operational contributions (IKOP) and in-kind other activities contributions (IKAA) certified; notes that the 2017 IKOP estimates amounted to EUR 21,3 million, which represented a positive trend in line with the usual Programme Management S-Curve; is satisfied that the declared cumulative IKAA declared by Other Members by the end of 2017 amounted to EUR 130,0 million, which is above the minimum amount of EUR 120,0 million established in accordance to the Regulation establishing the Joint Undertaking;
9. Observes that by the end of 2017, the total contributions from industry members amounted to EUR 169 800 000, compared to the Union's cash contribution of EUR 83 200 000;
10. Notes that, in 2017, the Joint Undertaking signed 17 grant agreements resulting from the calls for proposals of 2017, and that the value of the research and innovation activities of those calls for proposals amounted to EUR 110 900 000, to be co-funded by the Joint Undertaking up to a maximum of EUR 60 100 000;
11. Notes further that the Founding Members other than the Union and the Associated Members agreed to limit their request for co-funding to 44,44 % of the total project costs, which is the lowest overall for H2020 Programme; welcomes the fact that 120 SMEs participated to the 2017 call for proposals and 50 small and medium-sized enterprises (SMEs) were retained for funding (25 %);

### Performance

12. Welcomes the fact that the absence of established key performance indicators (KPIs) is no longer an issue under Horizon 2020; regrets that information on third set of KPIs is not yet available due to the nature of the projects; notes that the experts call for further monitoring activity and analysis, making a clear distinction between the actually achieved KPIs at the end of each year and the projected KPIs;
13. Observes that the management cost ratio (administrative/ operational budget) remains below the 5 %, thus pointing to rather lean and efficient organisational structure of the Joint Undertaking;

14. Notes with concern the interim value of leverage effect of 0,9 at the end of 2016; calls the Joint Undertaking to take steps to meet the target leverage effect over the whole 2014-2020 period of 1,18;
15. Notes that the experts mention that the Joint Undertaking helped already to create continuity and shared common vision for rail research within the railway community; welcomes that in addition the Joint Undertaking has helped to build trust between players that would otherwise not have the opportunity to share ideas and common interests outside a commercial situation; observes that the presence of rail operators in the Joint Undertaking should be strengthened over time;
16. Notes the experts view that there is a certain danger for the Joint Undertaking to be considered as a 'closed shop', partly due to historical reasons that remain in people's minds; calls on the Joint Undertaking to address this and for progress and trust to be built, especially via the open processes for the selection of future innovation topics and new partners.

#### **Personal selection and recruitment**

17. Notes that in 2017, the Joint Undertaking recruited seven members of staff in accordance with its Staff Establishment Plan: a legal officer, an administrative and finance assistant, an operation and grant support officer and four Programme managers;
18. Notes that at the end of 2017, the Joint Undertaking's staff consisted of 20 members out of 23 foreseen in the Staff Establishment Plan;

#### **Internal control**

19. Notes that the Joint Undertaking has set up reliable ex-ante control procedures based on financial and operational desk reviews and that the Common Audit Service of Directorate-General for Research and Innovation of the Commission (the 'Common Audit Service') is responsible for the *ex post* audit of Horizon 2020 project cost claims; notes, moreover, that the situation at the end of 2017 showed that the most important internal control standards were largely implemented with some actions remaining; calls on the Joint Undertaking to report to the discharge authority about these implementations;
20. Welcomes the Joint Undertaking's willingness to experiment in 2018 a simplification of the administrative procedures through the implementation of the pilot Lump Sum Grant in a confined Programme control framework;
21. Takes note that the residual error rate for the Horizon 2020 Programme was below materiality according to the Court of Auditors (the 'Court'), amounting to 1,44 %, although it is expected to rise around 2,24 % when taking into account the draft audit reports;
22. Notes that for the *ex post* controls in 2017 the representative sample of the Joint Undertaking was identified at 15 participations representing EUR 1,3 million in terms of the Joint Undertaking's co-funding validated; regrets that no specific error rate is provided in relation to audits performed for the representative sample of the Joint Undertaking;
23. Acknowledges the fact that the Internal Audit Service performs the role of Internal Auditor of the Joint Undertaking and, in this respect, it reports to the Governing Board and the Executive Director indirectly; notes that the first audit mission consisted in establishing a risk profile of the Joint Undertaking with the objective of establishing a triennial internal audit work plan; observes that the Internal Audit Service Strategic Internal Audit Plan 2017-2019 was presented in June 2017 and that it will be reviewed annually;
24. Notes that in 2017, the Fuel Cells and Hydrogen 2 Joint Undertaking, together with the Common Audit Service launched the first *ex post* audit of a random sample of Horizon 2020 interim cost claims; calls on the Joint Undertaking to report to the discharge authority on the results of this audit;
25. Notes with regret that at the end of 2017, the Commission's common Horizon 2020 grant management and monitoring tools had not finished the specific developments needed for the processing of the Joint Undertaking's in-kind contributions; calls on the Joint Undertaking to report to the discharge authority about these developments;

26. Observes that the Commission's Interim Evaluation on the Joint Undertaking's operating activities under Horizon 2020 covering the period from 2014 to 2016 was carried out; notes that an Action Plan has been prepared and adopted by the Governing Board in June 2018; notes that some actions have been already initiated and takes into consideration that not all recommendations will be addressed under the current Financial Framework Programme;

#### **Operational procurement and grants**

27. Notes that some qualitative shortcomings were observed in the Joint Undertaking's open procedure for the procurement of communication and event services of an estimated budget of EUR 1 200 000 over four years; notes that according to the Joint Undertaking's reply, the Joint Undertaking decided not to introduce minimum financial capacity in order not to discourage the participation of SMEs to the call for tender;

#### **Other issues**

28. Welcomes the fact that the Joint Undertaking has established its own anti-fraud strategy and action plan, as remedy action to the main comments of the Court with the framework of the 2016 discharge;
29. Notes that the Joint Undertaking has adopted rules governing conflicts of interest in respect of its members, bodies, staff and seconded staff, as well as its Governing Board members and has put in place a tailor-made anti-fraud strategy complementing the H2020 strategy, including an assessment of its risks and opportunities;
30. Insists on the importance of the cooperation between the Joint Undertaking and the Union Agency for Railways (ERA); welcomes the involvement of ERA in meetings of the Joint Undertaking's Governing Board and in the groups that drafted the Multi-Annual Action Plan; notes, moreover, that the Joint Undertaking assessed the request for research and innovation coming from ERA to avoid overlapping activities.
31. Welcomes the Joint Undertaking's synergies with other Union programmes and funds, e.g. the 'Stairways to Excellence' Pilot Project of the European Parliament, and welcomes the cooperation with other relevant projects, such as SESAR or Rail Baltica Project;
32. Welcomes the activities undertaken towards increasing the online visibility of the Joint Undertaking; notes restructuring of the website, introduction of the bimonthly newsletter, the increase in the number of visitors, social media followers and press coverage;
33. Welcomes the fact that the Joint Undertaking has put in place a tailor-made anti-fraud strategy complementing the Horizon 2020 strategy, including an assessment of its risks and opportunities.
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**DECISION (EU) 2019/1556 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on the closure of the accounts of the Shift2Rail Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Shift2Rail Joint Undertaking for the financial year 2017,
  - having regard to the Court of Auditors' report on the annual accounts of the Shift2Rail Joint Undertaking for the financial year 2017, together with the Joint Undertaking's reply <sup>(1)</sup>,
  - having regard to the statement of assurance <sup>(2)</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 – C8-0106/2019),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(3)</sup>, and in particular Article 209 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(4)</sup>, and in particular Article 71 thereof,
  - having regard to Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking <sup>(5)</sup>, 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 <sup>(6)</sup>,
  - having 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 (A8-0163/2019),
1. Approves the closure of the accounts of the Shift2Rail Joint Undertaking for the financial year 2017,
  2. Instructs its President to forward this decision to the Executive Director of the Shift2Rail Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

*The President*  
Antonio TAJANI

*The Secretary-General*  
Klaus WELLE

<sup>(1)</sup> OJ C 452, 14.12.2018, p. 10.

<sup>(2)</sup> OJ C 452, 14.12.2018, p. 12.

<sup>(3)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(4)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(5)</sup> OJ L 177, 17.6.2014, p. 9.

<sup>(6)</sup> OJ L 38, 7.2.2014, p. 2.

**RESOLUTION (EU) 2019/1557 OF THE EUROPEAN PARLIAMENT****of 26 March 2019****on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2017: 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 2017,
  - having regard to the Commission's report on the follow-up to the discharge for the 2016 financial year (COM(2018) 545),
  - having regard to the Court of Auditors' annual report <sup>(1)</sup> on the annual accounts of the agencies for the financial year 2017,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 <sup>(2)</sup>, and in particular Article 1(2) and Article 208 thereof,
  - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <sup>(3)</sup>, and in particular Articles 68 and 70 thereof,
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council <sup>(4)</sup>, and in particular Article 110 thereof,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and also the opinions of the Committee on Employment and Social Affairs and the Committee on Civil Liberties, Justice and Home Affairs (A8-0140/2019),
- A. whereas this resolution contains, for each body within the meaning of Article 208 of Regulation (EU, Euratom) No 966/2012 and Article 70 of Regulation (EU, Euratom) No 2018/1046, cross-cutting observations accompanying the discharge decisions in accordance with Article 110 of Delegated Regulation (EU) No 1271/2013 and Section V of Annex V to Parliament's Rules of Procedure;
- B. whereas the recommendations of the Interinstitutional Working Group (IIWG2) on resources of decentralised agencies were endorsed by the Conference of Presidents on 18 January 2018; recalls the 6 recommendations issued under its mandate, specifically in relation to the 5 % staff reduction target, treatment of new tasks, regular evaluation of agencies, sharing of services, evaluation of agencies with multiple locations, and fee-financed agencies;
- C. whereas in the context of the discharge procedure, the discharge authority stresses the importance of further strengthening the efficiency, effectiveness, economy and accountability of Union institutions, and of implementing the concept of performance-based budgeting and good governance of human resources;
1. Emphasises that the agencies are highly visible in the Member States and have significant influence on policy, decision making and programme implementation in areas of vital importance to European citizens, such as security, safety, health, research, economic affairs, environment, gender equality, energy, transport, freedom and justice; reiterates the importance of the tasks performed by the agencies and their direct impact on the daily lives of Union citizens; reiterates also the importance of the autonomy of the agencies, in particular of the regulatory agencies and those with the function of independent collection of information; recalls that the main reasons for establishing the agencies were for the purpose of operating Union systems, facilitating the implementation of the European Single Market and making independent technical or scientific assessments; welcomes in this regard the effective overall performance of the agencies, and the progress made in enhancing their visibility to European citizens;

<sup>(1)</sup> OJ C 434, 30.11.2018, p.1.

<sup>(2)</sup> OJ L 298, 26.10.2012, p. 1.

<sup>(3)</sup> OJ L 193, 30.7.2018, p. 1.

<sup>(4)</sup> OJ L 328, 7.12.2013, p. 42.

2. Notes with satisfaction that, according to the annual report of the European Court of Auditors' (the 'Court') on Union agencies for the financial year 2017 (the 'Court's report'), the Court issued an unqualified audit opinion on the reliability of the accounts of all agencies; notes in addition that the Court issued an unqualified opinion on the legality and regularity of the revenue underlying the accounts for all agencies; observes that the Court issued an unqualified opinion on the legality and regularity of the payments underlying the accounts for all agencies, except for the European Asylum Support Office (EASO); points out with regret that for EASO's payments, the Court issued an adverse opinion;
3. Notes that for the 32 decentralised Union agencies, the 2017 budgets amounted to around EUR 2,35 billion in commitment appropriations, representing an increase of approximately 13,36 % compared to 2016, and to EUR 2,24 billion in payment appropriations, showing an increase of 10,31 % in comparison to 2016; notes moreover that of the EUR 2,24 billion, some EUR 1,62 billion were financed from the general budget of the Union, representing 72,08 % of the agencies' total financing in 2017 (69,81 % in 2016); acknowledges furthermore that some EUR 627 million were financed by fees and charges and by direct contributions from participating countries;
4. Recalls its request to streamline and accelerate the discharge procedure towards deciding on granting discharge in the year immediately following the year for which the discharge is granted, closing the procedure within the year following the accounting year in question; welcomes in this regard the positive efforts made and the good cooperation with the European Union Agencies Network (the 'Network') and the individual agencies, and in particular the Court, which shows clear potential for streamlining and accelerating the procedure on their part; appreciates the progress made so far and invites all relevant actors to continue their efforts towards further advancing the procedure;

#### **Main risks identified by the Court**

5. Notes with satisfaction that according to its report, the Court considers the overall risk to the reliability of accounts to be low for all agencies, since the agencies' accounts are based on internationally accepted accounting standards, and considering the fact that only a few material errors arose in the past;
6. Notes that according to its report, the Court considers the overall risk to the legality and regularity of transactions underlying the agencies' accounts to be medium, varying from low to high for specific budget titles; notes that the risk for Title I (staff expenditure) is generally low, for Title II (administrative expenditure) the risk is considered to be medium, and for Title III (operational expenditure) the risk is considered to be low to high, depending on the agencies and the nature of their operational expenditure; points out that risk sources usually derive from procurement and grant payments;
7. Observes that according to the Court's report the risk to sound financial management is medium and is mainly identified in the areas of information technology (IT) and public procurement; regrets that IT and public procurement remain areas prone to error;
8. Stresses that, from a broader perspective, the number of small agencies, each with their own administrative structures and procedures, constitutes a risk to administrative inefficiency and risks potential overlapping of incoherent methods, unless harmonisation is ensured and unless resources are shared efficiently;

#### **Budget and financial management**

9. Notes with satisfaction that according to the Court's report the number of observations on the legality and regularity of payments decreased to 8 in 2017, from 11 in 2016, which illustrates the agencies' continued efforts to comply with the Financial Regulation;
10. Calls on the Commission, the Network and the individual agencies to work together and provide constructive feedback throughout the negotiations for the post-2020 Multiannual Financial Framework, and to explore new sources of financing for the agencies in addition to the existing Union budget contributions; insists that future decisions on resources should not be made on a global basis, but rather should be linked to the tasks the agencies are entrusted to carry out based on legislation in force; stresses in this regard the importance of the agencies' thematic bundling and cooperation according to fields of policy;

11. Notes that the audited budgetary implementation reports of certain agencies differ from the level of detail provided by most other agencies, which demonstrates the need for clear guidelines on agencies' budget reporting; acknowledges the efforts made in order to ensure consistency in the presentation and reporting of accounts; observes discrepancies in certain information and documents disclosed by the agencies, especially regarding staff related figures, including in reports on the establishment plan (posts filled in, or maximum posts authorised under the Union budget); points out that some agencies do not state clearly in their reports the budgetary performance indicators used, and that the agencies have not always computed the respective amounts and percentages coherently through using the same elements for calculation; calls on the Commission, the Network and the individual agencies to work on streamlined and harmonised indicators and report to the discharge authority on the measures taken in this regard; furthermore, calls on the Commission in the coming years to automatically provide the discharge authority with the official budget (in commitment appropriations and in payment appropriations) and staff figures (establishment plan, contract agents and seconded national experts as of 31 December of the year in question) of the 32 decentralised agencies;
12. Recalls the proposal from the Network in relation to the reporting of cancelled carry-overs exceeding 5 % of the total budget of the previous year; believes however that reporting the share of cancelled carry-overs over the total amount carried over from year N – 2 to N – 1 constitutes a more relevant indicator as regards the implementation of the budgetary principle of annuality; highlights that the level of carry-over cancellations is indicative of the extent to which the agencies have correctly anticipated their financial needs; invites the Court and the Commission to propose and define a consistent formula for the calculation of cancelled carry-overs and calls on the agencies to include this information in their respective Consolidated Annual Activity Reports for the coming financial years;
13. Stresses the need to establish clear definitions of acceptable carry-overs in order to streamline the Court's and the agencies' reporting on this issue, as well as to enable the discharge authority to distinguish the carry-overs indicating poor budgetary planning from carry-overs as a budgetary tool which support multiannual programmes as well as procurement planning;

### Performance

14. Encourages the agencies and the Commission to apply the principle of performance-based budgeting, to consistently seek the most effective ways to provide added value, and to further explore possible improvements in efficiency in relation to resources management;
15. Notes with satisfaction that the Network was set up by the agencies as an inter-agency cooperative platform to enhance the agencies' visibility, to identify and promote possible improvements in efficiency and to add value; recognises the added-value of the Network in its cooperation with the Parliament and welcomes its efforts in coordinating, collecting and consolidating actions and information for the benefit of Union institutions; furthermore appreciates the guidance provided by the Network to the agencies in their efforts to optimise their capacity to plan, monitor and report on results, budget and resources used;
16. Notes with satisfaction that some agencies cooperate according to their thematic grouping, such as the Justice and Home Affairs agencies <sup>(5)</sup> and the European Supervisory Authorities <sup>(6)</sup>; encourages other agencies also to increase cooperation with each other whenever possible, not only in establishing shared services and synergies, but in their common policy areas as well; welcomes the new aggregated format of the Court's report which presents the agencies according to the headings of the Multi-Annual Financial Framework and thus groups them by areas of policy;

<sup>(5)</sup> 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), European Police Office (Europol), European Union Agency for Fundamental Rights (FRA), The European Union's Judicial Cooperation Unit (Eurojust).

<sup>(6)</sup> European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA), European Securities and Markets Authority (ESMA).

17. Emphasises the need to take efficiency into account when (re)locating agencies in Member States; expresses its disappointment with the outcome in this respect of the IIWG on decentralised agencies, as no specific proposals were developed to merge or co-locate agencies concentrating on related policy fields; urges the Commission to submit without delay an evaluation of agencies with multiple locations, as recommended by the IIWG, as well as proposals for possible mergers, closures and/or transfers of tasks to the Commission, on the basis of a careful in-depth analysis and using clear and transparent criteria, as was envisaged in the IIWG's terms of reference but which was never properly examined owing to a lack of proposals to that effect from the Commission;
18. Regrets that, while the agencies increased their use of similar budget management and accounting systems, they continue to use a multitude of IT solutions in other key areas, such as human resources management and procurement and contract management; shares the Court's view that further harmonisation of IT solutions in these areas would enhance cost-efficiency, reduce internal control risks and strengthen IT governance;

### **Staff policy**

19. Notes that the 32 decentralised agencies employed 7 324 officials, temporary agents, contract agents and seconded national experts in 2017 (6 941 in 2016), representing an increase of 5,52 % compared with the previous year;
20. Notes that in order to properly handle new tasks, seek constant efficiency gains, fill vacant positions quickly and effectively and enhance their ability to attract experts, the agencies should continuously monitor and assess their staffing levels and their needs in terms of additional human and financial resources, and make relevant requests where necessary to be able to carry out their tasks and responsibilities adequately;
21. Recalls that during the follow-up meeting of the IIWG2 that took place on 12 July 2018, the Commission presented a note on the evolution of the number of establishment plan posts in which it considered that the 5 % staff reduction has been reached; points out that this conclusion was supported by the Parliament <sup>(7)</sup>;
22. Emphasises that the IIWG2 also examined the EASA pilot case for fee-financed agencies; states that even if agencies are fully fee-funded, they are still fully accountable to the discharge authority considering the reputational risks involved; emphasises that fee-funding has advantages and disadvantages; stresses that fee-funding could lead to conflicts of interest, an unpredictable flow of income and that there is a need for good quality indicators;
23. Notes that the Commission applied an additional annual 1 % levy during the five-year period 2014-2018 to create a 'redeployment pool' from which it would allocate the posts to agencies with new tasks entrusted to them or which were in a start-up phase <sup>(8)</sup>;
24. Observes that the decentralised agencies increased the use of contract staff to implement new tasks to partially compensate for the 5 % staff cut and for the levy for the creation of the redeployment pool; calls on the Network to develop a general policy to not replace permanent staff by more expensive external consultants;
25. Notes the challenge of insufficient staff some of the agencies are facing, especially when new tasks are attributed without additional personnel envisaged for their implementation; regrets that the Commission has not taken into consideration the request of the affected agencies for increase of their staff which puts in risk their good performance;
26. Notes with concern the number of factors hindering the operational performance of certain agencies, such as difficulties in hiring qualified people at given grades, partly because of the low correction coefficient in certain Member States, and implementation of activities through grant processes which were lengthy and administratively demanding; calls on the Network and the individual agencies to consider relevant solutions and report to the discharge authority on progress made in this regard;

<sup>(7)</sup> Letter from J. Arthuis to A. Tajani: Ref. D(2018)30134.

<sup>(8)</sup> Following the terminology used by the Commission to classify decentralised agencies as 'start-up phase', 'new tasks' or 'cruising speed' reflecting their stage of development and the growth of their Union contributions and staffing levels.

27. Calls on all agencies to disclose their level of staff turnover and to clearly indicate the positions, which are effectively occupied by 31 December of the relevant financial year, in order to ensure inter-agency comparability;
28. Regrets the gender imbalance in some agencies; calls on all agencies to constantly work on a balanced distribution on all levels of staff and report to the discharge authority on implemented measures and progress;
29. Notes with concern that most agencies do not publish their vacancy notices on the website of the European Personnel Selection Office (EPSO); understands however the agencies' concern regarding high translation costs; welcomes in this regard the inter-agency job board launched and maintained by the Network and invites the agencies to take full advantage of the platform; calls on EPSO also to promote the Network's job board on its general website for Union vacancy notices;
30. Encourages the Union agencies to consider adopting a fundamental rights strategy, including a reference to fundamental rights in a code of conduct that could define the duties of their staff and training for staff; setting up mechanisms ensuring that any violation of fundamental rights be detected and reported, and that risks of such violations be swiftly brought to the attention of the main bodies of the agency; establishing, whenever relevant, the position of a fundamental rights officer, reporting directly to the management board to ensure a certain degree of independence vis-a-vis other staff, in order to ensure that threats to fundamental rights are immediately addressed, and that a constant upgrading of the fundamental rights policy within the organisation takes place; developing a regular dialogue with civil society organisations and relevant international organisations on fundamental rights issues; making compliance with fundamental rights a central component of the terms of reference of the collaboration of the agency concerned with external actors, including in particular members of national administrations with whom they interact at operational level;
31. Notes with concern that there have been frequent reports of harassment and abuse in some agencies; believes that effective prevention policies should be implemented and efficient procedures found to resolve the problems for victims; calls on the Commission actively to monitor the rules applied by agencies to prevent any form of mistreatment in-house;

### **Procurement**

32. Notes with concern that according to the Court's report shortcomings persist in the management of procurements, with 14 agencies showing weaknesses in this area, mostly relating to procurements of services; observes that the sources of these weaknesses include the lack of adequate balance between price and quality when awarding contracts, a non-optimal design of framework contracts, unjustified intermediary services and the use of framework contracts without enough detail; calls on the agencies to pay particular attention to the Court's comments and further improve their management of public procurement;
33. Considers the situation in EASO regarding procurement procedures to be unacceptable and calls on the Commission to bring more active oversight to bear on the procurement procedures carried out by agencies;
34. Welcomes the fact that the agencies increasingly use the Joint Procurement Portal (the central register of joint procurement opportunities) hosted by the agencies' extranet, which includes functionalities such as document-sharing and forum discussions, and which makes communication among agencies regarding procurement services more transparent and easier to manage;
35. Shares the Court's view regarding the use of similar tools and a single solution for the procurement of supplies or services (e-procurement) to achieve a more harmonised IT framework among agencies; calls on the Network to report to the discharge authority on progress made in this regard;

### **Prevention and management of conflicts of interests and transparency**

36. Notes that 77 % of agencies had already set up and implemented internal rules or guidelines on whistleblowing and the other 23 % are in the process of adopting them; urges the remaining agencies to set up and implement internal rules on whistleblowing without further delay; calls on the Network to report to the discharge authority on the adoption and implementation of these measures;

37. Welcomes the fact that 29 agencies (94 %) have guidelines in place for granting public access to documents; calls on the remaining agencies who do not have such guidelines to adopt them without further delay; approves the development of internal systems in place to handle the requests, including specially trained access-to-document teams, dedicated to handling the incoming requests in agencies facing a higher frequency and complexity of requests; calls on the Network to develop common guidelines for applying public access to documents to be implemented by the agencies;
38. Notes that Declarations of Interest (DoI) of the management board members and senior management are in place in almost all agencies and that these are published by most of the agencies on their website, along with relevant CVs; calls on the Network to continue reporting to the discharge authority on this issue; stresses that management board members and senior management should submit declarations of interest instead of declarations of the absence of conflict of interests; reiterates that it is not for the members or management to declare themselves out of conflict of interest; recalls that a neutral body should assess the existence of conflict of interest;
39. Recalls that a number of agencies, in particular those issuing authorisations to third parties for bringing products on the market, are vulnerable if they do not have and implement clear and effective rules to prevent conflicts of interest; calls on all agencies to participate in the inter-institutional agreement on the transparency register that is currently subject of negotiations between the Commission, the Council and the Parliament;
40. Calls on the agencies to implement a comprehensive and horizontal policy concerning the avoidance of conflicts of interest; and, to use the European Chemicals' Agency's (ECHA) Independence Policy as a best practice and an exemplary system of monitoring and preventing any conflicts of interest; recalls that in accordance with this Independence Policy annual declarations of interests of all staff and experts concerned are compulsory and should be updated if the situation changes, and anyone with a declared interest in an issue is excluded from the decision or opinion making on that matter; encourages, furthermore, the agencies to set up a Conflicts of Interest Advisory Committee;

#### **Internal controls**

41. Acknowledges the Court's comment on the need to strengthen the accounting officers' independence by making them directly responsible to the agencies' Directors and management boards in relation to 11 agencies; notes the Network's reply stating that there is no background or risk analysis to justify this comment; invites the Court and the Network to come to a common approach on the issue and to report to the discharge authority on developments in this regard;
42. Notes with satisfaction that a large majority of the agencies (28) do not present weaknesses in the implementation of their internal control standards concerning their business continuity plans; calls on the remaining agencies to improve their situation in order to mitigate any potential risks and to report to the discharge authority on the measures taken;

#### **Other comments**

43. Points out that on 29 March 2017 the United Kingdom (UK) notified the European Council of its decision to withdraw from the Union; notes with concern that, unlike most other agencies, five of the agencies did not carry out a comprehensive analysis of the likely impact of the UK's withdrawal on their organisation, operations and accounts;
44. Notes the agreement reached at the General Affairs Council of 20 November 2017 to move the European Medicines Agency (EMA) and the European Banking Authority (EBA) from London to Amsterdam and Paris respectively; notes with concern the potential impact of the United Kingdom's withdrawal from the Union on these agencies, in terms of future costs and loss of expertise, creating a risk to business continuity; notes moreover the possible impact on the revenue and activities of several non-London based agencies; calls on the agencies to prepare to mitigate any potential risks that may follow and report to the discharge authority on the implementation of such preparatory measures;
45. Notes with concern that some agencies continue to have dual operational and administrative headquarters; considers it essential that dual headquarters not offering any operational added value should be done away with at the earliest opportunity;

46. Regrets that the new Financial Regulation does not foresee a reduction of the administrative burden that continues to be borne by the decentralised agencies; notes that the audit of the decentralised agencies 'remain under the full responsibility of the Court, which manages all administrative and procurement procedures required'; reiterates that the new audit approach involving private sector auditors has resulted in a significant increase in the administrative burden on the agencies, and that the time spent on procurement and administration of audit contracts has resulted in additional expenditure thus straining further the limited resources of the agencies; emphasises that it is necessary to resolve this issue; calls on the parties involved to provide solutions on the issue so as to significantly reduce the administrative burden;
  47. Acknowledges that the external evaluations of the agencies are in general positive and the agencies have prepared action plans to follow up on issues raised in the evaluation reports; notes that while most agencies' founding regulations provide for an external evaluation to be carried out periodically (usually every four to six years), the founding regulations of five decentralised agencies do not include such provision and the founding regulation of EMA requires an external evaluation only every ten years; calls on the Commission and on those agencies concerned to address this issue and report to the discharge authority on the measures taken;
  48. Welcomes the revision of the founding regulations of the three tripartite agencies — the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the European Centre for the Development of Vocational Training (Cedefop) and the European Agency for Safety and Health at Work (EU-OSHA);
  49. Recalls that the yearly exchange of views regarding the draft annual work programmes and the multiannual strategies of the agencies in the committees responsible helps to ensure that the programmes and strategies reflect the actual political priorities — especially in the context of the European Pillar of Social Rights and the Europe 2020 strategy;
  50. Instructs its President to forward this resolution to the agencies subject to this discharge procedure, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).
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