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★ Decision (EU) 2023/1959 of the European Parliament of 10 May 2023 on discharge in respect of the implementation of the budget of the Innovative Health Initiative Joint Undertaking – IHI (before 30 November 2021 the Innovative Medicines Initiative 2 Joint Undertaking) for the financial year 2021	529
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★ Decision (EU) 2023/1971 of the European Parliament of 10 May 2023 on discharge in respect of the implementation of the budget of the European High Performance Computing Joint Undertaking for the financial year 2021	568
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II

(Non-legislative acts)

DECISIONS

DECISION (EU) 2023/1813 OF THE EUROPEAN PARLIAMENT

of 10 May 2023

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section I – European Parliament

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0228/2022) ⁽²⁾,
- having regard to the report on budgetary and financial management for the financial year 2021, Section I – European Parliament ⁽³⁾,
- having regard to the internal auditor's annual report for the financial year 2021,
- having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2021, together with the institutions' replies ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to Article 314(10) and Article 318 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁶⁾, and in particular Articles 260, 261 and 262 thereof,
- having regard to the Bureau decision of 10 December 2018 on the Internal Rules on the implementation of the European Parliament's budget, and in particular Article 34 thereof,
- having regard to Rule 100 and Rule 104(3) of, and Annex V to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0086/2023),

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 279, 20.07.2022, p. 1.

⁽⁴⁾ OJ C 391, 12.10.2022, p. 6.

⁽⁵⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁶⁾ OJ L 193, 30.7.2018, p. 1.

- A. whereas the President adopted Parliament's accounts for the financial year 2021 on 30 June 2022;
- B. whereas the Secretary-General, as the principal authorising officer by delegation, certified, on 3 June 2022, 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 Court of Auditors stated in its audit that, in its specific assessment of the administrative expenditure in 2021, the annual activity reports of the institutions did not show material levels of error, which is consistent with the Court's findings;
- 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 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 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1814 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021, 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 2021, Section I – European Parliament,
 - having regard to Rule 100 and Rule 104(3) of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0086/2023),
- A. whereas, in his certification of the final accounts, the European Parliament's (the 'Parliament') accounting officer stated his reasonable assurance that the accounts, in all material aspects, present fairly the financial position, the results of the operations and the cash-flow of Parliament;
- B. whereas, in accordance with the usual procedure, 145 questions were sent to Parliament's administration and written replies were received and discussed publicly by Parliament's Committee on Budgetary Control on 1 December 2022, in the presence of the Vice-President responsible for the budget, the Secretary-General, the director of the Authority for European Political Parties and European Political Foundations (the 'Authority') and the internal auditor;
- C. whereas there is always scope for improvement in terms of quality, efficiency and effectiveness in the management of public finances, scrutiny is necessary to ensure that political leadership and Parliament's administration are held accountable to Union citizens;
- D. whereas trust in Parliament's integrity and the rule of law is paramount for the functioning of European democracy;
- E. whereas Parliament's integrity is key to ensure that democratic processes are not influenced by private and external interests and that citizens' rights are fully respected;
- F. whereas, in its resolution of 16 September 2021, Parliament stated the importance of strengthening transparency and integrity in the Union institutions by setting up an independent Union ethics body;
- G. whereas, in its resolution of 15 December 2022, Parliament stressed suspicions of corruption from Qatar and the broader need for transparency and accountability in the Union institutions;

Parliament's budgetary and financial management

1. Notes that Parliament's final appropriations for 2021 totalled EUR 2 063 521 135, or 19,4 % of heading 7 of the Multiannual Financial Framework ⁽¹⁾ set aside for the 2021 administrative expenditure of the Union institutions as a whole, representing a 1,2 % increase compared to the 2020 budget (EUR 2 038 745 000);
2. Notes that total revenue entered in the accounts as of 31 December 2021 was EUR 215 332 108 (compared to EUR 203 449 523 in 2020), including EUR 37 150 961 in assigned revenue (compared to EUR 33 567 305 in 2020);
3. Emphasises that five chapters accounted for 75,8 % of total commitments: Chapter 1 0 (Members of the institution), Chapter 1 2 (Officials and temporary members of staff), Chapter 2 0 (Buildings and associated costs), Chapter 2 1 (Data processing, equipment and movable property), and Chapter 4 2 (Expenditure relating to parliamentary assistance), indicating a high level of rigidity for a major part of Parliament's expenditure;

⁽¹⁾ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433 I, 22.12.2020, p. 11).

4. Notes the figures on the basis of which Parliament's accounts for the financial year 2021 were closed, namely:

(a) Available appropriations (EUR)	
appropriations for 2021:	2 063 521 135
non-automatic carry-overs from financial year 2020:	74 900 000
automatic carry-overs from financial year 2020:	356 517 980
appropriations corresponding to assigned revenue for 2021:	37 150 961
carry-overs corresponding to assigned revenue from 2020:	39 313 649
Total:	2 571 403 726
(b) Utilisation of appropriations in the financial year 2021 (EUR)	
commitments:	2 435 954 496
payments made:	2 077 518 430
appropriations carried forward automatically including those arising from assigned revenue:	419 702 461
appropriations carried forward non-automatically:	22 007 230
appropriations cancelled:	52 175 603
(c) Budgetary receipts (EUR)	
received in 2021:	215 332 108
(d) Total balance sheet at 31 December 2021 (EUR)	
	1 720 527 780

5. Points out that 98,5 % of the appropriations entered in Parliament's budget, amounting to EUR 2 033 160 247, were committed, with a cancellation rate of 0,6 %; notes with satisfaction that, as in previous years, a very high level of budget implementation was achieved; notes that payments totalled EUR 1 649 796, resulting in a payment appropriation execution rate of 81,1 % (EUR 1 590 035 012 and 81,5 % respectively in 2020);
6. Notes that eighteen transfers were approved by Parliament's Committee on Budget ('C transfers'), in accordance with Articles 31 and 49 of the Financial Regulation, in the financial year 2021, amounting to EUR 106 753 497 or 5,2 % of final appropriations; notes that the President in turn authorised eight transfers ('P transfers') amounting to EUR 26 464 877 or 1,3 % of the 2021 budget;
7. Observes the higher level of transfers in 2021 due to budgetary savings resulting from the COVID-19 crisis in comparison to pre-pandemic years, when the total amount of C and P transfers combined reached 5 % in 2019, 3,2 % in 2018 and 4,0 % in 2017; recalls that normal travel activities were only possible during parts of the year, and therefore Parliament's relevant budget lines were not fully used and were redeployed for other purposes;
8. Observes that the most underused budget lines, due to the COVID-19 pandemic, that provided for budgetary transfers in 2021 were ordinary travel expenses (EUR 20 041 000), expenses for staff missions (EUR 18 460 000), organisation and reception of groups of visitors (EUR 16 517 980) and parliamentary assistance (EUR 11 418 251); observes that the biggest feeder items, i.e. contributing more than EUR 5 000 000, amounted to a total of EUR 79 152 282 in C and P transfers combined;

9. Notes that the surplus generated by the COVID-19 pandemic was, via C and P budgetary transfers in 2021, mainly allocated to finance Parliament's building policy, namely 'lease payments' which were reinforced with EUR 33 559 035 to continue the investment in the Adenauer II building project while 'acquisition of immovable property' was reinforced with EUR 22 007 230, allowing the acquisition of the Trèves II building, which together made up 52,1 % of C transfers in 2021; notes that other important transfers addressed unanticipated needs resulting from the COVID-19 pandemic, e.g. health and prevention measures, technical equipment and expenditure on interpretation to support teleworking and hybrid meetings; notes that further transfers were related to the Conference on the Future of Europe and to investments in various aspects of IT services;

The Court of Auditors' opinions on the reliability of the 2021 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 expenditure as a single policy group for all Union institutions; highlights that administrative expenditure includes expenditure on human resources (salaries, allowances and pensions), accounting for 68 % of the total, and on other categories, such as buildings, equipment, energy, communications and information technology;
11. Notes that the Multiannual Financial Framework heading 7 'European public administration' accounted for EUR 10,7 billion or 5,9 % of the Union budget in 2021, of which Parliament accounted for EUR 2,1 billion or 19,4 %; notes that the Court examined a sample of 60 transactions of this Multiannual Financial Framework heading and found that 15 contained errors (25 %), out of which the Court has quantified 5 errors and estimated, on that basis, that the level of error of the Union's spending on administration in 2021 is below the materiality threshold; reiterates its recommendation to the Court to widen its sample of transactions examined in order to determine the origin of the high share of transactions which contain errors, although below the materiality threshold;
12. Notes that the Court's annual report on the implementation of the budget concerning the financial year 2021 presents specific findings on Parliament, namely errors in two payments: (i) a minor over-payment for IT services caused by an incorrect application of contract terms; and (ii) one payment by Parliament to one of its political groups; is concerned that the internal procurement rules adopted by the Bureau and Parliament's guidelines on their application allow the use of negotiated procurement procedures for high-value contracts, whereas the Financial Regulation stipulates the use of open or restricted procurement procedures; notes furthermore, the Court's finding that the political group failed to fully abide by those internal rules, due to, according to the group concerned, the difficulty in finding tenderer that can fulfil the very specific criteria used to award the contract; highlights that the Court has previously reported shortcomings in transactions relating to procurement by political groups;
13. Observes that the position of Parliament's administration is that the use of negotiated procurement procedures for high-value contracts, i.e. contracts awarded in procedures with a value reaching the thresholds referred to in Article 175(1) of the Financial Regulation, only apply to direct management, while political groups manage the funds allocated to them according to the principles of indirect management in analogical application of Article 62(1)(c) of the Financial Regulation; welcomes, however, that Parliament accepted the Court's recommendation to revise its guidelines on the application of the rules on public procurement by the political groups to better align them with the Financial Regulation; suggests Parliament's administration to take into account the technical specificity of some procurement procedures for which only a limited number of tenderers with high expertise is able to reply; calls on the Secretary-General to report back to the Committee on Budgetary Control when such revision is to be carried out; notes the commitment of Parliament's administration to continue to support the political groups for the appropriations to be used in accordance with the applicable rules;

14. Notes that, in particular, the Court further examined a payment of EUR 74,9 million related to the purchase of the Scholl building on Rue Wiertz, the purchase of which was financed from funds that were not used during the COVID-19 crisis and were carried over from 2020; notes that, when seeking offers, Parliament used award criteria that weighted 50 % of points for both price and quality of the proposed building; notes that Parliament received two offers and awarded the contract to the tenderer proposing the Scholl building, significantly closer to Parliament's main site but 30 % more expensive per square metre than the building proposed by the other tenderer; notes that the Court considered that 'Parliament's award criteria significantly reduced the importance of price as a basis for the purchase decision, making it unlikely that any other offer could have been accepted'; stresses the importance in guaranteeing a level playing field to all tenderers in order to give the assurance that procurement is regular, and to avoid potential reputational risk; observes that the purchase of the Scholl building allows Parliament to strengthen the security of its central complex, to maintain a direct connection to other Parliament buildings, and to preserve the investments made so far in that building;
15. Notes the response given by Parliament to the Court's observation that the distance criterion played a major role in the quality criteria (namely a weighting factor of 20/50 quality points), and the possibility of interconnection with the central buildings received an additional weighting factor (4/50 quality points), which led Parliament to consider the Scholl building on Rue Wiertz as the most economically advantageous offer despite the substantial price difference; notes that the Bureau analysed the acquisition of the Scholl building against the termination of the usufruct contract and, in that sense, considered that a significant financial amount would be saved, namely the remaining contractual payments (EUR 24 000 000) and the investments already done by Parliament (EUR 15 300 000);

The internal auditor's annual report

16. Notes that, at the meeting between the committee responsible and the internal auditor held on 1 December 2022, the internal auditor presented his annual report and described the assurance audits and consulting services he performed, and reported on the outcome of the current state-of-play, which in 2021 covered the following topics:
 - audit of the parliamentary assistance allowance (Directorate-General for Finance (DG FINS));
 - preparation of the second phase audit of the financing of European political parties and European political foundations (DG FINS);
 - consulting assignment on the establishment of foundations for data governance framework (Directorate-General for Innovation and Technological Support (DG ITEC));
 - audit of staff missions (Directorate-General for Personnel (DG PERS));
 - audit of the procurement process in (Directorate-General for Infrastructure and Logistics (DG INLO));
 - review of Parliament's risk management framework;
 - follow-up of open actions from internal audit reports – phases 1 and 2 of 2021;
17. Welcomes and supports the following actions that the internal auditor has agreed with the directorates-general responsible, as a result of the assurance assignments:
 - with regard to the audit of the parliamentary assistance allowance, addressing the issue concerning respect for the ceilings set by the Implementing Measures of the Members' Statute (IMMS) with regard to paying agent's fees; reducing delays in the paying agent's submission of statements of accounts for the amounts paid by Parliament to them and in DG FINS's completing the related controls thereon, and regularising the recurrent build-up of backlogs; clarifying certain provisions of the IMMS and the associated internal guidance that do not consistently support efficient and effective management of the parliamentary assistance spent on local parliamentary assistants;

- with regard to the second phase of the audit of financing of European political parties and European political foundations, welcoming the signing of a Memorandum of Understanding, in early January 2022, by Parliament's internal auditor and the Authority, setting out the modalities for the auditing activities that the internal auditor may choose to conduct, as part of his audits covering the implementation of Parliament's budget, on the management and control systems the Authority applies to the processes of registering, controlling and, where necessary, imposing sanctions on European Political Parties and Foundations;
 - with regard to the consulting assignment on data governance framework, the objective of which was to support DG ITEC in their efforts to develop capabilities that enable Parliament to ensure that high quality data exists throughout the complete lifecycle of the data, the six specific recommendations put forward addressing the inclusion of data-related projects in Parliament's portfolio for the 2022–2024 period, establishment of an institutional data inventory, creation of local data correspondents, designation of an inter-DG body for data-related decisions, oversight by a body, and examination of possible synergies with existing data-related policies and other compliance requirements;
18. Takes note of the assurance assignments just completed, and which are currently following the communication process foreseen by the Charter of the Internal Auditor;
- concerning the audit of staff missions, the focus on the evaluation of the efficiency and effectiveness of the internal management and control systems in the field of missions of all categories of staff including accredited parliamentary assistants (APAs), and on the compliance of the operation of those systems with the relevant provisions of the Staff Regulations, the related internal regulatory framework and the Financial Regulation;
 - with regard to the audit of the procurement process in DG INLO, the focus on the evaluation of the efficiency and effectiveness of the internal management and control systems in the field of procurement, on the compliance of the procurement procedures with the applicable legislation and the relevant internal regulatory framework, and on the reliability of management information and recording;
 - with regard to the review of Parliament's risk management framework, the focus on reviewing the maturity of that framework, which resulted in an assessment of the current state-of-play and the identification of ways forward to enhance its efficiency and effectiveness;
19. Notes that the 2021 follow-up process resulted in the closure of 47 of the 99 open actions and for which the agreed due dates for implementation had expired; stresses the fact that some of the 52 remaining actions were recommended several years ago but remain unimplemented and highlights that 23 of them address significant risk; expects the different directorates-general to ensure that the remaining actions are closed without further delay and that the agreed actions will be implemented in accordance with the due dates set in the internal auditor's annual report; calls on the Secretary-General to report to the discharge authority twice per year on the status of the remaining actions;
20. Acknowledges that, in accordance with Article 118(9) of the Financial Regulation, 'the reports and findings of the internal auditor, as well as the report of the Union institution concerned, shall be accessible to the public after validation by the internal auditor of the action taken for their implementation'; notes that in practice the reports and findings are only accessible once all recommendations have been implemented, which means a de facto delay of several years in accessing them, and that Members, on a need-to-know basis, may only have access in accordance with the Bureau's rules for access to confidential documents; calls on the Bureau to make sure that Members have immediate and full access to the internal audit report at least in view of the discharge procedure in a more expedited way; further calls on the Bureau to make each internal audit report available to the public one year after its finalisation, once the internal auditor has validated the actions taken to implement the previous year's recommendation; recalls further that a validation of recommendations does not require the full implementation of all of the recommendations; calls on the Secretary-General to report as often as necessary to the Committee on Budgetary Control on the annual audit activities carried out;

21. Notes the change of the head of the Internal Audit Service as of 1 March 2021; is concerned that the renewal of around half of the audit team and the total of 16 months of vacancies beyond what was planned due to difficulties in identifying suitable candidates despite the continuous support from Parliament's administration had a negative impact on the audit activity, especially on the IT domain; welcomes the measures taken by the internal auditor to fill the remaining position of specialised information systems auditor with a candidate with a strong relevant background and the measures taken in the meantime in terms of capacity building and additional specialised training; reminds Parliament's administration of the importance of planning for vacancies with sufficient lead time in essential services such as the internal audit unit;
22. Welcomes the fact that in 2021 an external assessor certified the Internal Audit Service 'generally conforms with the Institute of Internal Auditors Standards and Code of Ethics' which corresponds to the highest level of conformity with the International Standards for the Professional Practice of Internal Auditing, as was the case in 2016;

Follow-up by Parliament's administration and the Bureau to the previous discharge resolution

23. Takes note of the written answers to the 2020 discharge resolution provided to Parliament's Committee on Budgetary Control on 26 September 2022, and of the Secretary-General's presentation on 25 October 2022 addressing the various questions and requests raised in Parliament's resolution, followed by the exchange of views with Members;
24. Recalls that the composition of the Bureau is the President of the European Parliament, the 14 Vice-Presidents and the five Quaestors (non-voting members) democratically elected by Parliament; recalls that once the Plenary calls for different rules or measures to be implemented by Parliament, such proposed rules or measures should be discussed and voted on by the Bureau, pursuant to Rule 25 of and Annex V to the Rules of Procedure and Articles 6 and 262 of the Financial Regulation; regrets that a substantial number of concrete demands adopted by Plenary in discharge resolutions are not always well reflected in the discussions during meetings of the Bureau despite the fact that both Bureau members and the Secretary-General are aware of the discharge resolutions and have the capacity to submit proposals under the aforementioned Rule 25; recalls that the exercise of democratic scrutiny which is carried out via the discharge procedure and for which Parliament should be a role model for all Union institutions and bodies; highlights that for the duration of the COVID-19 pandemic, the deliberations of the Bureau had to focus, to a large extent, on protecting the integrity of Members and staff, while ensuring business continuity;
25. Recalls, in light of Rule 25 of the Rules of Procedure, that the Bureau is responsible for taking decisions on financial, organisational and administrative matters concerning Parliament's internal organisation and Members; is concerned that the decisions of the Bureau often fail to respect the will expressed by the Plenary in discharge resolutions; reiterates the importance of the discharge procedure as set out in the Financial Regulation and the Rules of Procedure and demands that resolutions affecting the functioning of Parliament be thoroughly taken into consideration and followed up in a legitimate and transparent manner; notes that the agendas and minutes of the meetings of the Bureau and decisions are published on Parliament's internet site; reiterates its call on the Secretary-General to make a concrete set of proposals to further improve the transparency of the Bureau's decision-making; recommends that the Committee on Budgetary Control should be systematically informed whenever a proposal arising from a discharge resolution is going to be discussed by the Bureau;
26. Welcomes the proposal from the Secretary-General to enable the Bureau to debate draft decisions on important matters and decide on those at its following meeting; invites the Bureau and Quaestors to implement that practice;

Measures related to the COVID-19 pandemic

27. Notes that 2021 was marked by the ongoing challenges that arose from the COVID-19 pandemic, requiring most of the unprecedented and extraordinary measures introduced in 2020 to be maintained, and where necessary, adapted in order to minimise the risk for Members and staff, while ensuring that Parliament remained in a position to continue its core activities; notes that the COVID-19 pandemic is estimated to have generated an overall budgetary surplus of EUR 95 804 765 and, at the same time, made it necessary to reinforce other budget lines by a total of EUR 26 230 480, which resulted in a net saving of EUR 69 574 285;

28. Notes, in particular, that teleworking regimes, remote voting and hybrid meetings continued to be applied on a large scale throughout 2021; notes that the obligation for the majority of staff, including APAs, to telework 100 % was gradually lifted as of June 2021 and that on 16 July 2021 the Secretary-General decided to extend the scope of the existing teleworking; notes that, in September 2021, some of the restrictions on Parliament's activities were lifted, e. g. on delegations or the reception of individual visitors, and that new teleworking rules for Parliament's staff entered into force;
29. Welcomes the Court's conclusions in its Special Report 18/2022 on 'EU institutions and COVID-19' that the institutions audited, including Parliament, demonstrated their resilience in the face of the COVID-19 pandemic and that their response was rapid and flexible and benefited from previous investments in digitalisation; highlights the Court's recommendations, in particular the review of business continuity plans and the assessment of the suitability of new ways of working in the post-COVID-19 environment;
30. Notes that the impact of the continuance of the COVID-19 pandemic in 2021 led to substantial transfers within Parliament's budget, and that a budgetary surplus became available in areas such as travel expenses, organisation and reception of groups of visitors, the operation of Parliament visitors' centres, in-person training, and lower energy consumption; notes that, at the same time, the pandemic created additional budgetary needs in other areas, notably health and prevention, as well as technical equipment and logistics for multilingual hybrid meetings and votes; observes that a substantial part of the savings of the last few years were transferred to building policy;
31. Highlights that year 2021 was impacted enormously by the COVID-19 pandemic and most of the extraordinary measures introduced in 2020 were required to be maintained and adapted; is concerned that in certain cases, some of the measures that were introduced to prevent the further spread of the COVID-19 pandemic resulted in modified working conditions in specific services, such as copy shops and printing units within Parliament, which had a negative impact on some members of staff, for example the staff at the copy shop in Brussels were required to work in isolation for a long period of time even after the safety measures were lifted; asks Parliament's administration to proactively re-evaluate working conditions in possible similar situations;
32. Highlights that, in 2021, numerous challenges were imposed on Parliament's work, the main one being the uncertainty as regards the evolution of the COVID-19 pandemic; commends the key role of Parliament's medical services at the forefront of the COVID-19 pandemic response and acknowledges the enormous workload involved, which included treatment, testing and vaccination of staff, providing psychological support and advising on mitigation measures; notes that exceptionally, the annual medical check-up of staff had to be cancelled and staff were invited to undergo their annual medical check-up externally, under the same conditions as those usually offered by Parliament, in accordance with Article 59(6) of the Staff Regulations, and welcomes the fact that the progression of the pandemic situation has made it possible to resume the annual medical check-ups of staff; welcomes the creation, in October 2021, of the Medical Preparedness and Crisis Management Unit (MPCMU) made up of staff from the medical services in Brussels and Luxembourg with the objective of enhancing Parliament's response capacity for future crises;
33. Notes that the total cost of the testing centres was EUR 5 415 789 in Brussels, EUR 302 288 in Luxembourg and EUR 39 370 in Strasbourg; welcomes the fact that the public health authorities provided the vaccines and all other material free of charge for Parliament's vaccination campaign; notes that the total cost of the vaccination centre in Brussels in 2021 was EUR 230 502, including a reinforcement by six interim nurses and the adaptation of an existing IT tool for the administrative aspects (EUR 45 655 and EUR 184 847 respectively); commends the work of the medical service, the staff of the contracted laboratory and the volunteers in Parliament's tests and vaccination centres in Brussels; notes that, in both Strasbourg and Luxembourg, the vaccination campaigns were organised by the national authorities, and thus no cost was incurred by Parliament;

34. Recalls that Article 4 of the President's decision of 1 June 2021 on security measures to limit the spread of the COVID-19 pandemic provided for temperature checks on any person entering Parliament's buildings; notes that, for that purpose, Parliament purchased different models of body temperature detectors for a total amount of EUR 595 459 (EUR 382 515 in 2020 and EUR 212 944 in 2021); observes that 40 temperature detection units purchased in 2021 as part of the equipment and installed in the metal detectors were not used as of the 14 March 2022 and 4 cameras are now kept in storage; highlights that during the summer it was often the case that persons were denied access because of the high temperature outside, which had nothing to do with high fever; recalls that no provision was introduced to prevent people who had been denied entry from simply trying again moments later; notes that Parliament did not treat nor collect any sensitive data under Article 10 of Regulation (EU) 2018/1725 of the European Parliament and of the Council⁽²⁾; observes that, without the need to store any sensitive data, there is no information on the number of persons that were denied access to Parliament's premises during the period of validity of the measure; regrets the conclusion that it is thus not possible to assess the effectiveness of the body temperature checks or the purchase of the equipment; recalls the principle that provides that any use of public money should always allow for a check on the regularity of the spending and the effectiveness of its use;
35. Notes that a reduction in cleaning staff was not necessary in Brussels as the buildings remained open and that in Strasbourg and Luxembourg the increase in cleaning needs compensated for the decrease in activity and thus, no losses were incurred by the cleaning providers over the year; notes that at the end of 2021 and the beginning of 2022, the two cleaning contractors in Brussels launched a satisfaction survey among their employees as requested in the 2020 discharge resolution; notes that the employees completed the questionnaire anonymously and that the answers were received and stored on a secured platform; underlines that for the first contractor, the analysis of the results shows that over 90 % of the staff are motivated to perform well, receive a good direction from their management and feel part of a well united team; notes that, as of 9 November 2022, all cleaning services in Parliament's premises in Brussels are provided by two new service providers; welcomes the fact that the new contractor is subject to stricter obligations ensuring fair working conditions; recalls the fact that the new contractor has committed to taking over all employees who that were employed by the former contractor for at least nine months and requests Parliament to ensure that that commitment is adhered to;
36. Recalls the negative impact of the COVID-19 pandemic on Parliament's catering staff; welcomes the solidarity measures implemented from April 2020 to December 2021, namely the provision of 'charity meals' and a business continuity fee in the three places of work, that at least helped to safeguard 37 catering staff jobs; commends that Parliament was the first Union institution to launch a food donation programme, and that during the COVID-19 crisis, it was the only institution to take action to save employment; welcomes the fact that 20 new jobs have been created since the restart of all catering activities in March 2022; notes that catering and cleaning services are carried out by external service providers due to their specific nature which does not meet the conditions for internalisation; stresses that the internalisation of essential services such as catering and cleaning would require massive recruitment of employees and lead to a significant increase in costs; is, therefore, of the opinion that the internalisation of these services should not be considered by governing bodies;

Interpreters

37. Recalls that under Parliament's Rules of Procedure, Members have the right to speak in the official language of their choice, a reflection of the European cultural and linguistic diversity that also makes the Union institutions more accessible and transparent for all citizens of the Union; welcomes the work done by Parliament's officials and freelance interpreters during the pandemic making this right possible and keeping Parliament functioning as the home of European democracy; stresses that the quality of the interpretation provided has a direct impact on the message conveyed to the citizens of the Union;

⁽²⁾ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

38. Notes that Parliament's administration introduced safeguards such as a limitation on the weekly interpreting hours due to the additional effort required to interpret remote speakers and that interpreters were for a long period of time outside the meeting room (i.e. coupled rooms, hubs in Member States, etc.); welcomes the fact that several actions approved by the Bureau in 2020 and 2021, ranging from reinforcing the technical infrastructure to remote interpretation, allowed interpretation capacities to gradually increase to 70 % of the pre-COVID-19 capacity from November 2020 to April 2021, and to 90 % in January 2022;
39. Is concerned about the reported hearing problems that resulted from remote interpreting for long periods of time with low quality sound systems; is alarmed that 63,5 % of respondents (127 out of 200) reported hearing problems in a survey on remote simultaneous interpreting conducted by the Staff Interpreters' delegation at the beginning of 2021 and 54 % of respondents (702 out of 1 602) mentioned in a survey conducted among staff and freelance interpreters in May 2022 that working under the conditions imposed as a result of the COVID-19 pandemic had an impact on their health and well-being; highlights the fact that the health issues reported by interpreters are being followed up by Parliament's medical services and the fact that the administration has deployed targeted actions to improve sound quality; recalls the duty of care owed by the Union institutions to their employees, which must be taken into account when implementing preventive measures;
40. Notes the decision of the Conference of Presidents of 2 June 2022 allowing exceptions for remote interventions in committee meetings and observes that technical set-up and compliance of remote interventions are the main challenges that need to be overcome to achieve good quality sound in Parliament's hybrid meetings; welcomes the fact that, among other measures and awareness-raising campaigns, over 1 700 professional high quality microphones and 1 342 headsets were distributed to Members, as well as that Quaestors issued notices 50/2020 and 12/2021 with guidelines for remote speakers; observes that Parliament's administration is also offering, on a pilot basis, high quality microphones to external speakers who will be intervening remotely, such as petitioners; regrets that the efforts and budget allocated will be redundant if remote interventions by Members and other speakers without the appropriate equipment continue to be permitted; welcomes the campaign to raise awareness of the importance of sound quality for remote interventions and calls for further technical checks before each intervention;
41. Notes that the services of the Interactio platform were acquired in 2021 via an available framework contract that currently does not refer to the ISO standard on conference interpreting; notes that the Secretary-General states in his written replies to Parliament's Committee on Budgetary Control that the Interactio platform fulfils the ISO sound quality requirements;
42. Observes that Parliament's interpreters held a strike from June to October 2022 with the aim of improving working conditions, primarily better sound quality and a limitation on the number and duration of interpreting hours of remote speakers as done during the COVID-19 pandemic; regrets that, during the interpreters' strike, Parliament's administration resorted to external interpreting services, at a total cost of EUR 47 324, as this decision jeopardised Parliament's quality standard for interpretation, and more importantly obstructed workers' right to strike; stresses that external remote interpretation services should generally not be provided at core meetings of parliamentary bodies; welcomes the interim working arrangements for meetings with remote participation agreed between the trade union, interpreters' representatives and Parliament's administration on 17 October 2022 and notes that negotiations on interpreters' working conditions will be conducted to reflect on Parliament's post-pandemic working methods; stresses that DG LINC should plan its future interpretation capacity needs and look towards recruiting new interpreters in a timely manner;

Staff, accredited parliamentary assistants (APAs) and local assistants, trainees*Staff*

43. Notes that 877 out of 6 621 posts (13,2 %) were vacant at the end of 2021; acknowledges the general difficulties encountered by the Union institutions, including Parliament, in attracting and retaining talent, which has an impact on the diversity and geographical distribution of the workforce; notes that, in 2021, two surveys were run by DG PERS to find out the main reasons for applying for a job in Parliament and that the results pointed to salaries, but also job significance and flexible working conditions; notes the opinion of Parliament's administration on the slowness of the competitions conducted by the European Personnel Selection Office (EPSO) but recalls the current transformation process aiming to shorten the duration of competitions, to make them more efficient and to better target specialist profiles while keeping objectivity and equality of treatment at the core of the process; notes that, in 2021, Parliament started running internal competitions and is concerned about fast-track recruitment procedures that may lead to discrimination between professional categories;
44. Calls for a deep reflection on the new ways of working that can reconcile the needs of Parliament's administration (including team cohesion, internal communication, and on-boarding of newcomers), taking into account the expectations and satisfaction of its staff, which would positively impact their performance as well as the attractiveness of Parliament as an employer; highlights in this context the importance of a genuine social dialogue with the staff representatives on crucial points like a flexible work environment, health and welfare and training and career opportunities; also draws attention to the need to review the rules on harassment in relation to these new forms of work; observes that physical presence is of importance for the efficient interaction of all actors in parliamentary processes; suggests that a joint committee be established that assists DG PERS in monitoring the effective implementation and compliance of clear guidelines on teleworking and the right to disconnect that can be adapted to the needs of the different services; stresses that, in view of having uniform rules stemming from the Staff Regulations, Parliament should align teleworking rules with other Union institutions that have introduced the possibility of teleworking outside of the three working places, which would also increase Parliament's attractiveness as employer;
45. Recalls the seriously inadequate staffing levels in Parliament's committee secretariats at the end of 2020 due, inter alia, to the increased workload, the working methods applied as a result of the COVID-19 pandemic and the creation of new temporary committees; welcomes the fact that further to the adoption of the 2022 budget, 66 new organigram posts (12 for the Directorate-General for External Policies (DG EXPO) and 54 posts for the Directorate-General for Internal Policies (DG IPOL)), were created in the establishment plan with a view to swiftly reinforcing support to parliamentary committees; is concerned that, currently, the net increase of staff (including organigram posts and contract agents) is planned to only include 8 additional members of staff, even though the number of contractual agents has decreased by 23 between January and November 2022; reminds the Secretary-General of the commitment to an actual reinforcement of the human resources capacity in DG EXPO and DG IPOL, including an adequate level of contract agents; points out that all available resources in committees, policy departments, horizontal and support services should be assigned to the implementation of Parliament's legislative, budgetary and control powers and procedures; calls therefore for the available resources to be distributed according to the committees' level of activity in these areas and not only to the number of legislative reports;
46. Is concerned about the Bureau decision of 21 November 2022, based on the Secretary-General's proposal on General Implementing Provisions, giving effect to Article 27 of the Staff Regulations; insists on the importance of achieving a fair geographical balance among Parliament's staff provided that the measures are 'appropriate', as required by Article 27, and stresses that competitions must respect fundamental principles enshrined in the Staff Regulations and Charter of Fundamental Rights of the European Union, such as the principles of equality, non-discrimination and proportionality; recalls furthermore that Article 27 states that 'those appropriate measures must be justified and shall never result in recruitment criteria other than those based on merit'; calls for an immediate referral of the General Implementing Provisions to Parliament's legal service for a compliance assessment;

47. Notes the 'Contract Agent Strategy II project' aimed to support directorates-general in assessing whether to internalise functions carried out by external service providers would be more advantageous to Parliament; notes that DG PERS provided support to launch internalisation procedures to DG INLO, DG ITEC and to the Directorate-General for Security and Safety (DG SAFE); reiterates that the recruitment of contractual agents is an acceptable measure when justified, but insists that core tasks should be performed by permanent staff;
48. Observes particular difficulties in finding candidates willing to work for Parliament in Luxembourg, mainly due to the high cost of living and the increasing price of housing while availing of a salary that is adapted to living conditions in Brussels; asks Parliament's administration to forward a request to the Commission to address the long-standing and serious problem of salary indexation in Luxembourg by adopting a delegated act to correct the relevant provision of the Staff Regulations;
49. Notes the importance of knowledge management systems to avoid the loss of know-how in Parliament's administration; recognises that mobility could help members of staff gain new skills but also believes that Parliament's administration should motivate and accompany members of staff to move voluntarily between different services so that the mandatory mobility scheme is the last resort, as in some cases this obligation can lead members of staff to leave Parliament; points out that a mandatory mobility policy might be particularly challenging for members of staff working in DG IPOL due to the specific expertise gathered; calls for a complete overhaul of the mobility policy taking into account the views and experience of staff representatives;
50. Recalls that the Bureau approved on 13 January 2020 new and more ambitious targets for gender balance at senior and middle management levels of Parliament's administration to be achieved by 2024, meaning that females should occupy 50 % of heads of unit posts, 50 % of director posts and 40 % director-general posts; recalls that a gender action plan for the years 2021–2022 aimed to facilitate the implementation of those targets, as well as to comprehensively mainstream gender into all of Parliament's activities, was subsequently developed and approved by the Bureau on 6 July 2020; welcomes the fact that 42,7 % of heads of unit and 50 % of directors are women, while women occupying director-general positions have increased from 15,4 % to 28 % since 2021; notes that, in 2021, Parliament recruited 536 women (50,3 %) and 530 men (49,7 %) across all categories of staff combined; notes the difficulties in achieving a satisfactory gender balance in some specific services, such as DG SAFE with 81 % men and 19 % women; asks the administration for an assessment of the 2021–2022 roadmap based on the selected progress monitoring indicators in the context of the forthcoming discharge;
51. Welcomes the diversity roadmap adopted by the Bureau in November 2021 which sets targets in the area of equal opportunities, such as the consolidation of the role and mandate of the Access and Inclusion Group to enhance coordination and cooperation in the preparation and implementation of Parliament's disability policies and delivery of concrete proposals; welcomes the fact that Parliament is the first institution to organise selection procedures (Positive Actions) for trainees and contract agents with a disability;
52. Recalls that, according to Article 9 of the Staff Regulations, the Staff Committee represents the interests of the staff vis-à-vis their institution and maintains continuous contact with them; points out that decisions taken by Parliament's governing bodies often have a significant impact on staff and thus, reiterates that it is essential for staff representatives to be heard when general matters affecting Parliament's staff policy are discussed;
53. Recalls Parliament's recommendation to the Commission in its resolution of 18 April 2018 'to review its administrative procedure for the appointment of senior officials with the objective of fully ensuring that the best candidates are selected within a framework of maximum transparency and equal opportunities, thereby also setting an example for the other European institutions'; recalls that the appointment procedure of the Secretary-General was a transparent process, where candidates were treated in a fair and equitable manner whilst complying with all necessary eligibility requirements; highlights that the decision made on the selection of the successful candidate was carried out with a large majority of the Bureau;

Accredited Parliamentary Assistants (APAs)

54. Reiterates its opinion that the particular working relationship between Members and APAs can encompass a situation where both parties decide to terminate the contract by mutual agreement earlier than anticipated but without loss of trust; urges the Bureau to consult with Parliament's legal service and DG PERS on the feasibility of the contract to be terminated by mutual agreement before its expiry date and to inform the Committee on Budgetary Control of the outcome;
55. Reiterates that APAs accompanying Members to the part-sessions in Strasbourg should be issued a mission order and be reimbursed in accordance with the applicable rules;
56. Reiterates its demand for APAs to receive the same subsistence allowance as officials and other statutory staff for their missions to attend the part-sessions in Strasbourg, taking into consideration that the parliamentary allowance envelope remains unchanged; is of the opinion that the current situation, aggravated by the accumulated increase in prices over the last few years, puts APAs in a more difficult financial situation given that they have to travel to Strasbourg to carry out their work in exactly the same way as Parliament's officials and other statutory staff; fails to understand this unequal treatment regarding the missions to Strasbourg in view of the fact that expenses incurred by APAs undertaking missions outside Parliament's three places of work are reimbursed, *mutatis mutandis*, in accordance with the rules applicable to officials' missions; highlights that aligning the daily subsistence allowance with that of statutory staff would also put an end to the unjustified existence of three different amounts of allowances to choose from; reiterates, therefore, its request to the Bureau to modify its decision of 2 October 2017 with the aim of implementing such alignment;
57. Notes that the applicable rules adopted by the Bureau and the Conference of Presidents currently prohibit APAs to accompany Members on official Parliament delegations and committee missions; points out that the technical support that APAs provide during missions is of key importance to the participating Members; is concerned that this situation in practice leads to Members financing APAs' travel with the general expenditure allowance (GEA) and obliges APAs to use their annual leave; urges the Bureau and the Conference of Presidents to change the current rules to allow APAs, under certain conditions, yet to be determined and bearing in mind the logistical limits of missions, to accompany Members on official Parliament delegations and missions, as reiterated by several discharge resolutions;
58. Welcomes the fact that the Bureau's last revision of the rules for visitors' groups introduced the possibility for Members to designate professionals to hold the financial responsibility, which has brought about a decrease of 28 % in the number of APAs acting as heads of visitors' groups; insists, therefore, to the Bureau that APAs not be designated heads of groups as this level of financial responsibility might compromise the appropriate auditing procedures or alternatively calls for a separation of the roles of head of group and the person holding financial responsibility, leaving only a member of the sponsored group or a professional, such as paying agents or travel agencies, to take up the financial responsibility;
59. Recalls that Members may offer a traineeship to nationals of third countries, provided that they ensure that trainees comply with visa requirements of the country of designation; notes that third-country workers coming to Belgium for a traineeship in Brussels that lasts longer than 90 days, must apply for a prior authorisation from the competent regional public service, i.e. Brussels Economy and Employment; is alarmed that Parliament's competent service agreed with the latter that the relevant Member's office would submit the candidate's dossier, which in practice means that an APA from the Member's office is required to provide their own personal data to the public authorities in order to act as a contact point for the public authorities in relation to the third country trainee's visa application; recalls that Parliament cannot put the APAs in a situation that could be detrimental to their rights as statutory personnel and calls on Parliament's administration to find a different solution that will not endanger the privacy and legal security of the APAs or be a risk to the security of Parliament;

60. Calls on Parliament's administration to schedule training courses for APAs according to their workload, which is directly linked to the parliamentary calendar and the general presence of Members in Parliament, in order to reconcile the performance of their duties with the professional training to which they are entitled under Article 11 of the implementing measures of Title VII of the Conditions of Employment of Other Servants of the European Union;

Trainees

61. Notes the Schuman recruitment and development programme was launched for the first time by Parliament's administration during the March 2021 traineeship period; regrets that Parliament's administration failed to consult the Staff Committee on this initiative at an early stage and notes the negative opinion expressed in its resolution of 18 October 2021, which calls into question the objectivity and fairness of this programme; is aware of the difficulties encountered by Parliament's administration in recruiting and retaining talent for the institution, in particular young professionals; insists on recruitment that is based on the essential principles of transparency, objectivity and fairness of the Union's public service; stresses that recruitment procedures must be merit-based, competitive, fair and transparent, and calls on the Secretary-General to involve both the Staff Committee and the APAs Committee in a revision of this programme to find an agreement on the model to follow in the future;
62. Notes that the reduction for trainees in Parliament's canteens, amounting to EUR 1 is based on previous discounts which are in turn based on the contracts signed and the prices at the time; believes that this reduction is at the moment purely symbolic and insufficient and calls, therefore, on Parliament's administration to consider whether an automatic update on the basis of the food price variations could be introduced;

Transparency and ethics

63. Stresses that transparency, accountability and integrity are essential ethics principles within the Union institutions and particularly Parliament as the house of European democracy; recalls that weak ethics rules and a lack of enforcement thereof have the potential to compromise the integrity of the institution and that unethical behaviour must be prevented, persecuted and condemned given that it significantly damages the credibility and legitimacy of Parliament and the Union as a whole and constitutes a serious threat to democracy and public trust; recalls Parliament's resolution of 15 December 2022 on suspicions of corruption from Qatar and the broader need for transparency and accountability in the Union institutions; recalls both the Court of Auditors' conclusions and recommendations in its Special Report 13/2019 on the ethical frameworks of Union institutions, and Parliament's resolution of 16 September 2021 on strengthening transparency and integrity in the Union institutions calling for the creation of an independent and interinstitutional ethics body with a preventive, compliance and advisory role; urges the Commission to finalise and submit its proposal establishing that role; recalls the necessity to have such a Union Ethics body set up by the end of the current term;
64. Highlights the need to reinforce trust in Union decision-making by strengthening transparency, ethics and good conduct in Parliament; calls for a thorough overhaul of Parliament's ethical framework by integrating lessons learned, ensuring full implementation and strengthening the current control rules to ensure that there are stronger deterrents to effectively address current and future threats and interferences, whether they affect Members or staff; stresses that illegal activities funded by paid lobbying constitute a profound attack on democracy and must be met with zero tolerance and heightened vigilance; calls, in particular, for a revision of the Rules of Procedure and the Members' Code of Conduct, as well as for an urgent upgrade and reform of the current European Parliament's Advisory Committee on the Conduct of Members with participation of independent experts, selected on the basis of their competence, experience, independence and professional qualities, in order to make it more visible and prominent, to consolidate its role and to strengthen its powers in order to ensure that Members act without any undue influence from interest representatives by means of a strict regulation of paid activities during the mandate, gifts or travel invitations, future employment expectations, and of undue use of information or contacts; recommends anti-corruption and transparency training for Members, APAs and members of staff;

65. Highlights in this regard the need for stricter rules, enhanced transparency, and monitoring on side-income of Members in order to avoid conflicts of interest; requests to revise the Code of Conduct to take into consideration this particular concern;
66. Highlights the recent breaches of transparency and corruption in connection with the NGOs Fight Impunity and No Peace Without Justice and regrets that the European Parliamentary Research Service (EPRS) organised a two-day conference in June 2022 together with those organisations, despite the fact they were not registered in the Transparency Register;
67. Recalls that according to Parliament's Rules on Public Hearings adopted by the Bureau ⁽³⁾, interest representatives may only be invited as speakers at Parliament's events, including committee meetings, if they are registered in the Transparency Register and that the secretariat of the committee or Parliament's governing body organising a hearing is responsible to ensure compliance with this obligation; calls for mandatory transparency checks by the administration and corresponding controls by the committee secretariats;
68. Urges the administration to put in place the means to strengthen internal rules and instruments for the prevention of conflicts of interest, such as the Early Detection and Exclusion System (EDES) and the Public Procurement Forum (PPF), particularly with regard to events and studies commissioned by Parliament's bodies, and to make registration in the Transparency Register compulsory for external entities participating in any form;
69. Stresses that the rules of access to Parliament's premises for stakeholders need to be revised; recommends that digital solutions are used to integrate and track the stakeholders' identification number in the Transparency Register in all Parliament's activities involving external entities, such as requesting the registration number for the accreditation of visitors and for the organisation of events;
70. Notes that the quality of entries in the Transparency Register has improved over recent years and commends the role of the joint secretariat in that improvement, despite limited resources; regrets, however, that the overall quality of entries remains unsatisfactory; calls for the provision of all necessary resources to ensure that the internal rules related to the Transparency Register are effectively enforced, including, where appropriate, the imposition of adequate sanctions; calls for the reinforcement of the Transparency Register which should be truly mandatory and an expansion of the scope of the Transparency Register to include representatives of third countries;
71. Recalls the importance of ensuring and promoting a transparent and ethical interest representation at Union level and that a transparency register was set up in order to ensure that the Union institutions are open and transparent in their dialogue with interest representatives and civil society; recalls the transparency obligations arising under Rule 11 of the Rules of Procedures and calls on Parliament to actively encourage Members and staff not to hold any meetings or participate in lobbying activities with organisations that are not registered in the Transparency Register; recalls that information and reminder notices on the obligation to publish meetings with interest representatives should be sent to all Members at regular intervals; calls on Parliament's Committee on Constitutional Affairs to revise the Rules of Procedure to extend the obligation to publish meetings with interest representatives to all Members working on reports, opinions or resolutions; welcomes the fact that Parliament's infrastructure to enable Members to publish scheduled meetings with interest representatives has been updated and is now linked to both the Transparency Register and the Legislative Observatory; calls on Parliament's services to expand the infrastructure on Parliament's website to allow APAs and policy advisers to voluntarily publish their meetings with interest representatives; calls on parliamentary services to create a user-friendly online repository to publish information on lobbying meetings in open data format;

⁽³⁾ Rules on Public Hearings, Bureau Decision of 18 June 2003.

72. Calls on the administration to take into account the demands of the Committee on Budgetary Control in relation to transparency and ethics in line with the action plan 'Strengthening Integrity, Independence and Accountability – First steps', approved by the Bureau on 8 February 2023, and with the relevant Parliament resolutions; calls on Parliament's administration to likewise take into account the Ombudsman's observations and future recommendations in the case SI/1/2023/MIK on the reform process to further improve the Parliaments ethics and transparency framework; urges Parliament to implement speedily all requests made in Parliament's Resolutions including the reinforcement of the internal control and monitoring mechanisms, as well as the alignment of the internal rules on whistleblowing to the standards of the EU directive;
73. Recalls in particular the need to implement without delay all 15 measures to curb corruption and enhance integrity, accountability and transparency adopted in its resolution of 15 December 2022 on suspicions of corruption from Qatar and the broader need for transparency and accountability in the European institutions, as well as the clear requests made in the European Parliament resolution of 16 February 2023 on following up on measures requested by Parliament to strengthen the integrity of the European institutions;
74. Notes that the current guidelines for the 2021 interinstitutional agreement to register stakeholders are insufficient; stresses the need for a thorough pre-check within the registration in the transparency register to disclose all funding sources; notes that funding from the Union funds must be traceable from the direct recipient to the final beneficiary when funds are passed on in a chain; calls to revise the guidelines for the registration in the transparency register to disclose all incoming and outgoing funds, including the transfer of funds from one NGO and stakeholder to another;
75. Observes that, in some cases, the work of NGOs and stakeholders has been used to finance illegal activities and to influence Parliament's decision-making on behalf of third parties; points out that such cases have been detected thanks to the control and security measures in place, although there is significant scope for improvement;
76. Reiterates that access of interest representatives to the Union institutions and their funding programmes must be verified in advance and checked for possible inclusion in the Early Detection and Exclusion System (EDES);
77. Calls for a ban on friendship groups with third countries when an official Parliament delegation already exists; recalls that Rule 35 of the Rules of Procedure must be respected in order to avoid any confusion with the official activities of Parliament with third countries; recommends that Parliament allows, on a case-by-case basis, friendship groups for activities relating to certain sub-regions, or some local persecuted minorities for which an official delegation doesn't exist;
78. Notes that the Advisory Committee on the Conduct of Members investigated two cases of alleged breaches of the Code of Conduct in 2021, in one of which the President decided to impose a penalty in the form of a reprimand on the concerned Members in July 2021; notes that Parliament's administration verified one case of a possible conflict of interest under the Implementing Measures for the Statute of Members due to the recruitment of a family relative identified in 2021, which in turn eventually led to the initiation in 2022 of a recovery procedure of the misused parliamentary assistance expenditure;
79. Points out that despite the fact that at least 25 breaches of the Code of Conduct by Members were recorded in the past eleven years, Parliament's Presidents have never imposed a financial sanction on a Member; calls on the President to consider imposing financial sanctions when it has been proven that Members have breached the Code of Conduct to ensure the sanctions actually have a deterrent effect;

80. Notes that, in 2021, the European Anti-Fraud Office (OLAF) investigated 18 cases and the European Prosecutor's Office (EPPO) investigated 3 cases involving Parliament on issues related to Members' financial and social entitlements and the financing of political structures; notes that, out of 18 OLAF investigations, 4 led to a report with financial recommendations, 1 led to a final report with disciplinary recommendations, 5 led to a decision to dismiss the case, and 8 are still ongoing in 2022; notes also that OLAF investigated 5 cases involving Parliament's staff, out of which 2 were closed in 2021 without any recommendation and 3 were not concluded; notes that none of the EPPO investigations were concluded in 2021; asks the administration whether the recommendations made by OLAF have been fully implemented and the amounts at risk have been recovered (particularly the EUR 1 837 000 found to be paid irregularly), as well as to provide a summary, without any sensitive data, of the typology of cases investigated in order to be able to draw conclusions and make improvements;
81. Notes the fact that the European Anti-Fraud Office (OLAF) currently does not have, under any circumstances, access to Member's offices, computers and email accounts, even when investigating cases linked to Members based on a substantiated suspicion; underlines the need to have an adequate procedure for granting access to OLAF in cases of substantiated suspicions against individual Members; calls on the Bureau to set up such a procedure as well as to recognise and ensure OLAF's competence to investigate possible breaches of the Code of Conduct by Members;
82. Reiterates that Article 4 of the Code of Conduct provides that the Members' declarations of financial interests are to be provided in a detailed manner so that any potential conflict of interest with parliamentary activity can be detected; regrets that, nevertheless, many declarations include only vague or generic job descriptions and, thus, repeats its call on the Bureau to review the format of the declarations to require more detail; asks the President to instruct the services to systematically carry out thorough checks of the declarations;
83. Notes that only one notification of post-mandate employment was submitted to Parliament out of the 459 Members of the 8th parliamentary term who were not re-elected in 2019; notes that, in 2021, out of the 203 officials who left the service, 54 requested permission for an activity after leaving the service; welcomes the decision of the Bureau (*) to establish stronger rules to regulate revolving doors for former Members and officials, by introducing a cooling off period for former Members who shall not engage in lobbying or representational activities with Parliament, within the six months following the end of their mandate; also welcomes the decision to clarify the rules on accessing Parliament's premises, replacing former Members' permanent access badges by daily access ones, and ensuring that former Members and Parliament staff who engage in lobbying activities are identified with a specific badge; calls on Parliament to ensure these new rules are effective, closely monitored and enforced; believes that no General Expenditure Allowance should be paid to former Members and calls therefore for the deletion of Article 42, subparagraph 4 of the Implementing Measures of the Members' Statute;
84. Considers voting by roll call (RCV) to be a key instrument for transparency and accountability towards the Union citizens; calls for introducing automatic RCV to any final vote except for secret ballots, and for increasing the number of RCV that are possible for a political group to ask for per part-session in Rule 190(2) of the Rules of Procedure, or exempting legislative files from that limitation;
85. Notes the ongoing project to make plenary voting records available in a dedicated space where users will have access to clear and reader-friendly documents and believes that Parliament should go further and create a coherent website combining the whole multitude of interconnected websites related to the legislative work, i.e. Legislative Observatory, Members' profiles, the plenary website, etc. for the sake of transparency and public scrutiny; calls on Parliament's services to also make available all amendments and RCV records at committee level and to include them in the new layout;

(*) Bureau Meeting of 13 March 2023 (PE-9/BUR/PV/2023-03) and Bureau decision 17/04/2023 (PE 422.534/BUR).

86. Notes that the Ombudsman handled 16 cases concerning Parliament in 2021, out of which 2 recommendations were made and applied respectively by the Authority, which was asked to increase transparency on its website, and Parliament's administration, which was asked to better inform applicants for traineeships on the possibility to request special assistance;
87. Calls on the Bureau to revise the Code of Conduct by including restrictions on Members hiring not only direct, but also indirect family members;

Harassment and whistleblowing

88. Notes that six harassment cases against Members were opened in 2021 and that four cases were pending from 2020; notes that no harassment was found in the four cases closed in 2021; notes that, in 2021, there was one new harassment complaint coming from a member of staff and notes that there was one ongoing case and three cases closed; regrets that the investigation of some harassment cases extended over more than a year causing unnecessary harm to Members, staff and APAs; reminds Parliament's administration that it has a legal responsibility to investigate cases brought before it with due rigour, speed and discretion; calls on the Bureau to prescribe time limits for the handling of harassment complaints;
89. Stresses that the Code of Appropriate Behaviour for Members of the European Parliament stipulates that, in exercising their duties, Members will behave towards everyone working in the European Parliament with dignity, courtesy and respect and without prejudice or discrimination; welcomes Parliament's zero-tolerance policy on harassment and the awareness-raising campaigns carried out; is concerned, however, that on 28 October 2022 only 245 sitting Members (36,3 %) had completed the training on respect and dignity in the workplace; recalls that Parliament has requested on several occasions the implementation of mandatory anti-harassment training courses for all Members and suggests extending it to staff, including persons in managerial roles in the different directorates-general and political groups; welcomes the orientation debate on anti-harassment policies carried out in the Bureau meeting of 21 November 2022 and requests that the Bureau expresses a final position on the topic; stresses the importance of early intervention, together with training and awareness-raising actions and notes the initiative taken by the administration to set up internal mediators as a step towards early conflict resolution, which should also include the provision of information to both parties on their rights;
90. Notes that the 'advisory committee on harassment and its prevention at the workplace' is composed of three members designated by the Appointing Authority (including the chair), two Staff Committee members and one expert advisor from the medical service; notes that the 'advisory committee dealing with harassment complaints concerning Members' is composed of three Quaestors (including the chair), the chair of the first committee, two APA committee members, one staff committee member (only for cases concerning a member of staff), and two expert advisors, namely from the legal and the medical services respectively; is concerned by the lack of independent experts on harassment issues in both committees, as well as the absence of the legal service in the first case; recalls that the chair of the latter committee has the casting vote and is concerned that the fact of being a Member could lead to conflicts of interest; calls on the Bureau to review the composition of both advisory committees in order to include the pertinent independent expertise, avoid conflicts of interest and to stipulate mandatory training on harassment prevention and equal opportunities for all their members; recommends a complete review of the functioning of the advisory committees with the assistance of specialists on harassment prevention selected for their competence, experience, independence and professional qualities, so that Parliament is equipped with clear, effective and robust rules of procedure while ensuring adequate response times and the necessary procedural safeguards, information, counselling and protection measures for all parties as appropriate;
91. Notes that there was one case of whistleblowing in 2021 and that the whistleblower had contacted OLAF before addressing the contact point; calls on the Secretary-General to clarify contradictory data provided on the number of whistleblowing cases reported in 2021 and 2022 respectively; reminds the administration of its duty to immediately report alleged cases of fraud to OLAF; notes that Parliament's administration received a number of anonymous allegations of fraud and misconduct that were all followed up either internally or by OLAF, and calls on Parliament's administration to provide a summary of the nature of the possible cases opened and the measures taken by the administration;

92. Recalls that Parliament has a whistleblower contact point within the cabinet of the Secretary-General to which irregularities can be reported and who provides advice and facilitates the application of Article 22c of the Staff Regulations and of the relevant implementing provisions; calls on the administration to urgently launch an awareness campaign regarding the existence of this contact point; calls on the Bureau to require relevant background checks and training for whistleblower contact points;
93. Reiterates that APAs are in a particularly vulnerable position when it comes to reporting fraud and requesting whistleblower protection due to their specific employment situation; therefore calls on the Secretary-General to fully adapt the internal rules on whistleblowing adopted on 4 December 2015 and contained in the Staff Regulations to align them to Directive (EU) 2019/1937 of the European Parliament and of the Council ⁽⁵⁾, as well as to provide whistleblower APAs and staff with reinforced protection, including by setting up secure channels for reporting, in the same line as for victims of harassment, in particular with regard to provisional measures during the administrative investigation, all other appropriate protection measures and assistance to take legal action for damage suffered; requests Parliament to raise awareness, where possible, among parliamentary staff on the whistleblower protection available to them; further calls for mandatory whistleblowing training for MEPs and for any superior, both within the administration and political groups, that would receive potential whistleblowing reports ⁽⁶⁾;

Communication and interinstitutional cooperation

Communication

94. Highlights the importance of its communication strategy to engage with Union citizens through a varied multichannel series of projects and activities despite the challenges encountered in 2021; notes an average growth in engagement rate of 69 % on Parliament social media channels between 2020 and 2021 and an average growth of 11 % in the number of followers in 2021; notes that, following a President decision in June 2021, visitors' facilities were partially reopened and were able to welcome a total of 337 984 visitors until the end of the year and budgetary commitments of EUR 15 982 020 for 2021; notes that the works of the Zweig Visitor Centre continued as planned in 2021 and it was inaugurated in November 2022, and in this respect asks that consideration be given to the amount of time visitors' groups invest in moving from the Zweig building to the Spaak building, including security and identification checks, which may reduce the number of groups that can be received on a daily basis; notes that the House of European History, the Parliamentarium and the Europa Experiences remained closed or operated at reduced capacity for parts of 2021; welcomes the fact that the European Youth Event could finally be held in 2021 in a hybrid format and that it was a success with 10 000 young people taking part, although regrets a certain lack of preparation for the security checks which delayed access to Parliament's premises; notes the first editions of the LUX Audience award, with 6 000 voters, and the Daphne Caruana Galizia Prize for journalism, which drew over 200 applications from across the Union;
95. Notes that four European Parliament liaison offices (EPLOs) in Madrid, Rome, Bratislava and Zagreb were equipped with VoxBox facilities in 2021 as part of a pilot project and that it is planned to install light and user-friendly audiovisual equipment in 14 of the 24 selected EPLOs by the end of June 2022; recalls that Parliament also upgraded audiovisual facilities in EPLOs in the context of remote plenary sessions; expects a revision of the EPLOs' communication strategy so that the investment made will really help to reach out to Union citizens and calls on the EPLOs to provide timely notice to Members of their constituencies of the calendar of activities in order to ensure a better coordination and presence of Members;
96. Underlines that the workload in the EPLOs seems to have dramatically increased taking on new permanent tasks, and calls for Parliament to ensure EPLOs have sufficient human, technical and financial resources to fulfil their missions;

⁽⁵⁾ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L 305, 26.11.2019, p. 17).

⁽⁶⁾ This is based on a recommendation from Transparency International EU.

97. Notes that, in May 2018, the Bureau approved an upgrade of the former Info-Point in Brussels and that the new Info Hub aims to attract civil society stakeholders, multipliers, partners and specialised interest groups; notes that the Info Hub has had a total cost of roughly EUR 8 400 000 which includes approximately EUR 6,6 million for renovation works and EUR 1,8 million for communication activities, and that it has welcomed 20 000 visitors since it opened its doors in mid-July 2022; regrets, however, that Members are not aware of those facilities and calls for a better information campaign to publicise their activities and possible uses;
98. Welcomes the ambitious Europa Experience programme that aims to bring the Union close to its citizens; welcomes the fact that the global number of visitors to Europe Experience centres slightly increased from 124 352 in 2020 to 135 835 in 2021, despite the challenges arising from the COVID-19 pandemic; notes likewise that travel restrictions in 2020 and 2021 provoked delays in building contract procedures (namely in Dublin, Prague, Madrid, Bucharest, Lisbon, Bratislava, Riga and Vilnius) without a negative impact on rent payments as they are triggered by the completion of the fit-out work; notes that, in 2021, there were six operational decentralised visitor facilities (Berlin, Copenhagen, Helsinki, Ljubljana, Tallinn and the Parliamentarium Simone Veil in Strasbourg), as well as that Parliament's Directorate for Communication launched the implementation of five new large-scale exhibitions (Paris, Rome, Stockholm, Prague and Warsaw), and completed the design of another three new projects (Vienna, Dublin and Luxembourg) while DG INLO conducted a series of feasibility studies in seven other capitals; notes that the majority of Europa Experience facilities will be open to the public in 2024, but understands the dependence of this project on the prospects in a rapidly changing real estate market;
99. Notes that the lunchtime classical music concerts in the Citizens' Garden were conceived to support classical musicians during the COVID-19 crisis and to demonstrate the value that Parliament places on European musical heritage; notes that 40 concerts were held in 2021 with 4 106 attendees, with a budget of EUR 51 925; supports wholeheartedly this initiative during the extraordinary COVID-19 pandemic in 2020 and 2021, but questions Parliament's use of taxpayers' money to renovate the Citizens' Garden and house, a public space that belongs to the Belgian State;

Multilingualism

100. Recalls that the Union, and therefore Parliament too, is legally committed to providing accessible information and communication under the United Nations Convention on the Rights of Persons with Disabilities; calls therefore on Parliament's administration to develop specific initiatives to ensure more and better accessibility to its documents and debates, with a particular focus on the State of the Union debate as well as the 'This is Europe' plenary debates, building on examples like the interpretation in International Sign of the Commission's weekly college read-outs; reiterates its long-standing request to the Secretary-General to analyse the feasibility of international sign language interpretation for all plenary debates and to implement without delay this request; believes moreover that plenary sessions retransmission in the sign languages used in each Member State would increase participation of persons with disabilities in the Union's democratic process; notes that the Directorate-General for Translation is developing a tool that is able to automatically transcribe and translate parliamentary multilingual debates in real time, so that all citizens have equal access to information in their language; requests an update on the project and an analysis on its implementation and total cost;

International cooperation

101. Notes that the presence of Parliament's officials in Union delegations or other bodies aims to strengthen inter-parliamentary relations with international organisations; reiterates, however, the concern regarding the Bureau decision of 11 February 2019 regarding parliamentary support to the European Union Mission to ASEAN in Jakarta, the Delegation of the European Union to the African Union in Addis Ababa and the Delegation of the European Union to the United Nations in New York; notes that no staff were deployed in 2020, while two officials were seconded to New York and one to Addis Ababa in 2022; reminds Parliament's administration of its commitment to establish measurable indicators to assess their annual performance; draws attention to the fact that Parliament's administration has set up a unit in charge of relations with ASEAN and has proposed most of its staff to be deployed in Jakarta, while for the other two destinations the administration has simply selected senior members of staff; reiterates its call for transparent appointment processes of the staff involved and for Parliament's Committee on Budgetary Control to be kept informed;

102. Is concerned by the fact that in 2021 eight Members decided, on their own initiative, to observe elections in third countries where Parliament had decided not to send an election observation delegation or had not been invited; notes that in all eight cases the Members were in breach of the Implementing Provisions of the European Parliament's Democracy Support and Election Coordination Group and that they could not and were not selected to participate in an official Election Observation delegation until the end of 2021; requests that Members involved in unofficial election observation missions should be sanctioned for the duration of the mandate;

Digitalisation and cybersecurity

103. Welcomes the fact that the Digital Signature Portal (DiSP) allows Members to digitally sign documents, which improves efficiency, traceability and transparency to the procedures, and regrets that, in contrast to DiSP, signing plenary amendments by hand and sending them in scanned form is still an outdated and burdensome procedure; calls on the Bureau to take the necessary steps for introducing the possibility for Members to sign plenary amendments digitally in the future; calls for the extension of DiSP to all signed documents;
104. Notes the decision of 10 May 2021 to suspend HERMES, a document management and archiving software, due to a series of deficiencies, mainly the fact that it was impossible to adapt it to Parliament workflows and other major technical issues; notes that back-end and front-end parts of the HERMES system to date had an external cost of EUR 7 500 000 and an internal cost of EUR 1 700 000 amounting to a total of approximately EUR 9 200 000, reported as asset under construction; notes that the back-end part of the HERMES system is still in use as a system for document and record management and also for other applications;
105. Notes that, in 2021, the overall cost of technical solutions to allow remote voting sessions amounted to EUR 1 275 500, including an extension of the plenary applications (EUR 120 000), the development of the EPvote application (EUR 233 500), IT support to Members (EUR 529 200), to deploy the e-voting system (EUR 250 000) and *ad hoc* services to allow Members' participation from EPLOs (EUR 142 800); takes note of the importance of all of the IT systems that ensure proper remote functioning of Parliament, points out, however, that all innovations implemented will require an investment for their maintenance in view of future uses;
106. Notes that, frequently, Parliament's Virtual Desktop Infrastructure (VDI) is not reachable at peak login hours in the morning; calls on the services to ensure that the VDI has sufficient capacity to allow for a swift login even at peak hours;
107. Welcomes Parliament's investment in strengthening its cybersecurity, which includes the creation of a dedicated Directorate in DG ITEC and a significant increase of the related resources aiming to increase the protection of Parliament's information systems in the face of constantly growing threats and ransomware attacks; urges Parliament to maintain its efforts and increase its investments in cybersecurity; underlines the need to ensure the recruitment and retention of highly-qualified staff in this very strategic sector; suggests to offer regularly updated cybersecurity-related training for all of Parliament's staff; welcomes the expansion of the range of digital services provided via the e-Portal leading to an increase of 67 % in the number of transactions, which is a significant increase compared to 2020, and to the achievement of 85 % use rate of the e-Portal by Members for their travel and subsistence expenses; commends the specific measures undertaken to facilitate administrative procedures and reduce bureaucracy when it comes to the services for Members, including the increased digitalisation of the e-Portal;
108. Notes that DG SAFE's reorganisation has foreseen the creation of the new Directorate on Security Technology and Information aiming to ensure protection of all categories of information handled by Parliament; observes that when the specific unit responsible for security engineering was created the head of unit position did not appear as such in Parliament's organisation chart; calls on the Secretary-General to remedy this situation promptly in order to provide the new key directorate with the necessary resources to fulfil its responsibilities;

Building policy, logistics and security*Building policy*

109. Notes that it is intended that 'Parliament's Buildings Strategy beyond 2019' will provide a framework for future decisions and contribute to consolidate Parliament's real estate portfolio while adapting facilities to the evolution of meeting patterns, going local and closer to citizens through Europa Experience facilities, enhancing security for Parliament's buildings, and achieving the interconnection of central buildings; notes that Parliament's administration is currently working on a comprehensive approach to define Parliament's long-term building policy taking account of the impact of the energy crisis, the rising price of raw material, environmental obligations and new working methods introduced in Parliament; calls on Parliament's administration to reflect on the need to acquire or construct new buildings in the future; notes the adoption on 8 March 2021 of an integrated facility management strategy focusing on a life cycle management of Parliament's building portfolio;
110. Expresses concerns about structural problems in the Trèves I building; underlines the urgent need for the building to be upgraded to the latest energy and environmental norms; underlines the need for urgent measures to fix the unstable heating system, the lack of air conditioning and toilets for persons with reduced mobility, the poor sound proofing, as well as the sewage problem;
111. Notes the purchase of the Trèves II building approved by the Bureau on 18 October 2021, purchased with the intention of allowing the interconnectivity of Parliament's central buildings in Brussels, and notes that it will be at the disposal of Parliament as from 1 January 2025; warns that the energy performance certificate indicates an annual primary energy consumption equivalent to class E, and that the last renovation of the building dates back to 2000; calls on the Bureau to approve the necessary renovations to improve the energy performance of the building in accordance with applicable energy efficiency regulations as the building is put to use by Parliament;
112. Notes the architectural competition on the design of the renewal of the Spaak building for which the competitors submitted their proposals in January 2021, the jury analysed the 15 entries and ranked the five laureates in February 2021 and the Bureau endorsed the five laureates proposed by the jury at its meeting of 6 July 2022; is of the opinion that the necessary steps must be taken to renovate the building given its deteriorating condition in order to ensure the security and well-being of staff without unreasonable budgetary implications; therefore calls for proper information to be provided and consultation with the relevant Parliament committees on the next steps to be taken in the renovation plans, as well as plans regarding the purchase of new buildings;
113. Takes note of the unanimous decision of the Bureau of 23 October 2019 to approve the creation of an IDEA Lab with the aim of testing new, innovative solutions in the context of offices and facility management; notes that the decision of the Bureau was not based on any specific cost estimate and welcomes the announcement of the new Secretary-General that each proposal for a decision will be accompanied by a financial statement of the estimated costs, and that expenditure should be accounted for transparently; welcomes the creation of a permanent laboratory for innovation together with the establishment of a separate budget line but considers that the costs need to remain reasonable and justifiable; notes that construction works needed to implement the innovative architectural concept, including the technical equipment and the installation costs, had a cost of 2 000 EUR/m² in addition to the 'standard' renovation works, which is expected to benefit later renovation work in case of a larger roll-out; notes that to date the construction works needed to implement the architectural concept amount to EUR 663 265 while the IT equipment cost EUR 108 104;

114. Points out that the IDEA Lab is supposed to be at the disposal of Members; requests that Members be informed in this regard about innovations and tested solutions that are to be introduced in the future and those that are not pursued any further and reasons for not pursuing those innovations and solutions; questions the rationale behind the selection of the providers and of some of the technical innovations to be tested and regrets that some of the innovations would be too expensive to scale despite their interest; is of the opinion that one of the priorities of the IDEA Lab should be an innovative architectural solution to make better use of the space occupied by the unused showers in the Members' offices; calls on the Bureau working group on buildings and Parliament's administration to ensure greater transparency regarding the budget for the IDEA Lab and to regularly present to the Committee on Budgetary Control the list of innovative solutions, their cost and the feedback produced, as well as the potential saving if implemented;
115. Notes that, in 2021, the total number of reported thefts in Members' offices and staff offices was 83, representing a 58,2 % decrease compared to 2020, with a total value of stolen items amounting to EUR 190 791; welcomes the fact that Parliament's responsible services identified the perpetrator of two important thefts, one related to 101 hybrid computers and 26 iPads and the other related to 15 hybrid computers, and that the case is pending before the Belgian judicial proceedings;
116. Welcomes the fact that the Wayenberg crèche was certified by the Belgian national authority (ONE – Office de la Naissance et de l'Enfance) at the end of 2021; regrets the issues encountered with the service provider in 2021, including the closure of sections and successive sudden changes to the internal COVID-19 protocol, and welcomes the positive transition to a new provider as of 1 February 2022 as well as the measure to monitor the implementation of the new contract;
117. Notes that the East Wing of the Adenauer building in Luxembourg was completed in 2020 and the large-scale relocation of offices from the Schuman building ended in 2022; notes that works to build the West Wing started in 2020 and that the office space are almost all allocated to the parliament staff; expresses its deep concern over the fact that Parliament's biggest and most expensive investment in buildings in recent years stands under-used due to a very low occupancy rate of the buildings;

Canteens

118. Notes with concern the Secretary-General's decision of 22 March 2021 to abolish the Supervisory Committee for Canteens, Cafeterias and the Staff Shop (CORECA) based on the fact that since October 2020 all activities in the sector on Parliament's premises have operated under concession contracts, which function without any direct involvement from Parliament's budget; believes, however, that CORECA was a useful contact point between Parliament's competent services and the Staff Committee on the food offer and the catering services, and that it would have been useful, for instance, to involve and receive feedback from the staff about the recent adaptation of the food offer in several venues; calls, therefore, on the Secretary-General to reinstate CORECA or a similar contact point to involve staff representatives;
119. Notes that Parliament's canteen on the –1 floor of the Spinelli building, in addition to the deterioration in the quality of the food it offers, is frequently overcrowded at peak hours, resulting in long queues and waiting times; regrets also that the Astrid Lulling Lounge has reduced its offer and only a hot daily dish is available; calls on the Bureau to reflect on the need for a more varied food choice and the possibility of imposing some access restrictions to the canteens in Parliament's main buildings;
120. Recalls that the technical specifications of the concession contracts provide for the obligation to offer a solution to respond to food intolerances upon advance request; points out that the vast majority of clients are completely unaware that such conditionality exists and, in any case, clearly insufficient for the service provided in Parliament; calls for more communication and direct information on allergen specifications in the meals proposed; reiterates its request that at least one fresh gluten-free meal option is available each day in Parliament's canteens and cafeterias as well as options that clearly take other dietary restrictions into account;

Security

121. Notes the preparation throughout 2021 of the internalisation of general security services in Luxembourg with the organisation and follow-up of all recruitment procedures and an induction training for 115 agents; notes that the internalisation entered into force on 1 January 2022; is concerned that offering posts in function group I and the associated salary makes it difficult to attract and recruit specialised staff from all Member States in the security field; reiterates that it is particularly concerned about the situation in Luxembourg, where this salary is lower than the minimum inter-professional salary, forcing Parliament to resort to a compensatory allowance; reiterates, therefore, that Parliament should convey to the Commission the extreme urgency of creating a correction coefficient for Luxembourg;
122. Highlights the Integrated Physical Access Control System (iPACS) project aiming to provide Parliament with a robust, efficient and innovative physical access control system; notes the delays in the implementation of the project occurred in 2020 due to a possible exclusion under Article 136(1)(c) of the Financial Regulation of the selected contractor; notes with satisfaction the cooperation between DG SAFE and DG INLO allowing the resumption of all technical work as of June 2021 and the integration of all Parliament's buildings in the system; welcomes the distribution of highly secure, non-duplicable access badges to all Members, APAs and external providers;
123. Regrets that the evacuation system in Parliament's buildings is largely based on security volunteers, and underlines the difficulties in recruiting them in buildings where there administrative staff are less present and taking into account that volunteers can also be on a teleworking mode; stresses the importance of not counting only on trained volunteers capable of guiding and supporting people present in Parliament's building during evacuation simulations and real emergencies;
124. Calls on the security services controlling access to Parliament's buildings to find a reasonable solution for external photographers who work in Parliament's premises on a daily basis and who have to carry a large amount of professional equipment through the security control every time, for example by allowing them to use the specific access for press;
125. Points out that at weekends, access to Parliament's buildings requires attendance to be signed on a paper register and, based on past problems with this method, strongly recommends that a more reliable and effective system be put in place;

Environmental footprint of Parliament's operations and mobility

126. Notes the gap analysis of Parliament's current environmental performance carried out by the EMAS Unit on 14 December 2021; calls on Parliament's administration to report on the activities that aim to close the gaps in order to achieve all targets on time selected by the Bureau Working Group on Buildings, Transport and Green Parliament;
127. Notes with satisfaction that emissions in 2021 are lower than in 2019, with 2 501 tonnes of CO₂; welcomes the fact that several practices developed or expanded in 2020 and 2021 to ensure business continuity and proved beneficial for Parliament's environmental performance are likely to be maintained in the future, in particular measures related to digitalisation and teleworking, that helped to reduce paper consumption (11,8 kg/FTE in 2021 compared to 28,1 kg/FTE in 2019), the transport of documentation between the three places of work (49 tonnes of CO₂ compared to 72 tonnes in 2019) and the CO₂ emissions caused by commuting and travelling;
128. Recalls that the transport of persons accounts for roughly two-thirds of Parliament's carbon footprint; notes that the CO₂ emissions from the monthly commutes to Strasbourg in 2021 amounted to approximately 490 tonnes of CO₂, including travel of staff and APAs, and transport of documents and equipment; underlines however Parliament's efforts to reduce CO₂ emissions through chartered trains and the 'paperless initiative' to help reduce its carbon footprint;

129. Notes that 15 plenary sessions took place in 2021, out of which 14 took place in a hybrid format (5 in Brussels, 7 in Strasbourg and 2 mini-sessions in Brussels), while a mini-session in Brussels took place in the standard format; notes that, in 2021, the cost of the chartered Thalys trains to commute to Strasbourg was EUR 2 227 207 and the cost of missions was EUR 9 578 266, bearing in mind that external interpreters worked remotely which decreased the total cost compared to pre-pandemic years; notes that chartered Thalys trains were cancelled from January until May 2021 while for June and July 2021 only one train was put in place, resulting in total savings of EUR 1 659 845 for the year 2021; notes that the spending on staff missions to Strasbourg in 2021 was reduced by EUR 18 248 274 in comparison to the total spending in 2018;
130. Notes that the suspension of plenary part-sessions in Strasbourg contributed to total savings of EUR 26 260 608 according to Parliament's Secretariat, while also significantly reducing Parliament's carbon footprint; highlights that the Court estimates that 'the end of moving from Strasbourg to Brussels could generate annual savings of EUR 114 million plus a one-off saving of EUR 616 million if the Strasbourg buildings are successfully divested, or a one-off cost of EUR 40 million if they are not';
131. Notes that the total cost of energy and heating in 2021 was EUR 13 157 982 (EUR 2 259 496 in Luxembourg, EUR 3 102 010 in Strasbourg and EUR 7 796 476 in Brussels), while the estimated annual energy and heating costs of Parliament's premises for 2022 amounts to EUR 41 020 327 and budgetary appropriations for 2023 for this purpose amount to EUR 42 150 000; is concerned that the current energy crisis will lead to further increases in energy prices in the future and that Parliament's budget will therefore be heavily affected, so that proportionate and effective energy saving measures will be essential;
132. Welcomes the installation of photovoltaic solar panels on the Spinelli, Montoyer 70, Brandt and Antall buildings in Brussels; welcomes further the decision to launch a new study on on-site electricity production in Strasbourg in order to update the data and explore new solutions; further encourages the Bureau to decide to install as many photovoltaic panels as feasible and useful based on the results of the study;

Energy-saving measures

133. Acknowledges that, following the example of measures taken in many Member States and in other Union institutions, the decision taken by the Bureau to turn off the heating system and let the building drift to a minimal temperature as of Thursday evening to Monday morning and over the holiday periods would result in significant savings estimated at over EUR 2,5 million in total; however, calls on Parliament to guarantee an adequate temperature in Parliament's buildings from Monday to Friday as regular working days; understands the need to reduce energy consumption and emphasises that heat-saving measures need to remain compatible with staff welfare;
134. Recalls that efficient lighting solutions are an essential factor for the sustainability of buildings; welcomes the fact that the replacement of existing lighting with low-energy LED lights is evaluated whenever possible and feasible in Parliament's buildings; notes that offices in those Parliament's buildings in Brussels that are rented or awaiting decision on their future are not equipped with motion detectors and that it appears that the motion detectors in several offices in the Spinelli building do not work properly; welcomes the fact that, in Strasbourg, all offices are equipped with motion detectors, and that, in Luxembourg, the new Adenauer building is equipped with automatic switch-off based on the absence of movement; calls on Parliament to ensure that fully functioning motion detectors are installed in Brussels as soon as possible wherever feasible to reduce energy consumption; understands the need to reduce electricity consumption but calls for light-saving measures to be compatible with staff welfare;

Mobility

135. Understands that the core business of the service cars is the transport of Members, including the journey between Brussels and Strasbourg; points out, the fact that on average 15 % of the seats available in the service fleet were not occupied for that journey in 2021; reiterates its call on Parliament's administration to widen the user group while making sure that Members' seats are secured, i.e. allowing Parliament's staff to travel without the presence of a Member, giving regular updates on the numbers of seats available, establishing a reserve list and coherent deadlines to confirm the journey;

136. Welcomes the fact that the Brussels site has 138 parking spaces reserved for electric vehicles, each with a charging station, plus 12 units for Parliament's delivery vans; notes that following the latest environmental permit, issued by the local authorities in April 2021 for the Spinelli building, a sprinkler system is necessary for this large underground car park equipped with charging stations and it will be installed in 2022, which will allow for the installation of 20 additional charging stations; calls on DG INLO to design and implement a schedule for charging stations to prevent single vehicles from blocking individual spots for long periods of time; encourages Parliament to continue with an ambitious expansion of the electrical charging infrastructure for all types of vehicles;
137. Notes the creation in 2021 of new bicycle parking areas in the Scholl and Adenauer buildings; calls on the administration to assess the current needs of staff in terms of bicycle parking spaces inside and outside of Parliament's buildings and, if necessary, to increase the number of available spaces;
138. Welcomes the possibility for staff to rent standard and electric bikes during the part-time sessions in Strasbourg; regrets that the bikes are in practice fully booked out more than a week in advance; calls on Parliament to examine the possibility of offering more rental bikes in Strasbourg to meet the demand of Members and staff and contribute to enhancing sustainable mobility;

Finance and administration

139. Points out that budgetary, administrative and staff related decisions taken by Parliament's governing bodies have a cross-cutting impact on the administration, thus affecting the implementation phase, for example, services other than those initially envisaged; calls therefore on the Secretary-General to include a realistic impact assessment on Parliament's budget, administration and staff in his future proposals before the discussion in Parliament's governing bodies;
140. Calls for an end to the use of external companies that are, according to Yale University's ranking ⁽⁷⁾, continuing to operate in Russia;
141. Notes, that the last revision of the rules governing the reception of groups of visitors from 18 January 2021 does not include a reflection on possible *force majeure* circumstances when it comes to cancellations of visits; invites the Bureau to consider accepting national strike as a *force majeure* circumstance when cancelling an organised group visit, as it is often the case that national strike days are announced at a much later stage and after tickets have been purchased and it is extremely onerous to cancel a group visit last minute and be able to recover all the financial costs incurred whilst organising the visit;

JSIS

142. Calls on the Bureau to ensure that the joint sickness insurance scheme (JSIS) shall provide a coherent and individual explanation for declining a reimbursement request; notes that the culture of declining a reimbursement request in pdf format without the possibility to challenge the decision in person imposes certain difficulties on the applicants applying for reimbursement; calls on the Bureau to consider introducing the possibility for local doctors in charge of a treatment of an applicant to talk to the responsible JSIS unit or expert group to explain the treatment and medical benefits; further expresses its wish to improve the user-friendliness of the application enabling a quicker and more direct follow-up of individual requests; requests that the relevant bodies within JSIS duly and regularly take into account recent medical developments and knowledge gains when updating the list of eligible treatments and drugs;

(7) <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>

Members' travel and expenses

143. Recalls the Court's recommendation that Parliament should implement the necessary changes to ensure that it only pays daily subsistence allowances to Members who qualify for them, which was accepted by Parliament; recalls that the project to automate the central and plenary attendance register with biometric technology was decided by the Bureau in June 2019, that Parliament's administration integrated into the project a first batch of recommendations submitted by the European Data Protection Supervisor in March 2021 and that now it is awaiting its final recommendations; is of the opinion that the use of new technology is an essential step towards digitalisation of financial processes aiming to avoid fraud and impersonation, to increase administrative efficiency and to speed up payments of related entitlements, and therefore calls for the automation of the attendance register to be carried out by means of an efficient and safe solution with all the necessary guarantees regarding data protection;
144. Recalls that, in 2019, Parliament launched a project to automate the registration of attendance with biometric technology in the central attendance register and signed a contract for this project at the end of 2020; stresses that the large-scale processing of biometric data should be avoided; again asks the Bureau to develop an alternative solution that does not involve the processing of biometric data and ensures that only Members entitled to the daily subsistence allowance actually receive it; regrets that this project is still being pursued despite the European Data Protection Supervisor's adverse opinion at the end of March 2021 and reiterated in its Annual Report 2021, where it was stated that Parliament should consider less intrusive alternatives with regard to data protection;
145. Welcomes the announcement by the President of 21 November 2022 on the creation of a Bureau *ad hoc* working group to carry out a thorough overhaul of the IMMS in order to adapt the provisions to the recent legislative developments, new practices of Members and the recommendations from the internal auditor while ensuring consistency and legal certainty; strongly recommends that a comprehensive consultation of Members and the relevant services of the administration is carried out before the end of the current mandate to provide this working group with first-hand information from experienced Members and officials on the practical application of the rules governing Parliament and the ability to identify inconsistencies such as the rules concerning the timetable and cities for the opening of the register of Members' attendance in relation to plenary sessions, missions and other parliamentary activities;
146. Deplores the fact that there is no system in place to ensure that Members can continue to perform their core duties, mainly speaking in debates and voting, when they are temporarily absent for a justified reason, such as parental leave, long-term sick leave or carer's leave; deems this problematic as it can negatively impact citizens' representation in Parliament and particularly younger, in particular female, Members; takes note of the changes in Parliament's Rules of Procedure on 20 December 2020 allowing for remote voting but only on the condition that the President establishes extraordinary circumstances; reiterates its request, adopted at Plenary level on several occasions, to the Bureau to launch a revision of the Rules of Procedure in order to enable Members to exercise their duties during justified absences, thus capitalising on the great effort and financial investment that Parliament has made in technical solutions to allow remote voting;
147. Recalls that in previous discharge resolutions Parliament requested a reform of the GEA to make the expenditure of this lump sum more transparent and accountable; notes the announcement at the Bureau meeting of 7 March 2022 regarding the setting up of a Bureau *ad hoc* working group on the GEA, which is tasked with evaluating the operation of the Bureau decision of 2 July 2018 establishing a list of expenses which may be defrayed from the GEA on the basis of the experience gained during the 9th parliamentary term; observes that the Bureau, at its meeting of 17 October 2022, adopted a set of amendments to the IMMS, clarifying the rules applicable to the entitlement and use of the GEA and measures aimed at increasing transparency and providing more legal certainty regarding the entitlement to the allowance; highlights, that the ad-hoc Working Group was asked to take duly into account aspects of transparency, accountability and sound financial management of funds made available to Members, bearing in mind the principle of freedom and independence of the parliamentary mandate and the objective to avoid creating

unnecessary administrative burdens for Members, their offices and Parliament's services; highlights, that Members are free to document their use of the funds under the GEA, in detail or by type of cost, on their own or with the support of an external auditor, and to have this information published in whole or in part on their online page on Parliament's website in accordance with Rule 11, paragraphs 4 and 5, of the Rules of Procedure of the European Parliament; welcomes that a simplified list of types of costs is integrated into the IMMS and that an amendment clarifying the possibility for Members to use the GEA in case of exhaustion of other allowances is also adopted;

148. Recalls that pursuant to Rule 11(4) of the Rules of Procedure, Parliament already provides Members with the possibility of publishing a voluntary audit or confirmation of their expenses and regrets that only 18 voluntary declarations on the use of the GEA were submitted during the calendar year 2021; calls on Parliament's services to send an annual reminder to Members in relation to this possibility;
149. Recalls that the European Ombudsman (the 'Ombudsman'), in case 1651/2018/THH, recommended granting public access to a proposal from the Bureau's *ad hoc* working group on the revision of the list of expenses which may be defrayed from the GEA; regrets that Parliament rejected the Ombudsman's recommendation and urges Parliament's administration to reconsider granting public access to the documents in question;
150. Note that the ordinary travel expenses, in 2021, amounted to EUR 40 338 767; suggests a review of the pricing policy applied by the travel agency in order to balance the flexibility needed by Parliament and less expensive options; points out that sometimes the travel proposals offered by the travel agency to Members are not very reader-friendly and take too long to arrive, the latter impacting the price of the options on offer or even the availability of travel options; calls for Parliament's administration to carry out a satisfaction survey on the services offered, addressed to all Members, not only to frequent clients, to find out what problems may have prevented some of them from making a booking with the travel agency; points out that mission orders for the members of staff often arrive too close to the travel date even if the mission is agreed much earlier, which also has a negative impact on the available offers, and asks the administration to seek improvements to this situation;
151. Notes that, in 2021, when contacted in the context of a mission of Parliament's Delegation for Relations with the Countries of Central America (DCAM), the travel agency could not provide a quote for flights to and from Cuba because, as a US-owned company, it has to respect the US embargo against Cuba; notes that the travel agency had to outsource the search for the aforementioned flights to another agency, leading to delays in the process; recalls that Parliament's bodies are obliged to use a quote from its travel agency in order to establish a financial statement for missions, which may be negatively impacted by restrictions concerning Cuba and other countries on which the US has imposed sanctions; demands that this issue be duly taken into account in the next tender for the selection of a new travel agency;
152. Calls on DG FINS to establish a clear methodology of responsibility, which is in line with rule of law standards, between members, paying agents, assistants, and service providers, that guarantees in case of errors or misuses related to payments or other financial transactions, that only the party which committed the error or misuse, will be held accountable and responsible; stresses that sanctions should be attributed only to the party that committed the error and is responsible for the misuse of funds;
153. Is deeply concerned about the extent of discretionary powers of responsible DG FINS staff when evaluating members' requests including when selecting the employment or service provider contracts for further *ex post* verification; notes lack of formal accountability mechanisms and procedures for ensuring due process in proceedings with DG FINS, increasing the risk of discrimination and unequal treatment; reminds DG FINS to apply transparent, clear and non-discriminatory standards including when performing controls on the fulfilment of tasks carried out by local assistants;

Voluntary Pension Fund

154. Is concerned that the actuarial deficit of the Voluntary Pension Fund (VPF) on 31 December 2021 amounted to EUR 379 million (compared to EUR 371,3 million on 31 December 2020); is concerned that the complete exhaustion is expected by the end of 2024 or 2025 at the latest and that in the meantime the VPF continues to sell assets in order to meet its pension obligations, which probably means that the remaining capital is being reduced; recalls the Bureau decision of 10 December 2018 increasing the retirement age from 63 to 65 years and introducing a levy of 5 % to pension payments for future pensioners with a view to improving the VPF sustainability; notes that in its judgment of 15 September 2021 in Joined Cases T-720/19 to T-725/19, *Ashworth and Others v Parliament* ⁽⁸⁾, the General Court concluded that already acquired rights were not impacted by the contested Bureau decision of 10 December 2018 and confirmed the Bureau's competence to adopt decisions aiming to improve the sustainability of the fund provided that they respect the principle of proportionality; notes that an appeal was lodged before the Court of Justice against its judgment of the 15 September 2021 and that in the meantime Parliament's Bureau is in the process of examining the implications for future proposals for options to improve the sustainability of the fund while reducing Parliament's liability; urges the Secretary-General therefore to propose further feasible measures to the Bureau on adjusting the modalities of the fund;
155. Calls on the Bureau to help clarify the entitlements of Members and former Members, who receive several pensions due to positions in the Union institutions; highlights the case of former Commissioners and requests information if the voluntary pension fund payments can be disbursed in addition to entitlements stemming from their Commissioner pension rights and if candidates for Commissioner were obliged to disclose this information; asks Parliament to clarify if the mutual and partial deduction of pensions is possible;
156. Calls on the Bureau to provide the discharge authority with a detailed cost estimate projection for the fund for the coming years; and to follow-up on finding a feasible, legal and fair solution given the urgency of the matter; asks the administration and the Bureau to guarantee that no taxpayer money is used for any future bail-out;
157. Acknowledges that Parliament is not involved in the management of the portfolio but expresses its concern regarding the articles published in the press about the investments made by VPF and the potential reputational risk for the institution; underlines that investments should be aligned and coherent with the goals and objectives set by Union policies; calls on the advisory board of the fund to revise all ongoing investments not in line with Union values and goals;

Annual report on contracts awarded

158. Recalls that the Financial Regulation specifies 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 contracts awarded with a value greater than EUR 15 000, a value that corresponds to the threshold above which a competitive tendering procedure becomes compulsory; notes that, of a total of 221 contracts awarded in 2021, 80 were based on open or restricted procedures, with a value of EUR 761,1 million, and 135 were based on negotiated procedures, with a value of EUR 253,5 million; notes that the total number of contracts awarded by negotiated procedures decreased in terms of value as a percentage of the total value of contracts awarded from 31 % in 2020 to 2 % in 2021 but increased in terms of volume from EUR 179,1 million in 2020 to EUR 253,5 million in 2021;
159. Notes the following breakdown of contracts by type awarded in 2020 and 2021, including building contracts:

⁽⁸⁾ Judgement of the General Court of 15 September 2021, *Richard Ashworth and Others v European Parliament*, T-720/19 to T-725/19, ECLI:EU:T:2021:580.

Type of contract	2021		2020	
	Number	Percentage (%)	Number	Percentage (%)
Services	176	79,6	161	81,3
Supplies	27	12	21	10,6
Works	10	4,5	13	6,6
Building	8	3,6	3	1,5
Total	221	100	225	100

Type of contract	2021		2020	
	Value (EUR)	Percentage (%)	Value (EUR)	Percentage (%)
Services	634 689 038	62	457 940 293	77
Supplies	136 777 513	13	14 143 825	3
Works	76 247 759	8	28 291 234	5
Building	168 302 638	17	86 812 000	15
Total	1 016 016 948	100	587 187 352	100

(Annual report on the contracts awarded by the European Parliament, 2021, p. 7)

160. Notes the following breakdown of contracts awarded in 2021 and 2020 by type of procedure used, in terms of number and value:

Type of procedure	2021		2020	
	Number	Percentage (%)	Number	Percentage (%)
Open	78	35	57	29
Restricted	2	1	3	2
Negotiated	135	61	135	68
CEI list	2	1	1	0
Exceptional	2	1	1	0
Innovation partnership	0	0	1	1
DPS	1	0	0	0
OP Accelerated	0	0	0	0
Total	221	100	198	100

161. Welcomes the fact that on 1 June 2021 Parliament established a Working Group on Socially Responsible Public Procurement involving all directorates-general and tasked with developing principles and practical guides for increased implementation of social elements in Parliament's procurement; notes that the working group agreed on a first preliminary approach for social procurement at the end of 2021 and this approach is being implemented in a test phase during 2022; welcomes the fact that Parliament has developed training on sustainable/socially responsible public procurement for its staff and that a helpdesk service is made available to Parliament's services;

Political groups (budget item 4 0 0)

162. Notes that, in 2021, the appropriations entered under budget item 4 0 0, attributed to the political groups and non-attached Members, were used as follows ^(*):

Group	2021					2020				
	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)	16 750	10 229	13 646	81,47	12 562	17 239	4 448	11 489	66,65	10 198
Progressive Alliance of Socialists and Democrats (S&D)	13 584	9 829	12 295	90,51	10 188	13 609	5 734	9 533	70,05	9 809
Renew Europe (former Alliance of Liberal and Democrats for Europe (ALDE))	9 192	6 948	6 997	76,12	6 894	9 230	3 847	4 063	44,02	6 922
The Greens/European Free Alliance (Greens/EFA)	6 927	4 891	6 126	88,43	5 196	6 381	2 376	4 054	63,53	4 703
Identity and Democracy (ID)	6 874	4 762	5 940	86,42	5 155	7 121	1 616	3 976	55,84	4 761
European Conservatives and Reformists (ECR)	6 005	3 982	6 269	104,39	3 718	5 851	2 272	4 145	70,85	3 978
The Left – European United Left/Nordic Green Left (GUE/NGL)	3 806	2 266	4 036	106,05	2 036	3 790	1 536	3 060	80,72	2 266
Non-attached Members	1 862	1 041	595	31,94	861	1 726	738	429	24,82	1 041
Total	65 000	43 948	55 904	86,01	46 611	64 947	22 568	40 749	62,74	43 678

^(*) All amounts in thousands of EUR.

163. Welcomes the fact that independent external auditors for the political groups issued only unqualified opinions for the financial year 2021;
164. Recalls that these appropriations are intended to cover activities in connection with the Union's political activities, and that political groups are responsible to Parliament for their use; is deeply concerned that these appropriations could be used to convey messages contrary to fundamental rights and freedoms or Union values; recalls in particular that Parliament condemns historical revisionism and calls for a common culture of remembrance that rejects the crimes of totalitarian and authoritarian regimes of the past; calls on Parliament's administration to carefully scrutinise, even retroactively, any publication funded by political groups that do not comply with those values;

European political parties and European political foundations

165. Notes the appointment of the new director of the Authority for the period starting 1 September 2021 until 31 August 2026;
166. Recalls the key role of a lively and resilient European democracy underpinned by pluralism of political parties at Union level; emphasises therefore that a level playing field has to be ensured and compliance has to be controlled in full respect of procedural rights; welcomes in this context the essential work of the Authority which independently and in close cooperation with Parliament controls compliance of European political parties and foundations with the legal framework, provides transparency to the citizens, and contributes to the integrity of Parliament elections; urges the budgetary authority to ensure that the Authority is equipped with the necessary resources, in particular human and IT resources, including cybersecurity experts, to continue fulfilling its existing mandate including in light of evolving threats of foreign interference, especially to protect Union values, to counter abuses of personal data for electoral purposes and to identify the origin of donations, as well as any new tasks to be provided by the legislator; underlines in this context that the European election year 2024 will be pivotal for financial and functional integrity of European democracy and create a significant surcharge of work for the Authority;
167. Notes in this regard that additional resources for democratic integrity have to be invested by the European Union in its entirety; recalls that the Authority is an independent body of the Union and consequently its appropriations and posts should be distinguished in a transparent manner from those of Parliament; reiterates thus its recommendation to create a separate section for the Authority in the general budget of the European Union, as expressed on its Resolution of 19 October 2022 on the draft general budget of the European Union for 2023;
168. Welcomes the follow-up carried out by the Authority to the Ombudsman's suggestions for improvement issued in January 2021 in the context of its case 1094/2020/DL, namely the improvement of the website allowing for an increase in the amount of information offered to the viewers, the link to Parliament's website, and the publication of information about the Register of European political parties and foundations;

169. Notes that, in 2021, the appropriations entered under budget item 4 0 2 were used as follows ⁽¹⁰⁾:

Party (2021)	Abbreviation	Own resources	EP final contribution ⁽¹⁾	Total revenue	EP contribution as % of reimbursable expenditure (max. 90 %)	Revenue surplus (transfer to reserve or loss)
European People's Party	EPP	1 283 598	7 737 916	9 021 514	90	788 064

⁽¹⁰⁾ All amounts in thousands of EUR.

Party (2021)	Abbreviation	Own resources	EP final contribution ⁽¹⁾	Total revenue	EP contribution as % of reimbursable expenditure (max. 90 %)	Revenue surplus (transfer to reserve or loss)
Party of European Socialists	PES	977 280	6 217 037	7 194 317	90	645 859
Alliance of Liberals and Democrats for Europe Party	ALDE	734 661	4 504 780	5 239 441	90	857 838
European Green Party	EGP	560 006	3 597 971	4 157 977	90	854 803
Party of the European Left	EL	245 367	1 557 308	1 802 675	90	87 074
European Democratic Party	PDE	112 014	652 921	764 935	90	120 482
European Free Alliance	EFA	119 583	812 993	932 576	90	103 910
European Conservatives and Reformists Party	ECR Party	483 292	1 432 428	1 915 720	78	–
European Christian Political Movement	ECPM	98 679	708 660	807 339	90	3 178
Identity and Democracy party	ID Party	119 545	573 595	693 140	90	–
Total		4 734 025	27 795 609	32 529 634		3 461 208

170. Notes that, in 2021, the appropriations entered under budget item 4 0 3 were used as follows⁽¹⁾:

Foundation (2021)	Abbreviation	Affiliated to party	Own resources	EP final grant	Total revenue	EP grant as % of eligible costs (max. 95 %)	Revenue surplus (transfer to reserve or loss)
Wilfried Martens Centre for European Studies	WMCES	EPP	480 822	4 450 779	4 931 601	95,00	161 217
Foundation for European Progressive Studies	FEPS	PES	354 391	4 897 963	5 252 354	95,00	48 172
European Liberal Forum	ELF	ALDE	369 813	2 651 252	3 021 065	95,00	221 975
Green European Foundation	GEF	EGP	146 351	2 156 106	2 302 456	95,00	20 419
Transform Europe	TE	EL	77 546	1 218 962	1 296 508	94,83	10 340
Institute of European Democrats	IED	PDE	27 763	504 172	531 935	95,00	854

⁽¹⁾ All amounts in thousands of EUR.

Foundation (2021)	Abbreviation	Affiliated to party	Own resources	EP final grant	Total revenue	EP grant as % of eligible costs (max. 95 %)	Revenue surplus (transfer to reserve or loss)
Coppieters Foundation	Coppieters	EFA	86 417	520 773	607 190	95,00	45 208
New Direction – Foundation for European Reform	ND	ECR Party	258 096	1 519 566	1 777 662	95,00	–
Sallux	SALLUX	ECPM	23 013	366 409	389 422	95,00	3 728
Association pour l'Identite et Democratie Fondation	ID Foundation	ID Party	12 778	660 075	672 853	95,00	–
Total			1 836 990	18 946 056	20 783 046		511 913

DECISION (EU) 2023/1815 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section II – European Council and Council**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0229/2022) ⁽²⁾,
 - having regard to the Council's annual report to the discharge authority on internal audits carried out in 2021,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2021, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁵⁾, and in particular Articles 59, 118, 260, 261 and 262 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Constitutional Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0085/2023),
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 2021;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European Council, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 391, 12.10.2022, p. 6.

⁽⁴⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁵⁾ OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2023/1816 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021, 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 2021, Section II – European Council and Council,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Constitutional Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0085/2023),
- A. whereas, under Article 319 of the Treaty on the Functioning of the European Union (TFEU), the Parliament has the sole responsibility of granting discharge in respect of the implementation of the general budget of the Union, and whereas the budget of the European Council and of the Council is a section of the Union budget;
- B. whereas, pursuant to Article 15(1) of the Treaty on European Union, the European Council is not to exercise legislative functions;
- C. whereas, under Article 317 TFEU, the Commission is to implement the Union budget on its own responsibility, having regard to the principles of sound financial management, and whereas, under the framework in place, the Commission is to confer on the other Union institutions the requisite powers for the implementation of the sections of the budget relating to them;
- D. whereas, under Articles 235(4) and 240(2) TFEU, the European Council and the Council (the ‘Council’) are assisted by the General Secretariat of the Council, and whereas the Secretary-General of the Council is wholly responsible for the sound management of the appropriations entered in Section II of the Union budget;
- E. whereas, over the course of almost 20 years, Parliament has been implementing the well-established and respected practice of granting discharge to all Union institutions, bodies, offices and agencies, and whereas the Commission supports that the practice of giving discharge to each Union institution, body, office and agency for its administrative expenditure should continue to be pursued;
- F. whereas, according to Article 59(1) of the Financial Regulation, the Commission shall confer on the other Union institutions the requisite powers for the implementation of the sections of the budget relating to them;
- G. whereas, since 2009, the Council’s lack of cooperation in the discharge procedure has compelled Parliament to refuse to grant discharge to the Secretary-General of the Council;
- H. 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;
- I. whereas the European Council and the Council, as Union institutions and as recipients of the general budget of the Union, should be transparent and democratically accountable to the citizens of the Union and subject to democratic scrutiny of the spending of public funds;

- J. whereas the case law of the Court of Justice of the European Union confirms the right of taxpayers and of the public to be kept informed about the use of public revenue;
- K. whereas the recommendation of the European Ombudsman (the 'Ombudsman') in strategic inquiry OI/2/2017/TE on the transparency of the Council legislative process indicated that the Council's practice with regard to transparency in the legislative process constituted maladministration and should be addressed in order to enable citizens to follow the Union legislative process;
1. Notes that the budget of the Council falls under MFF heading 7, 'European public administration', which amounted to a total of EUR 10,7 billion in 2021; notes that the Council's budget represents around 5,6 % of the total administrative budget under MFF heading 7;
 2. Notes that the Court of Auditors (the 'Court'), in its Annual Report for the financial year 2021, increased its sample of transactions under Administration from 48 in 2020 to 60 in 2021;
 3. Notes that the Court mentions that its work carried out over many years indicates that MFF heading 7 concerns overall low-risk spending;
 4. Notes with satisfaction that, in its Annual Report for the financial year 2021, the Court notes that it did not identify any specific issues concerning the Council;

State of play of the discharge procedure

5. Deeply regrets that, for the financial year 2020, the Parliament once again had to refuse discharge to the Council because the Council refuses to cooperate with Parliament on ensuring a thorough, orderly and well informed discharge procedure;
6. Emphasises Parliament's prerogative to grant discharge pursuant to Article 319 TFEU, as well as the applicable provisions of the Financial Regulation and Parliament's Rules of Procedure in line with current interpretation and practice, namely, the power to grant discharge in order to maintain transparency and to ensure democratic accountability with respect to Union taxpayers;
7. Underlines that Article 59(1) of the Financial Regulation states that the Commission shall confer on the other Union institutions the requisite powers for the implementation of the sections of the budget relating to them and, therefore, finds it incomprehensible that the Council believes it to be appropriate that discharge should be granted to the Commission for the implementation of the Council budget;
8. Stresses the well-established and respected practice followed by Parliament over the course of almost 20 years of granting discharge to all Union institutions, bodies, offices and agencies; recalls that the Commission has declared its inability to oversee the implementation of the budgets of the other Union institutions; stresses the reiterated view of the Commission that the practice of giving discharge to each Union institution for their administrative expenditure should continue to be pursued directly by Parliament;
9. Stresses that the current situation, where Parliament is only able to check the reports of the Court and of the Ombudsman and the information on the Council's website, but does not receive written or oral answers from the Council during the annual discharge procedure, i.e. the Council refuses to collaborate with Parliament in the context of the annual discharge procedure, makes it impossible for Parliament to carry out its duties properly and for it to make an informed decision on granting discharge;

10. Deplores that the Council, for more than a decade, has shown that it does not have any political willingness to collaborate with Parliament in the context of the annual discharge procedure; underlines that this attitude has had a lasting negative effect on both institutions by jeopardising the image of the Union as a whole, discrediting the management and democratic scrutiny of the Union budget and reducing the trust of citizens in the Union as a transparent entity; deeply regrets the Council's continual refusal to engage in loyal cooperation in the framework of the discharge procedure;
11. Stresses that, while the current situation has to be improved through better interinstitutional cooperation within the framework of the Treaties, a revision of the Treaties could render the discharge procedure clearer and more transparent by giving Parliament the explicit competence to grant discharge to all Union institutions, bodies, offices and agencies individually;
12. Recalls that the case-law of the Court of Justice of the European Union supports the right of taxpayers and the public to be kept informed about the use of public revenues; demands, therefore, full respect for Parliament's prerogative and role as guarantor of the democratic accountability principle; calls on the Council to duly follow up on the recommendations adopted by Parliament in the context of the discharge procedure;
13. Calls on the Council to resume negotiations with Parliament as soon as possible in order to find a solution in the current framework of the discharge procedure, if Council is interested in showing Union citizens that it takes proper budget control and transparency seriously while respecting the respective roles of Parliament and the Council in the discharge procedure;
14. Notes that despite the Council being unwilling to cooperate in the discharge procedure, the Parliament nevertheless stresses some political priorities and sets out some observations concerning the budgetary and financial management of the Council and other observations relevant for the discharge procedure in this report;
15. Notes that while completing this report, Parliament has had to work with information provided by the Council via its website since the Council has chosen, as in previous years, not to respond to the questionnaire that was sent to the General Secretariat of the Council and has chosen not to accept an invitation to come and answer questions from democratically elected representatives of Union citizens, like all other institutions are doing as part of the discharge procedure;

Political priorities

16. Recalls that pursuant to Article 286(2) TFEU, the Council appoints the members of the Court after consultation with Parliament; regrets that the Council has failed repeatedly to take into consideration the recommendations of Parliament in Parliament's consultative role regarding the appointment of members of the Court but, rather, continues to appoint members of the Court that have been rejected by Parliament;
17. Regrets generally that the Council exerts its prerogative in the nomination and appointment procedures for many Union institutions, bodies, offices and agencies without taking into account the views of interested parties or the recommendations of the European Anti-Fraud Office (OLAF); insists on the need for a review of the Council's prerogative with a view to guaranteeing and strengthening the participation of the institutions, bodies, offices and agencies concerned and increasing the legitimacy of those appointed;
18. Points out the serious gender imbalance in the Court, where at the end of 2021 there were only 8 female members compared to 18 male members; notes that the difficulties in achieving gender balance in the Court are due to the current nomination procedure; reiterates its call on the Council to reconsider the nomination procedure with the aim of tackling this problem with concrete actions, such as making it compulsory for Member States to present at least two candidates of different genders;

19. Regrets that the Council has so far ignored Parliament's resolution of 17 December 2020 on the need for a dedicated Council configuration on gender equality ⁽¹⁾ and insists that a dedicated institutional forum would ensure stronger integration of gender equality in Union policies and strategies, as well as essential coordination and progress in the main files related to gender equality;
20. Recalls and supports the recommendations of the Ombudsman regarding the transparency of the Council legislative process in strategic inquiry OI/2/2017/TE; regrets that the decision-making process in the Council is still far from fully transparent, which affects the trust of the citizens in the Union as a transparent entity and thereby jeopardises the reputation of the Union as a whole; urges the Council to take all the measures necessary to implement the recommendations of the Ombudsman and the relevant rulings of the Court of Justice of the European Union without undue delay; underlines in that regard the importance of the recent judgement of the General Court in Case T-163/21 *De Capitani v Council* ⁽²⁾ on transparency within the Union legislative process, in which it is stated that the documents produced by the Council in its working groups are not of technical nature but legislative and are therefore subject to access to documents requests; highlights that the Court clarifies that when refusing access to such documents, the Council should provide concrete and precise explanations, and completely rejects Council references to vague risks as a sufficient reason; strongly supports the Court's view that access to legislative documents would not undermine in any way the decision-making process, despite such claims by the Council, and would simply correspond to the obligation of public accountability of the co-legislators and the Member States, which is enshrined in any system founded on democratic legitimacy;
21. Believes that the use of unanimous voting in the Council in certain policy areas is paralysing the Union's decision-making process, making it prone to blackmailing by governments of Member States for domestic political purposes, especially those who fail to respect the rule of law; calls on the Council to apply the qualified majority voting procedures whenever provided by the Treaties and to consider the review of the Treaties with respect to voting procedures; believes that the generalised shift to a qualified majority voting procedure in the Council is a crucial step towards more efficient policy-making;
22. Expresses its deep concern regarding the increasing role of the European Council in legislative files, despite the fact that it has neither a legislative nor an executive function and that it does not apply the same transparency standards as the Council, meaning that it is not being held accountable;
23. Regrets the fact that the participation of the Member States' Permanent Representatives in the Transparency Register is completely voluntary and insists that all Permanent Representations should take an active part in the Transparency Register before, during and after their Member State's Council presidency; believes that the existing ethics rules on conflicts of interest, revolving doors and transparency on lobbying should be strengthened and harmonised; encourages the Council to fully utilise the Transparency Register beyond its current limitations and calls on the Council to refuse to meet with unregistered lobbyists;
24. Regrets the Council position on the Transparency Register, refusing to consider any strengthening of the measures and rejecting any recommendation for improvement;
25. Reiterates its deep concern with respect to the confirmed conflicts of interest of Member State representatives involved in policy and budget decision-making processes; believes that Member State representatives who benefit directly from Union subsidies through the businesses they own should not be allowed to participate in policy or budgetary discussions and votes related to those subsidies;

⁽¹⁾ OJ C 445, 29.10.2021, p. 150.

⁽²⁾ Judgment of the General Court of 25 January 2023, *De Capitani v Council*, T-163/21, ECLI:EU:T:2023:15.

26. Reiterates its call on the rotating Council presidencies to decline any corporate sponsorship to contribute to covering their expenses; understands that financial resources from national budgets vary significantly among Member States and that each Member State, irrespective of its size and available budget, should have an equal opportunity to organise a successful Council presidency, but believes that the acceptance of corporate sponsorship causes reputational damage because it risks creating conflicts of interest; reiterates its call on the Council to budget the Council presidencies to ensure adequate and uniform standards of efficiency and effectiveness in the work in Council in general; is disappointed with the non-binding guidance issued on corporate sponsorships by the Council and is of the opinion that it should be revised;

Budgetary and financial management

27. Notes that the budget for the Council was EUR 594 386 954 for 2021, representing a marginal increase of 0,6 % compared to 2020, which is lower than the increase from 2019 to 2020 (1,5 %);
28. Reiterates its regret that the budget of the European Council and the Council has not been divided into two clearly separated budgets as recommended by Parliament in previous discharge resolutions in order to improve transparency and accountability, not least concerning the European Council where it is currently impossible to get reliable information about the its costs;
29. Notes that the General Secretariat of the Council publishes a series of annual activity reports covering different parts of the General Secretariat but that it is difficult to get a comprehensive overview of the activities of the General Secretariat of the Council since there is not a single report summarising and presenting a coherent overview of Council activities;
30. Notes with satisfaction that the annual activity reports contain declarations of assurance from the Council's authorising officers by delegation (AODs), stating that resources have been used for their intended purpose and in accordance with the principles of sound financial management and that control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions;
31. Notes that the Council carried out 43 budget transfers in 2021, all on the basis of Article 29 of the Financial Regulation and of which two involved informing the budgetary authority;

Internal management, performance and internal control

32. Welcomes that the General Secretariat of the Council was able to ensure that decision-making could continue in the European Council and the Council despite the continuing exceptional situation caused by the COVID-19 pandemic;
33. Notes that, in 2021, the Council organised a total of 4 581 meetings, representing a significant increase of 30 % compared to 2020 where 3 520 meetings were organised; notes that the major part of the increase comes from a significantly higher number of working group meetings, which increased by 48 % from 2 790 to 4 135;
34. Notes with satisfaction that the Council provides the discharge authority with a summary of the number and types of internal audits carried out in the General Secretariat of the Council, a synthesis of the recommendations made and the action taken on those recommendations; notes that eight internal audits were carried out in 2021;

35. Notes that the internal audits cover the annual planning and reporting of the AODs; notes that the main recommendations from the internal audits include a recommendation that the Council's finance directorate should provide guidance to the AODs on how to document the assessment of the efficiency and effectiveness of their internal control system to ensure full compliance with Article 74(9) of the Financial Regulation; welcomes the fact that the audit of the Council's finance helpdesk did not compel the Council's internal auditor to issue any recommendation with high priority;
36. Notes that the internal audit on data protection shows that, overall, the internal control system in place provides reasonable assurances about the processes designed to allow the services of the General Secretariat of the Council to process data with the required high level of protection; notes, however, that the Council's internal auditor issued recommendations focussing on clarifying roles and responsibilities, enhancing the role of data protection contact persons and adopting further implementing decisions for the implementation of Regulation (EU) 2018/1725 of the European Parliament and of the Council ⁽³⁾ (the 'EUDPR') in the General Secretariat of the Council; resolving the backlog of notifications made under the former regulation, which need to be transformed into records under the EUDPR, communicating clearly the kind of activities that require a data protection record and establishing a plan to absorb the existing backlog of legacy notifications; and reviewing the cloud policy;
37. Notes that the audit of recruitment led the Council's internal auditor to issue recommendations to the General Secretariat of the Council regarding the establishment of indicator(s) to monitor the achievement of the key objective of the recruitment policy which is to 'provide the Council General Secretariat with the best staff to fulfil its needs'; welcomes that the audit of the ordinary legislative procedure did not compel the internal auditor to issue any recommendation with high priority;
38. Notes that the audit of the operational security led the Council's internal auditor to conclude that, overall, the internal control system in place provides reasonable assurances regarding the achievement of the objectives set up for operational security; notes, however, that the internal auditor issued recommendations concerning documentation of follow-up of quality controls and penetration tests, enhancement of physical security, updating instructions to security staff and performing a new risk assessment of the IT security network;
39. Notes that the audit of the office automation network of the General Secretariat of the Council led the Council's internal auditor to issue recommendations relating to the clarification of mandates, the allocation of vulnerability assessment activities of network devices and the migration of sensitive systems to more protected network locations;
40. Notes that the audit on the network that supports the building management systems of the General Secretariat of the Council led the Council's internal auditor to issue recommendations with a view to defining a strategy on the future of the building management systems and the level of involvement of digital services in related operational activities; agreeing a minimum set of information security requirements to be included in contracts with third parties to manage the risk resulting from external providers' access to the systems of the General Secretariat of the Council; and assessing the migration of building management IT systems to the digital service data centres in order to mitigate physical and environmental threats to current information processing facilities;
41. Notes with satisfaction that, as part of the digitalisation of the General Secretariat of the Council the relative share of e-invoices has been increasing continuously from 1 % in 2014 to 74 % in 2020 and 89 % in 2021;

⁽³⁾ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

Human resources, equality and staff well-being

42. Notes that the number of posts in the establishment plan of the Council in 2021 was fixed at 3 029; deploras, however, that the Council publishes very limited data about the composition of its staff; notes that, according to the information provided on its website, on 16 January 2022, the General Secretariat of the Council employed 3 119 members of staff out of which 1 791 (57 %) were women and 1 328 (43 %) were men; notes that 50 members of staff were categorised as senior management out of which 19 (38 %) were women, while 31 (62 %) were men; notes that 82 members of staff were categorised as middle management out of which 36 (44 %) were women, while 46 (56 %) were men; notes that 1 459 members of staff were categorised as administrators out of which 806 (55 %) were women, while 653 (45 %) were men; finally notes that 1 412 members of staff were categorised as assistants and secretaries out of which 889 (63 %) were women and 523 (37 %) were men;
43. Regrets the gender imbalance in senior management positions within the General Secretariat of the Council; calls on the Council to take immediate and concrete measures to achieve gender balance at all levels of hierarchy;
44. Regrets the lack of information on the implementation of the Council's gender action plan and on the measures taken to ensure equal opportunities for persons with disabilities employed by the Council; calls on the Council to provide information to the budgetary authority on the gender balance, geographical distribution and disabilities of its members of staff and on the related internal policies; notes that all 27 Member States are represented on the staff but that the geographical balance remains suboptimal (with some Member States being over-represented);

Ethical framework and transparency

45. Regrets that, despite several requests by Parliament, the code of conduct for the President of the European Council has not been brought into line with those of Parliament and the Commission, in particular in terms of activities to be approved after the President leaves the post;
46. Regrets not having received information about the code of conduct applicable to all members of staff of the Council; reiterates that ethical conduct contributes to sound financial management and increases public trust and that, as stressed by the Court in its Special Report No 13/2019, there is scope for improvement in the ethical frameworks of the Union institutions, something that is crucial as any unethical behaviour by staff and members attracts high levels of public interest and reduces trust in the Union;
47. Recalls the recommendation issued by the Court in the above-mentioned Special Report No 13/2019 with regard to improving the Council ethical framework; expresses concern about the lack of a common Union ethical framework governing the work of the representatives of Member States in the Council as identified by the Court;
48. Notes that the General Secretariat of the Council publishes an annual report with information regarding the occupational activities of former senior officials of the General Secretariat of the Council after leaving the service (Article 16, third and fourth paragraphs, of the Staff Regulations); notes that, according to the report from 2022, two senior officials declared their intention to engage in occupational activities with a total of seven requests; notes that none of the requests were found to fall within the scope of Article 16;

Digitalisation, cybersecurity and data protection

49. Notes that the Council budget for computer systems and telecommunications in 2021 was EUR 47 116 000, which represents an increase of 5,9 % compared to 2020;
50. Welcomes that the number of videoconference meetings and hybrid meetings increased by 107 % from 1 380 in 2020 to 2 859 in 2021;

51. Calls on the Council to explore ways to use open-source technologies as widely as possible and report on the progress in using such systems;

Buildings

52. Notes that the Council budget for buildings in 2021 was EUR 57 151 000, which represents an increase of 0,9 % compared to 2020;
53. Notes that the Council declares that their building policy is stable and that the aim since 2004, to accommodate all its activities and those of the European Council in Brussels in buildings it owns, was completed with the addition of the Europa Building in 2016;

Environment and sustainability

54. Notes that it is difficult to obtain updated information about any initiatives from the Council concerning the environment and sustainability; encourages the Council to report systematically on environmental and sustainability elements of its work as part of its annual reporting;
55. Calls on the Council to establish systems, if they have not already been established, to encourage staff to use public transportation or other low emission transportation like bikes to reduce the carbon footprint of the Council;
56. Notes that the financial statement of the Council mentions that, at the end of 2021, the Council was in possession of 2 589,2 Green Energy Certificates, based on the energy produced by solar panels located on the roof of Council buildings; asks the Council to report back on the sale of those certificates on the open market and the intended use of the revenue generated;

Interinstitutional cooperation

57. Calls on the Council to follow up on the European Parliament resolution of 9 June 2022 on the call for a Convention for the revision of the Treaties ⁽⁴⁾;
58. Calls on the Council to comply fully with the obligations set out in the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources ⁽⁵⁾;

Communication

59. Notes that 2021 was a record year with more than 20 million visits on the Council's website, representing an increase of 23 % compared to 2020, and that the number of followers on Facebook increased by 3 %, whereas the number of followers on Twitter and Instagram increased by 11 % and 29 % respectively;
60. Encourages the Council to engage with the European Data Protection Supervisor with a view to utilising the two open-source social media platforms, EU-Voice and EU-Video, that were launched as a public pilot project to promote the use of free and open -source social networks; encourages the Council to use decentralised social network alternatives to very large online platforms, such as Mastodon.

⁽⁴⁾ OJ C 493, 27.12.2022, p. 130.

⁽⁵⁾ OJ L 433 I, 22.12.2020, p. 28.

DECISION (EU, Euratom) 2023/1817 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section III – Commission**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0227/2022) ⁽²⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2020 financial year (COM(2022) 331), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission's 2021 Annual Management and Performance Report for the EU Budget (COM(2022) 401),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2021 (COM(2022) 292), and to the accompanying Commission staff working document (SWD(2022) 160),
- having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2021, together with the institutions' replies ⁽³⁾, the Court of Auditors' report on the performance of the EU budget – Status at the end of 2021, together with the institutions' replies ⁽⁴⁾, and to the Court of Auditors' special reports,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2021 (06247/2023 – C9-0063/2023),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁶⁾, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Rule 99 of and Annex V to its Rules of Procedure,
- having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Women's Rights and Gender Equality,
- having regard to the letter from the Committee on Agriculture and Rural Development,
- having regard to the report of the Committee on Budgetary Control (A9-0101/2023),

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 391, 12.10.2022 p. 6

⁽⁴⁾ OJ C 429, 11.11.2022, p. 8.

⁽⁵⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁶⁾ OJ L 193, 30.7.2018, p. 1.

1. Grants the Commission discharge in respect of the implementation of the general budget of the European Union for the financial year 2021;
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 2021, Section III – Commission and executive agencies;
3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Council, the Commission and the Court of Auditors, and to the national parliaments and the national and regional audit institutions of the Member States, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

DECISION (EU, Euratom) 2023/1818 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the Consumers, Health, Agriculture and Food Executive Agency (Chafea) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0227/2022) ⁽²⁾,
- having regard to the final annual accounts of the Consumers, Health, Agriculture and Food Executive Agency for the financial year 2021 ⁽³⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2020 financial year (COM(2022) 331), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2021 (COM(2022) 292), and to the accompanying Commission staff working document (SWD(2022) 160),
- having regard to the Court of Auditors' annual report on Union agencies for the financial year 2021, together with the agencies' replies ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2021 (06250/2023 – C9-0055/2023),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁶⁾, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁷⁾, and in particular Article 14(3) thereof,
- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁸⁾, and in particular the first and second paragraphs of Article 66 thereof,

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 478, 16.12.2022, p. 21.

⁽⁴⁾ OJ C 412, 27.10.2022, p. 12.

⁽⁵⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁶⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

⁽⁸⁾ OJ L 297, 22.9.2004, p. 6.

- having regard to Commission Implementing Decision 2013/770/EU of 17 December 2013 establishing the Consumers, Health and Food Executive Agency and repealing Decision 2004/858/EC ⁽⁹⁾,
 - having regard to Commission Implementing Decision 2014/927/EU of 17 December 2014 amending Implementing Decision 2013/770/EU in order to transform the Consumers, Health and Food Executive Agency into the Consumers, Health, Agriculture and Food Executive Agency ⁽¹⁰⁾,
 - having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU ⁽¹¹⁾,
 - having regard to Rule 99 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A9-0101/2023),
1. Grants the Interim 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 2021;
 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 2021, Section III – Commission and executive agencies;
 3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section III – Commission and the resolution forming an integral part of those decisions, to the Interim 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽⁹⁾ OJ L 341, 18.12.2013, p. 69.

⁽¹⁰⁾ OJ L 363, 18.12.2014, p. 183.

⁽¹¹⁾ OJ L 50, 15.2.2021, p. 9.

DECISION (EU, Euratom) 2023/1819 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Climate, Infrastructure and Environment Executive Agency – CINEA (before 1 April 2021 the Innovation and Networks Executive Agency) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0227/2022) ⁽²⁾,
- having regard to the final annual accounts of the European Climate, Infrastructure and Environment Executive Agency for the financial year 2021 ⁽³⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2020 financial year (COM(2022) 331), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2021 (COM(2022) 292), and to the accompanying Commission staff working document (SWD(2022) 160),
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2021 (06250/2023 – C9-0055/2023),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁶⁾, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁷⁾, and in particular Article 14(3) thereof,

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 427, 09.11.2022, p. 10.

⁽⁴⁾ OJ C 412, 27.10.2022, p. 12.

⁽⁵⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁶⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁸⁾, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Implementing Decision 2013/801/EU of 23 December 2013 establishing the Innovation and Networks Executive Agency and repealing Decision 2007/60/EC as amended by Decision 2008/593/EC ⁽⁹⁾,
 - having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU ⁽¹⁰⁾,
 - having regard to Rule 99 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A9-0101/2023),
1. Grants the Director of the European Climate, Infrastructure and Environment Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2021;
 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 2021, Section III – Commission and executive agencies;
 3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section III – Commission and the resolution forming an integral part of those decisions, to the Director of the European Climate, Infrastructure and Environment Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽⁸⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁹⁾ OJ L 352, 24.12.2013, p. 65.

⁽¹⁰⁾ OJ L 50, 15.2.2021, p. 9.

DECISION (EU, Euratom) 2023/1820 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Education and Culture Executive Agency – EACEA (before 1 April 2021 the Education, Audiovisual and Culture Executive Agency) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0227/2022) ⁽²⁾,
- having regard to the final annual accounts of the European Education and Culture Executive Agency for the financial year 2021 ⁽³⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2020 financial year (COM(2022) 331), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2021 (COM(2022) 292), and to the accompanying Commission staff working document (SWD(2022) 160),
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2021 (06250/2023 – C9-0055/2023),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁶⁾, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁷⁾, and in particular Article 14(3) thereof,
- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁸⁾, and in particular the first and second paragraphs of Article 66 thereof,

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 427, 9.11.2022, p. 11.

⁽⁴⁾ OJ C 412, 27.10.2022, p. 12.

⁽⁵⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁶⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

⁽⁸⁾ OJ L 297, 22.9.2004, p. 6.

- having regard to Commission Implementing Decision 2013/776/EU of 18 December 2013 establishing the Education, Audiovisual and Culture Executive Agency and repealing Decision 2009/336/EC ⁽⁹⁾,
 - having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU ⁽¹⁰⁾,
 - having regard to Rule 99 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A9-0101/2023),
1. Grants the Director of the European Education and Culture Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2021;
 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 2021, Section III – Commission and executive agencies;
 3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section III – Commission and the resolution forming an integral part of those decisions, to the Director of the European Education and Culture Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽⁹⁾ OJ L 343, 19.12.2013, p. 46.

⁽¹⁰⁾ OJ L 50, 15.2.2021, p. 9.

DECISION (EU, Euratom) 2023/1821 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Innovation Council and SMEs Executive Agency – Eisma (before 1 April 2021 the Executive Agency for Small and Medium-sized Enterprises) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0227/2022) ⁽²⁾,
- having regard to the final annual accounts of the European Innovation Council and SMEs Executive Agency for the financial year 2021 ⁽³⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2020 financial year (COM(2022) 331), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2021 (COM(2022) 292), and to the accompanying Commission staff working document (SWD(2022) 160),
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2021 (06250/2023 – C9-0055/2023),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁶⁾, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁷⁾, and in particular Article 14(3) thereof,

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 427, 9.11.2022, p. 23.

⁽⁴⁾ OJ C 412, 27.10.2022, p. 12.

⁽⁵⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁶⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁸⁾, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Implementing Decision 2013/771/EU of 17 December 2013 establishing the Executive Agency for Small and Medium-sized Enterprises and repealing Decisions 2004/20/EC and 2007/372/EC ⁽⁹⁾,
 - having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU ⁽¹⁰⁾,
 - having regard to Rule 99 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A9-0101/2023),
1. Grants the Director of the European Innovation Council and SMEs Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2021;
 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 2021, Section III – Commission and executive agencies;
 3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section III – Commission and the resolution forming an integral part of those decisions, to the Director of the European Innovation Council and SMEs Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽⁸⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁹⁾ OJ L 341, 18.12.2013, p. 73.

⁽¹⁰⁾ OJ L 50, 15.2.2021, p. 9.

DECISION (EU, Euratom) 2023/1822 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Research Council
Executive Agency (ERCEA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0227/2022) ⁽²⁾,
- having regard to the final annual accounts of the European Research Council Executive Agency for the financial year 2021 ⁽³⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2020 financial year (COM(2022) 331), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2021 (COM(2022) 292), and to the accompanying Commission staff working document (SWD(2022) 160),
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2021 (06250/2023 – C9-0055/2023),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁶⁾, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁷⁾, and in particular Article 14(3) thereof,
- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁸⁾, and in particular the first and second paragraphs of Article 66 thereof,

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 427, 09.11.2022, p. 32.

⁽⁴⁾ OJ C 412, 27.10.2022, p. 12.

⁽⁵⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁶⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

⁽⁸⁾ OJ L 297, 22.9.2004, p. 6.

- having regard to Commission Implementing Decision 2013/779/EU of 17 December 2013 establishing the European Research Council Executive Agency and repealing Decision 2008/37/EC ⁽⁹⁾,
 - having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU ⁽¹⁰⁾,
 - having regard to Rule 99 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A9-0101/2023),
1. Grants the Acting Director of the European Research Council Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2021;
 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 2021, Section III – Commission and executive agencies;
 3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section III – Commission and the resolution forming an integral part of those decisions, to the Acting 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽⁹⁾ OJ L 346, 20.12.2013, p. 58.

⁽¹⁰⁾ OJ L 50, 15.2.2021, p. 9.

DECISION (EU, Euratom) 2023/1823 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Health and Digital Executive Agency (HADEA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0227/2022) ⁽²⁾,
- having regard to the final annual accounts of the European Health and Digital Executive Agency for the financial year 2021 ⁽³⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2020 financial year (COM(2022) 331), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2021 (COM(2022) 292), and to the accompanying Commission staff working document (SWD(2022) 160),
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2021 (06250/2023 – C9-0055/2023),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁶⁾, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁷⁾, and in particular Article 14(3) thereof,

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 427, 9.11.2022, p. 47.

⁽⁴⁾ OJ C 412, 27.10.2022, p. 12.

⁽⁵⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁶⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁸⁾, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU ⁽⁹⁾,
 - having regard to Rule 99 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A9-0101/2023),
1. Grants the Director of the European Health and Digital Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2021;
 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 2021, Section III – Commission and executive agencies;
 3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section III – Commission and the resolution forming an integral part of those decisions, to the Director of the European Health and Digital 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽⁸⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁹⁾ OJ L 50, 15.2.2021, p. 9.

DECISION (EU, Euratom) 2023/1824 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Research Executive Agency – REA (before 1 April 2021 the Research Executive Agency) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0227/2022) ⁽²⁾,
- having regard to the final annual accounts of the European Research Executive Agency for the financial year 2021 ⁽³⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2020 financial year (COM(2022) 331), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2021 (COM(2022) 292), and to the accompanying Commission staff working document (SWD(2022) 160),
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2021 (06250/2023 – C9-0055/2023),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁶⁾, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁷⁾, and in particular Article 14(3) thereof,
- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁸⁾, and in particular the first and second paragraphs of Article 66 thereof,

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 427, 9.11.2022, p. 50.

⁽⁴⁾ OJ C 412, 27.10.2022, p. 12.

⁽⁵⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁶⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

⁽⁸⁾ OJ L 297, 22.9.2004, p. 6.

- having regard to Commission Implementing Decision 2013/778/EU of 13 December 2013 establishing the Research Executive Agency and repealing Decision 2008/46/EC ⁽⁹⁾,
 - having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU ⁽¹⁰⁾,
 - having regard to Rule 99 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A9-0101/2023),
1. Grants the Director of the European Research Executive Agency discharge in relation to the implementation of the Agency's budget for the financial year 2021;
 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 2021, Section III – Commission and executive agencies;
 3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section III – Commission and the resolution forming an integral part of those decisions, to the Director of the European Research Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽⁹⁾ OJ L 346, 20.12.2013, p. 54.

⁽¹⁰⁾ OJ L 50, 15.2.2021, p. 9.

RESOLUTION (EU) 2023/1825 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021, 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 2021, 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 2021,
 - having regard to Rule 99 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Women's Rights and Gender Equality,
 - having regard to the report of the Committee on Budgetary Control (A9-0101/2023),
- A. whereas the Union budget is a significant instrument for achieving common policy objectives, and on average represents 1,3 % of Union gross national income or 2,4 % of the Member States' general government expenditure and total public spending in the Union;
- B. whereas, when the Parliament grants discharge to the Commission, it verifies and evaluates whether or not funds have been used correctly and policy goals have been achieved after internal and external audits, thus confirming the regularity and the performance of the Commission's spending in terms of value for money;

Political priorities

1. Recalls its strong commitment to the fundamental principles and values enshrined in the Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU), including sound financial management as set out in Article 317 and the combating of fraud and protecting the financial interests of the Union as set out in Article 325;
2. Stresses that transparency, accountability, and integrity are essential ethics principles within the Union institutions; recalls the Court of Auditors' (the 'Court') conclusions and recommendations in its Special Report 13/2019 on the ethical frameworks of Union institutions, as well as Parliament's resolution of 16 September 2021 on strengthening transparency and integrity in the Union institutions by setting up an independent Union ethics body with, on the one hand, a preventive role via awareness-raising and ethical guidance, and, on the other hand, a compliance and advisory role with the ability to issue recommendations on ethical matters, including conflicts of interest;
3. Emphasises the role of the EPPO, the European Union Agency for Criminal Justice Cooperation (Eurojust), Europol and OLAF in the fight against corruption; calls for the capacities of the EPPO and OLAF, as well as cooperation between them, to be strengthened further; calls for common anti-corruption rules applicable to all staff of Union bodies;
4. Highlights the importance of the Union budget for achieving the Union's political priorities, as well as its role in assisting Member States in unforeseen situations such as the COVID-19 pandemic and its consequences; stresses that the sound and timely implementation of the budget contributes to addressing more efficiently and effectively the needs and challenges in different policy areas; warns that the implementation of the budget under time pressure may lead to an increase in errors and irregularities;

5. Recalls the importance of an *ex post* evaluation including for financial programmes created to respond to a crisis; the evaluation of the performance of the programme in relation to effectiveness, efficiency, relevance, coherence and Union added value would be in line with the Financial Regulation, the Interinstitutional Agreement on Better Law-Making and the Better Regulation Guidelines;
6. Underlines the relevance of reporting on the performance of the Union budget's programmes for the discharge procedure; draws attention to the fact that the added value of the invested resources is closely linked to the results achieved and their contribution to improving the daily life of Union citizens and the economic impact within the Union;
7. Reiterates its deep concerns regarding the situation concerning the rule of law in a number of Member States, which is deeply worrying in its own right and leads to serious losses for the Union budget; underlines that Union funds must not be used for anti-democratic activities or for strengthening authoritarianism; recalls that the Union introduced a legal conditionality mechanism to withhold funding from Member States that subvert the rule of law and welcomes the first application of this mechanism in the case of Hungary, that procedure was launched in November 2021 and concluded in December 2022 with the freezing of 55 % of three cohesion policy programmes (around EUR 6,35 billion); although the facts would have justified the freezing of 100 %, notes that Hungary's and Poland's Recovery and Resilience Plans (RRPs) have been approved; emphasises that both plans contain several so-called rule of law super milestones; demands the Commission to continuously monitor the situation and withhold funding as long as the rule of law violations threaten the sound financial management of the Union budget; reiterates in this context its strong conviction that Member States must respect democracy and the rule of law in order to receive Union funds and draws attention to the Commission that the rule of law situation has also been deteriorating in other Member States; calls therefore on the Commission to trigger without delay the application of the conditionality mechanism whenever breaches of the principles of the rule of law are identified to be affecting or are in serious risk of affecting the sound financial management of the Union budget or the protection of the financial interests of the Union in a sufficiently direct way; moreover stresses the need for a strong cooperation between Parliament, Council and the Commission while reinforcing the institutional checks and balances; underlines its strong and repeated requests to the Commission and executive agencies to ensure the protection of the Union budget by making global and systematic use of digital and automated systems for reporting, monitoring and audit and by making common anticorruption rules and by making the interinstitutional Transparency register ⁽¹⁾ mandatory for all Union institutions, even agencies;
8. Recalls that economic development in Hungary has been largely linked to foreign capital investments; therefore deplores the anti-multinational rhetoric of the Hungarian government and deplores that the institutionalisation of corruption and the opaque public procurement system, which should be addressed through the reforms requested in the context of the application of the conditionality mechanism, allowed the government to increase, in recent years, its ownership in energy, banking, telecom and media spheres; deplores the selective and biased denial of permits and imposition of arbitrarily rigid conditions and restrictions with the goal of economically weakening and bleeding out certain foreign companies until they are forced to accept a hostile takeover in full or in part by the Hungarian government or oligarchs close to the government at prices well below the real value of the company; criticises the Commission for not fulfilling its responsibility with regard to defending the internal market and fair competition by not intervening in these broad breaches of the rule of law and internal market rules;
9. Notes with concern the findings of the Court regarding the protection of the Union budget; takes note of the Court's Special Report 11/2022 'Protecting the EU budget' where the Court found that although the Commission's exclusion system has some strengths, shortcomings limit its effectiveness; notes with concern that the implementation of the Early Detection and Exclusion System (EDES) has taken longer than planned; is worried that differences in the approaches undermine the overall effectiveness of exclusion; calls on the Commission to work hand-in-hand with Parliament on recast of the Financial Regulation to further improve the EDES and make it an efficient and effective tool;

⁽¹⁾ Interinstitutional Agreement of 20 May 2021 between the European Parliament, the Council of the European Union and the European Commission on a mandatory transparency register (OJ L 207, 11.6.2021, p. 1).

10. Stresses the need to enlarge the areas where the EDES is used beyond direct management and requests the Commission to use it for all Union funds including funds under shared management: notes that the EDES has to be used systematically to ensure that companies and beneficial owners who have been convicted in relation to fraud, corruption or other serious economic criminal activities cannot benefit from Union funds; stresses the need to harmonise the indicators in Arachne with the exclusion grounds of EDES to ensure that excluded economic operators are also visible in Arachne; calls for maximum interoperability between Arachne, EDES and other IT tools to reduce the need to insert information items into various IT systems multiple times and keep the administrative burden as low as possible; believes that not more but better targeted control systems are needed, including the use of new technologies in order to fight fraud, corruption or other serious economic criminal activities that cannot benefit from Union funds;
11. Reiterates the imperative need of a single mandatory integrated and interoperable information and monitoring system provided by the Commission, allowing for the electronic recording and storage of data on the recipients of Union funding, including their beneficial owners and allowing for the availability of this information for data-mining and risk-scoring purposes; underlines that it is essential to get a clear and transparent overview of the distribution and potential concentration of Union funds disbursed, including through a functionality that allows for the aggregation of these funds; underlines that this would reduce the bureaucratic burden on the financial actors, on controllers and auditors, as well as on the recipients of Union funds, and should facilitate risk assessment for the purposes of selection, award, financial management, monitoring, investigation, control and audit and would also contribute to effective prevention, detection, correction and follow-up of fraud, corruption, conflicts of interest, double funding and other irregularities, which have to be seriously tackled at both Member State and Union levels, through effective and efficient preventive and deterrent measures, including clear sanctions; notes that this digitalisation is overdue and indispensable given the cross-border nature of misuse of funds, fraud, misappropriations, conflicts of interest, double-funding and other systemic problems; underlines that this single data mining tool should be easily searchable and available for OLAF, the EPPO and the Commission, in order to enhance the protection of the Union budget and Next Generation EU against irregularities, fraud and conflicts of interest;
12. Regrets that not all Member States make use of the Commission's data-mining and risk-scoring tool for identifying projects, beneficiaries and contractors at risk of fraud, conflicts of interest and irregularities under the Recovery and Resilience Facility (RRF); notes that five of the Member States in the Court's audit sample (Greece, Spain, France, Croatia and Italy) will use the Commission's data-mining and risk-scoring tool; recalls that a common data-mining and risk-scoring tool is a key element in protecting the Union's financial interests and, more specifically, in preventing fraud, conflicts of interest and double funding, and in increasing transparency and accountability;
13. Appreciates the utility of the Kohesio website and the Open Data Platform put in place by the Commission as transparency and accountability tools for cohesion policy and shared management related investments for the 2014–2020 and 2021–2027 programming periods, bringing together the national lists of Union supported projects and offering a mapping of operations (Kohesio) and providing up to date data on adopted programmes, regular monitoring of finances and Union commitments and payments (Open Data Platform); notes the ongoing adaptations performed to adequately cover the 2021–2027 programming period, but stresses the imperative need of coordination and interoperability with the Arachne risk-scoring tool; calls, therefore, on the Commission to ensure effective interoperability between the different tools;
14. Reiterates the need to better balance the further simplification of rules and procedures with better controls over the most repeated areas of irregular spending, develop mandatory training sessions and practical information for applicants, in particular new applicants, and improve the assistance and guidelines for SMEs, spin-offs, start-ups, administration and payment agencies and all other relevant stakeholders;

15. Stresses the increased use and importance of performance indicators, including the selection of indicators, definition of targets and milestones and monitoring and reporting in light of the new delivery models for the Recovery and Resilience Facility (RRF) and the reformed Common Agricultural Policy; in this regard calls on the Commission to further improve monitoring and reporting on performance of the Union budget with more streamlined and qualitative indicators such as indicators on climate-related spending, on gender mainstreaming and indicators on biodiversity, as reflected in the adopted basic acts of the 2021–2027 spending programmes; notes that milestones and targets as well as output indicators are different in nature; notes that the RRF further differentiates between investments and reforms; reiterates its call on the Commission to provide an overview of the complete audit cycle within the Member States, the Commission as well as an overview of the cooperation with the respective audit authorities including the Court, as well as OLAF and the EPPO;
16. Is concerned about the increasing number and complexity of the Commission's quasi-legal instruments such as opinions, recommendations, communications, non-legislative resolutions, notices, guidance documents and statements of administrative priorities; calls on the Commission to simplify and streamline these instruments and use them with the intention of further simplifying the procedures and reducing the bureaucratic burden; recalls the REFIT programme to simplify Union rules and reduce unnecessary burdens, while achieving the benefits of legislation and by introducing the 'one in, one out' approach; asks for the systematic application by the Commission of the principle that means that newly introduced burdens are offset by removing equivalent burdens in the same policy area;
17. Reiterates the need to step up the efforts in the fight against fraud both at Union and Member State level, in close cooperation with the EPPO and OLAF; appreciates the remarkable efforts and stresses the role of the EPPO in the investigation and prosecution of fraud and other criminal offences affecting the financial interests of the Union; highlights the importance of the EPPO's full independence and impartiality for the effective exercise of its functions; stresses the fact that the EPPO and OLAF's independence, impartiality and their effectiveness demands sufficient financial and human resources, especially in light of the new tasks related to the NextGenerationEU(NGEU); invites the Commission to urgently take action on the requests made by the EPPO on its budgetary implementation, so that the EPPO can become a fully effective prosecution office;
18. Notes that the Commission presents its annual report on the protection of the Union's financial interests (PIF report) in the autumn of the following year making it impossible for Parliament to adopt the report sooner than 2 years after the concerned period in the report (n+2); stresses that in order to achieve better efficiency in adopting Union policies and counter-measures to the fraud, tax evasion and other financial irregularities presented in the report, Parliament should be able to process and adopt the PIF report no later than next year (n+1); calls on OLAF and the Commission to adopt their reporting on PIF accordingly;
19. Underlines the importance of transparent operations of NGOs and intermediaries as regards their funding and ownership, as they are important actors in the implementation of the Union budget under the different management methods and especially in the area of external action; is deeply concerned by the funding of projects carried out by or involving NGOs with links to radical religious and political organisations; calls on the Commission to guarantee that Union funds only finance organisations that strictly respect all Union values; urges the Commission to set up *ex ante* mechanisms clearly identifying NGOs operating on Union territory and abroad that have acknowledged ties to religious fundamentalist networks and push forward an agenda that is undermining Union values; calls, in this context, for the creation of a public black list of NGOs, that have engaged in activities such as hate speech, incitement to terrorism, religious extremism supporting or glorifying violence, or have misused or misappropriated Union funds and are listed in the EDES database, in order to ensure they are blocked from access to Union institutions and Union funding programmes; reiterates that no funds can be allocated or linked to any cause or form of terrorism and/or religious or political radicalisation; stresses the need for a thorough pre-check in the registration in the transparency register to disclose all funding sources; notes that funding from Union funds must be traceable from the direct recipient to the final beneficiary when funds are passed on in a chain; recalls that as regards public funding, Union basic acts regulate how transparency and visibility in this regard need to be handled, therefore reminds the Commission about the responsibility it has to check compliance with rules and procedures, especially rules and procedures on sub-granting to NGOs and intermediaries of financial institutions; moreover, demands that the Commission provides the discharge authority with an overview of the total amount of Union's NGOs related expenditure;

20. In the interests of clarity, legal certainty and the rule of law, calls on the Commission to put forward a proposal for an NGO Regulation including a clear definition and categorisation of the fields of activity and size of NGOs; the legislation should provide for a clear overview of the conditions for receiving Union funds by NGOs, covering the following obligations:
- (a) report amounts and sources of funding received as well as log all their activities performed on behalf of the foreign principals;
 - (b) label material that is disseminated with the requisite information;
 - (c) disclose their financial and non-financial inflows and outflows, including payments or non-financial donations that are passed on from one NGO to another other within an umbrella organisation to its members;
 - (d) disclosure of the financing of political advertising or political campaigns by NGOs;
 - (e) compliance with democratic accountability and respect for Union values;
 - (f) for very large NGOs with corporate structures similar to private companies, reporting obligations on corporate social responsibility, compliance with employee protection provisions, provision for the promotion of gender equality, sustainability reporting obligations, the taxonomy for investments and supply chain links in purchasing;
21. Stresses that the proposal should also cover transparency obligations on behalf of the Commission, including as regards the disclosure of financial, administrative or cooperation agreements with NGOs;
22. Reminds the Commission that all legislative proposals, that have a significant economic, social and environmental impact have to be accompanied by solid and thorough impact assessments; stresses that this is part of the Commission's better regulation agenda and underlines that the discharge authority will closely monitor that these impact assessments are conducted in a completely neutral and impartial way and that they systematically analyse the impacts of the options considered, the costs and benefits of the preferred option, including by taking into account the stakeholders' views, through open public consultations;
23. Points to the Court Special Report 17/2022 'External consultants at the European Commission' which emphasises that the European Commission spends about EUR 1 billion each year contracting external consultants' services, using them to support a wide range of consultancy, study, evaluation and research activities and concluded that Commission's management of the use of external consultants did not ensure that it maximises value for money, nor fully safeguards its interests; stresses furthermore that there are significant gaps in the framework governing the use of these services, with potential risks related to the concentration of service providers, overdependence and conflicts of interest which are not sufficiently monitored; demands in this context the Commission to further develop its framework governing the use of external consultants, make better use of the results of external consultants' services, enhance monitoring to mitigate the risks arising from using external consultants' services and improve its reporting on the use of external consultants' services, providing accurate and complete data on the volume and types of acquired services. Moreover stresses the unused potential of Union Agencies in providing for specific, relevant information and the same quality products as external consultants, if their mandates would allow for it; invites the Commission to look into this possibility in the future for consultancy and research purposes in specific areas;
24. Welcomes the RRF's initial contribution and its further potential with regard to preventing a strong economic downturn following the COVID-19 pandemic; notes that the RRF has been instrumental in making progress with the implementation of the Country Specific Recommendations (CSRs) stemming from the European Semester in almost all Member States; notes however that several CSRs remain unaddressed, further notes the contribution of the RRF to making Union economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions;

25. Notes the findings and conclusions of the Court in its first annual assessment of the RRF; understands that the implementation of the RRF takes place under time pressure, in order to provide timely support to recover from the COVID-19 crisis, with, however, a much more straight forward delivery model that puts much lighter requirements on both the Commission and the Member States, and reduces the control burden on the Commission and transfers it towards the Member States, in particular in comparison with the financing, reporting and control structure of cohesion or agricultural policy; highlights that any fast delivery model is to be accompanied by a robust control system of which the Commission has to be in charge; calls on the Commission to make sure that when proposing new Union programmes and policies with a performance-based delivery model as used in the implementation of the RRF, to fully integrate the lessons learned from the implementation of the RRF, as well as findings and recommendations on the RRF from audits and assessments made by the Court; recalls the importance of knowing whether the absorption of funds is on course, as 2023 is the mid-point of the RRF; acknowledges progress made by the Commission in addressing concerns of the discharge authority regarding transparency and accountability through the set-up of a platform similar to the Kohesio platform for Cohesion policy;
26. Welcomes the agreement reached in the interinstitutional negotiations on RePowerEU on the bi-annual publication of the 100 biggest final beneficiaries per Member State on the RRF Scoreboard; reiterates its call for the list of all final beneficiaries in all Union policies and projects to be made available in the framework of the discharge procedure to the relevant Union institutions and to the discharge authority;
27. Notes the successful efforts of the Commission to raise funds on the financial markets to provide the financial means for the RRF, as an important instrument in a time of severe crisis; nevertheless expresses concerns about the rising interest rates and the resulting uncertain capacity to repay the loans and the risk this poses for the agreed Union budget and Union policies; calls on the Commission to mitigate the risk and keep Parliament fully informed on the annual status of these loans;
28. Expresses concern about the limited number of cross-border projects under the RRF; acknowledges at the same time that one of the objectives of the RRF is to support economic recovery in the Union Member States after the COVID-19 pandemic; stresses that the alignment of the national RRFs with Union policy objectives, including cross border projects, generates Union added value;
29. Is concerned that the late adoption of a number of regulations governing different Union policies has, similarly as at the beginning of the 2014–2020 programming period, implied a significant delay in the start of implementation for the 2021–2027 programming period; urges the Commission to take all the necessary measures to speed up the implementation of the policies on the ground, while keeping a high focus on quality and the need to step up the fight against fraud and protect the financial interests of the Union; draws attention to the fact that especially under shared management a significant part of the 2021 budgetary allocation has to be reprogrammed to the following years; highlights in this context the risk that outstanding commitments bear on the Union budget, possibly generating significant decommitments which in turn would decrease the impact of the Union budget; demands that the Commission indicates to the discharge authority the measures it intends to take to avoid this situation and draws the necessary conclusions and experience to ensure that a similar situation is prevented from occurring at the start of the 2028–2034 MFF;
30. Encourages the Commission, the Court and the Council to work towards accelerating the discharge process to n+1;
31. Notes that Protocol No 7 of the TFEU (Privileges and immunities of the European Union) provides for the so-called Laissez-Passers to be issued to members of Union institutions, and to Members of the European Parliament in particular, for use as travel documents; is concerned by the fact that the Commission's central service for Laissez-Passers is opposed to recording the 'function' of Member of the European Parliament on the document, meaning that members are not able to prove their status when travelling, contrary to EEAS diplomatic staff for example; calls on the Commission to take urgent action to rectify this inconsistency so that members of the institutions can adequately prove their office when travelling;

32. Regrets that, again, the Court issued an adverse opinion on the legality and regularity of expenditure, and found that the control mechanisms of the Commission and Member States are simply not reliable enough; underlines the importance of reinforcing the control mechanisms of the Commission and Member States which are considered not reliable by the Court, therefore compromising the reliability of the AMPR;
33. Recalls that the Commission should follow up in detail on all of Parliament's observations, including all of the political priorities;

CHAPTER I

Multiannual Financial Framework (MFF)

The Court's statement of assurance and budgetary and financial management

Reliability of the accounts

34. Welcomes that the Court, for the year 2021, finds that the accounts of the European Union are reliable, in accordance with the Financial Regulation and that the revenue side of the budget is free from material error;
35. Notes that at 31 December 2021, total liabilities amounted to EUR 496,4 billion, compared with EUR 414,1 billion of total assets; highlights that the difference of EUR 82,3 billion represented (negative) net assets, comprising reserves and the portion of expenses already incurred by the Union up to 31 December that must be funded by future budgets;
36. Notes that at the end of 2021, the estimated value of incurred eligible expenses due to beneficiaries but not yet claimed was EUR 129,9 billion (2020: EUR 107,8 billion), recorded as accrued expenses; notes that the increase in that estimate relates mainly to the RRF, the centrepiece of the NGEU programme set up to address the immediate economic and social damage brought about by the COVID-19 pandemic; highlights that payments to Member States under the RRF follow a predefined instalment profile up to 2026;
37. Notes that following the end of the transition period following the UK's withdrawal process, the Commission estimated that, at the balance sheet date, the Union accounts showed a net receivable due from the UK of EUR 41,8 billion (2020: EUR 47,5 billion), of which it is estimated that EUR 10,9 billion will be paid in the 12 months following the reporting date;
38. Notes that the Court has assessed the impact on the accounts of Russia's unprovoked and unjustified military aggression against Ukraine; welcomes the Court's assessment that the treatment of Russia's invasion of Ukraine as a non-adjusting post balance-sheet event is appropriate and that its impact has been appropriately disclosed and presented fairly in the consolidated annual accounts;
39. Notes that the Court, as part of their normal audit procedures, audited the assets, liabilities, revenue and expenses, including those related to the measures taken by the Commission in the context of COVID-19 related actions; welcomes that the Court has concluded that they are presented fairly in the consolidated annual accounts;

Legality and regularity of Union revenue and expenditure

40. Regrets an adverse opinion on the legality and regularity of the expenditure side of the Union budget, issued by the Court;
41. Notes the overall error rate calculated by the Court of 3,0 %, which is 1,0 % point above the materiality threshold; notes that this is a deterioration in comparison with 2020, when the error rate was 2,7 %, also well above the materiality threshold; notes the Commission's reply that it does not dispute the Court's established error rate but at the same time defends the results of its own work resulting in an estimated error rate at payment which is based on a different methodology; notes that the Commission calculates its risk at payment for 2021 as 1,9 %; is worried by the fact that, contrary to the Court, the Commission estimates its error rate to be both below the materiality threshold and goes even lower than the bottom range of the estimated level of error of the Court, of 2,2 %;

42. Deplores the fact that the errors found reflect persistent shortcomings in the regularity of the expenditure declared by the managing authorities and that the Court identified shortcomings in the supervisory authorities' sampling methodologies;
43. Notes with concern that the Court considers that the Commission's risk assessment is likely to underestimate the level of risk in several areas; highlights that the Court has reported weaknesses in the Commission's *ex post* audits in Heading 1 'Single Market, innovation and digital', underestimation of errors in Heading 2 'Cohesion, resilience and values', and underestimations of risk and a high number of errors in Heading 6 'Neighbourhood and the world', among other issues; highlights that in 'Natural Resources and Environment' both institutions are aligned in their calculations while for example for 'Single Market, Innovation and Digital' the Court estimates a level of error of 4,4 % while the Commission estimates a risk at payment of 1,3 %;
44. Notes that the Commission applies controls to the Union budget both before and after payments have been made, and makes corrections if and when necessary; notes that this control system is reflected in both the 'risk at payment', which is an estimation of the level of expenditure that is not in compliance with the applicable rules and regulations at the time of the payment, and the 'risk at closure' (of the programme), which estimates the level of expenditure that is not in compliance when all controls and related corrections have been completed and, legally, no further action can be taken; further notes that the Commission's estimated risk at closure is of 0,8 %, well below the 2 % materiality threshold;
45. Reiterates its support for the audit approach and methodology of the Court; notes that this methodology is based on international audit standards requiring the testing of a random transaction sample and that a representative sample cannot be wholly risk-based; notes with concern the divergences between the error rates and risk at payment as calculated by the Court and the Commission; highlights that these differences do not occur in all expenditure areas; remarks the fact that the Commission's estimates for risk at payment are consistently in the lower range or below the statistical estimations of the Court and is concerned that this represents a systematic underestimation of the existing error level by the Commission; invites the Commission to rethink its methodology and cooperate with the Court with a view to increasing harmonisation in order to provide for more comparable figures; underlines nevertheless that the general estimation of the error rate presented in the Court's statement of assurance is not indicating the occurrence of fraud;
46. Is worried that the Commission, acting on potentially underestimated risks, is not able to effectively protect the financial interests of the Union; is also concerned by the confusion this creates for the discharge authority and Union citizens, as the Commission, on the one hand, embraces the Court's error rate in areas where this is below the materiality threshold (natural resources), however presents its own estimated error at payment in areas where the Court's error rate is above the materiality threshold, raising questions regarding the reliability of its financial reporting;
47. Calls on the Court to qualify the impact of corrective measures on the overall level of error;
48. Notes the Court's follow-up of observations stemming from the 2020 Annual Report as regards reporting on recoveries in the Commission's Annual Management and Performance Report (AMPR) which the Court considers to be complex and not always clear; welcomes the Court's observation that the Commission's revision of its reporting has brought improvements; is however worried that the Court considers that the presentation of 'corrections for past payments' (EUR 5,6 billion) and the associated percentage of relevant expenditure (3,3 %) is inadequate and prone to misunderstanding; notes, in particular, the Court's finding that the presented figures include preventive measures, which do not relate to past payments or accepted expenditure, and Member States' preventive measures, that cannot be attributed directly to the Commission;

49. Notes that the Court found that low-risk expenditure was free from material error but that high-risk expenditure remained affected by material error; highlights that the biggest contributors to the 3,0 % error rate were 'Cohesion, Resilience and Values' (1,2 percentage points), followed by 'Natural Resources and Environment' (0,7 percentage points), 'Neighbourhood and the World' (0,4 percentage points) and 'Single Market, Innovation and Digital' (0,4 percentage points);
50. Notes that the Court divides their audit population into high risk (mainly reimbursement-based payments) and low risk (mainly entitlement-based payments) expenditure; notes with concern however, that the Commission, in its 'Annual Management and Performance Report' categorises the expenditure into higher, medium and lower risk segments, based on checks performed by national authorities, other partners and the Commission itself every year; emphasises that the use of different risk categories by the Court and the Commission presents a challenge to the work of the discharge authority in making a comparative analysis of the respective reports; notes with concern that this leads to the discrepancy between the Court's calculation of high-risk expenditure as 63,2 % compared to Commission's calculation of 22 %; reiterates that such discrepancies between the Court and the Commission are hampering the reliability of input data needed for the discharge authority;
51. Notes with concern that substantial issues were detected in reimbursement-based expenditure, which accounts for 63,2 % of the Court's audit population, in which the estimated level of error is 4,7 %; takes note that the effects of the errors found by the Court are both material and pervasive to the year's accepted expenditure;
52. Notes that, despite the fact that the Court considers the RRF expenditure accepted in the accounts, for the year ended 31 December 2021, as legal and regular in all material respects, it considered that one milestone in the payment to Spain had not been satisfactorily fulfilled, with doubts remaining on the Commission's assessment of the milestone and targets associated with the related RRF expenditure; notes the Court's assessment that considered the error to be non-material; recalls that the objective of the Court's audit of the RRF was to contribute to the statement of assurance and provide the basis for its opinion on the regularity of 2021 RRF expenditure; notes that the audit population comprised the only 2021 disbursement, a payment to Spain, and the clearing of the related pre-financing; recalls that the only reason the identified error was not quantified was the absence of a methodology for partial payments by the Commission; acknowledges that the Commission has published such a methodology on 21 February 2023;

Budgetary and financial management

53. Notes with concern that, in 2021, the implementation of commitments was very low, at 68 % of the total available amount, and that the late adoption of sectoral regulations during 2021 delayed the launch of new programmes; welcomes that the overall ESIF absorption rate increased in 2021 due to higher payments than in 2020; highlights that at the end of 2021, around EUR 161 billion was still to be absorbed by the closure of ESIF programmes in 2025; reiterates its concern over significant differences in absorption rates by Member States, and the fact that some Member States still have more than 40 % of their committed amounts to absorb; stresses again that huge differences in absorption capacities between Member States present one of the most serious obstacles to more effective development of less developed regions;
54. Takes note that still not absorbed ESI Funds for the 2014–2020 period represent a significant part of the Union's budget outstanding commitments; calls on the Commission to closely monitor the progress of implementation in Member States and analyse the differences, focusing in particular on the cases of under-implementation and low-absorption rates; expects the Commission to deliver country assessments to the discharge authority, identifying recurrent problems, and to take all the appropriate measures to optimise the situation, including through technical assistance and exchange of best practices;

55. Reiterates its concern that, at the end of 2021, total outstanding commitments reached a record high of EUR 341,6 billion (combining Union budget and NGEU outstanding commitments); highlights that outstanding commitments are likely to exceed EUR 460 billion in 2023 but that they will then normally fall as NGEU draws to a close; underlines that a certain level of outstanding commitments is a logical consequence of the Union budget system with commitment appropriations and payment appropriations but expresses its concern that a significant amount of outstanding commitments can constitute a risk for the smooth and normal operation of the Union budget in the future;
56. Takes note that the Union budget's outstanding commitments decreased from a historic high at the end of 2020 and that the Commission forecasts that the increase expected in 2027 will increase by a small amount, mainly due to the smaller gap between commitment and payments appropriation; reflects that the Court has, on several occasions, pointed out that they can only be reduced if budgeted payment appropriations exceed commitment appropriations and are used; invite the Commission to consistently follow up on this recommendation, which is consistent with the requirement to maintain an orderly ratio between appropriations for commitments and payments;
57. Highlights that the time available for implementing shared management funds under the 2021–2027 MFF is shorter than under previous MFFs; is aware of the challenges in relation to managing and controlling these funds to ensure compliance and sound financial management; is concerned by the increased administrative burden on Member States as a result of the implementation of the NGEU programme and the tendency of Member States to prioritise implementing NGEU over the traditional shared management funds, as discussed in the Public Hearing in the CONT Committee on 23 January 2023;
58. Believes that the Commission's Guidance on the avoidance and management of conflicts of interest under the Financial Regulation generates significant and unjustifiable bureaucracy particularly vis-a-vis SMEs, non-profit organisations and participative structures at local level; is of the opinion that the Guidance should focus on economic and financial benefits, rather than attempting to encompass the surveillance of personal life or societal relationships, explicitly at local or regional level; asks the Commission to fully respect the principle of proportionality and privacy and not put all actors under a general suspicion; calls on the Commission to clarify its current Guidance in this regard to provide clarity to applicants and decision-making bodies;
59. Is worried about the related risks identified by the Court in its 2020 report and reiterated for 2021 financial year, namely that the level of administrative resources needed to manage different budgetary instruments in parallel may not be available and that, the introduction of flexibility in the system to cope with COVID effects, may lead to a weakening of established control systems;
60. Notes with concern the increase in the Union budget's total exposure to contingent liabilities from EUR 131,9 billion in 2020 to EUR 277,9 billion in 2021; acknowledges that the two main reasons for this substantial rise were the introduction of the NGEU and the increase in the amount of loans provided under the SURE instrument; understands that the risk to the Union budget from contingent liabilities is mitigated by the increase in the own resources ceiling and the counter-guarantees of Member States of SURE loans;

Recommendations

61. Strongly supports the recommendations of the Court in its Annual Report as well as in related special reports; calls on the Commission to implement them without delay and to keep the discharge authority informed on the progress of the implementation;

62. Particularly, calls on the Commission to:

- (a) ensure the protection of the Union budget by making general and systematic use of digital and automated systems for reporting, monitoring and audit (Arachne, EDES, etc.) and urgently establish a compulsory integrated and interoperable system building on, but not limited to, existing tools and databases in the context of the upcoming revisions of the Financial Regulation; develop the RRF Scoreboard to ensure that the description of milestones and the target and outcome of the audit are transparent; ensure that all Member States use the systems and central registers to report on beneficial owners and end beneficiaries;
- (b) substantially simplify rules and procedures, develop compulsory training sessions and practical information for applicants, in particular new applicants, and improve the assistance and guidelines for SMEs and NGOs, spin-offs, start-ups, administration and payment agencies and all other relevant stakeholders without compromising the quality of the controls;
- (c) keep increasing the administrative capacity of the Commission and Member States and propose adequate budget lines for the Court, the EPPO and OLAF to ensure their efficiency in relation to the implementation of the new upcoming tasks related to the NGEU instrument in order to protect the Union finances;
- (d) summarise and report to the discharge authority and the Court the reasons for the differences in the various expenditure areas and recoveries, and also in the results concerning the estimated level of error as calculated by the Court and the risk at payment as calculated by the Commission in the AMPR and engage in an exchange with the Court on both the managerial and technical level with the aim of introducing a single methodology on the error rate of Union expenditure;
- (e) work with the Court to align the respective risk categorisation methodologies and the audit working methodologies;
- (f) compare implementation rates of the REACT-EU instrument by Member States that were set to receive financial support under the RRF, and Member States where the National Recovery Plan has only been approved under conditions at a later stage (Hungary and Poland), and identify causes for differences identified, in particular aimed at the availability of administrative capacity;
- (g) continue supporting Member States to improve both the quality and number of checks and to share best practices in the fight against fraud;
- (h) provide for a simplification of the procedure, including the documentation required to access funding, without breaking the principles of audit and monitoring;
- (i) publish its audit reports, including for conflict of interest cases within a reasonable timeframe, helping to ensure that the recommended corrective and follow-up actions are implemented by the auditee;
- (j) strictly monitor the possible risk of corruption and fraud;
- (k) facilitate the inter-institutional cooperation by working towards speeding up the discharge process to n+1, without compromising the quality of the process;
- (l) step up efforts to improve transparency in the use of funds, including as regards information on final beneficiaries and to tighten the disbursement of funds to companies based in tax havens;
- (m) pay more attention to Member States and offer them enhanced technical assistance in cases where their management and control systems are only partially reliable or unreliable and where there is an increased risk of fraud and corruption in relation to Union funds;
- (n) re-evaluate its identification of entities as NGOs and provide for a clear definition, as well as to further improve the Union Lobby Register, making sure that NGOs who approach Union institutions are registered as lobbyists; further asks the Commission to set up an effective mechanism to assure NGOs' activities are aligned with Union values and demand full transparency on their financing, providing a deeper insight into the financing of all entities registered should be the condition to approach all Union Institutions, bodies and agencies;

- (o) commits to guaranteeing adequate resources for the secretariat of the Transparency Register in order to ensure that the entries on the lobbying activities of interest groups, lobbies and NGOs can be checked for accuracy and that lobbying becomes more transparent;
- (p) draft a standard contract on the conditions for receiving Union funds with NGOs; stresses that this contract must be equally binding for all Union institutions and agencies;

Performance of the Union budget

- 63. Welcomes the report of the Court on the performance of the Union budget – Status at the end of 2021, which focuses on the mainstreaming of five horizontal policy priorities into the Union budget, namely combating climate change, preserving biodiversity, gender equality, the sustainable development goals (SDGs) of the United Nations, and the digital transition;
- 64. Regrets that the Court considers that the preparation of this performance report has a negative impact on its audit and emerging Union priorities; takes note of the Court's decision to return to reporting on performance along the lines previously used in Chapter 3 of the Annual Report; remarks that due to the legal deadlines in place, the Court may find it difficult to include its assessment of the AMPR in its Annual Report; calls for the Court to take account of the AMPRs in their annual reporting or through a separate document if necessary in order to account for the annual discharge exercise; recalls that the staff of the Court has been already increased in 2023 in order to account for the increased workload due to the NGEU;
- 65. Welcomes that the Court found that there is a framework in place in the 2021–2027 MFF for addressing most horizontal priorities, that selected Union spending programmes incorporate the horizontal policy priorities that the Court selected, and that the Commission has developed methods to track spending for some horizontal priorities;
- 66. Is concerned by the fact that the AMPR provides overly positive conclusions on the progress made towards mainstreaming targets, that there is little information available on whether spending contributes meaningfully to multiple priorities at the same time, that the Commission's performance framework is mostly focused on outputs and does not yet measure outcomes, and that the Commission's review of reported information faces challenges;
- 67. Notes that, according to the Commission, climate and biodiversity priorities are integrated into the performance framework; but notes with great concern the additional findings of the Court in its Special Report 09/2022 'Climate Spending in the 2014–2020 EU budget'; is worried that reported spending is not always relevant to climate action and that the Union budget contribution to climate and biodiversity is overstated; notes with further concern the Court's findings that the overall reporting on climate spending was unreliable, since it involved significant approximation and tracked only the potential positive impact on climate without evaluating the final contribution to Union climate goals; notes with concern that the risk that the planned or committed amounts would not be spent, could further inflate reported climate spending; is worried that the Court found that only limited improvements are expected in the 2021–2027 climate reporting; regrets that the Commission has not yet addressed weaknesses in the reported figures of their new methodology; expresses its profound disappointment about the reaction of the Commission which indicates a lack of responsibility and a failure to fully recognise the shortcomings in its methodology; cannot accept the Commission's statement about 'agreeing to disagree' with Members of the discharge authority given the fact that, according to the Court, the amount reported as having been spent on climate action had been overstated by at least EUR 72 billion for the 2014–2020 period;
- 68. Is worried by the potential lack of comprehensive analysis of previous spending, including the Just Transition Fund; is of the opinion that comprehensive impact assessments are necessary to ensure the performance of the Union budget; considers the role of the Regulatory Scrutiny Board as fundamental; encourages the Commission to develop tools and procedures that allow for the efficient use of the expertise available to it; calls on the Commission to explicitly justify the cases where it diverges from the recommendations;

69. Notes that progress has been made in incorporating gender equality into the performance framework; notes with great concern that, in addition to numerous discussions of Parliament's Committee on Women's Rights and Gender Equality, the Court has identified weaknesses in gender mainstreaming; regrets that the Commission's first estimation of the overall contribution of the Union budget to promoting gender equality was affected by weaknesses; notes with concern that the Commission continues to implement Union's programmes with no spending targets and only a few indicators with regard to gender equality; calls on the Commission to continue promoting gender balance and a gender budgeting approach in the allocated funds; calls on the Commission to urgently develop a gender mainstreaming methodology in order to integrate a gender equality perspective in all policy areas;
70. Regrets that there is limited information available on the progress of Union programmes with regard to the SDGs; notes with concern that previous work from the Court shows that the Commission does not report on the budget's contribution to the SDGs; welcomes that the Commission has started reporting on the links between Union spending programmes and the SDGs;
71. Welcomes that the digital transition is a new priority; understands that the Commission has provided information on the contribution to the digital transition for specific programmes and awaits the most recent assessment by the Court on the reliability of the Commission's reporting on the implementation of this priority;

Recommendations

72. Strongly supports the recommendations of the Court in its Annual Report as well as in related special reports; calls on the Commission to implement them without delay and to keep the discharge authority informed on the progress of the implementation;
73. Furthermore, calls on the Commission to:
- (a) enhance performance reporting in the areas indicated above, including climate, gender mainstreaming and geographical balance;
 - (b) follow up on the Court's recommendations to better link the Union's expenditure to its climate, biodiversity, gender mainstreaming and energy objectives;
 - (c) provide a clear and comprehensive evaluation of the performance of the programmes in the Annual Management and Performance Report;
74. Stresses the fact that the discharge authority attaches great importance to the full and timely implementation of these recommendations by the Court and will assess the situation thoroughly in the next discharge report;

Revenue

75. Notes that the revenue of the Union budget comprises own resources, external assigned revenue mostly financing the RRF expenditure, and other revenue; notes that the gross national income-based own resource accounts for EUR 115,8 billion (48,2 %), budgetary guarantees borrowing and lending operations in the context of the NGEU account for EUR 55,5 billion (23,2 %), contributions and refunds connected with the Union agreements and programmes account for EUR 19,8 billion (8,3 %), traditional own resources account for EUR 19,0 billion (7,9 %), value added tax-based own resource accounts for EUR 17,9 billion (7,5 %), plastic packaging waste own resource accounts for EUR 5,9 billion (2,5 %), and other revenue accounts for EUR 5,7 billion (2,4 %);
76. Notes that the Court has examined a sample of 55 Commission recovery orders, designed to be representative of all sources of revenue, the Commission's systems for ensuring and managing the different own resources, the systems for traditional own resources (TOR) accounting and management in three Member States, and the reliability of the information on regularity contained in DG BUDG and Eurostat's annual activity reports;

77. Notes that the Court concludes that the level of error in revenue was not material; notes that the revenue-related systems examined were generally effective but that the key internal TOR controls in certain Member States and the management of VAT reservations and TOR open points at the Commission were found to be only partially effective due to persistent weaknesses;
78. Notes with concern that Customs duties are at risk of either not being declared or being declared incorrectly to the national customs authorities by importers; highlights that these evaded amounts, known as the 'customs gap', are not captured in Member States' TOR accounting systems and do not fall within the scope of the Court's audit opinion on revenue; notes with concern that the customs gap may affect the amounts of duties established by Member States; is worried that, according to the Court, for a third year in a row, the Union actions taken to reduce the gap and mitigate the risk that TOR are not complete; is worried that serious weaknesses have been persisting for several years in Member States' accounting and management of TOR; notes with concern the insufficient progress on a number of actions of the Commission's Customs Action Plan;
79. Welcomes that the number of open longoutstanding TOR points decreased significantly between 2019 and 2021, and that the Commission updated its procedure for processing TOR inspection results, encourages the Commission to include a system for ranking Member States' shortcomings in order of priority and to set deadlines for their follow-up actions based on Member States' replies;
80. Notes that for the sixth year in a row, DG BUDG has maintained the reservation that the TOR amounts transferred to the Union budget are inaccurate owing to undervaluation of textiles and shoes imported from China during the period from 2011 to 2017; notes that on 8 March 2022, the Court of Justice of the European Union published its final decision on the Commission's infringement case against the UK concluding that the UK failed to fulfil its obligations under Union law in respect of own resources;

Recommendations

81. Supports the recommendations of the Court in its Annual Report as well as in related special reports; calls on the Commission to implement them without delay and to keep the discharge authority informed on the progress of the implementation;
82. Furthermore, calls on the Commission to:
 - (a) improve the assessment of financial risks for TOR by implementing the relevant measures of its Customs Action Plan in a timely manner;
 - (b) ensure the protection of the Union budget by making general and systematic use of digital and automated systems for reporting, monitoring and audit and urgently establish an integrated and interoperable system building on, but not limited to, existing tools and databases;

Single Market, Innovation and Digital

83. Notes that the MFF heading 1 'Single Market, Innovation and Digital' accounts for 10,2 % or EUR 18,5 billion of the Union budget: of this amount, EUR 10,8 billion (58,7 %) is spent on research, EUR 2,6 billion (13,9 %) on Space, EUR 2,2 billion (11,8 %) on Transport, Energy and Digital, EUR 1,5 billion on InvestEU, and EUR 1,4 billion (7,4 %) on other areas;
84. Notes that the Court has examined a statistical representative sample of 130 transactions covering the full range of spending under this MFF heading, the regularity information in the annual activity reports of the Directorate General for Economic and Financial Affairs (DG ECFIN), DG RTD and REA, which is included in the Commission's AMPR, and selected IT systems of the Commission;

85. Notes with concern that the Court found that the estimated level of error in spending on 'Single Market, Innovation and Digital' was material, reaching 4,4 %, compared to 3,9 % in the previous year; is worried that the estimated risk at payment calculated by the Commission is 1,3 %, which is below both the materiality level and the range of estimated level of error of the Court; notes the Court's observation that, despite the measures already taken by the Commission, its error rate remains understated;
86. Notes that H2020 continues to represent the majority of projects in the Court's sample, notes that no Horizon Europe project has yet been selected for audit, remarks that H2020 and FP7 spending remain high risk and are a main source of the errors detected;
87. Notes with concern that the rules for declaring personnel costs under H2020 remain complex, despite simplification efforts, and their calculation remains a major source of error in the cost claims; regrets that one of the main causes of error is the incorrect application of the methodology for calculating personnel costs; welcomes the provision under its successor, Horizon Europe, of an increased use of lump sums and unit costs for personnel costs; believes, therefore, that the Commission should further foster and facilitate streamlining the declaration of personnel costs and promote a wider use of simplified cost options, as preconditions in order to stabilise error rates to below materiality level; draws attention to the Court's observation that private entities, in particular SMEs and new entrants, are prone to error;
88. Notes that, in 2021, specific support under the Single Market Programme produced results with regard to exchanges of good practice and success stories in supporting social economy initiatives at local and regional level and underpinning the European network of social economy regions; notes that, in 2021, the Commission ran a campaign to promote the 'Access to Finance' (A2F) website, a series of webinars on 'EU support instruments for SMEs' and a campaign dedicated to social communication platforms (Outreach to Businesses and Citizens) highlighting cross-border business support and opportunities for SMEs;
89. Takes note that the Court found, in its Special Report 15/2022 'Measures to widen participation in Horizon 2020 were well designed but sustainable change will mostly depend on efforts by national authorities' that while the design of the widening measures was mostly appropriate they can only kick-start progress in R&I performance; welcomes that the implementation of the widening measures faced challenges but shows first results; notes with concern that the Commission has made insufficient arrangements for monitoring the impact of widening measures; highlights the Court's conclusion that to avoid situations in which the bulk of widening projects goes to just a few countries, the Commission should closely monitor participation levels in widening measures under Horizon Europe and, if continuous significant imbalances emerge, introduce measures to achieve a wider pattern of participation;
90. Notes with concern that the Court, in its Special Report 07/2022 'SME internationalisation instruments', found that the Commission's implementation of the SME internationalisation strategy was incomplete; welcomes that the Enterprise Europe Network (EEN) is achieving its main targets but regrets that there is suboptimal visibility and coverage in third countries; notes that Startup Europe addressed important needs, but that the Court found that sustainability, monitoring and coordination are variable;

Recommendations

91. Supports the recommendations of the Court in its Annual Report, as well as in related special reports; calls on the Commission to implement them without delay and to keep the discharge authority informed on the progress of the implementation;
92. Furthermore, calls on the Commission to:
 - (a) simplify rules and procedures, develop compulsory training sessions and practical information for applicants, in particular new applicants, and improve the assistance and guidelines for SMEs, spin-offs, start-ups, administration and payment agencies and all other relevant stakeholders without compromising the quality of the controls;

- (b) issue guidance to beneficiaries on the specific differences, focusing on the eligibility aspects under HE, compared to H2020 and similar programmes;
- (c) ensure the protection of the Union budget by making general and systematic use of digital and automated systems for reporting, monitoring and audit; and urgently establish an integrated and interoperable system building on, but not limited to, existing tools and databases;
- (d) in the context of widening measures, aim for a more balanced participation of widening countries;
- (e) provide support, promote contacts between project beneficiaries and potential industrial partners, in particular through existing Union initiatives aiming to create links between research and business, and to further support the visibility of projects by encouraging beneficiaries to provide regular updates of project results and make them publicly available on the Union platforms established for that purpose;
- (f) increase awareness, coherence, and sustainability of the support to SME internationalisation; reiterates the need to simplify rules and procedures, develop compulsory training sessions and practical information for applicants, in particular new applicants, and improve the assistance and guidelines for SMEs, spin-offs, start-ups, administration and payment agencies and all other relevant stakeholders;

Cohesion, resilience and values

- 93. Notes that the MFF heading 2 'Cohesion, resilience and values' accounts for 44,1 % or EUR 80,1 billion of the Union budget: of this amount, EUR 45,5 billion (56,9 %) is spent on the European Regional Development Fund (ERDF) and other regional operations, EUR 19,4 billion (24,2 %) on the European Social Fund (ESF), EUR 9,7 billion (12,1 %) on the Cohesion Fund (CF), EUR 2,4 billion (3,0 %) on Erasmus+, EUR 1,0 billion (1,2 %) on CEF Transport, EUR 0,6 billion (0,7 %) on ESI and EUR 1,5 billion (1,9 %) on other areas;
- 94. Welcomes the increased take up in 2021, when EUR 56 billion in ERDF/CF funding was disbursed from the Union budget, compared with an average of EUR 40,6 billion in previous years, resulting in a spending rate of around 75 % at the end of November 2022 (compared to 67 % at the end of 2021); notes with satisfaction that, by the end of June 2022, almost 1 million projects (988 000) had been selected on the ground;
- 95. Points out that ERDF, CF and EUSF funding has played a central role in containing the fallout from the COVID-19 pandemic, encouraging convergence and ensuring that no one is left behind; notes the exceptional flexibility offered under the CRII+ and the resulting disbursement of around EUR 23 billion from the unallocated 2014–2020 budget appropriations; notes that additional REACT-EU funding of EUR 50,6 billion has also been earmarked for crisis repair and recovery measures up to 2023 to bridge the gap between initial crisis response and longer-term recovery;
- 96. Notes with satisfaction that REACT-EU was the first NGEU instrument to channel effective support towards the European economy, businesses and workers on the ground and that it provided, inter alia, over EUR 4,6 billion in the form of grants by way of working capital for over 754 000 SMEs, EUR 4,4 billion being specifically earmarked for healthcare measures to combat the COVID-19 pandemic and EUR 2 billion of this amount for the purchase of medical equipment for hospitals; notes that this essential funding has provided 13 200 ventilators and 12 500 hospital beds for intensive care units and that EUR 372 million in cohesion policy funding has gone to meet all vaccination costs, including 133 million COVID-19 vaccines and the necessary refrigeration infrastructure;
- 97. Notes with satisfaction that EaSI Financial Instruments (encompassing the EaSI Microfinance and Social Entrepreneurship Guarantee, the Capacity Building Investments Window and the Funded Instrument) continued in 2021 to support microenterprises and social enterprises, and that from its launch until 30 September 2021, guarantee agreements worth of EUR 401 million were signed and resulted in a total of 154 137 loans to micro- and social enterprises, with a total worth of EUR 2,5 billion; regrets, however, the late start of EaSI in 2021 as a result of the COVID-19 pandemic and other issues;

98. Notes that, on average, more than one out of five persons and one out of four children are still at risk of poverty or social exclusion in the Union; recalls the Union's commitment to supporting the most deprived people through FEAD and the ESF+, alleviating the worst forms of poverty in the Union, such as food deprivation, homelessness and child poverty; notes that about 13 million people, including approximately 4 million children under the age of 15, are supported by FEAD annually;
99. Welcomes the Commission's close cooperation with Member State authorities to speed up implementation on the ground, especially in the case of programmes considered to be in difficulty, and to help them address major problems in this respect; notes that the Commission provided early guidance to Member States to ensure that they had adequate time to prepare for the closure of the programming period and, in October 2021, adopted the relevant guidelines, which were transmitted to the Member States in the form of webinars and training courses;
100. Notes that the Court has examined a statistically representative sample of 243 transactions covering the full range of spending under this MFF heading; notes that the Court has examined the regularity information given in the annual activity reports of DG EMPL and DG REGIO and then included in the Commission's AMPR, as well as the work done by national audit authorities;
101. Notes with concern that the Court found that the level of error in spending on 'Cohesion, resilience and values' was material and for MFF heading 2, the estimated overall level of error was 3,6 %, compared to 3,5 % in the previous year; notes that spending under subheading 2a had an estimated level of error of 4,1 %; remarks that the Commission reported a combined risk at payment for heading 2 as a whole of between 1,7 % and 2,3 %, while for subheading 2a the Commission estimated the risk of at payment to be between 1,8 % and 2,5 %; draws attention to the difference in the figures between the Commission and the Court;
102. Welcomes that the Commission has improved its methodology for estimating maximum risk, but notes with concern that inherent risks remain in its assurance model; is worried that the Commission provides a minimum estimate for the level of error that is not final; notes with concern that the Court considers that the Commission's desk reviews may fail to detect and correct irregular expenditure and are of limited value in confirming the validity of the residual total error rates reported by audit authorities; is worried that the risk rating of audit authorities does not always influence whether they are selected for compliance audits;
103. Highlights that the most common source of errors found by the Court was ineligible costs, ineligible projects, and infringements of internal market rules, including non-compliance with public procurement rules and infringements of state aid rules;
104. Notes with concern that the Court's audit results over the last five years demonstrate that the controls currently in place do not yet sufficiently offset the high inherent risk of error in this area, and that this is particularly true for managing authorities, whose verifications are still partly ineffective for preventing or detecting irregularities in the expenditure declared by beneficiaries; regrets that the main contribution to the estimated level of error calculated by the Court in this area comes from weak decision-making by managing authorities, including the approval of ineligible projects or unlawful state aid;
105. Notes with concern that shortcomings remain in the way audit authorities perform and document their work; is worried that the Court found quantifiable errors that had not been previously identified by the national audit authorities in many cases when re-performing their audits;

106. Notes with concern that the Court, in its Special Report 08/2022 'ERDF support for SME competitiveness' found that Member States' use of the ERDF to improve SME competitiveness was not sufficiently targeted; is worried that the ERDF support did not significantly improve the competitiveness of SMEs supported, takes note of the Court's finding that supporting stand-alone projects limits the potential impact of the ERDF; notes with concern that ERDF selection procedures are not sufficiently competitive and most support is provided through grants rather than repayable aid;
107. Calls on the Commission to cease all funding of Islamism and organisations with ties to Islamism as well as campaigns glorifying or legitimising the Hijab;

Recommendations

108. Supports the recommendations of the Court in its Annual Report as well as in related special reports; calls on the Commission to implement them without delay and to keep the discharge authority informed on the progress of the implementation;
109. Furthermore, calls on the Commission to:
- (a) continue its cooperation with the Court in order to further harmonise data standards and align the interpretation of legal texts;
 - (b) make the use of IT tools such as EDES and Arachne mandatory and systematic for all Union funds including shared management and ensure better use of new technology in order to increase controls and protect the Union budget against fraud and misuse of funds;
 - (c) ensure the protection of the Union budget by making general and systematic use of digital and automated systems for reporting, monitoring and audit and urgently establish an integrated and interoperable system building on, but not limited to, existing tools and databases;
 - (d) report on the early preventive system audits (EPSA) performed at the beginning of the programming period, in order to confirm the effectiveness of the control systems in the Member States, including the system in place to prevent irregularities;
 - (e) work together with Member States' audit authorities, to ensure that the specific risk of double funding, especially with the RRF financing, is well covered by national audits; insists that the Commission performs thematic or compliance audits, tailored to target high-risk areas and/or Member States;
 - (f) simplify rules and procedures, develop compulsory training sessions and practical information for applicants, in particular new applicants, and improve the assistance and guidelines for SMEs, spin-offs, start-ups, administration and payment agencies and all other relevant stakeholders without compromising the quality of the controls;

Natural resources and environment

110. Notes that the MFF heading 3 'Natural Resources and Environment' accounts for 31,3 % or EUR 56,8 billion of the Union budget: of this amount, EUR 38,3 billion (67,3 %) is spent on direct payments under the European Agricultural Guarantee fund (EAGF), EUR 14,6 billion (25,7 %) on the agricultural fund for rural development (EARDF), EUR 2,5 billion (4,5 %) on market related expenditure under the EAGF, EUR 0,9 billion (1,6 %) on Maritime and Fisheries, EUR 0,4 billion (0,7 %) on Environment and Climate (LIFE), and 0,1 billion (0,2 %) on other areas;
111. Notes that 2021 was the first year of the two-year CAP transitional period in which the European Agricultural Guarantee Fund (EAGF) and European Agricultural Fund for Rural Development (EAFRD) packages forming part of the MFF 2021–2027 were used to implement the CAP under the transitional rules, while the rural development programmes for the 2014–2020 period were extended; notes also that EAGF funding of EUR 40,7 billion, budgeted for 2021 under the MFF 2021–2027, was committed and paid during the year; notes that, of the 2021 commitment appropriations for the EAFRD and the NGEU (EUR 17,7 billion), an amount of EUR 624 million was paid in 2021, while EUR 14 billion of the 2021 payments related to commitments entered into before 2021;

112. Regrets the insufficient use of the European Maritime Affairs and Fisheries Fund; stresses that out of an EMFF envelope of EUR 5,69 billion available in shared management for the 2014–2020 period only EUR 4,1 billion has been committed to the end of 2021, notes that the lack of use of the EMFF by its potential beneficiaries is probably due to the difficulty in submitting fund applications and the processing thereof, asks the Commission to analyse the reasons;
113. Notes that management and control systems have been adopted by the Member States to identify instances of dual funding and that procedures are in place to remedy such situations should they arise; notes also that, where weaknesses in controls and procedures are identified, the Commission may recommend improvements to the Member States and, where appropriate, make financial adjustments to protect the Union budget;
114. Notes that the Court has examined a statistically representative sample of 212 transactions covering the full range of spending under this MFF heading; notes that the Court also examined the regularity information given in the annual activity reports of DG AGRI and DG CLIMA and then included in the Commission's AMPR, as well as selected systems in Member States;
115. Notes with satisfaction that the Court found the level of error for 'Natural resources' to be close to the materiality threshold, estimated to be 1,8 % compared to 2,0 % in the previous exercise, and that the majority of the errors found affected rural development and market measure transactions; highlights that this figure is in line with the Commission's own estimations; remarks that DG AGRI estimated a risk at payment (adjusted error rate) of around 1,4 % for direct payments, 2,9 % for rural development and 2,1 % for market measures, which is in line with the findings of the Court; remarks that this alignment between the Court and the Commission error estimations is not present in other expenditure areas;
116. Highlights that the most common source of errors found by the Court was ineligible beneficiaries or expenditure, followed by administrative errors and a lack of respect for agri-environmental commitments; notes with concern that the Court found in several cases that the Member State authorities and the Commission had sufficient information to prevent, or to detect and correct, the error before accepting the expenditure; highlights that the Court considers that the estimated level of error for this chapter would have been 1,2 % lower if Member State authorities and the Commission (for direct management) made proper use of all the information at their disposal; takes note that the Court considers this an administrative error due to the failure to use available information;
117. Acknowledges that direct payments, which represent 67 % of expenditure, have a lower risk of error; notes that they are managed through the Integrated Administration and Control System (IACS), which incorporates the Land Parcel Identification System (LPIS); takes note that the Court considers that IACS, and the LPIS in particular, form an effective management and control system to ensure that direct payments as a whole are not affected by material error; notes with concern that the Court found that rural development, market measures and other payments, which represent 33 % of expenditure, have a higher risk of error;
118. Takes note that the Court, in its Special Report 14/2022 'The Commission's response to fraud in the Common Agricultural Policy' found that fraud risks vary between the CAP payment schemes; welcomes that the Commission has taken action on fraud spending; regrets that according to the Court, the actions taken by the Commission were not sufficiently proactive in addressing certain fraud risks, such as illegal 'land-grabbing'; emphasises that weaknesses in Member States' checks are prone to be exploited by the fraudsters and that the Commission should monitor national anti-fraud measures better; provide more concrete guidance, and promote the use of new technologies for preventing and detecting fraud; notes with concern that some paying agencies have indicated a need for more practical advice from the Commission;

119. Regrets that the Commission's actions to detect and counter fraud in the CAP payments does not lead to the substantial eradication of risks and abuses; urges the Commission to systematically assess the use of CAP payments by providing the list of the biggest beneficiaries per Member State and publishing it accordingly;
120. Notes with concern that the Court, in its Special Report 16/2022 'Data in the Common Agricultural Policy', found that current data and tools only partly deliver the information needed for well-informed policy-making at Union level; notes that the Court found that the Commission has various initiatives to make better use of existing data; regrets that the Court found that barriers remain in this area;
121. Notes with concern that the Court, in its Special Report 10/2022 'LEADER and community-led local development facilitates local engagement but additional benefits still not sufficiently demonstrated', found that local action groups facilitate local engagement but involve additional costs and slow approval processes; is worried that additional benefits of LEADER and community-led local development are still not demonstrated;
122. Recalls the importance of a fair CAP allocation, which from one side should avoid any misuse of funds in particular by politically prominent wealthy individuals, elites and big conglomerates, and on the other concentrate on active farmers, fully engaged in agricultural activity;

Recommendations

123. Supports the recommendations of the Court in its Annual Report as well as in related special reports; calls on the Commission to implement them without delay and to keep the discharge authority informed on the progress of the implementation;
124. Furthermore, calls on the Commission to:
 - (a) substantially simplify rules and procedures, develop compulsory training sessions and practical information for applicants, in particular new applicants, and improve the assistance and guidelines for SMEs, spin-offs, start-ups, administration and payment agencies and all other relevant stakeholders without compromising the quality of the controls;
 - (b) make better use and encourage the systematic use of AI and data from new technologies such as the Union owned Copernicus Sentinel satellites to monitor and control the correct use of all CAP funds;
 - (c) make use of the IT tools, Arachne and EDES, mandatory and systematic for paying agencies, as important tools that can be used to identify projects, beneficiaries and contractors at risk of fraud;
 - (d) ensure the protection of the Union budget by making general and systematic use of digital and automated systems for reporting, monitoring and audit and urgently establish an integrated and interoperable system building on but not limited to existing tools and databases;
 - (e) to present an amendment to the rules of the CAP aimed at preventing Union funds from being disbursed where land has been obtained by force or where ownership has been falsely declared;
 - (f) collecting and publishing data on the biggest CAP beneficiaries across Member States, including the integrated data from other Union funds;

Migration and border management, Security and Defence

125. Welcomes the creation of MFF heading 4 'Migration and Border Management' for the 2021–2027 programming period as this underlines the importance of the related issues for the Union as a whole and the Union budget in particular; notes that this heading in 2021 concerned EUR 2,5 billion in payments, from the Asylum, Migration and Integration Fund (EUR 1,2 billion), the Internal Security Fund – Borders and Visas (EUR 0,4 billion) and the European Union Asylum Agency, Frontex and eu-LISA (EUR 0,9 billion); notes that this expenditure mainly concerns the completion of projects and schemes outstanding from the 2014–2020 programming period;

126. Notes that MFF heading 5 'security and defence' concerned EUR 0,7 billion in payments, from the European Defence Fund (EUR 0,2 billion), the Internal Security Fund – Police (EUR 0,2 billion), the decentralised agencies (EUR 0,2 billion), and nuclear safety and decommissioning (EUR 0,1 billion);
127. Is concerned that, of the 28 transactions the Court examined, nine (32 %) were affected by errors, that the Court quantified six errors which had an impact on the amounts charged to the Union budget, and that the Court also found six cases of non-compliance with legal and financial provisions, with no impact on the Union budget;
128. Notes that the Court also reviewed the work done by three Member States' audit authorities that audited their Member States' AMIF/ISF annual accounts; regrets to note that the Court identified shortcomings in their reporting, related to audit work done on a selection of projects, procurement procedures, inadequate testing of eligibility of expenditure and insufficient audit trail or poor documentation, resulting in failure to detect ineligible expenditure, unreliable audit conclusions and limited assurance from the audit authorities' work; notes that the Court has formulated recommendations to address the issues identified;
129. Notes from the Commissioner's replies to written questions that SMEs participate in calls from the EDF and make up 43 % of the entities involved in selected proposals; notes that the Commission provides general technical support to potential beneficiaries of funds from the European Defence Fund through the Funding and Tenders Portal; notes further that the Commission considers that participation of SMEs in calls from the EDF are supported through simplified cost options, which benefit all participants, and organisation of information days; considers that, for SMEs, this might not be sufficient given the problems encountered by these enterprises, that mainly relate to a lack of specific knowledge of Union funding and administrative capacity;
130. Notes with satisfaction that, in the first year of EDF calls for proposals (2021), 692 'single' entities from all Member States (except Malta) and Norway were involved in the final procedure leading to the selection of 61 proposals, indicating both the high level of participation and the level of cross-border cooperation; also notes that, on average, entities from around eight Member States were involved in a proposal selected for funding;

Recommendations

131. Supports the recommendations of the Court in its Annual Report as well as in related special reports; calls on the Commission to implement them without delay and to keep the discharge authority informed on the progress of the implementation;
132. Furthermore, calls on the Commission to consider the activities employed by the Common Implementation Center in RTD for the Horizon Europe Funds in support of SMEs, such as webinars and coordinator days, and copy successful elements of the Common Implementation Center in RTD's approach to the EDF, notably to give more specific knowledge of Union funding to SMEs and decrease the administrative burden for them;
133. Calls on the Court to consider reflecting the different MFF headings in its Annual Report by dedicating a specific chapter to each heading;

Neighbourhood and the world

134. Welcomes the adoption of NDICI-Global Europe in 2021 as the main funding instrument under this MFF heading, with its objective of upholding and promoting Union values, principles and fundamental interests worldwide, and helping to promote multilateralism and stronger partnerships with non-Union countries; notes that NDICI-Global Europe reflects a major change compared to the 2014–2020 MFF, with the integration of cooperation with African, Caribbean and Pacific partner countries, previously financed by the European Development Funds, into the Union general budget; regrets that a more integrated approach in global development projects is missing;

135. Recalls that the Directorate-General for Development Cooperation (DG DEVCO) was reorganised on 16 January 2021 and became the Directorate-General for International Partnerships (DG INTPA); welcomes the consolidation of resources in the area of international partnerships with the introduction of NDICI – Global Europe and also via the Team Europe approach;
136. Notes that, in 2021, payments for ‘Neighbourhood and the world’ amounted to EUR 10,9 billion; notes that these payments were disbursed using a variety of instruments and delivery methods; notes with concern that the Court qualifies the risk of error in this MFF heading as ‘high’, with 32 out of 67 transactions audited (48 %) affected by errors;
137. Notes that the Court found 12 cases of non-compliance with legal and financial provisions, which, although they did not have an impact on the Union budget, they nevertheless undermine sound financial management and have the potential to render costs ineligible; notes that these cases of non-compliance relate to the selection of projects and application of procurement rules and submission of supporting documentation for cost claims;
138. Notes the results of the seventh study on the Residual Error Rate (RER) carried out in 2021 by DG NEAR, and in particular the overall RER that was found to be 1,05 %, below the materiality threshold of 2 %; notes the limitations that the Court identified regarding the methodology of determining the RER, in particular that a substantial share of DG NEAR’s expenditure is not considered in the sampling population of the RER, which the Court considers carries the risk of errors remaining undetected; is in particular worried that DG NEAR did not disclose those limitations in its 2021 Annual Activity Report;
139. Notes the results of the RER Study for 2021 performed by DG INTPA, which distinguishes a RER for funds implemented under the Union budget (1,45 %) and the European Development Funds (0,91 %); welcomes that DG INTPA addresses the recommendations of the Court as regards the audit observations concerning the RER; notes the explanations provided by DG INTPA on its RER methodology and the distinction between the RER and the audit work done, and conclusions derived from that work, by the Court; is however worried that the fundamental critique of the Court on the methodology, and in particular the related decisions on reservations, remain;
140. Deplores the problematic and hateful material in Palestinian school textbooks and study cards which has still not been removed; underlines that education and pupils’ access to peaceful and unbiased textbooks is essential, especially in the context of the rising implication of teenagers in terrorist attacks; stresses that financial support from the Union for the Palestinian Authority in the area of education shall be provided on the condition that textbook content is aligned with UNESCO standards, as decided upon by Union education ministers in Paris on 17 March 2015, that all anti-Semitic references are deleted, and examples that incite hatred and violence are removed, as repeatedly requested in the resolutions accompanying the discharge decisions in respect of the implementation of the general budget of the European Union for the financial years 2016, 2018, 2019 and 2020; therefore requests the Commission to closely scrutinise that the Palestinian Authority (PA) modifies the full curriculum expeditiously;
141. Is concerned about the destruction and confiscation of Union-funded projects in the West Bank; recalls the position of the Council, expressing its commitment to ensure that all agreements between Israel and the Union must unequivocally and explicitly indicate the inapplicability to the territories occupied by Israel since 1967, as well as to continue the effective implementation of existing Union law and bilateral arrangements applicable to settlement products;

142. Points out the implementation difficulties of the consortium-led project Jordan Industry 4.0 & Digitalization Innovation Centre (InJo4.0); highlights that the project lacks clear governance and administration, and that the lead consortium partner has dominated the project resources in such a way that partners had only very restricted or no access to the project resources, with two partners already deciding to leave the project; furthermore, due to a clear conflict of interest on the part of the project lead, who acts as the coordinator of the project, and the fear of a monopoly in favour of the coordinator's company through the appropriation of all intellectual property, questions the Commission's ability to manage the project; calls on the Commission to conduct an independent audit to get a clear overview of the issues on the ground, ensure the legal and transparent implementation of the project and develop safeguards for future projects to avoid the appropriation by a single company as well as transparent communication channels for projects in third countries;
143. Notes the importance of linking the rule of law conditionality, as well as the alignment with the Union's Common Foreign and Security Policy; reiterates that IPA III funding shall be strictly linked to these criteria and funds shall not be disbursed to the Western Balkans countries unless these criteria are clearly met, as underlined in the Court Special Report 01/2022 'EU support for the rule of law in the Western Balkans';
144. Recalls that development and cooperation policy are meant to eradicate poverty and reduce inequality and that funds should reach only their intended beneficiaries;

Recommendations

145. Supports the recommendations of the Court in its Annual Report as well as in related special reports; calls on the Commission to implement them without delay and to keep the discharge authority informed on the progress of the implementation;
146. Furthermore, calls on the Commission to:
- (a) reconsider the exclusion of the categories of expenditure that the Court identified and to clearly disclose the limitations of its RER methodology;
 - (b) better communicate the error rates it presents vis-a-vis the error rate presented by the Court, better explaining the differences and clearly stating that the Commission supports the Court's error rate, and provides its own calculations in order to give a more detailed analysis that looks into the root causes of the errors;
 - (c) ensure that future partnership agreements are based on the principles of transparency, solidarity, shared responsibility, respect for human rights, the rule of law and international humanitarian law, concretely by conducting *ex ante* human rights' impact assessments before engaging in projects in third countries, as well as monitoring throughout the implementation phase and making results available to the discharge authority;
 - (d) comply with Regulation (EU) 2021/947 of the European Parliament and of the Council (?) by ensuring that migration-related spending in NDICI is indicatively 10 % of the instrument; ensure full transparency, by establishing a clear overview of all instruments within the Union budget used to finance cooperation with third countries in the field of migration management, including information on the amount, purpose and source of funding, as well as providing detailed information on any other potential support measures provided by Union agencies, such as Frontex, in order to ensure that the discharge authority can effectively perform its institutional role in exercising scrutiny of the implementation of the Union budget;
 - (e) make the list of all final beneficiaries and projects available to auditors and the Discharge Authority and to strengthen Commission's efforts on the collection of information on final recipients of Union funding at the Commission level; calls on the Commission to ensure that individuals or groups affiliated, linked to, or supporting terrorist organisations are excluded from Union funding;

(?) Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, p. 1).

- (f) increase coherence and sustainability of the NDICI-Global Europe funding;
- (g) provide a comprehensive overview of spending under the new Global Gateway programme and simplify the existing instruments in order to mainstream Union priorities under the Global Gateway;

European public administration

- 147. Notes that MFF Heading 7 'European Public Administration' accounts for 5,9 % or EUR 10,7 billion of the Union budget, which comprises expenditure on human resources and pensions, which, in 2021, accounted for about 68 % of the total, and on buildings, equipment, energy, communications and information technology; of this total amount, EUR 6,3 billion (58,5 %) is spent by the Commission; and the rest by other Union institutions and bodies; notes that the Court reports separately on the Union agencies, other entities and the European Schools; highlights that the Court's mandate does not cover the financial audit of the European Central Bank;
- 148. Notes that the Court examined a statistically representative sample of 60 transactions covering the full range of spending under this MFF heading; notes that the Court also examined the regularity information given in the annual activity reports of all the institutions and bodies, including those of the European Commission's directorates-general and offices primarily responsible for administrative expenditure, and then included in the Commission's AMPR, among others;
- 149. Notes with satisfaction that the Court concludes that the level of error in spending on 'European public administration' was not material; notes that there are no new recommendations addressed to the Commission;
- 150. Welcomes that the Court found, in its Special Report 18/2022 'EU institutions and COVID-19', that the institutions' business continuity plans mostly followed recognised standards and provided a basis for their response to the crisis; welcomes that the institutions managed to minimise disruption to their core activities; takes note that the assessment of the efficiency of the new ways of working in a post-crisis environment has started;
- 151. Notes with concern that the Court found, in its Special Report 17/2022 'External consultants at the European Commission', that there are significant gaps in the framework governing the engagement of external consultants and justifying their use; takes note that procurement procedures were complied with, but specific risks are still not well managed; is worried about the weaknesses detected with regard to the way in which external consultants' services are managed and used; is worried about the partial accuracy of the Commission's management information and its weak systematic reporting;

European Schools

- 152. Notes with satisfaction that the Court found no material errors in the final consolidated annual accounts of the European Schools for 2021; welcomes the improvements highlighted by the Court in the individual and consolidated accounts;
- 153. Notes with concern the weaknesses detected in the internal control systems of the Central Office and of the two schools selected by the Court, in particular as regards their recruitment, procurement, and payment procedures; notes with concern that the Court is unable to confirm that the Schools' financial management in 2021 was fully compliant with the Financial Regulation and the Staff Regulations;

Recommendations

- 154. Supports the recommendations of the Court in its Annual Report as well as in related special reports; calls on the Commission and the Central office of the European Schools in their respective remits to implement them without delay and to keep the discharge authority informed on the progress of the implementation; calls for full Parliamentary scrutiny of the European school system in order to increase accountability and improve governance;

155. Furthermore, calls on the Commission to:

- (a) continue its work in order to ensure gender equality at all levels of management by the end of the current Commission mandate and to report gender-disaggregated data;
- (b) continue its work to ensure a fair geographical balance of its staff at all levels, especially at senior management level, where strong imbalances persist, while at the same time fulfilling the requirements in the Staff Regulations regarding competences and merits of candidates; stresses that according to the Article 27 of the Staff Regulations of Officials, the Commission, like all Union institutions, must ensure that all Member States are proportionally represented;
- (c) take all necessary steps to continue building a more diverse and inclusive work environment and culture by taking actions in favour of people with disabilities, including improvements in the access to buildings;
- (d) provide an analysis on the effects of employing an increasing number of contract agents, which the Parliament has constantly expressed concerns about;
- (e) set clear rules on revolving doors in particular for Commissioners and senior former officials engaging in new activities after leaving the service, also in the agencies;
- (f) be at the forefront of whistle-blower protection, laying the foundations for more uniform regulation across all institutions, based on best practices and higher standards;

COVID-19 related support

156. Regrets that the Commission has still not produced a comprehensive report on COVID-19-related expenditure under the Union budget;
157. Takes note that the Court, in its Special Report 28/2022 'Support to mitigate Unemployment Risks in an Emergency (SURE)', found that the SURE instrument was a timely response in mitigating the risk of unemployment during the COVID-19 pandemic and that it entailed a limited financial risk to the Union budget; welcomes that SURE loans helped to finance the national job retention schemes to contain the rise of unemployment during the COVID-19 crisis; regrets that the impact of SURE cannot be fully assessed because of limitations in the monitoring of data and the lack of an *ex post* evaluation; calls on the Commission to significantly improve the monitoring of data and dedicate much needed resources to allow for the reliable assessment of the results and outcomes of its programmes and policies; stresses the fact that a constant lack of *ex post* assessments does not provide for a fact-based planning of the next Union's budget;
158. Takes note that the Court, in its Special Report 19/2022 'EU COVID-19 vaccine procurement', states that the Union has created a tailor-made procurement system for COVID-19 vaccines; notes that negotiations secured a diversified vaccine portfolio for Member States; notes that the Commission supported contract implementation but had limited leverage to overcome supply challenges; regrets that further information related to the content of these contracts has not been provided by the Commission to the Court; stresses the obligation of every Union Institution, Member State and public or private recipient of Union funds to disclose all relevant documents, including information on the preliminary negotiations conducted by the Commission, upon an official request of the Court as part of an ongoing audit; recalls the European Parliament's recommendation, in its 2020 discharge resolution, related to the access to text messages exchanged with a pharmaceutical company regarding the purchase of a COVID-19 vaccine;
159. Views as regrettable the fact that the Commission has still not provided, in a transparent manner, information on the negotiations that took place with vaccine manufacturers, hence leaving room for suspicion; welcomes, once again, the decision of the European Ombudsman to ask the President of the Commission for clear and concrete information on the negotiations that took place with vaccine manufacturers, and for greater transparency in respect of the contracts concluded;
160. Considers it regrettable that the President of the European Commission did not come to the hearing with the specialised committees of the European Parliament so as to provide concrete answers to Members directly elected by the citizens of Europe, which represents a lack of provision of information to citizens;

Recommendations

161. Supports the recommendations of the Court in its Annual Report as well as in related special reports; calls on the Commission to implement them without delay and to keep the discharge authority informed on the progress of their implementation;
162. Furthermore, calls on the Commission to:
 - (a) report comprehensively on the COVID-19 related expenditure and report back to the discharge authority, including a presentation of vaccine procurement contracts;
 - (b) verify that COVID-19 vaccine manufacturers comply with the terms of advance purchase agreements, in particular as regards production cost estimates, the use of upfront financing and, where applicable, no-profit clauses, and take corrective action as necessary and keep the Discharge Authority fully informed;
 - (c) participate in hearings in the European Parliament regarding the negotiations and contracts with the vaccine manufacturers;

CHAPTER II

Recovery and Resilience Facility (RRF)**General remarks**

163. Stresses that the outbreak of the COVID-19 pandemic abruptly changed the economic and social outlook of the Union, requiring a united effort, resulting in the agreement in December 2020 on the recovery package for Europe, including the RRF, as well as on the MFF 2021–2027; recalls that the RRF is a temporary recovery instrument based on performance, i.e. payments are linked to the satisfactory fulfilment of milestones and targets related to reforms and investments included in the national RRFs; stresses that although the RRF is funded by issuing debt, highlights that the Recovery and Resilience Facility Regulation (RRF Regulation) provides that the RRFs must reach targets for climate and digital expenditure and contribute appropriately to policy areas of Union relevance; recalls that each national plan should effectively address all or a significant subset of challenges identified in the European Semester, particularly the country-specific recommendations adopted by the Council; stresses the added value of the RRF supporting an unprecedented agenda of reforms and investments to address the specific challenges Member States are facing;
164. Notes that the Commission approved 22 national RRFs in 2021, committing EUR 154 billion in loans and EUR 291 billion in grants; notes that the Commission disbursed pre-financing for loans with a total value of EUR 18 billion, with the biggest two recipients being Italy (EUR 15,9 billion) and Greece (EUR 1,65 billion); recalls that the Council's approval of the national RRFs enabled the Member States to receive pre-financing of up to 13 % of the financial contribution; notes that the Commission disbursed pre-financing for grants with a total value of EUR 36,3 billion, with the biggest two recipients being Spain (EUR 9,04 billion) and Italy (EUR 8,95 billion); notes that the Commission disbursed one payment, to Spain, with a value of EUR 10,0 billion; notes that the payment to Spain was accompanied by the clearing of EUR 1,5 billion of pre-financing of the EUR 9,04 billion received as pre-financing by that Member State, in accordance with Article 5(3) of the financing agreement between the Commission and the Kingdom of Spain;
165. Notes the Commission's activities in relation to issuing securities on the international capital markets necessary to fund the RRF, for which the Commission raised, by the end of 2021, EUR 71,0 billion of long-term funding and EUR 20 billion of short-term funding; notes the issuing of the first NGEU green bond with a value of EUR 12,0 billion, that requires implementation of reporting on the precise use of proceeds of green bonds and on the impact of investments; recalls the issues concerning performance reporting identified by the Court and the reputational and financial risks that this can bring for the green bonds; considers that the first interest costs have been incurred for these borrowed amounts, including a negative interest rate of over EUR 20 billion in deposit at the ECB; notes the introduction of interest rate risk for the Union budget because of the NGEU's funding needs;

166. Notes the Court's observation in its 2021 Annual Report concerning the RRF and the only payment made in 2021, to Spain; notes that the Court examined the Commission's *ex ante* work on all milestones associated with this payment, assessing whether the Commission had gathered sufficient and appropriate evidence to support its assessment of satisfactory fulfilment of the milestones included in the payment request; observes that the Court did not examine other payments in 2021; observes with concern the fact that it will not be possible for the Court to assess all milestones associated with future payments to all Member States, which will have an impact on its future analyses; nonetheless suggests to the Court to include, in its sample for 2022, milestones and targets for all payments made in 2022;
167. Takes note of the Court's conclusion that, for the payment made to Spain in 2021, one of the milestones was not satisfactorily fulfilled; regrets to note that the Court was not able to quantify this error because of the need for the timely development of a methodology to quantify the impact of (partially) not achieving a milestone or target; notes the Commission's Internal Auditor observed and emphasised the absence of this methodology in its 2021 Overall Opinion on Commission financial management; regrets that the Commission did not have a stronger methodology in place before making payments; considers it as negligence on the part of the Commission to not have this methodology in place before making payments, as this calls into question the Commission's assessment of the satisfactory fulfilment of milestones and targets; welcomes however, that the Commission, following repeated calls by the discharge authority and the Court, on 21 February 2023, adopted a communication on the RRF including two annexes containing a framework for assessing milestones and targets under the RRF Regulation and a Commission methodology for the determination of payment suspension under the RRF Regulation;
168. Commends the Commission's work in rectifying the absence of a methodology for the first 23 payments from the RRF; notes that the methodology should allow the Commission to determine the amount to be suspended if a milestone or target is not satisfactorily fulfilled, in full respect of the principles of equal treatment and proportionality; observes that the calculation of the suspended amount will reflect both the performance-based nature of the RRF and the unique combination of reforms and investments, as well as the fact that not all measures contribute equally to the realisation of the objectives of a NRRP; notes however that the framework for assessing milestones and targets lacks explanations, for example why the verification mechanism and monitoring steps as described in the operational arrangement should not be considered for the assessment and why the *de minimis* threshold is defined as 'around a 5 % or less deviation'; underlines that the definitions of 'satisfactory fulfilment' of the relevant milestones and target are defined through terms, which lack a clear definition and contain subjective elements such as 'minimal deviation from a formal requirement', 'limited and proportional delays' and 'minimal deviation from a substance requirement'; asks that further clarifications are given in this regard and calls for a clear and comprehensive approach when assessing deviations in order to ensure they are limited to the necessary extent; believes that the payment suspension methodology should be further improved as regards the investment component to better link the respective milestones and targets to the real cost incurred; highlights that there should be an ongoing assessment of the progress made in order to ensure that the fulfilment of milestones and targets is not largely delayed;
169. Notes that the methodology for the determination of payment suspension does not provide an explanation for the values chosen as coefficients and also contains subjective elements, such as the upward or downward adjustments of the corrected unit value and terms that lack clear definitions, such as investments of 'major importance' or reforms of 'particular importance'; asks that further clarifications are given;
170. Notes the conclusions following the mission of the Budgetary Control Committee to Spain on 20–23 February 2023, whereby the difficulties with the full implementation of the management and control platform for the Spanish RRF funds, CoFFEE, were acknowledged, especially in relation to the lack of interoperability with regional and Union platforms and the fact that the system was not fully operational; notes that the Commission evaluated the related milestone in the Spanish Recovery Plan as satisfactory fulfilled, with full functionality, at a time when this was not yet the case; acknowledges that the Commission requested supplementary information and identified weaknesses with regard to the collection of information; acknowledges that the system has the potential to be a strong internal control system for the central government; recommends that the system should be improved in terms of interoperability with relevant systems at Union, national and regional level; underlines that transparency should be increased so that regions are enabled to share best practices and to make adequate information and aggregated digital data easily accessible to the public with modern search functionalities;

171. Notes that the Commission's Internal Audit Service started an audit engagement as regards the NGEU programme in 2021; notes that, following the work done, the Internal Auditor also draws attention, in its 2021 Overall Opinion on the Commission's financial management, to the need to continue work on control design and implementation of appropriate financial management and audit and control strategies; considers the Internal Auditor to be an essential element of internal checks and balances within the Commission and that independent and objective information derived from its own audit activities is indispensable for the Internal Auditor to function effectively; points out that according to international internal audit standards the Internal Audit Service should consider better coordinating its work with the Court as external auditor;
172. Recalls the CONT committee's opinion to the Committee on Budgets and the Committee on Economic and Monetary Affairs on the proposal for a European Parliament and Council Regulation establishing the RRF; recalls the call therein for a list of all final recipients and projects of the Facility in full compliance with data protection requirements as well as to keep records of the economic operators and their beneficial owners for the purpose of audit and control; considers that Article 22(2)(d) of the RRF Regulation puts the requirement on the Member States to keep these records (i) for the purpose of audit and control; and (ii) to provide for comparable information on the use of funds; notes, furthermore, that the provisions in Article 22(3) call for making the data concerned at the Commission's disposal available in the framework of discharge for the discharge authority; notes that this data may be requested by national control, investigative and audit bodies or, at Union level, as per Article 22(2)(e) of the RRF Regulation to the Commission as well as OLAF, the EPPO and the Court; regrets the lack of information on the protection of the Union's financial interests while disbursing payments;
173. Welcomes the agreement reached in the inter-institutional negotiations on the RePowerEU Regulation amending the RRF Regulation to make it mandatory to publish bi-annually the 100 biggest recipients of RePowerEU and the RRF for each Member State by February 2024; notes that, in the guidance adopted on 1 February 2023, the Commission has invited the Member States to publish such a list as soon as April 2023 to increase the transparency of the RRF; considers however that this does not replace the requirement to provide the list of all final recipients and projects to auditors and the discharge authority for every financial year;
174. Notes that the Commission services implementing the NGEU, cohesion and rural development programmes informed the discharge authority that they have coordinated *ex ante* to avoid double funding of activities potentially eligible under these programmes; considers that *ex post* checks at the level of the final recipients by the Member States are indispensable in identifying double funding; reiterates the importance of having a single mandatory integrated information and monitoring system at Union level providing interoperability between Union and national systems, to, inter alia, identify cases of double funding and misuse of funds across Member States;
175. Notes the Commission's approach to adherence to procurement and state aid rules in the investments under the RRFs to rely on national systems, and revert to infringement procedures when cases of non-compliance in Member States are detected; considers that this does not necessarily target the recipients that enjoyed an unfair advantage of the cases of non-compliance; acknowledges that, in line with the national RRFs, the first responsibility in this regard lies with the Member States that are obliged to put in place suitable control systems and compliance with all relevant national and European legislation, including procurement and state aid rules; recalls the repeated findings by the Court as reflected in previous discharge reports that the work of certain national authorities or certifying bodies is too error-prone and unreliable; stresses therefore that the Commission has the residual responsibility to make sure that effective and efficient internal control systems ensuring compliance with all Union and national rules, including, in particular, public procurement and state aid rules, and rules to prevent and detect fraud, corruption, conflicts of interest and double-funding are in place, and to step in where Member States do not act as required by the RRF Regulation including through partial payments when there is non-compliance with public procurement; welcomes in that regard the Commission's audit strategy and the launch in 2022 of system audits on the Protection of Financial Interest of the EU in 16 Member States, as well as the plans to cover all Member States by the end of 2023;

176. Is concerned that differences in the quality of controls and the complexity of the control systems applied by the Member States may result in deficiencies in the internal control system for the funds available under the RRF in Member States; is worried by the Court's observation in its Opinion 04/2022 on the Commission's proposal for the REPowerEU chapters in the RRFs about the lack of an effective fraud reporting mechanism that would permit continuous monitoring and supervision of the protection of the Union's financial interests with regard to the RRF; is concerned by the Court's observation that Member States have no obligation to report suspicions of fraud in the RRF to the Commission through the Irregularity Management System and to the EPPO as foreseen in the relevant regulations; is concerned by repeated warnings by OLAF, the EPPO, Europol and other competent bodies that a less effective internal control system could attract misuse, fraud and organised crime;
177. Recalls that the RRF must be implemented by the Commission in direct management in accordance with the relevant rules adopted pursuant to Article 322 TFEU, in particular the Financial Regulation and Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council⁽⁷⁾; reiterates that the effectiveness of the rule of law conditionality mechanism in part rests on information stemming from audits and investigations at Union level and not having this information available could negatively influence the effectiveness of the mechanism;
178. Is concerned about the insufficient involvement of local and regional authorities in the preparation of the national RRFs and their little influence on the final version of the national RRFs; emphasises that there should be an inclusive approach, including through a co-governance approach, in all Member States to guarantee that local and regional authorities, civil society organisations, social partners, academia or other relevant stakeholders are adequately involved in the design and implementation of the national RRFs; calls for their involvement based on clear, fair, transparent and non-politicised principles, in the implementation of the national RRFs to the maximum extent possible under the national legislative framework;
179. Calls on the Commission to ensure that Member States apply a zero-tolerance approach to corruption in order to protect the financial interests of the Union, including strong *ex ante* controls to prevent and detect embezzlement, fraud and conflicts of interest, without any exception;

Reporting on implementation of the RRF

180. Notes the Commission's reporting on the implementation of the RRF on the RRF scoreboard, as stipulated by Article 30 of the RRF Regulation; notes that most of the reporting so far, in particular on the common indicators, is about expected results and not about achieved results; recalls that this same issue was identified by the Court in its Special Report 09/2022 on Climate Spending;
181. Notes the RRF scoreboard on which the Commission reports progress on the implementation of the RRF; considers the information presented as useful given the amount of information available; commends the inclusion of a detailed list of fulfilled milestones and targets that displays the achieved progress across Member States and policy pillars; considers, however, that it should be further developed to include additional information on the progress and actual performance of the RRF; considers that actual achieved progress on the indicators, not just budgeted or expected, should be presented in a readable way;
182. Calls on the Commission to initiate a dedicated and detailed Scoreboard for the Rule of Law milestones, taking into account the reforms of Member States and the degree to which they comply with the milestones and CJEU case law, with the input of all competent Commission services and independent academic and civil society contributions;

⁽⁷⁾ Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433 I, 22.12.2020, p. 1).

183. Acknowledges that the RRF scoreboard contains a complete and useful repository of official documents that gives insight into the most important agreements reached with the Member States in the national RRFs and related documents, such as the Commission preliminary assessment of payments to Member States; notes that the RRF Regulation allows for tracing financial flows from Union-level to the level of the Member States as beneficiaries of the RRF according to Article 22(1) of the RRF Regulation, in particular the grants and loans allocated and disbursed to each Member State, and thus allows for the provision of an overview of the actual implementation of the RRF at that level; recalls that the RRF Scoreboard does not allow for tracing financial flows from Union-level to final recipients in the Member States and does not provide a clear overview of the actual implementation of the RRF in that regard;
184. Recalls Article 4(2) of the RRF Regulation states that the specific objective of the RRF is to provide Member States with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their RRFs; understands that it is prohibited with certainty that money from the RRF is used to replace national recurring budgetary expenditure in accordance with Article 5(1) of the RRF Regulation; is however worried by the first indications that it cannot be excluded that money from the RRF is used to replace national expenditure in a number of Member States; considers an analysis of national expenditure is necessary to see to what extent the funding made available through the RRF has been truly additional and was not used to substitute recurring national expenditure, recalls that, in line with the RRF, at this stage there is no information available on what happened to pre-financing received by Member States for which no investment related costs were incurred yet; calls on the Commission to perform relevant audits and controls to certify additionality; notes, in addition, that the Commission developed guidelines to frame the interpretation of double funding and provided Member States with clear information to ensure synergies and avoid double funding; notes further that Member States report on the funding received from other funds for the measures under the RRF;
185. Recalls that keeping documentation supporting payments is an important principle of sound financial management; is worried by the finding of the Court that the audit trail was insufficient to cover all elements considered relevant in the assessment process in the case of two milestones for the first payment request; recalls in particular the Court's findings regarding milestone 215 and the Commission's reply to this finding, explaining that the Commission's positive assessment was based on an analysis of the content of the DATAESTUR website, including screenshots taken in October and November 2021; notes that the Commission's recognised that the registration of these screenshots did not take place in line with the internal guidance and that improvements in record-keeping could be made; recalls the written question of the discharge authority requesting this analysis and the reply from the Commission that it did not write an analysis, nor a detailed report on this matter, but that 'several Commission staff reviewed the DATAESTUR site and confirmed that the required information was present'; notes that this may not be in line with the principle of sound financial management;
186. Acknowledges that the Commission established a dedicated IT tool for Member States' reporting on the implementation of the RRFs ('Fenix'); is concerned however that the Court's access to this system is limited both in terms of the number of people having access as well as the scope of the access; welcomes that the Commission has created a functionality in Arachne that allows for data on investments and targets from the RRF to be fed into the tool; urges Member States to upload complete and comprehensive data on the RRF into Arachne;
187. Takes note that the declaration of assurance of the Directorate-General for Economic and Financial Affairs (DG ECFIN) for 2021 is different from the declaration of assurance of all other Directorates-Generals; notes that the declaration concerns the legality and regularity of the underlying transactions, which are aligned with the other Directorates-General; notes further the addition of 'the implementation of Article 22(5) of the RRF Regulation'; notes the Commission's reply to written questions from the discharge authority that 'it is different only in format but not as regards the level of assurance provided'; also notes that in accordance with Article 22(5) of the RRF Regulation, and in line with the performance-based approach, the obligation to protect the Union's financial interests lies with the Member State; notes, moreover, the Commission's reply that it ensures, both through an initial assessment of each recovery and resilience programme and through audits of the systems that Member States have put in place to

protect the financial interests of the Union, that each Member State implements the necessary monitoring and control systems; emphasises that contrary to the declaration of assurance of all other Directorate-Generals, the one by DG ECFIN does not ensure compliance of the underlying transactions with all Union and national rules at final recipient or project level; concludes that the declaration of assurance by the Commission as guardian of the Treaty, in particular as regards protecting the Union's financial interests and accountability towards taxpayers, must be trustworthy and cannot leave room for doubt of the Commission evading its responsibility through the diverging declarations of individual authorising officers;

Relation between Cohesion and RRF

188. Notes the Court's observations in its Review 01/2023 on Union financing through cohesion policy and the RRF that address the complementarity of both funding stems; notes in particular that during the 2014–2020 period, the European Regional Development Fund and the Cohesion Fund already provided an equivalent of around 10 % of total public investment across the EU-27 and that the RRF will further increase the share of Union-financed public investments in Member States; recalls in this regard the Court's finding that the absorption rate for the Cohesion Fund was exceptionally low in 2021, explained by the combined impact on the managing authorities of the late adoption in mid-2021 of the CPR and fund-specific regulations, the programming of REACT-EU, and the implementation of other emergency measures;
189. Notes the Court's conclusion that in Member States where the share of Union-financed investments is already high, the additional RRF funding may further add to the pressure on Member States' ability to spend the funds available to them; recalls that the RRF is implemented under direct management, while cohesion policy funds are implemented under shared management, which means that Union and Member State authorities have different responsibilities in connection with each source of funding; is worried that because of the different delivery methods, with direct management for the RRF and shared management for the cohesion policy, the more straight forward implementation method of the RRF may 'crowd-out' the more complex funding through cohesion; notes that this will be to the detriment of the involvement of local authorities and regions, civil society organisations and economic and social partners in Union funding; notes the risk that some Member States may not have sufficient administrative capacity to handle the burden of parallel administrative systems; notes that such strain on the administrative capacity was observed during different hearings and missions of the CONT committee; is also worried that the NGEU might potentially lead, in some Member States, to a renationalisation drive of planning, monitoring and control of Union funds, from both Union level to national governments and potentially from regions to national governments; recalls warnings that the RRF may run counter to positive developments of regional empowerment achieved through cohesion policy in the past decades, and that the lack of a direct financial relation between the Commission and managing authorities weakens core aspects of financial control and discharge;
190. Is worried by the negligible contribution of the RRF to cross-border cooperation, especially considering the amount of Union funding involved;
191. Observes that according to the Commission staff working documents, 20 Member States foresee cross-border projects in their national RRFs and notes that the amounts invested per Member State vary widely; points out that, in 2021, the planned average investment is only around total 6 % of the total RRF allocation across the Member States for cross-border projects; considers that too few cross-border projects have been initiated under the RRF and is worried by the negligible contribution of the RRF to cross-border cooperation, especially considering the amount of Union funding involved; notes that a stronger focus on cross-border projects would have required more time for planning and an incentive mechanism for Member States; highlights that the RRF plays a significant role in reorienting the Union towards energy-independency and in accelerating the energy transition; stresses the need for an independent energy supply for the Union and corresponding investments in cross-border networks, interconnectors and hydrogen projects; welcomes that, in its January 2021 guidance, the Commission offered to provide interested Member States with a coordination platform to assist them in setting up cross-border projects; notes that amending Regulation (EU) 2021/241 of the European Parliament and of the Council (*) as regards

(*) Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

REPowerEU chapters in RRFs introduces in its Article 27 a criterion on the cross-border or multi-country dimension or effect of reforms and investments; regrets nevertheless that the target of 30 % cross-border projects is non-binding; calls for the available RRF loans be made available for Member States interested in investing in cross-border projects that are focused on energy-independence and transforming the energy-grid in the Union;

192. Stresses that the full amount of decommitted RRF payments shall be made available for Member States interested in investing in cross-border projects that are focused on energy independence and transforming the energy grid;

Assessment of National Recovery and Resilience Plans (RRPs)

193. Notes the Court's findings in its Special Report 21/2022 on 'The Commission's assessment of national RRFs – Overall appropriate but implementation risks remain'; observes that the Court's assessment is based on a sample of six Member States, four with the highest grant allocation in absolute terms and two with the highest grant allocation in relation to their gross domestic product for 2020; welcomes the Court's conclusion that the Commission's assessment of the national RRFs was overall appropriate given the complexity of the process and the time constraints, although a number of weaknesses in the process and risks for the successful implementation of the RRF were also identified; welcomes that the Commission provided support to Member States when drafting the RRFs and issued guidance documents; notes the fact that the Commission accepted almost all of the Court's recommendations;
194. Is worried that the Court found that there were gaps in addressing the 2019 and 2020 Country Specific Recommendations in the national RRFs; notes that the Court assessed that RRFs of relatively small Member States did not contain gaps, whereas the Court assessed that the RRFs of the bigger Member States contain serious gaps; is worried the 'negotiations' observed by the Court in agreeing on the RRFs leads to inequality in treatment of Member States; questions in addition whether important parts of the CSRs, which even with the RRF's financial incentives are not taken up by the Member States, will ever be implemented;
195. Is critical of the fact that the Commission has not explained how the size of a payment tranche relates to the amount and magnitude of underlying milestones and targets; is worried that this discrepancy in the size of a payment and the number of underlying milestones and targets may incentivise Member States not to submit final payment requests, which in some cases depend on a comparatively large number of milestones and targets, and thus not to complete all reforms and investments agreed in its RRF, after having already received the largest share of their RRF contribution;
196. Recalls the Court's finding that the Commission, in its assessment of all national RRFs, despite the deficiencies identified in the Court's sample, gave a 'B-rating' for the cost estimates of the investments made under the RRF, highlighting possible problems with the accuracy of the amounts involved; notes that these weaknesses range from a lack of information for some measures at the planning stage to underlying assumptions that are not fully plausible for each measure; notes that the Commission assessed the estimated total costs of the national RRFs on the basis of the criteria mentioned in Annex V of the RRF Regulation; observes that the Commission required each Member State to improve its cost estimates and submit additional evidence and justification until the plausibility and reasonability of the cost-estimate reached at least a 'B'; underlines that the specific combination of investments with reforms ensures that necessary reforms are implemented in a timely manner and often in the earlier years and upheld; emphasises that the discharge authority cannot wait to receive full clarity on the proper use of Union funds until after the end of the RRF; underlines the risk that Member States might not request the last payment tranche, and thus might fail to fulfil all reforms and investments after having received the largest part of their total financial support under the RRF;

197. Notes that it is important that all funds allocated to the Member States under the RRF will result in reforms and investments, as only then the discharge authority can be sure that all funds were allocated to final recipients in full respect of the principle of additionality; recalls the criticism expressed in previous discharge reports of the practice that some Member States systematically overbook funding programmes in shared management and withdraw projects from Union funds when irregularities and/or fraud are discovered in its related expenditure, thereby effectively evading Union investigations and/or an effective follow-up and possible corrections; deplors that the burden of these irregularities and possible fraud is shifted to the national budget, and thus, the national tax-payer;

Definition of milestones

198. Is worried by the Court's observation that certain milestones and targets lack clarity; shares the Court's concern that the absence of clear and comparable definitions of milestones and targets implies the risk that these milestones and targets are difficult to assess and the related risk that the initial objective that was aimed for was not fulfilled; underlines that this leaves the Commission with a large margin of discretion when assessing whether a vaguely defined milestone and target was achieved; notes in this regard the observation of the Court that milestone 395 in the first payment request from Spain was not satisfactorily fulfilled; notes with concern the Commission's reply that the element that the Court considered as not fulfilled is not part of the milestone, but is contained in the description of the measure; stresses that compliance with the milestones and targets can only be established on the basis of a detailed assessment and clear criteria, and not on the basis of political negotiations; considers that lessons should be drawn from the RRF experience to be reflected in a standardised methodology for the definition of milestones and targets;
199. Stresses that compliance with the milestones can only be established on the basis of a detailed assessment and clear and fixed criteria, and not on the basis of political negotiations;
200. Notes the finding of the Court that milestones and targets are often based on output and even input indicators, which limits the possibility of measuring the performance of measures to only presenting achieved outputs and not results and ultimately their middle-term impacts on the Union policy objectives of the RRF; notes the Court's observation that impact indicators have by definition a longer time horizon, which may not be well suited to the limited timeframe for implementing the RRF;
201. Notes the Court's finding that the Commission's assessment of RRFs was partly based on arrangements not yet in place; notes in this regard the Court's finding that the Commission included additional milestones and targets to be achieved before the first payment in order to adopt the RRF and that its assessment contributed to improving the quality of milestones and targets; is worried that not having a fully functional monitoring system in place at the start of the implementation of the RRF risks delays in assessments and monitoring of achieving milestones and targets; highlights the fact that the monitoring systems or implementing bodies in the sampled Member States at the time of the assessment were not yet fully in place at the time the RRFs were approved and that this also limited the Commission's assessment of their administrative capacity; notes further in this regard the Court's finding that even on audit and control arrangements, the last resort in terms of reliability of information, an A rating was given despite several measures not being in place; notes in that regard the Court's conclusion that the 'A' rating for all national RRFs in this area is at least partly explained by the fact that the RRF Regulation only allowed for either an 'A' (adequate) or a 'C' (insufficient) rating with a 'C' resulting in the rejection of the RRF as a whole; recalls that adequate audit and control structures are a prerequisite for receiving funds from the RRF;
202. Notes from reports of investigative journalists that several Member States have relied on expertise provided by consultancy firms in setting up the RRF and that these firms in turn offer services to support potential recipients of financial support under the RRF in these Member States;

Recommendations

203. Strongly supports the recommendations of the Court in its Annual Report, as well as in related special reports; calls on the Commission to implement them without delay and to keep the discharge authority informed on the progress of the implementation;
204. Calls on the Court to:
- (a) develop an effective methodology to sample milestones and targets in case it decides to re-assess the Commission's assessment, since it will not have the resources to check all milestones and all targets of all payment requests in the future; considers that this methodology should effectively identify milestones and targets, that have a higher risk of non-fulfilment and/or have a higher relevance to contribute to the overall success of the final goals set; calls on the Court to include, in its audit of the Commission's assessment of milestones and targets, the audit trail of documentation on their fulfilment;
205. Calls on the Commission to:
- (a) make the list of all final recipients and projects of RRF funding available to auditors and the discharge authority for all payments (in 2021 and throughout the implementation of the RRF), and provide the Court with full access to the 'Fenix' IT tool;
 - (b) take steps to operationalise the new obligation on Member States to publish the 100 final recipients receiving the highest amount of RRF funding and to take all appropriate measures if Member States fail to adequately implement this provision;
 - (c) indicate, together with the Member States, the exact name of all social programmes and support measures implemented in the Member States with RRF funds; demands therefore an indication of the share of RRF funds in these programmes and an exact indication of the benefits that have been proportionally replaced by RRF funds in national protection for unemployment, health and long-term care;
 - (d) explain to the discharge authority the reasoning and logic behind the framework for assessing milestones and targets under the RRF Regulation and the Commission methodology for the determination of payment suspension under the RRF Regulation and consider providing additional definitions to reduce the impact of the subjective elements contained in them;
 - (e) assess the Member States' fulfilment of the Rule of Law milestones in the RRFs on the basis of a detailed assessment, clear and fixed criteria, and fully in line with CJEU case law, not merely looking at the formal adoption of reform legislation but also at the legal and practical application, and not on the basis of political negotiations;
 - (f) apply a more transparent appointment procedure for all positions, particularly those in management and to bring more clarity to the existing appointment procedure, which comes up short in terms of transparency and accountability;
 - (g) not approve any payment request unless all Rule of Law milestones have been fully met;
 - (h) support Member States in increasing their administrative capacity to handle the parallel administrative systems of RRF and cohesion fund implementation, and help them reduce unnecessary administrative burdens, simplify tenders and provide for more targeted information, thus facilitating the access of SMEs and those who are self-employed to funding;
 - (i) apply additional vigilance if there are signals of misuse, fraud and organised crime targeting the funds available under the RRF together with Europol, the EPPO, OLAF and other relevant actors and introduce reporting on suspicions of fraud in the RRF to the Commission through the Irregularity Management System and to the EPPO as foreseen in the relevant regulations;

- (j) make clear that all projects and measures financed by any national RRF of Member States participating in enhanced cooperation pursuant to Council Regulation (EU) 2017/1939 ⁽⁷⁾, are to be considered as financed by Union money from the RRF, and thus fall under the scope of the EPPO;
- (k) request especially in light of the Internal Auditor's risk assessment as the basis for its audit planning, that the implementation of the RRF should continue to feature prominently in its audit plans, given its innovative character and high financial stakes;
- (l) evaluate the procedure with regard to enforcing implementation of CSRs in the European Semester and the RRF and, where necessary, propose new tools to enforce implementation, considering that for some Member States, all Country Specific Recommendations were addressed in the RRF, while for other (bigger) Member States, not all CSRs were addressed;
- (m) make a clear distinction between budgeted results and achieved results in its communication on the RRF in general and more specific concerning the RRF Scoreboard, in order to correctly inform the general public and avoid misunderstandings;
- (n) improve publishing, including on the RRF scoreboard, the amounts borrowed by the Union to fund the RRF, and the interest incurred to pay for the borrowed amounts as well as the amounts of interest paid by the Member States to the Commission on the loans made available to them under the RRF;
- (o) perform, in 2023, an analysis of national expenditure by comparing expenditure and investments in the national budgets before and after making the RRF funding available to the Member States that received the largest share of support under the RRF in order to establish whether funding from the RRF replaced recurring national expenditure instead of investments, while acknowledging that a severe economic downturn after the COVID-19 pandemic was averted;
- (p) report to the discharge authority what Member States, that received pre-financing from the RRF that could not yet be allocated to investments, did with the funds received;
- (q) only accept milestones and targets for which it has received documentation supporting its implementation, and not just statements of Member States and ensure recording of a sufficient audit trail that covers all elements considered relevant in the assessment process of milestones and targets;
- (r) put in place a reliable *ex ante* and *ex post* framework to check if all milestones and targets are really implemented and documented, including a sufficient audit trail recording the assessment of milestones, paying particular attention to the assessment of whether the DNSH principle has been respected, as well as to substantiate results for investments contributing to the green and digital targets in the RRF;
- (s) reconsider the formulation of the declaration of assurance of the Directorate-General for Economic and Financial Affairs and extend its scope to the compliance of RRF funded measures with Union and national rules for future years given the unsatisfactory justification provided by the Commission and the responsibility as Guardian of the Treaty for the protection of the Union's financial interests;
- (t) closely monitor fulfilment of milestones and targets, in particular those related to audit, monitoring and control;
- (u) assess not only the set-up but also the actual functioning of Member States' audit and control arrangements under Article 22 of the RRF Regulation, while identifying areas that could be improved or made more efficient;
- (v) clarify to the discharge authority what methodology it has applied to arrive at the agreed payment profiles, particularly how the number and magnitude of underlying milestones and targets relate to the size of each payment tranche;
- (w) re-perform the Court's analysis of payment profiles from Special Report 21/2022 for all payment profiles of all Member States and report to the discharge authority how each payment request relates to the number of milestones and targets to be fulfilled for each Member State, and to propose measures to guarantee that all milestones and targets are completed by 31 August 2026;

⁽⁷⁾ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

- (x) address the risks and challenges arising from the parallel implementation of cohesion and the RRF, in particular concerning the involvement of local, regional, economic and social partners and civil society organisations, resulting in possibly easier absorption of RRF funding in comparison to cohesion funding, by putting more emphasis on involvement of these actors in the implementation of the RRF through a co-governance approach, also aimed at strengthening the complementarity between the RRF and cohesion;
 - (y) strongly encourage Member States that seek to amend their RRFs to include cross-border projects in their investments and to put more emphasis on such truly European projects in general; recalls that cross-border projects should address existing bottlenecks in energy transmission, distribution and storage, thus providing Union added value; approve only RePowerEU chapters of Member States which allocate at least 30 % of financing to projects having a cross-border or multi-country dimension or effect, as agreed in the RePowerEU negotiations and report to the discharge authority;
 - (z) make the full amount of outstanding loans and decommitted payments available, in particular for cross-border projects focusing on energy-independency and to accelerate the energy transition; urges the Commission to encourage and support the Member States to develop cross-border projects, in particular on energy-independency and to allow Member States to request a loan from outstanding loans and decommitted payments to finance cross-border projects focussing on energy; calls on the Commission to report both to Parliament and to the Council with regard to the implementation progress, suspended and decommitted payments and requests on loans;
 - (aa) strengthen, where relevant, its system audits in the Member States for each internal control system (in case of decentralised or implementation methods) and to ensure a reasonable number of tests of individual procurement files in order to guarantee the effectiveness in practice of the internal control systems;
 - (ab) make sure checks on double funding are included in the Member States' audit and control frameworks for the NGEU, rural development and cohesion programmes and to ensure its proper functioning through system checks; in addition, calls on the Commission to verify that double funding does not take place by performing risk-based checks on all payments to final recipients under these programmes;
 - (ac) make sure that the reliability of the repositories of the final recipients of the Member States is guaranteed, in particular as regards the integrity and completeness, with a view to ensuring, that once irregularities concerning final recipients are discovered, correct follow-up is done at Union level;
 - (ad) report to the discharge authority what the Commission has done to neutralise the potential conflict of interest in Member States and at Union level particularly with regard to the engagement of consultants;
 - (ae) provide a detailed report to the discharge authority about reforms which Member States had implemented already before disbursements have been paid out and mandatory measures they have taken in order to adapt the national law to new Union directives as milestones or targets in the national RRFs.
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DECISION (EU, Euratom) 2023/1826 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the general budget of the European Union for the financial year 2021, Section III – Commission**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0227/2022) ⁽²⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2020 financial year (COM(2022) 331), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission's 2021 Annual Management and Performance Report for the EU Budget (COM(2022) 401),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2021 (COM(2022) 292), and to the accompanying Commission staff working document (SWD(2022) 160),
- having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2021, together with the institutions' replies ⁽³⁾, and to the Court of Auditors' special reports,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2021 (06247/2023 – C9-0063/2023),
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2021 (06250/2023 – C9-0055/2023),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁵⁾, 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 ⁽⁶⁾, and in particular Article 14(2) and (3) thereof,

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 391, 12.10.2022 p. 6.

⁽⁴⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁵⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁶⁾ OJ L 11, 16.1.2003, p. 1.

- having regard to Rule 99 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A9-0101/2023),
1. Approves the closure of the accounts of the general budget of the European Union for the financial year 2021;
 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 2021, Section III – Commission and executive agencies;
 3. Instructs its President to forward this decision to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors and the European Investment Bank, and to the national parliaments and the national and regional audit institutions of the Member States, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

DECISION (EU) 2023/1827 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section IV – Court of Justice of the European Union**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0230/2022) ⁽²⁾,
 - having regard to the annual report of the Court of Justice of the European Union to the discharge authority on internal audits carried out in 2021,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2021, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁵⁾, and in particular Articles 59, 118, 260, 261 and 262 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Legal Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0073/2023),
1. Grants the Registrar of the Court of Justice discharge in respect of the implementation of the budget of the of the Court of Justice of the European Union for the financial year 2021;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Court of Justice of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 391, 12.10.2022, p. 6.

⁽⁴⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁵⁾ OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2023/1828 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021, Section IV – Court of Justice of the European Union**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section IV – Court of Justice of the European Union,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Legal Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0073/2023),
- A. whereas the Court of Justice of the European Union (CJEU) is the judicial institution of the European Union, having the task to ensure compliance with Union law by overseeing the uniform interpretation and application of the Treaties and ensuring the lawfulness of measures adopted by the Union institutions, bodies, offices and agencies;
- B. whereas the CJEU helps preserving the values of the Union and, through its case-law, works towards the building of Europe;
- C. whereas the CJEU comprises two courts: the Court of Justice and the General Court;
- D. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;
1. Notes that the budget of the CJEU falls under Multiannual Financial Framework (MFF) heading 7, ‘European public administration’, which amounted to a total of EUR 10,7 billion in 2021 (representing 5,9 % of Union spending); notes that budget of the CJEU represents around 4,1 % of the total Union spending on administration;
 2. Notes that the Court of Auditors, in its Annual Report for the financial year 2021, increased its sample of transactions under ‘Administration’ from 48 in 2020 to 60 in 2021;
 3. Notes that the Court of Auditors mentions that the work carried out over many years indicates that MFF heading 7 concerns an overall low-risk spending; notes, however, that the annual report on the implementation of the budget for the 2021 financial year does not provide any relevant information on the CJEU and invites the Court of Auditors to include in the next annual reports comprehensive data regarding the completion of all requirements necessary for a consistent discharge procedure;
 4. Notes with satisfaction that in the Annual Report for the financial year 2021, the Court of Auditors did not identify any specific issues concerning the CJEU;

Budgetary and financial management

5. Notes that the overall budget allocated for the CJEU for 2021 was approximately EUR 444 million, an increase from EUR 436 million in 2020 and EUR 429 million in 2019;
6. Observes the high budget implementation in 2021 of 98,69 %, which is in line with the previous year’s budget implementation of 98,19 %; notes that in the course of the 2021, the CJEU made 10 budget transfers pursuant to Article 29 of the Financial Regulation, representing a total of EUR 17,9 million or 4 % of the appropriations for that financial year;

7. Praises the CJEU for continuing the downward trend in the average payment time which was 24,63 days in 2021, amounting to a reduction of approximately one day in comparison with 2020; appreciates that the average time for payment of invoices relating to external translation, representing 75 % of the total number of invoices paid and for which the contractual time limit is 60 days, was 27,48 days, while the average period for payment of other invoices, for which the contractual time limit for payment is 30 days, was 18,92 days;
8. Remarks that, in 2021, the COVID-19 pandemic had a significant influence on all of the activities of the CJEU, both jurisdictional and administrative, and that budget consumption in several of the CJEU's budget lines was impacted by that crisis; observes that, for certain budget lines, the net impact was a reduction in the use of appropriations, while for others that crisis required additional expenditure; notes with satisfaction that, in order to take advantage of the experience gained from the COVID-19 pandemic, the CJEU reviewed its emergency and business continuity plan in 2021;
9. Observes that, in terms of figures, the additional expenditure that was required as a result of the COVID-19 pandemic can be estimated at EUR 1,7 million (additional costs included the purchase of IT equipment and services due to the generalised use of teleworking for staff amounted to EUR 0,9 million, the purchase of disinfectants and personal protective equipment for the members and staff of the CJEU that were required to work in the buildings of the CJEU amounted to EUR 0,1 million, and increased heating costs due to the decision to have more frequent air renewal in the buildings of the CJEU amounted to EUR 0,3 million); notes that the savings are estimated at EUR 6 million (on budget lines relating to freelance interpretation savings are estimated at EUR 1,1 million, professional training and missions savings are estimated at EUR 1,1 million, cleaning and caretaking of the buildings savings are estimated at EUR 0,5 million, furniture, office consumables and protocol-related activities savings are estimated at EUR 0,5 million, and savings related to the reduction of the salary adjustment to 1,9 % are estimated at EUR 1,2 million);
10. Points out that the net amount of savings can be estimated at EUR 4,3 million, which made it possible to finance, as part of the end-of-year mopping-up transfer, an advance payment relating to buildings with the aim of reducing the future financial burden on the CJEU;

Internal management, performance and internal control

11. Understands that, in 2021, the measures designed to tackle the effects of the COVID-19 pandemic allowed the CJEU to maintain a high performance level by drawing on the lessons learned through use of remote working, communication techniques and a system of videoconferencing allowing for remote hearings before both courts; appreciates that the CJEU was awarded with the European Ombudsman's Award for Good Administration in the category Excellence in Innovation/Transformation;
12. Remarks that, in 2021, there was an increase in the overall number of cases brought before the two courts (1 720 in 2021 compared to 1 584 in 2020) as well as in the number of cases closed (1 723 in 2021 compared to 1 540 in 2020); understands that the increase concerns primarily the Court of Justice and is due essentially to the significant increase in the number of appeals against the decisions of the General Court, linked to the increase of the General Court's activities, the cause of which being the reform of the General Court that was completed in September 2021; notes that 29 % of the General Court's decisions are subject to an appeal to the Court of Justice;
13. Observes an increase in the average duration of proceedings in 2021 (17,2 months compared to 15,4 months in 2020); notes that at the Court of Justice the average duration of proceedings increased to 16,6 months in 2021 compared to 15,4 months in 2020, while at the General Court the increase was to 17,3 months compared to 15,4 months in 2020; agrees that the increase in the overall average duration could be, at least in part, linked to the pandemic-related measures that were adopted to facilitate the parties' ability to exercise their rights by granting an additional month to present their written submission and to the parties' inability to travel to the seat of the CJEU in Luxembourg, thus leading to a longer oral phase of the proceedings;

14. Notes that the number of cases pending before the two courts remained stable in 2021 (2 541 cases, 1 428 in front of the General Court and 1 113 in front of the Court of Justice, compared to a total of 2 542 cases in 2020);

Human resources, equality and staff well-being

15. Notes that, in 2021, a significant partial renewal of the CJEU occurred with the arrival of nine new judges at the Court of Justice and five new judges at the General Court;
16. Observes that since July 2022 the General Court has two judges per Member State, while the Court of Justice is still composed of one judge per Member State; encourages the CJEU to continue its analysis on how to rebalance the workload between the two courts;
17. Maintains that the lack of gender balance within the college of judges needs to be addressed; is aware of the fact that the members of the Court of Justice and of the General Court are appointed by common accord of the governments of the Member States and that the CJEU has no say over the selection of judges or advocate generals, just as neither the Council nor Parliament have any role in this respect; appreciates that, following a call from Parliament, on 26 March 2021 the President of the General Court sent a letter to the President of the Conference of the Representatives of the Governments of the Member States concerning the expiry of the terms of office of 26 judges of the General Court to underline the importance of ensuring gender balance within the General Court and inviting the governments of the Member States to take that objective into account when nominating candidates for the partial replacement of judges, consistently with recital 11 of Regulation (EU, Euratom) 2015/2422 of the European Parliament and of the Council⁽¹⁾; urges the governments of the Member States to take into account the need for gender balance when nominating new judges;
18. Notes that, at the end of 2021, there were 2 247 officials and other members of staff at the CJEU, compared to 2 239 at the end of 2020, and observes that its distribution across the administrative categories in 2021 is consistent with the distribution in previous years (in 2021, the staff was made up of 59 % officials, 33 % temporary agents and 8 % contract agents, compared to 60 % officials, 32 % temporary agents and 8 % contract agents in 2020); notes the high occupation rate of 97 % in 2021; notes that the distribution of posts by sector of activity remains similar to that of previous years, with almost 86 % of posts dedicated to jurisdictional and linguistic activities;
19. Observes that the gender distribution across staff and management positions in 2021 was in line with the previous year; notes that, at the end of 2021, 60 % of staff were women (1 355 members of staff) and underlines that the CJEU has exceeded the average for Union institutions as regards the representation of women in positions of responsibility within the administration (women hold 54 % of administrator posts and 40 % of middle and senior management posts);
20. Notes with appreciation the efforts by the CJEU to achieve a geographical balance, by encouraging applications from underrepresented Member States, by publishing its vacancy notices within the interinstitutional portal and by working closely with the staff selection and recruitment service of the Commission (EPSO) to explore ways to improve the recruitment of personnel; remarks that the imbalance is still significant and encourages the CJEU to pursue a more even representation of the Member States among its staff, in particular those of the Member States that joined the Union after 2004;
21. Is aware of the peculiarities of the labour market in Luxembourg and welcomes the holistic approach undertaken in the design of a new people-management strategy which encompasses all the stages of the working life-cycle: recruitment, skills development, initial and continuous training, job shadowing and mentoring, career guidance service which was launched in 2021, and mobility opportunities until preparation for retirement; believes that recruitment of committed and talented members of staff requires a stimulating and dynamic working environment and appreciates that issues associated with diversity and inclusion are mainstreamed across the strategies applied in the administration of the CJEU;

⁽¹⁾ Regulation (EU, Euratom) 2015/2422 of the European Parliament and of the Council of 16 December 2015 amending Protocol No 3 on the Statute of the Court of Justice of the European Union (OJ L 341, 24.12.2015, p. 14).

22. Notes with satisfaction that, in 2021, the activities of the CJEU's training and development unit, which runs the equal opportunities and diversity cell, included specific initiatives related to equal opportunities, diversity and inclusion, such as the participation of equal opportunities and diversity representatives in the various interinstitutional working groups in this area and, specifically, in the EPSO working group on diversity in recruitment procedures, awareness raising activities for staff and managers, and the redesign of the induction programme for newcomers to integrate aspects of the diversity and inclusion policy;
23. Points out the high expectations for the outcome of the High Level Interinstitutional Group (HLIG), set up in 2020 to examine solutions likely to enhance the attractiveness of Luxembourg for staff and to find ways to boost its attractiveness in comparison with other cities hosting the headquarters of other Union institutions, bodies, offices and agencies; is aware that, in June 2021, a report was adopted by the HLIG identifying actions that could be taken in the relevant areas; observes that, amongst those actions, the provision of temporary accommodation was considered; asks the CJEU to report to the discharge authority about the actions launched to implement that proposal;
24. Is concerned by the increase in the number of cases of burnout in 2021 (estimated 34 cases) in comparison to 2020 (estimated 27 cases); welcomes that the CJEU has deployed more resources to prevent and to follow up cases of burnout by increasing the number of hours of its consulting psychologist, by recruiting an additional fourth nurse and an assistant with specific responsibility for developing and coordinating actions to enhance staff well-being, and by organising numerous trainings for managers in order to enhance their management skills and to help them distribute the workload fairly and avoid discrimination; reiterates its call on the CJEU to continue monitoring the impact of the ever-increasing workload on staff well-being and encourages the use of staff satisfaction surveys to get a better understanding of the origin of the problem and of the impact of the adopted measures;
25. Commends the CJEU for taking specific measures in order to ensure the physical and mental well-being of staff, given the specific remote working conditions imposed by the COVID-19 pandemic in 2021; observes that the flexible working arrangements available at the CJEU include part-time work, parental leave, family leave, flexitime and telework, that such options are accessible to all categories of staff in accordance with the provisions of the Staff Regulations, the Conditions of Employment of Other Servants and the applicable internal decisions, and that relevant updates are duly communicated to staff via the intranet and an internal newsletter; highlights, however, the imbalance that still exists across the users of such working arrangements in favour of female members of staff: out of 205 persons applying for parental leave, 163 were women and only 42 were men, and out of 98 persons applying for part-time work, 87 were women and only 11 were men; reiterates its request for the CJEU to engage in an effective internal communication oriented at better clarifying the options offered to all members of staff;
26. Notes that the working conditions at the CJEU, in 2021 during the COVID-19 pandemic and post-pandemic, were in general perceived positively by staff, and that the CJEU carried out three staff and manager surveys in 2020 and 2021, taking on board the interest expressed for a permanent optional working from home regime upon the resumption of normal working patterns; welcomes the initiatives adopted to improve conditions for members of staff working remotely, such as the home office package (lap top, screen, docking station, mouse and keyboard, headset and ergonomic chair) and technical support and assistance that includes videoconferencing, training offers on remote working modalities and strategies, dissemination of good practices and the setting up of a telephone service via the CJEU's secure network that has prevented additional telecommunication costs for staff;
27. Appreciates the attention given to the mental health of staff during the 2021 lock-down period, the numerous communications sent on a regular basis to staff, including advice on how to cope with isolation, contacts and information on how to seek help and support, practical information on medical consultations, best practices to follow when teleworking, informative videos by the counselling psychologist on how to pursue work/life balance during the lockdown and the possibility of having counselling sessions with the counselling psychologist;

28. Observes that, in 2021, the CJEU recruited 255 trainees out of which 173 received a monthly income; deplores that, in 2021, the percentage of paid trainees (68 %) decreased in comparison to the previous year (72 % in 2020); welcomes nevertheless the recent adoption, on 29 November 2021, of an amending decision on traineeships according to which all trainees have to be remunerated by the CJEU, except those paid from other sources, and are also entitled to receive, besides the flat-rate travel allowance, a monthly grant similar to those granted by other Union institutions; acknowledges the progress made by CJEU in reducing the percentage of unpaid traineeships and calls on the CJEU to make sure that all the trainees receive a decent remuneration on the level of the remuneration paid by other Union institutions, except for trainees paid from other sources;
29. Encourages the CJEU to continue its policy that aims to guide and involve managers in safeguarding the well-being of staff as well as to continue to assess the impact of the ever-increasing workload on staff well-being in order to better understand the origin of the difficulties and to explore possible solutions; welcomes the social dialogue between the administration and the staff representatives and the launch of surveys that aim to collect staff members' views on many relevant topics, such as the teleworking regime and autonomy at work;

Ethical framework and transparency

30. Welcomes the adoption of the new code of conduct for members of the Court of Justice and the General Court that entered into force on 7 October 2021; notes with satisfaction that it brings specific focus on members' declarations of interest, which regrettably continue to be self-declarations, on their periodic update at every change of situation and at least every three years, and on their publication on the Curia website, starting from end of 2021; stresses that the new provisions are specifically targeted at the prevention of conflicts of interest and agrees with the CJEU that the strict approach is designed to strengthen public confidence in the independence of the Union's judiciary;
31. Appreciates the consolidation into a single decision, adopted in March 2021, of the CJEU's internal rules governing members' travel, missions, cars and use of drivers, which were previously set out in various complementary decisions; believes that that will make it possible to simplify the implementation of the rules and will provide for a more transparent framework; welcomes the publication, at the end of 2021, of the Curricula of Members, including additional elements such as honorary positions or titles awarded as well as memberships in foundations;
32. Notes the adequate level of transparency achieved by the annual publication on the Curia website, since 2018, of the lists of external activities carried out by the members of both the Court of Justice and the General Court; stresses that the members are expected to devote themselves fully to the performance of their duties at the CJEU and that they can only carry out external activities that are related to the performance of their duties and subject to prior authorisation being granted only in the event that such activities are compatible with the requirements of the code of conduct and, in particular, with the obligation to be available for judicial activities;
33. Regrets that the new code of conduct for members of staff, that was expected to be completed by the end of 2021, is still in the adoption process, and thus calls on the CJEU to complete that process as soon as possible; underlines the importance of providing staff with an updated and comprehensive term of reference on many sensitive topics such as revolving doors, outside activities and occupational activities after leaving the service, and reiterates its request to keep the discharge authority duly informed about the final contents and adoption of the new code of conduct for staff;
34. Remarks that staff compliance with ethical matters is currently pursued by the CJEU mainly by a mandatory training package for newcomers, which is also accessible to long-serving colleagues, and by the internal control and finance training (in 2021 a total of 14 sessions were organised); notes again the limited number of staff participating in those sessions (99 members of staff out of a total of more than 2 000 members of staff); call on the CJEU to further encourage the staff participation in training courses on ethical matters, to conduct staff surveys to verify the perception of the current ethical framework, and to enhance staff involvement; welcomes the issuance of ad hoc guidelines on the use of electronic communications which includes considerations relating to the right to disconnect and to the protection of personal data, and lays down rules for use, retention and archiving;

35. Notes that 96 requests were submitted by staff for an authorisation to engage in professional activity after leaving the CJEU, all of which were approved, that no breach of the cooling-off period was detected, that the specific rules of the code of conduct for legal secretaries on confidentiality and conflict of interests apply to former members of staff leaving such positions, and that two declarations of outside activity during leave for personal reasons were examined and approved;
36. Notes that the CJEU has updated its anti-fraud strategy as an integral part of its risk management policy and that the risk register is established accordingly and includes risks that are related to the sensitive nature of the CJEU's activity, such as the improper disclosure of information;
37. Calls for an end to the use of external companies that, according to Yale University's ranking ^(?), continue to operate in Russia;

Digitalisation, cybersecurity and data protection

38. Welcomes the CJEU's effort to accelerate and broaden the digitalisation of its activities and procedures, both in judicial and administrative areas; understands that the aim is to strengthen the provision of direct support to judicial activities and thereby tackle the unprecedented level of workload reached, in particular at the Court of Justice;
39. Welcomes the progress made, in 2021, in developing the integrated case management system (SIGA) and the possibilities that offers for greater optimisation and automation of the various stages in the processing of cases;
40. Remarks the high-level of cyberattacks suffered in 2021 compared to previous years and appreciates the fact that all were handled without meaningful impact; praises the CJEU's active role in supporting initiatives to strengthen cybersecurity across Union institutions, bodies, offices and agencies as part of the steering board of CERT-EU and as member of the Interinstitutional Committee for digital transformation (ICDT); is aware that the CJEU has renewed its cybersecurity awareness programme, that it has developed a mandatory cybersecurity eLearning training course for its staff, and that it has performed a study on 'zero-trust' as part of the multi-annual digital transformation programme while starting work, in 2021, on the detailed design of the new network incorporating a 'zero-trust architecture'; also encourages the CJEU to carry out regular risk assessments on their IT infrastructure and to ensure regular audits and tests of its cyber defences;
41. Notes with satisfaction that the CJEU uses internally hosted systems, based on open source technology, as a first choice in handling and processing its sensitive judicial contents and that, where cloud solutions are deployed, the CJEU designs special technical measures and negotiates contracts with strong data protection and security requirements, with the authorisation, where necessary, of the European Data Protection Supervisor (EDPS); understands that such approach allows the CJEU to retain control of its technical systems, to protect ownership of data storage and data flows, and to avoid a critical dependency on any external systems, including the ones of other institutions; remarks that ownership is strengthened by the policy in place regarding access rights, by the appointment of officials as service managers in charge of the CJEU's infrastructure, by ensuring constant monitoring of the operations and by segregation of duties of the development teams and external consultants and contractors;
42. Welcomes that consideration is being given to the use of more neutral document and data exchange formats to foster 'non-proprietary' office tools and enhance transparency; notes that, since January 2021, the central record of processing activities has been online and is directly accessible to the public;
43. Recalls that the CJEU, as part of its participation in all sub-groups of the ICDT, has, in 2021, taken over the chairmanship of the Emerging Technologies Group; understands that the main objective of this group, created in October 2020, is to keep abreast of technological developments and to promote a common approach to them within the Union institutions, bodies, offices and agencies in the areas of artificial intelligence, blockchain, robotic process automation and quantum computing; is aware that a common interinstitutional programme with an overview of

^(?) <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>

investments, available competences, products already developed and possibilities for reuse, and future areas of cooperation is being prepared and that it is expected to include training in new skills, a common architecture to support future collaborations and the establishment of an interinstitutional innovation centre;

44. Follows up on previous resolutions on the use of artificial intelligence in judiciary systems and calls on the CJEU to ensure the highest respect for human rights; understands that the main purpose of using artificial intelligence tools is to analyse texts in order to extract information automatically and to speed up the processing of certain tasks; notes the CJEU's commitment to take into consideration the principles of respect for fundamental rights, non-discrimination, security, transparency, neutrality and intellectual integrity, as well as user control, in compliance with the European Ethical Charter on the use of artificial intelligence in judicial systems and their environment; recalls that, in any case, the tasks carried out with the help of artificial intelligence should always be monitored and resolved by a human operator and be 'ethical-by-design' and 'human-rights-by-design'; reiterates its request to be informed about the modality of the possible use of artificial intelligence in the carrying out of the CJEU's activities;
45. Observes that the investigation opened by the EDPS in 2020 on the use of third-party web services by the CJEU (such as YouTube, Twitter, LinkedIn, Google Play and Apple) and the obligation to make available the essence of a joint controller agreement is still pending; further observes that the EDPS also opened an investigation into the CJEU's use of cloud services provided by Amazon Web Services and Microsoft under Cloud II procurement contracts and that a decision is still pending; welcomes the follow up actions undertaken by the CJEU to align with the recommendations of the EDPS;

Buildings and security

46. Welcomes the detailed report to the budgetary authority on the CJEU's building investment plans drafted in compliance with Article 266 of the Financial Regulation; observes that, since June 2021, the CJEU has had a contract for the establishment of an inventory of its architectural assets and their systematic inspection, for which EUR 140 000 was allocated in 2021 and EUR 230 000 has been allocated in 2022;
47. Notes that, in 2021, the CJEU continued to chair the Interinstitutional Security Group set up in 2014 on the initiative of the CJEU in order to harmonise approaches, exchange best practices, cooperate in the event of a specific threat and to coordinate the establishment of procedures for access control to buildings;
48. Is aware that, since October 2019, the CJEU has been hosting the EPSO Luxembourg office in its building complex and providing it with the meeting rooms needed to organise assessment centres for candidates for posts in Luxembourg, particularly in the field of translation;
49. Observes that the interinstitutional working group on buildings coordination in Luxembourg (GICIL) has continued its work on a more sporadic basis to foster the harmonisation of the practices of the Union institutions established in Luxembourg; notes that GICIL promotes the exchange of good practice in the area of building management and facilitates interinstitutional cooperation in the area of gas and electricity supply as well as technical assistance services in the building sector that generate economies of scale; remarks that, on 11 June 2021, a workshop on new concepts for workplace design following the pandemic was held under its patronage;

Environment and sustainability

50. Welcomes the adoption by the CJEU of an environmental policy, publicly available on its website, and supports the CJEU registration in the EMAS system (since 2016) and its participation in the several interinstitutional environmental committees where environmental good practices are exchanged and contributions provided to elaborate common environmental strategies to reduce CO₂ emissions and to achieve financial synergies, namely GIME (Groupe Interinstitutionnel de Management Environnemental, gathering EMAS coordinators from several European institutions whose seats are not solely in Luxembourg), ECONet (Inter-institutional Environmental Network made up of EMAS coordinators from various Union institutions in Luxembourg which liaises with the College of Secretaries General and Heads of Administration in Luxembourg – CALux) and the interinstitutional working group 'Green Public Procurement' operating in the green purchasing sector;

51. Notes with satisfaction that, in 2021, the CJEU achieved a significant reduction of electricity, water and paper consumption, of canteen and office waste and of greenhouse gas emissions; notes that the installation of a total area of 3 447 m² photovoltaic panels produced 381 586 kWh and thus contributed to ensuring a sustainable energy supply; notes as well the installation, during the course of 2021, of 32 water fountains put into service in 2022 in compliance with the health recommendations of the medical officers, reducing the consumption of single-use plastic bottles;
52. Is aware that the very sharp reduction in CO₂ emissions (a decrease from 32 747 tonnes of CO₂ equivalent in 2010 to 11 181 tonnes of CO₂ equivalent in 2020) is also explained by the low occupancy rate of the buildings and the reduction in travel linked to the COVID-19 pandemic; encourages the CJEU to further limit its paper consumption and to pursue the goal of becoming a paperless institution;
53. Understands that, in line with EMAS programme for 2022, the CJEU will include renewed environmental objectives to further reduce its environmental footprint; welcomes the many initiatives adopted by the CJEU to support the sustainable mobility of its staff and to raise awareness on the matter, including the promotion of hybrid and electric cars for its members, a subsidy for annual cross-border public transport and a free subscription to the self-service bicycle service set up by the City of Luxembourg;

Interinstitutional cooperation

54. Welcome the CJEU's commitment to finding coordinated approaches to deal with the multiple challenges posed by the COVID-19 pandemic; notes that exchanges concerning the crisis management strategy took place, under the chairmanship of the Registrar of the Court of Justice, at the meetings of the College of Heads of Administration of the institutions and bodies of the European Union, and at the meetings of CALux with the participation of the representatives of the Luxembourg national authorities;
55. Notes the CJEU's many service level agreements with the Commission (the Office for the Management and Payment of Individual Entitlements and the Publications Office), with CERT-EU (in the domain of cybersecurity) and with Parliament and the Council (to share the financial burden related to the remote testing tool service in the framework of the interinstitutional accreditation of freelance interpreters) as well as the annual financing agreement with the translation services of the other Union institutions, bodies, offices and agencies to finance several IT tools; is aware that, in the field of translation and interpretation, cooperation continued within the framework of the Interinstitutional Committee for Translation and Interpretation and within its Executive Committee for Interpretation and Executive Committee for Translation;
56. Notes with appreciation that the CJEU also cooperates with the European Anti-Fraud Office (OLAF), the EDPS and the European Ombudsman, and that active exchanges are carried out with the European Public Prosecutor's Office (EPPO) for knowledge-sharing purposes, including a training offer for the European Delegated Prosecutors to familiarise them with the activities of the CJEU, in line with the memorandum of understanding, which is currently being negotiated and that aims to build stronger cooperation between the CJEU and the EPPO;
57. Welcomes the pursuit of the activities carried out by the Judicial Network of the European Union, which contributed to foster and facilitate the cooperation between the CJEU and the national courts, particularly in the fields of legal research, multilingual terminology and technological innovation;

Communication

58. Reiterates its call to the CJEU to increase its communication efforts to strengthen the link with citizens by endorsing greater transparency in its operations, by intensifying the use of digital technologies and by pursuing a communication strategy that allows the correct perception and understanding of the CJEU's role and of the way it fits in the Union's vision;

59. Notes that, in 2021, the budget for public communication and promotional activities was EUR 510 500, covering the production of internal and external publications (e.g. annual reports), video materials, promotion materials for visitors, media monitoring and specific materials for law professionals or press and media;
60. Observes that, in 2021, videoconferencing was used for 131 hearings before the General Court and the Court of Justice, and that 231 press releases were published in a total of 3 206 different language versions on the Curia website, 601 weekly or fortnightly newsletters were addressed to media and to legal professionals to provide first-hand information, raise awareness on important cases and explain the decisions undertaken, and 630 info-rapid bulletins were circulated on cases not covered by press-releases;
61. Remarks that the Curia website had 6,1 million visitors and 25,3 million page views in 2021; highlights the increasing role of e-Curia as a gateway for communications between the Court of Justice and the General Court, on the one hand, and the parties and their representatives, on the other; encourages further development of e-Curia functionalities;
62. Points out that almost 90 % of all procedural documents lodged before the Court of Justice and the General Court in 2021 were submitted using e-Curia; highlights that the rate of use of e-Curia was 85 % before the Court of Justice and 93 % before the General Court (compared to respectively 79 % and 95 % in 2020); underlines that the number of accounts opened before the two courts has further grown from 7 378 at the end of 2020 to 8 212 accounts a year later; observes that the number of accounts opened by national courts was only 45 at the end of 2019, reached 121 at the end of 2020 and further increased to 223 by 31 December 2021, indicating the widespread trust of users in the usefulness and reliability of e-Curia; welcomes the fact that the introduction of e-Curia in 2011 has had a considerable impact on postal costs, which have fallen by approximately 85 % over the period 2011–2021;
63. Remarks the increasing presence of the CJEU and of the number of followers on the major platforms and on social networks (Twitter and LinkedIn but also on the Mastodon platform) and the preparation of tailored communications to legal professionals via Fact Sheets and the Monthly Case-law Digest;
64. Welcomes that the CJEU actively participates in the EU Voice project launched by the EDPS to interact with the public, and which intends to promote the use of decentralised, free and open source social networks as an alternative to propriety ones;
65. Reiterates its call on the CJEU to enhance transparency by adopting innovative solutions in communicating with the public; welcomes the progress made in the streaming of judgement delivery and hearings, which, based on the technical work carried out in 2021, entered a pilot phase at the beginning of 2022 with the first hearings of the Grand Chamber of the Court of Justice streamed since April 2022;
66. Praises the CJEU's commitment to multilingualism and agrees that addressing each litigant and each citizen in his or her own language is both a matter of safeguarding the cultural and linguistic diversity of the Union and a matter of effectiveness, accessibility and legitimacy of the Union's justice system;
67. Emphasises the importance of the work of the CJEU in addressing matters that question the essential idea of the European project and its underlying values and principles; underlines the importance of the decisions of the CJEU, in particular referring to compliance with the rule of law; is aware of the far-reaching consequences of its decisions;
68. Welcomes the initiative of the CJEU to offer a virtual visitor programme for European citizens; notes that currently the pilot project has been extended to all high school students in the Union and in the future aims to diversify by developing programmes intended for other types of audience; welcomes the fact that the CJEU's data protection officer was involved from the start of the pilot phase.

69. Supports the civil society's ^(?) call to have the hearings of the CJEU live streamed on its website, as it is already the practice of several national and international courts, like the European Court of Human Rights.
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^(?) <https://www.thegoodlobby.eu/campaigns/a-letter-to-the-president-of-the-court-of-justice-of-the-european-union-to-live-stream-hearings/>

DECISION (EU) 2023/1829 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section V – Court of Auditors**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0231/2022) ⁽²⁾,
 - having regard to the Court of Auditors' annual report to the discharge authority on internal audits carried out in 2021,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2021, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁵⁾, and in particular Articles 59, 118, 260, 261 and 262 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0081/2023),
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 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ L 93, 17.03.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 391, 12.10.2022, p. 6.

⁽⁴⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁵⁾ OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2023/1830 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021, 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 2021, Section V – Court of Auditors,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0081/2023),
- A. whereas the Court of Auditors (the ‘Court’) is the Union’s external auditor, entrusted, through independent, professional and impactful audit work, to assess the economy, effectiveness, efficiency, legality and regularity of Union action in order to improve accountability, transparency and financial management, and thereby enhance citizens’ trust and respond effectively to current and future challenges facing the Union;
- B. whereas, without prejudice to the provisions of Article 287 and 319 of the Treaty on the Functioning of the European Union (TFEU), since the close of the financial year 1987 the Court has had its revenue and expenditure accounts audited by an independent external auditor every year and, since the report on the financial year 1992, the external auditor’s reports have been published in the *Official Journal of the European Union*;
- C. whereas management accountability towards the budgetary authorities is provided via the annual activity report of the Secretary-General of the Court, the purpose of which, in accordance with Article 74(9) of the Financial Regulation, is to provide information about the management of resources, including the systems, and about the efficiency and effectiveness of the Court’s internal control systems;
- D. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;
- E. whereas, by functioning in a transparent and independent way, the Court contributes to democratic oversight, public debate and the soundness of the financial management of the Union;
- F. whereas the Court has taken the position according to which, to assess Union governance, its accountability and transparency, and the quality and reliability of the information and data reported on the implementation of Union policies, the best solution would be for the Court to be mandated to audit all Union institutions, bodies, offices and agencies set up by or under the Treaties and all intergovernmental structures of key relevance to the functioning of the Union; whereas the Court therefore would welcome any initiative that would entrust the Court with a broader mandate;
1. Notes that the budget of the Court falls under Multiannual Financial Framework (MFF) heading 7, ‘European public administration’, which amounted to a total of EUR 10,7 billion in 2021 (representing 5,9 % of Union spending); notes that the Court’s budget represents around 1,5 % of the total Union spending on administration, less than 0,1 % of total Union spending;
2. Notes that the Court mentions that its work carried out over many years indicates that MFF heading 7 concerns overall low-risk spending;
3. Is aware that the annual accounts of the Court are audited by an independent external auditor in order to apply the same principles of transparency and accountability that the Court applies to its auditees; notes with satisfaction that the external auditor did not report any specific issue based on its audit of the Court;

Budgetary and financial management

4. Notes that the final budget of the Court for 2021 was EUR 153 721 727, which is a slight increase of 0,97 % compared to the budget of EUR 152 237 000 in 2020, mainly due to salary adaptations;
5. Observes the high budget implementation of 96,65 %, compared to 95,70 % in 2020, and that payments represented 94,45 % of total commitments, compared to 94,12 % in 2020; underlines that the average payment time in 2021 was 10,7 days and the share of electronic invoices was 19 %, compared to 11 % in 2020;
6. Remarks that the appropriations carried over to 2021 amounted to EUR 8 242 668 which represented 5,55 % of total commitments, compared to EUR 8 565 175 and 5,88 % in 2020; observes that the automatic carryover of appropriations from 2020 to 2021 gave rise to a utilisation rate of 91,70 % in 2021, compared to 92,24 % in 2020;
7. Notes that, in 2021, the COVID-19 pandemic had an impact on the Court's activity, and as a result, the use of appropriations for certain budget lines was reduced, while for others the health crisis required additional expenditure; notes that, accordingly, in the course of 2021, the Court made 30 budget transfers representing a total of EUR 4 397 588 with the objective of reallocating funds to finance specific needs;
8. Observes that the additional expenditure in 2021 compared to 2020 was related to fitting-out of premises (+ 294,55 %), security (+ 167,55 %), IT (+ 12,34 %) and technical equipment and installation (+ 31,85 %), whereas the savings were made on a reduction in spending on missions (– 48,83 %), publications (– 41,29 %), joint interpreting and conference service (– 61,54 %) and the legal service (– 75 %); stresses that the rate of utilisation for staff missions appropriations in 2021 was 25,03 % of final appropriations, compared to 23,94 % in 2020, as a result of the COVID-19 pandemic preventing auditors from travelling; reminds the Court to take every possible measure to ensure that mission appropriations are used in strict compliance with the principles of economy, efficiency and effectiveness;

Internal management, performance and internal control

9. Recalls the Court's strategy for the 2021-2025 period and underlines that the Court has stepped up its efforts to in making the best use of modern technology and new techniques in audit in order to deliver more and better information for the accountability process; welcomes the Court's ability to carry out audit fieldwork, despite the travel restrictions and the public health measures that had a strong impact on their on-the-spot audits, and the increased use of remote auditing that allowed for meaningful interaction with stakeholders and a timely delivery of results; points out Parliament's interest in an effective and timely monitoring of the implementation of the Court's strategy for the 2021-2025 period in order to guarantee consistency with the highest standards of transparency and accountability and to provide an effective public audit service in the Union; believes that such monitoring requires the design of performance indicators and the definition of milestones and measurable outcomes when developing the action plans referred to in the strategy and carrying out periodic reporting of the progress made in implementing the strategy, including mid-term and peer reviews;
10. Observes that, in 2021, a total of 1 156 days of audit fieldwork were carried out on the ground, compared to 1 817 in 2020 and 6 109 in 2019; remarks that the volume of the main deliverables has remained unchanged or in some cases improved when compared to previous years, for example the Court issued 256 recommendations in 2021 compared to 189 in 2020, it presented 7 annual reports in 2021, which is the same as 2020, and presented 27 special reports compared to 26 in 2020, while the opinions decreased to 2 in 2021 from 11 in 2020 and the reviews decreased to 5 in 2021 from 6 in 2020;
11. Welcomes the internal reflection process launched to identify improvements in order to achieve the target of no more than 13 months duration for the preparation and drafting of special reports by better defining or reducing the audit scope, by intensifying the monitoring of the audit progress, by reducing the duration of internal review procedures without affecting the level of quality, and by shortening or abolishing notification and circulation periods wherever possible;

12. Observes that, in July 2021, the Court adopted its development plan for the 2021-2025 period aimed at making better use of technology and data in audit, focusing on the increased use of data and setting objectives for that period with respect to the use of technology in support of audit objectives of the Court; welcomes the creation of the Data and Technology for Audit – DATA team, comprised of experts, data scientists and IT auditors, with the aim of supporting audit teams and being responsible for driving the digitalisation of the Court's audit work; endorses the significant efforts made by the Court to improve its IT capacity in order to perform advanced data analytics;
13. Appreciates the Court's approach with regard to basing its strategy on its analysis of trends, its assessment of risks and the priorities of the institutional stakeholders and auditees; believes that the dialogue between the Court and Parliament to identify topics of interest and priorities should be streamlined and coordinated to guarantee consistency and adequate coverage of the agreed major issues while avoiding duplication or overlapping; is aware that the Court establishes its work programme completely independently, although it uses input from Parliament, provided through Parliament's Conference of Committee Chairs; believes that the Court's work programme should be designed to provide a more effective analysis specifically in relation to some priorities identified in order to give it more flexibility regarding the important workload on the Recovery and Resilience Facility (RRF) in the future; recalls that the Court's resources should not be used to multiply special reports but to focus more on the preparation of special reports linked to the current European situation and challenges such as RRF, Next Generation EU (NGEU), the fight against the COVID-19 pandemic and customs management;
14. Acknowledges that the Court has carried out a needs assessment analysis and has requested an increase in the number of audit posts for 2023, while filling the additional 20 posts that it received in the 2022 establishment plan to focus on the NGEU; recognises that the NGEU will lead to an additional workload for the Court and that the Court has expressed its intention to focus, in particular, on the RRF; deeply regrets that the budgetary control provisions foreseen by the Council in the RRF do not provide sufficient auditing prerogatives to the Court with respect to Member States' spending;
15. Believes that the Court's work should provide a more effective analysis of the other Union institutions, as they are a relevant part of the discharge procedure; is of the opinion that audit of the heading 'European public administration', while it is considered as a low-risk expenditure and has not resulted so far in an error above the materiality threshold, would provide more relevant information to the discharge authority than is currently the case if it was carried out with a different approach, which would not necessarily entail a separate assessment every year for each institution;
16. Acknowledges that the changes related to the next MFF, the RRF and the NGEU involve the financing and use of the Union budget, including new forms of own resources, with a meaningful shift from compliance-based eligibility rules to performance-based aspects for many policy areas; understands that the Court will engage in a continuous development of its audit approach and methodology to provide strong assurances also in that changing scenario;
17. Encourages the Court to enhance its contribution to counter fraud in respect of the Union budget, not only by identifying and reporting the weaknesses that make programmes financed by the Union prone to fraud, but also by taking into consideration the current ongoing debate amongst the actors that are part of the Union's anti-fraud architecture and by intensifying the audit work in cooperation with the bodies in charge of fraud detection, regularly assessing the activities of such bodies and providing the discharge authority with feedback that is relevant to its analysis;
18. Praises the Court's strategy to commit to the formulation of recommendations on cost-effectiveness to contribute to de-bureaucratisation; points out that the Court's recommendations on increasing the efficiency of procedures, using best practices, improving coordination, establishing standard processes, preventing gold plating, and simplifying and digitalising, in particular, serve that goal;
19. Highlights that, in 2021, the Court recommended developing analysis and coordination capacity at Union level to better coordinate risk assessments and developing and maintaining Union-wide risk databases for use by the Member States; highlights the important Court endorsement of the efforts made in order to pursue effective data-mining capabilities to carry out data analysis at Union level and to identify Union-relevant risks; endorses the Court's support to the Member States to enhance efficiency and effectiveness of public administrations by

identifying regulatory and administrative barriers and improving the information exchange framework between the Union and Member States; calls on the Court to set the requirements necessary for easy and interoperable collection, processing and storing of data necessary for the auditing of Member States' use of public spending;

20. Calls on the Court to continue its efforts in addressing green tagging in the RRF and to assess the RRF in terms of its alignment and contribution to the European Green Deal objectives on climate action and notes that such efforts recently included the provision of special reports and opinions on the 'do no significant harm' principle and on the application of the EU taxonomy; calls on the Court to include specific tasks to assess the contribution and impacts of the digitalisation targets in the RRF to the Union's digital strategy and digital transformation; is concerned by the fact that it was not until 21 February 2023 that the Commission defined a clear methodology for quantifying the financial impact of the lack of satisfactory fulfilment of one or several milestones underlying payments;

Human resources, equality and staff well-being

21. Notes that, at the end of 2021, the Court had 853 permanent and temporary posts (as in previous years) out of which 527 were in audit chambers, including 104 posts in members' offices, and that it further employed 92 contractual agents and 25 seconded national experts, compared to 83 and 15 respectively in 2020;
22. Observes that the Court total full time equivalent in 2021 was 955, out of which 749 (corresponding to 79 %) were deployed to carry out audit tasks;
23. Notes that, in 2021, significant actions were launched to provide resources for auditing the NGEU, in particular an internal call for expressions of interest, launched in September 2021 and a call for seconded national experts, published in October 2021, and that the selection for the reserve list from which to recruit 20 additional temporary posts has been finalised with the process to actually recruit those 20 additional temporary posts expected to be fully finalised during the first quarter of 2023;
24. Observes that, on 31 December 2021, the occupation rate at the Court was 97,3 % (23 of the 853 permanent and temporary posts at the Court were vacant and open for recruitment) in comparison to 97,2 % at the end of 2020; appreciates the continued efforts to maintain intensive recruitment, which, in 2021, resulted in 80 new employees being recruited, comprising of 16 officials, 21 temporary agents, 30 contractual agents and 13 seconded national experts;
25. Notes that gender balance across staff is well pursued and achieved, with 50,76 % of officials and 60,82 % of temporary agents being women, and close to these levels for contractual staff (47,83 % women) and seconded national experts (48 % women); appreciates the positive situation with respect to gender distribution across management positions, with women holding 13 out of 28 posts as head of cabinet and 4 out of 10 posts as director, while noting that, with respect to principal managers, balance has still not been reached with 18 out of 50 posts occupied by women;
26. Regrets the lack of gender balance with respect to the college of members of the Court; points out that gender equality is enshrined as one of the core values of the Union in Article 2 of the Treaty on European Union; highlights that gender equality should not only play a role in all the Union's policies, but also in the internal organisation of its institutions; considers it unacceptable that in the Court's history, out of 116 members, only 16 have been women; acknowledges, however, that the current college is closer to achieve gender balance, as out of 27 members, 10 are women;
27. Understands that it is challenging to achieve gender balance because nomination is solely the responsibility of Member States, and notes with regret that 13 Member States have never sent a woman to the Court; nevertheless calls on the Court to analyse its overall composition in order to inform the Council and the Member States involved, so that gender balance is taken into consideration in the nomination decision; reiterates its call for reaching gender balance and encourages the national authorities to present candidates of different genders, with the aim of achieving something close to gender balance among the members of the Court;

28. Regrets that the Council repeatedly proceeds to nominate members of the Court whose nominations have been rejected by Parliament; underlines that Parliament's assessment of the suitability of candidates for the Court should be considered binding;
29. Welcomes the adoption, in 2021, of a new diversity & inclusion strategy and of a diversity and inclusion policy and action plan, both for the 2021-2025 period, observes that the new policy includes a performance assessment criterion for managers on their ability to cultivate inclusive management and promote diversity and inclusion and work-life balance; praises the first time designation, in 2021, of a member of the Court as a disabilities ambassador and the organisation under his sponsorship of the disabilities awareness week to promote an inclusive culture;
30. Welcomes the comprehensive set of performance indicators and targets adopted in order to monitor the Court's diversity and inclusion initiatives and the surveys on equal opportunities and on staff engagement; notes that the latter indicated a positive perception by the majority of staff with respect to empowerment, support and trust;
31. Welcomes the Court's signature, on 14 October 2021, of the Diversity Charter Lëtzebuerg, a national commitment text presented to any organisation in Luxembourg wishing to commit to diversity promotion and management through concrete actions;
32. Notes that geographical balance still have not been reached within the staff of the Court, which reflects the Court difficulties in attracting people to work (and live) in Luxembourg due to, among other things, the high cost of living; appreciates that the Court has started to promote calls for expressions of interest in digital newspapers and job sites in Member States that are underrepresented at the Court and via contact with the relevant cabinets of the Court for the Member States targeted; notes also the Court's proactive approach in raising the issue of non-competitive salaries with the aim of finding solutions; encourages the Court to reach out to national authorities via the permanent representations of the Member States to the Union, to use social media more intensively to publicise its recruitment procedures and to participate in career fairs and similar events in underrepresented Member States to promote the Court as an employer; endorses its participation in the European Academia network initiative as a tool in attracting talent to the Union institutions based in Luxembourg through common projects targeting universities;
33. Notes that seven burnout cases were reported to the medical officer of the Court in 2021, a number the Court considers to be very high and to be a result of the exceptional working and living conditions imposed during the COVID-19 pandemic; notes that the Court has undertaken a survey to understand how the COVID-19 pandemic has affected staff and launched a communication campaign aiming to promote a healthy work-life balance; appreciates, amongst the many initiatives, the extended psychological support for members of staff;
34. Welcomes the Court well-being programme 'Back at the office', embracing mental, physical and social support, tailored to the peculiarities of a hybrid work-life, with the aim of preventing burnout and enhancing resilience; appreciates the Court's endorsement of the right to disconnect by the introduction of the 'connection bandwidth' outside of which staff are not expected to work or be reachable unless in cases of emergency or where such contact is agreed prior to its occurrence;
35. Notes that the Court's staff policy includes an anti-harassment mechanism consisting of a support network that coordinates confidential counsellors, the medical officer, line managers, the mediation service and the human resources department; reiterates its call on the Court to further work on improving the harassment complaints reporting tool and the internal ethical framework; is aware that the Court adopted its latest anti-harassment policy in 2017; encourages the Court to update that policy, the revision of which was launched in 2021, with a view to focusing more on prevention, awareness-raising and coordination of the various figures involved in providing support and to establish a clearer reporting procedure and communication approach;

36. Notes the decision on hybrid working that was adopted in November 2021 and that the working conditions include working intervals and flexitime; observes that teleworking is subject to a limit of 10 working days per month;
37. Recalls the experience learnt from the irregularities committed by Karel Pinxten, when he was member of the Court, with respect to whom no action could be undertaken to comprehensively remedy the financial and reputational prejudice suffered by the Court and the Union as a whole, because no legal basis exists to recover his salary for days of absence in the course of missions outside the performance of his duties and for other unjustified absences; stresses that, as indicated by the Court of Justice in its judgement of 30 September 2021 ⁽¹⁾, the vagueness of the internal rules worked in favour of his misbehaviour, which was also allowed by the shortcomings of the controls put in place; acknowledges the actions undertaken by the Court in this matter, by cooperating with the European Anti-Fraud Office (OLAF), waiving immunities and bringing the procedure under Article 286(6) TFEU to a successful conclusion; underlines that the Court should do everything that is in its power to prevent similar cases from arising in the future and for this reason is committed to supporting and working with the Court as it makes the necessary adjustments to its internal rules; notes that the Court should act as the guardian of the Union's finances and that it should apply the highest ethical standards in particular with regard to the persons holding high office with Union institutions;
38. Notes that, until 2020, the establishment of a register of attendance covered only the few physical meetings of the college of members of the Court, despite the requirements expressed by Parliament; notes that by the Court's Decision No 21-2021, the participation of the members at other meetings is to be recorded in the attendance register also and reiterates the request made each year since the 2017 discharge that the register of attendance be extended to cover working days, missions, periods of leave and justified absences in order to represent an accurate mapping of the work carried out by the members and as a tool to proactively prevent potential cases of absenteeism; points out that the members of the Court have an obligation to fully devote themselves to the fulfilment of their mandate; acknowledges that the members' attendance register for 2021 was made available to the members of Parliament's Committee on Budgetary Control in January 2022; reiterates its request to receive annual updates of the register of attendance so that it can be considered during the discharge procedure;
39. Notes with satisfaction that, following Parliament's recommendation, the Court's amended code of conduct for its current and former members, published on 2 May 2022, includes a new Article 10(1), which stipulates that 'Members of the Court shall devote themselves to the fulfilment of their mandate. They shall reside at the place where the Court has its seat'; deems this revised provision to be in line with the interpretation expressed by Parliament, the principle of sound financial management and the ethical standards expected of the Court; notes that currently all members of the Court have their primary residence in Luxembourg;
40. Notes that the installation allowance for a member of the Court is granted on the condition that the member of the Court provides evidence that a change in the place of residence was necessary in order to take up duties to be able to adhere to the principle set out in Article 20 of the Staff Regulations; understands that the management of all financial rights of staff and members of the Court, including the installation allowance, has been delegated to the Paymaster Office of the Commission (PMO), which requests and verifies the validity of the necessary supporting documents; notes that, upon the Court's request, in 2021, the PMO carried out an *ex post* control of the installation allowance and reported the results to the Court, indicating that no irregularity had occurred in 2021;
41. Notes the set of rules and the terms of use recently adopted by the Court to govern the private use of the car fleet; understands that members of the Court are now obliged to cover the actual costs incurred for the use of a car unrelated to a mission and to cover other journeys in connection with the performance of duties when not covered by the standard number of kilometres allocated for that kind of use; is concerned that the new system introduced by that decision is confusing and does not demonstrate its alleged administrative efficiency; reiterates its opinion expressed in the previous discharge resolutions that the use of the car fleet should be limited to the performance of the members' duties; notes that different rules exist for the use of official cars in the Union institutions without any apparent justification; calls on the Commission to suggest common rules for the use of official cars for all Union institutions;

⁽¹⁾ Judgment of the Court (Full Court) of 30 September 2021, *European Court of Auditors v Karel Pinxten*, C-130/19, ECLI:EU:C:2021:782.

42. Maintains that missions are essential to fulfil the role of the Court and to allow its members to act as ambassadors of the Court in their respective home countries; welcomes that the Court publishes information on the missions carried out by its members on its website but insists that not keeping information on missions carried out in previous years on its website for more than a very limited time is contrary to the standards of transparency and accountability expected of the Court; likewise reiterates its call for transparency in relation to the purposes and costs of the missions of the Court and asks the Court to report to the discharge authority about cases where *ex ante* and *ex post* controls have detected irregularities; rejects the Court's assessment and decision not to join the Union Transparency Register and encourages the Court to reflect again on the matter, reiterating its strong call for the Court to join the Union Transparency Register which will not pose any obstacle to the full independence of the Court;
43. Welcomes the decision to publish the Members' missions beyond the current year, but recalls the importance of also publishing the members' agenda in its totality, including public and professional engagements;
44. Calls on the Court to make sure that current rules are able to prevent any possible misuse of mission orders which may call into question the integrity, independence and objectivity of its members; in particular asks that the tasks and responsibilities of a member while on mission are clearly specified so as to avoid any form of potential misconduct;
45. Draws the attention of the Court to the 2021 recommendation of the Court's internal audit service (IAS), to ensure that the PMO performs effective checks on mission expenditure, notably by applying the Court's mission guide correctly, and to facilitate the implementation of the new decisions on the management and use of the car fleet, the rules on representation expenses, the rules on professional training and the code of conduct for the current and former members of the Court, notably by providing further guidance to all actors involved;
46. Observes that, in 2021, the Court recruited 55 trainees, and that all received a monthly allowance, except one who was not eligible because that trainee participated in the framework of a University programme; calls on the Court to take the appropriate steps to ensure that all its trainees receive a decent remuneration;

Ethical framework and transparency

47. Welcomes the ongoing reform process by which the Court is following the recommendations included in previous discharge resolutions, focused on some aspects of financial management, transparency and ethical conduct;
48. Believes that the role and importance of the Court, as the Union's independent external auditor and guardian of its finances, imposes a set of very strict assessment criteria on the discharge authority and imposes on the Court the commitment to live up to the highest possible standards; emphasises in that regard, as done in the previous discharge resolutions, that supreme audit institutions like the Court are held to high standards and, therefore, must act as model organisations and inspire confidence and credibility, and that the leadership must set the tone by its actions towards such accomplishment; welcomes, in this regard, the election by its members of the current president of the Court, who gives the additional guarantees of having remarkable experience in the Union institutions and in matters relating to the audit of the management of the Union's financial resources;
49. Notes, concerning the Court's ethics committee and the procedure for its appointment, that the Court's internal procedures foresee that it is the prerogative of the Court's president to propose candidates to the college of member of the Court; observes that the college's decision to nominate members to the ethics committee is taken by a majority; highlights, moreover, that, according to Article 285 TFEU, the members of the Court are completely independent and that the ethics committee therefore has to be completely independent as well; reiterates its calls on the Court to reconsider the rules for appointment and composition of the ethics committee; once again asks the Court's ethics committee to report on the main findings of the internal audit report on ethics, already requested in connection with the discharges for 2020 and 2019;

50. Reiterates that while the amended code of conduct for current and former members of the Court explicitly sets the obligation to submit an annual declaration of interests, the Court should reinforce the current system to ensure that its members comply with the highest standards of ethical conduct and the ethical values and principles that must be observed, such as integrity, independence, objectivity, professional behaviour, dignity, commitment and loyalty;
51. Notes that the supporting structure for ethical advice consists of an ethics committee, ethics advisers, a transparency portal and a training team, entrusted with the development of a training programme consisting of an ethics course, conferences and workshops and focused on raising awareness and on providing specific training to the confidential counsellors on topics related to harassment; observes that 131 participants attended the training sessions devoted to ethics, which are mandatory for newcomers, as well as those on equal opportunities and anti-harassment, and are complemented by dedicated sessions for managers, ethical advisors and confidential counsellors;
52. Is aware that, in 2021, the Court started the process of updating its ethical framework for staff; acknowledges that the evaluation of the Court's ethical framework was carried out by an external consultant whose recommendations, issued in 2022, were based on a staff survey, a workshop with staff, interviews with managers and a document review; understands that the first action following the analysis is to update the Court's ethical guidelines, to be followed by updating the rules on whistleblowing;
53. Welcomes the update of the code of conduct for current and former members of the Court which follows up on Parliament's observations in the previous discharge; stresses that, building on Parliament's recommendations, the code of conduct introduces the obligation for members to reside at the place where the seat of the Court is located, regulates the contractual relations between members and staff of the Court, and limits the possibilities for members' involvement in politics; welcomes in particular that the new Article 12(2) explicitly forbids members from holding honorary non-remunerated offices in political organisations, hence guaranteeing the full independence of its members;
54. Observes that, concerning the anti-fraud policy, the IAS concluded in 2021 that there is no document consolidating the Court's anti-fraud policy and that there is no Court-wide anti-fraud strategy;
55. Points out that, on the internal controls used to prevent and detect internal fraud, the IAS has deemed that a more structured approach is needed regarding their documentation, their link with the risk assessments and the resources dedicated to fraud risk management and its effectiveness; calls on the Court to act upon the recommendation made by the IAS and to provide a clearer message on the Court's role in combating fraud;
56. Calls for an end to the use of external companies that, according to Yale University's ranking ⁽²⁾, continue to operate in Russia;

Digitalisation, cybersecurity and data protection

57. Observes that the total IT budget for 2021 was EUR 9 141 000 including transfers, compared to an IT budget of EUR 10 093 000 in 2020 and of EUR 8 085 000 in 2019; points out that in both 2020 and 2021 increases were justified, respectively for the five years' replacement of the Court's IT storage and for the investments made to adapt the Court to hybrid work;
58. Agrees that the digital transformation is a transversal process across the whole organisation that has materialised in several initiatives in 2021, including the development of technologies providing a hybrid user experience, an upgrade of the data storage system of the Court, the migration of the disaster recovery centre and the reinforcement of the security of IT systems;

⁽²⁾ <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>

59. Acknowledges the efforts made by the Court, also in 2021, to adapt to changing working conditions, fostering a digital transformation of auditing and an upgrade of technology and practices across the organisation to continue providing an effective public audit service in the Union; is aware that further progress in this direction requires accessible data made available in the required format by the Commission or the Member States; calls on the Commission to encourage the Member States to work towards more interoperability;
60. Understands that, also in 2021, in consideration of the limitations imposed by the COVID-19 pandemic, the whole audit lifecycle was largely performed digitally, covering audit preparation, evidence gathering and adversarial procedures, and that missions to Member States were replaced by video calls that included remote interpretation where needed;
61. Appreciates the important milestones that have marked the digital scene of the Court in 2021, such as the introduction of a robotic process for automation services, introduced to reduce repetitive low-value work for audit teams, the automation of the audit of the executive agencies, as part of the regular audit process, and the implementation of a brand new cloud-based translation management system;
62. Welcomes the completed implementation of the cybersecurity plan for the 2018-2021 period and the adoption of a new cybersecurity plan for the next three years (2022-2024), which envisages a gradual move to a zero trust architecture in line with the provisions set out in the proposal for a Regulation of the European Parliament and of the Council laying down measures for a high common level of cybersecurity across the institutions, bodies, offices and agencies of the Union; notes that no relevant successful cyber-attack against the Court was detected in 2021 and appreciates the importance of the cooperation of the Court with the Computer Emergency Response Team for the EU Institutions, bodies and agencies (CERT-EU); invites the Court to maintain a high level of attention on cyber-threats and information security, especially because the number of serious cyber-attacks increased considerably in recent years, making all Union institutions attractive targets for potential attackers; encourages the Court to carry out regular risk assessments of its IT infrastructure;
63. Notes that, in 2021, the Court co-hosted the kick-off event for European Cybersecurity Month and that the Court's diversity and inclusion officer coordinated one of the main sessions for the kick-off event about women in cybersecurity, at which a diverse group of women from different backgrounds exchanged views on women's motivation to join the field of cybersecurity and technology;
64. Notes that, in 2021, the reinforcement of budget lines was decided for investment in equipment and services mainly related to hybrid working and digitalisation, and that additional appropriations were also used to strengthen the Court's cyber defence capabilities, invest in a new translation management system and a new stakeholder management system, and implement the Union's electronic signature solution;
65. Welcomes the decision to implement free open-source software as key components of the Court, such as Linux as the operating system for several IT infrastructure servers, the open-source software Belenios for a secret ballot voting system and the open-source software Nagios for the Court's IT operations teams; observes that Courts uses the open-source software NextCloud for exchanging documentation with auditees in the framework of the ECAFiles system that operates under the highest security and personal data protection standards;
66. Welcomes the implementation of data-processing agreements whenever data is processed by third parties and the Court, as controller, is to ensure compliance with Article 29 of Regulation (EU) 2018/1725 of the European Parliament and of the Council⁽³⁾ and maintain full control over processing operations; notes the systematic consultation of the Court data protection officer on matters related to data processing and technical and organisational measures;

⁽³⁾ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

Buildings and security

67. Appreciates the Court's approach to consult staff and representatives before deciding on initiatives in the area of building renovation; encourages the Court to take into account in such initiatives the needs of people with disabilities as well as physical and digital accessibility;
68. Notes that the work on the renovation of the K2 building progresses according to the planned agenda, that the 4th and 5th floors were delivered at the end of December 2021 and are fully operational, that work on the 2nd and 3rd floors is advanced as well as the replacement of the heating, air-conditioning and ventilation machines; observes that, following the incidents of falling glazing elements in 2019 from the K1 façade and the transfer of adequate budget, the Court's administrative committee decided on the installation of protection films on the fixed glazing elements, something that is 90 % complete;

Environment and sustainability

69. Welcomes the publication, in 2021, of the Court's first sustainability report, drafted in accordance with the Global Reporting Initiative standards, which follows the establishment of sustainability as a cross-cutting issue in the Court's strategy for the 2021-2025 period;
70. Invites the Court to adopt a structured mobility plan encompassing carpooling, bicycle parking spaces and electric battery chargers and to explore the possibility of calculating a carbon budget for the cost of missions, so that the means of transport is chosen on the basis of impact as well as costs; praises the Court for the installation of charging points for electrical and hybrid cars in its premises;
71. Stresses that the total energy consumption fell by 24 % between 2014 and 2021, but that it increased by 0,8 % between 2020 and 2021 due to overconsumption caused by the prolonged use of ventilation systems in the context of the preventive measures related to the COVID-19 pandemic; calls on the Court to ensure the installation of solar panels on the roofs of its premises;
72. Is aware that the 2021 annual assessment of the Court's greenhouse gas emissions, which monitors its efforts to reduce its carbon footprint, indicates that total emissions amounted to 7 578 tCO₂eq, compared to 10 699 tCO₂eq in 2014 (the baseline) and remarks that this constitutes a reduction of 3 121 tCO₂eq of greenhouse gas emissions over that period;
73. Points out that waste generation was reduced by 62 % from 2019 to 2021 and by 18,7 % from 2020 to 2021, that in 2021 the recycling rate reached 59 % and the sorting rate 82 %, and that the rain water collection system, with a total storage capacity of 95 m³ and used mainly for garden maintenance, contributed to reducing the overall water consumption;
74. Remarks that the Court is the co-leader of the project group on 'Preparing for future risks and climate crisis: time for audit to take a long-term view?', as well as member of Inspiring More Sustainability (IMS) Luxembourg, a network of companies and organisations established in Luxembourg that have an engagement towards corporate social responsibility;
75. Appreciates the progress made in the reduction of paper consumption and encourages the Court to build further on the experiences gained during the COVID-19 pandemic to reduce paper consumption;

Interinstitutional cooperation

76. Believes that the mission of the Court imposes intensification of the coordination with Parliament and with the Council, constructive relationship with the Commission in its role of main auditee and closer exchanges with the Member States, both with governments, in particular in consideration of their essential role in the protection of the financial interests of the Union, and with national parliaments and other supreme audit institutions;

77. Notes the signature of a new tripartite agreement between the Court, the Commission and the European Investment Bank (EIB) in November 2021; welcomes that that agreement allows for greater access to and improved streamlining of audited EIB documents but still regrets the fact that the agreement does not offer the extensive solution which Parliament has called for; is aware that the Court does not have a mandate to audit operations that exclusively use the EIB's own funds; reiterates that the Court is expected to have full access to all information related to EIB operations intended solely for the implementation of Union policies; agrees with the Court on the opportunity for future Union legal acts conferring a mandate on the EIB to implement Union policies to integrate a comprehensive and clear mandate empowering the Court, in line with the Treaties, to audit performance aspects of all the activities carried out based on such legal acts and to have full access to any document it considers necessary for that purpose; invites the Commission to obtain the Court's opinion prior to proposing such legal acts;
78. Notes the signature of a memorandum of understanding between the Court and the European Stability Mechanism (ESM) with respect to auditors of the Court carrying out short-term assignments to support the work of the ESM's board of auditors as subject matter experts;
79. Welcomes the signature of a working arrangement with the European Public Prosecutor's Office (EPPO), which provides a structured framework for cooperation and allows the Court to transfer cases directly to the EPPO; appreciates the intense dialogue with OLAF which, in 2021, resulted in the swift opening of investigations in six cases following the Court's transmission of relevant information; stresses the importance of a stronger cooperation between the Court, EPPO, OLAF and the European Ombudsman in order to avoid the duplication of investigations and emphasises the need to discuss areas of mutual interest;
80. Observes that the Court is an active member of the International Organisation of Supreme Audit Institutions (INTOSAI) and one of the 30 founding members of the European Organisation of Supreme Audit Institutions (EUROSAI), which is the European regional arm of INTOSAI; remarks that the Court cooperates with other supreme audit institutions and international audit organisations both bilaterally, with the supreme audit institutions of the 27 Member States, and multilaterally, within the framework of the Contact Committee of the Supreme Audit Institutions of the European Union, and that the Court also supports the supreme audit institutions of Union candidate and potential candidate countries; appreciates that the Court is one of the 25 members of the Global Audit Leadership Forum the aims of which are to enhance the audit activities of member supreme audit institutions, address global and strategic issues, and contribute to the INTOSAI community;
81. Notes that the Court fosters inter-institutional cooperation, and that it uses service level agreements to optimise the use of resources and make savings while benefitting from partners' specific expertise; observes that amongst the service level agreements there is one with the PMO covering the management of pensions, missions, financial rights and payroll, one regarding the provision of human resource services, and others relating to interpretation, translation and publication; remarks that, by way of amendments, the scope of service level agreements can be extended, and that this was the case in 2021 for the provision of human resource security clearance services following the adoption of Decision No 41/2021 of the Court of Auditors on the security rules for protecting EU classified information (EUCI) ⁽⁴⁾;
82. Appreciates that the Court is a member of the Bridge Forum Dialogue, a Luxembourg-based forum that aims to stimulate discussion on questions concerning Europe and brings together supranational institutions and agencies, national institutions, civil society and the academic world;

Communication

83. In 2021, the budget assigned to communication and promotional activities amounted to EUR 205 000, as EUR 70 000 out of the initial budget of EUR 275 000 was transferred to other budget lines during the year; observes the consumption rate of 73,9 % (EUR 151 562);

⁽⁴⁾ OJL 256, 19.7.2021, p. 106.

84. Welcomes the publication, in July 2021, by the Contact Committee of the Supreme Audit Institutions of the European Union of the Audit compendium on the response to COVID-19, which provides information on the impact of and the response to the pandemic at national and supranational level, and the launch of a new COVID-19 section on the website of the Contact Committee to facilitate more timely and continuous information on relevant audit work performed by Union supreme audit institutions;
 85. Appreciates the publication, in 2021, of the diversity and inclusion communication plan, which contains information on the Court's communication objectives, target audience, stakeholders, messages, channels and monitoring;
 86. Encourages the Court to engage with the European Data Protection Supervisor with a view to utilising the two open-source social media platforms, EU Voice and EU Video, that were launched as a public pilot project to promote the use of free and open-source social networks; further encourages the Court to use decentralised social network alternatives to very large online platforms, such as the Mastodon platform;
 87. Reiterates its call to the Court to increase its communication efforts in order to strengthen its link with citizens by endorsing greater transparency in its operations, by intensifying the use of digital technologies and by pursuing a communication strategy that allows the correct perception and understanding of the Court's role and of the way it fits in the Union's vision and improves the visibility of the Court in the various Member States.
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DECISION (EU) 2023/1831 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section VI – European Economic and Social Committee**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0232/2022) ⁽²⁾,
 - having regard to the European Economic and Social Committee's annual report to the discharge authority on internal audits carried out in 2021,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2021, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁵⁾, and in particular Articles 59, 118, 260, 261 and 262 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0074/2023),
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 2021;
 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 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 391, 12.10.2022, p. 6.

⁽⁴⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁵⁾ OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2023/1832 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021, 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 2021, Section VI – European Economic and Social Committee,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0074/2023),
- A. whereas the European Economic and Social Committee (the ‘Committee’) is an advisory body of the Union providing a forum for consultation, dialogue and consensus among representatives of the various economic, social and civil components of organised civil society from the Member States;
- B. whereas the Committee contributes to the Union decision-making process and, by ensuring links between Union policies and economic, social and civil circumstances, it pursues its missions of better law making, participatory democracy from the bottom up and promotion of the European values;
- C. whereas the consultation of the Committee by the Commission or the Council is mandatory in certain cases; whereas the Committee may also adopt opinions on its own initiative while enjoying a wide area for referral as defined by the Single European Act, the Maastricht Treaty and the Amsterdam Treaty, allowing it to be consulted by Parliament;
- D. whereas the Committee’s commission for financial and budgetary affairs (CAF) is the Committee’s supervisory body for all budgetary procedures and, in particular, the establishment of the budget estimates, the budget implementation, the annual activity report, the discharge and the follow up to the annual report of the Court of Auditors (the ‘Court’);
- E. 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 an efficient financial and administrative management, performance-based budgeting and good governance of human resources;
1. Notes that the budget of the Committee falls under MFF heading 7, ‘European public administration’, which amounted to a total of EUR 10,7 billion in 2021 (representing 5,9 % of Union spending); observes that the budget of the Committee represented 1,2 % of the total Union spending on administration;
 2. Notes that the Court in its Annual Report for the financial year 2021 increased its sample of transactions under ‘Administration’ from 48 in 2020 to 60 in 2021;
 3. Notes that the Court mentions that the work carried out over many years indicates that MFF heading 7 concerns overall low-risk spending; notes, however, that the Annual Report on the implementation of the budget for the 2021 financial year does not provide any relevant information on the Committee and invites the Court to include in its next annual reports comprehensive data regarding the completion of all requirements necessary for a consistent discharge procedure;
 4. Notes with satisfaction that in the Annual Report for the financial year 2021, the Court did not identify any specific issues concerning the Committee;

Budgetary and financial management

5. Notes that the final budget of the Committee for 2021 was EUR 145 024 938, representing a slight increase of 1,7 % compared to EUR 142 539 393 in 2020 and EUR 138 502 768 in 2019; notes that the most important budget lines in 2021, making up about 80 % of the overall budget, were those for remuneration and allowances, followed by members' travel and subsistence allowance, lease payments, interpreters and fitting-out of premises;
6. Observes with concern the low budget implementation of 90,8 %, compared to 91,8 % in 2020 and far from the pre-pandemic levels in 2019 and 2018 respectively of 98,1 % and 98,7 %; notes that the uncommitted appropriations returned to the Union budget are the highest in the last four years and amount to EUR 13 336 920, compared to EUR 11 677 200 and EUR 2 579 332 respectively in 2020 and in 2019 and EUR 1 819 462 in 2018; notes that this decrease is considered by the Committee to be a direct consequence of the COVID-19 pandemic; observes, however, that in the economic outturn account, the overall expenses slightly increased in 2021, by 5 % compared to 2020, which the Committee explains was due to an increase in activity compared to the first year of the COVID-19 pandemic; points out that the two indicators appear to be pointing in opposite directions;
7. Underlines the low payment rate at 31 December 2021 of 78 %, a decrease from 83,2 % and 92,5 % respectively in 2020 and 2019; appreciates that the average payment time in 2021 decreased to 19,94 days which is an improvement compared to 2020 (28,44 days) and 2019 (30,12 days); observes, however, that electronic invoices as a share of all invoices only reached 68 % in 2021, compared to 67 % in 2020 and still lower than 79 % in 2019;
8. Remarks that an unprecedented surplus of EUR 13 163 207 was carried over from 2021 to 2022, much higher than in 2020 and 2019 when respectively EUR 8 722 448 and EUR 8 614 946 were carried over;
9. Notes that, in 2021, the COVID-19 pandemic had an impact on the activities of the Committee, so that for certain lines there was a reduction in the use of appropriations (members' travel costs and allowances, interpretations, staff missions and organisation of events and hearings including the catering related to those events) while for others the health crisis required additional expenditure (technical support for remote or hybrid meetings, including simultaneous interpretation, reinforcement of IT facilities to cope with increased teleworking and additional equipment needed by the Committee's medical service); observes that the leftover appropriations were used to address the backlog in IT and buildings, acknowledged in previous discharge exercises;
10. Remarks that the amount of transfer in 2021 was EUR 5 323 400, meaning that the transfer in 2021 and that in 2020 of EUR 10 378 352 were between 2,5 and 5 times higher than the transfers in the years prior to the COVID-19 pandemic (EUR 3 119 041 and EUR 1 981 731 in 2019 and 2018 respectively); remarks that transfers were initiated earlier in the year but, despite the efforts made, not all leftovers could be absorbed due to the COVID-19 pandemic;
11. Observes that, in 2021, the Committee continued its activities to improve the cost-effectiveness of its administrative circuits, achieving full paperless financial workflows and using qualified electronic signatures for contracts and amendments; notes that savings have been achieved mainly through the synergies resulting from the cooperation agreement between the Committee and the European Committee of the Regions (the 'CoR'), renewed in 2021, notably in the areas of infrastructure (the overall estimated savings made on rent, maintenance, consumables and staff amount to over EUR 12 million), IT, security and meeting services;

12. Is aware that tender procedures concerning the Committee are organised either by its own services or on behalf of the Committee by the joint services shared by the Committee and the CoR; observes that, in 2021, there were only 13 procurement procedures where the Committee was either the sole contracting authority or a participating contracting authority together with the CoR, out of which two were cancelled due to a lack of offers, two in the field of building works ran as open procedures with the Committee as a participating contracting authority, and the remaining ran via negotiated procedure, seven for middle and low value contracts and two without prior publication of a contract notice as foreseen by the Financial Regulation;
13. Underlines that, between April and June 2021, several meetings of the budget committee of the Council discussed the proposal by the Committee for a specific allowance for remote attendance of Committee meetings; notes that the proposal by the CAF, supported by the Committee's quaestors and approved by the Council, sets the allowance for remote participation at EUR 145, which is half the allowance stipulated in Article 2(1) of Council Decision 2013/471/EU ⁽¹⁾, applicable as per 1 July 2021 and limited to the period where there are travel difficulties caused by the COVID-19 pandemic; notes that the reimbursement requires a check of attendance at the meeting or event for each participant via a variety of methods such as signature lists, electronic connection reports, screen shots or other reports showing interventions made, and that only based on that information can a reimbursement take place; highlights that in the event of remote attendance, only the reduced allowance is paid and that no other reimbursements (such as for travel costs or travel allowances) are made after the check of attendance and a check that no other third-party contribution was received; considers nevertheless that allowance, albeit reduced, difficult to understand in terms of public opinion as it could lead to reputational damage for the Committee; considers further that since the sanitary measures and measures taken during the COVID-19 pandemic have been lifted, the allowance for remote attendance of meetings is no longer necessary;

Internal management, performance and internal control

14. Notes that 2021 was another year where the Committee was affected by the COVID-19 pandemic, during which a series of decisions were taken to enable the Committee's main bodies to continue to function despite the limitation imposed by safety and security concerns; observes that such decisions concerned format of meetings, building access requirements, event management and other health and safety measures, including physical distancing and the carrying out of meetings in remote format, which later became hybrid format, including hybrid voting and use of electronic workflows;
15. Acknowledges the new management plan adopted by the Committee in 2021, defining the strategy of its secretariat-general and the five core values and five key strategic objectives that will steer its work over the next five years and establishing the annual strategic objectives directly linked to the management plan that, for 2021, include 33 objectives designed for all parts of its administration;
16. Points out the role of the CAF that prepares all decisions of a financial or budgetary nature for the Committee's bureau and is organised with ad hoc subgroups targeting ad hoc subjects more efficiently, each composed of three members, one from each group represented in the Committee;
17. Welcomes the Committee's integrated business analysis programme, aiming to capture and map all underlying business processes having an influence on the spending forecasting for budget lines, which is expected to help identify potential root causes of variances between the spending forecasting and the final costs of activities, leading to further improvement of the sound and efficient management of available human and financial resources to support the political activities of the members of the Committee;

⁽¹⁾ Council Decision 2013/471/EU of 23 September 2013 on the granting of daily allowances to and the reimbursement of travelling expenses of members of the European Economic and Social Committee and their alternates (OJ L 253, 25.9.2013, p. 22).

18. Is concerned by the scarce resources available for the Committee's internal audit service (IAS) whose staffing level has a direct impact on the volume and quality of the work carried out and therefore on the assurance that the IAS can provide on the risk and control environment; understands that, as of November 2021, an assistant from outside the IAS is contributing to the work of the three members of staff currently deployed to the IAS, but believes that such temporary additional allocation does not ensure compliance with the international standards governing the minimum endowment of an internal audit function; expresses its support of the Committee's proposal to convert the assistant post already existing within the IAS to an administrator post in order to strengthen the internal audit in the short term; calls on the Committee and on the CoR to optimise the coordination of their respective internal audit services when implementing the cooperation agreement between the Committee and the CoR;
19. Acknowledges that the Committee took steps to implement the internal control standards with regard to assessing sensitive functions by adopting a detailed policy in December 2020 that includes the definition of sensitive posts and the methodology to be used for assessing the risks associated with all posts; notes that a Committee-wide assessment was concluded in 2021; remarks, however, that the findings of the IAS revealed room for improvement; observes that the internal audit on salary payments in 2018, the undue allowance payment detected by the Court in 2019 and the further internal audit on verification in 2020 indicated a need for a closer examination of controls in the management of statutory rights; asks the Committee to inform Parliament about the punctual follow-up to audit findings;
20. Observes that key activity and performance indicators are an effective management tool and notes their interpretation in the COVID-19 pandemic scenario, hence the weighted importance acknowledged with respect to trends in communication, physical meetings, workplace relations, copy shop productivity and interpretation;
21. Notes that the Committee pursues its mission through opinions, which refer to legislative proposals made by the Commission (referrals), and own-initiative opinions, which call on the Union institutions to take action, and that the Committee's positions can be highlighted in resolutions or included in evaluation and information reports;
22. Observes that, in 2021, the Committee adopted 200 opinions (compared to 131 in 2020 and 127 in 2019) out of which 151 opinions were based on referrals, 28 were own-initiative opinions and 12 were exploratory opinions (opinions based on referrals amounted to 65 and 59 in 2020 and 2019 respectively); welcomes the decision to launch a pilot project on reinforced follow-up of opinions issued, aiming to strengthen the monitoring of the actions undertaken by the institutions in question on a selected list of opinions of political or strategic importance in relation to the work programme of the sections of the Committee and the Committee's contribution to the annual work programme of the Commission, to be carried out between September 2022 and April 2023; understands that such reinforced follow-up includes a reinforced role for the Committee's rapporteur in relation to the different actors in the legislative process, including presence at Parliament committee meetings and outreach-oriented tailor-made communication;
23. Observes that the relevant Report on the implementation of the Cooperation Agreement between the European Parliament and the European Economic and Social Committee shows, in 2021, a doubling of the number of meetings with Parliament counterparts in the preparation of the Committee's opinions compared to 2020 which confirms the Committee's presence in the legislative cycle and calls on the Committee to ensure that its opinions are shared with the members of the relevant committees of Parliament, in line with the cooperation agreement between Parliament, on the one hand, and the Committee and the CoR, on the other hand; notes that, in addition to bilateral meetings on ongoing files, members of both Parliament and the Committee took part in various events, conferences and meetings and that 156 meetings were held with Parliament counterparts, 538 meetings with Commission counterparts and 139 meetings with Council and Member States counterparts;

24. Notes the wide participation and positive feedback with regard to the bimonthly webinars of the European circular economy community (EU Circular Talks), and to the EU Organic Awards representing the first example of Union-wide organic awards, jointly organised by the Commission, the Committee, the CoR, the European Voice of Farmers and Agri-Cooperatives and the European umbrella organisation for organic food and farming (IFOAM – Organics Europe); observes that, in 2021, some high-level conferences were organised with positive attendance results, such as the civil society conference on the Geopolitics of the Green Deal, the high-level public conference on Energy poverty at the crossroads of the European Pillar of Social Rights and the European Green Deal, and the high level conference on Youth Policy in the Western Balkans; appreciates the importance of the Committee in ensuring the social aspect of the green transition;
25. Notes that the Committee, through the work of its ad-hoc group on the Conference on the Future of Europe, directly organised or supported the roll-out of 75 events, 33 at national level and 42 at central level, and that 60 % of those 75 events produced reports on the Conference platform with those 45 events alone gathering more than 7 600 participants; notes that the Committee also encoded 60 new ideas on the Conference platform and launched a vast communication campaign on social media and that many of those ideas fed into the 325 final proposals adopted in May 2022;

Human resources, equality and staff well-being

26. Notes that, in 2021, despite the limitations imposed as a result of the COVID-19 pandemic, the Committee managed to guarantee safe working conditions; points out the actions carried out by its medical service, including continuously updating public health rules for the premises and keeping staff informed via in-person and on-line psycho-social support continuously offered to the staff and up-to-date scientific medical information provided to members, staff, and the administration, together with active participation in the Commission's vaccination campaign; underlines the synergies established with Parliament with regard to COVID-19 testing;
27. Remarks that the Committee reports that there were 699 members of staff employed on 31 December 2021, compared to 702 in both 2020 and 2019; notes that, in 2021, the number of posts in the Committee's establishment plan increased from 668 to 699, which was foreseen in 2020; points out that the occupation rate for budget posts was 94,3 % in 2021, slightly lower than the occupation rate in 2020, 2019 and 2018, which were 95,5 %, 96 % and 96,6 % respectively, and observes that the recruitment of 74 new members of staff were finalised in 2021, compared to 58 and 57 in 2020 and 2019 respectively;
28. Observes that a large number of temporary and contract agents were employed in 2021 (107 temporary agents and 46 contract agents out of a total of 699 staff, compared to 93 and 81 temporary agents in 2020 and 2019 respectively, and to 47 and 43 contract agents in 2020 and 2019 respectively); expresses concern that this situation entails the risk of considerable loss of knowledge and expertise for the Committee when those temporary employment contracts come to an end; invites the Committee to further deepen its administrative cooperation with the CoR via the joint services arrangement to enhance the synergic effects of pooling staff;
29. Notes that, in terms of the establishment plan, the cut in human resources appears to have had an impact on the Committee that exceeds the 5 % target established by the Commission (staff reductions of 7,98 % compared to 2013 figures); is aware that the additional priorities taken on board in recent years and those still to come have resulted in the Committee's request for additional resources in the context of the 2023 budget preparation (three additional administrator posts);

30. Appreciates that to speed up the recruitment process for management positions, the Committee's directorate for human resources and finance has taken measures to raise awareness among the group presidents and heads of group secretariats on the need to plan selections and recruitment ahead in order to avoid, in the interest of the service, extended periods of *ad interim* positions and managers having double posts, and instructions have been given to the staff dealing with recruitment, accompanied by a proactive policy in publishing vacant posts; notes that the directorate for human resources and finance devised a detailed action plan for recruitment and the retention of staff, which was approved by the Committee's management board in October 2021, structured around forward planning, raising attractiveness and talent retention;
31. Notes the majority of the Committee's staff is composed of women (448 out of 699), in both the assistant category and the administrator category; welcomes the well-balanced gender representation in middle and senior management functions with 52 % women and 48 % men in such positions, compared to 46 % women and 54 % men in 2020 and 48 % women and 52 % men in 2019; appreciates the action of the Committee's equal opportunities officer in shaping the upcoming diversity and inclusion strategy and action plan and is aware that the CAF is looking into the practical implementation of gender budgeting in public institutions, based on information given by external speakers, including the chair of Parliament's Committee on Women's Rights and Gender Equality, which will be brought forward via an in-depth analysis of the ways in which this tool could help to address gender equality;
32. Underlines that, while the staff come from all Member States, given that Member States are not proportionally represented, the Committee's geographical balance is not satisfactory; observes that managers from the 13 Member States that joined the Union after 2004 made up 19 % in 2021 (same level as 2019), compared to 15 % in 2020, while the distribution of administrators per grade shows that 65 % of administrators from those Member States are currently in grades AD 8 – AD 10, making them eligible to apply for a management position; calls on the Committee to continue to take action, to make greater efforts and to commit itself to reach a balanced geographical distribution of nationals from all Member States within its staff, with a particular focus on the management level, taking into consideration the representation of Member States that joined the Union after 2004;
33. Observes that the measures adopted in order to tackle limitations resulting from the COVID-19 pandemic, included the provision of a laptop and a headset to all staff members, the provision of ergonomic chairs on duly justified medical grounds, the provision, in 2020, of a limited lump sum to cover extraordinary costs incurred during the mandatory teleworking period and upon individual request, the provision, in 2021, of the possibility of an additional screen if essential for medical reasons, and, as per April 2021 onwards during a period of six months, a temporary monthly allowance of EUR 20 to members of staff and trainees to cover additional costs of a varying nature;
34. Urges the Committee to adopt an updated diversity and inclusion strategy and action plan; expects that such strategy and action plan will take stock of the lessons learnt during the COVID-19 pandemic, offer flexible tools to match diverse needs among different staff groups and promote diversity and inclusion but also work-life balance and equal opportunities for its staff; asks the Committee to inform Parliament about progress in that regard;
35. Notes that, in 2021, the Committee assessed its action plan for equal opportunities and diversity in order to launch the drawing up of an upscaled diversity and inclusion strategy; observes that online events were organised on the occasion of the International Day against Homophobia and that the Committee took part in the conference of the Inter-Institutional Joint Committee on Equal Opportunities and in various interinstitutional networks in the field of diversity and equal opportunities; encourages the Committee to continue endorsing bottom-up initiatives that contribute to making the Committee a more inclusive workplace; asks the Committee to include, in the upcoming diversity and inclusion strategy and action plan on, specific actions on recruiting and on-boarding of candidates with disabilities and to pay similar attention to accessibility and mobility when carrying out building renovation;

36. Notes that the working conditions in place provide for a high degree of flexibility and that, while forward planning is required, time recording is no longer obligatory; observes that, as the Committee opted for an exemption from working time registration in 2020 and 2021, adaptation of the schedule to individual needs is possible, as long as service needs are fulfilled and work-life balance in difficult circumstances is facilitated;
37. Observes that the change in working conditions following the COVID-19 pandemic had an influence on the uptake rate of non-standard working time arrangements and that, as from spring 2020, the requests for non-standard working time arrangements have steadily declined; remarks that in 2021, and for the first time since 2016, the percentage of staff requiring a suitable non-standard working time arrangement fell below 20 % (18,88 % in 2021 compared to 23,93 % and 32,19 % in 2020 and 2019 respectively); points out that the decrease in applications between 2020 and 2021 mainly concerns women, with around one in five applying for a non-standard working pattern in 2021, while the figure for men remains stable (32 men in 2020 compared to 31 men in 2021); observes that while there was a significant increase in the number of men using flexible working patterns in 2019, the proportion between men and women remained approximately the same in 2020 and 2021 with approximately one fifth of applications being made by men;
38. Notes that during 2021 and in light of the ongoing COVID-19 pandemic, teleworking remained the norm but that, as from 14 June 2021, staff could gradually return to the office one day per week on a voluntary basis, while respecting the precautionary measures in place in the premises; notes that teleworking from abroad was possible for all staff during a limited time period and under specific conditions, such as for particularly difficult family situations with compelling medical or social reasons; welcomes that the right to disconnect, already enshrined in the previous decision concerning the teleworking scheme, is now explicitly mentioned in the Committee's revised decision on working conditions that entered into force on 1 April 2022; encourages the Committee to explore the long-term teleworking solutions in the post-pandemic environment;
39. Welcomes the launching of a survey in March 2021, coordinated by the Committee and the CoR, to assess the experience of all members of staff of the long period of teleworking and to identify possible guidelines for the future; understands that more than 71 % of staff, including managers, gave their feedback, which was largely positive in respect of the limitations that were imposed as a result of the COVID-19 pandemic, and provided indications that were taken into account for the preparation of the revised decision on working conditions, which was drafted in 2021 and after extensive social dialogue entered into force on 1 April 2022, as a pilot project for six months;
40. Regrets that, also in 2021, the Committee was not able to provide data on cases of burnout within the staff of the Committee; respects the data protection limitations, but reminds the Committee of the importance of anonymised statistical data for managerial decisions within an organisation while also expressing the need to safeguard staff well-being; reiterates that awareness-raising actions, good practices in relation to workload management, communication and conflict solving, as well as return-to-work policy, should be taken into account;
41. Notes that, in 2021, the Committee prepared and discussed a revised decision on procedures for preventing and dealing with psychological and sexual harassment at work (Decision 090/22A) which was only adopted in March 2022; observes that this is part of a wider action plan on ethics adopted in January 2021, based on the recommendations of a joint working group comprised of staff and administration representatives; reiterates its regret regarding the slow adoption of that new decision, which unfortunately does not include a specific procedure for harassment involving a Member and an official (within the definition of Decision 090/22 A) with the consequence that no uniform procedures for dealing with cases of harassment is applied, leading to victims being treated differently; calls on the Committee to immediately provide for a specific procedure that will grant everyone proper and long due protection against harassment; believes that only a zero tolerance policy on harassment will prevent the Committee from future allegations of harassment and serious misconduct;

42. Notes that, in 2021, the Committee hosted 52 trainees for a five month term, 4 trainees for a three month term and 2 trainees who were on grants awarded by external public bodies; notes that the trainees with a term of five months received a monthly grant and allowances while the shorter term trainees were not entitled to any financial contribution; welcomes that, following also the call from Parliament during the 2020 discharge procedure, an internal reflection is ongoing to ensure that all trainees receive a decent remuneration and that a new framework clarifying the rights and obligations of trainees has been drafted, is currently undergoing consultation with the Committee's legal service and its staff committee and is expected to be in place for the next traineeship session starting in March 2023;
43. Reiterates its call on the Committee to integrate the lessons learned from the COVID-19 pandemic in its internal management strategy in terms of business continuity and crisis management, IT responsiveness, resilience of the organisation, duty of care towards its staff, effective communication and flexible working processes, in order to develop a result-oriented management style that can encourage a healthy work-life balance;

Ethical framework and transparency

44. Welcomes the update of the Committee's code of conduct in January 2021 with strengthened sanctions and with a broader scope, establishing a more efficient mechanism to handle infringements by members, and is aware of the revision of its rules of procedure that followed in March 2022; appreciates the adoption, in January 2021, of a detailed action plan on ethics based on the recommendations of a joint working group comprised of staff and administration representatives;
45. Underlines the importance of the internal audit on ethics and integrity aiming to provide reasonable assurance as to the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising public interest over private interests; reiterates the call to consider also an external audit on ethics and transparency;
46. Observes that, following the entry into force of the Committee's revised decision on whistleblowing on 15 December 2021 (Decision 297/21A), as well as of the revised decision on procedures for preventing and dealing with psychological and sexual harassment at work (Decision 090/22A), adopted on 31 March 2022, the renewed ethical legal framework will be completed with a revised decision laying down general implementing provisions on disciplinary procedures and administrative enquiries; encourages the Committee to ensure that such process entails consultation with its legal service and data protection officer and dialogue with its staff committee and the Union's Staff Regulations Committee;
47. Notes that the settlement agreements related to European Anti-Fraud Office (OLAF) case OC/2018/0666/A1 have finally been fully implemented with respect to all staff members concerned; regrets the slow reaction by the Committee in concluding and implementing the settlements; notes that, as regards the former Committee member identified by OLAF as a victim of serious misconduct, following talks in March 2021 an agreement was found with regard to the ways to remedy the issue, centred on the strengthening the Committee's code of conduct, strengthening the ethical framework, giving priority to finding fair settlements and providing public apologies to victims;
48. Welcomes that, on 13 April 2022, the Committee's President made a public statement, published on the Committee's website, addressing her official apology on behalf of the Committee to all the victims, both members of staff and the former member, identified in OLAF case OC/2018/0666/A1; reiterates its concern that the Committee's Secretary-General still refuses to admit the internal shortcomings and responsibilities, leading to a breach of duty of care towards the staff of the Committee;

49. Underlines that, on 6 October 2022, by its ruling in Case C-673/21 ^(?), the Court of Justice confirmed the legality of the measures taken by the decision of 9 June 2020 of the Committee's bureau;
50. Observes that the Committee is a civil party in an ongoing legal case initiated by the national authorities against a former member accused of perpetrating misconduct that is currently before a Belgian court pending a competent decision; asks the Committee to inform Parliament about the development of that case in a timely manner;
51. Deeply regrets that Parliament's unambiguous calls for an external and independent investigation specifically to review the Committee's procedures with respect to human resources and the effectiveness thereof, with a focus on identifying the responsibilities of the administrative hierarchy in addressing harassment claims and ensuring the well-being of staff, are still being ignored; urges the Committee to take all necessary measures to efficiently prevent potential cases of harassment in the future; believes that it is essential to guarantee the well-being of staff and to effectively and swiftly prevent further cases, such as the one that has already occurred;
52. Points out that, in 2021, OLAF investigated two cases involving the Committee of which one, opened in 2019 and involving a member of the Committee, was closed in 2022 as OLAF did not establish any evidence of fraud or irregularity affecting the financial or other interests of the Union, and the other, also concerning a member, was closed by OLAF in 2021 as the European Public Prosecutor Office (EPPO) had initiated a parallel criminal law investigation over the same facts; remarks that another case from 2020, also involving a member, was closed by OLAF in 2022 as the member concerned passed away in the meantime;
53. Remarks that to date one case, reported to Parliament's Committee on Budgetary Control by the Committee in 2020, is still open for which the appointing authority of the Committee intended to take its final decision by the end of 2022; notes that, based on the comments made at the initial hearing of both parties, a complementary enquiry to further investigate several points and to hear additional witnesses was launched and completed before the summer break in 2022; deeply regrets that this internal investigation has so far already taken two years without any final conclusion, seriously hampering the lives of the persons involved and blocking its potential transfer to OLAF; asks the Committee to deliver its final decision as soon as possible and inform the Parliament about the outcome;
54. Appreciates the Committee's willingness to cooperate with the investigative bodies of the Union (OLAF and EPPO); notes that a service-level agreement relating to the conduct of internal administrative enquiries was signed with the investigation and disciplinary office of the Commission in 2021;
55. Welcomes that the Committee's revised code of conduct introduced in January 2021 contains specific provisions on the declaration of financial interests and on conflicts of interest; remarks that a new provision was integrated in the code according to which members, delegates of the its consultative commission on industrial change, alternates and experts must submit a declaration of their financial interests to the president of the Committee upon taking up their duties, which must be resubmitted on an annual basis on 1 January and, in case of any change during a member's term of office, at the earliest possible but in any event within two months; points out that the revised code of conduct entails specific provisions on revolving doors and foresees that, for a period of two years after ceasing to hold office, a former member shall not lobby present members or staff on matters for which they are holding important positions or writing reports; asks for the periodic publication and update on its official website of the information about the state of compliance for both financial declarations and derogations to the cooling-off period;

^(?) Judgment of the Court of Justice of 6 October 2022, *KN v European Economic and Social Committee*, C-673/21, ECLI:EU:C:2022:759.

56. Notes with satisfaction that training on ethics became mandatory for all members of staff in 2021 and that it includes additional, more specific training dedicated to managers; observes that training for members of the Committee on ethics has been revised to align with the new code of conduct and to cover the full range of ethical issues; appreciates the setting up of a new team of ethics counsellors to provide the best possible advice to colleagues who consult them on ethical questions, including on the Committee's internal rules on the protection of whistle-blowers against negative action and their right to stay anonymous, and to support them during the process, and that information on ethics counsellors is disseminated to all newcomers; underlines that a new guide for staff at the Committee on respect at work was published in May 2022 and that the Committee is also in the process of establishing a new charter of values of the staff at the Committee;
57. Strongly encourages the Committee to further explore its participation to the Interinstitutional Transparency Register through the assessment process launched, to that aim, in 2022;
58. Is concerned that the Committee has so far not adopted any anti-fraud strategy; calls on the Committee to launch an internal fraud risk analysis and to coordinate with other competent services of the Commission with a view to considering the adoption of an adequate internal anti-fraud strategy;
59. Calls for an end to the use of external companies that, according to Yale University's ranking ⁽³⁾, continue to operate in Russia;

Digitalisation, cybersecurity and data protection

60. Remarks that the Committee made efforts to support the recovery process following the COVID-19 pandemic, in particular to benefit more from the increased digitalisation, and that actions in the areas of digitalisation and cybersecurity continued to be guided by the Committee's digital strategy;
61. Notes that the initial IT budget for 2021 was EUR 5 400 000 compared to EUR 4 700 000 in 2020, thus an increase of EUR 700 000 (15 %); observes that as a result of transfers of unused appropriations amounting to EUR 1 900 000 in order to further address the backlog in IT which was acknowledged in previous discharge exercises, the final amount of appropriations for IT in 2021 was EUR 7 300 000 compared to EUR 7 500 000 in 2020;
62. Notes that the new administrative cooperation agreement with the CoR, which entered into force on 1 November 2021, fosters the exchange of good digital practices to drive its IT and digital services forward;
63. Notes the increased number of cyber-threats to the IT infrastructure and online communication channels of the Committee and notes that the Committee has paid increasing attention to strengthening the IT system configuration, identifying vulnerabilities in cooperation with the Computer Emergency Response Team for the EU Institutions, bodies and agencies (CERT-EU), raising the cybersecurity awareness of members and staff and adopting an advanced computer-network authentication protocol; calls on the Committee to keep paying a high level of attention to cybersecurity matters, especially because the number of serious cyber-attacks increased considerably in recent years, making the Union institutions attractive targets for potential attackers; encourages the Committee to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests of its cyber defences;
64. Notes that the Committee is using open-source technology and that, in 2021, a growing number of open-source libraries and frameworks were used in the Committee's information systems; underlines that the Committee's digital strategy foresees the migration from the current on-premises email application to one hosted in the cloud as part of the development of a hybrid cloud environment;

⁽³⁾ <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>

65. Remarks that the majority of the Committee's technical systems are hosted internally and managed by internal staff, while for the outsourced systems control and ownership is retained and ensured at contractual level and complemented by organisational and technical measures, including data protection impact and risk assessment exercises that follow sector-wide best practices;

Buildings and security

66. Recalls that, following the exercise of the purchase options on the JDE building in 2018 and on the BvS and REM buildings in 2019, both the Committee and the CoR became owners of those buildings; notes that the buildings on Trèves 74 (TR74) and on Belliard 68 (B68-72) are under a long-term finance lease; notes that, on 10 May 2021, the budgetary authority approved the take-over of the rental contract, as per September 2021, by the Committee and the CoR of the former European External Action Service (EEAS) building on Belliard 100 (B100), and that the TR74 and B68-72 buildings were transferred to the Commission in September 2022 as part of an exchange of the VanMaerlant building (VMA);
67. Is aware that the exchange of buildings resulted in a significant reduction of office space for the Committee and the CoR, a loss of approximately 10 000 m²; notes that an administrative agreement with the EEAS was signed for the takeover of the rental contract for the B100 building from 1 September 2021 to partially compensate for that reduction of office space and that, following that agreement, the final result is the reduction of office space of approximately 5 000 m² compared to the situation at the beginning of 2021;
68. Acknowledges that the leading component of the building strategy of geographical concentration was pursued with the exchange of the TR74 and B68 buildings for the VMA building; understands that the building exchange carried out requires additional intervention to provide a fitting working environment for the new tenants, and that refurbishment and renovation works were approved in June 2021, with a view to allowing a more flexible layout of office spaces so that they can be easily adapted to new forms of work, in addition to further limit energy and water consumption, to be financed via a mopping-up transfer;
69. Notes that for the important refurbishment works carried out in 2021 in cooperation with the CoR, the corresponding budget line 'Fitting-out of premises' was allocated EUR 4 925 895 in 2021, compared to EUR 1 121 655 and EUR 594 061 in 2020 and 2019 respectively;

Environment and sustainability

70. Welcomes the positive environmental accomplishments in 2021, as regards electricity, water and paper consumption (reductions of 2,1 %, 14,3 % and 55 % respectively compared to 2020); notes the installation of solar panels on two of the buildings of the Committee and the CoR and understands that further analysis is being carried out with the aim of extending the solar panel installation, likely in 2023;
71. Highlights that 69,6 % of the Committee staff use eco-friendly means of transport; notes the mobility policy in place, promoting the use of sustainable travel modes for commuting, that includes a financial contribution to public transport tickets and a monthly contribution for cyclists; notes that service bicycles are available as well as chargers for electric service cars;
72. Welcomes the innovative initiative on low emission missions launched in October 2021, aiming to encourage staff going on missions to opt for less-polluting means of transport (train, bus, etc.) and meaning that the travel agency proposes travel options in ascending order of CO₂ emissions generated;

Interinstitutional cooperation

73. Believes that administrative cooperation and research of synergies with other institutions represent an important management tool for a small institution like the Committee;

74. Is aware of the cooperation with the CoR via the joint services where some 460 members of staff (of which approximately 290 belong to the Committee) and more than EUR 55 million yearly (of which more than EUR 30 million comes from the Committee) are pooled together by both committees; acknowledges that the current administrative cooperation agreement between the Committee and the CoR, that entered into force on 1 November 2021 with a duration of five years, has reinforced the governance of the cooperation and the control mechanisms and is a renewed expression of the will to efficiently share resources and create synergies; notes that the current administrative cooperation agreement includes the creation of a directorate for innovation and information technology and, within the already existing joint services, the establishment of a centralised public procurement and financial management unit and a procurement expert group;
75. Observes that the Committee outsources a certain number of services to other institutions, in particular to the Commission, via service level agreements with different services of that institution (the Paymaster Office and the Directorates-General for Budget, for Human Resources and for Digitalisation) for the provision of key software tools; notes that specific ad-hoc agreements have been concluded with Parliament and the Commission to deal with some aspects of the COVID-19 pandemic; observes that the Committee also benefits from participation in interinstitutional tender procedures led by the Commission or by Parliament in the areas of IT, corporate travel, insurance, transport, leasing of vehicles, and audio-visual equipment;
76. Notes that negotiations with a view to reviewing the cooperation protocol with the Commission started in 2021;

Communication

77. Notes that, in 2021, the budget assigned for communication was around EUR 1,5 million, and it was mainly dedicated to online activities aimed at specific target groups (civil society organisations and Union institutions), including press and media relations, organising events and outreach activities, and enhancing online communication and visits to the Committee;
 78. Observes that, in the second semester of 2021, the Committee started working on its external communication strategy aiming to improve the quality, outreach and impact of its communication; notes that the Committee's communication commission decided, as an overarching priority, to improve image, impact and governance and to better integrate communication into legislative work; observes that, to this end, the Committee streamlined its communication during and around the plenaries to make sure that each opinion is communicated to the right audience, with the most appropriate tools available and at the most appropriate time; encourages the Committee to adopt a comprehensive communication framework integrating the lessons learnt from the two COVID-19 years in order to be prepared against possible future disruptive events and to ensure business continuity;
 79. Notes with satisfaction that the Committee is member of the social media working group of the Interinstitutional Online Communication Committee, and that it has been involved in discussions on the pilot phase of two social media platforms, EU Voice and EU Video, that contribute to the Union's strategy for data and digital sovereignty; observes that the two platforms are part of decentralised, free and open-source social media networks that connect users in a privacy-oriented and advertising-free environment;
 80. Reiterates its call to the Committee to increase its communication efforts to strengthen the link with citizens by endorsing greater transparency in its operations, by intensifying the use of digital technologies and by pursuing a communication strategy that allows the correct perception and understanding of the Committee's role and of the way it fits into the Union's vision.
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DECISION (EU) 2023/1833 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section VII – Committee of the Regions**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0232/2022) ⁽²⁾,
 - having regard to the Committee of the Regions' annual report to the discharge authority on internal audits carried out in 2021,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2021, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁵⁾, and in particular Articles 59, 118, 260, 261 and 262 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0080/2023),
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 2021;
 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 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 391, 12.10.2022, p. 6.

⁽⁴⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁵⁾ OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2023/1834 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021, 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 2021, Section VII – Committee of the Regions,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0080/2023),

- A. whereas the Committee of the Regions (the ‘Committee’) is a political assembly of 329 members elected from the regions, cities, villages and municipalities of the 27 Member States, operating as a consultative body for the Union institutions, with the mission of contributing to the Union policy shaping and decision making process from the point of view of the local and regional authorities, and at the same time contributing to make the Union more effective and closer to the citizens;
- B. whereas the consultation of the Committee by the Commission or the Council is mandatory in certain cases, while the Committee may also adopt opinions on its own initiative and enjoys a wide area for referral, as set out in the Treaties, allowing it to be consulted by Parliament;
- C. whereas the Committee’s activities are defined on the basis of its overall political strategy as set out in its resolution of 2 July 2020 on its priorities for 2020–2025 ⁽¹⁾, and whereas the Committee adopted three political priorities for its 2020–2025 mandate, accompanied by three communication campaigns: Bringing Europe closer to people, Building resilient regional and local communities, and Promoting cohesion as a fundamental value of the EU;
- D. whereas the local and regional administrations account for one third of public spending, half of public investment and one fourth of tax revenues and, in many Member States, hold competencies in key areas such as education, economic development and cohesion, environment, social protection, health and services of general interest, hence the coordination of local, regional, national and European levels increases the legitimacy of the legislation, improves ownership and pursues more effectively the benefit of citizens;
- E. whereas the Committee pursues its political goal to strengthen its involvement in the entire Union political and legislative cycle while making more tangible the connection with Union citizens using the Committee’s members as powerful multipliers in their communities and in their national associations of local and regional authorities;
- F. whereas the Committee identified nine flagship initiatives and followed them up in 2021 to make its action more strategic and impactful: (1) Recovery and Resilience Facility; (2) Health related COVID-19 response; (3) The Action Plan for the Implementation of the European Pillar of Social Rights; (4) CoR4Climate Pact; (5) The future of cross-border cooperation; (6) The New Pact for Migration and Integration; (7) Conference on the Future of Europe; (8) Long-term vision for Rural Areas; and (9) a Strategic CoR’s Budget – ensuring a fair share of the resources for the Committee;

⁽¹⁾ Resolution of the European Committee of the Regions – The European Committee of the Regions’ priorities for 2020-2025 – Europe closer to the people through its villages, cities and regions (OJ C 324, 1.10.2020, p. 8).

- G. whereas Regulation (EU) 2021/1060 of the European Parliament and of the Council ^(?), governing Union cohesion policy and funding between 2021 and 2027, that entered into force in July 2021, encompasses references to the partnership and multilevel governance principle, supported by the Committee and Parliament and entailing the involvement of regions;
- H. whereas the over four hundred national and regional programmes in place for the delivery of Union cohesion policy in the 2021–2027 programming period will make available around EUR 380 billion, under different funds, to tackle the economic, social and environmental challenges that Union regions and cities are facing;
- I. whereas, on 13 February 2021, Regulation (EU) 2021/241 of the European Parliament and of the Council ^(?), establishing the Union's Recovery and Resilience Facility, entered into force, providing the legal basis for distributing funds and loans of up to EUR 672,5 billion (in 2018 prices) to the Member States between 2021 and 2026 while aiming to support, among other things, economic, social and territorial cohesion and to address disparities between the regions of the Union;
- J. whereas, as a Union institution within the meaning of the Financial Regulation, the Committee is required to adopt its own annual accounts, prepared in accordance with the accounting rules adopted by the Commission's accounting officer (European Union Accounting Rules) and based on the International Public Sector Accounting Standards, which are ultimately consolidated into those of the Union;
- K. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;
1. Notes that the budget of the Committee falls under MFF heading 7, 'European public administration', which amounted to a total of EUR 10,7 billion in 2021 (representing 5,9 % of Union spending);
 2. Notes that the Court of Auditors (the 'Court') in its Annual Report for the financial year 2021 increased its sample of transactions under Administration from 48 in 2020 to 60 in 2021;
 3. Notes that the Court mentions that the work carried out over many years indicates that MFF heading 7 concerns an overall low-risk spending; notes, however, that the Annual Report for the financial year 2021 does not provide any relevant information on the Committee and invites the Court to include in its next annual reports comprehensive data regarding the completion of all requirements necessary for a consistent discharge procedure;
 4. Notes with satisfaction that in the Annual Report for the financial year 2021, the Court did not identify any specific issues concerning the Committee;

Budgetary and financial management

5. Notes that the final budget of the Committee for 2021 was EUR 106 740 880, representing a slight increase of 5,15 % compared to EUR 101 508 480 in 2020 and from EUR 98 751 065 in 2019; observes that, as expressed in last year's discharge resolution, the most important budget lines were those for remuneration and allowances, followed by rent and lease of buildings, IT equipment and software, and then allowances, attendance at meetings and associated expenditure and interpreting services;

^(?) Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

^(?) Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

6. Observes the high budget implementation of 98,9 %, compared to 92,7 % in 2020, closer to the pre-pandemic levels of 2019 and 2018 of 99,6 % and 99,3 % respectively, and notes that the payment rate on 31 December 2021 was 85,1 %, improved from 82,4 % in 2020 but still lower than 88,8 % and 91 % in 2019 and 2018 respectively; underlines that the average payment time in 2021 was 16,11 days, which was an improvement on 2020 (17,21 days) and on 2019 (17,23 days); notes that the use of electronic invoices is still not satisfactory, amounting to only 32 % of all invoices in 2021, which represents an increase compared to 29 % in 2020, but a decrease compared to 33 % in 2019;
7. Notes the increase in payments from 2020 to 2021, both years of the COVID-19 pandemic, which is related to the increased level of activities carried out in 2021, when additional investment in the IT sector allowed for more extensive use of videoconferencing facilities for virtual and hybrid meetings (in comparison to 2020), thus avoiding cancelling or postponing events despite that fact the restrictions imposed as a consequence of the COVID-19 pandemic were still in place;
8. Remarks that a surplus of EUR 11 198 492 was carried over from 2021 to 2022, slightly less than in 2020 and much higher than in 2019 (when respectively EUR 11 708 078 and EUR 8 874 776 were carried over); observes that EUR 1,1 million was uncommitted at the end of 2021 and was thus returned to the Union budget, which is considerably less than in 2020, when approximately EUR 7,4 million remained uncommitted, bringing the current figure closer to the pre-pandemic levels (in 2019 EUR 0,4 million was uncommitted); encourages the Committee to continue enhancing the monitoring and management of the available appropriations;
9. Notes that, in 2021, the COVID-19 pandemic had an impact on the Committee's activity, meaning that there was a reduction in the use of appropriations for certain budget lines (meeting and travel and subsistence allowances, interpretations, missions and building running costs), while for others the health crisis required additional expenditure (medical services and IT and videoconferencing projects); observes that, accordingly, savings were estimated to amount to more than EUR 8 million, compared to savings of EUR 11 million in the 2020 financial year;
10. Remarks that, in order to optimise the use of appropriations, the Committee made budget transfers representing a total of EUR 8,7 million in 2021 (8,2 %), compared to EUR 6,6 million in 2020 (6,5 %), and that those transfers were mainly from the domains where substantial savings were made to the domains that needed reinforcement (IT, communication and external expertise); underlines that seven external transfers of appropriations were prepared by the Committee and approved by the budget authority in 2021; observes that the Committee did not have one specific mopping up transfer at the end of the year;
11. Is aware that tender procedures concerning the Committee are organised either by its own services or on behalf of the Committee by the joint services shared by the Committee and the European Economic and Social Committee (the 'EESC'); observes that in 2021, in comparison to previous years, the Committee's own services handled an unprecedented number of high-value open procedures, which resulted in the signature of a record number of multiannual framework contracts in the course of that year; remarks that in the same timeframe, because of the COVID-19 pandemic, the number of low- and middle-value negotiated procedures related to organisation of activities or events remained lower than usual with roughly half of the procedures foreseen in the 2021 work programme having to be cancelled; notes that the procedures concerned were related to planned commission and political group meetings which went from a hybrid format to a fully remote format;

Internal management, performance and internal control

12. Understands that, in 2021, the main challenges for the Committee were related to the need to fully adapt to the new circumstances that arose as a consequence of the COVID-19 pandemic, and that this situation included a widespread lack of resources and the need to adapt IT resources to support the digitalisation process; acknowledges the collective efforts of all parties involved which allowed continuous support to be provided to the political activities of the Committee, ensuring that activities continued to be carried out via remote meetings and via communication platforms such as Agora and KIKLOS, while guaranteeing the health and safety of the Committee's members and staff; welcomes the setting up of a series of task forces entrusted with tackling cross service issues, such as the need for simplifying the Committee's processes, for reinforcing strategic planning and for digitalising its procedures;

13. Notes that the Committee pursues its mission through opinions, which refer to legislative proposals made by the Commission (referrals), and own-initiative opinions, which call on the Union institutions to take action, and that the Committee's positions can be highlighted in resolutions; observes that, in 2021, the Committee adopted referrals, opinions on own initiative and opinions based on Union documents and resolutions for a total of 69 documents, compared to 56 and 55 adopted in 2020 and 2019 respectively; notes that the Committee published studies and reports on specific issues, such as the second edition of the EU annual regional and local Barometer report on the state of Union regions and cities, and carried out outreach to more than one million elected regional and local politicians via the Committee's 'Regional and Local EU Councillors' campaign that coordinated networks such as the RegHub 2.0 network as part of the Fit-for-Future Platform for better regulation, and notes that, in 2021, the Committee held more than 200 conferences and events while communicating its work through relevant channels and tools;
14. Observes that, in 2021, after the first year of its 2020–2025 mandate which was heavily impacted by the COVID-19 pandemic, the Committee met six times in plenary session (three remote and three hybrid);
15. Notes that, in 2021, members of the Committee intervened in 42 meetings of Parliament's committees (compared to 14 in 2020 and 13 in 2019), that Members of Parliament intervened in 58 plenaries or commissions' meetings of the Committee (compared to 46 in 2020 and 62 in 2019) and that the number of times the Committee participated in Council Presidency events has remained substantially stable over the years (20 in 2021, 15 in 2020 and 22 in 2019);
16. Welcomes the cost-effectiveness analysis of the Committee's planning and reporting and internal control system performed in 2021, which reviewed the entire administrative environment, streamlining processes, simplifying, digitalising and profiting from the synergies between the different instruments through project convergence; notes that, in March 2021, the Committee's bureau approved the concept note for the analysis, in the following months the adaptation of each one of the instruments began, and by December 2021 the analysis of the business continuity policy and the risk management methodology was done;
17. Appreciates the review and simplification of some of the internal control processes, such as the management of financial actors that took place in 2021; points out that also the IT governance model was streamlined to better allocate the limited IT resources;
18. Welcomes the measures adopted in 2021 in the context of the Going for IMPact! initiative, aiming to render the Committee more cost-effective and to increase its political impact; notes the multiple projects, such as the convergence project, which aims to simplify the administrative framework, and thus reduce overlaps and enhance synergies between different instruments related to planning and reporting, risk management, impact reporting and business continuity, and some internal control standards processes; supports the many (55) simplification projects defined and launched at the level of the Committee's different directorates, almost half of them fully completed in 2021 (26) and another large quota (25) approximately half completed;
19. Appreciates that the plenary of the Conference on the Future of Europe (the 'COFE'), composed of 449 delegates, included 18 representatives of the Committee and 12 locally and regionally elected politicians, considering that the initial number proposed was only four representatives of the Committee and that this number was increased following a proposal by the Committee; notes that this significant participation in the context of the COFE allowed the Committee to organise 6 high-level events, 60 local events, 63 events at the European Week of Regions and Cities and 7 events for the Young Elected Politicians Programme, reaching more than 10 000 citizens, local politicians and stakeholders; underlines that in the multilingual digital platform of the COFE, the Committee submitted 44 ideas with key messages from adopted opinions in the context of the COFE's nine main topics and that many of the views expressed in those ideas can be found in the COFE's Report on the final outcome; further encourages the Committee to assist its members in participating in local dialogues with citizens on European matters;

20. Underlines that in its Report on the final outcome, the plenary of COFE in its 40th proposal, measure 3, calls for the Committee to be reformed to ‘encompass adequate channels of dialogue for regions as well as cities and municipalities, giving it an enhanced role in the institutional architecture, if matters with a territorial impact are concerned’;
21. Welcomes the launch, in March 2021, of the new generation of the Committee’s Regional Hubs Network (RegHub 2.0), part of the ‘better regulation instruments’ of the Committee, counting more than 50 members and observers (local and regional authorities and bodies from 21 Member States), tasked with monitoring the implementation of Union policies on the ground and ensuring that the views of regional and local stakeholders are taken into account when such policies are evaluated at European level; notes that RegHub 2.0 has become a subgroup of the Commission’s Fit for Future (F4F) platform, a high-level expert group assessing existing Union policies and issuing opinions on how to better adapt those policies to future challenges, and contributed to four F4F opinions in 2021, out of which three were drafted by one of the Committee’s representatives within the F4F platform;
22. Notes with satisfaction that the Committee operates various platforms, networks and tools aiming to support the political cycle, including the Cohesion Alliance, Automotive Regions Alliance, European Grouping of Territorial Cooperation, European Entrepreneurial Region, Knowledge Exchange Platform, Broadband Platform, Green Deal Going Local Working Group, Zero Pollution Stakeholder Platform, COVID Platform, COR-UK Contact Group, Subsidiarity Monitoring Network, Covenant of Mayors, EU Platform on Food Losses and Food Waste, European Capital of Smart Tourism, Bio Regions and European Organic Awards, and that it also actively participates in networks established by other Union institutions, such as the Commission’s F4F platform and the Cities and Regions for Integration of Migrants network;
23. Observes that, in 2021, the Committee’s political priorities for its 2020–2025 mandate were the guiding principles, and that those priorities were accompanied by three communication campaigns, one on bringing Europe closer to its people, another on understanding and responding to the societal transformation brought on by digital, environmental and demographic challenges, and the third on social, economic and territorial cohesion as a fundamental value ensuring the Union is at the service of its people; points out that, to implement those priorities, strong working relationships have been built with Members of Parliament and its relevant committees and with European Commissioners and the thematic services of the Commission (DGs);
24. Observes the important contributions provided by the Committee to the drafting of Regulation (EU) 2021/1755 of the European Parliament and of the Council (*) that established the Brexit Adjustment Reserve and provided the legal foundation for the roll-out of a EUR 5,4 billion programme in the 2021–2023 period to help regions deal with the economic and social consequences of the United Kingdom’s withdrawal from the Union;
25. Points out the Committee’s key role in the design and implementation of the missions in the Horizon Europe programme by encouraging close alignment of the EUR 1,5 billion provided for those missions with the EUR 30 billion provided under the structural funds for implementing regional innovation strategies; understands that those missions address important policy challenges and set objectives to be achieved by 2030, such as making 150 regions and communities climate-resilient, establishing 100 climate-neutral and smart cities and creating 100 living labs to lead the transition towards healthy soils; welcomes the enhanced cooperation established by the Committee’s rapporteur with the Commission’s DGs and the follow-up planned on the mission’s activities, such as the development of regional innovation ecosystems and smart specialisation strategies and pilot projects such as the European Research Area Hubs and the Green transition in the smart specialisation concept;
26. Welcomes the establishment of strategic co-operation in the implementation of the European Green Deal, such as the launch of the Green Deal Going Local campaign and others; points out, as part of the activities of the Committee’s Green Deal Going Local working group, the enhanced cooperation with the Commission’s DG for the Environment, which includes the setting up of a Zero Pollution Stakeholder Platform in 2021;

(*) Regulation (EU) 2021/1755 of the European Parliament and of the Council of 6 October 2021 establishing the Brexit Adjustment Reserve (OJ L 357, 8.10.2021, p. 1).

27. Notes that, in January 2021, the Committee's broadband platform was relaunched jointly with the Commission in order to monitor the implementation of key Union initiatives on digital issues, including the European Digital Innovation Hubs as part of the Union's Digital Europe programme, with specific regard to Union funding for national, regional and local hubs to cover activities with a clear European added value; is aware that several opinions and publications of the Committee highlighted regional aspects of the Commission's 'Europe fit for the digital age' priority and that they had a significant impact on legislative proposals, such as the Digital Services Act ⁽⁵⁾ and the Digital Markets Act ⁽⁶⁾, and on the 2030 Digital Compass;
28. Notes that the adoption, in June 2021, of the Commission's long-term vision for the Union's rural areas resulted in considerable involvement of the Committee in the governance mechanism, in particular as regards Rural Pacts, and that the long term vision is in line with the rural agenda for the Union that the Committee has been advocating for since 2016; believes that that long-term vision provides a common framework for rural areas in the Union for engaging and cooperating at Union, national, regional and local level;
29. Believes that the inclusion of the local and regional level in implementing national recovery plans, through regular cooperation with the European Parliament's working group on the Recovery and Resilience Facility, will provide the opportunity to consider the regional and local dimension when monitoring implementing actions;

Human resources, equality and staff well-being

30. Notes the Committee's new organisational chart that centralises financial initiation within a pool of excellence and streamlines the IT governance model to better allocate the limited IT resources;
31. Notes that, in 2021, the number of posts in the establishment plan amounted to 494, compared to 491 in 2020, and the total number of staff employed was 606, compared to 601 in 2020; notes the high occupation rate of 98 % in 2021, an increase compared to 96,3 % in 2020 and exceeding the target of at least 96 % that was set for 2021-2022;
32. Remarks that the Committee resorts to hiring temporary and contract staff for mid-term and long-term replacements and for specific projects, and that there were 141 temporary and contract staff in 2021, compared to 125 and 121 in 2020 and 2019 respectively; believes that that situation entails the risk of considerable loss of institutional memory, knowledge and expertise for the Committee when those temporary employment contracts come to an end; invites the Committee further to deepen its administrative cooperation with the EESC via the joint services arrangement to enhance the synergic effects of pooling staff;
33. Calls on the Committee to explore synergies with other institutions, in terms of both logistics, digital services, driver's services and other administrative tasks, and certain outreach and communication activities, particularly in Member States where the Committee members have varied support networks and rely purely on their own local staff;
34. Notes that the overall gender ratio in the Committee's staff in 2021 was 56,8 % women in the overall staff, the same as in 2020; regrets the gender imbalance in senior management in 2021 with 62,5 % of such positions occupied by men and 37,5 % by women; equally regrets the gender imbalance in middle management, where the ratio is 68,4 % men and 31,6 % women; encourages the responsible for recruitment to thoroughly commit to making vacancy notices more inclusive and to encourage more women to apply for management positions, including by ensuring a balanced representation on selection boards and by offering training possibilities for female staff that wish to prepare for a managerial career and proposing more flexible arrangements;

⁽⁵⁾ Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (Digital Services Act) (OJ L 277, 27.10.2022, p. 1).

⁽⁶⁾ Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act) (OJ L 265, 12.10.2022, p. 1).

35. Welcomes the diversity and inclusion strategy for the 2022–2027 period with its accompanying action plan and discussed in the Committee's commission for financial and administrative affairs and in the Committee's bureau in June 2022; observes that the strategy sets the short-term target of 40 % women in management with main overarching goal of 50 % once the short-term goal is achieved; reiterates its invitation to the Committee to be more ambitious in the annual action plans implementing that strategy;
36. Appreciates that among the measures expected in the diversity and inclusion strategy are a mentoring scheme for aspiring female managers, awareness raising workshops for managers on various equal opportunity-related topics and the close monitoring of statistics to enable the timely adoption of corrective measures; asks the Committee to report to Parliament on the progressive implementation of the action plan accompanying the diversity and inclusion strategy with the support of the Committee's joint committee for diversity and inclusion; reiterates the call on the Committee to continue its efforts to achieve gender balance at all hierarchical levels;
37. Notes that the Committee employs officials from all Member States with the exception of one; encourages the Committee to continue to take action to reach a proper geographical distribution across all of its staff, with a particular focus on the management level; welcomes the initiatives to increase the visibility of its vacancies, publishing its notices on its website in order to increase chances for laureates from across the whole Union to apply, without any geographical discrimination; understands that all senior management posts are announced publicly, including via an extensive social media publicity campaign to ensure maximum outreach across all Member States; appreciates the use of staff ambassadors to generate a positive employer branding and that, as of 2021, the Committee increased its presence on social media and on online-based recruitment platforms to advertise relevant vacant positions, mainly for non-permanent staff members or national experts, in addition to more traditional communication channels;
38. Stresses that the Committee, like all Union institutions, must ensure that all Member States are proportionally represented on the staff while at the same time it must respect the competences and merits of all candidates; urges the Committee to take steps towards achieving geographical balance of nationals from all Member States, reflecting their diversity, as indicated in Article 27 of the Staff Regulations of Officials;
39. Welcomes the continuous attention devoted to specific issues related to gender, such as the appointment, in 2021, on the occasion of the International Day Against Homophobia, Biphobia, Intersexism and Transphobia, of the first LGBTI+ contact person to assist colleagues who would like to discuss their personal experience working in the Committee or who have LGBTI+ family members; encourages the Committee to continue endorsing bottom-up initiatives that contribute to making the Committee a more inclusive workplace;
40. Welcomes the launching of a staff satisfaction survey, closed on 16 April 2021, that focused on staff satisfaction with respect to teleworking and the working environment that staff would like for the post-pandemic period, and understands that its results were taken into account with the adoption of even more flexible teleworking conditions in 2022;
41. Duly notes the Committee's commitment to modernise the HR framework and notes that the systems for teleworking were improved and a new hybrid working regime was prepared which is being tested in the Committee and the EESC's joint digital workplace pilot project; remarks that the project aims to define and share best practices with digital collaboration tools and is based on the concepts, also endorsed by Parliament in its previous discharge resolution, of results based management, digitalised work, telework on equal footing to work in the office, flexibility on the basis of a trust based system and the right to disconnect;

42. Welcomes that the new pilot project on teleworking offers staff the possibility to telework two to three days per week; notes that it also includes the concept of work-life balance and underlines the notion of the right to disconnect; observes that, in the framework of the COVID-19 pandemic support actions, the Committee offered a lump sum of EUR 150–250 to staff in order to pay for any additional costs, including the purchase of ergonomic equipment;
43. Notes that, in 2021, the Committee prepared a new hybrid and flexible work regime together with the social partners, to be implemented in 2022; observes that that new regime foresees a wide range of part-time formulae, special part-time by time-credit in half-days and paid part-time subject to an ad hoc procedure in serious cases; notes that, in 2021, 118 decisions were taken with respect to 58 staff members benefitting from a flexible work regime, out of which 46 were women; remarks that parental leave and family leave are also possible and that 49 staff members, out of which 36 were women, benefitted from parental leave in 2021;
44. Notes that, in 2021, 14 burnout cases were reported (out of a total of 554 members of staff, compared to 12 possible cases of burnout reported in 2020) and acknowledges the Committee's personalised follow-up of absences; reiterates its recommendation for the Committee to keep the focus on primary prevention to reduce psychosocial risks and burnout as well as on the annual medical visits; appreciates, in this regard, that further training and courses are targeting physical well-being;
45. Notes that, on 26 April 2021, the Committee adopted Decision No 108/2021 on protecting dignity at work, managing conflict and combatting harassment; understands that that decision followed a lengthy dialogue with all concerned stakeholders, including the confidential counsellor network and the Committee's staff committee; appreciates that the new decision widens the scope, outlines the rules of conducts and the possible informal and formal conflict resolution mechanisms, and is endowed with a dedicated practical guide providing additional hands-on explanations; appreciates that, to raise awareness of that decision and its implications, info-sessions for staff and managers have been organised in addition to the regularly provided internal training courses on ethics and integrity;
46. Is aware that the Committee's Regulation No 3/2021 of 2 February 2021 provides for the payment of a flat-rate remote meeting allowance for members of the Committee, duly mandated alternates and rapporteurs' experts and speakers invited to attend remote or hybrid meetings, with the aim of compensating for general expenses incurred when preparing for and participating in such meetings; understands that that Regulation sets, for the whole of 2021, the criteria for payment and verification, quantifying the allowance at EUR 200 per day and stipulating that to qualify for the allowance, members must sign a declaration of participation and submit it to the members' financial service, enabling the administration to verify the attendance of the person in question; points out, however, that in accordance with the recent adoption in May 2022 of Decision No 15/2022 on the application of extraordinary measures during the COVID-19 pandemic, the meetings of the bodies of the Committee currently all take place in person;
47. Observes that the Committee welcomed a total of 58 trainees in 2021, out of which 48 were selected for a five-month traineeship during which they received a monthly grant as well as a mobility allowance and reimbursement of their travel costs, 10 were short-term study visitors for shorter traineeship periods of one to four months, and three received a monthly income from the government of their country; welcomes the Committee's commitment to propose teleworking arrangements for its trainees as well;
48. Reiterates its call on the Committee to integrate the lessons learned from the COVID-19 pandemic in its internal management strategy in terms of business continuity and crisis management, IT responsiveness, resilience of the organisation, duty of care towards its staff, effective communication and flexible working processes, in order to develop a result-oriented management style that can encourage a healthy work-life balance;

Ethical framework and transparency

49. Reiterates its call on the Committee to reconsider its participation in the Transparency Register established by the Interinstitutional Agreement of 20 May 2021 between the European Parliament, the Council of the European Union and the European Commission on a mandatory transparency register ⁽⁷⁾, which allows for the voluntary involvement of Union institutions, bodies, offices and agencies other than the signatory institutions, but does not cover the activities of regional and local authorities and the associations representing them; maintains its view on the limited validity of the Committee's Practical Guide on the interaction of staff with external entities, dating back to 2018, and reaffirms the importance of a high level of transparency with respect to lobbying meetings which might influence the Committee in its advisory role to the Union institutions; calls on the Committee to finalise its internal analysis of the available options and to join the Transparency Register;
50. Welcomes that, following Parliament's recommendations, the Committee has collected from its members and alternates the financial declarations that were in large part still missing (in January 2021, 146 financial declarations had still not been submitted despite the obligation to do so under the code of conduct which entered into force on 26 January 2020), meaning that in October 2022, 32 financial declarations were still missing out of a total of 629 appointed members and alternates; notes that out of the 32 missing declarations five concerned members appointed in 2022 who had not yet actively participated in the Committee's meetings, that the remaining 27 concerned alternates, 18 of whom were appointed in 2022, 2 in 2021 and 7 in 2020, and that, out of these alternates, only one person had participated in Committee activities (remotely and in 2021); encourages the Committee to follow up on any missing financial declarations and to pursue a strict policy to enforce transparency obligations;
51. Notes that with the adoption of a new decision on the training regime, ethics training has become mandatory rather than recommended, including refresher courses, which will pave the way to a more intense participation of staff in initiatives on ethical issues; observes that, in 2021, 14 training sessions specifically on ethics and integrity took place with 251 members of staff taking part (60 % of managers and 57,30 % of all staff, managers included) and that 34 training sessions covering whistle-blowing, conflicts of interest and harassment and 25 sessions covering different aspects of financial management, also raising awareness of conflicts of interest, were organised;
52. Observes that, in 2021, the European Anti-Fraud Office (OLAF) investigated two cases involving the Committee, the first a matter of possible payment of undue travel allowances and the second allegations of financial wrongdoings, harassment and mismanagement in a joint service of the Committee and the EESC; remarks that the former case was closed when the Committee requested the reimbursement of the paid allowance for ethical reasons, not having identified any legal basis to impose such reimbursement, and that the second case was dismissed by OLAF with a recommendation to the Committee and the EESC to carry out an internal investigation on harassment and mismanagement; asks the Committee to report to Parliament on the outcome of that investigation which was launched in 2021;
53. Regrets that the Committee has not adopted an anti-fraud strategy; calls on the Committee to launch an internal fraud risk analysis and to coordinate with the competent services of the Commission with a view to adopting an adequate internal anti-fraud strategy;
54. Calls for an end to the use of external companies that, according to Yale University's ranking ⁽⁸⁾, continue to operate in Russia;

Digitalisation, cybersecurity and data protection

55. Remarks that the Committee spent EUR 6 112 846 on IT projects and IT equipment in 2021, compared to EUR 6 392 372 and EUR 4 033 320 in 2020 and 2019 respectively; underlines that the budget increase in 2021 and 2020 was largely due to unused appropriations transferred from other budget lines;

⁽⁷⁾ OJ L 207, 11.6.2021, p. 1.

⁽⁸⁾ <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>

56. Is aware that budget transfers, however effective and timely, cannot replace the structural IT funding necessary for sound planning and programming of IT resources; is concerned by the underfunding, in particular for IT services, given that such underfunding means that a structured review cannot be carried out and, where needed, investment cannot be made in IT resources that are by definition longer-term and have maintenance over their entire lifetime; is concerned, in particular, because this can undermine cybersecurity and prevent the attraction and retention of the necessary IT expertise on the labour market;
57. Welcomes that the Committee significantly progressed towards full digitalisation of work processes, in particular electronic management of documents and their approval workflows, including ongoing work on full use of electronic signatures, management of financial actors, risk management and management of selection procedures or joint committees;
58. Notes that, in 2021, the Committee delivered several important projects to further digitalise its business processes and to facilitate the Committee members' political work, fostering multilingualism, streamlining, simplification and updating of existing business processes; observes that the Committee's digital future group brings together Committee members and Committee administration in order to discuss and advise on IT and digital matters and that the new administrative cooperation agreement with the EESC, which entered into force on 1 November 2021, fosters the exchange of good digital practices to drive its IT and digital services forward;
59. Notes the increasing number of cyber-threats to the IT infrastructure and online communication channels of the Committee, such as its external website; encourages the Committee to continue to pay a high level of attention to cybersecurity matters, strengthen its IT system and ensure a close cooperation with the Computer Emergency Response Team for the EU Institutions, bodies and agencies (CERT-EU) in order to enable the early identification of vulnerabilities and prevention and management of incidents and to raise cybersecurity awareness of its members and staff; encourages the Committee to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests of its cyber defences;
60. Appreciates the Committee using open-source technology and, in 2021, the growing number of open-source libraries and frameworks used in the Committee's information systems and the new amendment processing applications based on open-source technologies;
61. Welcomes that the majority of technical systems are hosted internally and managed by internal staff;

Buildings and security

62. Notes that, on 10 May 2021, the budgetary authority approved the take-over of the rental contract, as per September 2021, by the Committee and the EESC of the former EEAS building at Belliard 100 (B100), the rental costs of which will be covered by the savings made as a result of the lower cost of renting the Van Maerlant (VMA) building compared to the cost of renting the buildings in Belliard 68 (B68) and Trèves 74 (TRE74), which were transferred to the Commission as of September 2022;
63. Understands that the additional surface in B100 building will not fully compensate for the loss of space that occurred following the exchange of the Committee and the EESC's B68 and TRE74 buildings for the Commission's VMA building, a loss which amounts to approximately 5 000 m² compared to the situation at the beginning of 2021; acknowledges that such a loss cannot be entirely offset by alternative measures such as stepping up the office-space density of other buildings and increasing teleworking, but advises against entering into long-term commitments on new office space before such measures are fully explored;

64. Observes that, to accommodate staff in an appropriate working environment and conditions, modernisation and refurbishment of the offices was necessary in the BvS (Rue Montoyer 92–102), REM (Rue Belliard 93) and VMA buildings; notes that, on 1 December 2021, the tender for the renovation works was awarded for the execution of works in the VMA building at a total cost of EUR 9 million; notes that the main part of that cost, around EUR 6 million, was already available in the initial 2021 budget approved by the budgetary authority as a 'one off' request for the year 2021 and that it was possible to save appropriations for an amount of EUR 3 million from other budget lines and to use them for the VMA refurbishment;

Environment and sustainability

65. Welcomes the study launched by the Committee in 2021 to define CO₂ reduction targets and scenarios and to propose measures in various areas with the goal of better implementation of the European Green Deal in the Committee;
66. Welcomes the positive environmental accomplishments in 2021, as regards electricity, water and paper consumption (reductions of 2,1 %, 14,3 % and 55 %, respectively, compared to 2020); notes the installation of solar panels on two of the Committee's buildings and understands that further analysis is being carried out with the aim of extending the solar panel installation, likely in 2023;
67. Highlights that 75,8 % of the Committee staff use eco-friendly means of transport; encourages the Committee to implement a mobility policy which promotes the use of sustainable travel modes for commuting, encompasses carpooling, bicycle parking spaces and electric battery chargers, and considers a financial contribution, either for public transport expenses or for renouncing the use of car parking facilities;

Interinstitutional cooperation

68. Is aware of the robust cooperation with the EESC, via the joint services where some 460 members of staff (of which approximately 170 belonging to the Committee) and more than EUR 55 million yearly (of which approximately EUR 24 million comes from the Committee) are pooled together by both committees; welcomes the current administrative cooperation agreement between the Committee and the EESC, that entered into force on 1 November 2021 with a duration of five years; believes that the current administrative cooperation agreement will contribute substantially to reinforce governance of the cooperation and the control mechanisms and is a renewed expression of the will to efficiently share resources and create synergies; notes that the current administrative cooperation agreement includes the creation of a directorate for innovation and information technology and, within the already existing joint services, the establishment of a centralised public procurement and financial management unit and a procurement expert group;
69. Observes that the Committee also cooperates with the Commission (for an annual fee) in the handling of staff pension and departure files (the Paymaster Office) and individual protocol rights (Directorate-General for Human Resources), training of staff (Directorate-General for Human Resources), early childhood centres and approved day nurseries (Office for Infrastructure and Logistics), use of various IT platforms (the ABAC management and information system, including its accounting system and assets, as well as contract modules, NAP for salary calculations and the Sysper 2 personnel management and information system) (Directorates-General for Budget and Informatics), and publications in the *Official Journal of the European Union* (as of 2020 included in the Commission's budget);
70. Observes that the Committee organises preparatory and follow-up (so called bilateral) meetings for its rapporteurs with Parliament, the Commission and the Council on its opinions, and that regular exchanges occur between the rapporteurs of the Committee and of Parliament on parallel dossiers; encourages the Committee to continue boosting its ability to provide evidence from the ground to the principal Union institutions using data, empirical analyses and compilations of best practice;

71. Appreciates the involvement of Committee members in the entire political and legislative cycle of Union policies, either via an early input into the policy-agenda setting of the Commission or through an increased follow-up of its opinions to the co-legislators and in partnership with the Commission's services on the roll-out and evaluation of policies and legislation; encourages the Committee to further promote its achievements in the legislative cycle;
72. Understands that the Committee has asked the Union institutions directly involved in legislation to grant the Committee access to the four-column document for specific legislative files so that the Committee can play its advisory role not only at the beginning of the legislative process but also at the stage of the trilogues; notes that this request is still pending and that the Committee is considering taking legal action if access is not granted; asks to be kept informed about the development of any dialogue on that matter;
73. Is aware of the inter-institutional work carried out in 2021 with Parliament on the pilot project 'Building Europe with Local Councillors', which expresses the Committee's efforts to bring its support to local and regional authorities that are not officially represented in the Committee on matters related to opportunities *vis-à-vis* the Union; understands that the objective is to have at least one councillor responsible for Union affairs in each of the 120 000 regional and local councils in the Union and that, until today, the European Network of Regional and Local EU Councillors has about 2 000 members;
74. Is aware that the Committee holds its plenary sessions in the premises of Parliament and the Commission to compensate for the lack of capacity in its own conference rooms; notes that the Committee also buys interpreting services from the Commission (Directorate-General for Interpretation) and Parliament, rather than having its own interpreting service;
75. Reiterates the position expressed in the previous discharge recommendations on the need to fully implement the cooperation agreement between Parliament, the Committee and the EESC of 5 February 2014 according to which a total of 60 translators, including 24 from the Committee, were transferred to Parliament in exchange for access to the services of the European Parliamentary Research Service; is aware that the Committee has requested an additional EUR 1,24 million in its draft budget for 2023 for the budget line 1 4 0 0 Other staff, on top of the normal budget and as a way to compensate for the unbalanced effect of the implementation of that cooperation agreement, with a view to hiring 19 additional contract agents in 2023;
76. Welcomes the continuously increasing cooperation with Parliament, despite the restrictions imposed as a result of the COVID-19 pandemic, via bilateral cooperation on a set of selected priority files which are reviewed and updated every year; underlines that regular meetings between the Presidents and Vice-Presidents of the two institutions, and structured cooperation between the rapporteurs of both institutions, as well as between the Committee's commissions and Parliament's committees, increased throughout 2021; encourages the Committee to further engage in cooperation with Parliament;
77. Observes that, in 2021, the Committee continued its close cooperation with the trio of Council presidencies and the then Council presidency and issued four opinions based on referrals received from the Council presidency; notes that the Committee has also developed cooperation initiatives with the General-Secretariat of the Council on thematic priority files by presenting opinions and documents in the respective working parties of the Council;

Communication

78. Notes that, in 2021, the budget assigned for communication was around EUR 2,1 million, of which approximately EUR 400 000 was used for events, EUR 800 000 for media and EUR 900 000 for web, social media and digital content; appreciates that the Committee measured double-digit percentage increases in press and social media outreach between 2020 and 2021, thanks to an internal reallocation of resources, which showed in its increased outreach; notes that the Committee is not likely to be able to do the same in the following years due to tighter budgetary constraints;

79. Observes that the Committee's leading principles for enhancing its role and for better communication thereof are centred on increased involvement throughout all stages of the Union legislative process and on building more effective and trustful partnerships with other Union Institutions;
 80. Welcomes the establishment of a key performance indicator system to measure and monitor the effects of the Committee's communication, aligning communication priorities with political priorities and boosting decentralised communication through multiple initiatives, such as the digital masterclasses for its members, the development of a newsletter concept and the establishment of networks to strengthen relations with former members and trainees of the Committee and others;
 81. Notes the many networking initiatives in 2021, such as the Ukraine Working Group that launched a peer-to-peer initiative on transparency, the Zero-Pollution Stakeholder Platform jointly launched with the Commission to mainstream the zero-pollution agenda and the implementation of the Union's Zero-Pollution Action Plan, the common IT platform for the Young Elected Politicians scheme and the digital platform 'Let's get digital' to facilitate networking among the participating communication professionals from local, regional, national and Union authorities;
 82. Agrees that the web streaming of the Committee's statutory meetings in all Union languages has fostered the general visibility of the Committee, and that the regional and local Barometer made available via the Union's open data portal, data.europa.eu, increases visibility among specialists;
 83. Encourages the Committee to continue the systematic publication in the interinstitutional database of all its studies and welcomes the possibility, expected as of 2021 in the framework contracts for studies and external expertise, to include visuals and social media sharable content to strengthen the communication and outreach of final products;
 84. Notes that the Committee is currently present on the most popular proprietary social media platforms; encourages the Committee to use decentralised social network alternatives to very large online platforms, such as the Mastodon platform; shares the Committee's view that strengthening the use of more privacy-friendly alternative platforms, rather than the predominant mainstream ones, would make a statement in terms of data protection and digital sovereignty;
 85. Encourages the Committee to engage with the European Data Protection Supervisor, with a view to utilising the two open-source social media platforms, EU Voice and EU Video, that were launched as a public pilot project to promote the use of free and open-source social networks;
 86. Reiterates its call on the Committee to increase its communication efforts to strengthen the link with citizens by endorsing greater transparency in its operations, by intensifying the use of digital technologies and by pursuing a communication strategy that allows the correct perception and understanding of the Committee's role and of the way it fits into the Union's vision.
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DECISION (EU) 2023/1835 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section VIII – European Ombudsman**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0234/2022) ⁽²⁾,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2021, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁵⁾, and in particular Articles 59, 118, 260, 261 and 262 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0067/2023),
1. Grants the European Ombudsman discharge in respect of the implementation of the budget of the European Ombudsman for the financial year 2021;
 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 Auditors, the Court of Justice of the European Union, 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 391, 12.10.2022, p. 6.

⁽⁴⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁵⁾ OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2023/1836 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021, 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 2021, Section VIII – European Ombudsman,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the letter from the Committee on Constitutional Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0067/2023),
- 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;
- B. whereas Article 228 of the Treaty on the functioning of the European Union provides for the election of a European Ombudsman by the European Parliament who shall be empowered to receive complaints from any citizen of the Union or any natural or legal person residing or having its registered office in a Member State concerning instances of maladministration in the activities of the Union institutions, bodies, offices or agencies, with the exception of the Court of Justice of the European Union acting in its judicial role. He or she shall examine such complaints and report on them;
- C. whereas Regulation (EU, Euratom) 2021/1163 of the European Parliament ⁽¹⁾ lays down the regulations and general conditions governing the performance of the Ombudsman's duties (Statute of the European Ombudsman);
- D. whereas the Decision of the European Ombudsman adopting Implementing Provisions are currently under revision following the adoption of Regulation (EU, Euratom) 2021/1163;
1. Notes that the budget of the European Ombudsman (the 'Ombudsman') falls under MFF heading 7, 'European public administration', which amounted to a total of EUR 10,7 billion in 2021; notes that the Ombudsman is a relatively small institution the budget of which represents only around 0,12 % of the total administrative budget;
 2. Notes that the European Court of Auditors (the 'Court'), in its annual Report for the financial year 2021, increased the sample of transactions under 'Administration' from 48 in 2020 to 60 in 2021;
 3. Notes that the Court mentions that its work over many years indicates that overall this spending is low-risk; however, notes that the annual Report on the implementation of the Union budget for the 2021 financial year does not provide for any relevant information on the European Ombudsman and invites the Court to include in the next annual reports comprehensive data regarding the completion of all requirements necessary for a consistent discharge procedure;

⁽¹⁾ Regulation (EU, Euratom) 2021/1163 of the European Parliament of 24 June 2021 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 (OJ L 253, 16.7.2021, p. 1).

4. Notes with satisfaction that the Court also notes, in its annual Report for the financial year 2021, that it did not identify any specific issues concerning the Ombudsman;

Budgetary and financial management

5. Notes that the budget for the Ombudsman was EUR 12 501 836 for 2021 representing a small increase of 1,2 % compared to 2020, which should however also be assessed against the background that there was a 7,4 % increase in budget in 2020 compared to 2019;
6. Notes that the largest increase in budget came from rent and was due to the relocation of the Ombudsman's Brussels office; notes that, instead of paying over a period of 6 years, the Ombudsman was able to pay all of the costs related to the fitting out works of the new building in 2021; notes that this will have a positive effect on the Ombudsman's budgets for the coming years;
7. Notes however, that the budget implementation rate was only 88,8 % for the year 2021, which represents a reduction compared to 2020, when the implementation rate was 94,9 %; acknowledges that, also for 2021, the budget implementation was heavily affected by the COVID-19 pandemic, which in part delayed recruitment but also severely limited physical events, conferences and missions;
8. Notes with satisfaction that the Ombudsman continues to have a very short payment time of an average of 11,35 days for invoices, but at the same time strongly encourages the implementation of an electronic invoicing system;
9. Welcomes that the Ombudsman has a wide range of service level agreements, especially with the European Parliament and the Commission, which allows the institution to save money as they do not have to put in place the structures to manage these services; welcomes furthermore, that the Ombudsman also participates in interinstitutional framework contracts, which also allows the Ombudsman to benefit from lower prices and lessens the need for it to set up its own complex administrative structures;

Internal management, performance and internal control

10. Acknowledges that 2021 was a challenging year, in particular due to the ongoing effects of the COVID-19 pandemic, and the continuation of the need to safeguard staff well-being and create new working methods; encourages the Ombudsman to adopt a comprehensive communication framework integrating the lessons learnt from the two years of the COVID-19 pandemic, in order to be prepared in the event of possible future disruptive events and to be able to ensure business continuity;
11. Notes that during 2021, the Ombudsman continued to implement the strategy 'towards 2024', aiming to create a new simpler structure with fewer managers, encouraging more collaborative work, as well as flexible and agile processes;
12. Strongly welcomes that the Ombudsman has been able to significantly reduce the average time needed to deal with different types of files in recent years; the average time for dealing with a complaint has gone down from 78 days in 2018 to 29 days in 2021, equivalent to a reduction of 63 % and from 157 days to 61 days, equivalent to a reduction of 61 %, within the time of the mandate; while the average time for dealing with an inquiry has gone down from 254 days to 112 days, equivalent to a reduction of 56 %;
13. Welcomes that the Ombudsman has continued to improve the efficient procedures for dealing with complaints outside of its mandate, which amount to about 1 400 per year; further welcomes that the proportion of complaints outside its mandate dealt with by the Directorate for Administration has increased from 22 % in 2020 to 35 % in 2021;

14. Notes that public access to documents represents a major priority for the Ombudsman and accounts for up to one in four inquiries; furthermore notes, that public access to documents includes how the Union administration deals with text and instant messages and timely access to documents; supports the Ombudsman's call for the Union legislation on access to documents to be modernised and more in line with citizen's rights and is looking forward to learning more about how the Ombudsman may advise Union Institutions and bodies on how to put systems in place in order to enhance the handlings of access to documents; asks the Ombudsman to provide feedback on the new Commission IT tool in this area (EASE – Electronic Access to European Commission Documents);

Human resources, equality and staff well-being

15. Notes that at the end of 2021, the Ombudsman had 74 members of staff, which is almost unchanged from the end of 2020, when there were 73 staff members, and is the same as at the end of 2019; notes however, that the number of contract staff has decreased from 11 in 2019 to 8 in 2020 and to 6 in 2021, while the number of temporary staff has increased from 23 in 2019 to 28 in 2020 and 30 in 2021; the number of officials has stayed more or less constant with 40 in 2019, 37 in 2020 and 38 in 2021;
16. Notes with satisfaction that, at the end of 2021, the number of Union nationalities represented among the staff was 18, which is unchanged from 2020, and that management posts are distributed across 5 nationalities (compared to 4 in 2020); urges the Ombudsman to continue its efforts to achieve a balanced geographical distribution of nationals from all Member States within its staff (particularly at management level);
17. Notes that 68 % of all staff at the Ombudsman are women, which represents a small increase from 2020 where women constituted 66 %; further notes that women constitutes the major part of all staff categories: management, AD, AST, AST-SC, GF IV and other GF; calls on the Ombudsman to continue its efforts to achieve a balanced gender distribution, taking into account the small size of the office;
18. Notes that the new rules on hybrid working provide for 60 % teleworking per month, while daily working arrangements are arranged at team level; welcomes that all categories of staff can make use of the flexible working arrangements; finally notes that staff are allowed to telework 15 days per year from outside the place of employment;
19. Notes with satisfaction that the Ombudsman works with an office case management system (CMS), which provides real time information about the distribution of complaints to inquiries officers thus allowing managers to adjust workload accordingly; welcomes the fact that no cases of burnout were reported during 2021; further welcomes that the number of days of absence because of sick leave fell by 28 % in 2021 compared to 2020 and that the number of staff on sick leave for more than 30 days fell by one third from 9 in 2020 to 6 in 2021;
20. Welcomes that no cases of harassment were reported in 2021; notes that the case, which was reported in 2020, was still under investigation by OLAF in 2021 and was closed in 2022 without OLAF issuing any recommendations; finally notes that the Ombudsman has organised trainings for its ethics correspondents and the members of the conciliation committee to equip them with the necessary knowledge for carrying out their functions in the context of the Ombudsman's anti-harassment policy;
21. Welcomes that the Ombudsman recruited a relatively large number of trainees, 16 in 2021, and therefore offers a European experience to many young people; further welcomes that all trainees recruited in 2021 received a remuneration;

Ethical framework and transparency

22. Welcomes that the Ombudsman has a dedicated page on the Office's intranet dedicated to ethical conduct and that internal rules on external activities and assignments of members of staff were adopted in 2021; furthermore welcomes that the Office organised a session for all members of staff to present its policy on external activities, which was planned for 2021 but had to be postponed to early 2022;

23. Welcomes that the Internal Auditor, as part of its work programme, is reviewing the Ombudsman's ethical framework; calls on the Ombudsman to report to Parliament the result of this review including any possible recommendations the Internal Auditors may have issued;
24. Congratulates the Ombudsman for publishing its schedule on its website and consistently using the Transparency Register to check that speakers or interlocutors in events or meetings organised by the Ombudsman are registered therein; welcomes that the Ombudsman committed to link the host of the events and the participants of the meetings published on its website to their entries in the Transparency Register; congratulates the Ombudsman for the progress made in this regard and encourages the Ombudsman to continue pursuing its commitment for more transparency;
25. Notes that the Ombudsman's strategy to prevent fraud is based on the actions regarding ethical behaviour; furthermore notes with satisfaction that the Ombudsman applies the four-eyes principle in order to ensure that every transaction is dealt with by at least two persons;
26. Notes with satisfaction that no cases of conflicts of interest were detected in 2021 and that all staff members leaving the office now receive a letter informing them of their continuing obligations towards the office and their duty to inform the office and get its permission prior to engaging in an occupational activity, whether gainful or not, within two years of leaving the Union public service;
27. Notes with satisfaction that the Ombudsman adopted an elaborated set of internal rules in 2015 concerning the need to protect whistle-blowers against negative action and to support them during the process; furthermore notes that no cases of whistle-blowing were reported in 2021;
28. Calls for an end to the use of external companies that, according to Yale University's ranking ^(?), continue to operate in Russia;

Digitalisation, cybersecurity and data protection

29. Notes that expenditure on IT increased considerably in 2021, made possible after a transfer of appropriations, going up almost 2,5 times from EUR 127 430 in 2020 to 303 020 in 2021, primarily in order to improve video conferencing facilities;
30. Notes that the Ombudsman did not suffer any cyber-attacks in 2021 and that the Institution primarily relies on the European Parliament for matters related to ensuring that its cybersecurity is sufficient;
31. Encourages the Ombudsman to work in close cooperation with the European Union Agency for Cybersecurity; suggests to offer regularly updated cybersecurity-related training programmes for all staff within the Ombudsman;
32. Welcomes that the Ombudsman's activities, including complaint-handling, HR, and finance, are already fully digitalised, but that complaints can still be delivered in paper format, which will then also be answered in paper format if the complainant chooses that format;
33. Notes with satisfaction that the European Data Protection Supervisor (EDPS) inquiry into the processing of personal data by the Ombudsman in complaint handling, which led to an EDPS inspection at the Ombudsman's premises in 2019, was finalised and that all the EDPS recommendations have been accepted, leading to the closing of the case in 2021;
34. Takes note that the Ombudsman is prioritising the use of open-source tools where possible and the exclusive use of open-source software on the Ombudsman's website;

(?) <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>

Buildings

35. Notes that 2021 was a transitional year where the Ombudsman moved its Brussels office to new premises in October 2021, which is organised as a collaborative workspace;
36. Welcomes that the new building facilities have allowed for a reduction in the environmental footprint through the use of modern technologies;
37. Welcomes that the Ombudsman's intentions to improve the accessibility of its building in Brussels and is looking forward to receiving updates on its progress;

Environment and sustainability

38. Welcomes that the Office has managed to significantly reduce the use of paper over the years through the digitalisation of processes, including the possibility of signing documents electronically and the abandonment, to a large degree, of printed versions of the annual report and the newsletters;
39. Notes that the use of modern technologies has allowed the Ombudsman to implement systems to reduce energy, *inter alia*, by using motion detectors and centrally operated thermostats;
40. Welcomes that the Office encourages the use of public transport by reimbursing 50 % of annual costs for public transport up to EUR 500 and has improved facilities at their garage facilities for staff who use bikes, while there is no car park in the new building;
41. Notes that the Office is renting their building from the European Parliament and is referring Parliament to enquiries concerning the installation of solar panels on the roof; nevertheless encourages the Ombudsman to strongly advocate for such panels to be installed if that is not the case;

Interinstitutional cooperation

42. Welcomes that the Ombudsman has close informal cooperation with OLAF, the EPPO and the Court in order to avoid duplication of investigations and to discuss areas of mutual interest like conflicts of interest and revolving doors;
43. Underlines the importance for the Ombudsman of maintaining a high level of exchange and cooperation with the European Network of Ombudsmen (ENO); notes with satisfaction that the Ombudsman has started offering targeted workshops and seminars in specific areas for specialists in the offices of ENO members and hosts the Annual ENO Conference; encourage the Ombudsman to reinforce close relations with Union institutions, bodies, and agencies;
44. Welcomes that the Ombudsman has a close cooperation with relevant European Parliament Committees on important inquiries either by presenting the work directly in Committee meetings or through information being sent to the Committee Chairs; notes with satisfaction that the Ombudsman's annual report to the Parliament now includes a dedicated section on 'Impact and achievements', which details both statistical follow-up to the Ombudsman's recommendations, solutions and suggestions, but also gives concrete examples of impact;
45. Notes that the Budgetary Control Committee is very much looking forward to learning about the Ombudsman's work on the transparency and accountability of the Recovery and Resilience Facility, which the Committee will examine to ensure funds are spent in the correct way; calls the Ombudsman to periodically inform the budgetary authority about the difficulties encountered, but also about the lessons learnt for future funding;

Communication

46. Notes that the Office has continued to develop its website in order to make it easier for interested members of the public to find inquiries and in general make it more attractive for users; further notes that also the use of SoMes may increase the knowledge of the work of the Ombudsman like it was done during 2021, focusing especially on the right to access Union documents;
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DECISION (EU) 2023/1837 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section IX – European Data Protection Supervisor**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0235/2022) ⁽²⁾,
 - having regard to the European Data Protection Supervisor's annual report for 2021,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2021, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁵⁾, and in particular Articles 59, 118, 260, 261 and 262 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0070/2023),
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 2021;
 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 Auditors, the Court of Justice of the European Union, 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 391, 12.10.2022, p. 6.

⁽⁴⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁵⁾ OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2023/1838 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021, 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 2021, Section IX – European Data Protection Supervisor,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0070/2023),
- 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;
- B. whereas data protection is a fundamental right, protected by European law and enshrined in Article 8 of the Charter of Fundamental Rights of the European Union;
- C. whereas Article 16 of the Treaty on the Functioning of the European Union provides that compliance with the rules relating to the protection of individuals, with regard to the processing of personal data concerning them, shall be subject to control by an independent authority;
- D. whereas Regulation (EU) 2018/1725 of the European Parliament and of the Council⁽¹⁾ provides for the establishment of an independent authority, the European Data Protection Supervisor (the 'Supervisor'), responsible for protecting and guaranteeing the right to data protection and privacy, and tasked with ensuring that the institutions and bodies, offices and agencies of the Union embrace a strong data protection culture;
- E. whereas the Supervisor carries out its functions in close cooperation with fellow Data Protection Authorities (DPAs) as part of the European Data Protection Board (EDPB), and it serves the public interest while being guided by principles of impartiality, integrity, transparency and pragmatism;
- F. whereas the Supervisor shall delegate the powers of the Authorising Officer to the Director in accordance with the charter of tasks and responsibilities concerning the budget and administration of the Supervisor provided in accordance with Article 72(2) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁽²⁾, while the function of the Accounting Officer of the Supervisor shall be performed by the Accounting Officer of the Commission in accordance with the Decision of the European Data Protection Supervisor of 1 March 2017;

(1) Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

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

1. Notes that the budget of the European Data Protection Supervisor (the 'Supervisor') falls under MFF heading 7, 'European public administration', which amounted to a total of EUR 10,7 billion in 2021; notes that the Supervisor is a relatively small institution the budget of which represents approximately only 0,18 % of the total administrative budget;
2. Notes that the European Court of Auditors (the 'Court') in their Annual Report for the financial year 2021 increased their sample of transactions under 'Administration' from 48 in 2020 to 60 in 2021;
3. Notes that the Court mentions that their work over many years indicates that overall this spending is low-risk; however, notes that the annual Report on the implementation of the Union budget for the 2021 financial year does not provide any relevant information on the Supervisor and invites the Court to include in the next annual reports comprehensive data regarding the completion of all requirements necessary for a consistent discharge procedure;
4. Notes with satisfaction that in their Annual Report for the financial year 2021, the Court notes that they did not identify any specific issues concerning the Supervisor;

Budgetary and financial management

5. Notes that the budget for the Supervisor also covers the work of the independent Secretariat of the European Data Protection Board (the 'Board'), where the Supervisor is a member and provides staff to the Secretariat;
6. Welcomes the 2021 annual report published by the Supervisor; notes that in 2021 the Supervisor met or surpassed the targets set out in eight out of nine key performance indicators (KPIs);
7. Notes that the budget for the Supervisor was EUR 19 463 193 for 2021 representing a marginal decrease of 0,07 % compared to 2020; which should however also be assessed against the background that the budget increased by 16,3 % from 2019 to 2020, which coincides with the beginning of the COVID-19 pandemic and the related increase in workload;
8. Notes furthermore that the budget implementation rate was 86 % for the year 2021, which represents a significant increase from 2020 where the implementation rate was 73 %; acknowledges that also for 2021 the budget implementation was heavily affected by the COVID-19 pandemic, which first and foremost severely limited physical events, conferences and missions;
9. Notes that the execution rate in 2021 was 89,60 % and the average payment time was of 19,98 days; encourages the Supervisor to reduce the delay in payments with the use of electronic solutions, which contribute to making public authorities more transparent and sustainable;
10. Welcomes that the Supervisor, during 2021, continued to implement the approach to reach a higher degree of administrative efficiency making use of service level agreements and participate in large inter-institutional framework contracts;

Internal management, performance and internal control

11. Acknowledges that 2021 was also a challenging year, not least due to the COVID-19 pandemic, which created the immediate need to safeguard staff wellbeing and at the same time created new tasks, including the setting up the EU Digital COVID Certificate and the monitoring of Passenger Locator Forms, contact tracing apps, and other technologies used to fight against the virus, and ensuring that they were fully in line with the Union personal data protection legislation;

12. Welcomes that the Supervisor immediately created an internal COVID-19 task force to actively monitor and assess the Union's responses to the pandemic, which raised questions and concerns about the protection of personal data and privacy rights of individuals; furthermore welcomes that the Supervisor launched a competition to employ more specialised experts on data protection and adapted the internal organisation to reflect the increased workload on data protection;
13. Welcomes that the Supervisor, in its answers to last year's discharge resolution, mentions that it has decided to reinforce ex-ante controls through appropriate checklists and has decided to recruit one full-time staff member for the function of Internal Control Coordinator in order to improve internal procedures and make the organisation more efficient from the first quarter of 2023;
14. Welcomes that the Supervisor has engaged in a Business Continuity and Crisis Management review exercise with relevant internal and external stakeholders following an internal assessment of the lessons learnt from the COVID-19 pandemic as also encouraged by the European Parliament in the 2020 discharge resolution; understands that the process is still ongoing and expects to benefit from the lessons learnt and possible measures taken as part of the 2022 discharge procedure;

Human resources, equality and staff well-being

15. Notes that, at the end of 2021, the Supervisor had 132 members of staff, which represents a small increase from the end of 2020 where there were 124 staff members and a significant increase from the end of 2019, where there were 107 staff members; notes with concern that the number of contract agents increased from 37 at the end of 2020 to 49 at the end of 2021, whereas the number of officials decreased from 72 to 68 during the same period; encourages the Supervisor to provide permanent contracts to its employees to guarantee business continuity and work security; underlines that the Supervisor is facing challenges in attracting specialists with the necessary expertise in specific domains and encourages the Supervisor to explore ways of increasing the visibility of its vacancies;
16. Takes note that the Supervisor had to deal with four times more legislative consultations compared to 2019, and notes that there is only one new member of staff to absorb this increase in workload; notes further that data sets in the Union institutions, which the Supervisor is responsible for monitoring, are also increasing drastically;
17. Notes with satisfaction that, at the end of 2021, the number of Union nationalities represented among the staff increased further to 21, compared to 20 at the end of 2020; notes further that the representation of more nationalities has helped to develop a better geographical balance in the institution; calls on the Supervisor to also continue promoting equal opportunities and geographical balance for the middle and senior management posts;
18. Notes that while the two senior management posts are occupied by men, women account for 75 % (3 out of 4) of middle manager posts; notes that among the categories from GFII to GFIV, 38 out of 48 persons equivalent to almost 80 % were women; further notes that women account for 63 % of the total workforce in 2021, up from 58 % in 2020;
19. Welcomes that the Supervisor, in its answers to last year's discharge resolution, mentions that the HR staff of the Supervisor regularly follow the 'Unconscious Bias in Selection and Recruitment' training in order to ensure a good implementation of the Equal Opportunities Strategy;
20. Notes that the occupation rate at the end of 2021 was 88 %, which is rather low; understands at the same time that some selection procedures were ongoing at the end of 2021, while some posts were kept open in anticipation of the data protection laureate list being published at the end of the first semester 2022; further notes that no senior or middle management posts were vacant during 2021;
21. Welcomes that the Supervisor focussed on ensuring the mental well-being of both Supervisor and Board staff during the COVID-19 pandemic, including, *inter alia*, by providing both individual and team coaching;

22. Welcomes that the Supervisor has developed the system for flexible working arrangements, including through the flexitime regime that allows staff to decide on a daily basis when to start and finish their work between 07:00 and 20:30; further welcomes that the Supervisor has also created a system whereby staff may accumulate overtime, which can be compensated;
23. Notes that the current rules allow staff members to telework up to 3 days per week and in agreement with the line manager, some staff members may be allowed to telework more than 60 %; welcomes that the teleworking rules allow staff to work outside the place of employment a maximum of 15 days per year with the possibility of adding another 15 days upon the approval of the appointing authority; encourages the Supervisor to allow teleworking whenever possible if members of staff request it;
24. Takes note that the Supervisor is currently setting up a working group to develop a strategic approach to ensure that the workload is equally shared and distributed among staff, based on the results of Staff Satisfaction surveys; welcomes that no cases of burnout were reported during 2021; further welcomes that the number of people on sick leave and number of days of absence because of sick leave fell in 2021 compared to 2020;
25. Welcomes that, in 2021, no cases of psychological or sexual harassment were reported and that the Supervisor ensures that they will remain vigilant to ensure that no such cases will occur in the future;
26. Welcomes that the Supervisor and the Board recruits a relatively large number of trainees for the size of its institution; further welcomes that all 8 trainees recruited in March 2021 and the 9 trainees recruited in October 2021 received remuneration;

Ethical framework and transparency

27. Notes that the Supervisor's Ethical Framework, which was updated in 2019, among other things, includes mandatory introduction training for newcomers on harassment, preventing conflicts of interest and other ethical areas; notes that 25 persons received training on these areas during 2021 and that all staff joining the institution have to sign a Declaration of confidentiality and they must declare an absence of conflicts of interest; further welcomes that a session on whistleblowing will be added during 2022;
28. Requests the Supervisor to provide information on the code of conduct for senior management posts that it decided to start drafting;
29. Welcomes that there were no OLAF investigations involving members of staff from the Supervisor or the Board during 2021; notes that there was one European Ombudsman case involving the Supervisor in 2021, which was closed with the conclusion that it had been settled and thus no recommendations were addressed to the Supervisor; further welcomes that there was no cases of conflicts of interest or whistleblowing in 2021;
30. Notes that, currently, the Supervisor does not use the Interinstitutional Transparency Register but that the Agenda, recorded meetings and the interventions of the Supervisor, including meetings with interest representatives are published on the Supervisor's website; calls on the Supervisor to finalise its internal analysis of the available options and to join the Interinstitutional Agreement on a mandatory transparency register;
31. Welcomes the follow-up done by the Supervisor on a citizen's data access request; highlights, however, that the Supervisor issued a decision in the case before all the facts had been checked and established, although the complaint procedure had been underway for over two years and was still ongoing at the end of 2022; calls on the Supervisor to review its rules of procedure for ensuring an efficient and timely review of complaints by citizens, taking into account all relevant information ⁽³⁾;

⁽³⁾ This relates to the case of Mr van der Linde, a Dutch citizen, which has been reported in media. If the entire procedure could have been handled more swiftly, the citizen may have been satisfied with the outcome of the complaint filed with the EDPS (the complaint was sent to the EDPS in the second half of 2020).

32. Notes that there was no cases of staff leaving the institution in order to join the private sector in 2021 and no cases involving cooling-off periods; welcomes that there were no cases of former MEPs, Commissioners or high-level officials (from AD14) receiving money from the budget as advisors or others;
33. Calls for an end to the use of external companies that, according to Yale University's ranking (*), continue to operate in Russia;

Digitalisation, cybersecurity and data protection

34. Notes that budget commitments for the year 2021 were 20 % higher than in 2020 with regard to IT projects and equipment, including videoconferencing equipment, which has allowed hybrid meetings to be carried out in the organisation;
35. Acknowledges that many central IT functions including in the area of cybersecurity are provided by the European Parliament as the Corporate Service Provider and CERT-EU (the Computer Emergency Response Team); asks the Supervisor to keep an overview of the personal data exchanged among the Union institutions for the purpose of ensuring cybersecurity; welcomes that the Supervisor, nevertheless, is taking steps in order to improve its digital effectiveness and security, including through providing regular cybersecurity raising awareness training for all of its staff, including an introduction training for newcomers;
36. Appreciates that the Supervisor continues to pilot and showcase the use of open source tools in order to prevent vendor lock-in, retain control over technical systems, provide stronger safeguards for user's privacy and data protection, and increase security and transparency for the public, as an alternative to proprietary tools; encourages the Supervisor to communicate such considerations to other Union institutions;
37. Welcomes the new TechSonar initiative aiming to monitor emerging technology trends to better understand their potential impact on individuals and to ensure a sustainable digital future where the protection of personal data is guaranteed;
38. Recalls that the Supervisor's workload is likely to further increase due to the growing digitalisation trend in the Union, the revision of agencies' mandates and the initiatives presented by the Commission especially in the field of justice and home affairs, namely the opinions on Europol's mandate, DSA/DMA, the NIS 2.0 Directive and the joint opinions on the Artificial Intelligence Act and EU Digital COVID Certificate appreciates the contribution of the Supervisor to the legislative work in cooperation with the Board; stresses the importance to adapt human and financial resources to the increasing workload and to increase the Supervisor's budget accordingly;

Buildings

39. Notes that following the departure of the European Ombudsman at the end of October 2021, the Supervisor and the Board became the only tenants on Rue Montoyer 30 in Brussels, which is rented to them by the European Parliament; notes that three floors of the building were subsequently refurbished and over 100 Supervisor and Board staff moved offices; further notes, that the refurbishment involved modernisation and adapting the building to new working conditions after the COVID-19 pandemic, including the addition of portable teleconferencing systems;
40. Notes that, in the 2020 discharge report, the European Parliament encouraged the Supervisor to take into consideration in its building strategy the needs of people with reduced mobility or other disabilities; notes that in the replies the Supervisor refers to the Administrative Agreement it has with the European Parliament; nevertheless encourages the Supervisor to give special attention to this area in its building strategy;

(*) <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>

Environment and sustainability

41. Welcomes that the Supervisor has continued its work towards becoming a paperless institution, including by ensuring that the payment cycle for invoices is managed electronically, that selection and appraisal processes within HR are managed in a paperless way;
42. Welcomes that the Supervisor continues to encourage the use of public transport by reimbursing 50 % of monthly/annual fees for public transport and continues to allocate sufficient space in its garage facilities for staff to park their bikes;
43. Notes that the Supervisor stated that it will inquire about the plans regarding the installation of solar panels on the building rented by the European Parliament and encourages the Supervisor to advocate for the installation of such panels;

Interinstitutional cooperation

44. Welcomes the cooperation between the Supervisor, in its supervisory role, and the other Union institutions, bodies and agencies, especially the EPPO as a newly established body;
45. Welcomes that the Supervisor is closely monitoring the evaluation of the digital euro project by the European Central Bank concerning issues like the right to privacy and the protection of personal data; recognises the Supervisor's need for additional resources in order to supervise this project;
46. Welcomes the initiative proposed by the Supervisor to establish a support pool of experts comprised of both the Board and external experts to accompany the national Data Protection Authorities in their work on investigations and enforcement activities of significant common interest;
47. Notes that the Supervisor had a dialogue with Europol concerning its processing of large-scale datasets in order to ensure that data is processed in a compliant manner; notes that the Supervisor highlighted several times since September 2020 its serious concern relating to data minimisation and retention of datasets lacking a data subject classification; encourages the Supervisor to continue the dialogue in order to address these problems;
48. Notes that the Supervisor has not concluded any new inter-institutional agreements during 2021 but has revised an Administrative Agreement with the European Parliament with a view to creating a permanent Supervisor's office at the Parliament's premises in Strasbourg, which will also allow for a closer link with the Council of Europe and will facilitate regular inspections of eu-LISA databases, which processes personal data on a large scale;
49. Acknowledges the two investigations concerning transfers of personal data to non-EU/EEA countries launched in the framework of the Supervisor's Schrems II Strategy;

Communication

50. Notes with satisfaction that, in 2021, the Supervisor organised several events, which also served to increase its role and the understanding of its mission among the wider public, including the Data Protection Day, Europe Day, the Supervisor's trainees' conference and podcasts, the Supervisors Civil Society Summit, the annual Computers, the Privacy and Data Protection Conference, the Global Privacy Assembly and the Future of Data Protection conference;
51. Appreciates that the Supervisor prepared a public pilot phase of two social media platforms, EU Voice and EU Video, that were launched in 2022 to promote the use of decentralised, free and open source technologies as an alternative to social networks; understands that these pilot initiatives contribute to the Union's strategy for data and digital sovereignty that aims to foster the Union's independence in the digital world;

52. Welcomes the Supervisor's efforts to monitor, and explain to the wider public, emerging developments in technology and their potential impact on data protection and privacy, through the TechDispatch and TechSonar reports; recognises the need for additional technical qualified employees to ensure the proper follow-up of these tasks; notes with satisfaction that the TechDispatch initiative has received the Global Privacy and Data Protection 2021 Award in the category of 'Education and Public Awareness', on the occasion of the 43rd Global Privacy Assembly 2021; encourages the Supervisor to increase its capacities in the field of technology monitoring and launch information campaigns on its findings and recommendations.
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DECISION (EU) 2023/1839 OF THE EUROPEAN PARLIAMENT**10 May 2023****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section X – European External Action Service**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2021 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2021 (COM(2022) 323 – C9-0236/2022) ⁽²⁾,
 - having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2021 (COM(2022) 292),
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2021, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽⁵⁾, and in particular Articles 59, 118 and 260 to 263 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Foreign Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0088/2023),
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 2021;
 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 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ L 93, 17.3.2021.

⁽²⁾ OJ C 399, 17.10.2022, p. 1.

⁽³⁾ OJ C 391, 12.10.2022, p. 6.

⁽⁴⁾ OJ C 399, 17.10.2022, p. 240.

⁽⁵⁾ OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2023/1840 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021, 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 2021, Section X – European External Action Service,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Foreign Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0088/2023),
- A. whereas the European External Action Service (EEAS) is responsible for the management of the administrative expenditure of its Headquarters (HQ) in Brussels and for the network of the 144 Union delegations and offices;
- B. whereas the EEAS' responsibility has been extended to cover the administrative management of the Commission staff in the delegations through a series of Service Level Arrangements (SLAs);
- C. whereas the role of the delegations is to represent the Union and its citizens around the world by building networks and partnerships, and to promote the values and interests of the Union;
- D. whereas the peculiarity of the EEAS remains in its nature and origin, as it was when it was formed by the merging of staff belonging to the former external relation departments of the Council and of the Commission, into which diplomats from the Member States have been integrated;
- E. whereas under the EEAS Internal Rules, the Secretary-General of the EEAS acts as authorising officer by delegation for the institution and the director-general for resource management has the role of principal sub-delegated authorising officer;
- F. whereas the implementation of the budget is governed by the Financial Regulation and by the Internal Rules of implementation of the Budget of the EEAS;
1. Notes that the budget of the EEAS falls under the Multiannual Financial Framework (MFF) heading 7, 'European public administration', which amounted to a total of EUR 10,7 billion in 2021; notes that the EEAS's budget (payments, including contributions from the Commission) represents around 9 % of the total administrative budget under MFF heading 7;
 2. Notes that the European Court of Auditors (the 'Court'), in its Annual Report for the financial year 2021, increased its sample of transactions under 'Administration' from 48 in 2020 to 60 in 2021;
 3. Notes that the Court mentions that its work over many years indicates that overall this spending is low-risk; however, invites the Court to include in the next annual reports more comprehensive data regarding the completion of all requirements necessary for a consistent discharge procedure.

4. Notes that the Court mentions that it found two quantifiable errors in payments made by the EEAS, one concerned the absence of an underlying contract for services acquired by a Union Delegation, the other related to allowances paid to a member of staff who had not declared recent changes in their personal situation;
5. Notes with satisfaction that the Court also notes that it found no significant issues with the supervisory and control systems they examined at the EEAS;
6. Notes furthermore that, in 2015, the Court, found significant weaknesses related to procurement and recruitment procedures organised by Union Delegations; notes that, in 2021, the Court followed up on these observations by examining a sample of ten procurement procedures and eight local recruitment procedures organised by Union Delegations; notes that, in 2019, the EEAS made improvements to the procurement process through the simplification and modernisation of working procedures at Union Delegations, the centralisation of some processes at headquarters, the creation of new templates for procurement documentation and that it revised the rules and conditions governing the employment of local agents in Union Delegations, and performed ex ante controls before their recruitment; finally, notes with concern, that the Court in five of the ten procurement procedures examined found some deficiencies in how the Union Delegations applied public procurement rules and found some weaknesses in all eight of the recruitment procedures for local agents; calls on the EEAS to take action to resolve the problems leading to the procurement errors identified and to prevent future infringements of the relevant rules;
7. Strongly encourages the EEAS to take appropriate measures, such as enhancing training and improving guidelines and templates for procurement documentation, in order to reduce the number of errors when it comes to procurement and recruitment procedures organised by Union Delegations and to report to the discharge authorities about measures taken;

Budgetary and financial management

8. Notes that, in 2021, the budget for the EEAS was EUR 767 626 000, representing an increase of 5,0 % compared to 2020, which was similar to the increase of 5,2 % in 2020 compared to 2019; observes that, in addition to its own budget, the EEAS also disposed of an amount of EUR 211 200 000 (including assigned revenues and carried over amounts) from the Commission to cover the administrative costs of Commission staff working in Union delegations; notes that, as well as other amounts, the EEAS also received contributions to cover common costs of European Development Fund staff in Delegations, which brought the total budgetary amounts (commitment appropriations) managed by the EEAS to EUR 1 091,1 million;
9. Notes that, in 2021, 99,4 % of the final EEAS budget in commitments was executed, which is higher than in 2020 where 95,0 % was executed; notes that in payments 84,5 % of the budget for 2021 was executed, slightly higher than 2020, where 82,3 % was executed;
10. Notes that the final budget for the EEAS HQ, after transfers, amounted to EUR 295 million, out of which EUR 290,5 million equivalent to 98,5 %, was executed; notes that, in payments, EUR 238,3 million equivalent to 80,8 % was executed;
11. Notes that the final budget for EEAS delegations, after transfers, amounted to EUR 472,6 million out of which EUR 472,4 million equivalent to 99,9 % was executed; notes that, in payments, EUR 410,1 million equivalent to 86,8 % was executed;
12. Notes that, due to the COVID-19 pandemic, the budget for IT was increased during 2021, while the budget of various items including salaries was reduced; notes that the EEAS informed the budgeting authority about three transfers during 2021, out of which two were made to deal with the additional expenditure caused by the COVID-19 pandemic and the end-of-year reconciliation;

13. Notes that the EEAS had 131 352 payments in 2021, out of which 115 060, equivalent to 87,6 % ,were paid within the time limit; notes furthermore that the average net payment time was 18 days and that the percentage of electronic invoicing was 24 %;
14. Notes with satisfaction that the EEAS has signed a significant number of Service Level Agreements primarily with the Commission but also with other institutions covering more than 70 different services provided by 16 entities; notes furthermore that the accountant of the Commission (the Directorate-general for Budget) still works as the accountant for the EEAS, but that the EEAS has increased its own capacity to handle some accounting functions and also the accounting functions of delegations;
15. Notes with satisfaction that the number of co-location agreements where Member States and other Union entities locate their staff in Union Delegations continues to rise, reaching 115 agreements in 67 Union Delegations with a total of 36 partners;

Internal management, performance and internal control

16. Notes that, in 2021, the EEAS implemented the largest reorganisation of its service since its creation in 2011, establishing six large geographical departments and an Office of the Secretary-General in order to better reflect the current geopolitical situation; notes that a new Directorate for Strategic Communication and Foresight was also created by merging two Strategic Communications Divisions and the Policy Planning and Strategic Foresight Division in order to better handle disinformation;
17. Notes that the EEAS' working conditions continued to be heavily affected by the COVID-19 pandemic during 2021; notes that, in particular, savings were made on salaries, due to slower recruitment procedures, and on missions, meetings, conferences etc.; notes that the pandemic also created possibilities for spreading disinformation and foreign manipulation and interference and therefore, added to the challenges of the EEAS;
18. Notes that, in 2021, the EEAS faced several security crises in Afghanistan, Sahel and Ethiopia, in which it was rather late to inform and react to the changes on the ground, leading to speedy evacuations of Union personnel;
19. Notes with satisfaction that no Union Delegations submitted reservations in 2021;
20. Notes that different aspects of the EEAS' work are being audited by its Internal Auditor, by the Commission's Internal Auditing Service and by the Court of Auditors; notes that while it is important to ensure thorough controls and audits it is equally important to avoid duplication;
21. Notes with satisfaction that the Commission's Internal Audit Service in their 'Annual report on internal audits carried out in 2021', concerning three earlier audits related to coordination between the Commission and the EEAS, concluded that all recommendations had been implemented;
22. Notes that the Internal Audit Division (IAD) of the EEAS, in its plan for the period 2018-2021, primarily focused on staff expenditure, which represents more than 50 % of EEAS spending; notes that the IAD plan for the period 2022-2024 will focus on other areas not previously covered, for example security, infrastructure and IT; calls on the EEAS to inform the discharge authority about the results of this internal audit;
23. Notes with satisfaction that all financial transactions of the EEAS budget recorded during budget year 2021 are controlled through random stratified samples using a methodology similar to the one used by the European Court of Auditors;

Human resources, equality and staff well-being

24. Notes that, at the end of 2021, there were 5 072 members of staff employed by the EEAS, out of which 2 303 (45,4 %) worked at the EEAS HQ and 2 769 (54,6 %) worked in Union Delegations and Offices around the world; notes that this represents a significant increase of 9,2 % from 4 643 members of staff in 2020, out of which 2 286 worked in the EEAS HQ and 2 357 worked in Delegations and offices; notes that most of the increases happened in Delegations and Offices where over 450 local agent posts were transferred from the Commission to the EEAS budget; notes finally that the EEAS received an additional 47 full-time equivalents in 2021 from the Budgetary Authority;
25. Notes that, at the end of 2021, the staff was made up of 1 706 officials and temporary agents, 1 543 local agents, 567 contract agents, 467 seconded national experts, 43 junior professionals in Union Delegations and 746 other external staff and trainees; notes finally that in addition there were 3 327 members of Commission staff employed in Union Delegations;
26. Notes that, in 2021, women represented 46,7 % of the EEAS staff, slightly down from 48,7 % at the end of 2020; notes however that women represented 37,4 % of AD positions, which is an increase from 37,3 % in 2020; notes with satisfaction that there has been a relative increase in the number of women in all management positions, with the number of women in middle management increasing from 32,7 % in 2020 to 35,4 % in 2021, and the number of women in senior management increasing from 25,5 % to 26,3 % and the number of women as head of delegation increasing from 27,1 % to 29,4 %; encourages the EEAS to lead by example in increasing the number of women as head of delegations and to engage in feminist diplomacy, especially in third countries with lower standards regarding gender equality, with the aim of promoting women's rights and inclusive governance;
27. Welcomes that the EEAS has appointed an Ambassador for Gender and Diversity to raise awareness and consideration in diplomacy, political dialogue and policy decisions; further welcomes that the EEAS, as part of the #NoWomanNoEUDiplomacy strategy, is opening up mentorship programmes for women in AST and lower AD grades in order to offer them a career path to more senior positions; calls on the EEAS to continue its focus on ensuring gender balance of staff and management and to report to the discharge authority about initiatives and progress in achieving this;
28. Calls for effective gender training strategies in the EEAS; highlights the importance of investing in resources and expertise towards developing training and education strategies focused on applying a gender equality approach to international policies and programmes in order to achieve a genuine change of culture within the EEAS; specifies that special attention should be devoted to integrating gender mainstreaming mechanisms, addressing gender budgeting, gender impact assessments and tackling gender-based violence; suggests that a comprehensive training programme be adopted for the adequate implementation of GAP III in all levels of the EEAS;
29. Notes with satisfaction that all Member States are represented in the staff and that especially the relative number of members of staff from the Member States that joined in 2004 or later (EU13) have increased and ensured a more reasonable distribution in the overall staff; however, stresses that high imbalances persist at management level despite repeated calls from the European Parliament to address this issue; is concerned, that only 24 Member States are represented among the EEAS Ambassadors and that the distribution is more unequal and that the five Member States with most ambassadors (France 19, Germany 18, Spain 17, Italy 16 and Belgium 12) have 82 out of 135 posts, equivalent to 61 %; underlines its concern about the geographical imbalance concerning the position of Heads of Delegation and reiterates its call for the EEAS to continue improving the geographical balance representation in order to have a proper representation of nationals from all Member States;

30. Underlines that EU13 Member States encompass around 23 % of the Union population; notes that the number of middle managers from EU13 Member States increased from 13,8 % in 2020 to 16,2 % in 2021, the number of senior managers from these countries increased from 7,3 % to 8,9 % and the number of ambassadors from these countries increased from 14,1 % in 2020 to 18 % in 2021; stresses that the EEAS, like all Union institutions, must ensure that all Member States are proportionally represented while at the same time respecting the competences and merits of the candidates; urges the EEAS to ensure the geographical balance in order to have an appropriate representation of nationals from all Member States, reflecting their diversity, as indicated in the Article 27 of the Staff Regulations of Officials; reiterates its call for the EEAS to carry on interacting with Member States to promote its posts among the national diplomat network and academia;
31. Notes with concern that, in 2021, 15 middle management and five senior management posts in the EEAS HQ and five middle management posts in Union Delegations were vacant for an average period of three months and that 15 staff members acted in management positions during the vacancies; encourages the EEAS to better promote its vacancies and career opportunities and to explore ways to improve the recruitment of personnel;
32. Notes that the EEAS has continued implementing the reform of conditions for local agents and that 62 % of local agents signed up for the reform, which together with new recruitments after 1 June 2020, implies that more than 66 % of local agents were covered by the new rules by 31 March 2022; calls on the EEAS to enhance training and guidance on the Union Delegations' recruitment procedures for local agents to ensure compliance with the principals of transparency and equal treatment;
33. Notes that EEAS staff are authorised to telework up to three days per week in the EEAS HQ and one day in Union Delegations; notes with satisfaction that the EEAS allows both staff at HQ and expatriate staff in Union Delegations to telework 10 days from outside the place of employment, which may be increased in specific situations in order to support of colleagues facing complex family situations;
34. Notes that, in 2021, the number of persons who were absent due to illness increased by 9,3 %, while the number of days of absence due to illnesses increased by 36 %; considers that this is a relatively large increase and calls on the EEAS to investigate further if there is anything that can be done in terms of improving physical and mental work conditions to ensure that the situation improves in the coming years; calls on the EEAS to take the necessary measures to mitigate the risk of burnout and to ensure the well-being of its staff;
35. Notes that the EEAS does not retain data on disabilities of staff but that in a survey addressed to all staff in the EEAS HQ and in Union Delegations, 24 out of 1 075 replies from members of staff declared a permanent disability, while 23 declared short term or temporary disability; notes furthermore that the EEAS has asked Union Delegations to provide information on the suitability and accessibility of premises and the city where it is located, which must be seen as a first step towards also being able to send staff with disabilities to Delegations; calls on the EEAS to continue to report on progress made towards integrating people with disabilities in the service;
36. Welcomes the different EEAS secondment and exchange programmes with Member States, third countries, international organisations, and Union institutions, including the European Parliament; especially welcomes that due to the improvement of the situation caused by the COVID-19 pandemic, it was possible to resume the programme between the EEAS and Parliament from November 2021;
37. Welcomes that the EEAS takes a relatively large number of trainees both in the HQ and in Union Delegations, 461 trainees in total, and thereby gives many young people the opportunity to experience working in an Union institution; notes furthermore that all trainees in the HQ are being given a monthly grant, while most trainees in Delegations (96 %) were paid by the EEAS or other institutions; calls on the EEAS to take the appropriate steps to ensure that all its trainees receive a decent remuneration;

38. Encourages the continuation of efforts to rejuvenate the core EEAS staff and grow a permanent, specialised European Diplomatic Corps through regular specialised open competitions, aiming to recruit individuals with a diversity of talent, skills and potential;

Ethical framework and transparency

39. Notes that adhering to rules and norms concerning ethical behaviour and transparency is essential for all public institutions and even more so for the EEAS as it represents Union values around the world in its 144 Delegations and Offices; welcomes therefore that the EEAS has recently adopted the 'Principles of professional behaviour'; encourages the EEAS to organise systematic training and awareness sessions in the area of proper conduct for all its staff;
40. Notes that the EEAS is offering training courses in ethics in the framework of Newcomers Welcome Sessions and as part of pre-posting seminars for Union Ambassadors; notes furthermore with satisfaction that all Union appointed managers are obliged to follow a course on 'Creating a harassment-free working environment'; encourages the EEAS to also offer a general course on ethics as part of mandatory preparations for postings at Union Delegations and Offices;
41. Notes that during 2021, five cases involving EEAS staff were investigated by the European Anti-Fraud Office (OLAF), out of which four were closed without recommendations and one was closed with recommendations; asks the EEAS to provide information on the implementation of these recommendations to the discharge authority;
42. Notes that, during 2021, the EEAS had no communication with the EPPO but that the EEAS is ready to cooperate and that an initiative for a possible Memorandum of Understanding between the two services lies with the EPPO; notes that close cooperation with both OLAF and the EPPO are important in a general anti-fraud strategy;
43. Welcomes that the EEAS is in the process of updating its anti-fraud strategy following the 2021 methodology and guidance issued by OLAF on anti-fraud strategies; welcomes that the EEAS plans to ensure that awareness training courses will target all categories of staff; encourages the EEAS to make such training courses mandatory at least to all staff that will be posted abroad; asks the EEAS to inform the discharge authority about the new strategy when it has been finalised, including information about its dissemination to staff;
44. Notes that the EEAS received 16 requests from the European Ombudsman out of which 13 cases concluded that no maladministration occurred, while maladministration was detected in one case and two cases are still open; notes with satisfaction that the EEAS is committed to following up on the recommendations from the Ombudsman in the two cases in which the Ombudsman has issued such recommendations;
45. Calls on the EEAS to monitor the positions of former senior staff and heads of delegations, given their sensitive political role; invites the EEAS to systematically review potentially problematic transitions to the private sector or to third country organisations and to continue monitoring the occupation of former senior officials until the end of the mandatory cooling-off period, as unaddressed conflicts of interest situations may compromise the enforcement of high ethical standards throughout the Union administration;
46. Notes with satisfaction that a number of situations where staff of missions declared conflicts of interest were handled by relieving the persons in question from performing certain tasks; notes with satisfaction that the EEAS applied the cooling-off period for three retired officials from professional contacts with former colleagues and that the EEAS did not receive any complaint about breaches of this cooling-off period;
47. Calls on the EEAS to ban all officials who have left the service from lobbying and advocacy for the duration of the cooling-off period;

48. Urges the EEAS to follow-up without further delay on their announcement to adopt and implement its self-standing implementation provisions on outside activities and assignments, which create a sui generis legal basis for Heads of Delegations to better protect the image and reputation of the Union as a whole;
49. Notes that the EEAS does not have a direct role in Union legislation, however, it has an important role regarding decisions concerning sanctions and the negotiation of international trade agreements, which have a considerable regulatory impact; would therefore find it extremely relevant for the EEAS to join the Union Transparency Register on the basis of a service-level agreement; invites the EEAS to publish all meetings with all types of lobby organisations, including those of Heads of Union Delegations, in order to improve transparency;
50. Notes with satisfaction that there were no cases of whistleblowing reported in 2021 and that the EEAS applies the Commission's guidelines on whistleblowing and makes them available on the EEAS intranet;
51. Calls for an end to the use of external companies that, according to Yale University's ranking ⁽¹⁾, continue to operate in Russia;

Digitalisation, cybersecurity and data protection

52. Notes that compared to 2020, investment in IT projects and equipment decreased by 6,4 % to EUR 22 290 743, while investment for security increased by 24,6 % to EUR 5 778 000;
53. Welcomes that the EEAS has continued upgrading and renewing technical equipment during 2021 through for instance doubling the network bandwidth to improve teleworking experiences and installing more than 500 new videoconferencing facilities in the HQ and in Union Delegations; further welcomes that the EEAS fully digitalised its human resources, administrative and financial workflows, increasing organisational efficiency;
54. Notes that it is becoming more and more important to take cybersecurity into account and welcomes that the EEAS has distributed a new Union restricted system throughout the EEAS to ensure secure communication at the Union restricted classification level and that measures have been taken to ensure that European Commissioners and others have the ability to enable classified calls; welcomes that the EEAS keeps highly classified information in secure systems that are fully isolated from other networks and the internet;
55. Notes with concern that, in 2021, the Security Incident and Event Monitoring (SIEM) solution of the EEAS generated more than 16 000 cyber alerts, which resulted in the identification of 236 real cyberattacks that did not all succeed in data breaches; calls on the EEAS to continue to have a strong focus on cybersecurity and hybrid threats, especially those that are sponsored by foreign states, and work together with other Union Institutions and Member States in order to identify such threats and protect Union infrastructure as much as possible; underlines that cyber awareness and a systematic training programme for all staff, including management, are key elements in an effective cyber security framework;
56. Notes with satisfaction that the European Data Protection Supervisor (EDPS) conducted three inspections concerning the EEAS in 2021 and that all inspections are considered closed without additional observations;
57. Welcomes that the EEAS has adopted a hosting strategy, which ensures that the core business content remains on premises and its data is on servers that are directly owned and controlled by the EEAS; continues to call on the EEAS to ensure that Union data, to the largest extent possible, are only stored in EU/EEA facilities; furthermore welcomes that the EEAS continues to ensure that information and communication relating to the processing of personal data is easy to understand and in full conformity with Union legislation;

(1) <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>

58. Notes that the EEAS is assessing open source solutions on an equal footing with proprietary source solutions and is using a series of open source products for developers, hosting solutions, application servers, and identify and access management;
59. Notes with satisfaction that the EEAS has adopted a hosting policy and maintains a central repository of all information systems and technical services related to business applications and services; further notes that for information systems hosted on premises, both the system and its data are on servers that are directly owned and controlled by the EEAS and that the Data Protection Officer ensures the sound data protection controls in place;

Buildings

60. Notes that the EEAS has a very large and complex building stock comprising the buildings at the HQ in Brussels, approximately 180 office buildings and 150 residences of Union Ambassadors around the world; agrees that in Brussels and in most countries in the world where the Union can foresee maintaining representation there will probably, in the long run, constitute a saving from owning the buildings instead of renting;
61. Welcomes that the EEAS has started to adapt office spaces to new ways of working in order to create attractive working environments and ensure the most environmentally efficient use of its buildings; at the same time asks that such developments are implemented in close cooperation with staff;
62. Highly welcomes that the EEAS supports the goal of climate neutrality and that the EEAS is giving priority to buildings with an environmental certification; encourages the EEAS to also implement energy saving measures in the existing building stock; welcomes that the EEAS has already installed a photovoltaic installation of 355 m² on its roof at the HQ and in 18 Union Delegations and encourages the EEAS to expand its investment in solar panels throughout the world; asks the EEAS to make a cost-benefit analysis especially of the system installed at the building in Brussels with a view to sharing this with other Union Institutions which have so far not installed such systems;
63. Notes that the EEAS continues to ensure a high focus on security both at HQ and in Union Delegations and Offices; given the existing geopolitical situation, also welcomes that work on preventing espionage threats has been intensified; fully supports the EEAS in increasing its safety measures in order to protect both staff and physical and digital infrastructure from threats and attacks;

Environment and sustainability

64. Highly welcomes that the EEAS has set up an Environmental Management System (EMS) covering areas like energy savings, mobility of staff, CO₂ emission caps for service cars, information technology, green procurement and recycling and waste sorting etc., to be gradually improved;
65. Notes that the EEAS has adopted and implemented initiatives to support sustainable mobility of its staff and has set goals for 2023 for around 80 % of staff to use eco-friendly means of transportation; calls on the EEAS to report to the discharge authority regarding the progress made towards reaching these goals;
66. Welcomes that, in March 2021, the EEAS initiated the collection of environmental data from Union Delegations relating to energy and water consumption, waste generation, commuting, green tenders and consumption of materials such as paper and fuel etc.; encourages the EEAS to continue and extend this initiative to all Delegations and facilitate the exchange of best practises among Delegations;

67. Welcomes that the EEAS participates in the Interinstitutional helpdesk for Green Public Procurements and that support concerning environmental criteria for procurement documents are given to Union Delegations; encourages that such criteria is gradually shared among all Union Delegations and asks the EEAS to report to the discharge authority about progress made in this area;

Interinstitutional cooperation

68. Welcomes that agreements have been reached between the EEAS and the Commission concerning the exchange of restricted level documents and that a dedicated Service Level Agreement has been agreed between the EEAS and both the General Secretariat of the Council and the Commission on the provision of highly classified secure voice and messaging systems, which are increasingly important given the geopolitical context;
69. Welcomes that the EEAS concluded and signed an Establishment Agreement for the Union Delegation in the United Kingdom;
70. Welcomes that the EEAS declares that it has a good cooperation with OLAF and the European Court of Auditors (ECA) based on mutual trust, with regular meetings at various working levels with the aim of preventing fraud, investigation and ongoing auditing work and implementation of recommendations; strongly encourages the EEAS to develop the same kind of trust and cooperation with the EPPO;

Communication

71. Notes that the EEAS budget for strategic communication and public diplomacy activities in 2021 amounted to more than EUR 26,17 million supporting communication activities in the HQ and in all the Union Delegations;
72. Welcomes that priorities in communication are given to areas like Union values and interests, response to the international health crises and climate action and that Union Delegations have focussed on thematic days like Europe Day, Pride Parades, Women's Day, Climate Diplomacy Week etc.;
73. Encourages the EEAS to engage with the European Data Protection Supervisor with a view to utilising the two open-source social media platforms, EU-Voice and EU-Video, that were launched as a public pilot project to promote the use of free and open source social networks;
74. Highlights that the EEAS works closely with independent media and civil society partners in the Eastern Partnership region to build their capacity to counter foreign information manipulation and interference threats; welcomes that the EEAS works hand in hand with Ukraine to support its strategic communication efforts in the face of Russia's unprovoked military aggression to ensure that Russia's manipulation of information is exposed and countered;
75. Calls on the EEAS to strengthen the Union Delegations in the Eastern Partnership countries; underlines the need to assist the Eastern Partnership countries that are suffering from Russia's military aggression on Ukraine and to communicate Union policies more effectively to their citizens;
76. Highly welcomes that the EEAS has invested significantly in strengthening and building resilience to counter disinformation and foreign interference in Union affairs, including through a reorganisation of the Strategic Communications Division in 2021, by increasing the teams focussing on China, recruiting 27 Strategic Communication Officers based at Union Delegations and setting up Information Sharing and Analysis Centres across the Union in order to enable the EEAS to better tackle information manipulation and interference; stresses that the EEAS is the main Union institution responsible for countering foreign interference;

77. Calls again on the EEAS to strengthen the role of the Union Delegations in third countries in order to reinforce their ability to debunk disinformation campaigns threatening democratic values orchestrated by foreign state actors; calls, furthermore, on the EEAS to strengthen the Union Delegations' engagement in our neighbourhood and the Western Balkan countries in order to support communication policy on the European perspective that is more active and effective and provide the best possible assistance to the countries engaged in pro-democratic and pro-European reforms; calls on Union Delegations to continue their coordinated efforts to increase the visibility of Union-funded projects.
 78. Notes with concern the statement of the High Representative during the EU Ambassadors Annual Conference 2022, when he stated that reports from Union delegations came too late and that he was better informed from media outlets; calls on the EEAS to report to the discharge authority on the shortcomings that have been identified and the measures to be taken in order tackle those shortcomings.
 79. Encourages Union delegations to promote and engage with local actors, civil society organisations and social partners in third countries to stimulate social dialogue and dialogue about rule of law, fundamental rights and fight against corruption; asks the Union delegations to closely monitor the state of democracy in the different countries and to provide logistical and technological support to human rights and indigenous peoples defenders, in particular women; calls on Union delegations to continue their coordinated efforts to increase the visibility of Union-funded projects, especially in candidate countries.
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DECISION (EU) 2023/1841 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2021**

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 2021 (COM(2022) 321 – C9-0281/2022),
- having regard to the financial information on the European Development Funds (COM(2022) 321),
- 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 2021, together with the Commission's replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendations of 28 February 2023 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 2021 (05671/2023 – C9-0056/2023, 05672/2023 – C9-0057/2023, 05673/2023 – C9-0058/2023, 05674/2023 – C9-0059/2023),
- having regard to the Commission's report on the follow-up to the discharge for the 2020 financial year (COM (2022) 331),
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou (Benin) on 23 June 2000 ⁽³⁾ and amended in Ouagadougou (Burkina Faso) on 22 June 2010 ⁽⁴⁾,
- having regard to Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision') ⁽⁵⁾,
- having regard to Council Decision (EU) 2021/1764 of 5 October 2021 on the association of the Overseas Countries and territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association, including Greenland) ⁽⁶⁾,
- 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 ⁽⁷⁾,
- 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 ⁽⁸⁾,

⁽¹⁾ OJ C 391, 12.10.2022, p. 6.

⁽²⁾ OJ C 400, 17.10.2022, p. 170.

⁽³⁾ OJ L 317, 15.12.2000, p. 3.

⁽⁴⁾ OJ L 287, 4.11.2010, p. 3.

⁽⁵⁾ OJ L 344, 19.12.2013, p. 1.

⁽⁶⁾ OJ L 355, 7.10.2021, p. 6.

⁽⁷⁾ OJ L 156, 29.5.1998, p. 108.

⁽⁸⁾ OJ L 317, 15.12.2000, p. 355.

- having regard to Article 11 of the Internal Agreement of 24 and 26 June 2013 between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies ⁽⁹⁾,
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽¹⁰⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ⁽¹¹⁾,
 - having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ⁽¹²⁾,
 - having regard to Article 48 of Council Regulation (EU) 2015/323 of 2 March 2015 on the financial regulation applicable to the 11th European Development Fund ⁽¹³⁾,
 - having regard to Article 42 of Council Regulation (EU) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323 ⁽¹⁴⁾,
 - having regard to Rule 99 and the third indent of Rule 100 of, and Annex V to, its Rules of Procedure,
 - having regard to the opinion of the Committee on Development,
 - having regard to the report of the Committee on Budgetary Control (A9-0114/2023),
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 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽⁹⁾ OJ L 210, 6.8.2013, p. 1.

⁽¹⁰⁾ OJ L 191, 7.7.1998, p. 53.

⁽¹¹⁾ OJ L 83, 1.4.2003, p. 1.

⁽¹²⁾ OJ L 78, 19.3.2008, p. 1.

⁽¹³⁾ OJ L 58, 3.3.2015, p. 17.

⁽¹⁴⁾ OJ L 307, 3.12.2018, p. 1.

RESOLUTION (EU) 2023/1842 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021**

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 2021,
 - having regard to Rule 99 and the third indent of Rule 100 of, and Annex V to, its Rules of Procedure,
 - having regard to the opinion of the Committee on Development,
 - having regard to the report of the Committee on Budgetary Control (A9-0114/2023),
- A. whereas Union development cooperation, as referred to in Articles 208 to 210 of the Treaty on the Functioning of the European Union (TFEU), operates in a global context, defined by United Nations 2030 Agenda for Sustainable Development (Agenda 2030) and its Sustainable Development Goals (SDGs);
- B. whereas the Union has cooperative relations with a large number of developing countries, the main objective being to promote economic, social and environmental development, with the primary aim of reducing and eradicating poverty in the long-term by providing beneficiary countries with development aid and technical assistance;
- C. Whereas the objective of Union development cooperation is to uphold and promote the Union's values and interests worldwide in order to pursue the objectives and principles of its external action, as laid down in Article 3(5) and Articles 8 and 21 of the Treaty on European Union;
- D. whereas, from 1959 and until 2020, the European Development Funds (EDFs) provided development cooperation aid to the African, Caribbean and Pacific (ACP) countries and overseas countries and territories (OCTs); whereas the framework governing the Union's relation with the ACP countries and OCTs was a partnership agreement signed in Cotonou ('the Cotonou Agreement') on 23 June 2000 for a period of 20 years, later extended to 30 June 2022;
- E. whereas the eleventh EDF has reached its final stage as its sunset clause came into effect on 31 December 2020 and, as from 2021, the EDF programmes have been included in the Union's multiannual financial framework (MFF); whereas, however, specific contracts for existing financing agreements will still be signed until 31 December 2023;
- F. whereas, for the 2021–2027 MFF, development cooperation aid to ACP countries has been incorporated in the Neighbourhood, Development and International Cooperation Instrument – Global Europe ('NDICI-Global Europe') and development cooperation aid into the OCTs has been incorporated into the Decision on the Overseas Association, including Greenland⁽¹⁾;
- G. whereas the eighth, ninth, tenth and eleventh EDFs were not incorporated into the Union general budget and continue to be implemented and reported on separately until their closure;
- H. whereas the EDFs are managed almost entirely by the Commission's Directorate-General for International Partnerships (DG INTPA)⁽²⁾ with a small proportion (0,25 %) of the 2021 EDF expenditure being managed by the Directorate-General for European Civil Protection and Humanitarian Aid Operations;

(¹) Council Decision (EU) 2021/1764 of 5 October 2021 on the association of the Overseas Countries and territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association, including Greenland) (OJ L 355, 7.10.2021, p. 6).

(²) DG DEVCO became DG INTPA in January 2021.

- I. whereas development cooperation is evolving from a more traditional concentration on the social sectors towards a stronger emphasis on mutual interests, including on investment, trade and the development of high value added economic sectors, sustainable development, education and gender equality;
- J. whereas structural changes are needed in the agricultural sector of developing partner countries, particularly by empowering local small-scale farmers, assisting them in the use of new agricultural technologies, implementing modern water management methods and facilitating market access;
- K. whereas by means of a Team Europe approach ⁽³⁾, the Union works together with the Member States in the field, with local beneficiaries and with the other donors to bring a tangible impact and transformation change in the partner countries; recalls that budget support must correspond to the needs of partner countries as well as the Union key policies; recalls that it is also necessary to measure the performance of programmes and their impact in partner countries and civilian populations;
- L. whereas development cooperation is a shared competence between the Member States and the Union, and Article 208 TFEU specifically states that '[t]he Union's development cooperation policy and that of the Member States complement and reinforce each other.';
- M. whereas the Union and the Member States can undertake joint actions and should inform each other about actions being undertaken in the field of development cooperation;
- N. whereas sustainability is crucial for achieving the set goals and results and, in particular, the long-term impact of development aid;
- O. whereas traditionally the implementation of the EDF, and development in general, take place in risky, complex and fast-evolving environments, aggravated in 2021 by the COVID-19 pandemic and the unstable political situation experienced by some of the Union's partner countries, hampering implementation of the EDF and respective audit activities;
- P. whereas the ever-growing gap between the funds needed and those available to respond to the deepening climate, hunger, debt, humanitarian and other crises is generating a growing disparity between industrialised and less-developed nations and increasing poverty levels for the first time in decades;
- Q. whereas, notwithstanding the previous statement, fostering transparency, accountability, human rights due diligence and fighting corruption and fraud are key for the success of the Union's budget support operations;
- R. whereas humanitarian and development aid is an expression of a *de facto* global solidarity, enshrined in the Treaties and at the core of the Union's values;

Budget implementation

1. Recalls the two events that marked 2021, namely that it was the first year following the sunset clause for the eleventh EDF (31 December 2020), meaning that in 2021 there were no further global commitments of projects under the eleventh EDF, and, in addition, in 2021, the financial implementation for the tenth and eleventh EDF contracts (individual commitments: EUR 2 118 million) and payments (EUR 3 393 million) was impacted by the prolonged COVID-19 crisis ⁽⁴⁾;

⁽³⁾ A tool to help EU Delegations work better together with Member States, and country stakeholders, through joint programming and implementation, <https://europa.eu/capacity4dev/wbt-team-europe>

⁽⁴⁾ Annual accounts of the European Development Fund 2021, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022DC0321>

2. Observes that the EDF represents 46,1 % of the portfolio of DG INTPA in terms of payments in 2021, which amounted to EUR 3 435 million (i.e. 91,27 % of the annual target); notes that European Investment Bank (EIB) payments amounted to EUR 613 million; observes that, since the sunset clause of the eleventh EDF elapsed on 31 December 2020, there were no new commitments in 2021, with the exception of commitments of the funds stemming from reflows under the ACP Investment Facility from operations under the ninth, tenth and eleventh EDFs; notes that EIB payments concerning the ACP Investment Facility amounted to EUR 179 million;
3. Regrets that, due to the prolonged COVID-19 situation, 50 % of delegations in sub-Saharan Africa did not reach their minimum forecasted payment target (90 %); stresses that the most noticeable of these were Madagascar, which almost fully closed its borders, making it very difficult to continue implementation as initially foreseen; Chad and Gambia due to suspended or delayed implementation; and Ethiopia, Guinea Conakry and Mali, where political crises severely affected operations, with a significant impact on forecasted budget support payments; notes, moreover, that in the Pacific and in the Caribbean, COVID-19 restrictions also affected implementation, and in Fiji and Haiti the negative collateral effects emanating from the deterioration of the economic, social and political situation had a devastating impact on infrastructure projects;
4. Welcomes the regular efforts of DG INTPA to reduce old pre-financing and old unspent commitments with a target of 35 %; notes that DG INTPA exceeded the target by reducing the EDF's old pre-financing by 46 % (50 % for other domains of aid) and by 39 % for both the EDF's old unspent commitments and across its entire area of responsibility;
5. Notes that DG INTPA achieved its target of having not more than 15 % of old expired contracts for the EDF; notes that it achieved a score of 13 % for the EDF and 10 % across its entire area of responsibility; notes that for the EDF there has been a consistent improvement since 2017;

Impact of the activities in the financial statements

6. Notes that pre-financing suffered a decrease of EUR 101 million largely as a result of fewer advances being paid out due to the decrease in the number of contracts signed (EUR 3 670 million in 2020 compared to EUR 2 118 million in 2021); notes, moreover, that this decrease was mainly driven by challenges faced due to the ongoing COVID-19 pandemic and geopolitical crises and that, consequently, cash and cash equivalents increased by EUR 266 million as a result of this significant decrease in pre-financing and other payments;
7. Notes the significantly lower number of open contracts at the end of 2021, caused both by the scaling down of the EDF and the adverse impact of the on-going COVID-19 pandemic and geopolitical crises on signing of new contracts resulted in a substantial decrease of accrued charges by EUR 519 million;
8. Notes, furthermore, that the overall decrease in aid instruments expenses of EUR 1 743 million has a combined effect: on one hand the challenging conditions related to the COVID-19 pandemic and the unstable geopolitical situation in several countries hampered implementation of EDF activities in 2021, and, on the other hand, the decrease of activities under the tenth and previous EDFs is in line with the scaling down of those EDFs resulting in fewer open contracts under them;
9. Notes that effective implementation and adequate funding are means of ensuring the legitimacy and effectiveness of Union development cooperation; is of the opinion that the longer the duration of contracts under the development policy, the more sustainable the projects will be;

10. Notes that the EDF funding of EUR 600 000 000 for other actions in ACP countries that has been recently decommitted by the Member States will now be used for measures to help alleviate the global food crisis; takes the view that those funds must be used to provide further support for local small-scale farming, as well as agro-ecological practices and sustainable fisheries that are conducive to the food autonomy of local communities, making them less dependent on fluctuating global markets in food and agriculture; invites the Member States to henceforth consistently abstain from receiving repayment of decommitted EDF funds, given the need for funds to cover urgent needs in ACP countries and bearing in mind the financing of the Union and its Member States for development commitments as well as the obligations set out in the Treaty on Policy Coherence for Development;
11. Further emphasises that addressing the root causes of the food crisis requires structural changes in the agricultural sector of developing partner countries, particularly through empowering local small-scale farmers enabling to use new agricultural technologies, implementing modern water management methods, and through facilitating their access to the market;

Reliability of the accounts

12. Notes that the budget of the eighth EDF (1995–2000) was EUR 12,8 billion, that of the ninth EDF (2000–2007) EUR 13,8 billion, that of the tenth EDF (2008–2013) EUR 22,7 billion, and that of the eleventh EDF holds EUR 30,5 billion, of which EUR 29,1 billion has been allocated to the ACP countries and EUR 0,4 billion to the OCTs, with EUR 1,1 billion for administrative costs;
13. Notes that, in 2019, the Commission closed the remaining outstanding transactions for the eighth EDF projects and that all balances and decommitments have been transferred to the ninth EDF; notes, moreover, that, in 2021, the Commission announced the financial and operational closure of the eighth EDF and that all related activities have been completed, all checks and controls have been performed, and all contracts and financial decisions are closed in the EDF accounts;
14. Welcomes the fact that the Court of Auditors (the ‘Court’), in its annual report on the activities funded by the eighth, ninth, tenth and eleventh EDFs for the financial year of 2021, concludes that the accounts for the financial year ending 31 December 2021 present fairly, in all material respects, the EDFs’ financial position, the results of their operations, their cash flows and the changes in their net assets for the year then ended, in accordance with the provisions of the Council Regulation (EU) 2018/1877 ^(*5*) (‘EDF Financial Regulation’) and the accounting standards for the public service;
15. Acknowledges that, with the inclusion of EDF programmes in the Union’s MFF, the Court’s audit on the EDF will be phased out as EDF payments decrease and payments from the Union budget increase; notes that, subsequently, the Court will progressively shift resources to audit the Union budget; notes, however, that the current approach (separate report on the EDF) is maintained for the 2022 statement of assurance exercise;

Legality and regularity of the transactions underlying the accounts

16. Welcomes the Court’s opinion, according to which the revenue underlying the accounts for the year ended 31 December 2021 is legal and regular in all material respects;
17. Reiterates its concern over the many possible reasons for the succession of adverse opinions of the Court on the legality and regularity of expenditure due to the fact that the expenditure accepted in the accounts for the year ended 31 December 2021 is materially affected by error;

^(*5*) Council Regulation (EU) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323 (OJ L 307, 3.12.2018, p. 1).

18. Notes that to audit the regularity of transitions, the Court examined a sample of 140 transactions, representing the full range of spending from the EDF; notes, furthermore, that this comprised 26 transactions related to the Emergency Trust Fund for Africa, 92 transactions authorised by 17 EU delegations ⁽⁶⁾ and 22 payments approved by Commission headquarters ⁽⁷⁾;
19. Notes with concern that out of the 140 transactions examined, 54 (38,8 %) contained errors, compared to 36 (25,7 %) in 2020 for the same number of transactions; stresses, moreover, that the Court quantified 43 errors (31 in 2020), on the basis of which it estimated the level of error for the financial year 2021 to be 4,6 % (3,8 % in 2020);
20. Notes with concern that the typology of errors identified in the financial year 2021 follows the 2020 pattern, namely the estimated error related to ineligible expenditure (38,6 % in 2021, 38,2 % in 2020), serious failure to follow public procurement rules (14,6 % in 2021, 2,2 % in 2020), absence of essential supporting documents (23,3 % in 2021, 38,3 % in 2020) and expenditure not incurred (18,1 % in 2021, 14,9 % in 2020);
21. Notes with concern that the estimated level of error systematically surpasses the materiality threshold (2 %), with 4,6 % of expenditure affected for the eighth, ninth, tenth and eleventh EDFs for the financial year 2021 (compared to 3,8 % in 2020, 3,5 % in 2019, 5,2 % in 2018, 4,5 % in 2017, 3,3 % in 2016, 3,8 % in 2014 and 2015, 3,4 % in 2013 and 3 % in 2012); notes that, compared to the financial year of 2020, the increase in the estimated level of error is 0,8 % (0,3 % in 2020); restates that it is critical to efficiently address the causes of that increase;
22. Recognises that, as for 2020, due to the COVID-19 pandemic, it was not possible for the Court to carry out on-the-spot visits to EU delegations ⁽⁸⁾, thus preventing it from carrying out certain audit procedures, and particularly from verifying contract performance for the transactions selected, and therefore the Court's audit work was mainly limited to desk reviews of transactions and projects by means of remotely connecting with auditees; notes, however, that according to the Commission's replies to written questions and the hearing debate held in Parliament's Committee on Budgetary Control there is no evidence that the lack of on-the-spot visits led to an increased misuse of funds; notes, in addition, that the Commission believes that the Team Europe approach helped to coordinate much more closely at beneficiary country level between the Union and its Member States, increasing both effectiveness and accountability;

Transparency and effectiveness of the monitoring and assurance systems

23. Notes the conclusion by DG INTPA on the cost-effectiveness of the controls for which it is responsible (effectiveness, efficiency and economy of its control system) ⁽⁹⁾; stresses, however, that the Court, as in previous years, considers that the frequency of the errors found – including some contained in final claims which had been subjected to *ex ante* external audits and expenditure verification – points to weaknesses in those checks; asks the Commission, given the high error rate each year, to review its *ex ante* and *ex post* audit strategy, and to further generalise digitisation for more systematic controls with a priority on the partner countries where the most errors have been identified;
24. Notes with concern the fact that, as they did in 2020, the Commission and its implementing partners committed more errors in transactions relating to grants and to contribution and delegation agreements with beneficiary countries, international organisations and Member State agencies than they did with other forms of support (such as those covering works, supply and service contracts); notes, in addition that out of the 92 transactions of this type examined by the Court, 39 contained quantifiable errors, accounting for 81 % of the estimated level of error;

⁽⁶⁾ Botswana, Burkina Faso, Djibouti, Timor-Les, Ethiopia, Ghana, Guinea-Bissau, Haiti, Jamaica, Liberia, Malawi, Mali, Niger, Nigeria, Tanzania, Uganda and Zambia.

⁽⁷⁾ All 140 payments went through DG INTPA.

⁽⁸⁾ Botswana, Burkina Faso, Ethiopia, Ghana, Guinea-Bissau, Haiti, Liberia, Malawi, Niger, Nigeria, Tanzania, Uganda and Zambia.

⁽⁹⁾ DG INTPA's Annual Activity Report 2021, p. 51.

25. Is aware, as stated by the Commission in its replies ⁽¹⁰⁾ to the Court's annual report, that the Commission operates in third countries in complex political and technical contexts, working with many partners such as partner countries, international organisations or Member State agencies; notes, furthermore, that, while action plans are regularly run to keep error rates as low as possible, the Commission considers a zero-error scenario to be unlikely in this context;
26. Asks the Commission, once again, echoing the observations of the Court, to rethink the cost-effectiveness approach used in *ex post* checks as it might not be effective and might lead exactly to the weaknesses that both the Court and Parliament have been pointing out;
27. Notes with concern that, according to the Court's report, in 15 cases of quantifiable error and eight cases of non-quantifiable error the Commission had sufficient information to prevent, or to detect and correct, the error before accepting the expenditure; notes, moreover, that, according to the Court's assessment, had the Commission made proper use of all the information at its disposal, the estimated level of error would have been 2,4 percentage points lower, compared to 1,19 percentage points in 2020;
28. Notes that, according to the Court's report, 25 transactions containing quantifiable errors, contributing 1,9 percentage points to the estimated level of error, were subject to an audit or expenditure verification; notes, furthermore, that DG INTPA's control system is based on *ex ante* checks, and that the information provided in the audit/verification reports describing the work actually done did not allow the Court to assess whether the errors could have been detected and corrected during these *ex ante* checks, as the reports do not cover 100 % of the reported expenditure, nor do they give sufficient detail to confirm whether the items where the Court identified errors had been part of the *ex ante* checks;
29. Welcomes the revision by the Commission in September 2021 and May 2022 of the terms of reference of expenditure verifications; notes that the Commission foresees to further deepen the analyses and address other aspects such as sampling and to integrate the lessons learnt and the responses of a survey conducted in February 2022 of users of the audit framework contract;
30. Underlines that the Court identified two spending areas where transactions are less prone to errors due to specific payment conditions: (a) budget support; and (b) multi-donor projects implemented by international organisations and subject to the 'notional approach' ⁽¹¹⁾; notes that, in 2021, the Court audited four budget support transactions and eight 'notional approach' projects managed by international organisations;
31. Finds it unacceptable that, as in previous years, some international organisations provided only limited access to documents (e.g. in read-only format), preventing the Court from making copies of the documents, thus hindering the planning and execution of the audit and leading to delays and thus preventing the Court from fulfilling its fundamental prerogative as ensured by the TFEU, as previously mentioned in related observations in the Court's 2018 and 2020 annual reports; acknowledges the Commission's efforts to address the problem by means of actively working with the concerned international organisations whose transactions contributed to the error rate, both through the identification of practical solutions and high-level dialogue; welcomes some positive results of those efforts: cooperation with the World Bank has improved in the Court's 2021 audit compared to 2020; insists, nevertheless, that more has to be done and calls on the Commission to proceed with the efforts and strengthen the cooperation with the international organisations to ensure that the Court has complete, unrestricted and timely access to all the necessary information, allowing the Court to check the legality and regularity of Union budget expenditure;

⁽¹⁰⁾ https://www.eca.europa.eu/Lists/ECADocuments/annualreports-2021/annualreports-2021_EN.pdf (p. 383).

⁽¹¹⁾ Under the 'notional approach', when contributions from the Commission to multi-donor projects are pooled with those from other donors and not earmarked for specific, identifiable items of expenditure, the Commission assumes that expenditure is compliant with Union eligibility rules provided that the total pooled amount includes sufficient eligible expenditure to cover the Union's contribution, https://www.eca.europa.eu/Lists/ECADocuments/annualreports-2021/annualreports-2021_EN.pdf

32. Notes that DG INTPA's tenth residual error rate (RER) study, carried out by an external contractor on its behalf in 2021, estimated the overall RER to be below the 2 % materiality threshold set by the Commission for the sixth year in a row: 1,14 % (0,95 % in 2020);
33. Stresses that, according to Court's assessment, the RER study does not constitute an assurance engagement or an audit and is based on the RER methodology and manual provided by DG INTPA; stresses, furthermore, that the Court has in 2017–2020 annual reports on the EDF described the limitations in the studies that may have contributed to the systematic RER's underestimation;
34. Notes the Court's opinion that considers the degree of reliance placed on the work of other auditors a critical aspect of the RER study, explaining that three scenarios are possible: (a) no reliance on the work of other auditors with full substantive testing; (b) partial reliance on the work of other auditors with reduced substantive testing; (c) full reliance on the work of other auditors with no further testing; notes that full reliance increased from 15 % of transactions in 2020 to 34 % of transactions in 2021; shares, therefore, Court's view that placing such extensive reliance on the work of other auditors is contrary to the purpose of an RER study which is to estimate the rate of errors that have evaded all DG INTPA management checks to prevent, detect and correct such errors;
35. Notes that, from 2018, DG INTPA significantly reduced the scope of reservations (i.e. the share of expenditure covered by them) in the annual activity reports (AARs) and that, similarly, the 2021 AAR does not include any reservations;
36. Shares the Court's opinion that finds the lack of reservations in the 2021 AAR unjustified and that considers that it results partly from the limitations of the RER study, given that the Court's findings on this study also concern the estimates of amounts at risk based thereupon; notes that DG INTPA estimates the overall amount at risk at payment to be EUR 79,65 million (1,41 % of 2021 expenditure) and the overall amount at risk at closure to be EUR 66,03 million; notes, furthermore, that, the amount at risk at payment, DG INTPA estimates that EUR 13,62 million (24 %) will be corrected by its checks in subsequent years (this amount is known as the 'corrective capacity') ⁽¹³⁾;
37. Notes that, following the Court's recommendations in its annual reports for the financial years 2019 and 2020, DG INTPA examined the best way to incorporate the recommendations of the Court, making changes to the RER manual and methodology, taking expected costs and benefits fully into account; notes that DG INTPA has updated the RER study's manual and methodology in January 2022;
38. Notes that DG INTPA is working to improve the quality of its data for calculating the corrective capacity and that, in 2021, it continued its training and awareness-raising activities on recoveries and accounting data quality; notes that, as in previous years, DG INTPA performed targeted checks on recovery orders to correct the discrepancies identified; notes that the Court reviewed the calculation of the corrective capacity for 2021 and that, having tested 35 % (by value) of the total population of recoveries, the Court did not identify errors in the sample;
39. Welcomes the creation of a 'financial scoreboard', comprising six indicators ⁽¹³⁾, in an effort to make financial reporting more consistent across Commission directorates general; notes that four more indicators were added in 2021 ⁽¹⁴⁾; notes that six of those ten indicators were applicable to the EDF and the trust funds in 2021; notes that for 'global commitment absorption', DG INTPA achieved a result of 99 % for the Union budget and 97 % for the EDF in 2021, compared to 95 % and 94 % respectively in 2020 and for 'timely payments', DG INTPA achieved 97 % for the Union budget and 95 % for the EDF in 2021, compared to 98 % and 97 % respectively in 2020;

⁽¹³⁾ DG INTPA's 2021 AAR, p. 34.

⁽¹³⁾ The indicators are: (1) implementation of commitment appropriations; (2) implementation of commitment appropriation forecasts; (3) implementation of payment appropriations; (4) implementation of payment appropriation forecasts; (5) global commitment absorption; and (6) timely payments.

⁽¹⁴⁾ The four additional indicators are: (7) timely decommitments; (8) invoice registration time; (9) accounting data quality; (10) management data quality.

Fraud prevention, detection and correction

40. Notes that, since 2014, DG INTPA has developed and implemented its own anti-fraud strategy on the basis of the methodology provided by the European Anti-Fraud Office (OLAF) and that, since its entry into force, there have been three updates, the last of which was adopted in 2021; notes that the strategy implementation is being monitored and the management receives biannual reports on the ongoing OLAF investigations and the follow-up of OLAF recommendations; notes, in addition, that DG INTPA's new action plan adopted in 2021 contains 16 internal actions, out of which 80 % were implemented within the indicated deadline or according to the foreseen recurrence and the remaining 20 % of the actions are either in progress or with an implementation deadline set in 2022, their completion is expected for 2022 ⁽¹⁵⁾;
41. Notes that DG INTPA also contributed to the Commission anti-fraud strategy and implemented in a timely manner the action 33 of Commission Anti-Fraud Action Plan (SWD(2021) 262) ⁽¹⁶⁾; regrets that DG INTPA followed up only 33 % of OLAF's financial recommendations and that, overall, 20 % of the financial recommendations (issued in 2017–2021) have been fully implemented, 20 % have been partially implemented, 60 % are in an ongoing implementation process or still under analysis; insists for a better rate of implementation of OLAF recommendations even if recurrent difficulties in fulfilling OLAF recommendations are due to legal specificities and constraints, such as, among others, lengthy legal actions, expiry of the time-barring limit and bankruptcy;
42. Notes that, at the end of 2021, DG INTPA was aware of 23 ongoing investigations (17 in 2020, 19 in 2019) and that OLAF closed three investigations with financial, administrative and/or judicial recommendations and two investigations without recommendations;
43. Welcomes the new online training on fraud prevention in Union external relations, launch of an information campaign dedicated to DG INTPA's external partners, continued centralisation and distribution of information by the DG's anti-fraud correspondent in close collaboration with INTPA's anti-fraud network and OLAF, updates of webpages and manuals, annual note and information campaign to all staff on fraud prevention and fraud-sanctioning tools;
44. Calls on the Commission to further improve controls in order to reduce transactional errors and implement in full the recommendations of the Court;
45. Highlights the fact that the legitimacy and effectiveness of Union development cooperation hinges on the correct implementation of activities and their proper funding; calls on the Commission to further improve controls in order to decrease the amount of transactional errors and to implement the recommendations of the Court in full;

Potential impact on the 2021 EDF accounts of the United Kingdom's withdrawal from the European Union

46. Notes that following the conclusion of the agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (the 'Withdrawal Agreement') between the two parties, the UK committed to remaining a party to the EDF until the closure of the eleventh EDF and all previous unclosed EDFs; notes, furthermore, that the UK will assume the same obligations as the Member States under the internal agreement by which the eleventh EDF was set up, as well as the obligations arising from previous EDFs until their closure;

⁽¹⁵⁾ DG INTPA 2021 AAR (p. 43).

⁽¹⁶⁾ Where appropriate, include specific anti-fraud measures among the 'conditionalities' for budget support. For budget support and macro-financial assistance, where appropriate, improve control strategies and strengthen verification mechanisms, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021SC0262>

47. Notes that the Withdrawal Agreement also states that, where the amounts from projects under the tenth EDF or from previous EDFs have not been committed or have been decommitted on the date of entry into force of this agreement, the UK's share of those amounts will not be reused and that the same applies to the UK's share of funds not committed or decommitted under the eleventh EDF after 31 December 2021;
48. Welcomes the Court's conclusion that there is no financial impact to report on the 2021 EDF accounts and that the EDF accounts as at 31 December 2021 correctly reflect the state of the withdrawal process at that date;

Union budget support

49. Notes, from the consolidated answers to the questionnaire to the Commission, that the budget support payments under the EDF amounted to EUR 340 million in 2021: 25 ACP countries and 10 OCTs benefited from budget support under the EDF in 2021;
50. Notes that, in the past 2 years, Union budget support helped countries with overall payments of EUR 4,2 billion – EUR 3 billion in 2020 and EUR 1,2 billion in 2021 – to support reforms in different sectors and to prevent further economic and social setbacks, notes, furthermore, that the efforts to front-load resources in 2020 could not be fully offset in 2021, as the new NDICI-Global Europe entered into force during the year and the Instrument of Pre-Accession only at the end of 2021; notes that, in addition, political blockages and domestic crises hindered the implementation of ongoing programmes in several countries;
51. Notes that sub-Saharan Africa remains the largest recipient of Union budget support (35 %), followed by the European neighbourhood (31 %), Asia (16 %), Latin America (6 %), the western Balkans (4 %), the Caribbean (3 %), OCTs (3 %) and the Pacific region (2 %); notes, furthermore, that, by contract type, sector reform performance contracts outweigh state- and resilience-building contracts and SDG contracts, with 79 % of the portfolio value, compared to 19 % and 2 % respectively;
52. Underlines that Union budget support is a means to deliver effective assistance, including in situations of crisis, it helps strengthen country systems and budget processes to implement public policies and deliver sustainable results; recalls the importance of maintaining the COVID-19 Vaccines Global Access (COVAX) facility to maximise the chances of people in participating countries getting access to COVID-19 vaccines or other vaccines in the case of a new crisis situation as quickly, fairly and safely as possible; stresses, moreover, that it has been instrumental during the COVID-19 pandemic, offering additional fiscal space to tackle the negative impact of the pandemic; acknowledges that those efforts should continue in the near future in view of the devastating global effects of the Russian war of aggression against Ukraine;
53. Draws attention to the fact that poverty eradication, promotion of democratic values and environmental degradation remain among the greatest challenges faced today; recalls that a world with 1,2 billion people in 111 developing countries⁽¹⁷⁾ that live in acute multidimensional poverty is both inequitable and ecologically unsustainable; calls for appropriate funding in order to halt the ongoing movement away from the SDGs;
54. Stresses that the eradication of poverty is not a task of charity but an act of justice and the key to unlocking enormous human potential; stresses, moreover, that without external interventions, the cycle of poverty tends to perpetuate on multiple fronts as families with limited or no assets become trapped in poverty and are faced with chronic food shortages, poor health, shocks of climate-induced changes, and social stigmas; underlines that families living in remote areas remain disconnected from many basic services like clean water and sanitation, healthcare and market systems, all of which preserve, if not worsen, their socioeconomic status;

⁽¹⁷⁾ 2022 Global Multidimensional Poverty Index (MPI).

55. Draws attention to the fact that people, and young people in particular, should be able to live, study and work in their country and region; underlines that, without efficient and effective measures addressing poverty, streamlined support to micro financing and to the development of small-scale entrepreneurs, migration movements for economic reasons will continue to grow, namely brain drain migration, resulting in multiple challenges for both destination and origin countries;
56. Believes firmly that a multidimensional and holistic approach to extreme poverty is the best approach and reiterates that education (and training) is both a human right and the most powerful tool for combating poverty, social exclusion and inequalities;
57. Stresses that an estimated 64 million children in developing countries do not attend primary school; stresses that notably girls have been particularly affected, as their rights to quality education continued to be further compromised due to school closures, lack of access to remote learning including by digital means, and reduction of national education budgets resulting from the stress on national economies; stresses, furthermore, that one major reason is violence in the world's ongoing conflict areas, and the other large barrier – often closely intertwined with conflict – is poverty; recalls the importance of making equal opportunities central to development; stresses that empowering women and access to adequate education in developing countries, especially for girls and women, are important steps in the fight against poverty and food insecurity; emphasises, moreover, that the accessibility of young women to European projects, business training and funds must be encouraged in partner countries as women play an important role in the development of the local and regional economy in several developing countries;
58. Notes that the Union supports education in some 100 countries and through partnerships such as the Global Partnership for Education ⁽¹⁸⁾ and Education Cannot Wait ⁽¹⁹⁾, and continues to promote gender equality in partnership with governments and non-government stakeholders;
59. Commends the Commission's priority to go beyond the set target of 10 % and attain 13 % for education of DG INTPA's total portfolio;
60. Notes that, in 2021, the Union disbursed EUR 85 million from EDF to support education in partner countries, contributing to the enrolment of more than 32 million primary education students and nearly 3 million students at secondary level over 2018–2020; notes that of the EUR 85 million, EUR 6 million was used to support Erasmus mobility and capacity building projects for the ACP countries, EUR 31 million was disbursed on vocational education and training – from this amount EUR 5 million was paid as part of budget support programmes, EUR 1,2 million for works and supplies, EUR 0,8 million for services and the remaining EUR 24 million in the form of grants;
61. Notes that the Commission pledged EUR 700 million to the Global Partnership for Education last year, to help provide 140 million children with trained teachers and to get 88 million more children into school and learning;
62. Reiterates that entrepreneurship programmes play an essential role in the fight against poverty and the development of economic growth; highlights the fact that providing business training can help small-scale entrepreneurs set up businesses and improve business practices, enabling poor families to plot their path to sustainable livelihoods and socioeconomic resilience; notes, however, that in order to improve the effectiveness of such programmes, training should be complemented with customised support and follow-up services; recalls that the accessibility of young women to European projects, business training and funds must be encouraged in partner countries;

⁽¹⁸⁾ <https://www.globalpartnership.org/>

⁽¹⁹⁾ <https://www.educationcannotwait.org/>

63. Welcomes the coming into force, in 2021, of a new country Risk Management Framework (RMF+); notes that this new tool builds on the previous risk management framework, which was put in place in 2013; notes, furthermore, that the RMF+ is adapted to the changing context for international partnerships, the evolving geopolitical landscape and the new NDICI-Global Europe and that it applies to countries with which the Union has bilateral cooperation arrangements, including a significant number of countries where budget support is not provided;
64. Notes that EU delegations and Commission central services use the RMF+ conclusions and follow up on the implementation of risk mitigation measures and progress achieved with policy dialogue priorities in synergy with other existing analytical and reporting tools;
65. Considers that the EDF, like other Union programmes, suffers from a lack of visibility, understanding and publicity, with local populations who benefit from the Union funding not being aware of the Union's support and solidarity; also considers that the EDF needs to be better explained to the public;
66. Welcomes, in this regard, the introduction by the Commission of coherent and binding corporate minimum rules for communication and Union visibility across all Union funding programmes and management modes in the funding period 2021–2027⁽²⁰⁾; considers, however, that each beneficiary country should be partially responsible for programming communication actions (under the Union services supervision) with a view to raising awareness among their populations of the projects and activities financed by the Union; asks the Commission to explore this possibility;
67. Believes each beneficiary country should present a long-term plan, stating its projects and goals, along the MFF calendar; believes this architecture could increase the transparency and predictability of European development assistance, allowing for the establishment of long-term objectives as defined by the Commission, namely in areas which require forward planning such as energy, health, water supply, digital and green transition; notes that such plan ought to be presented by the beneficiary government, which would rely on the participation of local stakeholders, whose contribution should be stimulated; believes it would also foster the participation of destination countries in the drawing up of Union development policy, through the participation of its institutions and stakeholders;
68. Calls on the Commission to assess whether an online platform where all EDF and NDICI-Global Europe projects would be publicised could be established, to increase transparency and access to data;
69. Notes with satisfaction that, in the area of external action, DG INTPA, together with other concerned directorates-general and services, has adopted a new approach to communication at country, regional and global levels; notes that this new approach moves away from a fragmented, project-specific communication to a more focused and strategic effort; welcomes the publication of the updated guidelines on Communicating and Raising EU Visibility in external actions⁽²¹⁾ outlining what is expected of partners implementing Union external actions;
70. Regrets that following the expiration of the Cotonou partnership agreement between the Union and ACP countries in February 2020 and the initialling of a new partnership agreement in April 2021, the Council has not yet authorised the signing of the new partnership agreement, forcing a yearly prolongation of the old agreement and placing the entire ACP and Union communities in a legal grey zone in relation to the continuation of the political dialogue and development policies; urges the Council to overcome the veto of a single Member State and to authorise the signing of the new partnership agreement;

⁽²⁰⁾ https://commission.europa.eu/funding-tenders/managing-your-project/communicating-and-raising-eu-visibility_en

⁽²¹⁾ https://international-partnerships.ec.europa.eu/knowledge-hub/communicating-and-raising-eu-visibility-guidance-external-actions_en

71. Considers that the results of the Union development aid could be amplified by a strong and targeted coordination among the EDF and the NDICI-Global Europe financing actions, in particular via cross-border projects, with a view to creating synergies and increasing the EDF and NDICI-Global Europe financing added-value;
72. Points to the added value of 'blending' instruments, combining public grants with private loans; calls on the Commission to prioritise and incentivise the use of such instruments; calls on the Commission to involve the private sector, namely through local small and medium-sized enterprises and entrepreneurs;
73. Notes the Commission's comments on the evaluations it carries out among others on the EDF; reiterates nevertheless its request for a comprehensive evaluation of EDF-funded projects, in order for Parliament to be able to precisely evaluate the impact of EDF funds and to verify that the ultimate goal of development aid is respected – namely to reduce and ultimately eradicate poverty;
74. Draws attention to the steadily worsening context in which the Union's development and humanitarian aid policies are conducted, characterised in particular by the COVID-19 pandemic, the relentless aggravation of the impacts of climate change, biodiversity loss, increasing food insecurity and the mounting repercussions of Russia's war of aggression against Ukraine; notes the ever-growing gap between the funds needed and those available to respond to the deepening climate, hunger, debt, humanitarian and other crises generating growing inequality and increasing poverty levels for the first time in decades; calls for appropriate funding in order to halt the ongoing movement away from the SDGs instead of towards them; emphasises that, despite the numerous challenges that the Union is facing linked to the COVID-19 pandemic, and the Russian war of aggression in Ukraine and its geopolitical and economic effects, spending on development assistance needs to be scaled up;
75. Deplores the absence of the move 'from billions to trillions' in financing for development recognised as necessary when the SDGs were adopted in 2015; notes the urgency of mobilising much more of the world's privately held resources through investment promotion and more effective taxation, while ensuring that actions are aligned with Agenda 2030 objectives and the policy coherence for development, but also of scaling-up public financing for development, in accordance with international commitments at levels the Union remains far from attaining;

Follow-up to the 2020 discharge

76. Notes that the Commission provided a summary of actions taken in response to the main political priorities expressed by Parliament and the Council in the 2020 discharge procedure by means of the Report from the Commission to the European Parliament and the Council on the follow-up to the discharge for the 2020 financial year ⁽²³⁾, part of the integrated financial and accountability reporting;
77. Notes that in response to Parliament's request, the Commission has provided an update to Parliament on the implementation of the eighth and ninth EDF;
78. Welcomes the implementation of Parliament's recommendation on support to OCTs administration, guaranteeing a fair distribution of funds; however, underlines the need for a stronger coherence of Union action in the ACP region, ensuring that priority is given to development objectives and ensuring that policies aimed at the OCTs are linked to the development of their respective geographic regions and are aligned with Union priorities;
79. Notes, in addition, that Parliament's observations have been taken into account when assessing DG INTPA's 2021 Action Plan on addressing identified control weaknesses and high risks.

⁽²³⁾ COM(2022) 331, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022DC0331>

DECISION (EU) 2023/1843 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2021**

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 2021 (COM(2022) 321 – C9-0281/2022),
- having regard to the financial information on the European Development Funds (COM(2022) 321),
- 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 2021, together with the Commission's replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendations of 28 February 2023 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 2021 (05671/2023 – C9-0056/2023, 05672/2023 – C9-0057/2023, 05673/2023 – C9-0058/2023, 05674/2023 – C9-0059/2023),
- having regard to the Commission's report on the follow-up to the discharge for the 2020 financial year (COM(2022) 331),
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou (Benin) on 23 June 2000 ⁽³⁾ and amended in Ouagadougou (Burkina Faso) on 22 June 2010 ⁽⁴⁾,
- having regard to Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision') ⁽⁵⁾,
- having regard to Council Decision (EU) 2021/1764 of 5 October 2021 on the association of the Overseas Countries and territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association, including Greenland) ⁽⁶⁾,
- 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 ⁽⁷⁾,
- 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 ⁽⁸⁾,

⁽¹⁾ OJ C 391, 12.10.2022, p. 6.

⁽²⁾ OJ C 400, 17.10.2022, p. 170.

⁽³⁾ OJ L 317, 15.12.2000, p. 3.

⁽⁴⁾ OJ L 287, 4.11.2010, p. 3.

⁽⁵⁾ OJ L 344, 19.12.2013, p. 1.

⁽⁶⁾ OJ L 355, 7.10.2021, p. 6.

⁽⁷⁾ OJ L 156, 29.5.1998, p. 108.

⁽⁸⁾ OJ L 317, 15.12.2000, p. 355.

- having regard to Article 11 of the Internal Agreement of 24 and 26 June 2013 between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies ⁽⁹⁾,
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽¹⁰⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ⁽¹¹⁾,
 - having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ⁽¹²⁾,
 - having regard to Article 48 of Council Regulation (EU) 2015/323 of 2 March 2015 on the financial regulation applicable to the 11th European Development Fund ⁽¹³⁾,
 - having regard to Article 42 of Council Decision (EU) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323 ⁽¹⁴⁾,
 - having regard to Rule 99 and the third indent of Rule 100 of, and Annex V to, its Rules of Procedure,
 - having regard to the opinion of the Committee on Development,
 - having regard to the report of the Committee on Budgetary Control (A9-0114/2023),
1. Approves the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽⁹⁾ OJ L 210, 6.8.2013, p. 1.

⁽¹⁰⁾ OJ L 191, 7.7.1998, p. 53.

⁽¹¹⁾ OJ L 83, 1.4.2003, p. 1.

⁽¹²⁾ OJ L 78, 19.3.2008, p. 1.

⁽¹³⁾ OJ L 58, 3.3.2015, p. 17.

⁽¹⁴⁾ OJ L 307, 3.12.2018, p. 1.

DECISION (EU) 2023/1844 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Union Agency for the Cooperation of Energy Regulators (ACER) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for the Cooperation of Energy Regulators (ACER) for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0074/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators ⁽⁴⁾, and in particular Article 35 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0111/2023),

1. Grants the Director of the European Union Agency for the Cooperation of Energy Regulators (ACER) discharge in respect of the implementation of the Agency's budget for the financial year 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 158, 14.6.2019, p. 22.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Union Agency for the Cooperation of Energy Regulators (ACER), 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1845 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for the Cooperation of Energy Regulators (ACER) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for the Cooperation of Energy Regulators (ACER) for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0111/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the Agency for the Cooperation of Energy Regulators (the 'Agency') for the financial year 2021 was EUR 23 590 235, representing an increase of 36,38 % compared to 2020; whereas the budget of the Agency is derived partly from the Union budget and partly from collection of fees;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2021 (the 'Court's report'), states that the Court has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions concerning revenue are legal and regular;

Budget and financial management

1. Notes that budget monitoring efforts during the financial year 2021 resulted in a budget implementation of current year commitment appropriations rate of 94,06 % (short of the Agency's planned target of 95 %), representing a decrease of 4,81 % compared to 2020; notes that the current year payment appropriations execution rate was 65,96 % (short of the Agency planned target of 75 %), representing a decrease of 15,11 % compared to 2020;
2. Notes that, according to the Court's report, in 2019, several specific contracts under a framework contract for information technology (IT) services were identified as partly irregular, subsequent payments based on that framework contract may also be affected, and the amount of associated payments in 2021 was EUR 21 534; takes note of the fact that the framework contract concerned will expire in 2025, and of the Agency's reply according to which it has minimised the use of the out of price list to the extent possible, bringing it below 10 % of the value of each specific contract, taking into account the continuity of its operational activities;
3. Notes with concern that, according to the Court's report, the Agency carried over EUR 6,6 million (29,9 %) of 2021 commitment appropriations to 2022, and, of that amount, EUR 4,0 million, or 54 % of operational expenditure, was related to core operational activities under Regulation (EU) No 1227/2011 of the European Parliament and of the Council ⁽²⁾, and high rates of carry-overs contradict the budgetary principle of annuality and suggest structural issues in the implementation of the budget; notes that, according to the Agency's reply, 2021 was the first year in which the Agency collected fees with no prior experience in this domain, the Agency was cautious in contracting its resources and delayed the start of several operational projects planned to be covered by fees until the settlement of the first fees instalment, and it resulted in a high level of carry-overs from the commitments open balances at year-end; further notes that the Court has also reported of the high rate of carry-overs in 2020 and 2019 and that the discharge authority has asked the Agency to resolve the issue with further improvements to its budget planning and its implementation cycles;

⁽¹⁾ OJ C 141, 29.3.2022, p. 157.

⁽²⁾ Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 8.12.2011, p. 1).

4. Notes that 2021 was the first year that the Agency collected fees from the registered reporting mechanisms for the services it provides for the collection, handling and analysing of data reported by the energy market participants for the implementation of Regulation (EU) No 1227/2011;

Performance

5. Notes that the Agency uses key performance indicators (KPIs) to assess the results of its activities as regards the implementation and objectives of its work programme, and others in relation to the management of human and financial resources, among others; appreciates that the KPIs were fulfilled and the fact that the Agency has drawn attention to measures that can improve the efficiency and effectiveness of the Agency's work; however recommends that the Agency takes note of the indicators that have not yet been achieved or are lagging behind;
6. Notes that the Agency's work programme was largely implemented, and that a few tasks were deprioritised, cancelled, postponed or in part combined with other tasks, due to the limitation in available human resources, primarily in the field of Regulation (EU) No 1227/2011; notes, moreover, that, according to the Agency, there was a mismatch in the timing between tasks and resources allocation, for example the tasks and resources for wholesale energy market integrity and transparency legislation and the clean energy market;

Staff policy

7. Notes that, on 31 December 2021, the establishment plan was 95,77 % implemented, with 68 temporary agents appointed out of 71 temporary agents authorised under the Union budget (compared to 71 authorised posts in 2020); notes that, in addition, 30 contract agents, four seconded national experts, and 10 interim staff worked for the Agency in 2021; highlights that, at the end of 2021, 23,4 % of the Agency's workforce was covered through traineeship programme and interim agency workers and therefore reiterates Court's recommendations on assigning permanent and ongoing tasks to directly employed members of staff;
8. Regrets the fact that a very apparent lack of gender balance within the Agency's senior management persists, namely one woman (17 %) and five men (83 %); notes that among its staff overall, the gender ratio is 37 women (37 %) to 63 men (63 %); notes that the Agency's administrative board is composed of nine women (50 %) and nine men (50 %); calls on the Agency to take concrete measures to improve gender balance at all levels of hierarchy as soon as possible, and to report back to the discharge authority on progress;
9. Notes that the Agency has a policy on protecting the dignity of the person and preventing psychological and sexual harassment, and that the Agency is part of the inter-agency network of confidential counsellors; notes that there were no reported cases of harassment in 2021 and encourages the Agency to continue and develop the work to prevent cases in the future as well;
10. Recalls the importance of developing a long-term human resources policy on work-life balance, lifelong guidance and the offering of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well ensuring that they are treated equally and that their opportunities are widely promoted;

Procurement

11. Notes that 200 procurement procedures were concluded in 2021, compared to 109 in 2020, and that additional staff would be required as the number of procedures is increasing; notes that the Agency implemented e-Tendering, e-Submissions and e-Invoicing and has tested public procurement management tool (PPMT) with the aim to implement it during 2023; notes that since 2021 was the first year of fees collection, the Agency took a rather conservative approach regarding the launching of the procurement procedures; calls on the Agency to report to the discharge authority any development in that regard;

12. Recalls the importance for all procurement procedures, to ensure fair competition between tenderers and to procure goods and services at the best price, respecting the principles of transparency, proportionality, equal treatment and non-discrimination; asks for the implementation of the e-procurement IT tools developed by the Commission; calls for an updated clarification of the procedures and templates in the procurement guidelines; notes with concern the Court's observation regarding the public procurement weaknesses are increasing and remain the largest source of irregular payments for most of agencies;

Prevention and management of conflicts of interest and transparency

13. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and to ensure the protection of whistleblowers; notes that the Agency implements its comprehensive policy for the prevention and management of conflicts of interest and that the Agency collects the annual declarations of interest of its management staff, administrative board members and alternates, board of regulators, and board of appeal, as well as of the chairs and vice-chairs of the Agency's working groups and of the convenors of the Agency's task forces; notes, furthermore, that the Agency assesses, assigns the submitted forms with risk levels and handles them accordingly;
14. Notes that, according to the Court's report, the Agency assessed, between 2019 and 2021, three cases of a potential conflict of interest in relation to a senior member of staff taking up paid outside activity or a new job elsewhere, and the one case reviewed by the Court was in contravention of Article 16 of the Staff Regulations, as the Agency did not consult the joint committee and issued its decision, that included restrictions designed to mitigate the risk, after the deadline, and the Agency subsequently asked the person concerned to honour the restrictions, lacking any legal basis; notes that, according to the Agency's reply, it considered the Exchange of Letters with the former member of staff concerned as representing a good solution to formalise the contractual obligations after the withdrawal of the decision, thus protecting from operational, legal and reputational risks, and the Agency is committed to apply the process in a timely and correct manner;
15. Notes that the Agency has a policy for the prevention and management of conflicts of interest, adopted by the Agency's administrative board's decision of 31 January 2015; insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors, and if needed to update its policy of conflict of interest; calls on the Agency to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Internal control

16. Notes that in 2021 the internal audit service (IAS) performed an audit on planning, budgeting and monitoring, and that the final report in January 2022 contained one very important recommendation on the implementation of activity based budgeting, functional time recording and workload assessment and one important recommendation on procurement planning, monitoring and reporting for which an action plan was defined; calls on the Agency to report to the discharge authority any development in that regard;
17. Notes that, following the IAS 2020 audit on the implementation of Regulation (EU) No 1227/2011, two very important and three important recommendations were fully implemented and reported to the IAS in 2021 and closed by the IAS in 2022, and one important recommendation was to be implemented in 2022; calls on the Agency to report to the discharge authority any development in that regard;
18. Notes that, following the 2018 audit on 'IT security in the Agency and information security in the REMIT domain', four important recommendations were fully implemented and closed by the IAS in 2021, one important recommendation was fully implemented and closed by the IAS in 2022, and one remaining important recommendation was significantly delayed but was fully implemented and reported to the IAS in 2022; notes, furthermore, that following the 2017 audit on 'Human Resources Management', an action plan was implemented in 2020 and closed by IAS in 2021;

19. Notes that the Agency's administrative board adopted a new anti-fraud strategy in December 2021, based on the findings of the implementation report of the anti-fraud strategy 2019–2021;
20. Notes that the Agency, in cooperation with CERT-EU, orders and conducts regular vulnerability scans of core information and communications technology systems to assess security and data protection issues and implements mitigation techniques to address them, and that, in 2021 the Agency, after having completed the development and adaptation of an overall set of cybersecurity standards already in use by major Union institutions, implemented the first review of one of the standards to align with the new emerging risks;
21. Notes that the Agency performed a mid-year risk review in June 2021 to reassess the risks originally foreseen and the risks related to the surge in legal appeals against Agency decisions were identified as a critical risk; calls on the Agency to report to the discharge authority any development in that regard;
22. Recalls the importance to strengthen management and control systems to ensure the proper functioning of the Agency; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflicts of interest, missing *ex ante* or *ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

23. Notes that the Agency uses a number of IT tools to improve efficiency and use of resources, including shared services provided by the Commission, such as ARES (document management) and Sysper (human resources management);
24. Notes with concern that the Agency's shortage of human and financial resources has limited the Agency's capability to improve and further develop its digitalisation (for example, projects in the area of cloud computing had to be put on hold), as cybersecurity measures in some areas cannot mitigate the risks in line with the Agency's risk appetite;
25. Notes with appreciation the Agency's Greening Action Plan 2021–2022 with 17 concrete action points aiming to reduce the Agency's carbon footprint, such as the installation of light sensor and LED lighting, the use of more cloud resources, and the purchase of 100 % green electricity;
26. Welcomes the fact that in 2021, as regards the gas sector, the Agency focused on the upcoming legislation to decarbonise the energy sector in line with the European Green Deal with a position paper on key regulatory requirements to achieve gas decarbonisation, a white paper on rules to prevent methane leakage in the energy sector and a regulatory white paper on when and how to regulate hydrogen networks; notes, moreover, the position paper on improving Regulation (EU) No 347/2013 of the European Parliament and of the Council ⁽³⁾ and the white paper on regulatory treatment of power to gas; notes, furthermore, the contribution of the Agency in relation to the 'Clean Energy for all Europeans' package;
27. Recalls the importance of increasing the digitalisation of the agency in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the agency to continue to be proactive in this regard in order to avoid a digital gap between the agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
28. Encourages the Agency to work in closely cooperation with ENISA (the European Union Agency for Cybersecurity); suggests that regularly updated cybersecurity-related training programmes be offered to all staff within the Agency;

⁽³⁾ Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009 (OJ L 115, 25.4.2013, p. 39).

Business continuity during the COVID-19 crisis

29. Notes that a continuity management group, composed by the senior management of the Agency and responsible for human resources, IT and security, was established in March 2021 and that the Agency began implementing its strategy on new ways of working as from fall 2021; notes, moreover, that teleworking was the predominant operational mode in order to safeguard the health of staff, that the Agency also strived to introduce hybrid methods of work, and that staff presence at the office was limited in line with the safety measures available; encourages the agency to better organise meetings that could be carried out more efficiently remotely than in-person in the future;
30. Notes that temporary security exceptions were provided and approved by the Agency's director to facilitate access to sensitive information for work under Regulation (EU) No 1227/2011, and that several risk mitigation measures were applied in that regard;

Other comments

31. Notes with appreciation that the Agency has begun the process of migrating its public website to a new content management system (Drupal) in 2021, in an effort to modernise the Agency's public image and improve its website's user-friendliness; notes, in particular, the improvement of the Agency's public events pages;
32. Calls on the Agency to continue to develop its synergies (for instance human resources, building management, IT services and security), and to reinforce its cooperation, its exchange of good practices and its discussion regarding areas of mutual interest with other Union agencies, with a view to improving efficiency;
33. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁴⁾ on the performance, financial management and control of the agencies.

⁽⁴⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1846 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Union Agency for the Cooperation of Energy Regulators (ACER) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for the Cooperation of Energy Regulators (ACER) for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0074/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators ⁽⁴⁾, and in particular Article 35 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0111/2023),
1. Approves the closure of the accounts of the European Union Agency for the Cooperation of Energy Regulators (ACER) for the financial year 2021;
 2. Instructs its President to forward this decision to the Director of the European Union Agency for the Cooperation of Energy Regulators (ACER), 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 158, 14.6.2019, p. 22.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1847 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the Agency for Support for BEREC (BEREC Office) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Agency for Support for BEREC (BEREC Office) for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0075/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 2018/1971 of the European Parliament and of the Council of 11 December 2018 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Agency for Support for BEREC (BEREC Office), amending Regulation (EU) 2015/2120 and repealing Regulation (EC) No 1211/2009 ⁽⁴⁾, and in particular Article 28 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0129/2023),

1. Grants the Director of the Agency for Support for BEREC (BEREC Office) discharge in respect of the implementation of the Agency's budget for the financial year 2021;
2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 321, 17.12.2018, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the Agency for Support for BEREC (BEREC Office), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1848 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Agency for Support for BEREC (BEREC Office) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Agency for Support for BEREC (BEREC Office) for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0129/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final adopted budget of the Agency for Support for BEREC (the 'Agency') for the financial year 2021 was EUR 7 341 357, representing an increase of 1,49 % compared to 2020, which mainly represents an increase in staff expenditure; whereas the budget of the Agency derives mainly from the Union budget and third-country contributions; whereas additional revenues to the 2021 adopted budget were provided by third-country contributions, carried over from previous years, and administrative operations credits;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2021 (the 'Court's report'), states that the Court 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 2021 resulted in a budget implementation rate of 99,97 % for the commitment appropriations of the final adopted budget for the year, representing an increase of 0,89 % compared to 2020; welcomes the fact that the budget implementation rate is the highest one of the last five years, and is within the threshold of above 95 % established by the management board; notes that the current year's payment appropriations execution rate was 69,33 %, representing an increase of 8,19 % compared to 2020 but below the rates in 2017 and 2019 due to carry-overs related to the launch of a high number of specific projects that were intended to be finalised in 2022;
2. Notes that the Court found, for the financial year 2019, that a procurement procedure for legal services was irregular and as a result the subsequent payments made based on this framework contract are irregular, and that in 2021, the associated payments amounted to EUR 4 444;

Performance

3. Notes that the Agency uses key performance indicators (KPIs) to assess the results achieved in respect of its objectives, including on budget management, gender balance and personal data protection; welcomes the fact that one of those KPIs sets a time limit for access to documents processed of 15 working days; notes that KPIs on the information and communications technology (ICT) system are in place and regrets that the signature of an information technology (IT) consultancy contract in support of the development of 'BEREC ICT strategy 2022-2025' had to be postponed to 2022 due to the contract unavailability of such services; appreciates that the KPIs were fulfilled and the fact that the Agency has drawn attention to measures that can improve the efficiency and effectiveness of the Agency's work; however recommends that the Agency takes note of the KPIs that have not yet been achieved or that are lagging behind;

⁽¹⁾ OJ C 141, 29.3.2022, p. 146.

4. Notes that the Agency delivered two studies for BEREC in 2021, namely, the 'Study on consumer behaviour toward digital platforms as means of communication' and the 'Study on post-COVID measures to close the digital divide', and part of one on reducing the environmental footprint of the BEREC and Agency, with its final report due in 2022, for which three specific contracts were signed in 2021;

Staff policy

5. Notes that on 31 December 2021, the establishment plan was 93,75 % implemented, with 15 temporary agents appointed out of 16 temporary agents authorised under the Union budget (the same number of authorised posts as in 2020); notes that, in addition, 21 contract agents, 9 seconded national experts and 8 interim staff and consultants worked for the Agency in 2021;
6. Notes with concern the lack of gender balance within the Agency's leadership; notes the gender distribution within the Agency's senior and middle management members, with three out of four being men (75 %); further notes the gender distribution within the Agency's management board, with 21 out of 28 being men (75 %); however, takes note of the fact that at the end of 2021 gender balance was achieved overall within the staff, with 52 % female and 48 % male; calls on the Agency to take concrete measures to improve gender balance at all levels of hierarchy as soon as possible and report back to the discharge authority;
7. Notes with concern from the follow-up to 2020 discharge that since no Union institution or body was found to share the internal control coordinator capacity, the Agency decided to hire an interim worker for 3,5 months to perform that function; notes, furthermore, that the Agency was notified on the Commission's intention to terminate the provision of accounting services offering the Agency to consider sharing an accounting officer with another agency, and that the Agency considers that internalisation of accounting is not feasible in the short term; calls on the Agency to report any developments in that regard to the discharge authority; is concerned that a related risk of reduced efficiency, quality of results and loss of know-how was registered in the Agency's risk register in 2022; notes that the Agency is working on mitigation measures; calls on the Agency to report any developments in that regard to the discharge authority;
8. Notes that, according to the follow-up to previous year's discharge observations, the Agency has implemented measures, such as a new headquarters' agreement with the host Member State to extend benefits for the Agency's staff, to address the difficulties in attracting and retaining professionals; notes, furthermore, that the Agency reorganised the use of its limited establishment plan post in order to ensure that the minimum mandatory capacities are ensured;
9. Recalls the importance of developing a long-term human resources (HR) policy on work-life balance, lifelong guidance and the offering of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;
10. Recalls that procedural deficiencies in recruitment procedures undermine the principles of transparency and equal treatment; requests that the Agency improves its internal recruitment procedure to clarify evaluation processes and vacancy notices;

Procurement

11. Points out that the Agency uses since 2019 a centralised procurement model and that since February 2022 it also uses the Commission's public procurement management tool to further streamline its public procurement processes;

12. Notes with concern that, according to the Court's report, in one procurement procedure for IT services, the Agency requested an offer from a contractor without specifying in advance which services were required, hindering the effectiveness, efficiency and economy of operations, and that, in addition, it did not perform *ex ante* checks on prices to the specific contracts under the underlying framework contract; notes the Agency's reply that it will improve the documentation of all steps of the process leading to the approval of the statement of work and that it will change its internal procedure to include a proper documentation of checks of all prices for future specific contracts; calls on the Agency to report any developments in that regard to the discharge authority;
13. Recalls the importance, for all procurement procedure, to ensure fair competition between tenderers and to procure goods and services at the best price, respecting the principles of transparency, proportionality, equal treatment and non-discrimination; notes with concern the Court's observation, according to which the public procurement weaknesses are increasing and remain the largest source of irregular payments for most of agencies;

Prevention and management of conflicts of interest and transparency

14. Notes that the Agency publishes on its website almost all the CVs and declarations of conflicts interest of its management board; calls on the Agency to improve its efforts for transparency in that regard;
15. Notes with concern that the Court found that the selection committee in a recruitment procedure had not established how points would be awarded for each selection criterion before examining the applications and that the chair of the selection committee had declared a professional conflict of interest in connection with two candidates working under his supervision, and yet the final evaluation report did not describe how this conflict of interest had been addressed; notes the Agency's reply that it is preparing new internal templates for selection procedures and that it adopted internal rules on documenting compliance with the decision of the authority authorised to conclude the contracts of employment; calls on the Agency to improve and ensure transparency and to properly document during selection procedures, and to report any developments in that regard to the discharge authority;
16. Notes that the revised policy for managing and preventing conflicts of interest was adopted by the management board in 2019 to include the evaluation of conflicts of interest and mitigation measures imposed in the event of potential or confirmed conflict of interest of the members of the management board; insists on the need to put in place more systematic rules on transparency, incompatibilities, conflict of interest, illegal lobbying and revolving doors, and, if needed, to update its policy on conflicts of interest; calls on the Agency to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Internal control

17. Notes that following the Commission's internal audit service (IAS) full risk assessment at the Agency to establish its strategic internal audit plan for the period 2021-2023 in 2020, the IAS has not identified critical risks, and that, at the beginning of 2021, the IAS closed all opened recommendations stemming from previous audits; acknowledges that from October to December 2021 an interim internal control coordinator performed an assessment of efficiency and effectiveness of the internal control system in the Agency, thereby showing that the costs related to the controls in the Agency are in line with the benefits; notes that the assessment of the compliance with the internal control framework requirements concluded that the Agency is overall compliant as much as possible without staff specifically hired for internal controls; calls on the Agency to report any developments regarding the internal control function to the discharge authority;
18. Notes that, according to the Agency's follow-up report to the observations to the discharge authority's 2020 discharge, the Commission terminates the provision of accounting services to the Agency in 2023 and that the Agency, with its current 16 establishment plan posts, is not able to internalise the mandatory accounting officer duties; calls on the Commission and on the Agency to allocate the necessary resources to ensure the continuity in this key domain and report back to the discharge authority;

19. Recalls the importance of strengthening management and control systems to ensure the proper functioning of the Agency; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflict of interest, missing *ex ante* or *ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

20. Notes that in 2020 the Agency established an expert networking group on sustainability; notes the participation of the Agency in the interinstitutional procurement procedure for 'Consultancy and management of greenhouse gas emissions offsets' of the European Union Intellectual Property Office (EUIPO), concluded in June 2022; welcomes the fact that the multiannual greening action plan for the Agency includes a commitment for a CO₂ reduction glide-path; further notes that new rules have been proposed to reduce travel and related emissions;
21. Notes that the Agency started in 2021 a project of workshops to define a strategic roadmap for the future digital workplace projects on technologies and way of working, and a data protection impact assessment and IT security plan for Microsoft Office services and possible cloud migration strategies; invites the Agency to inform the discharge authority of the implementation of those projects; notes, furthermore, that the Agency allocated a number of operational costs linked to maintenance costs for the general authorisation data base and the database on the numbering resources with a right of extraterritorial use within the Union, in accordance with Directive (EU) 2018/1972 of the European Parliament and of the Council ⁽²⁾;
22. Notes that, according to the follow-up to the 2020 discharge observations, the Agency has not yet started the development of a cybersecurity policy in relation to the future regulation of information security in the institutions, bodies, offices and agencies of the Union and Regulation (EU) 2019/881 of the European Parliament and of the Council ⁽³⁾; welcomes, however, the Agency's collaboration with CERT-EU (the Computer Emergency Response Team for the Union institutions, bodies and agencies), and with third-party IT security solution provider; calls on the Agency to speed up the development of the cybersecurity policy; notes, moreover, that the expert networking group of ICT experts produced a report on 'Cybersecurity threats with a focus on phishing attacks' with the aim of assessing the cybersecurity practices adopted among national regulatory authorities;
23. Encourages the Agency to work in close cooperation with ENISA (the European Union Agency for Cybersecurity); suggests offering regularly updated cybersecurity-related training programmes to all staff members within the Agency; calls on the Agency to develop its cybersecurity policy more quickly, deliver it before 31 December 2023 and report back to the discharge authority;
24. Recalls the importance of increasing the digitalisation of the Agency in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Agency to continue to be proactive in this regard in order to avoid a digital gap as regards other agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

Business continuity during the COVID-19 crisis

25. Acknowledges the Agency's efforts to support the BEREC working groups, including in organising meetings and workshops; notes that in 2021 almost all meetings of the BEREC working groups were virtual; encourages the Agency to put the lessons learned regarding remote and hybrid working methods into practice in order to better

⁽²⁾ Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (OJ L 321, 17.12.2018, p. 36).

⁽³⁾ Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act) (OJ L 151, 7.6.2019, p. 15).

organise meetings and events that could be carried out more efficiently remotely than in-person in the future; recalls that in total 490 virtual working group meetings took place in 2021 and that those meetings helped to gather more than 10 000 participants;

26. Notes the study on post-COVID measures to close the digital divide whose conclusions were included in the 'BEREC Report on the COVID-19 crisis – lessons learned regarding communications networks for a resilient society';
27. Notes, in particular, the service level agreement with the Commission services for the use of the Commission's IT tool advance gateway to meeting; further notes that the expert networking group of ICT experts worked to finalise a report on audio-video conference and digital meeting solutions and another on smart office solutions;

Other comments

28. Acknowledges the Agency's efforts in raising awareness of its own and BEREC's mission among Union citizens in the host Member State, and, in particular, the Agency's participation in Union representation initiatives; notes, moreover, the workshops on the Agency's and BEREC's new visual identity and on the BEREC's website design and contents; notes the implementation of the activities provided for the Agency in the BEREC annual communication plan, including the organisation of BEREC public events and stakeholder forums in Latvia; calls on the Agency to keep working on increasing the visibility of the Agency, especially in the host Member State;
29. Welcomes the Agency's established synergies with the EUIPO for a new corporate website content management system, for the ICT operations of corporate website, and for the possible migration of additional ICT systems of the Agency to the EUIPO's datacentres;
30. Calls on the Agency to continue to develop synergies, for example with regard to HR, building management, IT services and security, and to reinforce cooperation, exchanges of good practices and discussions regarding areas of mutual interest with other Union agencies, with a view to improving efficiency;
31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁴⁾ on the performance, financial management and control of the agencies.

⁽⁴⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1849 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the Agency for Support for BEREC (BEREC Office) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Agency for Support for BEREC (BEREC Office) for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0075/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 2018/1971 of the European Parliament and of the Council of 11 December 2018 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Agency for Support for BEREC (BEREC Office), amending Regulation (EU) 2015/2120 and repealing Regulation (EC) No 1211/2009 ⁽⁴⁾, and in particular Article 28 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0129/2023),
1. Approves the closure of the accounts of the Agency for Support for BEREC (BEREC Office) for the financial year 2021;
 2. Instructs its President to forward this decision to the Director of the Agency for Support for BEREC (BEREC Office), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 321, 17.12.2018, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1850 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021**

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 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0076/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Culture and Education,
 - having regard to the report of the Committee on Budgetary Control (A9-0104/2023),
1. Grants the Director of the Translation Centre for the Bodies of the European Union (CdT) discharge in respect of the implementation of the Centre's budget for the financial year 2021;
 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 (CdT), 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 314, 7.12.1994, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

RESOLUTION (EU) 2023/1851 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union (CdT) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Culture and Education,
 - having regard to the report of the Committee on Budgetary Control (A9-0104/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the Translation Centre for the Bodies of the European Union (the 'Centre') for the financial year 2021 was EUR 53 031 743, representing an increase of 13,30 % compared to 2020; whereas 89,88 % 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 Centre for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with concern that budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year commitment appropriations of 83,54 %, representing a decrease of 6,45 % compared to 2020; notes that the current year payment appropriations execution rate was 76,51 %, representing a decrease of 6,86 % compared to 2020;
2. Notes that for 2021, due to exceptional events, the Centre did not apply the mechanism for automatic reimbursement of the budget surplus (EUR 1,1 million) to clients; notes that that amount has been carried over to 2022;

Performance

3. Notes the Centre's focus on direct outcome associated with its activities; notes the financial key performance indicators (KPIs) that provide a good indication of the Centre's operational performance; acknowledges that the strategic KPIs provide a multi-directional perspective on the Centre's performance, beyond output; encourages the Centre to continue monitoring its performance on both levels, direct output of activities and strategic performance; notes that as of 2021 multiple KPIs related to IT security are reported and the Centre continues to refine the way the security of its information systems is evaluated;
4. Notes that with 367 264 pages, the number of pages of documents translated, modified, edited and revised increased by 9,7 % compared to 2020 (322 443 pages); notes that in 2021, with 274 706 pages, the number of translated pages of EU trade marks further decreased by 8,5 % in comparison to 2020 (300 348 pages); notes that with regard to EU trade marks, the number of translated pages is on a significant downward trend; notes that with a total of 641 970 pages translated in 2021, the actual volume remained relatively stable compared to 2020 (635 269 pages);

⁽¹⁾ OJ C 141, 29.3.2022, p. 57.

5. Notes the efforts of the Centre to raise awareness of the importance of multilingualism for the agencies' operations and to foster multilingual communication to reach out to Union citizens, and encourages the Centre to do even more; looks forward to seeing the first results of the pilot exercise launched in 2021 aiming to analyse the agencies' existing multilingual practices with a view to setting up a 'multilingualism toolbox' and creating common guidelines for agencies' language policies; calls on all Union institutions and bodies to prioritise all languages of the Union equally;
6. Notes, in the context of recurring issues encountered with the quality of translations produced by external language service providers, that the Centre has put in place a system for assessing the quality of outsourced translations and improving translations that show weaknesses; welcomes the fact that the Centre has developed specific guidelines on its quality expectations, provided tutorials for external providers to address recurring issues and took stringent measures against several contractors whose documents were judged to be repeatedly unsatisfactory, leading in some cases to the termination of framework contracts;
7. Notes with appreciation that, in order to achieve efficiency gains, the Centre's strategy includes a complete revision of its way of working, the modernisation of some of its strategic tools, the implementation of cost efficiency measures in its business model, more accurate information on the actual costs of the Centre's products and the continuous improvement of its workflow management tool (eCdT); calls on the Centre to continue to develop its synergies, increase cooperation and exchange of good practices with other Union agencies with a view to improving efficiency as regards, for instance, human resources, building management, IT services and security;
8. Welcomes the active engagement of the Centre with other Union agencies; commends the Commission for the emphasis on ensuring that, pursuant to the founding acts of Union agencies and bodies, the Centre is to provide the translation services required for the functioning of such Union agencies and bodies, which makes full use of the Centre's linguistic services;
9. Commends the Centre for its new services implemented in 2021, such as the light post-editing service, the Paste'n'Go service for faster translation of short texts and the customised machine translation engines in several areas; notes the deployment of six new releases of the interinstitutional terminology database IATE and of the pilot projects with the European Monitoring Centre for Drugs and Drug Addiction, the Court and the Commission's Directorate-General for Translation; notes furthermore the fruitful collaboration of the Centre with the European Public Prosecutor's Office on various projects;
10. Welcomes the introduction in 2021, building on the implementation of the Centre's 2019–2020 Transformation Plan, of a more client-oriented approach to quality, which allows clients to choose from a range of translation services, from thoroughly revised translations through to a completely automated service, thus providing new opportunities for clients to optimise their translation budgets; notes that the 2021 client satisfaction survey showed overall client satisfaction with the range and quality of services offered by the Centre;

Staff policy

11. Notes that, on 31 December 2021, the establishment plan was 95,33 % implemented, with 47 officials and 137 temporary agents appointed out of 51 officials and 142 temporary agents authorised under the Union budget (193 authorised posts, the same as in 2019); notes that, in addition, 24 contract agents worked for the Centre in 2021 (with 28 authorised posts);
12. Notes the Centre's gender breakdown reported for 2021, with one woman in a senior management position, with 32 men (62 %) and 24 women (38 %) at management board level and an overall staff of 82 men (39 %) and 126 women (61 %); notes that there is an underrepresentation of men in the Centre's overall staff; asks the Centre to work towards gender balance at the staff level and at management board level; stresses the importance of geographical balance and that all Member States should be proportionally represented in order to have an appropriate representation of nationals from all Member States;

13. Deplores the high number of members of the management board, which does not facilitate decision-making and simplified management;
14. Notes that the Centre has a policy in place that includes a formal and informal procedure relating to psychological and sexual harassment, with appointed confidential counsellors able to handle the informal procedure; welcomes the fact that in 2021 the Centre joined the EU Agencies Network Task Force on the use of confidential counsellors; notes that, according to the Centre's reply, no harassment cases were reported in 2021;
15. Notes that the Centre has developed a human resources policy on work-life balance, career development, teleworking and the integration of people with disabilities and has a turnover rate for 2021 of 2,72 %;

Procurement

16. Notes with concern the Court's observation regarding the weaknesses in the Centre's public procurement procedures in 2021, whereby contracts were signed using a negotiated procedure without prior publication of a contract notice; notes the Court's conclusion that such contracts, for which payments of EUR 108 200 were made, are irregular; calls on the Centre to report to the discharge authority on the actions taken in order to avoid this type of irregularities in the future;
17. Welcomes the fact that the Centre fully adopted e-procurement procedures in 2021; recalls the importance for all procurement procedures to ensure fair competition between tenderers and to procure goods and services at the best price, respecting the principles of transparency, proportionality, equal treatment and non-discrimination; asks for the implementation of the e-procurement IT tools developed by the Commission; calls for an updated clarification of the procedures and templates in the procurement guidelines; notes with concern the Court's observation that public procurement weaknesses are increasing and remain the largest source of irregular payments in most of the agencies;

Prevention and management of conflicts of interest and transparency

18. Notes that, according to the Centre's follow-up to the 2020 discharge, its website was migrated to Drupal where a field for CVs was added for each member of the management board; notes the Centre's reply that, due to the size of its management board, it is looking for a solution allowing board members to upload and maintain declarations of interests and CVs themselves; calls on the Centre to report to the discharge authority on the progress made in that regard until such time as the CVs of all board members are published;
19. Welcomes the fact that the Centre requests every staff member participating in the evaluation of candidates for a selection procedure or in a procurement evaluation to sign a declaration on conflicts of interest; notes that the director's declaration of interests is published on the Centre's website; notes furthermore that in 2021 no cases of conflicts of interest or whistleblowing were reported or opened;
20. Welcomes the new decisions adopted on 25 June 2022 related to the prevention and management of conflicts of interest with regard to staff members; encourages the Centre to develop its own code of conduct; insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; calls on the Centre to strengthen its internal control mechanisms, including by setting up an internal anticorruption mechanism;

Internal control

21. Notes the assessment of the Centre's internal control system and the Centre's management's consideration that the monitoring reviews showed no instances of inadequate or ineffective controls that would expose the Centre to key risks and welcomes the fact that the reviews were carried out on the basis of the 17 principles pertaining to the five components of the Centre's internal control framework; welcomes the conclusion of the Centre that its control systems are fully effective overall, with some improvements needed to further increase the Centre's resilience;

22. Notes the fact that the Centre reported that in 2021 all remaining actions in the 2019–2020 anti-fraud action plan have been implemented, with the Centre having updated its processes concerning the detection and reporting of fraud;
23. Notes with concern the weaknesses of the Centre's internal controls with regard to several public procurement procedures, as reported by the Court, whereby in one case the members of the evaluation committee had not signed declarations of absence of conflicts of interest, while in another case the Centre had not taken a formal decision not to appoint an evaluation committee, had not issued an evaluation report or an award decision, and had not published an award notice; calls on the Centre to set up an action plan to mitigate the risks of recurrence of such weaknesses; calls further on the Centre to report to the discharge authority on the progress made in that matter;

Digitalisation and the green transition

24. Notes that the Centre has an information system security policy (ISSP) and multiple security standards in place and is working closely with CERT-EU (Computer Emergency Response Team for the Union institutions, bodies and agencies) on enhancing its cybersecurity; calls on the Centre to prepare for the update of its ISSP in light of the two future Regulations of the European Parliament and of the Council on cybersecurity and information security in the institutions, bodies, offices and agencies of the Union; also encourages the Centre to offer systematic updated cybersecurity-related training programmes to all of its staff, including management, as that is a key element in an effective cybersecurity framework;
25. Commends the additional steps made by the Centre in 2021 towards the flexibility, optimisation and digitalisation of its working methods and services; highlights, in particular, the introduction of Commission tools, namely ABAC, Sysper, MIPS and ARES, as well as Systal (a new e-selection and recruitment IT software) and SARA (a system for tracking the time spent by staff on different activities); welcomes the Centre's decision to make use of the Commission's qualified electronic signature;
26. Notes that in 2021 the Centre reduced its office space by 33 % following the signature of a new lease contract, which should lead to a reduction in the Centre's electricity consumption and in the amount of energy used for heating; commends the Centre's use of energy-saving light units and movement sensors, as well as the purchase of electricity from green sources;

Business continuity during the COVID-19 crisis

27. Notes that a new business continuity policy was drafted in 2021 and quality audits continued to be conducted to ensure compliance and efficiency in the Centre's processes and procedures; regrets that a worldwide shortage of electronic devices led to a slowdown of some of the Centre's IT and infrastructure projects;
28. Notes that the Centre reported that the expanded use of teleworking, since the start of the COVID-19 pandemic, has worked well and, together with the Centre's optimisation and digitalisation of processes, has brought increased performance and efficiency and a better allocation of resources; notes, nevertheless, that limitations imposed on staff for on-site presence slowed down the implementation of some of the Centre's projects;

Other comments

29. Acknowledges the efforts of the Centre in 2021 to increase its public visibility; notes the Centre's improved social media metrics; commends the Centre for having hosted a high-level workshop on multilingualism, for its active participation in the Commission's clear writing conference and for its outreach activities involving the exchange of best practices with universities and the global translation community;

30. Calls on the Centre to step up its efforts in reporting relevant performance information to Union citizens and the general public in clear and accessible language; urges the Centre to ensure greater transparency and public accountability by utilising media and social media channels;
 31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽²⁾ on the performance, financial management and control of the agencies.
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⁽²⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1852 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the Translation Centre for the Bodies of the European Union (CdT)
for the financial year 2021**

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 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0076/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Culture and Education,
 - having regard to the report of the Committee on Budgetary Control (A9-0104/2023),
1. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union (CdT) for the financial year 2021;
 2. Instructs its President to forward this decision to the Director of the Translation Centre for the Bodies of the European Union (CdT), 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 314, 7.12.1994, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1853 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0077/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 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 ⁽⁴⁾, and in particular Article 15 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0125/2023),
1. Grants the Executive Director of the European Centre for the Development of Vocational Training (Cedefop) discharge in respect of the implementation of the Centre's budget for the financial year 2021;
 2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.⁽²⁾ OJ C 399, 17.10.2022, p. 240.⁽³⁾ OJ L 193, 30.7.2018, p. 1.⁽⁴⁾ OJ L 30, 31.1.2019, p. 90.⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Centre for the Development of Vocational Training (Cedefop), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1854 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0125/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Centre for the Development of Vocational Training (Cedefop) (the 'Centre') for the financial year 2021 was EUR 18 488 800, representing an increase of 1,15 % compared to 2020; whereas the Centre's budget derives mainly from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Centre's annual accounts for the financial year 2021 (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 2021 resulted in a budget implementation rate of current year commitment appropriations of 100 %, remaining equal compared to 2020; takes note of the fact that the target for the commitment implementation rate set for 2021 in the work programme (98 %), was achieved; notes that the current year payment appropriation rate was 80,02 %, representing an increase of 10,56 % compared to 2020;
2. Welcomes the fact that an adaptation to the calculation of associated countries' contribution during 2021 fostered a slight increase in the contributions received from Norway and Island; notes that, as an effect of such an increase, the amending budget No 1/2021 added EUR 13 100 to Title 2 of the budget, bringing the final budget from 18 488 800 to 18 501 900;
3. Notes that in 2021, the Centre integrated a new accounting system, the ABAC, also used by the Commission; notes further the Court's observation that the final dates of implementation for budgetary commitments carried over from 2021 to 2022 were not recorded correctly in the system; regrets that, according to the Court, those commitments could have been irregularly carried over to 2022; welcomes the Centre's quick reaction to the Court's finding by updating the final dates of implementation for all of the budgetary commitments in question and by cancelling 11 budgetary commitments with a total value of EUR 45 923; strongly insists on the respect of the budgetary principle of annuality; underlines that the Centre should further improve its budget planning and its implementation cycles to avoid excessive delays in the implementation of work programmes or procurement plans;

⁽¹⁾ OJ C 114, 29.3.2022, p. 4.

Performance

4. Notes with appreciation that the Centre fully implemented its work programme in 2021; takes note of the fact that the Centre reported that it stepped up its skills intelligence work in the context of megatrends by helping stakeholders to identify gaps and obstacles for strengthening skills intelligence; commends the launch of the new green observatory to explore trends towards a greener and more sustainable economy as well as its implications for vocational education and training (VET), the publication of a report to identify obstacles to long-term apprentice mobility, the launch of a research on microcredentials, the findings of which were presented in November 2021 at a world-spanning conference with 240 participants from 40 countries, the Centre's support to the Commission's initiative on individual learning accounts, and the launch in autumn 2021 of a new web-portal with stronger data visualisation capabilities and more innovative and target-group focused features;
5. Recalls the importance of the Centre's role in ensuring that, inter alia, digital skills are integrated into VET across the Union and that the implementation and impact of relevant initiatives, such as the Council Recommendation on the Skills Agenda for Europe, VET for sustainable competitiveness, social fairness and resilience and the digital education action plan are monitored; believes that the Centre could also play a role in assessing Member States' projects under the RRF's digital transformation pillar; welcomes the Centre's recent work in analysing the impact of the pandemic and digital transition on adapting business practices to the new realities in the Union labour market, for example through the COVID-19 European company survey, in conjunction with Eurofound;
6. Notes that the Centre uses a noteworthy performance measurement system that includes key performance indicators to assess the added value provided by its activities on projects, activity and organisational levels and other measures to improve its budget management; welcomes the presence of environmental indicators as well as social sustainability indicators among the performance indicators;

Staff policy

7. Notes that, on 31 December 2021, the establishment plan was 97 % implemented (as in 2020), with 78 temporary agents appointed out of 82 temporary posts and nine officials out of nine authorised under the Union budget; notes that 18 contract agents worked at the Centre in 2021;
8. Is concerned with weaknesses the Court identified in the Centre's recruitment procedures; notes that in one case, the Centre used external consultants to screen applications on preselection criteria set out in the vacancy notice, whereas in another, the Centre did not undertake all necessary measures to establish an effective internal control mechanism to mitigate the associated risks; notes large discrepancies between the assessment performed by the Centre and the one performed by external consultants caused by a lack of clear and detailed guidelines for scoring the preselection criteria; recalls that procedural deficiencies in recruitment procedures undermine the principles of transparency and equal treatment; requests that the Centre improves its internal recruitment procedure to clarify evaluation processes and vacancy notices;
9. Notes with satisfaction the Centre's decision to re-establish an internal legal advisor in 2021; takes note of the fact that the vacancy notice to fill the post of internal legal advisor was closed on 29 September 2022 and calls on the Centre to keep reporting on any progress in this regard to the discharge authority;
10. Notes that, as regards gender balance reported for 2021, the Centre's senior management is unevenly composed of four men (66,7 %) and of two women (33,3 %); also notes that the management board is composed of 80 men (51 %) and of 76 women (49 %); deplores the high number of members of the Board (156 composed of 84 voting members observers and alternates) which does not facilitate decision-making or simplified management; notes further that regarding its staff overall the gender breakdown is 57 % women and 43 % men; welcomes the presence of gender equality indicators among the social sustainability indicators; recalls the importance of developing a long-term human resources policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to ensure an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;

11. Stresses the importance of the geographical balance and that all Member States should be proportionally represented in order to have an appropriate representation of nationals from all Member States;
12. Notes with interest that the Centre offers its staff and family members a confidential 24/7 counselling support service; notes that, according to the dignity at work policy, annual reports are prepared by the coordinator of the network of confidential counsellors, sent to the management board and published to all staff; takes note of the fact that, according to the 2021 report, three staff members of the Centre consulted a confidential counsellor without opening an informal procedure and two members opened an informal procedure; calls on the Centre to report to the discharge authority on the follow-up to the opened informal procedures;

Procurement

13. Takes note of the fact that 23 procurement procedures were processed in 2021;
14. Notes with concern that the Court reported several non-compliance incidents in procurement contract management; notes in particular that the Centre paid EUR 1 80 590 in respect of an order form without having received the specific declarations required from the contractor under the framework contract; regrets the fact that the omission affected all 28 order forms associated with that framework contract, with a total value of EUR 883 539; regrets further the Centre's exposure to legal risks in relation to intellectual property rights;
15. Acknowledges that a mistake found by the Court in a 2020 procurement contract was mitigated by the Centre by the cancellation of its irregular contract with effect from 26 February 2021;

Prevention and management of conflicts of interest, and transparency

16. Notes the Centre's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest and whistleblower protection;
17. Points out that the Centre's management board consists of 94 members (including observers) and 60 alternates; recalls that, pursuant to Regulation (EU) 2019/128 of the European Parliament and of the Council^(?), all members and alternates who attend management board meetings, or exercise the right to vote, must submit a declaration of interest; welcomes the fact that on 12 September 2022 all full members of the management board had submitted their declarations, with only three declarations of alternate members missing; notes, however, that, when assessing *ex ante* declarations of interest from members of a selection panel, one conflict of interest was identified in 2021; observes that, following the opinion of the internal control coordinator (ICC), the executive director decided to replace a member of that selection panel;
18. Welcomes the fact that the Centre reported that it conducted in 2021 *ex post* controls on conflicts of interest in selection procedures and that the assessment showed that the majority of controls is in place and work effectively, with some areas for further improvement;
19. Further recalls that management board members are also invited to provide short CVs, although this is not a formal requirement; notes that on 16 September 2022, out of 94 management board members, 34 CVs were missing, and out of 60 active alternate members, 27 CVs were missing; calls on the Centre to ensure full transparency by publishing CVs and declarations of interest of all members of the management board and the external and in-house experts concerned;

^(?) 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 (OJ L 30, 31.1.2019, p. 90).

20. Recalls the importance to participate in the interinstitutional agreement on a mandatory transparency register; insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; calls on the Centre to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Internal control

21. Notes that the total internal control cost amounted to EUR 988 545 for the year 2021 (EUR 55 461 direct costs and EUR 933 084 indirect costs), which represents 5,3 % of the Centre's budget; notes further that, in 2021, 26 non-compliance events linked to contracts and financial management were registered in the Centre's deficiencies register; welcomes the fact that recommendations issued by the ICC were implemented and followed up to help avoid reoccurrence;
22. Recalls that in 2020 the internal audit service (IAS) conducted remotely a full risk assessment covering the Centre's administrative, financial, operational and information technology (IT) process; welcomes the fact that a follow-up auditing conducted by the IAS on 29 January 2021 concluded that the Centre had implemented all the recommendation adequately and effectively;
23. Acknowledges the fact that, according to its evaluation policy, the Centre carries out *ex ante* evaluations of procurement procedures with a value above EUR 500 000 and *ex post* evaluations of projects or activities entailing a total expenditure of above EUR 500 000; notes that a 2021 report by the head of finance and procurement concluded that procurement procedures launched in the period examined were compliant with the requirements of *ex ante* evaluation; notes further that the *ex post* evaluation finalised in 2022 confirms that the activity was effective, efficient, coherent and brought Union added value;
24. Welcomes the Centre's reaction to the Court's findings in the area of procurement contract management by having adapted its internal procedures in order to prevent similar occurrences in the future; further welcomes the Centre having updated its procedures for future recruitment procedures, in light of the Court's observations in this area; calls on the Centre to address rapidly the lack of clarity and detail with regard to its guidelines for scoring the pre-selection criteria set in vacancy notices as requested by the Court in its 2021 report on the Union agencies;
25. Notes with concern the weaknesses identified by the Court in payment management, in particular with regard to *ex ante* controls, which could expose the Centre to legal and reputational risks;
26. Recalls the importance of strengthening management and control systems to ensure the proper functioning of the Centre; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflicts of interest, missing *ex ante* or *ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

27. Notes that the Centre is pursuing the effort to improve the Centre's cybersecurity and protection of personal data, especially through new multifactor authentication systems and training activities organised for staff; takes note of the fact that the Centre is committed to issuing a cybersecurity policy to follow up on the forthcoming cybersecurity Regulation ^(³); observes that, to define appropriate mitigating measures to provide the highest possible level of online information security, the Centre carried out a data protection impact assessment in early 2022;

⁽³⁾ Proposal for a Regulation of the European Parliament and of the Council laying down measures for a high common level of cybersecurity at the institutions, bodies, offices and agencies of the Union (COM(2022) 122).

28. Recalls the importance of increasing the digitalisation of the Centre in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Centre to continue to be proactive in this regard in order to avoid a digital gap between the Union agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed; encourages the Centre to work in close cooperation with European Union Agency for Cybersecurity (ENISA);
29. Acknowledges the Centre's ongoing efforts to reduce the environmental impact and implementing the digital and green transitions; welcomes the fact that in 2021, in the context of the COVID-19 crisis, the Centre reported a reduction of 78 % of the expenses related to missions and meetings, and that it has planned to reduce its staff travels by 70 % (compared to pre-COVID-19 crisis levels) in the programming period 2023-2025; welcomes the Centre's ambition to become carbon neutral by 2030;
30. Recalls the Centre's longstanding commitment to environment management practices; acknowledges the Centre's environmental management system helping to achieve its environmental targets; welcomes the presence of the environmental indicator 'CO₂ (ton) emissions' as it proves the engagement of the Centre in achieving green objectives and is a useful benchmark to track the evolution of post-pandemic emissions and the Centre's CO₂ footprint;
31. Notes with appreciation that in 2021 the Centre coordinated a survey within the EU Agencies Network on Scientific Advice to map activities that address the socioeconomic effects of sustainable development and demonstrate how that expertise could support the implementation of the European Green Deal;

Business continuity during the COVID-19 crisis

32. Notes with satisfaction that the Centre promptly shaped and activated a crisis management plan to deal with the COVID-19 pandemic by taking precautionary measures, such as teleworking and cancellation of physical events and missions, to ensure business continuity; notes that in 2021 all the Centre's events continued being held virtually, but ongoing and systematic analysis of participants' feedback showed high online participation rates and an overall satisfaction rate of 98 %;
33. Notes that, in close cooperation with Eurofound experts, the Centre released a working paper reporting first findings of the European company survey 2020 COVID-19 follow up; notes, further, that a dedicated COVID-19 response page was created on the Centre's website to enable users to peruse more easily through the various related activities;

Other comments

34. Notes the Centre's longstanding practice of cooperation and information exchange with other Union agencies, such as Eurofound and the European Training Foundation (ETF); recalls in particular the service level agreement signed by ENISA on 4 May 2020 to share resources; points out that such resources regard, from 2021, also the Data Protection Officer; calls on the Centre to regularly report on the implementation of the agreement; notes further that a memorandum of understanding was agreed in 2022 with the European Labour Authority, and that cooperation in the context of the European Employment Service Network and Skills-OVATE has been identified as a key priority;
35. Welcomes the regular coordination and collaboration between the Centre and Eurofound, ETF and the European Agency for Safety and Health at Work; calls on the Centre to continue to develop synergies, increase cooperation, exchange good practices and push forward discussions regarding areas of mutual interest with other Union agencies, with a view to improving efficiency as regards, for instance, human resources, building management, IT services and security;

36. Calls on the Centre to step up its efforts and report relevant performance information to Union citizens and the public in clear and accessible language; urges the Centre to ensure greater transparency and public accountability by better utilising media and social media channels;
37. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁴⁾ on the performance, financial management and control of the agencies.

⁽⁴⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1855 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0077/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 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 ⁽⁴⁾, and in particular Article 15 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0125/2023),
1. Approves the closure of the accounts of the European Centre for the Development of Vocational Training (Cedefop) for the financial 2021;
 2. Instructs its President to forward this decision to the Executive Director of the European Centre for the Development of Vocational Training (Cedefop), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 30, 31.1.2019, p. 90.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1856 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0078/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL) and replacing and repealing Council Decision 2005/681/JHA ⁽⁴⁾, and in particular Article 20 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0102/2023),

1. Grants the Executive Director of the European Union Agency for Law Enforcement Training (CEPOL) discharge in respect of the implementation of the Agency's budget for the financial year 2021;
2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 319, 4.12.2015, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Law Enforcement Training (CEPOL), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1857 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0102/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Union Agency for Law Enforcement Training (CEPOL) (the 'Agency') for the financial year 2021 was EUR 30 044 194, representing a decrease of 1,82 % compared to 2020, whereas the Agency is financed by a contribution from the Union and external assigned revenue for specific projects;
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of 96,78 %, representing an increase of 5,09 % compared to 2020; notes that the payment appropriations execution rate was 72,26 %, representing a decrease of 1,93 % compared to 2020; notes furthermore that the cumulated payment appropriations execution rate in the first two years (2020 and 2021) of the implementation of the four on-going multi-annual international law enforcement cooperation projects (Union External Assistance funds) was 22,25 %;
2. Notes that a budgetary amendment was adopted whereby the Agency's 2021 budget was reduced by EUR 800 000, which was returned to the Commission; acknowledges the Agency's explanation according to which the pandemic severely impacted the possibility of organising on-site law enforcement training during the first quarters of 2021, thus causing considerable underspending; underlines, however, that the Agency has effectively adapted and converted its activities to online learning, safeguarding the implementation of its training programmes;
3. Welcomes with appreciation that the execution rate in 2021 of the C8 funds (carried forward from 2020 to 2021) was 100 %; notes, furthermore, the high amount of EUR 2 411 091 as funds carried forward from 2021 to 2022, representing 24 % of the Agency's regular budget for 2021;

Performance

4. Notes that the implementation rate of the Agency's work programme was impacted by the COVID-19 crisis, mainly with regard to onsite activities; is satisfied that a majority of targets set were achieved or exceeded; notes with appreciation the customers' satisfaction rate in 2021 with 97 % of the participants in the Agency's training activities having declared to be satisfied or very satisfied;

⁽¹⁾ OJ C 216, 31.5.2022, p. 1.

5. Notes that in 2021 a five-year evaluation of the Agency was performed by the Commission; welcomes the overall positive conclusions of the evaluation report and invites the Agency to implement the recommendations contained in the evaluation report;
6. Notes with appreciation that, despite the impact of the COVID-19 outbreak, the Agency continued to increase its outreach with the number of training participants increasing by 17 % compared to 2020; commends, furthermore, the Agency's exceptional results in the domain of e-learning, and the organisation of the online CEPOL Research & Science Conference, which attracted over 500 participants in spring 2021; notes that the CEPOL Exchange Programme was postponed to mid-August, with 57 % of the planned exchanges being achieved in 2021;
7. Observes that the Agency completed the second EU Strategic Training Needs Assessment (EU-STNA) identifying training priorities for law enforcement officials for the period of 2022-2025; welcomes the launch of a new CEPOL Knowledge Centre on Law Enforcement Cooperation, Information and Exchange and Interoperability (CKC INT);
8. Highlights the need for the law enforcement training at Union level to reflect the threats to the security of the Union in line with the mandate of the Agency; reiterates the importance of law enforcement training on strategies to fight racism and discrimination and to prevent racial and ethnic profiling and violence; underlines the urgent need for specialised training focusing on dangers and the proper use of AI technologies by police authorities to ensure the safety and security of citizens;
9. Welcomes the establishment of the Expert Group on Fundamental Rights with the purpose of improving the Agency's training strategy in that area and of the Expert Group on the Enhancement of Cooperation between the Agency and the Member States aiming to improve the quality and efficiency of cooperation; notes the suggestion of the Expert Group on Fundamental Rights to add fundamental rights as a cross-cutting issue to the training activities offered where applicable in both Member States and third countries with particular emphasis on fundamental rights and crime prevention;
10. Notes that, in 2021, the Agency started the implementation of the four multi-annual international projects assisting third countries in building their capacities in relevant law enforcement policy areas;
11. Welcomes the cooperation with specialised cybercrime knowledge hubs and centres such as the European Cybercrime Centre, the European Cybercrime Training and Education Group, the European Judicial Training Network and Interpol, through the CEPOL Cybercrime Academy in addressing the growing training needs in the field of cybercrime;
12. Highlights the Agency's working arrangements with the European Union Agency for Law Enforcement Cooperation (Europol), the European Union Agency for Criminal Justice Cooperation (Eurojust), the European Border and Coast Guard Agency, the European Judicial Training Network, the Commission, and ongoing negotiations with European Monitoring Centre for Drugs and Drug Addiction and the European Union Agency for Asylum;
13. Notes with concern that the Agency does not have working arrangements with the Commission's Directorate-General Taxation and Customs Union (DG TAXUD) which prevents the Agency from expanding the target audience of its activities to include customs and border officials; encourages the Agency to ensure that working arrangements are in place with all key bodies;
14. Encourages the Agency to better tailor its training methods to its target audience; urges the Agency to follow the results of the Commission's evaluation and adjust the training of the law enforcement officials who respond better to hands-on practical training (joint exercises, simulations, table-top exercises) than (virtual) theoretical classroom training;

Staff policy

15. Notes that, on 31 December 2021, the establishment plan was 91 % implemented, with 30 temporary agents appointed out of 33 temporary agents authorised under the Union budget (the same number of authorised posts as in 2020); notes that, in addition, 58 contract agents (of which 20 were for regular activities and 38 for externally financed capacity building projects) and seven seconded national experts (six financed from the Agency's budget and one financed under the Counter Terrorism Training Project 2) worked for the Agency in 2021; notes moreover that, on 31 December 2021, 19 interim staff were employed with tasks related to core business such as e-learning, ICT, legal and management support;
16. Underlines that the significant widening of the Agency's work with the entry into force of its current mandate has still not been followed up with a similar increase in staff numbers; notes with concern the suggestions made by the Commission to the Agency not to request new posts for the upcoming years, in spite of the necessity to have more staff; highlights in addition that in absence of additional human resources, the Agency is using contract agents on a number of tasks that would normally be executed by temporary agents; urges the Commission to reconsider its position concerning the grading of posts in order for those posts to reflect the workload and responsibilities of staff;
17. Notes with concern that the staff turnover rate remained high in 2021, at 11,8 %; appreciates the efforts undertaken by the Agency to address that issue, including by introducing a new structured exit interview; highlights the fact that the results of conducting such interviews have revealed that the high turnover is mostly caused by the high workload and low grading of posts; underlines in addition that the Agency has been experiencing difficulties with the recruitment process, caused by both a low number of applications and a high number of successful candidates refusing the job offers; highlights the fact that the salary correction coefficient applied to remunerations offered for positions within the Agency has an extremely negative impact on the Agency's ability to reduce staff turnover, to recruit the staff it requires for the optimal implementation of its mandate, as well as to become attractive for highly skilled candidates; calls on the Commission to revise the correction coefficient in order to better reflect the economic realities of relocating to and living in the Agency's host city; further calls on the Commission and the Agency to make available additional facilities such as access to international schools, child and healthcare, in order to make working for the Agency more attractive;
18. Notes with appreciation that the Agency has implemented various modules of SYSPER and plans to continue to do so, increasing the use of more basic and optional modules;
19. Welcomes the Agency's reported gender breakdown for 2021 with 3 men and 3 women in management functions (1 senior manager and 5 middle managers), with 16 men (59 %) and 11 women (41 %) in the management board, and with 39 men (45 %) and 48 women (55 %) in the Agency's staff overall; commends the Agency for the gender balance achieved in 2021; is however concerned about the lack of geographical balance and that the Agency does not employ any staff from Cyprus, Czechia, Denmark, France, Ireland, Luxembourg, Malta and Slovenia; urges the Agency to consider with utmost priority geographical balance in its recruitment procedures and report to the discharge authority any development in that regard;
20. Welcomes the fact that in 2021 the Agency organised training activities on topics such as ethics and integrity, respect and dignity, the prevention of harassment, and wellbeing; welcomes the adoption in 2021 of the Agency's policy on protecting the dignity of the person and preventing psychological and sexual harassment; welcomes furthermore the implementation of the informal procedure with confidential counsellors; notes the Agency's reply that no harassment case was reported in 2021;

Procurement

21. Notes with concern that, since the 2019 financial year, the Court has raised new observations as regards the Agency's procurement every year; takes note of the Court's observations regarding the Agency's contract management and public procurement procedures for 2021; notes in particular that in 2021 the Agency made payments in connection with activities that took place in certain countries outside the Union; notes that such activities were not included in the scope of the framework contract based on which related payments were made; notes with concern the Court's conclusion with regard to the Agency having acted in that case in breach of Article 172 of the Financial Regulation; regrets that related payments amounting to EUR 76 590 were irregular, as concluded by the Court; notes that the Agency took the decision to make an exception covering exclusively urgent business needs in countries outside the Union, whereas that decision was registered in the Agency's registry of exceptions; further notes that the Agency used the exception procedure recurrently in order to ensure business continuity and sound financial management until the finalisation of an open procedure that resulted in the signing of a new framework contract, with no limitations in January 2022;
22. Notes that in 2021 the Agency only had one temporary agent and one contract agent posts for procurement related procedures, two additional contract agents working on externally financed projects; notes that the Agency is using interim agents to help with the workload; highlights, with great concern, the fact that at least up to November 2022, the highest graded procurement officer was AST-5 with a recruitment grade of AST-3, a grade considered by the Agency as too low considering the responsibilities assigned to that post; underlines that the inadequate grading of such posts may impact on the quality of public procurement procedures undertaken by the Agency; calls on the Commission to urgently address those issues;

Prevention and management of conflicts of interest, and transparency

23. Notes with appreciation the Agency's existing measures and ongoing efforts to secure transparency and the prevention and management of conflicts of interest; notes with satisfaction that the declarations of interest and the CV's of most management board members and senior management are published on the Agency's website; notes with satisfaction that the format of the declarations allows the listing of professional, financial, personal and other interests that may relate to the Agency's activities; notes that the declarations on conflicts of interest and confidentiality for the remunerated experts are not published on the Agency's website; calls on the Agency to make those remaining documents available on its website as soon as possible; welcomes the fact that the annual list of expert contracts published on the Agency's website is complemented with information on the declarations on conflicts of interest and confidentiality made by experts;

Internal control

24. Notes the Agency's assessment of its internal control system and its conclusion, that it is effective, present and functioning well, and that only minor improvements are needed; calls on the Agency to explicitly incorporate in its assessment the observations of the Court and the related recommendations;
25. Notes from the Court's report several weaknesses in the Agency's internal control system, in particular in relation to procurement procedures and the management of budgetary commitments; notes with regard to procurement the Court's observation in one case whereby the lack of separation between selection criteria and award criteria compromised the principle of transparency and exposed the Agency to reputational and legal risks; notes in another case the Court's finding regarding the Agency's failure to monitor outstanding payments thus exposing itself to the risk of not meeting its financial obligations towards third parties in case of budget restrictions; calls on the Agency to report to the discharge authority about the intended measures for addressing those issues and its progress on those matters;

26. Recalls that the Court observed weaknesses in the Agency's internal control environment other than those concerning procurement in relation to the management of budgetary commitments, and welcomes the fact that the Agency took concrete steps to address those errors, including regular contract management training for project managers and other relevant staff to increase awareness and reduce the occurrence of such cases; calls on the Agency to report to the discharge authority about its progress in this matter;
27. Notes that in October 2021, the Internal Audit Service (IAS) initiated an audit concerning the Agency's 'Human resources management and ethics in CEPOL'; notes the positive conclusion of the IAS' final audit report and the identified areas for improvement regarding recruitment, appraisal and reclassification procedures; calls on the Agency to implement the IAS recommendations;
28. Notes with concern the Agency's internal control deficiencies with regard to the lack of formalising controls over technology (e.g. ICT backup policy) and procedural framework for document management; calls on the Agency to implement, including with the help of another agency if necessary, the Commission's ARES as its document management system;

Digitalisation and the green transition

29. Notes that the Agency does not have a formalised policy on cybersecurity; notes furthermore that the Agency works with CERT-EU and other partners to increase cybersecurity and the protection of digital records; acknowledges the Agency's limitation in this area given its low number of staff as per establishment plan;
30. Commends the Agency for having enhanced furthermore the LEEd platform with a number of technical developments, especially in light of the cyberattack and subsequent shutdown of the platform at the end of 2020; welcomes the rapid restoration of the LEEd platform and the implementation of outstanding online activities in the first quarter of 2021; notes furthermore that the Agency reported reaching a relatively high level of digitalisation with its processes having become paperless;
31. Encourages the Agency to work in close cooperation with ENISA (the European Union Agency for Cybersecurity); suggests that the Agency offers regularly updated cybersecurity-related training programmes for all staff within the Agency; calls on the Agency to develop its cybersecurity policy more swiftly, delivering it before 31 December 2023 and to report back to the discharge authority about the progress achieved;
32. Welcomes the launch of the new learning portfolio supporting the development of personal and business skills in January 2021, with 500 new e-learning modules and seats granted for 1 000 LEEd users, then further extending the licence to 2 000 seats as of October 2022;
33. Notes the Agency's efforts to reduce its environmental impact; welcomes in particular the Agency's internal rules whereby for short distances staff and participants in training activities should use alternatives to travel by air; commends the Agency for offering its staff reimbursement for the costs of using public transport;

Business continuity during the COVID-19 crisis

34. Notes that the Agency reported that in 2021 the COVID-19 pandemic had a serious impact on its onsite activities; notes in particular the postponement to 2022 of the implementation of some of the activities planned for 2021, the cancellation without replacement of some other activities, several withdrawals of activities as well as onsite activities converted into online activities; commends the Agency for its resilience and for its response in reallocating resources to ensure objectives are met;
35. Commends that, despite a relatively high turnover of staff, business continuity of the Agency and the safety of its staff were assured through measures such as extended teleworking and flexitime arrangements, e-workflow, recruitment of interim staff and seconded national experts and maintaining the social arrangements;

Other comments

36. Notes with concern that the issue of the Agency not having enough office space and area for operational activities is ongoing, with the Agency operating from three different locations; deplores the fact that the initial plan by the Hungarian government for a common complex for international organisations has been shelved; notes that the discussions of the Agency's executive director with the Hungarian authorities continued during 2022; calls on the Agency to keep the discharge authority informed about the developments as regards its premises and progress made in the discussions with the host Member State; welcomes the creation of an internal task force to assess options on how best to make use of the existing space;
37. Recalls that the Agency is to ensure full transparency and full respect of fundamental rights in all its activities, including those with third countries;
38. Calls on the Agency to step up its efforts and report relevant performance information to Union citizens and the general public in clear and accessible language; urges the Agency to ensure greater transparency and public accountability by better utilising media and social media channels;
39. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽²⁾ on the performance, financial management and control of the agencies.

⁽²⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1858 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0078/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL) and replacing and repealing Council Decision 2005/681/JHA ⁽⁴⁾, and in particular Article 20 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0102/2023),
1. Approves the closure of the accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2021;
 2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Law Enforcement Training (CEPOL), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 319, 4.12.2015, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1859 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Union Aviation Safety Agency (EASA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Aviation Safety Agency for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023[6] – C9-0079/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 2018/1139 of the European Parliament and of the Council of 4 July 2018 on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency, and amending Regulations (EC) No 2111/2005, (EC) No 1008/2008, (EU) No 996/2010, (EU) No 376/2014 and Directives 2014/30/EU and 2014/53/EU of the European Parliament and of the Council, and repealing Regulations (EC) No 552/2004 and (EC) No 216/2008 of the European Parliament and of the Council and Council Regulation (EEC) No 3922/91 ⁽⁴⁾, and in particular Article 121 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Budgetary Control (A9-0098/2023),
1. Grants the Executive Director of the European Union Aviation Safety Agency (EASA) discharge in respect of the implementation of the Agency's budget for the financial year 2021;
 2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 212, 22.8.2018, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

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 (EASA), 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1860 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Aviation Safety Agency (EASA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Union Aviation Safety Agency for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Budgetary Control (A9-0098/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Union Aviation Safety Agency (the 'Agency') for the financial year 2021 was EUR 203 802 000, representing an increase of 11,34 % compared to 2020; whereas EUR 38 900 000 of the Agency's budget derives from the Union budget and EUR 109 791 000 is revenue from fees and charges ⁽²⁾;
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Union Aviation Safety Agency for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year commitment appropriations of 96,31 %, representing a decrease of 2,31 % compared to 2020; further notes that the current year payment appropriations execution rate was 87,34 %, showing a decrease of 5,30 % compared to 2020;
2. Notes that the Agency ended the year with a fees and charges surplus of EUR 11,2 million; notes that the 'fees and charges' surplus is added to the accumulated surplus, increasing it from EUR 60,9 million to EUR 72,1 million;
3. Notes that the rate of cancelled appropriations relating to commitments carried over to 2021 decreased to 1,55 % (5,46 % in 2020), below the 5 % ceiling set by the Commission;

Performance

4. Notes that in 2021 the Agency used certain measures to assess the added value provided by its activities and other measures to improve its budget management, through a mix of 130 objectives and 60 key performance indicators (KPIs) across 11 key areas of operation and 9 more projects or initiatives of horizontal nature; notes that, despite the continued effects of the COVID-19 crisis, the Agency had a good performance, with a 84 % implementation rate of its 2021 Annual Work Programme and 76 % of KPIs on-track; appreciates that the KPIs were fulfilled and the fact that the Agency has drawn attention to measures that can improve the efficiency and effectiveness of the Agency's work; however recommends that the Agency takes note of the indicators that have not yet been achieved or are lagging behind, especially the timely processing of occurrence reports and corrective action closure rate of audit findings;
5. Commends the Agency's key achievements and progress in 2021 in emerging areas linked to green solutions and digitalisation; notes in this context that the Agency stepped up its efforts for a clean aviation through the EASA sustainable aviation programme – 2021 with various actions such as the uptake of Sustainable Aviation Fuels (SAF), hydrogen & hybrid powered aviation and the completion of the Environmental Labelling Programme pilot phase; takes note of the Agency's further outputs from its Drone Programme such as the publication of the first U-Space

⁽¹⁾ OJ C 141, 29.3.2022, p. 81.

⁽²⁾ OJ C 141, 29.3.2022, p. 80.

regulatory package, as well as from different projects regarding the streamlining of Air Traffic Management operations through the unification of ATCO licensing and ground equipment; commends the approval of the return to service of a modified version of the Boeing 737 Max; welcomes the Agency's additional efforts in the research and innovation field by joining in 2021 the Horizon Europe, Clean Aviation and SESAR programmes; further commends the Agency's continual safety improvement and commitment to support innovation through the European plan for Aviation Safety with key projects in 2021 such as the adoption of an opinion on All-Weather Operations; notes that Brexit resulted in a significant increase in the number of applications for organisation approvals in 2021;

6. Calls on providing sufficient funding and incentives for further research and development of SAF to make them more efficient and affordable and to enhance and open their market;
7. Welcomes the continuous efforts by the Agency to look into areas for further cooperation with other Union Agencies where feasible, taking into account the nature of activities, to reduce potential overlaps; welcomes the concrete actions taken with European Food Safety Agency, the European Training Foundation, the European Securities Market Authority and European Environmental Agency; calls on the Agency to continue to develop its synergies, increase cooperation and exchange best practices with other European agencies with a view to improving efficiency (human resources, building management, IT services and security, etc.);
8. Acknowledges the continuous efforts made by the Agency to become more efficient, freeing up resources, including qualified staff; commends the Agency in this context for making use of the expertise from the National Aviation Authorities, through 26 partnership agreements and 2 framework contracts with Qualified Entities, thus facilitating the outsourcing of 63 000 working hours in 2021;
9. Encourages the agency to get involved, employing both its expertise and adequate resources, into the Pilot Project on a 'European body for jet fuel standards and safety certification' under the 2023 Union budget;
10. Salutes the efforts of the Agency in supporting the integration of new technologies, operations and business models into the European aviation system through its research and innovation programme;
11. Welcomes the progress of the Military Programme (2020 – open end) and highlights the role of the Agency within the European military mobility; calls for a rapid and substantial increase of on increasing the EU budget line for military mobility to be able to respond to the challenges in the sector;
12. Calls for more synergy between civilian and military needs under the Action Plan on Military Mobility by simplifying processes and aligning rules; stresses that this could provide scope for the Agency to further support states and industry competitiveness, for example through common rulemaking and the certification of state aircraft;

Staff policy

13. Notes that, on 31 December 2021, the establishment plan was 92,94 % implemented, with 632 temporary agents appointed out of 680 temporary agents authorised under the Union budget (compared to 680 authorised posts in 2020); notes that, in addition, 91 contract agents and 18 seconded national experts worked for the Agency in 2021; notes a decrease in the Agency's staffing levels compared to 2019 due to COVID-19 related financial implications which led the Agency to reduce staff related investments, while favouring internal mobility and sharing of resources; welcomes the Agency's reported measures to prevent a high staff turnover rate, which in 2021 was 0,84 %;
14. Notes the gender balance within the Agency's senior management members, with 3 out of 5 (60 %) being men; notes with concern the lack of gender balance in the Agency's management board, with 63 out of 82 (77 %) being men; further notes the gender balance within the Agency's overall staff, with 643 out of 959 (67 %) being men; calls on the Agency to continue its efforts towards gender balance at staff level through concrete actions that attract applications from women for posts offered by the Agency; notes that the Agency is continuously monitoring the gender balance

developments and that the representation of women in managerial positions (from Section Manager to Director) has increased from 16,9 % to 21,25 % in 2021 and that since January 2020, out of the 4 Directors in the Agency, 2 are female;

15. Notes the Agency's estimation with regard to an upcoming increase in the number of retirements; welcomes in this context the establishment of a competency management and strategic workforce planning programme which will help the Agency to assess, inter alia, where external resource investments are needed; calls on the Agency to report to the discharge authority on the results of this programme; further notes that the Agency adopted a mid-term staffing scenario to reinforce key competence areas and foster staff development by offering professional career opportunities internally across various competence areas to around 80 staff members during 2021;
16. Recalls the importance of developing a long term HR policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to ensure an appropriate representation from all Member States, and the recruitment and integration of people with disabilities, as well as ensuring that they are treated equally and that their opportunities are widely promoted; notes the importance of providing different training opportunities for all Agency's staff; suggests that the staff engagement survey should be done yearly instead of every three years;

Procurement

17. Notes that in 2021 the Agency managed and/or concluded 33 high-value and middle-value procedures, 90 low-value procedures and 48 expert contracts, and 600 specific contracts under framework contracts; welcomes the implementation of a consolidated procurement strategy for technical facility management services by bundling several types of contracts in order to improve contract management and centralise outsourced services;
18. Notes, regarding the follow-up of observations from the discharge authority for 2020, that the Agency took measures to improve its procurement practices that aim to maximise fair competition and value for money, increase transparency, and reduce the need for exceptions, including through awareness raising training for its financial actors; welcomes the Agency's progress regarding the e-invoicing solution; calls on the Agency to continue the optimisation and modernisation of its digital solutions to further streamline the procurement processes and to report to the discharge authority on the developments in this regard;

Prevention and management of conflicts of interest, and transparency

19. Acknowledges the Agency's existing measures and ongoing efforts to ensure transparency, prevention and management of conflicts of interest, and whistle-blower protection; welcomes the fact that in 2021 there were no actual cases of conflict of interest; further notes that any potential cases in the Agency could be addressed with mitigating measures; acknowledges that the CVs and declarations of interest of board members and senior managers are published on the Agency's website; calls on the Agency to participate in the newly established interinstitutional agreement on a mandatory transparency register for interest representatives, signed by the Commission, the Council and Parliament;
20. Notes the observation made by the Court of Auditors regarding non-compliance with Article 16 of the Staff Regulations concerning potential conflict of interest; calls on the Agency to complete corrective action and to cover the risk of conflicts of interests; notes the Agency's reply stating that there was been a thorough evaluation;
21. Notes that the Agency updated its management and prevention of conflict of interests policy by adopting a 'Code of Conduct for the staff of EASA' (CoC), that includes a requirement for all the Agency's staff members to fill in a declaration of conflict of interests, rules regarding gifts and hospitality, and mandatory trainings on the CoC and its annexes for all the Agency's staff;

22. Recalls the importance to strengthen management and control systems to ensure the proper functioning of the Agency; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflict of interest, missing *ex-ante/ex-post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;
23. Notes that, given its technical nature, the Agency runs open dialogues with aviation stakeholders, taking into consideration their views when deciding on rulemaking and certification procedures; further notes that all the technical workshops organised by the Agency with its aviation stakeholders are reflected on the events page of the Agency's website;

Internal control

24. Notes that the Agency's internal control standards include a framework consisting of five internal control components, 17 principles and the international quality standard (ISO 9001:2015); further notes that in 2021 a surveillance audit was carried out which led to the conclusion that the internal control system of the Agency fully complies with its management standards;
25. Notes that the Agency has implemented most of the actions resulting from the Internal Audit Service' audit on certification and organisations level of involvement in 2021; calls on the Agency to implement the remaining actions;
26. Notes that in 2021 the Internal Audit Capability performed three assurance audits to assess respectively whether the relevant regulations were complied with, whether process objectives were being met, and whether the key risks were properly mitigated within the Agency; notes that some recommendations were given to further enhance either the control environment or the overall efficiency of the processes; calls on the Agency to finalise the implementation of the remaining actions in connection with the 2021 follow-up audits;

Digitalisation and the green transition

27. Commends the Agency for its broad palette of measures that aim to reduce its environmental footprint; highlights in this context the technologies that equip the Agency's sustainable building and help to optimise the use of energy and water consumption, the inclusion of energy management as a service in tender specifications, the purchase of 100 % renewable energy and other measures incentivising the use by its staff of train or public transport, as well as the reduction of business travel; further commends the Agency for its offsetting scheme with regard to electricity consumption and business travel by train;
28. Salutes the approval of several European Partnerships to accelerate the green and digital transition, including on Single European Sky ATM Research 3 with the aim of accelerating the digital transformation of ATM in line with the European ATM Master Plan; recalls in that regard the importance of Single European Sky 2+ in achieving harmonisation, improved interoperability and efficiency;
29. Notes that the Agency continued its corporate transformation programme, 'Destination: Future-proof' with key objectives linked to modernising ways of working and simplification of key processes including the core activities such as rulemaking, initial airworthiness and organisation approvals; commends in this context the progress made by the Agency in providing external stakeholders with digital services by making ready for deployment solutions line to the occurrence reporting (ECCAIRS2), the access to EASA rules (e-rules), the FlexTool for gathering exemptions and derogations, collaborative sites and the Drones repository; calls on the Agency to continue building its New Digital Core IT platform in line with the digitalisation roadmap (CORAL) and to exceed the target set (65 %) in this regard; calls on the Agency to put in place a cybersecurity policy and implement an information security roadmap;

30. Encourages the Agency to work in close cooperation with ENISA (European Union Agency for Cybersecurity); underlines the importance of carrying out regular risk assessments of its IT infrastructure and ensuring regular audits and tests of its cyber defences; also encourages the Agency to offer systematic updated cybersecurity-related training programmes to all of its staff, including management, as this is a key element in an effective cyber security framework;

Business continuity during the COVID-19 crisis

31. Notes the Agency's conservative approach in the second year of the pandemic regarding expenditure planning, including a slow-down of external recruitments; further notes that the growing workload was managed through leveraging new working methods (e.g. remote working and daily hybrid working regime) and investing in efficiency and digitalisation initiatives to reduce the pressure on existing resources; encourages the Agency to put the lessons learned regarding remote and hybrid working methods into practice, in order to better organise meetings that could be carried out more efficiently remotely than in-person in the future;
32. Notes that, due to the effects of the COVID-19 pandemic, the Agency focused on protecting the travelling public and identifying and mitigating safety consequence; welcomes the Agency's actions under the Return to Normal Operations (RNO) project by publishing Safety Information Bulletins and guidance material, and other actions providing flexibility measures and regulatory relief, addressing health and emerging risks and building cooperation with partner states;
33. Suggests that the Agency continuously monitor aviation safety, including cabin crew fatigue as foreseen in the Regulation (EU) 2018/1139 of the European Parliament and of the Council ⁽³⁾ establishing the Agency;

Other comments

34. Commends the Agency for its success in delivering EASA light, an area on its website that offers content for a non-specialist audience; encourages the Agency to develop this offering, in the light of usability feedback; further commends the Agency for its improved metrics regarding the use of EASA Pro, an area on its website offering detailed information for professional stakeholders; welcomes the fact that in 2021 the Agency strengthened its links to academia with the formation of a Scientific Committee grouping experts who can advise on developments in relevant areas;
35. Stresses that financial regulation and high management standards have to be respected by all the EU's institutions;
36. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁴⁾ on the performance, financial management and control of the agencies.

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

⁽⁴⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU, Euratom) 2023/1861 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Union Aviation Safety Agency (EASA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Aviation Safety Agency (EASA) for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023[6] – C9-0079/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 2018/1139 of the European Parliament and of the Council of 4 July 2018 on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency, and amending Regulations (EC) No 2111/2005, (EC) No 1008/2008, (EU) No 996/2010, (EU) No 376/2014 and Directives 2014/30/EU and 2014/53/EU of the European Parliament and of the Council, and repealing Regulations (EC) No 552/2004 and (EC) No 216/2008 of the European Parliament and of the Council and Council Regulation (EEC) No 3922/91 ⁽⁴⁾, and in particular Article 121 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Budgetary Control (A9-0098/2023),
1. Approves the closure of the accounts of the European Union Aviation Safety Agency (EASA) for the financial year 2021;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 212, 22.8.2018, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

2. Instructs its President to forward this decision to the Executive Director of the European Union Aviation Safety Agency (EASA) , 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

DECISION (EU) 2023/1862 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Asylum Support Office
(now the European Union Agency for Asylum – EUAA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0080/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office ⁽⁴⁾, and in particular Article 36 thereof,
- having regard to Regulation (EU) 2021/2303 of the European Parliament and of the Council of 15 December 2021 on the European Union Agency for Asylum and repealing Regulation (EU) No 439/2010 ⁽⁵⁾, and in particular Article 55 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0123/2023),

1. Grants the Executive Director of the European Union Agency for Asylum discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2021;
2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 132, 29.5.2010, p. 11.

⁽⁵⁾ OJ L 468, 30.12.2021, p. 1.

⁽⁶⁾ OJ L 122, 10.5.2019, p. 1.

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 Asylum, 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1863 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 (now the European Union Agency for Asylum – EUAA) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0123/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Asylum Support Office (the ‘Office’) for the financial year 2021 was EUR 1 52 743 528, representing an increase of 8,5 % compared to 2020; whereas the budget of the Office derives mainly from the Union budget; recalls the fact that the Office’s growing role was highlighted in the Commission’s new pact on migration and asylum, which was published in September 2020; notes that the Office’s operational footprint has increased in past years;
- B. whereas the Court of Auditors (the ‘Court’), in its report on the annual accounts of the Office for the financial year 2021 (the ‘Court’s report’), states that it has obtained reasonable assurance that the Office’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 2021 resulted in a budget implementation rate of 96,67 %, representing a slight increase of 1,53 % compared to 2020 (95,14 %); notes that the payment appropriations execution rate was at 90,91 %, representing an increase of 10 % compared to 2020 (80,91 %); commends the measures put in place by the Office to resolve the long-standing late payments issue, with a high rate (96,5 %) of payments made on time in 2021;
2. Notes that the Court declared payments made by the Office in 2021 of a total amount of EUR 362 204 irregular because they were related to procurement errors in procedures carried out in 2016 and in 2020 for rented premises in Rome and Lesbos; notes the corrective actions taken by the Office, whereby moves to new premises in Lesbos and Rome are expected in the first or second quarter of 2023; calls on the Office to keep the discharge authority informed on the progress made in that matter;

Performance

3. Notes that the Office uses certain measures as key performance indicators to assess the performance of its activities; welcomes the implementation of the Office’s 2021 annual work programme, with 78 % of its annual indicators and 85 % of its multi-annual indicators being achieved or exceeded, despite the continuous challenges due to the COVID-19 global pandemic;

⁽¹⁾ OJ C 141, 29.3.2022, p. 172.

4. Commends the Office for upscaling its technical and operational assistance to Member States and for its readiness to react swiftly to the humanitarian crisis in Afghanistan, the increased number of asylum seekers crossing the border from Belarus and the challenges stemming from the war in Ukraine; notes in that context that in 2021 new operational plans were signed by the Office with Latvia, Lithuania and Belgium, an expert platform on safe pathways for Afghans was set up, support to Member States was stepped up for the implementation of Council Directive 2001/55/EC ⁽²⁾ (the 'Temporary Protection Directive') and a number of the Office's staff was present in Moldova to support voluntary transfers to Member States by providing information on the ground;
5. Notes that the Office reported that in 2021 the Office significantly stepped up its preparations for its new mandate, in view of the final adoption of Regulation (EU) 2021/2303 of the European Parliament and of the Council ⁽³⁾; calls on the Office to report to the discharge authority on the implementation of the new provisions of that Regulation regarding the Consultative Forum, the fundamental rights officer, the asylum reserve pool of 500 Member State experts, the deployment of liaison officers to Member States and third countries, the monitoring mechanism and the complaints mechanism;
6. Notes that the Office cooperates strongly at the bilateral level with other justice and home affairs agencies and that it has signed working arrangements with the European Border and Coast Guard Agency, the European Union Agency for Fundamental Rights and eu-LISA, and cooperation plans with eu-LISA, which allow for the alignment of common projects and the sharing of information in a systematic way; encourages the Office to further develop synergies and to reinforce its cooperation, its exchange of good practices and its discussions regarding areas of mutual interest with other Union agencies with a view to improving efficiency;

Staff policy

7. Notes the Office's gender balance, with nine men (69 %) and four women (31 %) in its senior management, with 20 men (67 %) and 10 women (33 %) on its management board and with 176 men (39 %) and 272 women (61 %) for staff overall; recalls that the responsibility for appointing the members of the management board lies with national representatives of Member States; reiterates its calls on the Office and Member States to observe gender balance when nominating and appointing members of the senior management or of the management board;
8. Notes that, on 31 December 2021, the establishment plan was 86,61 % executed (92,35 % including 21 posts offered), with 317 temporary agents appointed out of 366 temporary agents authorised under the Union budget (compared to 366 authorised posts in 2020); notes that, in addition, 100 contract agents and six seconded national experts worked for the Office in 2021, with 123 and 11 posts authorised, respectively; notes that 58 additional short-term (one year) contract agents posts were created in 2020 and gradually filled in 2021 for the Italian and Cypriot operations, with a scheduled phasing out in 2022; welcomes the progressively increasing occupancy rate of the Office; underlines however the staff turnover rate of 6,55 % in 2021, above the established target (< 5 %);
9. Notes with great concern the Office's note No 3.7.1 of its final accounts for 2021, which disclosed that the lack of human resources in 2022 could limit the ability to perform some of the tasks of the Office's new mandate; notes that the Office stressed the need for 68 additional posts, over a period of three years, in its establishment plan to meet the requirements of the new mandate in a sustainable way, as well as those in connection with the different crises in the field in which the Office operates; calls on the Commission to better reflect the operational needs of the Office when deciding upon future establishment plans;

⁽²⁾ Council Directive 2001/55/EC of 20 July 2001 on minimum standards for giving temporary protection in the event of a mass influx of displaced persons and on measures promoting a balance of efforts between Member States in receiving such persons and bearing the consequences thereof (OJ L 212, 7.8.2001, p. 12).

⁽³⁾ Regulation (EU) 2021/2303 of the European Parliament and of the Council of 15 December 2021 on the European Union Agency for Asylum and repealing Regulation (EU) No 439/2010 (OJ L 468, 30.12.2021, p. 1).

10. Recalls with concern the Court's finding that in 2020 the Office had 16 vacant management posts, with 10 of those occupied on an acting basis for more than one year, thus being at odds with the Staff Regulations, which limit the duration of temporary management appointments to one year; notes the Office's reply with regard to the reasons why in 2021 the recruitment of managers was not prioritised; notes that those reasons included practical limitations caused by the COVID-19 pandemic, new migration and asylum crises, two structural reorganisations of the Office and the need to ensure business continuity, with a focus on filling other non-managerial posts; highlights the fact, however, that acting managers occupy two posts in the Office's establishment plan, a situation that could lead to inefficiencies and to impaired leadership and strategic continuity; further notes the statement of the Office's executive director during the hearing in the European Parliament on 30 November 2022, whereby at that date seven managers, including three senior management members were still on *ad interim* positions, two of whom have been for more than one year in their function; notes that, according to the Office's replies, two senior management positions were under recruitment by the end of 2022, while it was expected that the third position would be published in the following months; notes with concern the anonymous reports from the Office's members of staff alleging that the number of *ad interim* senior management positions which have been in function for more than one year was higher than two; calls on the Office to provide clarity on that matter, including to Parliament, as it concerns the Office's transparency and accountability; further notes that on 18 January 2023, the executive director decided not to renew the temporary management posts which expired after one year and discontinued those that had been in place for longer than a year; reiterates its calls on the Office to launch or finalise without delay, in full compliance with the applicable legal requirements, the recruitment procedures that are necessary to fill all its managerial posts and to keep the discharge authority informed regarding the progress made in that regard;
11. Recalls that one of the reasons underlying the dependency on interim staff was the delay of the adoption and entry into force of the Regulation (EU) 2021/2303, as the agreement did not allow the Office to extend such contracts until the entry into force of that Regulation; notes with regret the serious lack of foresight on the part of the Commission when designing and allocating those posts to the Office; underlines the fact that the situation had a negative impact on the recruitment capabilities of the Office and on the ability of the Office to adequately support Member States, ultimately to the detriment of asylum seekers and refugees who faced prolonged procedures and inadequate reception conditions; highlights also that those posts had been occupied on an acting basis for more than one year, at odds with the Staff Regulations and also puts strategic continuity of the Office at risk;
12. Notes with concern that on 14 September 2022, the members of Parliament's Committee on Budgetary Control (CONT) received an anonymous email containing allegations of staff-related irregularities caused by the Office's entire senior management team; is aware of the seriousness of those allegations, which include claims of unlawful, opaque or partial recruitment and promotion of senior management members, nepotism, allegations of harassment and that it was covered up, and mismanagement of funds relating to missions of Office staff; notes that, as a result of those allegations, the European Anti-Fraud Office (OLAF) launched an investigation on 24 November 2022; highlights that on 23 January 2023, some Members of CONT received another anonymous complaint with further allegations; notes that the executive director declared that she had fully supported the initiation of the investigation by OLAF and pledged, during the CONT meeting held on 30 November 2022, to assist the authorities in all possible ways; calls on the Office to inform the discharge authority about the progress and stages of the investigation;
13. Notes that the Office has put in place a policy on protecting the dignity of the person and preventing psychological and sexual harassment; welcomes the Office's organisation of awareness raising campaigns on those issues and the nomination of confidential counsellors in 2021; notes that the Office received four complaints on alleged psychological harassment, one of which was withdrawn; notes that the other three complaints were subject to a preliminary assessment carried out with support from an external law firm, which concluded that no *prima facie* evidence of harassment was found and that, therefore, no further measures by the Office were deemed necessary; calls on the Office to provide the discharge authority with the typology of cases and the criteria based on which it decides to ask for the support of an external law firm, given that the Office has its own legal services unit;

14. Notes that in 2021 the insufficient number of experts allocated by Member States remained an issue; further notes that the Office addressed deployment needs in all the Member States concerned through remunerated external experts and short-term operational contract agents; reiterates its call on the Member States to comply with their obligations as regards national experts in order to avoid the need for the Office to rely on external contractors;
15. Notes with appreciation, with regard to staff well-being, that the Office has put in place internal measures such as seminars and courses, psychological and social support services, sources with tips to improve mental and physical well-being while teleworking, and language courses for staff and spouses for integration purposes;

Procurement

16. Notes that the Office launched 83 procedures in 2021, compared to 65 in 2020, 42,17 % of which were negotiated procedures with one candidate and 31,33 % of which were open calls;
17. Notes with appreciation that the Office is among the Union agencies that use the eProcurement tools of the Commission, in particular eNotices, eTendering and eSubmission; further notes that all internal procurement processes are fully digitalised by using Paperless and ERDMS; encourages the Office to continue its efforts towards the digitalisation of its public procurement procedures by considering the implementation and use of the Public Procurement Management Tool (PPMT);

Prevention and management of conflicts of interest and transparency

18. Notes that, according to the Office's reply to the discharge authority on declarations of interests, all staff sign a declaration of interests upon entry into service; notes that the declaration of interests of the executive director is published on the Office's website; notes that the CVs and declarations of interests of the members of the management board are published on the Office's website; calls on the Office to publish the CVs and declarations of interests of all the senior management members on its website;
19. Welcomes the progress made by the Office towards updating its policy for the management of conflicts of interest; notes that that policy will be based on three pillars: a decision of the management board that will apply to board members and member organisations of the Consultative Forum, a decision of the executive director that will include guidance on post-employment activities and ethical guidance and that will apply to staff, contracted experts and tenderers and beneficiaries of grants, and another decision of the executive director that will integrate the Ombudsman's European Code of Good Administrative Behaviour and public service principles; welcomes the Office's commitment to also take into account the recommendations from the Court's report on the 'revolving door' issue; calls on the Office to keep the discharge authority informed on the adoption of those decisions; further notes that no cases of conflicts of interest were reported, investigated or concluded in 2021;
20. Notes the Office's efforts to raise staff awareness on the whistleblowing procedure and the dedicated whistleblowing channels; further notes that in 2021 the Office organised four training sessions on ethics and integrity, which were attended by 33 participants, and two training sessions on respect and dignity, which were attended by 24 participants; highlights, however, that as regards the disclosure of the allegations of misconduct made against the senior management team and transmitted to the discharge authority in September 2022, the individuals who initiated this procedure did not go through the dedicated whistleblowing safe-channels provided by the Office;
21. Regrets that the Office has not updated its policy for the management and prevention of conflicts of interest, as was recommended by the Court in 2020;

Internal control

22. Notes that the Office performed an assessment of its internal control system in 2021, concluding that overall controls in place are working as intended with all components and principles being effective or fully effective, while some improvements are required; further notes the state of play in the Office as regards 81 corrective actions identified, of which 30 (37 %) are planned, 38 (47 %) are in progress and 13 (16 %) have been implemented; commends the fact that in 2021, 92 % of actions were implemented in a timely manner; notes that the Office's action plan stemming from its anti-fraud strategy for 2020–2022 was fully implemented in 2021;
23. Welcomes the fact that the Office addressed the Court's ongoing observation regarding the establishment of financial *ex post* controls; notes that in 2021 the Office implemented financial *ex post* controls in a number of areas, for the financial years 2020 and 2021, on the basis of a risk-based strategy; welcomes the report from the Office that final report observations, recommendations and corrective actions have been fully endorsed by the Office's management and shared with the internal audit service (IAS) and the Court; calls on the Office to keep the discharge authority informed of the follow-up in that regard;
24. Notes that in 2021, the IAS performed an audit on the Office's governance and IT project management, with no important or critical issues identified; further notes, with regard to that audit and the audit on the Office's human resources management and ethics performed by the IAS in 2020, that a number of recommendations and corrective actions are still open; calls on the Office to step up its efforts to close those actions and to continue the good practice of regularly updating and publishing its internal control self-assessment corrective action plan;
25. Notes that, following receipt of a report from OLAF at the end of 2018, which was extensively covered in the discharge report for 2018, the Office initiated three disciplinary procedures in 2019; notes that all three disciplinary procedures have been completed; calls on the Office to provide the discharge authority with further details about the outcome of those procedures;

Digitalisation and the green transition

26. Notes that the Office has an information and communications technology (ICT) policy in place, which includes information security standards and a working instruction on cybersecurity incident handling procedures; welcomes the cybersecurity measures taken in 2021, such as the setting up of an ICT security operations centre and the multifactor access controls to the Office's portfolio;
27. Commends the Office for the significant progress it has made toward digitalising and automating tasks regarding financial processes, mass payment system for deployed experts, recruitment and on-boarding of new staff, upgrades to the paperless application to enhance monitoring, follow-up and control of expenditure, the electronic storage of documents and the consultation of online pay-slips; notes that in 2021 the Office implemented four additional SYSPER modules;
28. Notes the Office's current environmentally friendly measures, such as operating a shuttle bus service for its staff, facilitating car-pooling schemes and bicycle parking or reducing physical routing slips through paperless workflows; calls on the Office to follow up on the reflection from recent years on developing its environmental strategy, with measures that have a stronger and long-lasting environmental impact; encourages the Office to take the necessary steps to obtain EMAS certification;

Business continuity during the COVID-19 crisis

29. Welcomes the adoption of the Office's business continuity plan on 31 March 2021, thus closing the Court's observation from 2020; notes that in 2021 the COVID-19 response team was replaced by the business continuity board, which addressed important business continuity issues in the second semester of the year; notes that the COVID-19 pandemic and the fact that the Office's entire selection procedure was moved online had an impact on the Office's organisation, including on its recruitment sector, which experienced a backlog from the previous year and delays in ongoing procedures;
30. Encourages the Office to put the lessons learned regarding remote and hybrid working methods into practice, in order to better organise what meetings and tasks could be carried out more efficiently remotely than in-person in the future; recalls that in fact-finding missions the focus shifted to other methods for collecting country of origin information and maintaining contact with sources; notes that that was done through remote data collection and the use of open source intelligence tools and techniques;

Other comments

31. Commends the Office for the efforts made to increase its public visibility in 2021 through various communication campaigns, including a campaign regarding the fact that the Office has become the European Union Agency for Asylum and the Office's new corporate identity, meetings held by the Consultative Forum, as well as collaborations with and consultations of civil society organisations in matters regarding training, thematic activities and key documents of the Office;
32. Welcomes the new updated Country of Origin Information Research Guide on the situation of LGBTIQ persons, which was published in November 2021 and which might assist lawyers, legal aid providers and judges working in the asylum procedure;
33. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁴⁾ on the performance, financial management and control of the agencies.

⁽⁴⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU, Euratom) 2023/1864 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Asylum Support Office (now the European Union Agency for Asylum – EUAA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0080/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office ⁽⁴⁾, and in particular Article 36 thereof,
- having regard to Regulation (EU) 2021/2303 of the European Parliament and of the Council of 15 December 2021 on the European Union Agency for Asylum and repealing Regulation (EU) No 439/2010 ⁽⁵⁾, and in particular Article 55 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0123/2023),

1. Approves the closure of the accounts of the European Asylum Support Office for the financial year 2021;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 132, 29.5.2010, p. 11.

⁽⁵⁾ OJ L 468, 30.12.2021, p. 1.

⁽⁶⁾ OJ L 122, 10.5.2019, p. 1.

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Asylum, 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

DECISION (EU) 2023/1865 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Banking Authority (EBA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Banking Authority for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0081/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0110/2023),
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 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 12.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

RESOLUTION (EU) 2023/1866 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Banking Authority (EBA) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0110/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Banking Authority (the 'Authority') for the financial year 2021 was EUR 49 132 610; whereas the Authority is primarily financed by a contribution from the Union (EUR 18 506 940), and contributions from national supervisory authorities of the Member States and observers (EUR 30 625 670);
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Banking Authority for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year commitment appropriations of 98,51 %, representing a decrease of 0,66 % compared to 2020; further notes that the rate of execution of current year payment appropriation was 83,99 % representing a decrease of 6,37 % compared to 2020;

Performance

2. Notes that the Authority continues to use certain measures as key performance indicators to assess the added value provided by its activities and other measures to improve its budget management; notes that Authority executed 91 % of its work programme, which included 21 % of additional tasks not initially foreseen in the planning;
3. Welcomes that the Authority has continued in 2021 to develop its synergies with the European Securities and Markets Authority, by providing accounting staff, and with the European Insurance and Occupational Pensions Authority by way of a shared information technology security function; also notes that the Authority participates in many inter-institutional procedures, with the result that in 2021, 90 % of 143 framework contracts were procured by other EU entities;
4. Is aware that the Authority continued to monitor the implementation of the Basel III regulatory framework and decided to make the Basel III monitoring exercise mandatory as of December 2021; notes that it carried out its biennial Union-wide stress test exercise, which was key in assessing the resilience of financial institutions to adverse market developments, particularly relevant in 2021 in the context of the COVID-19 crisis;
5. Underlines that the Authority finalised its resolvability guidelines; those guidelines represent a significant step in complementing the Union legal framework in the field of resolution based on international standards and leveraging on Union best practises;

(1) OJ C 112, 8.3.2022, p. 28.

6. Welcomes that in 2021 the Authority underwent meaningful organisational changes to reflect the shifting priorities of its mandate and work programme, with a new grouping of tasks and activities within core units and departments; notes that in particular the reorganisation saw the creation of new units to reflect the growing importance of topics such as digital finance, environmental, social and governance reporting and transparency, and anti-money laundering;

Staff policy

7. Notes that, on 31 December 2021, the establishment plan was 94,44 % implemented, with 153 temporary agents appointed out of 162 temporary agent posts authorised under the Union budget (compared to 145 authorised posts in 2020); notes that, in addition, 49 contract agents (50 authorised) and 20 seconded national experts (19 authorised plus 7 cost-free seconded national experts) worked for the Authority in 2021; notes that staff turnover amongst temporary agents, contract agents and seconded national experts has increased slightly to 12 % due to a number of seconded national experts coming to the end of their secondments (9 % in 2020);
8. Notes with satisfaction that the Authority employed staff of 28 nationalities, of whom 48,4 % are women and 51,6 % are men; is aware that at senior management level women accounted for 42,9 % as of June 2022; welcomes that improvement in gender equality at senior management level; welcomes the introduction of new team leader roles to help prepare the next generation of leaders and notes that 41,7 % of those roles are held by women;
9. Is aware that the Authority has put in place a policy on protecting the dignity of the person and preventing psychological and sexual harassment; notes that staff and managers undertook training on the prevention of sexual and psychological harassment and that four new confidential counsellors were appointed in 2021; also notes that the confidential counsellors held two awareness sessions for staff in 2021 about their role and the Authority's policy on the prevention of harassment; notes that following the investigation of one harassment case raised by a member of staff in 2020, the case was closed in 2021 with no evidence supporting the allegation after independent assessment;

Procurement

10. Acknowledges that, in 2021, the Authority completed three procurement procedures above the directive threshold and four calls for tenders in the form of negotiated procedures above EUR 15 000; further notes that the Authority increased its cooperation on procurement with the other European Supervisory Authorities and with Union agencies located in France;
11. Is concerned about the Court's observation that the Authority sought to obtain access to banks' debt and capital market data and concluded that the services it required could only be provided by two specific economic operators; notes that the Authority therefore entered into two separate negotiated procedures, for contracts worth EUR 100 000 and EUR 43 800, without the prior publication of a contract notice in accordance with point 11.1 (b) (ii) and (iii) of Annex I to the Financial Regulation; notes with concern that in both cases, the Authority failed to follow all the necessary procedural steps required by point 16 of Annex I to the Financial Regulation, such as sending an invitation to tender and drawing up tender specifications; calls on the Authority to ensure that all procurement procedures follow the procedural steps set out in the Financial Regulation, including those where the services being procured can only be provided by a single, unique economic operator;
12. Welcomes that the Authority has fully adopted and implemented e-procurement procedures; notes it is fully operating with the software suite made available by the Commission: e-Notices, e-Tendering, e-Submission, MyWorkplace, and Public Procurement Management Tool; commends that the procurement team has 100 % paperless working processes and uses Advanced Qualified Signature and Qualified Electronic Signature software to obtain approvals and signatures from both internal and external counterparties in procurement and contractual documents;

Prevention and management of conflicts of interest, and transparency

13. Underlines that under the Rules of Procedure of the board of supervisors, members of the board of supervisors who have a conflict of interest may not take part in the board of supervisors' discussions or vote on the matter in question; notes, however, that until June 2022, a member could remain present in the meeting if nobody objected; is concerned that this created a risk to the board of supervisors' independence; insists that the Authority takes the necessary steps to avoid any suspicion of conflict of interest and welcomes the steps taken by the Authority to strengthen the independence of members of the board of supervisors, management board and certain committees of the board of supervisors by ensuring that members with a conflict of interest do not attend discussions or voting on agenda items on which they are conflicted;
14. Notes with concern that in the Court's Special Report No 13/2021 'EU efforts to fight money laundering in the banking sector are fragmented and implementation is insufficient', the Court found that Authority's staff carried out thorough investigations of potential breaches of Union law, but the Court found written evidence of attempts to lobby panel members during the period when the panel was deliberating on a potential recommendation; also notes that in the end the board of supervisors rejected the draft recommendation; reiterates its call on the Authority to reinforce the rules to guarantee the independence of panel members during their deliberations and report to the discharge authority on the actions taken on this matter;
15. Notes that the Authority discloses all staff meetings with external private sector stakeholders and it does it fortnightly for the Chairperson (pursuant to Article 49a of Regulation (EU) No 1093/2010 of the European Parliament and of the Council ^(?)) and this is applied in the same way to the Executive Director (whereas Article 52a requires meetings of the Executive Director to be made public but does not specify how soon after they are held); notes that in the meetings of other staff with private sector stakeholders, disclosure is done on a quarterly basis;
16. Recalls that the Authority has a conflict of interest policy for staff, and a specific policy for members of the board of supervisors and the management board; notes that both policies require the annual declaration of any interest that creates a conflict with respect to activities falling under the Authority's scope of action and that have been conducted during the previous two years (as regards the boards) or the previous five years (for all staff); welcomes that both policies impose an obligation to declare situations of conflicts of interest not covered by the annual declarations, as unaddressed conflict-of-interest situations may compromise the enforcement of high ethical standards;
17. Acknowledges that on 29 September 2020, the European Ombudsman opened an inquiry concerning the refusal of the European Insurance and Occupational Pensions Authority to grant public access to the voting results and related reasoning concerning the decision of its board of supervisors on a draft regulatory technical standard on packaged retail and insurance-based investment products; underlines that the Authority also adopts such technical standards on the basis of the same procedures as European Insurance and Occupational Pensions Authority; notes that the Authority's board of supervisors decided on 29 May 2021 to adopt amendments to its own rules of procedure to provide for the inclusion of any vote on the adoption of draft regulatory or implementing standards in the records of board of supervisors meetings;
18. Insists on the need to put in place systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; calls on the Authority to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

^(?) 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 (OJ L 331, 15.12.2010, p. 12).

Internal control

19. Notes with concern that the Court found internal control weaknesses affecting recruitment procedures, including that the Authority did not establish in one procedure the minimum number of points that the candidates had to gain in order to be shortlisted before examining their applications which undermined the principles of transparency and equal treatment; urges the Authority to correct that shortcoming and to improve its recruitment procedures;
20. Is equally concerned that in another procedure the selection had been established by a series of e-mails rather than by a single nomination decision, so there was no complete audit trail for all the nominations; acknowledges, however, that following the audit, the Authority provided documentation to show that it had changed its processes;
21. Welcomes the reinforcement of the legal unit in January 2021 expanding its scope to cover all legal and compliance matters, including ethics, data protection, anti-fraud, risk management, whistleblowing and access to documents in addition to its traditional support to policy work; also notes that in 2021 a fraud risk assessment was conducted and a implementation plan was put in place; calls on the Authority to keep the discharge authority informed on the follow-up on the implementation of actions to further mitigate fraud risks;
22. Notes that the report on Self-Assessment of Internal Control Framework for year 2020 was approved by the Executive Director in December 2021; also notes that in 2021 the Authority awarded a contract to Deloitte for support and advice in enhancing the compatibility of the Authority's current risk management programme with the COSO Enterprise Risk Management Framework; further notes that the Internal Audit Service ran an in-depth risk assessment of the Authority in 2021 which resulted in a Strategic Internal Audit Plan covering the period from 2022 to 2024; calls on the Authority to keep the discharge authority informed about the result of those external assessments and the progress made and the implementation of the internal control framework;

Digitalisation and the green transition

23. Notes that the implementation of a collaboration platform has reduced email exchanges and created processes that are more efficient; is also aware of the implementation of an e-recruitment tool in 2022, automation of Interactive Single Rulebook and the use of electronic workflow tools in the area of finance and human resources are other ongoing initiatives;
24. Notes with concern that in 2021, the Authority was one of thousands of organisations that were subjects of a state actor's cyberattack exploring zero day vulnerability in Microsoft Exchange; acknowledges the Authority's reaction, stopping the breach, re-securing and fully restoring the service; encourages the Authority to work in close cooperation with European Union Agency for Cybersecurity (ENISA) and Computer Emergency Response Team for the Union institutions, bodies and agencies (CERT-EU) to carry out regular risk assessments of its information technology infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests to offer regularly updated cybersecurity-related training programmes to all members of staff, including management, within the Authority;
25. Recalls the importance of increasing the digitalisation of the Authority in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Authority to continue to be proactive in this regard in order to avoid a digital gap between the agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
26. Highlights that the Authority set up key environmental indicators with concrete objectives to demonstrate the efficiency and effectiveness of its environmental management system; welcomes that in 2021 the Authority completed key milestones in its journey towards Eco-Management and Audit Scheme (EMAS) certification which was obtained in August 2022;

27. Notes with appreciation from the follow-up to 2020 discharge that the Authority procures since 2021 all electricity from solar and wind sources; is aware of the Authority's goal to reduce meetings in its premises by 50 % and to equally reduce staff missions to decrease its carbon footprint;

Business continuity during the COVID-19 crisis

28. Notes that during COVID-19 period the Authority supported teleworking through a wide range of measures (various trainings on self-management skills, mindfulness sessions, wellbeing and sense of belonging activities, respect of the right to disconnect, financial contribution in home offices, development of collaborative tools/social network so that everyone can be heard and informed, staff survey, etc.) that contributed to develop staff autonomy, to increase productivity for certain type of work, to improve technology skills, to further tailor internal communication, to save commuting time, etc.; encourages the Authority to put the lessons learned regarding remote and hybrid working methods into practice, in order to better organise what meetings and tasks could be carried out more efficiently remotely than in-person in the future; recalls that the Authority achieved favourable results in terms of participation in hybrid events;

Other comments

29. Calls on the Authority to continue to develop its synergies (for instance human resources, building management, information technology services and security) and to reinforce its cooperation, its exchange of good practices and its discussions regarding areas of mutual interest with other Union agencies with a view to improving efficiency;
30. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽³⁾ on the performance, financial management and control of the agencies.

⁽³⁾ Texts adopted, P9 TA(2023)0190.

DECISION (EU) 2023/1867 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Banking Authority (EBA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Banking Authority for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0081/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0110/2023),
1. Approves the closure of the accounts of the European Banking Authority for the financial year 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 12.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1868 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control (ECDC) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0082/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽⁴⁾, and in particular Article 23 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
- having regard to the report of the Committee on Budgetary Control (A9-0146/2023),

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 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 142, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1869 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control (ECDC) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the Special Report No 13/2022 of the Court of Auditors,
 - having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
 - having regard to the report of the Committee on Budgetary Control (A9-0146/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Centre for Disease Prevention and Control (the 'Centre') for the financial year 2021 was EUR 168 115 000, representing an increase of 169,03 % compared to 2020, due to new activities assigned to the Centre with the launch of the European Health Emergency Preparedness and Response Authority (HERA); whereas approximately 98,74 % of the Centre's budget derives from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Centre's annual accounts for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year commitment appropriations of 99,35 %, representing an increase of 2,58 % compared to 2020; notes that the current year payment appropriations execution rate was 64,08 %, representing a decrease of 11,18 % compared to the previous year;
2. Notes that, in 2021, the implementation of the Centre's Strategy 2021-2027 was slow due to the COVID-19 pandemic and to the new obligations imposed on the Centre in the context of the establishment of HERA; calls on the Commission to grant to the Centre the necessary resources to fulfil the objectives of the Strategy 2021-2027 and to implement the Centre's mandate in accordance with the revised Regulation (EC) No 851/2004 of the European Parliament and of the Council ⁽²⁾;

Performance

3. Commends the Centre's continuous work on the COVID-19 pandemic, and, in particular, the improvement of the processes related to public health events, based on the lessons learned from the pandemic and international benchmarking; notes, however, that the implementation of some outputs in the Centre's public health emergency plan was postponed;

⁽¹⁾ OJ C 141, 29.3.2022, p. 39.

⁽²⁾ Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for disease prevention and control (OJ L 142, 30.4.2004, p. 1).

4. Notes that the Centre delivered 74 % of the outputs planned in its Single Programming Document 2021–2023; notes that 16 % of the Centre's planned outputs had not yet started at the end of 2021 or were delayed; notes that most of the delays in delivering the planned 2021 outputs were due to the high COVID-19 pandemic-related workload of the Centre, in Member States and/or partner organisations; notes that, in 2021, the Centre was involved in many activities connected to COVID-19, such as the conduct of epidemiological surveillance related to COVID-19, and publication of scientific guidance to support public health decision-making, amongst others;
5. Notes the Centre's efforts in relation to the preparation of the structure for HERA, and the request for the Centre to support Member States in setting up and/or expanding their whole genome sequencing capacities and capabilities through grants;
6. Notes that the Centre continues to develop and implement a new indicator-based European surveillance system in EpiPulse with the aim of progressively covering COVID-19 and all other diseases and health conditions under the Union's surveillance; calls on the Centre to inform the discharge authority continuously on the development of that system;
7. Notes that the Centre held its third joint strategy meeting with its key stakeholders in 2021, and that the themes for discussion were chosen based on the third external evaluation amongst others;
8. Welcomes the collaboration of the Centre with other Union agencies, such as the collaboration with the European Medicines Authority (EMA) to establish a new vaccine monitoring platform; notes that the Centre has extended its goal of increasing health security in the Union to strengthen cooperation and coordination between the Centre and partners in non-Union countries;
9. Welcomes the fact that the Centre continues to share best practices and regularly works with other Union agencies, most notably the European Food Safety Authority, EMA and the European Monitoring Centre for Drugs and Drug Addiction; acknowledges, furthermore, that the Centre participates in interinstitutional procurement procedures organised by other Union agencies; encourages the Centre to actively seek further and broader cooperation with relevant organisations and associations, national competent bodies and international organisations such as the World Health Organization, while avoiding any duplication of existing guidelines;

Staff policy

10. Notes that, on 31 December 2021, the establishment plan was 95,2 % implemented, with 198 temporary agents appointed out of 208 temporary agents authorised under the Union budget (compared to 180 authorised posts in 2020); notes that, in addition, 112 contract agents and 5 seconded national experts worked for the Centre in 2021;
11. Notes with concern the lack of gender balance within the Centre's senior management, with four out of six (66,67 %) being men; notes the gender balance distribution among the Centre's overall staff, with 170 out of 271 (62,73 %) being women; calls on the Centre to take concrete measures to achieve gender balance at all levels of the Centre's hierarchy as soon as possible and report back to the discharge authority; recalls also the importance of ensuring a balanced geographical representation among the Centre's management and staff;
12. Notes that the Centre has a policy on protecting the dignity of the person and preventing harassment; welcomes the fact that in addition to the intranet webpage on 'Respectful Working environment', the Centre provided new and existing staff with an online 'Welcome programme' that explains the policy and definitions of harassment and how to report cases of harassment; takes note that in 2021 no harassment cases were reported, concluded internally or taken before the Court of Justice of the European Union; notes, moreover, that a project on respect in the workplace was launched in 2021;
13. Notes that the Centre was provided with 73 additional posts to be recruited during the period 2021 to 2024 (compared to 46 posts for 2021) due to the prolonged sanitary crisis and the impact of the large HERA grant that the Centre received in 2021; notes, moreover, that as a consequence the 20 short-term contract agent posts assigned to the Centre in 2020 are expected to be phased out by 2023;

14. Recalls the importance of developing a long-term human resources policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;

Procurement

15. Notes that the Centre concluded a total of 257 contracts in 2021, covering 21 framework contracts, 14 direct contracts and 131 specific contracts; notes that the Centre also concluded 27 framework partnership agreements, 24 action grants to national public health authorities, and 40 specific grant agreements in 2021; notes that the Centre has joined 20 interinstitutional and inter agency contracts, which result from procurement procedures carried out by other entities and under which the Centre may purchase products or services;

Prevention and management of conflicts of interest, and transparency

16. Notes the Centre's existing measures and ongoing efforts to secure transparency, and for the prevention and management of conflicts of interest, and whistleblower protection; notes with appreciation the concrete three-stage assessment of the presence of potential conflicts, such as the collection of declarations of interests, revision, and assessment of any identified conflicts and a decision on appropriate action to ensure the independence of the Centre; notes, moreover, that according to the replies to the standard questionnaire, the Centre had no actual conflicts of interest reported to its Declarations of Interests Review Committee in 2021;
17. Notes that, in 2021, the Centre was in the process of implementing its internal procedure on conflicts of interest for staff, and that the compliance officer and human resources section collaborate on implementing that procedure; calls on the Centre to report on the developments in this regard;
18. Insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; calls on the Centre to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;
19. Points to the strategic inquiry launched by the European Ombudsman, and concluded in 2021, into how the Centre gathered and communicated information during the COVID-19 pandemic, with a focus on the early stage of the crisis; regrets the European Ombudsman's findings that the Centre did not dispose of sufficient measures to obtain all necessary information from Member States; welcomes the steps taken by the Centre to put in place measures to make it easier for the public to follow the evolution of its scientific advice and to see the data underlying its scientific assessments; calls on the Centre to ensure full transparency in publishing scientific studies and to enhance its external communications capacity as regards the general public by ensuring that all key information, especially related to public health emergencies is available in all Union languages and easily accessible to Union citizens;

Internal control

20. Notes that the final report of the Internal Audit Service (IAS) in relation to its audit on human resource management and ethics in the Centre in 2020 was received by the Centre in January 2021; notes that the audit resulted in four recommendations, two of which were classified as very important and two as important, and that the Centre implemented one recommendation and the implementation of the other three was planned for the end of 2022; calls on the Centre to report to the discharge authority on the implementation of the actions planned; notes, moreover, that in 2021, the IAS performed a limited review of the implementation of the new internal control framework, and that the audit made four recommendations, all of which were classified as important; calls on the Centre to report to the discharge authority on any development in that regard;

21. Notes that the Centre's 2021 self-assessment regarding the implementation of the internal control framework showed that the internal control system is in place and functioning, but some improvements are needed; notes, in particular, the objective of the Centre to develop an internal communications policy based on the overall Centre communication policy 2021-2027, including communication on the objectives and responsibilities of internal control; calls on the Centre to report to the discharge authority on the developments in that regard;
22. Recalls the importance of strengthening management and control systems to ensure the proper functioning of the Centre; strongly insists on the need for effective management and control systems to avoid potential conflicts of interest, missing *ex-ante/ex-post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

23. Notes that the Centre's premises is certified as a 'Green building' and that, furthermore, it has received the environmental certification 'BREEAM Very Good in use' in 2020; welcomes the fact that the Centre's electricity is 100 % provided by hydro-powered energy; notes that the Centre finalised the first phase of the implementation of its environmental management system based on the European Eco-Management Audit Scheme (EMAS); calls on the Centre to report to the discharge authority on any development in that regard;
24. Welcomes the fact that during the period from 2020 to 2022 the Centre was able to retrieve and disseminate COVID-19 epidemiological data worldwide through an automation of web searching; welcomes the collaboration within the European Health Data Space and the preparation of a pilot project;
25. Notes that, in 2021, the Centre continued to be attacked by cybercriminals and hackers, and that in response the Centre implemented additional cyber-security measures, such as Microsoft Defender, forensic tools for deep analysis, an information security management system and privilege access/identity management; notes that the Centre has created a cybersecurity policy and also increased its IT security staffing and notes, furthermore, that the Centre was in the process of setting up a security authority; calls on the Centre to follow the recommendations made by the Court in its special report on Cybersecurity of EU institutions, bodies and agencies (EUIBAs) ⁽³⁾, in which the Court asks EUIBAs to have an IT security risk management framework covering the entirety of their IT infrastructure and carry out regular risk assessments, and to provide systematic awareness training for all staff, including management; in this context welcomes the recently adopted cybersecurity policy covering all aspects from business needs and wants, to people skills and awareness and to technical security; calls on the Centre to report to the discharge authority on any developments in that regard;
26. Recalls the importance of increasing the digitalisation of the Centre in terms of internal operation and management but also in order to speed up the digitalisation of procedures; invites the Centre to switch to paper-less document management and internal processes where possible; stresses the need for the Centre to continue to be proactive in this regard in order to avoid a digital gap between the agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
27. Encourages the Centre to work in close cooperation with ENISA (European Union Agency for Cybersecurity) and CERT-EU (Computer Emergency Response Team for the Union Institutions, bodies and agencies) and to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests to offer regularly updated cybersecurity-related training programmes to all staff members, including management, as a key element in an effective cybersecurity framework within the Centre;

⁽³⁾ Special Report No 05/2022 'Cybersecurity of EU institutions, bodies and agencies: Level of preparedness overall not commensurate with the threats', p. 44.

Business continuity during the COVID-19 crisis

28. Welcomes the Centre's commitment to keeping the start date of the Centre's Fellowship Programme for Cohort 2021, which provides a direct contribution to strengthening response capacity to tackle cross-border threats, through the provision of all-online modules;
29. Welcomes the fact that, throughout 2021, the Centre continued to be highly involved in the work to curb the COVID-19 pandemic; notes that the Centre's main activities during this period were related to the support of vaccination strategies and vaccine deployment plans, the application of surveillance and epidemic intelligence, behavioural insights into vaccination acceptance and uptake, the assessment of risks and concerns and the establishment of a COVID-19 forecasting hub; underlines that the Centre conducted and published 22 rapid risk/outbreak assessments and responded to over 600 requests from stakeholders; notes that the Centre also continued the production of the weekly COVID-19 policy briefs and the publication of maps in support of the Council Recommendation on a coordinated approach to travel measures in the EU;
30. Notes that, in 2021, the Centre finalised the implementation of the recommendations from 'The external strategic and performance review of the ECDC response to COVID-19' carried out by the Centre in 2020;

Other comments

31. Notes that the Court, in its Special Report No 13/2022 ⁽⁴⁾, found that the Centre does not comprehensively assess the usefulness and impact of its guidance and calls on the Centre to obtain regular feedback from its stakeholders to fill this gap;
32. Welcomes the fact that the Centre continued to have a high level of attention in the media, social media and through its websites in 2021, in connection with the natural evolution of the COVID-19 pandemic; notes that the Centre's website had over 18 million page views in 2021, a decrease compared to 32 million in 2020; notes that the Centre's press and media team handled 963 media requests, as opposed to approximately 1 917 the year before; notes that the Centre observed an increase of 18 % in the number of followers on Twitter and a 44 % increase in the number of fans and followers on Facebook; encourages the Centre to continue this trend and to consider sharing the best practices among other Union agencies to maximise dissemination of their activities among the general public;
33. Welcomes the Centre's active engagement in the Joint Action TERROR addressing gaps in the health preparedness of the Member States and to strengthen response to biological and chemical terror attacks; calls on the Centre to further increase its commitment to addressing security threats;
34. Calls on the Centre to continue to develop its synergies (for instance human resources, building management, IT services and security), its cooperation and its exchange of good practices with other Union agencies with a view to improving efficiency;
35. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁵⁾ on the performance, financial management and control of the agencies.

⁽⁴⁾ Special Report No 13/2022 'Free movement in the EU during the COVID-19 pandemic: Limited scrutiny of internal border controls, and uncoordinated actions by Member States', p. 41.

⁽⁵⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1870 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Centre for Disease Prevention and Control (ECDC)
for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0082/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽⁴⁾, and in particular Article 23 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
 - having regard to the report of the Committee on Budgetary Control (A9-0146/2023),
1. Approves the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 142, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1871 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Chemicals Agency (ECHA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0083/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC ⁽⁴⁾, and in particular Article 97 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
- having regard to the report of the Committee on Budgetary Control (A9-0133/2023),

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 2021;
2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 396, 30.12.2006, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1872 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Chemicals Agency (ECHA) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
 - having regard to the report of the Committee on Budgetary Control (A9-0133/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Chemicals Agency (the 'Agency') for the financial year 2021 was EUR 110 728 826 representing an increase of 1,25 % compared to 2020; whereas approximately 26 % of the Agency's budget derives from fees and charges and 72 % from the Union and third countries;
- B. whereas the Court of Auditors (the 'Court') in its report on the annual accounts of the Agency for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year commitment appropriations of 98,39 %, representing a slight decrease of 0,10 % compared to 2020 and that the current year payment appropriations execution rate was 86,23 %, representing a decrease of 1,31 % in comparison to 2020;
2. Notes that, the Agency is financed by fees paid by industry and a balancing Union contribution in accordance with Regulation (EC) No 1907/2006 of the European Parliament and of the Council ⁽²⁾, Regulation (EC) No 1272/2008 of the European Parliament and of the Council ⁽³⁾ and Regulation (EU) No 528/2012 of the European Parliament and of the Council ⁽⁴⁾, and by a Union contribution in relation to activities in accordance with a number of Environmental directives and international conventions; notes, moreover, that in 2021 the Agency collected fee and charges income totalling EUR 30 198 445, while it received EUR 79 665 478 (including third countries' contributions) from the Union budget and EUR 4 349 206 from contributions under specific agreements; recognises that, since the final registration deadline under Regulation (EC) No 1907/2006 in 2018, the Agency's fee income has significantly decreased, requiring it to rely increasingly on the Union to finance its operations;

⁽¹⁾ OJ C 141, 29.3.2022, p. 120.

⁽²⁾ Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 396, 30.12.2006, p. 1).

⁽³⁾ Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1).

⁽⁴⁾ Regulation (EU) No 528/2012 of the European Parliament and of the Council of 22 May 2012 concerning the making available on the market and use of biocidal products (OJ L 167, 27.6.2012, p. 1).

3. Stresses the need to address the lack of predictability of the Agency's fee income; calls on the Commission to present its proposal to strengthen the governance of the Agency and increase the sustainability of its financing model without delay, in line with its commitment expressed in the Chemicals Strategy for Sustainability ⁽⁵⁾;

Performance

4. Notes that the Agency reviewed the strategic plan for 2019-2023; notes that the Agency achieved 194 out of 214 actions and outputs set in the 2021 work programme and that the remaining 18 actions and outputs were not met mainly due to the COVID-19 pandemic, specifically, to delayed or less than foreseen input received from partners; appreciates that the key performance indicators were fulfilled and the fact that the Agency has drawn attention to measures that can improve the efficiency and effectiveness of the Agency's work; however recommends that the Agency takes note of the indicators that have not yet been achieved or are lagging behind;
5. Observes that the Agency is the driving force among regulatory authorities in implementing the Union's chemicals legislation for the benefit of human health and the environment, as well as for innovation and competitiveness; notes that the Agency provides information on chemicals, helps companies comply with legislation and promotes the safe use of chemicals;
6. Notes the Agency's achievements in the field of identification and risk management of substances of concern, which include, amongst others, a total of 371 compliance checks conducted in 2021 and the provision of the draft evaluation and the draft risk profile for two substances, aimed at identifying new persistent organic pollutants; notes the achievements in the field of safe and sustainable use of chemicals by industry, which include, amongst others, the obligation to notify hazardous mixtures for professional and consumer use that started in 2021; notes the Agency's achievements in the field of sustainable management of chemicals through the implementation of Union legislation, in particular, the ad hoc support provided to the Commission in the early phase of implementing the Chemicals Strategy for Sustainability;
7. Welcomes the fact that the Agency has stepped up its compliance monitoring efforts and has been largely successful in detecting non-compliant registrations and in following up on companies that need to clarify the data supplied; notes with concern that, despite those efforts, approximately 40 % of those companies are still non-compliant; notes that enforcement in cooperation with Member States is a time-consuming process and cases could be resolved more quickly if the Agency had the legislative means at its disposal to withdraw registration numbers from companies that do not comply with the rules;
8. Notes that the Agency collaborates closely with other Union agencies, such as the European Food Safety Authority, the European Centre for Disease Prevention and Control and the European Medicines Agency, by means of memoranda of understanding; underlines the importance of such an approach, in order to ensure that the work of each agency is consistent with that of the other agencies and to meet the requirements of sound financial management; welcomes the sharing of services and encourages cooperation among the Union agencies where possible;
9. Notes that in 2021 the Agency started a joint project with the European Environment Agency to support the Commission with developing a framework of indicators on chemicals to monitor the drivers and impacts of chemical pollution and measure the effectiveness of chemicals legislation;
10. Observes that the Agency provided scientific-technical support to the Commission in the implementation of the Chemicals Strategy for Sustainability, and that it has published its five-year report on the operation of Regulation (EC) No 1907/2006 and of Regulation (EC) No 1272/2008 ⁽⁶⁾;

⁽⁵⁾ Chemicals Strategy for Sustainability: Towards a Toxic-Free Environment, COM(2020) 667, 14 October 2020, p. 16.

⁽⁶⁾ Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1).

Staff policy

11. Notes that, on 31 December 2021, the establishment plan was 97,41 % executed, with 453 temporary agents appointed out of 467 temporary agents authorised under the Union budget (compared to 463 authorised posts in 2020); notes that in addition 130 contract agents and 3 seconded national experts worked for the Agency in 2021;
12. Underlines the necessity of ensuring that the Agency's staffing is adequate and reflects the needs of the European Green Deal, the Union Chemical Strategy for Sustainability, the Circular Economy Action Plan and the zero pollution ambition in particular;
13. Regrets that the high gender imbalance within the Agency's senior and middle management increased, with 27 (82 %) positions occupied by men and 6 (18 %) by women; notes that the Agency reports, for the management board, a gender balance distribution of 15 men (42 %) and 21 women (58 %) and, for staff overall, 261 men (46 %) and 312 women (54 %); welcomes the fact that in March 2022, the Agency adopted its Charter on Diversity and Inclusion, which aims to increase the ratio of underrepresented genders at both support and management levels; calls on the Agency to take concrete measures to achieve gender balance at all levels of the Agency's hierarchy as soon as possible and report back to the discharge authority;
14. Notes that the Agency has an anti-harassment policy and related guidelines in place; welcomes the fact that in 2021 the Agency organised harassment prevention training for all staff; acknowledges that the management is promoting appropriate behaviour by organising meetings between the staff and confidential counsellors and offering mediation in cases of conflict through trained mediators in the workplace;
15. Recalls the importance of developing a long-term human resources policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;

Prevention and management of conflicts of interest, and transparency

16. Notes with appreciation the fact that the Agency continues to publish on its website the CVs of all members of the management board and its committees, including those of its chairs who are Agency staff members, of the Executive Director and of all members of the board of appeal; welcomes the fact that the Agency's conflicts of interest prevention policies cover the whole duration of the employment of staff and that, to safeguard independence, the external experts who participate in the scientific committees, management board and enforcement forum are screened against six targeted eligibility criteria;
17. Notes that no cases of whistleblowing were reported in 2021; notes with satisfaction that the Agency has put in place the necessary framework governing the protection of whistleblowers at the Agency level;
18. Insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; notes nevertheless that members of the Agency's staff must notify new occupational activities for the first two years after leaving the service of the Agency and that the Agency can forbid the new activity or impose conditions in relation to the new activity; notes that the Agency's Anti-Fraud Strategy was revised by the Agency's management board in December 2016; calls on the Agency to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Internal control

19. Notes that in 2021 the Internal Audit Service (IAS) did not conduct a specific audit, focusing on the preparation of the strategic audit plan for 2022-2024; notes with satisfaction that the follow-up of the 2020 audit on integrated regulatory strategy concluded that all recommendations can be closed; notes with satisfaction that the IAS closed the remaining open recommendations from the follow-up audit on performance management conducted in 2020;
20. Notes that the Agency's internal audit capability conducted three assurance audits on the regularity and the quality of internal control systems and the efficiency and effectiveness of the operations; notes that the first audit on the identification and evaluation of environmental aspects at the Agency resulted in three recommendations; notes that the second audit on the planning, monitoring and reporting process of the Agency resulted in five important recommendations; notes that the third audit on the biocidal active substances approval (under the Review Programme) process resulted in five recommendations (including one very important recommendation);
21. Notes that the Agency's internal audit capability conducted two follow-up audits to verify the implementation of the action plans, which reached the conclusion that one very important and two important actions are still being implemented; calls on the Agency to report to the discharge authority any developments in that regard;
22. Recalls the importance of strengthening management and control systems to ensure the proper functioning of the Agency; strongly insists on the need for effective management and control systems to avoid potential conflicts of interest, missing *ex-ante/ex-post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

23. Notes with satisfaction that in 2021 the Agency implemented a mandatory security awareness-raising campaign and implemented more advanced email protection measures, involving security features like sandboxing of email attachments, safe links for URLs in the email messages and advanced detection, among others; notes with appreciation that the Agency has improved the capability of detection of any ongoing intrusion and misuse of identities in order to detect further advancement to more critical systems after having initial unauthorised access to one of lower profile Agency system;
24. Notes that the Agency applies and follows state-of-the-art security practices in order to protect confidential information at rest in the Agency's Information Systems and in transit with authorised users such as Member State authorities, and that it regularly validates the effectiveness of the security measures in place by performing internal risk assessments and vulnerability assessments as well as security testing executed by independent security experts;
25. Notes that the Agency developed an environmental work programme for 2020-2022, that sets targets to decrease the consumption of natural resources, to lower waste and to reduce the carbon footprint of the Agency; notes with satisfaction that the Agency's ISO 14001 certified environmental management system (EMS) successfully underwent a surveillance audit, an internal audit, an external environmental review and an environmental verification audit;
26. Recalls the importance of increasing the digitalisation of the Agency in terms of internal operation and management, but also in order to speed up the digitalisation of procedures; stresses the need for the agency to continue to be proactive in this regard in order to avoid a digital gap between the agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

27. Encourages the Agency to work in close cooperation with ENISA (European Union Agency for Cybersecurity) and CERT-EU (Computer Emergency Response Team for the EU Institutions, bodies and agencies) and to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests to offer regularly updated cybersecurity-related training programmes to all staff members within the Agency; calls on the Agency to develop its cybersecurity policy more swiftly, deliver it before 31 December 2023 and report back to the discharge authority;

Business continuity during the COVID-19 crisis

28. Notes that following previous years' large-scale and long-term teleworking, the Agency has put efforts into introducing new kinds of awareness raising for the staff; notes that in 2021 the Agency organised the 18th Security Officers Network annual meeting, discussing matters related to the new identity management tool, IT and IT-security implications of the Chemicals Strategy for Sustainability;

Animal testing

29. Highlights the fact that the Agency has continued its efforts to phase out animal testing in Europe to the extent possible under the current regulatory framework; welcomes the fact that the Agency introduced a mandate for non-animal methods into its Computational Assessment Unit B2; acknowledges that this is a necessary step in the right direction, but it is not sufficient; encourages the Agency therefore to work with all stakeholders in order to accelerate the transition to full use of non-animal methods for chemical safety testing; reiterates that the law requires companies to use alternative methods whenever possible, so companies should only carry out tests on animals as a last resort;
30. Encourages the Agency to establish a taskforce focused on reducing and replacing animal testing;
31. Welcomes the fact that the Commission will work together with the Agency on a roadmap to identify the need for a transition to an animal-free system for regulating industrial chemicals; is of the opinion that European Food Safety Authority and European Medicines Agency should be part of the team working on the roadmap; calls for the roadmap to contain ambitious and far-reaching milestones to accelerate the regulatory use and acceptance of non-animal methods;

Other comments

32. Notes that in 2021 fire safety training and evacuation training courses were organised for all corporate services staff, as well as separate training sessions for service providers in the Agency's premises; welcomes the fact that the Emergency Rescue Plan was updated and communicated to the Helsinki Rescue Authorities; notes that radiation safety training was organised for the Agency's Radiation Safety Officer by the Finnish certified training organisation;
33. Notes that in 2021 the Agency continued to promote its work through media, that resulted in more than 4 000 clippings, 58 % of the coverage being in general media; notes that the Agency's staff continued active sharing of content via their own social media channels, and that the Agency was active on social media (Twitter, LinkedIn and Facebook) in 2021, and that the Agency worked together with Member States and stakeholders on joint campaigns, such as on the Unique Formula Identifier code;
34. Encourages the Agency to continue to develop its synergies (for instance human resources, building management, IT services and security), and to reinforce its cooperation, its exchange of good practices and its discussions regarding areas of mutual interest with other Union agencies with a view to improving efficiency;

35. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁷⁾ on the performance, financial management and control of the agencies.
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⁽⁷⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1873 OF THE EUROPEAN PARLIAMENT
of 10 May 2023
on the closure of the accounts of the European Chemicals Agency (ECHA) for the financial year 2021

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0083/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC ⁽⁴⁾, and in particular Article 97 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
- having regard to the report of the Committee on Budgetary Control (A9-0133/2023),

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 396, 30.12.2006, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the European Chemicals Agency for the financial year 2021;
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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

DECISION (EU) 2023/1874 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Environment Agency (EEA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0084/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ⁽⁴⁾, and in particular Article 13 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
- having regard to the report of the Committee on Budgetary Control (A9-0143/2023),

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 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 126, 21.5.2009, p. 13.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1875 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Environment Agency (EEA) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
 - having regard to the report of the Committee on Budgetary Control (A9-0143/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Environmental Agency (the 'Agency') for the financial year 2021 was EUR 64 867 177 representing a decrease of 27,64 % compared to 2020; whereas the Agency's budget derives mainly from the Union budget and the EFTA contribution (79,26 %) and the contributions under specific agreements (20,73 %), in particular for the Copernicus programme;
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of 100 % of the current year commitment appropriations, representing a slight increase of 0,04 % compared to 2020; notes that the current year payment appropriations execution rate was 84,90 %, representing a decrease of 1,18 % compared to the previous year;

Performance

2. Notes the Agency's achievements in the areas of biodiversity and ecosystems, climate change mitigation and adaptation, human health and the environment, circular economy and resource use, sustainability trends, prospects and responses, and, in particular, with regard to the specific objective to deliver assessments and indicators in support of Union sustainability ambitions; notes moreover that 2021 was the first year of implementation of the EEA-Eionet Strategy 2021–2030, which is aligned with the Union's policy priorities;
3. Stresses that the Agency provides sound, independent information on the environment; commends the quality of its outputs released in 2021, such as the launch of the MapMyTree tool, under the 3 billion trees commitment of the EU biodiversity strategy; the support to the negotiations on the European Climate Law and the establishment of the European Scientific Advisory Board on Climate Change; and the launch of a new web portal to support noise reporting;
4. Notes that the Agency uses key performance indicators (KPIs) aimed at monitoring quantitatively the Agency's performance in relation to its operational work planning, delivery of the annual work programme and financial and human resource management, among others; notes, in particular, the 2021 delivery rate of 89 % achieved as regards key reports and assessments, which was slightly below target, and the budget execution rate of 95,2 % measured as a percentage of payments executed within the legal/contractual deadline; appreciates that the KPIs were fulfilled and the fact that the Agency has drawn attention to measures that can improve the efficiency and effectiveness of the Agency's work; however recommends that the Agency takes note of the indicators that have not yet been achieved or are lagging behind;

(1) OJ C 141, 29.3.2022, p. 12.

5. Notes that in 2021 the Agency maintained effective cooperation with Eionet, Union institutions, as well as global actors; notes with appreciation the key role the Agency has played in supporting environmental and climate actions implementing Union policies, the European Green Deal and the proposal for the Eighth Environment Action programme (the '8th EAP');
6. Recalls that, in 2021, the Agency undertook new tasks supporting the delivery of the Union's environment ambitions as part of the European Green Deal and the 8th EAP, also contributing to the Union's global commitments, thus strengthening the Agency's position as a major source for policy-relevant environmental information;

Staff policy

7. Notes that, on 31 December 2021, the establishment plan was 99,28 % implemented, with 3 permanent officials and 136 temporary agents appointed out of 140 posts authorised under the Union budget (compared to 130 authorised posts in 2020); notes that, in addition, 79 contract agents and 18 seconded national experts worked for the Agency in 2021; is of the opinion that in order to properly perform the tasks on the Union's path to climate neutrality, a circular economy and nature restoration, the number of staff within the Agency should grow in the years to come; recalls that according to the Commission's proposal on a regulation on nature restoration, in order to monitor the goals of that future regulation alone, 12 additional posts will be needed; points out that policymakers rely on the expertise and support of the Agency in implementing the reforms required to achieve a climate-neutral future; calls therefore on the Agency and the Commission to carry out an evaluation of the possibilities in that regard and report back to the discharge authority; stresses that inadequate resources for the Agency may undermine the ability of the institutions to deliver on commitments in relation to the European Green Deal;
8. Notes with concern the lack of gender balance among the Agency's senior management members, with 6 out of 9 (67 %) being men; notes the gender balance within the Agency's management board, with 18 out of 38 (47 %) being men; notes the gender balance within the Agency's overall staff, with 112 out of 206 (54 %) being women; calls on the Agency to take concrete measures to increase gender balance at all levels of the Agency's hierarchy as soon as possible and report back to the discharge authority;
9. Notes, from the follow-up to the 2020 discharge report, that, in regard to staff policy, the Agency developed a multiannual human resources framework policy aligned to the EEA-Eionet Strategy 2021–2030 addressing five focus areas; notes moreover, that the Agency has a well-being coordinator;
10. Notes, from the follow-up to the 2020 discharge report that, concerning the legislation for sustainable finance, the Agency allocated one additional temporary agent to work on sustainable finance in 2021, and that this post has been planned to be valid only for three years in the financial fiche, and thereafter the Agency will not be in a position to continue these support tasks at the current level;
11. Notes that the Agency continues to report its assessment of resource needs to the Commission; further notes that after a discussion with the Commission, new legislation will cover support functions and that the Agency has stated that the additional support post in relation to the future Regulation on Nature Restoration Law will not be sufficient;
12. Notes with satisfaction that the Agency has a policy on protecting the dignity of the person and preventing psychological and sexual harassment supported by, inter alia, an e-learning course about ethics and integrity; notes that the Agency provides a confidential counsellor network and practical information on how to report alleged harassment and contact a confidential counsellor on its intranet;
13. Recalls the importance of developing a long term human resource policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and their opportunities are widely promoted;

Procurement

14. Notes that the Agency continues to actively pursue joint procurement procedures with the Commission by means of framework contracts, as well as to use a variety of Commission systems and services;
15. Notes from the Court's report that the Agency amended a framework service contract for the provision of repair and maintenance services by doubling the initial maximum budget from EUR 500 000 to EUR 1 000 000, and that the justification used was the derogation applicable to negotiated procedures without prior publication, for which the conditions were not met, and that, moreover, conditions of the Financial Regulation that allow contracts to be modified without a new procurement procedure were not met; notes with concern that the Court finds that the amendment was irregular; notes, moreover, that in 2021 there were no related payments;
16. Recalls the importance, for all procurement procedures, of ensuring there is fair competition between tenderers and of procuring goods and services at the best price, respecting the principles of transparency, proportionality, equal treatment and non-discrimination; requests that the e-procurement IT tools developed by the Commission be implemented; calls for an updated clarification of the procedures and templates in the procurement guidelines; notes with concern the Court's observation that public procurement weaknesses are increasing and remain the largest source of irregular payments for most of the Union agencies;

Prevention and management of conflicts of interest, and transparency

17. Acknowledges the Agency's existing measures and ongoing efforts to prevent and manage conflicts of interest, and to provide whistleblower protection; notes that there were no open, closed or ongoing whistleblowing cases in 2021; notes that there were no cases of conflict of interest reported in 2021;
18. Notes, from the follow-up to the 2020 discharge report, that the Agency continues to keep track of submitted CVs and declarations of interests and reminds management board members to submit theirs, on voluntary basis, in the event they have not been submitted yet;
19. Insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; calls on the Agency to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Internal control

20. Acknowledges the structural change that followed the launch of the project 'Future workplace'; notes the preparation for the quality management system improvement project to remedy the weaknesses identified, such as only partial compliance in the framework components of the control environment, control activities and information and communication;
21. Notes with concern from the Court's report that a framework contract for the provision of canteen and catering services on the Agency's premises was extended on two separate occasions, that for the first extension the Agency did not file an exception note, which is not in line with the Agency's internal control standards that require that all deviations be documented, justified and approved; notes, furthermore, with concern that regarding the second extension the Agency drew up an exception note to the file, but did not file it in the central register of exceptions; notes the Agency's reply that the COVID-19 pandemic hindered the planning and the launch of a call for tenders for a new service framework contract; calls on the Agency to strengthen its internal control system in that regard;

22. Notes from the Court's report that in a service contract for the provision of the geographic information system support services, the Agency used a contract amendment to extend the performance of the services by one month, from 28 February 2021 to 31 March 2021; notes with concern that the amendment only entered into force on 22 March 2021, when signed by both contracting parties, effectively leaving a period of 22 days of service provision with no contract; notes that although the Agency had discovered this, it had not filled an exception note; notes the Agency's confirmation that the delay happened due to an oversight; welcomes the Agency's reply that it will reinforce its controls and procedures to lessen the risk of delays in entering into contract extensions and to ensure exception notes are filed where involuntary breaches of the Finance Regulation occur;
23. Notes from the Court's report that under a framework contract for the provision of IT services, the Agency paid ancillary services, under a separate work package, for an amount of EUR 25 000 without first verifying which exact profiles and daily rates the contractor had effectively applied when delivering and invoicing the services; notes from the Agency's reply that it has taken steps to address the Court's concerns for future orders;
24. Recalls the importance of strengthening management and control systems to ensure the proper functioning of the Agency; strongly insists on the need for effective management and control systems to avoid potential conflicts of interest, missing *ex ante/ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

25. Notes with appreciation that the Agency has adopted the EEA-Eionet digitalisation framework in April 2021, undertaking a number of key activities such as the modernisation of the Agency data infrastructure and the start of projects exploring the use of artificial intelligence; welcomes the fact that the Agency launched several new digital and knowledge products in 2021, including the European Climate and Health Observatory and the European Climate Data Explorer within the Climate-ADAPT platform and interactive web reports on air quality and climate hazards;
26. Notes with regard to the Agency's IT network and the cybersecurity threat landscape, that the Agency has introduced 'Blue/green' networks in the offices, whereby a green network is a separation of the staff's laptops from all internal systems and a blue network is for the laptops that cannot yet be isolated and are restricted in terms of available software;
27. Notes the Agency's environmental management system and the Agency's commitment to becoming a 'climate-neutral' organisation; notes that the Agency commissioned a study in 2021 with the aim of identifying feasible actions to reduce the Agency's greenhouse gas emissions and help deliver climate neutrality by 2030;
28. Recalls the importance of increasing the digitalisation of the Agency in terms of internal operation and management, but also in order to speed up the digitalisation of procedures; stresses the need for the Agency to continue to be proactive in this regard in order to avoid a digital gap between the Union agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
29. Encourages the Agency to work in close cooperation with the European Union Agency for Cybersecurity (ENISA) and the Computer Emergency Response Team for the Union institutions, bodies and agencies (CERT-EU) and to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests that regularly updated cybersecurity-related training programmes be offered to all members of staff, including management, within the Agency; calls on the Agency to develop its cybersecurity policy more swiftly, deliver it before 31 December 2023 and report back to the discharge authority;

Business continuity during the COVID-19 crisis

30. Notes that the Agency, in response to the pandemic-related restrictions, introduced online recruitment, supported by the implementation of the recruitment platform Systal, which allowed the Agency to complete a large number of recruitments in 2020 and 2021 and leave a low vacancy rate at the end of each of those year;
31. Welcomes the fact that, despite the ongoing COVID-19 pandemic, the work of the Agency continued to be efficient, flexible and carried out without unnecessary delays in 2021; encourages the Agency to put the lessons learned regarding remote and hybrid working methods into practice, in order to better organise what meetings and tasks could be carried out more efficiently if held remotely rather than in-person in the future;
32. Notes that in 2021 the Agency started to implement the cybersecurity baseline measures in anticipation of a regulation laying down measures on cybersecurity at the institutions, bodies, offices and agencies of the Union ('Cybersecurity Regulation'), as well as a zero-trust approach and multi-factor authentication for all internal services, and that IT administrative privileges were reviewed and restricted to the minimum;

Other comments

33. Notes that in 2021 the Agency kicked off a multi-annual, multi-component project to streamline its online presence in the coming years, to develop stronger web content policies across all of the Agency's platforms and to establish an improved navigation logic; notes that the new corporate website will be compliant with the WCAG 2.1 accessibility guidelines;
34. Recalls the importance of sufficiently informing the public about the risks of inaction as regards combating and adapting to climate change, welcomes the Agency's communication activities in this context, be it audiovisual content, online debates, the annual photo competition or local communication activities, and calls on the Agency to develop and, if possible, step up its activities in the upcoming period;
35. Notes that the Agency chaired the EU Agencies Network (EUAN) including most of its sub-networks, in line with the Union's priorities of digitalisation, green resilience and recovery, working amongst others on sustaining the green transition and contributing to the greening of the EUAN administration;
36. Calls on the Agency to continue to develop its synergies (for instance human resources, building management, IT services and security), and to reinforce its cooperation, its exchange of good practices and its discussions regarding areas of mutual interest with other Union agencies with a view to improving efficiency;
37. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽²⁾ on the performance, financial management and control of the agencies.

⁽²⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1876 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Environment Agency (EEA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0084/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ⁽⁴⁾, and in particular Article 13 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
- having regard to the report of the Committee on Budgetary Control (A9-0143/2023),

1. Approves the closure of the accounts of the European Environment Agency for the financial year 2021;
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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 126, 21.5.2009, p. 13.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1877 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Fisheries Control Agency (EFCA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0085/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 2019/473 of the European Parliament and of the Council of 19 March 2019 on the European Fisheries Control Agency ⁽⁴⁾, and in particular Article 45 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Fisheries,
 - having regard to the report of the Committee on Budgetary Control (A9-0112/2023),
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 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 83, 25.3.2019, p. 18.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

RESOLUTION (EU) 2023/1878 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Fisheries Control Agency (EFCA) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Fisheries,
 - having regard to the report of the Committee on Budgetary Control (A9-0112/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Fisheries Control Agency (the 'Agency') for the financial year 2021 was EUR 21 621 000, representing an increase of 22,99 % compared to 2020 due to additional activities assigned to the Agency in the framework of the Trade and Cooperation Agreement (TCA) with the United Kingdom; whereas the budget of the Agency derives from the Union budget and earmarked revenue;
- B. whereas the Court of Auditors (the 'Court') states in its report on the Agency's annual accounts for the financial year 2021 (the 'Court's report') that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Expresses its satisfaction with the Court's statement that the Agency's accounts for the year ended 31 December 2021 are in compliance with the Union's Financial Regulation and with the accounting rules adopted by the Commission's accounting officer;
2. Notes that the Agency received a EUR 21 million contribution under the general budget of the Union in 2021, representing an increase of 24,3 % in respect of 2020; points out that both the Agency's annual budget and its complement of staff are among the lowest among Union agencies;
3. Welcomes the additional EUR 4 million subsidy from the Commission in the framework of the TCA with the United Kingdom through an amended budget allocated to the Agency with a view to handling the increased workload caused by the withdrawal of the United Kingdom from the Union and any potential consequences of the new relationship for the fisheries control framework;
4. Notes that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation of current year commitment appropriation rate of 99,07 %, representing a slight increase of 1,80 % compared to 2020; notes that the current year payment appropriations execution rate was at 74,48 %, representing a decrease of 6,70 % compared to 2020;

Performance

5. Recalls the Agency's vital contribution to implementing the objectives of the common fisheries policy (CFP), and in particular of fisheries control; stresses that the revision of the Regulation governing fisheries control will increase the Agency's supportive workload; emphasises the incoherence of seeking to tackle growing obligations without sufficient resources to do so; stresses, therefore, that the financial and human resources available to the Agency need to be sufficient in the coming years;

⁽¹⁾ OJ C 141, 29.3.2022, p. 128.

6. Notes with satisfaction that the Agency uses key performance indicators to assess the results provided by its activities, such as on inspections and infringements trends, on the evolution of compliance levels, on training provided and on budget implementation, amongst others; notes, moreover, that the Agency implemented 98,6 % of the Annual Work Programme, despite the challenges still caused by the COVID-19 pandemic;
7. Notes that, in 2021, the Agency reported 53 567 inspections (at sea and ashore), which led to the detection of 4 928 suspected infringements, representing an increase, respectively, of 39 % and 109 % on the 2020 figures; believes that those figures show that inspections and follow-up activities remain a key tool for ensuring that the rules of the CFP are observed; points out, however, that that increase conceals disparities between areas, with a decrease in the North Sea (- 67 %) and the Black Sea (- 1 %) and an increase in Western Waters (+ 24 %), the Mediterranean Sea (+ 82 %), the Baltic Sea (+ 14 %) and NAFO-NEAFC (+ 163 %); takes note of the fact that the significant decrease in the North Sea is mainly driven by the absence of inspections that were previously conducted by the United Kingdom, which constituted 70 % of inspections in 2020; invites the Agency to provide more detailed information on the reasons for those changes; points out that inspections and other follow-up activities play a key role not only in the proper management of fish stocks but also in ensuring a level playing field for Union fishers;
8. Notes the amendment of the work programme in relation to the monitoring, control and surveillance regime under the CFP, the measures entailed by the TCA with the United Kingdom, and the anticipation of projects under the European Maritime, Fisheries and Aquaculture Fund;
9. Highlights, in relation to the fight against illegal, unreported and unregulated (IUU) fishing, that the Agency has an important role to encourage an increased and harmonised application of the Union control systems in place to combat illegal fishing;
10. Welcomes the Agency's continued cooperation with the European Border and Coast Guard Agency (Frontex) and the European Maritime Safety Agency (EMSA) to support national authorities carrying out coastguard functions; considers that cooperation to be an example of synergy between Union agencies that should inspire agencies in other areas; calls on the Agency to continue its efforts in that regard and considers it appropriate also to increase the cooperation between the Agency and the European Environment Agency;
11. Highlights the role of the Agency in offering capacity-building and training to third countries and the Agency's crucial role in securing a level playing field with all coastal states;

Staff policy

12. Notes with satisfaction that, on 31 December 2021, the establishment plan was 100 % filled, with 65 temporary agents appointed as authorised under the Union budget (61 authorised posts in 2020); notes that, in addition, 11 contract agents and six seconded national experts have worked for the Agency in 2021;
13. Notes that the Agency was granted additional budget in the MFF 2021-2027 (increase of EUR 12 million in 2022), which includes 16 new establishment plan posts (four already granted under the 2021 budget) and six external staff (two already granted in 2021); takes note that the additional resources will provide the Agency the necessary operational capacity for assisting the Member States and the Commission in the monitoring, control and surveillance of fisheries as required by the CFP, including the measures entailed by the TCA with the United Kingdom;
14. Takes note of the Agency's policy of promoting equal treatment of staff and of its goal of gender equality in terms both of numbers and of grades and responsibility levels; deplores the fact that women account for only 38 % of staff employed at grade AD 8 or higher, while acknowledging that it represents an increase compared to 2020; notes that more must be done in order to attain parity at management level; calls on the Agency to step up its efforts with regard to its gender parity policy with a view to making progress towards parity at management level as well;

15. Recalls the importance of developing a long-term HR policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;
16. Welcomes the fact that the Agency has rules on anti-harassment in place, including confidential counsellors, and that dedicated information is available on its intranet; notes, moreover, that the Agency provides compulsory training for staff on anti-harassment and ethics and integrity;

Procurement

17. Notes that the Agency's main procurement efforts in 2021 were targeted towards the launch of an open procedure in the field of chartering of three offshore patrol vessels (OPVs); notes, moreover, that the Agency signed contracts of procurement under framework contracts on services related to fisheries patrol, workplace improvement, language courses, marine surveying, and participated in inter-institutional framework contracts on outsourced services and Aerial Surveillance, amongst others; notes that in 2021, the Agency joined a total of nine different inter-institutional tenders with the Commission and other agencies;
18. Stresses that the fight against IUU fishing requires adequate financial support; welcomes the strengthening of the Agency's chartered OPV to carry out fisheries controls and inspections in Union and international waters and to support national authorities; notes that the increase in fuel prices affected the Agency's operational capacity;
19. Notes with appreciation that in 2021 the Agency onboarded the Public Procurement Management Tool (PPMT) (with a view to starting to use it in 2022), a component of the e-Procurement platform of the Commission that is integrated with other systems used by the Agency, such as e-Tendering and e-Submission;

Prevention and management of conflicts of interest, and transparency

20. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and whistle-blower protection; notes that the Agency publishes on its website the declaration of interests and CVs of its Administrative Board members and of senior management; notes, furthermore, that the Agency updates regularly the table with all the meetings convened between its Executive Director and staff with organisations and self-employed individuals engaged in Union policy-making and policy implementation so as to ensure full transparency and trust in the Agency's activity and that is available through its website; recalls that the Agency is to regularly update the page so as to ensure full transparency and trust in the Agency's activities;
21. Insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, and illegal lobbying; calls on the Agency to strengthen its internal control mechanisms, including the setting up of an internal anti-corruption mechanism; notes, however, that the Agency implemented its anti-fraud strategy, which was based on a risk assessment exercise, taking into account the OLAF guidelines;

Internal control

22. Notes that in 2021 the Commission's Internal Audit Service (IAS), in line with the Strategic Internal Audit Plan 2021-2023, started the audit on the cooperation between the Agency and DG MARE on activities related to Article 30 of Regulation (EU) No 1380/2013 of the European Parliament and of the Council ⁽²⁾ (Compliance with international provisions); calls on the Agency to report to the discharge authority any development in that regard;
23. Notes that the Agency performed an assessment of its Internal Control System and concluded that, overall, suitable controls are in place and working as intended, that risks are being appropriately monitored and mitigated, and that no significant control weaknesses were reported in 2021;

Digitalisation and the green transition

24. Notes that the Agency continues to introduce supporting electronic tools in the field of HR, procurement and budget monitoring, such as additional Sysper modules, a new enhanced integral financial system foreseen for 2024/2025, e-Procurement and contract management integrated tools, and the use of the Qualified Electronic Signature (EU Sign), amongst others; notes, moreover that the Agency follows Cloud-first with a secure hybrid multi-cloud as part of its strategy for a digital transformation, while also continuing to improve the digital workplace;
25. Encourages the Agency to work in close cooperation with the European Union Agency for Cybersecurity (ENISA) and the Computer Emergency Response Team for the Union Institutions, bodies and agencies (CERT-EU) and to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests offering regularly updated cybersecurity-related training programmes to all staff members, including management, within the Agency;
26. Welcomes the fact that the Agency is working towards obtaining the Eco-Management and Audit Scheme (EMAS) certification, and that the Agency has taken actions in order to reduce its environmental impact, such as including at least one criterion in procurement procedures focusing on the efficient environmental behaviour of the potential tenderers, reducing electricity consumption through LED lighting, and electronic circulation and digital signature for reducing paper and toner consumption;

Business continuity during the COVID-19 crisis

27. Notes that the Agency's Business Continuity Management Team concluded that the Agency was well-prepared to continue its operations reliably via teleworking and did not recommend to the Executive Director to activate the Agency's Business Continuity Plan at any point during 2021; notes that it suggested, however, some adaptations of the units' individual Recovery Actions Plans and specific arrangements for back-up solutions, which were subsequently implemented; encourages the Agency to put the lessons learned regarding remote and hybrid working methods into practice, in order to better organise meetings and tasks that could be carried out more efficiently remotely than in-person in the future;
28. Notes that during 2020 and 2021, and due to the COVID-19 pandemic, the operational planning had to be revised due to the closure of certain ports, and days of stand-by were needed as a preventive measure, as well as extension of the period of stay at sea; notes, moreover, that the OPVs maintained activities during the whole period of the crisis to perform fisheries control and inspection and to support other coast guard functions;

⁽²⁾ Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC (OJ L 354, 28.12.2013, p. 22).

29. Underlines that the Agency, in order to mitigate the impact of the COVID-19 pandemic on fisheries control, inspection and Member States enforcement, and as already implemented in 2020, focused more on other available instruments such as data monitoring and analysis, based on the Agency's methodology for compliance indicators, and used available tools such as additional information from surveillance flights in cooperation with Frontex, deployment of drones within the cooperation with EMSA, and analysis of satellite images from Copernicus;

Other comments

30. Takes note of the Agency's communication activities in relation to the general public, in cooperation with DG MARE; notes, in particular, the videos on the concept of Joint Deployment Plans and on Remote Electronic Monitoring in EU fisheries control produced in 2021; notes with appreciation, moreover, the Agency's contribution to building a culture of compliance with the CFP through its communication with non-governmental stakeholders;
31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽³⁾ on the performance, financial management and control of the agencies.

⁽³⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1879 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Fisheries Control Agency (EFCA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0085/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 2019/473 of the European Parliament and of the Council of 19 March 2019 on the European Fisheries Control Agency ⁽⁴⁾, and in particular Article 45 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Fisheries,
- having regard to the report of the Committee on Budgetary Control (A9-0112/2023),

1. Approves the closure of the accounts of the European Fisheries Control Agency for the financial year 2021;
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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 83, 25.3.2019, p. 18.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1880 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Food Safety Authority (EFSA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0086/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽⁴⁾, and in particular Article 44 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
- having regard to the report of the Committee on Budgetary Control (A9-0131/2023),

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 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 31, 1.2.2002, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1881 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Food Safety Authority (EFSA) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
 - having regard to the report of the Committee on Budgetary Control (A9-0131/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Food Safety Authority (the 'Authority') for the financial year 2021 was EUR 129 179 801,95, representing an increase of 25,39 % compared to 2020 mainly due to the additional resources given in the context of Regulation (EU) 2019/1381 of the European Parliament and of the Council ⁽²⁾; whereas the Authority'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 Authority for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation of current year commitment appropriation rate of 99,99 %, representing a slight increase of 0,01 % compared to 2020; notes, furthermore that the current year payment appropriations execution rate was at 88,85 %, representing an increase of 0,44 % compared to 2020;

Performance

2. Notes that the work plan of the Authority for 2021 was executed under the Strategy 2020, which the management board decided to extend for an additional year due to the SARS-CoV-2 pandemic;
3. Notes the Authority's work-programme implementation and the good level of performance achieved in terms of the Authority's key performance indicators and deliverables; notes that the Authority revised its performance framework and its key performance indicators in 2021 to align it with the Authority's Strategy 2027, adopted in 2021, and implemented changes in relation to the entry into force of Regulation (EU) 2019/1381; notes, moreover, the Authority's increased responsibility towards Union citizens after the amendment to Regulation (EC) No 178/2002 of the European Parliament and of the Council ⁽³⁾ entered into effect as well; notes furthermore that the authority adopted its Programming Document 2022-2024;

⁽¹⁾ OJ C 141, 29.3.2022, p. 69.

⁽²⁾ Regulation (EU) 2019/1381 of the European Parliament and of the Council of 20 June 2019 on the transparency and sustainability of the EU risk assessment in the food chain and amending Regulations (EC) No 178/2002, (EC) No 1829/2003, (EC) No 1831/2003, (EC) No 2065/2003, (EC) No 1935/2004, (EC) No 1331/2008, (EC) No 1107/2009, (EU) 2015/2283 and Directive 2001/18/EC (OJ L 231, 6.9.2019, p. 1).

⁽³⁾ Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety (OJ L 31, 1.2.2002, p. 1).

4. Notes that de-prioritisation of some of the activities initially planned to make the Authority ready for the changes related to Regulation (EU) 2019/1381 created a backlog carried to 2021, which caused delays in the generation of the efficiency gains; calls on the Authority to report to the discharge authority any development in that regard;
5. Welcomes the efforts taken by the Authority to strengthen its collaboration with other Union agencies, notably focusing on two aspects, the sharing of the grants and procurement needs to allow for identification of joint procurement procedures and the sharing of technologies and of resources to adapt common IT solutions; notes, in particular, that the Authority has undertaken coordination activities with the European Centre for Disease Prevention and Control, the European Chemicals Agency, and the European Medicines Agency;
6. Highlights the fact that, in 2021, the Authority finalised 704 questions through scientific opinions, technical reports and supporting publications, 81 fewer than the planned 785;

Staff policy

7. Notes that, on 31 December 2021, the establishment plan was 98,16 % implemented, with 5 officials and 368 temporary agents appointed out of 380 posts authorised under the Union budget (compared to 354 authorised posts in 2020); notes that, in addition, 140 contract agents and 12 seconded national experts worked for the Authority in 2021 notes further that the Authority has been given 33 new staff posts for the implementation of the Regulation (EU) 2019/1381;
8. Welcomes the gender balance within the Authority's senior management members, with three out of five (60 %) being women; notes the gender balance within the Authority's management board, with 12 out of 15 (80 %) being men; notes the gender balance within the Authority's overall staff, with 285 out of 467 (61,03 %) being women;
9. Welcomes the Authority's new Employer Branding Strategy, which contains a clear description on its value propositions, such as flexible working conditions and relocation support amongst others, to improve the targeted dissemination of its vacancies to under-represented countries; notes that the Authority planned to create a new career website; notes that the Authority is, in particular, increasing its visibility with the support of the Communication and Partnership Department, the EU Agencies Network, as well as other international agencies and partner organisations; calls on the Authority to report to the discharge authority any development in that regard;
10. Notes certain limitations in the application of the recent rules proposed by the European Commission on teleworking, which the Authority applies by analogy, in particular when it comes to partial teleworking outside the country of employment; is concerned about the fact that current limited rules on teleworking abroad may impact on the Authority's attractiveness when recruiting candidates from the different Member States wishing to join the Authority; calls for more flexibility in the application of these rules, which would help increasing the Authority's attractiveness and leading to a better nationality balance of its staff;
11. Notes that the Authority has a policy on protecting the dignity of the person and preventing psychological and sexual harassment, which includes confidential counsellors being available to all staff;
12. Recalls the importance of developing a long term human resources policy on work-life balance, lifelong guidance and the offering of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;

Procurement

13. Notes that in 2021 the Authority managed 116 procurement procedures and its Public Procurement Committee (PPC) reviewed 16 files with the objective of verifying the legality and regularity of major procurement procedures before the signature of the proposed contract; notes that for all the 16 files the PPC was able, in its advisory capacity, to verify with reasonable assurance that the procurement procedures and the resulting contracts are regular and legal;

Prevention and management of conflicts of interest, and transparency

14. Acknowledges the Authority's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and whistleblower protection; regrets that the Authority continues not to publish the CVs of its management board members online; urges the Authority to take measures in that regard;
15. Notes that in 2021 the Authority identified and managed nine conflicts of interest at the level of annual declarations of interests pertaining to external experts; notes that the Authority decided to not recruit one preselected candidate following evaluation of the declaration of interests; notes that the Authority, furthermore, identified and prevented three conflicts of interest at the level of procurement and grants awarding procedures; calls on the Authority to continue its efforts in identifying and managing conflicts of interest, including potential conflicts of interest, and to keep the discharge authority informed;
16. Calls on the Authority to ensure that all management and advisory members, their alternates and other experts have dutifully submitted the annual declarations of interest; calls on the Authority to ensure a high level of compliance with conflict of interest and transparency rules throughout all of its activities;
17. Notes that for 2022 the Authority planned to adopt a new post-employment approach which includes the criteria and procedure to discontinue the access to confidential information to staff leaving the service; calls on the Authority to report on any development in that regard;
18. Insists on the need to put in place more systematic rules on transparency, incompatibilities, conflict of interests, illegal lobbying and revolving doors; calls on the Authority to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Internal control

19. Notes that the Authority has performed an assessment of its internal control systems for the reporting year and concluded that, overall, all internal control components and principles were present and functioning as intended; welcomes that the Authority nevertheless identified a number of measures to further strengthen the management of sensitive information, and to ensure fit for purpose risk management, internal control mechanisms for the increased funds as a result of Regulation (EU) 2019/1381;
20. Notes that following the Internal Audit Service (IAS) audit on the assessment and adoption of scientific outputs in the food ingredients and packaging domain in 2020, the observation has been implemented and is considered completed by the Authority;
21. Notes that in 2021 the IAS issued a final report on the procurement and grant award processes in the Authority covering the years 2019-2020; notes that the IAS concluded that the governance, risk management and internal control framework set up by the Authority for its procurement and grant award processes is adequately designed, efficient and effective, therefore providing reasonable assurance that the key internal control objectives are achieved; notes that the IAS issued three important recommendations; calls on the Authority to report to the discharge authority any development in that regard;

22. Recalls the importance to strengthen Management and control systems to ensure the proper functioning of the Authority; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflict of interest, missing *ex-ante/ex-post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;
23. Notes that the corrective actions to follow the Court's observations of 2020 have been completed; recalls the necessity to complete the corrective actions to follow the Court's observations of 2017, in particular to strengthen the accounting officer's independence by making them directly responsible to the Authority's Director;

Digitalisation and the green transition

24. Notes the developments in the areas of the provision of transactional services, digital collaboration and the Authority's technology roadmap; notes the Authority's goal of creating a more modern and agile working environment through carrying out IT investments, that were made in the past technology roadmap and that helped to prevent severe disruptions in the Authority's work during the COVID-19 pandemic; welcomes the digital collaboration project set on improving the exchange of knowledge and expertise within Authority's networks of staff, experts, and interested parties; notes that the digital collaboration project exceeded the target of 170 active social collaboration groups in 2021, having had 204 active groups;
25. Notes the implementation of the IT tool referred as 'complete DoI IT solution' aimed at the implementation of independence related activities including the screening of declarations of interests subject to the Authority independence rules; notes with concern that the new IT solution experienced technical issues that negatively affected the implementation of such activities; calls on the Authority to report to the discharge authority on any development in that regard;
26. Recalls the importance to increase the digitalisation of the agency in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the agency to continue to be proactive in this regard in order to avoid a digital gap between the agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
27. Encourages the Authority to work in close cooperation with ENISA (European Union Agency for Cybersecurity) and CERT-EU (Computer Emergency Response Team for the Union Institutions, bodies and agencies) and to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests to offer regularly updated cybersecurity-related training programmes to all staff members, including management, within the Authority;

Business continuity during the COVID-19 crisis

28. Notes that in 2021 the Authority continued its activities and was able to deliver its work programme despite the impact of the COVID-19 pandemic; notes, that the Authority suspended its staff missions, as well as physical meetings and events and gave priority to virtualisation, thus decreasing the budget in expenses in the related budget lines compared to the 2020 financial year; notes, moreover, that return to the office by staff was postponed and teleworking was promoted; encourages the Authority to make use of the lessons learned regarding staff travel, in order to better organise meetings and tasks that could be carried out more efficiently remotely than in-person in the future;
29. Notes that the Authority went live in 2021 with an electronic onboarding module in the Taleo Recruitment Tool, that manages and supports the onboarding of staff and trainees through an automated solution that was further adapted to the pandemic situation;

Other comments

30. Notes the Authority's efforts to increase awareness of food safety among the public at large through the launch of its first pan-EU digital communication campaign in 2021, aimed to explain the science behind food safety in the Union in an accessible way and to help make informed decisions about food choices; notes that the campaign was delivered in partnership with Member State competent authorities and directly targeting non-specialised audiences; notes with appreciation the positive results, assessed by a post-campaign evaluation survey;
31. Highlights that the swift authorisation of sustainable feed additives and sustainable alternatives to pesticides plays an important role in reaching the ambitions of the Farm-to-Fork strategy; stresses in that regard that sufficient capacity in terms of staff and their respective expertise is essential in order to prevent delays in application and assessment procedures for the approval of sustainable feed additives and sustainable alternatives to pesticides;
32. Recalls that in 2021 the Parliament adopted six objections to the import of genetically modified crops for food and feed; highlights that one reason for these objections are gaps in the risk assessment undertaken by the Authority's Panel on Genetically Modified Organisms; urges the Authority to address and close these gaps as a matter of urgency;
33. Draws attention to persistent shortcomings in the area of animal welfare, particularly, but not limited to, the transport of live animals; welcomes, in this context, the initiation of work on a major series of animal welfare mandates concerning, in particular, animal transport, which will form the foundation of new legislation being drafted in this area;
34. Calls on the Authority to continue to develop its synergies (for instance human resources, building management, IT services and security), and to reinforce its cooperation, its exchange of good practices and its discussions regarding areas of mutual interest with other Union agencies with a view to improving efficiency;
35. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁴⁾ on the performance, financial management and control of the agencies.

⁽⁴⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1882 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Food Safety Authority (EFSA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0086/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽⁴⁾, and in particular Article 44 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
- having regard to the report of the Committee on Budgetary Control (A9-0131/2023),

1. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2021;
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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 31, 1.2.2002, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1883 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Institute for Gender Equality (EIGE) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0087/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality ⁽⁴⁾, and in particular Article 15 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Women's Rights and Gender Equality,
 - having regard to the report of the Committee on Budgetary Control (A9-0121/2023),
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 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 403, 30.12.2006, p. 9.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

RESOLUTION (EU) 2023/1884 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Institute for Gender Equality (EIGE) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Women's Rights and Gender Equality,
 - having regard to the report of the Committee on Budgetary Control (A9-0121/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Institute for Gender Equality (the 'Institute') for the financial year 2021 was EUR 8 692 878, representing an increase of 12,17 % compared to 2020;
- 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 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Institute's annual accounts are reliable and that the underlying transactions are legal and regular;
- C. whereas gender equality is a core value of the Union enshrined in Article 2 TEU; whereas Article 8 TFEU states that in all its activities the Union shall aim to eliminate inequalities, and to promote equality, between men and women, establishing the principle of gender mainstreaming;
- D. whereas gender equality in the Union has been particularly impacted by the consequences of the COVID pandemic, the war in Ukraine, and the backlashes against gender equality and women's rights, especially sexual and reproductive health and rights (SRHR) in several Member States; whereas women are at risk of being disproportionately affected by rising energy prices and costs of living in general; whereas this has the potential to further deepen inequalities and hamper gender equality; whereas further research is needed of gendered impact of energy poverty in the Union; whereas the Gender Equality Index in 2022 is of 68,6 across the Union, representing an increase of only 0,6 point compared to 2021, thereby demonstrating that the Union's pace towards gender equality is slow;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year commitment appropriations of 98,92 %, representing an increase of 1,18 % compared to 2020; notes that the current year payment appropriations execution rate was 71,39 %, representing a decrease of 3,44 % compared to 2020;
2. Notes that the amount of the Institute's final budget is the result of a first budgetary amendment of EUR 971 698, representing a budget increase of 12 % compared to the initial budget allocated for 2021 and of a second budgetary amendment of EUR 375 000, representing a 4,14 % reduction adopted by the Institute's management Board due to the COVID-19-related savings identified at year end;
3. Acknowledges an increase in the Institute's carry-over operating expenditure to 54,79 % in 2022 (49,49 % in 2021);

⁽¹⁾ OJ C 141, 29.3.2022, p. 123.

Performance

4. Recalls that the Institute was established in order to contribute to, and strengthen, the promotion of gender equality in the Union; stresses the key role that the Institute plays in the promotion of gender equality in the Union, such as providing research and data, a task in which it has proven to be vital and effective; underlines therefore that the Institute needs to be provided with sufficient and stable financial and human resources to fulfil its tasks; recalls that the Institute's task is to collect, analyse and disseminate information as regards gender equality and to develop, analyse, evaluate and disseminate methodological tools in order to support the integration of gender equality into all Union policies and the resulting national policies; encourages collaboration between the Institute and other Union agencies;
5. Observes that the Institute uses certain key performance indicators in relation to operational objectives to assess the added value provided by its activities; notes with appreciation that the Institute achieved 96,62 % of its work programme in 2021, thereby reaching the targets set out in the 2021-2023 single programming document;
6. Notes that in 2021 the Institute published a report analysing the consequences of the COVID-19 pandemic for victims of intimate partner violence, and carried out its first wide survey which collected evidence on the consequences of the COVID-19 pandemic in informal care and work-life balance, wellbeing, employment and working conditions; notes further that by developing the tool on tracking resource allocations for gender equality, the Institute finalised a step-by-step toolkit on gender budgeting aiming to assist managing authorities to mainstream gender under shared management; notes in addition that the Institute prepared a toolkit on gender-responsive public procurement for Union funds and national budgets, to complement the Commission's framework for socially responsible public procurement;
7. Notes that the Institute strengthened its cooperation with Union agencies throughout the year, especially with the European Union Agency for Fundamental Rights (FRA) and the European Foundation for the Improvement of Living and Working Conditions (Eurofound); notes the Institute's engagement in the Justice and Home Affairs agencies' network in the context of the COVID-19 crisis response and the Union's solidarity with Ukraine; further notes the Institute's involvement in the EU Agencies Network on Scientific Advice (EU-ANSA), in particular with the quantitative survey data cluster and the socioeconomic cluster; calls on the Institute to continue to develop its synergies (for instance human resources, building management, IT services and security), cooperation and exchange of good practices with other Union agencies with a view to improving efficiency;
8. Welcomes the ongoing cooperation between the Institute and the Committee on Women's Rights and Gender Equality; stresses the valuable contribution that the Institute can make to all of Parliament's committees, in order to better integrate the gender perspective in all policies of the Union; acknowledges the specialisation and insight of the Institute, especially in the provision of data and assessment of policies of Member States;

Staff policy

9. Notes that, on 31 December 2021, the establishment plan was 96 % executed, with 26 temporary agents appointed out of 27 temporary agents authorised under the Union budget (the same number of posts as in 2020); notes that 12 calls for applications were launched, including four for contract agent posts, five for temporary agents posts, one for a seconded national expert and two for trainees; highlights that during the course of 2021, the turnover rate was 11 %; takes note of the staff screening exercise, with 77,6 % of the Institute's staff allocated to operational tasks, 14,5 % to administrative support and 7,9 % to neutral operations; observes that new rules on middle management staff were adopted on 27 May 2021;
10. Notes the balanced gender distribution in senior management (2 men (50 %) and 2 women (50 %)), and the unbalanced gender distribution on the management board (6 men (19 %) and 26 women (81 %)) and among staff overall (12 men (29 %) and 30 women (71 %)); reiterates its call on the Institute to ensure gender balance in the future; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Institute's management board;

11. Notes that the Institute, excluding applications for traineeships and seconded national expert posts, received 513 applications in 2021, 68 % of which were submitted by women and 32 % by men; welcomes that gender balance has been achieved in the senior management team but is concerned of the imbalance among staff overall; welcomes the Institute's active participation since 2021 in the EU Agencies Network (EUAN) Diversity & Inclusion Working Group and the various actions taken to improve diversity and inclusion within the Institute;
12. Notes that in 2021 the Institute made arrangements to sign a one year contract with company UAB Manpower Lit for the provision of interim personnel; recalls that the judgment of 11 November 2021 of the Court of Justice of the European Union (case C-948/19) confirmed the applicability of Directive 2008/104/EC of the European Parliament and of the Council ^(²) to decentralised agencies of the Union, as well as the principle of equal treatment of interim workers with statutory members of staff, and that the Supreme Court of Lithuania upheld said judgment; observes in this context that the contracted company UAB Manpower Lit refused to extend the contract for the provision of interim workforce as of 2022;
13. Recommends the allocation of more staff to the Institute and sufficient funding taking into account the Institute's own assessment of its needs in order to cope with a sharp rise of requests for technical assistance on gender mainstreaming, such as in order to respond urgently to the worsening impact of different and successive social, economic and climate crises on women and gender equality and the backlashes against gender equality and women's rights, in several Member States and worldwide;
14. Welcomes the Institute's comprehensive wellbeing policy, with a number of measures in place to support work-life balance, teleworking and a healthy lifestyle for its members of staff; notes, with regard to psychological support, that one independent investigation into a claim of psychological harassment was concluded in 2021 and led to the dismissal of the staff member who was subject to investigation; commends the Institute's comprehensive training plan for its staff; encourages the Institute to develop a long term human resources policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well ensuring that they are treated equally and that their opportunities are widely promoted;

Procurement

15. Notes that 47 administrative procurement procedures and 62 operational procurement procedures were completed in 2021; notes that the Institute updated the procurement guidelines for staff, including checklists, internal timelines and procedural steps, in order to improve the quality of the documents produced in the framework of the procurement actions;
16. Notes with concern the Court's observation that in 2021 the Institute made irregular payments (amounting to EUR 12 200) for the purchase of translation services that were not in the scope of the related call for expression of interest;
17. Recalls the importance for all procurement procedures to ensure fair competition between tenderers and to procure goods and services at the best price, respecting the principles of transparency, proportionality, equal treatment and non-discrimination; asks for the implementation of the e-procurement IT tools developed by the Commission; calls for an updated clarification of the procedures and templates in the procurement guidelines; notes with concern the Court's observation that the public procurement weaknesses are increasing and remain the largest source of irregular payments in most of the agencies;

^(²) Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

Prevention and management of conflicts of interest and transparency

18. Notes the Institute's existing measures and ongoing efforts to secure transparency, the prevention and management of conflicts of interest and the protection of whistleblowers; notes that the Institute is finalising its conflicts of interest policy; notes that the 2021-2023 anti-fraud strategy was successfully implemented in 2021, in accordance with the related action plan, on the basis of the methodology provided by OLAF; welcomes that, in addition, several trainings in the area of ethics and integrity were conducted in 2021, as well as information sessions for fraud prevention; insists on the need to put in place or regularly update systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors;
19. Notes that the Institute published on its website the CVs and the declarations of interests of its director and most of its management board members; recalls the importance of CVs and declarations of interests being published; calls on the Institute to publish CVs and declarations of interests of all its management board members;

Internal control

20. Welcomes the Institute's measures taken in 2021 to strengthen its internal control system; notes in this context the revision of its procedure for the performance of *ex-post* controls; commends in this regard that *ex-post* controls have been performed as of September 2021 and the related action linked to the Court's observation has been completed; further welcomes that the Institute updated its quality assurance policy defining specific control measures for projects;
21. Notes with concern the Court's observations highlighting several weaknesses in the area of management and control systems; notes that the first observation is linked to a recruitment procedure whereby the principles of transparency and equal treatment were undermined, and that the second observation reports on omissions in one selection procedure for seconded national experts that undermine the objectivity thereof and suggest weaknesses in the Institute's internal controls; notes that the third observation is in connection with a procurement procedure whereby all members of the evaluation committee belonged to the same administrative unit, which goes against Article 150(3) of the Financial Regulation; recalls that procedural deficiencies in recruitment procedures undermine the principles of transparency and equal treatment; requests that the Institute improves its internal recruitment procedure to clarify evaluation processes and vacancy notices;
22. Notes that, following the Commission's Internal Audit Service (IAS) Strategic Internal Audit Plan for 2019-2021, a total of 1 800 control operations were performed in 2021 on a sample of 40 transactions with a total budget controlled of EUR 920 776; notes that the final results show that the internal control system in place ensures the compliance of the transactions with the financial rules and with the internal procedures; notes that the report included four recommendations to enhance internal controls in order to address minor deficiencies; welcomes that all the recommendations, including from previous years, were fully implemented by the Institute and the related actions were closed by the IAS in February 2022;
23. Notes that a specific assessment of internal control for the year 2021 was performed in accordance with the Institute's internal control framework and guidelines for the assessment of internal control; notes the conclusion of that assessment that all principles are present and functioning as intended, with six moderate deficiencies identified in relation to components 2, 3 and 5 of the internal control system; calls on the Institute to keep the discharge authority informed about the progress made in addressing these deficiencies; welcomes the actions implemented by the Institute to mitigate areas of risk, including with regard to sensitive functions;
24. Calls on the Institute to further strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Digitalisation and the green transition

25. Notes the Institute's efforts to ensure a cost-effective and environmentally friendly working place; observes that the Institute set up a mission management tool to enable the monitoring of the CO₂ emissions produced by travels; takes note that the 2021 monitoring shows the CO₂ emissions of the Institute's missions amounted to 8 tonnes; notes that the Institute has included the requirements of environmental measures in several types of contracts; welcomes the Institute's commitment to install solar panels in its premises in Vilnius in order to improve the environmental performance of the building and to rely on green energy sources only; notes with interest that an application has been procured that would help the Institute keep track of its environmental footprint, and that the application should be deployed in 2022; calls on the Institute to keep the budgetary authority informed about the developments in this regard;
26. Takes note that the Institute has fully digitalised its key processes in 2021 by introducing electronic workflows and e-signature; notes the updating of the Institute's ICT security policy and information management policy; welcomes the Institute's reply that it has a cybersecurity in place and that it has implemented a number of measures regarding cybersecurity such as multi factor authentication system and security trainings for members of the IT team; encourages the Institute to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests of its cyber defences;

Business continuity during the COVID-19 crisis

27. Notes that the Institute adapted quickly to ensure business continuity in accordance with the revised single programming document; appreciates the Institute's work in supporting the Portuguese and Slovenian Presidencies of the Council, by providing new gender equality evidence as a basis for the respective Council conclusions on the socioeconomic impact of COVID-19 on gender equality; notes that joint initiatives for COVID-19 response and business continuity plans have been discussed within the network of Justice and Home Affairs agencies; welcomes that the Institute updated its business continuity plan in July 2022;
28. Encourages the Agency to put the lessons learned from the COVID-19 pandemic regarding staff travel into practice, in order to better organise meetings, events and interviews that could be carried out more efficiently remotely than in-person in the future;

Other

29. Commends the Institute for the efforts to increase its public visibility through press briefings, press releases, media campaigns such as the 16 Days of Activism and close contact with journalists; notes the Institute's improved metrics regarding social media and media requests;
30. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽³⁾ on the performance, financial management and control of the agencies.

⁽³⁾ Texts adopted, P9 TA(2023)0190.

DECISION (EU) 2023/1885 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Institute for Gender Equality (EIGE) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0087/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality ⁽⁴⁾, and in particular Article 15 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Women's Rights and Gender Equality,
- having regard to the report of the Committee on Budgetary Control (A9-0121/2023),

1. Approves the closure of the accounts of the European Institute for Gender Equality for the financial year 2021;
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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 403, 30.12.2006, p. 9.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1886 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0088/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0103/2023),
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 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 48.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1887 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0103/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Insurance and Occupational Pensions Authority (the 'Authority') for the financial year 2021 was EUR 32 839 626, representing an increase of 15,69 % compared to 2020; whereas the Authority is financed by a contribution from the Union (EUR 12 140 600, representing 36,96 %) and contributions from national supervisory authorities of the Member States (EUR 20 258 026, representing 61,69 %);
- 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 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of 99,98 %, representing a decrease of 0,02 % compared to 2020; notes, however, that the payment appropriations execution rate was 79,12 %, representing a decrease of 3,67 % compared to 2020; calls on the Authority to enhance its payment appropriation execution rate;

Performance

2. Notes that the Authority uses certain measures such as key performance indicators to assess the added value provided by its activities and other measures to improve its budget management; notes that in 2021 the Authority has set 14 strategic level targets for performance across its seven main areas of work; notes with appreciation that the Authority achieved or exceeded 12 of these targets and is in the process of achieving the two remaining key performance indicators;
3. Notes that 304 products and services, or 88 % of the total, were delivered on time by the Authority, with a further 35 products and services experiencing minor delays and eight not taken forward, often as a result of re-prioritisation due to political decisions, the impact of COVID-19, connection to other initiatives and lack of resources;
4. Commends the Authority for its main achievements in 2021; notes the development of technical standards that are aimed at combating 'greenwashing' of financial products and making key information documents on the packaged retail and insurance-based investment products more accessible for retail investors; notes with satisfaction that in 2021 the Authority published the criteria for the independence of supervisory authorities, addressing supervisory convergence in areas such as supervisory practices and expectations in case of breach; welcomes the development of the European Systemic Risk Assessment Framework that allows the Authority and its members to develop an opinion on European insurance market trends and developments and potential systemic risk;

(1) OJ C 141, 29.3.2022, p. 141.

5. Notes that in 2021 the Authority re-allocated human resources aiming to support supervisory convergence; notes that this allocation was a follow-up to the recommendation the Court made in its Special Report No 29/2018 on European Insurance and Occupational Pensions Authority; acknowledges the efforts invested by the Authority in the digital transformation to increase the efficiency through an upgrade of core technical infrastructure, initiatives to drive business process automation and the improvements to the Extranet, among others;

Staff policy

6. Notes that, on 31 December 2021, the establishment plan was 99 % implemented, with 137 temporary agents appointed out of 138 temporary agents authorised under the Union budget (compared to 127 authorised posts in 2020); notes that, in addition, 33 contract agents and 23 seconded national experts worked for the Authority in 2021;
7. Acknowledges the Authority's efforts towards the achievement of a more gender balanced staff; notes the Authority's gender breakdown reported for 2021 with five men (63 %) and three women (38 %) in senior management positions, three men (43 %) and four women (57 %) in its management board, and 98 men (52 %) and 89 women (48 %) in its overall staff; calls on the Authority to keep developing a long term human resources policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;
8. Welcomes the fact that the Authority, while working remotely, also performed its recruitment remotely, putting its focus on having the right profiles to ensure continued delivery of the Authority's mandate, and that the Authority continued integrating newcomers throughout the year by providing them with specific induction sessions and necessary support when joining the Authority remotely;
9. Notes that in 2021 the Authority provided staff and management with dedicated training to deal with the new working situation, such as hybrid teams and remote working; notes in particular that enhancing the leadership and management skills of the management team was at the core of the latter's training in 2021;
10. Notes with appreciation the effort of the Authority during 2021 to raise the profile of insurance and pensions as a rewarding career choice for women, especially in leadership positions, by publishing a series of profiles of women in leadership roles and considering the diversity of speakers in speaking engagements as decision-making factor;
11. Takes note of the renewal of the composition of the board of appeal on 1 December 2021; notes further that this renewal concerned five members and five alternates whose term will run until 30 November 2026, renewable once;
12. Welcomes the adoption of the policy protecting the dignity of the person against psychological and sexual harassment; notes the detailed procedure in place assuring the implementation of the policy; commends the Authority for its internal network of confidential counsellors that are trained to advise staff and to engage in an informal procedure on harassment, should such a need arise; welcomes the adoption of the model decision on administrative inquiries and disciplinary proceedings; notes that this model decision contributes to the protective measures for alleged victims of harassment;
13. Commends the Authority's commitment to a pro-active diversity management approach that goes beyond ensuring compliance with non-discrimination and equality rules; welcomes the adoption of the Diversity and Inclusion Strategy and detailed action plan, including the adoption of the EUAN Charter on Diversity and Inclusion and actions covering cross-cutting measures; notes that such measures include the collaboration with other institutions, insurance of a fair and equitable career, and targeted measures with regard to specific groups;

Procurement

14. Notes with concern the Court's observation that the rental contract for the Authority's premises stipulates that the landlord must give consent in advance before changes can be made to the property and before additional equipment can be installed; notes further the Court's remark regarding the stipulation that all the associated works can only be carried out by contractors nominated by the landlord; deplores that those contractual constraints led the Authority to award refurbishment works directly to the contractors designated by the landlord, without an appropriate procurement procedure; notes the Court's conclusion that the amounts concerned by that contract clause (EUR 288 125 paid in 2021) were therefore irregular; calls on the Authority to submit to its obligations under the applicable rules when launching future procurement procedures;
15. Recalls the importance of the procurement procedure to ensure fair competition between tenderers and to procure goods and services at the best price, respecting the principles of transparency, proportionality, equal treatment and non-discrimination; notes with concern the Court's observation regarding the public procurement weaknesses that are increasing and remain the largest source of irregular payments for most of agencies; calls on the Authority to implement the e-procurement information technology tools developed by the Commission; calls on the Commission to clarify and update the procedures and templates in the procurement guidelines;

Prevention and management of conflicts of interest, and transparency

16. Notes that, in 2021, according to the Authority's Rules of Procedure of the board of supervisors (BoS), members of the BoS who had a conflict of interest may not take part in the BoS' discussions or vote on the matter, however they would remain present in the meeting; echoes the Court's observation that the presence in the BoS' meetings of members of the BoS who have a conflict of interest would create a risk to the BoS' independence; notes further the Court's findings that the two assessors who were appointed by the management board to draw up the chairperson's and the Executive Director's annual performance reports would maintain this role, even in cases when conflict of interest might exist; welcomes the fact that in July 2022, the BoS revised its Rules of Procedure implementing the Court's observation regarding the presence of conflicted members of the BoS during discussions and voting; further notes that the Authority's management board approved in December 2022 a revised decision regarding the appraisal of the chairperson and the Executive Director, in line with the Court's observations;
17. Notes that the Court's report assessed one case of potential conflict of interest between 2019 and 2021 in relation to a senior member of staff accepting a new position outside of the Authority; notes with concern the Court's observation that in this case the Authority did not consult the Joint Committee, thus breaching Article 16 of the Regulation No 31 (EEC), 11 (EAEC) ^(?) (the "Staff Regulation") and Article 2 of Annex II to the Staff Regulation; notes, however, the revision of the Authority's ethics rule for members of staff adopted in December 2022, whereby various joint committees under Article 9 of Staff Regulation may be established, including for senior managers;
18. Welcomes that in accordance with the Authority's legal requirements the CVs of the members of the BoS and the management board, the resume of the Authority's Chairperson and Executive Director and a short resume of the Authority's heads of department are published on the Authority's website; further welcomes the publication on the Authority's website of its staff meetings with lobbyists;
19. Commends the Authority in particular for being among the nine agencies who had introduced their own internal rules to deal with the lack of provisions in Union legislation governing activities of members of agencies' boards, thus going beyond the minimum legal requirements when handling potential 'revolving door' situations;

^(?) Regulation No 31 (EEC), 11 (EAEC), laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community (OJ 45, 14.6.1962, p. 1385/62).

20. Insists on the need to put into place systematic sets of rules on transparency, incompatibilities, conflicts of interest and illegal lobbying; calls on the Authority to also put in place internal anticorruption measures; calls on the Authority to report to the discharge authority on the progress made in this regard;
21. Notes the rules in place for external and internal whistleblowing; notes with appreciation that the Authority has created a specific public webpage on its website, including a functional mailbox with restricted access rights to ensure the protection of whistleblowers pursuant to Article 17a of Regulation (EU) No 1094/2010 of the European Parliament and of the Council⁽³⁾; welcomes the further development of the Authority's implementing rules laying down guidelines on whistleblowing;

Internal control

22. Welcomes the fact that the Authority has implemented all critical and very important recommendations of the Commission's Internal Audit Service and that it closely follows the implementation of the remaining recommendations through dedicated action plans and within the agreed deadlines;
23. Notes that the Authority carried out the annual assessment of its Internal Control Framework, concluding that all components and principles are implemented and function as intended, with a number of improvements required in areas such as business continuity, process management, training and awareness; welcomes the Agency's systematic examination of the control results and indicators, as well as the observations and recommendations issued by the IAS, the Quality Control Committee, audit firms and the Court;
24. Commends the measures taken by the Authority in 2021 to address risks with regard to the implementation of new powers and tasks, issues related to attracting skilled staff with the required competences and cybersecurity threats; notes the Authority's statement that it introduced in 2021 improvements to its risk management process aiming to better integrate the planning and reporting processes, quarterly monitoring activities and streamlining of all risk registers; welcomes that in 2021 the Authority analysed the results of its previous anti-fraud strategies which helped defining the Authority's current Anti-fraud Strategy 2022-2024;
25. Notes that in 2021 the Authority carried out for the first time an assessment of the cost-effectiveness of its controls regarding ex-ante and ex-post activities, budget management, planning, evaluation, anti-fraud, data protection, ethics, risk management and internal control; further notes that those controls in 2021 had direct costs representing 1,98 % of the Authority's 2021 total budget with 7,47 FTEs allocated thereto; commends the Authority for the noteworthy cost-effectiveness of its controls;

Digitalisation and the green transition

26. Notes that the Authority collaborated with external consultants for the implementation of various information technology projects; commends the Authority for the submission of a new Cloud Strategy and for the preparation for the major technical transition in 2022 and 2023;
27. Recalls the importance of investing in information and communication technology staff with long-term contracts to avoid brain drain, inefficiencies and potentially increased risks and weakness to cyber-attacks;
28. Encourages the Authority to work in close cooperation with European Union Agency for Cybersecurity (ENISA) and Computer Emergency Response Team for the Union institutions, bodies and agencies (CERT-EU) and to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests to offer regularly updated cybersecurity-related training programmes to all members of staff, including management; calls on the Authority to keep developing its cybersecurity policy and to report to the discharge authority on the progress made in this regard;

⁽³⁾ 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 (OJ L 331, 15.12.2010, p. 48)

29. Notes that the Authority has invested the funds saved due to COVID-19 prevention measures into new technologies and digitalisation of processes, such as, but not limited to, the implementation of the pan-European Personal Pension Product (PEPP) registers and the development of a new Business Intelligence (BI 2.0) solution;
30. Welcomes that as of 1 July 2021 the Authority adopted guidelines on information and communication technology security and governance with the goal of building digital resilience for all participants in the financial system;
31. Welcomes that in line with the Court's recommendation, the Authority is implementing Eco-Management and Audit Scheme (EMAS) for which certification was planned indicatively for 2022; further welcomes the creation of an environmental aspects register detailing the Authority's key environmental impacts, the Authority's action plan with approximately 140 actions and the establishment of its environmental management system; takes note of the actions implemented by the Authority to reduce the environmental impact of its administrative operations with, among others, reduced paper use, implementation of e-workflows or support for virtual participation in events;
32. Welcomes that the Authority has joined an inter-institutional procurement procedure for carbon offsetting, planning to offset as of 2022 approximately 250-300 tons of carbon emissions related to organisational activities such as essential business travel; further welcomes the Authority's commitment to reduce the number of its on-site meetings and missions by 35 % as of 2022;

Business continuity during the COVID-19 crisis

33. Notes that 2021 was marked by a very demanding Annual Work Programme that included work deprioritised in 2020 due to the impact of COVID-19 on the Authority's work; encourages the Agency to put the lessons learned regarding its staff travel into practice, in order to better organise what meetings and tasks could be carried out more efficiently remotely than in-person in the future;
34. Notes that the Authority reported that it had continued to apply different measures regarding staff, visitors and members of the management board to slow down the spread of the COVID-19 virus and to ensure business continuity; notes in particular that all of the Authority's staff, governing bodies and working groups continued to work exclusively remotely; further notes that, in a way similar to the previous year, the Authority reported budget savings of around EUR 1 150 000, primarily as a result of suspension of staff travel and exclusively remote meetings of staff, the management board and the BoS;

Other comments

35. Commends the collaboration of the Authority with other agencies in the field of information technology, working on joint projects aimed to create and build a digital regulatory reporting and a platform to exchange information on fitness and propriety assessments among others; notes with appreciation the participation in 2021 of the Authority in the joint supervision sessions for Confidential Counsellors, an initiative of EU-OSHA;
36. Notes the Authority's efforts to increase its public visibility through intensified presence on social media, press conferences, interviews to media outlets, meetings with consumer association and academics or participation in speaking engagements at events organised by third parties; invites the Authority to continue and intensify its actions towards greater public visibility and outreach;

37. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁴⁾ on the performance, financial management and control of the agencies.
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⁽⁴⁾ Texts adopted, P9 TA(2023)0190.

DECISION (EU) 2023/1888 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0088/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0103/2023),
1. Approves the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 48.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1889 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology (EIT) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute of Innovation and Technology (EIT) for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0089/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ⁽⁴⁾, and in particular Article 21 thereof,
- having regard to Regulation (EU) 2021/819 of the European Parliament and of the Council of 20 May 2021 on the European Institute of Innovation and Technology ⁽⁵⁾, and in particular Article 23 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0130/2023),

1. Grants the Director of the European Institute of Innovation and Technology (EIT) discharge in respect of the implementation of the Institute's budget for the financial year 2021;
2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 97, 9.4.2008, p. 1.

⁽⁵⁾ OJ L 189, 28.5.2021, p. 61.

⁽⁶⁾ OJ L 122, 10.5.2019, p. 1.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Institute of Innovation and Technology (EIT), 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1890 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology (EIT) for the financial year 2021**

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 (EIT) for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0130/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Institute of Innovation and Technology (EIT) (the 'Institute') for the financial year 2021 was EUR 360 913 825,71 representing a decrease of 42,26 % compared to 2020;
- B. whereas EUR 357 511 198 (96 %) have been allocated by the governing board to the Institute's eight Knowledge and Innovation Communities (KICs) for the implementation of their 2021 business plans;
- C. whereas the budget for the financial year 2021 decreased because of the significantly lower amount of grants awarded and implemented for the KICs in 2021 due to the transition between the previous and the new multi-annual financial framework periods;
- D. whereas the Court of Auditors (the 'Court'), in its report on the Institute's annual accounts for the financial year 2021 (the 'Court's report'), states that the Court has obtained reasonable assurance that the Institute's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year commitment appropriations of 97,91 %, representing a decrease of 1,94 % compared to 2020; notes, furthermore, that the current year payment appropriations execution rate was 99,47 %, representing an increase of 0,34 % compared to 2020;
2. Notes the adoption of the Institute's strategic innovation agenda (SIA) 2021-2027 marking the Institute's increased budget of nearly EUR 3 billion for the seven years period and an enhanced mandate;
3. Notes, with regard to the follow-up observation in relation to the reimbursement of travel and subsistence expenses of EUR 1 200 incurred by an interim member of staff of the Institute, that, as a corrective measure, the Institute launched in 2022 a new tender for contracting interim services, that covers the interim agents' mission costs and travel related aspects in order to mitigate the potential risks;

⁽¹⁾ OJ C 141, 29.3.2022, p. 161.

Performance

4. Notes that the Institute uses a system of key performance indicators associated with the Institute's KICs; notes that, as in the previous years, the KICs did not fully use the grant amounts awarded by the Institute;
5. Notes that the Institute implemented extensively its work programme in 2021, although some delays occurred due to the late adoption of Council Regulation (EU, Euratom) 2020/2093 ⁽²⁾ and Regulation (EU) 2021/695 of the European Parliament and of the Council ⁽³⁾; notes that some priorities were postponed to 2022, namely monitoring strategy and transition to eGrants, due to the Institute's insufficient human resources; notes, among the Institute's main achievements in 2021, the launch of its 'HEI Initiative: Innovation Capacity Building for Higher Education', which represents a key objective of the SIA 2021-2027; appreciates that the average time-to-grant has improved from 187 days to 117 days;
6. Welcomes the development of synergies and cooperation practices with other institutions and bodies; notes in this context the progress in 2021 in implementing the Institute's memorandum of understanding with the European Innovation Council (EIC), with joint projects regarding the KIC's start-ups joining the EIC acceleration programme or the promotion of the woman entrepreneurship agenda; notes the Institute's cooperation with the European Union Agency for Law Enforcement Training in areas such as recruitment panels or information technology (IT) back up; further notes the Institute's fruitful collaboration with the European Union Intellectual Property Office in boosting innovation among European businesses and small and medium-sized enterprises, with more than 700 persons having participated in 35 activities in 2021;

Staff policy

7. Notes that, on 31 December 2021, the establishment plan was 93 % implemented, with 42 temporary agents appointed out of 45 temporary agents authorised under the Union budget (the same number of authorised posts as in 2020); notes that, in addition, 21 contract agents, 15 interim staff and one seconded national expert worked for the Institute in 2021;
8. Regrets the lack of gender balance within the Institute's senior and middle management positions, namely five out of six (83 %) men; notes the gender representation within the Institute's management board, with 9 out of 15 (60 %) being men, and within the Institute's overall staff, with 35 out of 63 (56 %) being women; notes the Institute's commitment to implement its gender action plan, with a series of activities organised in 2021, such as the cross-KIC programme dedicated to women's entrepreneurship and leadership and the dedicated project 'Girls Go Circular' to increase the participation of women in areas of science, technology, engineering, and mathematics; calls on the Institute to take concrete measures to improve gender balance at all levels of hierarchy as soon as possible and report back to the discharge authority;
9. Notes that one former Commissioner and one former Member of the European Parliament are receiving money from the budget of the Institute as members of the Institute's governance board;
10. Notes the Institute's staff turnover of 6,3 % in 2021; notes the Institute's difficulties in attracting and retaining highly skilled professionals due to the low co-efficient of salary for Hungary; welcomes the Institute's incentivising measures and social initiatives to prevent a high staff turnover rate;

⁽²⁾ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433 I, 22.12.2020, p. 11).

⁽³⁾ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

11. Notes the Institute's considerable increase of workload in 2021 as well as new tasks linked to the Institute's extended mandate under Horizon Europe; notes, however, that the increased mandate and tasks were not accompanied by any new staff resources, leading to a critical understaffing situation putting at risk the implementation of the Institute's multiannual work programme as well as the assurance on the managed funds; notes that, as a consequence, the Institute's administrative costs are very low, at 2 % of its total budget compared to an average 4,6 % under Horizon 2020; notes in this context the risk of non-implementation of all core elements of the Institute's annual work programme; notes that the insufficiency of the Institute's staff and the risks thereby entailed were addressed by Institute's governing board which, at the end of 2021, endorsed the reorganisation of the management of the available resources, with a revision of the Institute's structure and organigram to take place in 2022; highlights the fact that the Institute, after being declined a first request for additional posts for 2021 and 2022, reintroduced a request for 10 additional posts in 2022; acknowledges the need for the alignment of the Institute's resources with the new mandate expectations; recalls that not meeting the staff requirements increases the risk of errors and irregularities and thereby also causing potential damage to the sound financial management of the Union budget;
12. Recalls the importance of developing long term human resources policy on work-life balance, lifelong guidance and the offering of specific training possibilities for career development, achieving gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of geographical balance to ensure an appropriate representation from all Member States, and the recruitment and integration of people with disabilities, as well as ensuring that they are treated equally and that their opportunities are widely promoted;

Procurement

13. Notes that, in 2021, the Institute completed 87 % of procurement procedures in accordance with its plan, thereby exceeding the target of 85 % of procurement procedures completed in 2021; notes that the Institute reported that all its priority procedures were completed except for the new framework contract for communication services and event management;
14. Notes from the Court's report that, for two audited payments, the Institute had authorised the related budgetary commitments only after the contract was signed; notes the Court's observation that this was in breach of Article 73(2) of the Commission Delegated Regulation (EU) 2019/715 (*); notes from the Institute's reply that, from 2023, the Commission's standard Horizon Europe IT tool will be used to manage grants, where appropriate internal controls preventing similar errors are embedded in the system; further notes the Institute's commitment to updating its standard operating procedure for financial circuits in order to reflect the necessary changes; calls on the Institute to report on the progress in this matter to the discharge authority;

Prevention and management of conflicts of interest and transparency

15. Acknowledges the Institute's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and to ensure the protection of whistleblowers; notes that the Institute published on its website the declarations of interest and CVs of the members of its governing board and management team;
16. Notes the Institute's commitment to update and improve its policy on prevention and management of conflicts of interest; notes that the Institute's governing board requested the Commission for prior agreement to adopt a decision on prevention and management of conflicts of interest and decision-making processes to avoid conflicts of interest of the Institute's staff that will complement the Institute's current rules in force; welcomes the Institute's introduction of additional measures, such as standardised conflicts of interest templates and a Conflicts of interest advisory committee; notes that cases of conflicts of interest in the context of the reclassification exercise and selection procedures have been identified and addressed with the existing mitigating measures;

(*) Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 122, 10.5.2019, p. 1).

17. Welcomes the fact that the Institute remains one of nine agencies that have introduced their own internal rules governing the activities of the members of their boards, which go beyond the minimum legal requirements on potential revolving doors situations; notes, in particular, that, under the Institute's code of good conduct, members of the boards are prevented from taking any position, paid or unpaid, in any businesses, research centres or universities participating in the Institute's KICs or receiving Institute grants, for two years after leaving their post; further notes that the Institute drafted a policy on access to confidential information for staff leaving and a guidance of post-employment restrictions and prohibitions; calls on the Institute to keep the discharge authority updated about the implementation of the policy;
18. Insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; calls on the Institute to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Internal control

19. Notes that according to the Institute's internal audit capability's (IAC) report, out of 87 recommendations in the scope of the follow-up audit, 29 open recommendations have been closed, 25 open recommendations have been downgraded, and no open recommendations have been upgraded; notes that, as a consequence, no critical issues remained open by 31 December 2021;
20. Notes that the Institute, in the context of a revision exercise of its organisation structure, initiated the transition of the IAC function to a KICs' monitoring and supervision function in 2021;
21. Notes the Institute's revised anti-fraud strategy for 2021-2023; notes that, out of 14 anti-fraud objectives set for the year 2021, nine were fully achieved, four were partially achieved and one was postponed;
22. Notes that an audit on human resources management was performed and completed by the internal audit service (IAS) of the Commission in 2021; observes that three important recommendations have been issued on that occasion; notes with regard to the follow-up to previous IAS' audits, that for the Institute in 2021 there were no open critical or very important IAS recommendations, while some important ones were delayed and are still open;
23. Notes the conclusions of the Institute's internal control self-assessment that its internal control system is overall effective and efficient, with some further improvements needed regarding principle 12;
24. Recalls the importance of strengthening the management and control systems to ensure the proper functioning of the Agency; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflicts of interest, missing *ex ante* and *ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

25. Notes the Institute's measures to improve its online security and digitalization; notes that, from 2021, the Institute implemented all monitoring services from the Computer Emergency Response Team for the EU institutions, bodies and agencies; notes that the Institute conducted cybersecurity audits in 2021 and implemented all the issued recommendations; takes note that no cybersecurity incidents have been reported in 2021; notes that, in the context of the gradual implementation of SYSPER (Human Resource Management information system of the European Commission), in 2021, the Institute adopted additional modules for the management of human resources;

26. Acknowledges the leading role of the Institute's Climate KIC towards impactful environment management within the Union; commends the Institute's ongoing efforts in reducing travels and CO₂ emissions; notes that, in 2021, a Sustainability Committee was established to define further actions to make the Institute's activities carbon neutral;
27. Recalls the importance of increasing the digitalisation of the Institute in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Institute to continue to be proactive in this regard in order to avoid a digital gap between the Union agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
28. Encourages the Institute to work in close cooperation with ENISA (European Union Agency for Cybersecurity); suggests that regularly updated cybersecurity-related training programmes be offered to all staff members within the Institute; calls on the Institute to develop its cybersecurity policy swifter, to deliver it before 31 December 2023 and to report back to the discharge authority;

Business continuity during the COVID-19 crisis

29. Acknowledges the Institute's challenges in managing business continuity during the transition to Horizon Europe due to the non-timely adoption of the Institute's revised legal framework; notes the mitigating measures endorsed by the Institute in 2021 to take on board the requirements of the Horizon Europe legal framework despite those delays, such as the task force simplification meetings and the transition roadmap for 2021; welcomes the fact that such efforts allowed the Institute's successful transition to Horizon Europe while minimising operational disruption;
30. Notes the Institute's ongoing actions to ensure business continuity in the context of the COVID-19 pandemic, such as the roll-out of Microsoft Teams for communication and collaboration as well as the implementation of pulse surveys to gather staff feedback on key topics; encourages the Institute to put into practice the lessons learned regarding remote and hybrid working methods, in order to better organise meetings and events that could be carried out more efficiently remotely than in-person in the future; recalls that the Institute achieved favourable results in terms of participation in hybrid events;

Other comments

31. Observes that the new SIA 2021-2027 calls for a reinforced engagement with Member States through increased cooperation, communication and visibility; notes the Institute's follow-up measures to strengthen communication and awareness within its community; notes, in particular, that the Institute set up a network of 89 national contact points, representing 57 countries, including the Member States, Horizon associated countries and other third countries; further notes the development of the Institute's knowledge centre as a public repository of policy working documents and reports;
32. Calls on the Institute to continue to develop its synergies (for instance with regard to human resources, building management, IT services and security), and to reinforce its cooperation, its exchange of good practices and its discussions regarding areas of mutual interest with other Union agencies with a view to improving efficiency;
33. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ^(²) on the performance, financial management and control of the agencies.

⁽²⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1891 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Institute of Innovation and Technology (EIT) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute of Innovation and Technology (EIT) for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0089/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ⁽⁴⁾, and in particular Article 21 thereof,
- having regard to Regulation (EU) 2021/819 of the European Parliament and of the Council of 20 May 2021 on the European Institute of Innovation and Technology ⁽⁵⁾, and in particular Article 23 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0130/2023),

1. Approves the closure of the accounts of the European Institute of Innovation and Technology (EIT) for the financial year 2021;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 97, 9.4.2008, p. 1.

⁽⁵⁾ OJ L 189, 28.5.2021, p. 61.

⁽⁶⁾ OJ L 122, 10.5.2019, p. 1.

2. Instructs its President to forward this decision to the Director of the European Institute of Innovation and Technology (EIT), 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

DECISION (EU) 2023/1892 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Labour Authority (ELA)
for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Labour Authority for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0090/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 2019/1149 of the European Parliament and of the Council of 20 June 2019 establishing a European Labour Authority, amending Regulations (EC) No 883/2004, (EU) No 492/2011, and (EU) 2016/589 and repealing Decision (EU) 2016/344 ⁽⁴⁾, and in particular Article 28 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Employment and Social Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0117/2023),

1. Grants the Executive Director of the European Labour Authority discharge in respect of the implementation of the Authority's budget for the financial year 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 186, 11.7.2019, p. 21.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Labour 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1893 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Labour Authority (ELA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Labour Authority for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0117/2023),
- A. whereas according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Labour Authority (the 'Authority') for the financial year 2021 was EUR 24 219 500; whereas the Authority's budget derives from the Union budget; whereas EUR 1 838 391 was implemented under the Commission's Directorate-General for Employment, Social Affairs and Inclusion and EUR 22 381 110 was managed directly by the Authority after its financial autonomy;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Authority's annual accounts for financial year 2021 (the 'Court's report'), stated that it has obtained reasonable assurance that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the Authority started operations on 17 October 2019 and achieved financial autonomy on 26 May 2021, and that, following the finalisation of the Headquarters Agreement with the Slovak Republic, commenced its activities in its premises in Bratislava in September 2021; welcomes the start of the operations and highlights that is the first discharge procedure;
2. Notes that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year commitment appropriations of 95,80 % and that the execution rate of current year payment appropriations was 30,38 %;
3. Underlines the fact that the work of the Authority has been in its start-up shaping phase; is aware that further development and integration of internal processes is needed in the upcoming period until being fully operational in 2024;
4. Recalls the importance of strengthening management and control systems to ensure the proper functioning of the Authority; strongly insists on the requirement of effective management and control systems to avoid potential cases of conflicts of interest, missing *ex ante* or *ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Performance

5. Notes that the project dedicated to the development of a structured performance management system that will support the development of coherent key performance indicators, initially planned for 2021, was delayed and is currently under implementation; calls on the Authority to report any developments in that regard to the discharge authority;

(1) OJ C 114, 31.3.2021, p. 232.

6. Underlines the achievements of the Authority with regard to the first sector-specific initiative focused on the rights of mobile workers and their employers in the field of seasonal work, its action plan and related campaign, implemented in cooperation with the Member States, social partners and other stakeholders, and bringing together all of the Authority's operational tasks;
7. Notes with appreciation that the Authority supported in 2021 the first ten concerted and joint inspections, with the participation of 11 Member States; notes moreover, that the European Platform tackling undeclared work was smoothly integrated into the Authority in 2021, and that, in line with Regulation (EU) 2019/1149 of the European Parliament and of the Council ⁽²⁾, the Authority took over some specific responsibilities of the European network of employment services (EURES) from the Commission, particularly the EURES network governance and training and communication activities, and the ownership of the EURES portal;
8. Notes with appreciation that the Authority finalised the framework necessary for launching its mediation task in early 2022, and that in December 2021, the Authority's management board adopted rules of the mediation procedure and launched a call to secure nominations for the various mediation functions;
9. Notes with appreciation that the Authority deepened its cooperation with other Union bodies and organisations; welcomes the first agreements with the SOLVIT network and the Administrative Commission for the Coordination of Social Security Systems completed in 2021; notes, furthermore, that the Authority started the negotiations of other cooperation arrangements, including with the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and the European Agency for Safety and Health at Work (EU-OSHA); notes, moreover, that in September 2021, the Authority and the European Union Agency for Law Enforcement Cooperation (Europol) supported Member States' efforts to fight labour exploitation in seasonal work; urges the Authority to further explore possibilities for extending its working arrangements and resources sharing of overlapping tasks with other Union bodies;
10. Notes that all the activities planned in the 2021 work programme were implemented except the staff exchanges and mutual assistance projects under the European Platform tackling undeclared work; acknowledges that the lack of applications for these demand-driven activities may be attributed to the COVID-19 pandemic; notes that the management board considers that the results achieved by the Authority in its second year of activity are laying down the foundations for building up a fully operational and digitalised Authority before 2024;

Staff policy

11. Is concerned that, on 31 December 2021, the establishment plan was 84,21 % implemented, with 32 temporary agents appointed out of 38 temporary agents authorised under the Union budget; notes that, in addition, 11 contract agents and 41 seconded national experts (including 27 national liaison officers) worked for the Authority in 2021; notes that the Authority achieved a significant growth of its workforce after intensive recruitment efforts in 2021 in line with one of the Authority's key priority;
12. Draws attention, however, to the fact that the Authority has the highest proportion of seconded national experts posts (60 out of 144 members of staff, in the establishment plan 2023) compared to all Union decentralised agencies; calls for the conversion of 15 seconded national expert posts into temporary agent posts which will allow the Authority to make use of an appropriate staffing for further implementation of its mission;
13. Notes the lack of gender balance within the Authority's senior management, with 4 out of 6 (67 %) being men; notes the lack of gender balance within the Authority's management board, with 20 out of 33 (61 %) being men; further notes the lack of gender balance within the Authority's overall staff, with 23 out of 43 (53 %) being women; notes the gender representation among seconded national experts (including national liaison officers) (49 % women and 51 %

⁽²⁾ Regulation (EU) 2019/1149 of the European Parliament and of the Council of 20 June 2019 establishing a European Labour Authority, amending Regulations (EC) No 883/2004, (EU) No 492/2011, and (EU) 2016/589 and repealing Decision (EU) 2016/344 (OJ L 186, 11.7.2019, p. 21).

men); notes, furthermore that the Authority had 14 nationalities based on its establishment plan posts (statutory staff) at the end of 2021 and that it envisaged to further increase the nationalities represented to 18 in 2022; urges the Authority to consider with utmost priority geographical balance in its recruitment procedures and report any developments in this regard to the discharge authority; recalls the importance to ensure staff gender balance and calls on the Authority to take this aspect into consideration with regards to future appointments within its senior management; further calls on the Member States to take this into account when nominating the members of the management board or seconded national experts;

14. Notes that the Authority adopted its first organisational structure in 2021, designed the organisation and continued adopting and developing internal rules and procedures, and that it has created, together with all its staff, its mission and values' statement representing the diversity and culture of all employees; notes, furthermore, that the Authority is working towards being fully operational in 2024;
15. Notes that the Authority adopted the policy on protecting the dignity of the person and preventing psychological and sexual harassment in March 2022, following which started to organise compulsory anti-harassment workshops for all staff including external contractors, as well as dedicated sessions for managers; notes, furthermore, that the Authority launched in June 2022 a call for expressions of interest of confidential counsellors; calls on the Authority to report any developments in that regard to the discharge authority;
16. Recalls the importance of developing a long-term human resources policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;

Procurement

17. Notes that in 2021 the Authority made the best possible use of existing interinstitutional framework contracts for its administrative and operational activities, while launching calls for tender (negotiated, open) when required; notes furthermore, that the Authority concluded a total of 106 procurement procedures and signed six service-level agreements;
18. Notes that in 2021, the Authority onboarded the e-procurement Modules ABAC Assets, e-tendering, e-submission and Public Procurement Management Tool (PPMT); notes that in 2022, the Authority started to use PPMT;

Prevention and management of conflicts of interest, and transparency

19. Notes that the Authority is in the process of developing a comprehensive policy on conflicts of interest and that the rules of procedures of the Authority's bodies (management board, stakeholder group, the Authority's working groups) contain provisions relating to conflicts of interest; notes, moreover, that conflict of interest declarations for management board members are in place and public;
20. Notes that the Authority publishes the CV of its executive director and is working on the publication of other relevant CVs in 2023; calls on the Authority to report any developments in that regard to the discharge authority;
21. Notes that in 2021 the Authority had meetings with external stakeholders such as trade union representatives, employer organisation and business representatives, as well as national authorities and national institutions; notes with concern that the Authority does not have a centralised register of relevant meetings with external stakeholders and does not envisage the establishment of such a register until 2023; calls on the Authority to put in place such a register as soon as possible and to report any developments in that regard to the discharge authority;

22. Notes with appreciation that the Authority adopted on 25 May 2021, by analogy, the Commission's guidelines on whistleblowing;
23. Insists on the need to put in place systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; calls on the Authority to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Internal control

24. Notes with concern that although, according to the Court's report, the Authority's management board approved the Commission's internal audit service mission charter (in 2021) and the Authority's internal control framework (ICF) (in 2020), the Authority had not yet adopted an appropriate risk management and control strategy nor had it adopted the charter of the authorising officer or the charter of the authorising officers by sub-delegation, or the charter of the accountant, and that those gaps hinder the implementation of the Authority's internal control framework; notes from the Authority's reply that it finalised the risk-assessment process and has several policies, and procedures in place to implement the ICF and that it continuously works to strengthen its ICF further and plans the adoption of the relevant charters; calls on the Authority to report to the discharge authority on the development of its internal control system and risk management;
25. Notes that, according to the Court's report, the Authority recorded assets with a total value of EUR 73 118 in ABAC Assets and in the inventory record, that those assets mostly consisted of office furniture, and that the Authority assigned an inventory identification and a future location to each item; notes that, however, due to the COVID-19 pandemic, the assets were not labelled at the time of the audit, and were not yet placed in their assigned locations; notes that, furthermore, the absence of complete and updated inventories specifying the location of Authority's tangible assets goes against Article 87 of the Financial Regulation, and adversely affects the Authority's ability to ensure the safeguarding of its assets; notes the Authority's reply that, due to COVID-19 pandemic, restrictive measures, following the delivery, the tangible assets had been recently placed in the designated areas according to the location plan and number of staff and that the labelling process and the physical completion of the inventories have been finalised;
26. Notes that, according to the Court's report, on 11 December 2020, the Authority signed a specific contract for EURES training activities covering the first quarter of 2021, amounting to EUR 299 437, and that a new framework contract, with a value of EUR 12 million and maximum duration of 48 months, to provide EURES training activities was signed on 9 November 2021, and that no payments associated with this framework contract were made in 2021; notes, furthermore, that, according to the Court's report, the Authority did not establish *ex ante* or *ex post* controls relating to the operational and financial aspects of the training activities based on direct evidence from the implemented training activities and relied instead on reports issued by trainers, and that this lack of formalised procedures based on direct evidence may present risks to the implementation of management directives, and to the achievement of the Authority's objectives;
27. Notes that the Authority acknowledged the need to set up the appropriate structure internally, to introduce formalised procedures based on direct evidence in reply to the Court's observation; notes that the Authority is using direct controls for training activities, and that from 2023, it will establish a mechanism for direct controls, under which the Authority's staff will participate in 10 % of training provided by EURES, covering examples of all training types and formats, observe the training implementation, and that the assessed training will be followed up by a satisfaction survey among participants;
28. Notes that the Authority adopted and implemented its 2021–2023 anti-fraud strategy, and that the implementation of the strategy is monitored via a dedicated action plan;

Digitalisation and the green transition

29. Notes that the Authority has built ICT solutions around a Microsoft 365 offering and Commission systems that are shared among different institutions and that are accessible via a secured VPN solution, which were reviewed by independent consultants and CERT-EU; notes, moreover, that the Authority has configured an ICT security monitoring solution that allows monitoring by CERT-EU based on a service level agreement;
30. Notes that the Authority's cyber security policy is going to be developed in 2023 with input from ICT Strategy and Agencies approach to the new Cybersecurity regulation; calls on the Authority to report any developments in that regard to the discharge authority;
31. Recalls the importance of increasing the digitalisation of the Authority in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Authority to continue to be proactive in this regard in order to avoid a digital gap between the agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
32. Encourages the Authority to work in close cooperation with ENISA (the European Union Agency for Cybersecurity); suggests offering regularly updated cybersecurity-related training programmes for all staff within the Authority; calls on the Authority to develop its cybersecurity policy swifter, delivered it before 31 December 2023 and report back to the discharge authority;
33. Notes with appreciation that the Authority's headquarter in Slovakia (the building Landererova 12 or L12) has received the Leadership in Energy and Environmental Design Gold certificate;

Business continuity during the COVID-19 crisis

34. Notes with concern from the Court's report that the Authority has not yet adopted a business continuity plan and that the lack of an established and comprehensive business continuity plan constitutes a major internal weakness; notes from the Authority's reply that, due to the COVID-19 pandemic, a teleworking business continuity solution was in place on daily basis, and that the Authority recognises the importance of a comprehensive document describing the business continuity plan, which is planned to be completed in 2023; calls on the Authority to report any developments in that regard to the discharge authority;
35. Notes with appreciation the report on the 'impact of teleworking during the COVID-19 pandemic on the applicable social security' and an internal assessment of the 'impact of the COVID-19 pandemic on the Authority's fields of operations';

Other comments

36. Notes that during 2021, the Authority further developed its communication activities, with an increasing number of social media followers, the creation of new sites in further social media platforms and an increase in interactive and more engaging content, such as videos, and continued to develop its website, visual identity, logo and other artefacts that will increase the visibility and recognition of the Authority; calls on the Authority to step up its efforts and report relevant performance information to the Union citizens and general public in clear and accessible language; urges the Authority to ensure greater transparency and public accountability by better-utilising media and social media channels;
37. Welcomes the Authority's engagement at governance level with Eurofound, EU-OSHA, and the European Institute for Gender Equality (EIGE) and the draft work programmes exchanges with Eurofound, the European Chemicals Agency (ECHA), and EIGE to ensure synergy in the respective work programmes;

38. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽³⁾ on the performance, financial management and control of the agencies.
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⁽³⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1894 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Labour Authority (ELA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Labour Authority for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0090/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 2019/1149 of the European Parliament and of the Council of 20 June 2019 establishing a European Labour Authority, amending Regulations (EC) No 883/2004, (EU) No 492/2011, and (EU) 2016/589 and repealing Decision (EU) 2016/344 ⁽⁴⁾, and in particular Article 28 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Employment and Social Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0117/2023),

1. Approves the closure of the accounts of the European Labour Authority for the financial year 2021;
2. Instructs its President to forward this decision to the Executive Director of the European Labour 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 186, 11.7.2019, p. 21.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU, Euratom) 2023/1895 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Medicines Agency (EMA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0091/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Union procedures for the authorisation and supervision of medicinal products for human use and establishing a European Medicines Agency ⁽⁴⁾, and in particular Article 68 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
- having regard to the report of the Committee on Budgetary Control (A9-0106/2023),

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 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 136, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1896 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Medicines Agency (EMA) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
 - having regard to the report of the Committee on Budgetary Control (A9-0106/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Medicines Agency (the ‘Agency’) for the financial year 2021 was EUR 379 228 000, representing an increase of 2,56 % compared to 2020; whereas the Agency is a fee-funded agency, with approximately 89,40 % of its 2021 revenue stemming from fees paid by the pharmaceutical industry for services provided, 9,90 % stemming from the Union budget and 0,7 % stemming from external assigned revenue;
- B. whereas the Court of Auditors (the ‘Court’) in its report on the annual accounts of the Agency for the financial year 2021 (the ‘Court’s report’), states that it has obtained reasonable assurance that the Agency’s annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year commitment appropriations of 96,38 %, representing a decrease of 2,46 % compared to 2020; regrets that the current year payment appropriations execution rate was 72,36 %, representing a decrease of 6,11 % compared to 2020;

Performance

2. Notes that in 2021, despite the difficulties caused by the COVID-19 pandemic, the Agency continued to promote a functioning single market for human and veterinary medicines, by acting as the hub of the European network of regulatory medicines authorities that implements the applicable Union legislative framework for such products; commends the Agency for its support regarding the Union’s response to the COVID-19 pandemic, by assessing in a timely manner vaccines and therapeutics for the prevention and treatment of infections from SARS-CoV-2 virus;
3. Commends the Agency for its significant achievements in 2021 with, among others, four COVID-19 vaccines and five COVID-19 treatments recommended for approval, 92 new human medicines and 12 new veterinary medicines recommended for marketing authorisation, six PRIME-designated medicines recommended for approval and 19 orphan-status designations confirmed; further commends the Agency for the progress made towards a fully functional Clinical Trials Information System and for the launch of the Accelerating Clinical Trial in the EU initiative;
4. Notes that in 2021 the targets of most of the Agency’s workload and key performance indicators were achieved or exceeded, while the achievement of most of the objectives set was on track or completed; further notes, with regard to the follow-up to last year’s discharge observations, that despite the difficulties caused by the COVID-19 pandemic, the

(1) OJ C 141, 29.3.2022, p. 26.

Agency is progressing in introducing new performance management tools, concepts and processes through the development of a comprehensive Performance and Development Programme which entails the cascading of objectives from higher levels down to team or individual level and the regular monitoring of progress through continuous performance management; calls on the Agency to report to the discharge authority once the embedding of those initiatives in the Agency's operations is completed;

5. Notes, following the cyberattack in December 2020, that the Agency has further strengthened its cybersecurity capabilities and defence; welcomes in this context the creation of the Information Security Management Steering Committee in order to provide Agency-wide oversight and ownership of and direction to the information security strategy and its implementation plan, the establishment of a Security Operation Centre with round-the-clock monitoring of the Agency's network and the development of a security awareness and training programme which aims to foster a strong security culture within the Agency; calls on the Agency to report to the discharge authority on the results that those measures will bring; notes that the revision of the Agency's information security strategy is underway, with the aim of putting into place a three-year improvement road map in line with best practices of similar organisations;
6. Welcomes the Agency's efforts to combat antimicrobial resistance, in particular the adoption of the Committee for Veterinary Medicinal Products (CVMP) strategy on antimicrobials 2021-2025; notes with satisfaction the fact that the overall sales of veterinary antimicrobials in European countries were 47 % lower in 2021 than in 2011 according to the European Surveillance of Veterinary Antimicrobial Consumption project report published in November 2022 entitled 'Sales of veterinary antimicrobial agents in 31 European countries in 2021 – Trends from 2010 to 2021';
7. Stresses that the replacement of animal testing shall be a priority in medicine development during the application of the 3Rs – replace, reduce and refine animal use for the development, manufacturing and testing of medicines– principles; regrets that in 2021 the 3Rs Working Party had to be put on hold due to the business continuity planning policy as a result of the COVID-19 pandemic, therefore the Agency did not prepare an activity report on this issue; welcomes the activity restart of the 3Rs Working Party in late 2022 and the organisation of meetings with stakeholders on this issue in 2023; expects that the Agency will produce its biennial reports on 3Rs actions as soon as possible;
8. Notes the Agency's formal working arrangements with its main Union agency partners (European Centre for Disease Prevention and Control, European Food Safety Authority, European Chemicals Agency and European Monitoring Centre for Drugs and Drug Addiction), laying out the nature of the collaboration and mutual consultation in areas of common interest; notes the Agency's active cooperation with the European Health Emergency Preparedness and Response Authority on medical countermeasures and the preparation of a Memorandum of Understanding between them to clarify their roles and responsibilities and ensure complementarity; notes with satisfaction that the Agency regularly participates in joint procurement procedures with other Union decentralised agencies and with Commission services and organises joint procurement procedures which are open to other Union agencies;

Staff policy

9. Notes that, on 31 December 2021, the establishment plan was 98,02 % implemented, with 644 temporary agents appointed out of 657 temporary agents authorised under the Union budget (compared to 596 authorised posts in 2020); notes that, in addition, 206 contract agents, 28 seconded national experts and 138 interims worked for the Agency in 2021;
10. Expresses concern that the addition of new tasks and the increasing fee-related workload due to the growing portfolio of authorised medicines over the years was not accompanied by an adequate increase in the Agency's staff, which puts the Agency under significant pressure; invites the Agency to explore ways of surveying the staff regarding their well-being and deploying methods that would prevent burn-out and decreased performance;

11. Notes with concern the lack of gender balance within the Agency's senior management, with 17 out of 28 (61 %) being men; notes the gender balance in the Agency's management board, with 37 out of 66 (56 %) being men and for overall staff with 562 out of 850 (66 %) being women; calls on the Agency to take concrete measures to increase gender balance at all levels of the Agency's hierarchy as soon as possible and report back to the discharge authority;
12. Acknowledges the ongoing work done by the Agency on establishing a long-term human resources policy framework with, at its core, work-life balance; welcomes in this context the full implementation of a hybrid working environment, the Agency's wellbeing and employee assistance programmes, the creation of a working group for workload management, a dedicated health team within the human resources (HR) function, as well as training courses and surveys on wellbeing;
13. Notes that the considerable increase by 61 temporary agents decided on by the budgetary authority helped the Agency tackle the additional workload caused by the COVID-19 pandemic, as well as activities related to the implementation of the Agency's extended mandate;
14. Highlights the importance of developing a long term HR policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;

Procurement

15. Notes with concern that 2021 was the third year in a row when the Court raised new procurement-related observations for the Agency; notes from the Court's report the observation regarding the Agency's overestimation of the value of a framework contract, whereby a lower threshold regarding the financial and economic capacity requirement (annual turnover) would have allowed more companies to submit tenders; calls on the Agency to review the shortcomings of its procurement processes and also follow the Court's recommendations;
16. Notes that potential liabilities arising, until 2039, from the lease on the Agency's former office premises in London remain an ongoing issue; notes with concern, based on the Court's reports of 2020 and 2021, that the estimated amount corresponding to such liabilities has risen from EUR 377 million on 31 December 2020 to EUR 383 million on 31 December 2021; notes that the Agency reached an agreement with the owner of the building to sublet its former premises from July 2019; notes that the terms of the sublease are consistent with the head lease and it lasts until 2039; acknowledges that subletting the Agency's premises in a third country means diverting resources to perform an activity outside of the Agency's legal mandate; further acknowledges the need for a political decision in order to secure a long-term resolution on this issue;
17. Notes the measures taken by the Agency to address the Court's observation from 2019 regarding a framework contract signed by the Agency with three companies for the supply of temporary workers; further notes, as a result, that the status of this observation has been upgraded by the Court from 'outstanding' to 'ongoing'; observes that the Court agreed to reassess this observation for 'closing', following the launch of the new procedure for supply of temporary agency workers on 25 May 2022;
18. Recalls the importance for all procurement procedures, to ensure fair competition between tenderers and to procure goods and services at the best price, respecting the principles of transparency, proportionality, equal treatment and non-discrimination; asks for the implementation of the e-procurement IT tools developed by the Commission; calls for an updated clarification of the procedures and templates in the procurement guidelines; notes with concern the Court's observation that public procurement weaknesses are increasing and remain the largest source of irregular payments for most of the agencies;

Prevention and management of conflicts of interest, and transparency

19. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, to prevent and manage conflicts of interest, and to provide whistleblower protection; notes that in 2021 no internal whistleblowing case was reported, however, 29 reports of external whistleblowing cases were received, of which 23 cases were closed and 6 cases are still ongoing; calls on the Agency to report to the discharge authority on the progress made in the ongoing cases;
20. Notes that the Agency published the CVs and declarations of interests of its management board members, its senior management and the scientific experts involved in the Agency's work; further notes that in 2021 no case of conflicts of interest was reported by the Agency; commends the Agency for having put in place rules for the members of its board on conflicts of interest and 'revolving door' situations;
21. Welcomes the further steps taken in order to enhance the transparency of the Agency's activities by, among others, reporting the meetings that the Agency's staff has with external stakeholders, and the availability of such reporting on the website of the Agency;
22. Insists on the need to maintain systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; calls on the Agency to revise and improve its code of conduct and continue strengthening its internal control and audit mechanisms, including the setting up of an internal anti-corruption mechanism;
23. Stresses that despite the majority of funding coming from private sources, the Agency is a public authority; underlines that public trust and guarantees of the Agency's independence and integrity are crucial and therefore a high degree of transparency needs to be ensured through all its activities to avoid regulatory capture and ensure citizens maintain their faith in the pharmaceutical legal and regulatory framework in the Union;

Internal control

24. Notes that the internal control system which the Agency has in place, both in terms of the individual elements, and the system as a whole, is effective overall, with some improvements needed to further enhance the effectiveness of some specific elements; notes, furthermore, that in 2021 the Agency's executive board approved a new approach and new internal guidance on the methodology for financial *ex post* controls, introducing new timelines for carrying out the exercise in a rolling, 18-month period; notes that the internal control procedures highlighted no significant weaknesses, although two areas of controls were identified for potential improvements and are currently being addressed by specific improvement action plans; calls on the Agency to report to the discharge authority on the developments in this regard;
25. Notes with concern the observation from the Court's report regarding multiple procedural deficiencies in two audited recruitment procedures, which undermine the principles of transparency and equal treatment; calls on the Agency to address the weaknesses found by the Court in the area of recruitment and strengthen its internal control system; calls on the Agency to report to the discharge authority on the progress made in this regard;
26. Deplores the fact that procedural deficiencies in recruitment procedures undermine the principles of transparency and equal treatment; requests that the Agency improve its internal recruitment procedure to clarify evaluation processes and vacancy notices; points out that in the Agency's annual report the number of heads of department in the year 2021 was 18, while the number of heads of departments was 13 in 2020;
27. Recalls the importance to strengthen Management and control systems to ensure the proper functioning of the Agency; strongly insists on the requirement of an effective Management and control systems to avoid potential cases of conflicts of interest, missing *ex ante/ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

28. Notes that in 2021 the Agency pursued its efficiency gains strategy, building on the Digital Transformation, building on the activities carried out by the Digital Business Transformation task force; notes with appreciation that the activities included the exploration of artificial intelligence, machine learning and robotics to build pragmatic solutions to existing business needs of the Agency, and the acceleration of innovation via the Digital Innovation Lab, which developed a framework to analyse the processes with a view to enhancing efficiency through technology and digital innovation across the Agency;
29. Notes with appreciation the progress made regarding the administration digitalisation programme of the Agency aimed at modernising processes and tools used in staff management, finance and planning areas; commends the rollout of phase 1 and 2 of the Performance and Development programme in 2021, that consists of, among other things, the launch of a new digital tool to manage all performance and development processes which is integrated with the existing onboarding systems, and the implementation of the digital personal file for all statutory staff, replacing the historical paper personal file and scanned working files;
30. Welcomes the efforts made by the Agency in 2021 for increased sustainability to reduce the carbon footprint from its activities; notes that such efforts led to various positive outcomes, including a significant reduction in the Agency's energy and water consumption; welcomes the Agency's progress in 2021 regarding its registration in the Eco-management and Audit Scheme, the update to the Agency's Environmental Management (EM) system to identify the resources that will help to embed EM activities in its operational business processes and to monitor the Agency's environmental footprint by applying the Greenhouse Gas Protocol;
31. Recalls the importance of increasing the digitalisation of the Agency in terms of internal operation and management, but also in order to speed up the digitalisation of procedures; invites the Agency to switch to paper-less document management and processes where possible; stresses the need for the Agency to continue to be proactive in this regard in order to avoid a digital gap between the agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
32. Encourages the Agency to work in close cooperation with ENISA (European Union Agency for Cybersecurity) and CERT-EU (Computer Emergency Response Team for the Union Institutions), bodies and agencies and to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests to offer regularly updated cybersecurity-related training programmes to all staff members within the Agency; calls on the Agency to develop its cybersecurity policy swifter, deliver it before 31 December 2023 and report back to the discharge authority;

Business continuity during the COVID-19 crisis

33. Notes that, as a result of putting in place business continuity planning throughout 2021, some of the Agency's activities had to be put on hold, delayed or scaled back; further notes that the Agency continued to monitor its business continuity plan and public health threat plan, in order to protect staff, delegates and contractors' health and safety while continuing to deliver on its mandate;
34. Notes that the Agency took a number of measures to monitor and mitigate the effects of the COVID-19 pandemic, such as managing health and safety risks by implementing social distancing and allowing employees to work from home; notes that the Agency's operations and results were not significantly impacted by the COVID-19 pandemic;

Other comments

35. Commends the Agency for its efforts in 2021 to provide clear, transparent, accurate and timely information on the approval and supervision of COVID-19 vaccines and treatments in the Union with unprecedented speed and frequency; acknowledges that the Agency's communication was key to reassuring the Union's citizens, fighting mis- and disinformation, building trust and protecting public health; commends the Agency's improved metrics and positive feedback regarding its website traffic, press conferences and social media accounts in 2021;

36. Notes that in 2021 the Agency developed a new five-year framework strategy for external communication and engagement, covering 2021 to 2025, that aims to build a better understanding of the Agency and its work among Union citizens, as well as to provide a strategic framework for the development of annual communication and engagement plans; notes that the new framework strategy lays out goals such as an increase of public health impact, strengthened collaboration with partners and stakeholders and establishment of optimised crisis-communication processes amongst others;
 37. Calls on the Agency to continue to develop its synergies (for instance HR, building management, IT services and security), and to reinforce its cooperation, its exchange of good practices and its discussions regarding areas of mutual interest with other Union agencies, with a view to improving efficiency;
 38. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽²⁾ on the performance, financial management and control of the agencies.
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⁽²⁾ Texts adopted, P9 TA(2023)0190.

DECISION (EU) 2023/1897 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Medicines Agency (EMA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0091/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Union procedures for the authorisation and supervision of medicinal products for human use and establishing a European Medicines Agency ⁽⁴⁾, and in particular Article 68 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,
- having regard to the report of the Committee on Budgetary Control (A9-0106/2023),

1. Approves the closure of the accounts of the European Medicines Agency for the financial year 2021;
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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 136, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1898 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2021 (06248/2023[19] – C9-0092/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ⁽⁴⁾, and in particular Article 15 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0107/2023),

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 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 376, 27.12.2006, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1899 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0107/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Monitoring Centre for Drugs and Drug Addiction (the 'Centre') for the financial year 2021 was EUR 18 974 791, representing an increase of 5,13 % compared to 2020; whereas the Centre's budget derives mainly (90 %) 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 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of 100 %, the same rate as in 2020; notes that the payment appropriations execution rate was 96,35 %, representing an increase of 1,62 % compared to the previous year; further notes with satisfaction that the implementation rate of payment appropriations carried over from 2020 to 2021 was 98,80 %;

Performance

2. Notes that the Centre's performance measurement model identifies a limited number (10) of composite key performance indicators (KPIs), which are used to measure the effectiveness of delivering the desired outputs and the efficiency of using resources allocated, and which are complemented by higher level KPIs that focus on outcomes and impacts; notes that, for the performance indicators, the Centre identified 54 annual targets, of which 47 targets (87 %) were achieved; welcomes, in addition to the performance indicators, the adoption by the Centre of a multi-indicator approach to monitoring; takes notes that, under this approach, monitoring activity centres on five key epidemiological indicators;
3. Notes that in 2021 most of the Centre's performance indicators were achieved; observes partial achievement with regard to several metrics, such as the average number of training days per member of staff (target of 3 days, achieved 1,2 days) due to travel restrictions throughout the year or the average time of recruitment processes (target 4 months, achieved 4,5 months) due to an increased number of recruitments taking place in 2021; further notes that some of the performance indicators concerning the efficient implementation of the technical assistance projects with third countries were only partially achieved due to implementation conditions, including COVID-19 pandemic-related constraints;

⁽¹⁾ OJ C 141, 29.3.2022, p. 32.

4. Welcomes that the Centre's management board adopted the second Roadmap 2025 as well as the Centre's new business model that aims to further develop the Centre into a customer-focused and data-driven organisation; notes that these documents will guide the work of the Centre in the second phase of the implementation of the Centre's Strategy 2025 which started in 2021; highlights that the Centre is a responsible party in numerous key actions of the EU Drugs Action Plan 2021–2025 approved by the Council of the European Union in 2021;
5. Commends the Centre's efforts and progresses made in its three areas of work: health, security and business drivers; notes in particular the release in 2021 of the Centre's first fully digital flagship publication with eight 'responses miniguides' addressing key public health challenges in the drugs field, the launch of a new online toolkit aiming to meet targets in certain health areas and the release of special reports on the threats to the Union of emerging drug developments in Afghanistan and Iran, and on the Balkan and southern trafficking routes into the Union; further notes the Centre's customer-focused approach, its efforts to ensure that timely products and services are delivered and its increased visibility on the online channels;
6. Welcomes the Centre's participation in drug related training events and capacity building, managing to transfer its knowledge to over 870 professionals working in the drug field, representing an increase of almost 75 % compared to 2020; further welcomes the launch of the European Drugs Winter School in 2021, to complement the already established European Drugs Summer School;

Staff policy

7. Notes that, on 31 December 2021, the establishment plan was 96 % implemented, with seven officials and 66 temporary agents appointed out of seven officials and 69 temporary agents authorised under the Union budget (compared to 76 authorised posts in 2021 and in 2020); notes that, in addition, 27 contract agents and one seconded national expert worked for the Centre in 2021; welcomes that, since the end of 2021, the Centre is no longer employing interim staff; welcomes the Centre's 2021 staff screening exercise and the effective and efficient allocation of its resources with 71,77 % of the Centre's staff allocated to operational tasks, 18,65 % to administrative support and 9,58 % to neutral operations;
8. Notes with concern that the Centre reported to have two women (22 %) and seven men (78 %) in its senior management, while it has 20 women (38 %) and 32 men (62 %) in its management board; notes that the staff overall is composed of 29 men (45 %) and 36 women (55 %); recalls the importance of ensuring staff gender balance and calls on the Centre to take this aspect into consideration with regard to future appointments within its senior management; further calls on the Member States to take this into account when nominating their members of the management board; recalls also the importance of ensuring a balanced geographical representation among both the Centre's management and staff personnel;
9. Regrets that the Centre has not yet implemented any modules of the SYSPER human resources management system; calls on the Centre to enhance the digitalisation of its staff management system in order to increase its efficiency;

Procurement

10. Welcomes that, in terms of procurement execution, the 2021 procurement plan was successfully executed by the Centre with 98 negotiated procedures of a total value of EUR 1 556 147; welcomes the fact that the Court did not have remarks about the Centre's application of public procurement rules;

11. Notes with appreciation that the Centre uses eTendering, eSubmission and eInvoicing; encourages the Centre to continue its progress towards digitalising its procurement procedures and explore options for starting the implementation and use of the PPMT digital procurement tool;

Prevention and management of conflicts of interest, and transparency

12. Acknowledges the Centre's existing measures and ongoing efforts to secure transparency, prevent and manage conflicts of interest, and provide whistleblower protection; welcomes that the Centre published on its website the declarations of interest of its senior management staff, management board members and the external experts who are members of the scientific committee; welcomes that the Centre also published on its website the CVs of the external experts who are members of its scientific committee; notes the Centre's reply to have published on its website all summaries of the CVs of its management board members and senior management staff; regrets, however, that a summary of only their current professional activities is available on the Centre's website; calls on the Centre to update their website as to include CVs listing the full professional background of its management board members and senior management staff;
13. Notes that the existence of a risk of conflict of interest is assessed under the authority of the Centre's director, and that the management board, as required, adopts the measures aimed at preventing or avoiding a conflict of interest; notes that no case of conflict of interest was reported, investigated or concluded in 2021;

Internal control

14. Notes that in 2021 the Internal Audit Service (IAS) carried out an audit on the Centre's internal control system and compliance with rules and procedures regarding the management of the Centre's human resources; notes that the IAS's final audit report included three 'very important' recommendations on ethics management, workload and performance management, and security controls over personnel files, plus three 'important' recommendations on selection and recruitment; calls on the Centre to execute the agreed action plan for the implementation of the IAS's recommendations and to inform the budgetary authority on the progress made in this matter;
15. Notes that the Centre performed an assessment of its internal control framework (ICF) in 2021, concluding that all components are present and functioning, with some improvements advisable regarding 'control environment', 'control activities' and 'information and communication'; notes, however, that, according to the Centre's assessment, current shortfalls did not affect the overall effectiveness of the ICF; welcomes the Centre's ongoing activities to implement the action plan adopted to address the shortcomings of its ICF;
16. Notes that a comprehensive risk identification and assessment exercise was carried out in 2021 to improve risk management at the Centre; further notes that the Centre performed a number of developments contributing to the overall effectiveness of the internal control system; observes, in particular, that a new corporate management information system ('Matrix') was deployed for operational planning, monitoring and reporting of activities; equally observes that a new strategy for the organisational management and internal control system was drafted and formalised in line with the applicable guidelines issued by the Commission;
17. Notes, that the Centre adopted a revised anti-fraud strategy in 2021, with three strategic objectives and an action plan to be implemented in 2022; calls on the Centre to report to the discharge authority on the progress made in this matter;

18. Is concerned about the ongoing observation from the Court in the use of external staff and interim workers; is concerned that, according to the Court's report, the Centre hired these interim workers through a framework contract without respecting the requirements of Directive 2008/104/EC of the European Parliament and of the Council ^(²) and of the Portuguese labour law; calls on the Centre to analyse the working conditions of its interim workers and ensure they are in line with Union and national labour law; further calls on the Centre to rely as much as possible on permanent staff and calls once again on the Commission to ensure appropriate human resources allocations for this purpose; welcomes the proposal made by the Commission to transform the Centre in a Union Drugs Agency; recalls that the new agency should be provided with the necessary human and financial resources to fulfil the objectives, tasks and responsibilities assigned to it under a regulation on a European Union Drugs Agency;

Digitalisation and the green transition

19. Notes that the Centre has been actively monitoring its environmental performance and CO₂ footprint with continuous improvement cycles reducing its CO₂ footprint over the years in comparison to the established 2014 baseline, from 9,99 tonnes per member of staff, to 0,82 tonnes per member of staff in 2020; notes that the considerable drop in CO₂ emissions is partly due to COVID-19 pandemic-related reduction in missions and transport, as well as to the Centre's switch to CO₂-neutral electricity generated from renewable energy sources; notes with interest that the Centre requires the use of green public procurement procedures to foster environmentally-friendly solutions in contract renewals; observes that the Centre is striving to obtain environmental certification in the long run, with due regard to the available resources; calls on the Centre to keep implementing its transition to renewable energy sources, while acknowledging that the Centre has an exemplary system and environmental policy in place;
20. Welcomes the release in 2021 of the first modules of the Centre's publication '*Health and Social Responses to Drug Problems: A European Guide 2021*', as the Centre's first fully digital publication;
21. Takes note of the Centre's ongoing efforts in developing the ICT infrastructure to support the organisation's teleworking measures; notes, in this regard, the activation of an incidence response team and on-time resolution of operational response on health and safety requests; further notes that, after the activation of the Business Continuity Plan (BCP) in 2020, the Centre has been using remote tools to conduct recruitment; notes that the Centre implemented new measures to increase its cybersecurity, such as a transformation programme for end-user equipment, deployment of tools, and domain architecture to improve rapid response to threats, and the integration of two-factor-authentication for application accessible from outside the local network;

Business continuity during the COVID-19 crisis

22. Welcomes that the Centre, in the framework of the task force to coordinate the public health response to the COVID-19 pandemic, developed a flexible and overarching framework to help address pandemic-related issues in a structured manner; notes that the framework included a number of pillars such as providing immediate response to support stakeholders, starting a process to review the impact of the situation on the Centre's current substantive activities and ensuring coordination and synergies between such activities; notes that the Centre, following the evolution of the pandemic situation, deactivated the BCP in October; observes that the Centre carried out an exercise of lessons learned in 2022; calls on the Centre to report to the budgetary authority about the outcome of this exercise;

Other comments

23. Notes the Centre's ongoing practice of cooperation with other Union Agencies and international partners; welcomes that the Centre, as a member of the newly established EU Innovation Hub for Internal Security, cooperated with the Joint Research Council and Europol in implementing a Union-coordinated pilot project to develop a flexible online multi-user software framework for monitoring darknet criminal activities; notes, in the framework of the justice

^(²) Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

and home affairs Agencies' network, the Centre's cooperation with the European Union Agency for Law Enforcement Training (CEPOL) for the use of the CEPOL-based training platform LEEed; further notes the Centre's cooperation with the European Union Agency for Asylum for the study exploring substance-use-related problems and existing responses among professionals in the European reception context; further notes the Centre's technical cooperation projects (IPA7, EU4MD and the EMCDDA for Georgia) with third countries implemented in 2021 in areas such as drugs information and drug-related health and security threats;

24. Notes with appreciation that the Centre continues to share synergies with the European Maritime Safety Agency in corporate and support services and the management of common premises in Lisbon, and that these synergies also relate to ICT, telecommunications and internet-based infrastructures and services; acknowledges that operational synergies have been put in place with other Union agencies in the areas of justice and home affairs and health; commends this way of cohabitation of the two agencies as an example worth following;
25. Welcomes the cooperation between the Centre and European Neighbourhood Policy partner countries at regional level, through the EU4MD technical assistance project, financed by the European Neighbourhood Instrument; further welcomes the start in 2021 of the Centre's first technical assistance project at bilateral level with the EMCDDA for Georgia project; highlights the importance of these partnerships in enhancing the security in the Union neighbourhood area, as well as in combating drug trafficking and the use of illicit substances for Member States and its neighbouring partners;
26. Calls upon the Centre to aim its focus on disseminating the results of its research to the general public, and to reach out to public via the social media and other media outlets; welcomes in this regard the user-accessibility of the reports created by the Centre;
27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽³⁾ on the performance, financial management and control of the agencies.

⁽³⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1900 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2021 (06248/2023[19] – C9-0092/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ⁽⁴⁾, and in particular Article 15 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0107/2023),
1. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 376, 27.12.2006, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1901 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Maritime Safety Agency (EMSA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0093/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Budgetary Control (A9-0113/2023),
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 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 208, 5.8.2002, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

RESOLUTION (EU) 2023/1902 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Maritime Safety Agency (EMSA) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Budgetary Control (A9-0113/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Maritime Safety Agency (the 'Agency') for the financial year 2021 was EUR 105 774 716,82 representing an increase of 9,36 % compared to 2020; whereas the Agency's budget derives from the Union budget and operational income;
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation of current year commitment appropriations rate of 99,67 %, representing a slight increase of 0,78 % compared to 2020 and a current year payment appropriations execution rate of 97,32 %, representing also an increase of 1,24 %;
2. Notes with appreciation from the follow-up to the 2020 discharge that the different measures taken to address the issue of late payments have resulted in a very low rate of late payments of 0,56 % in 2021; notes, moreover, that in 2021 both targets of more than 95 % execution for Commitment Appropriations and of less than 5 % cancellation for Payment Appropriations were met;

Performance

3. Notes that the Agency uses key performance indicators (KPIs) to measure the implementation of its annual work programme in the key areas to which the Agency contributes (Sustainability and technical assistance, Safety, Security, digital services and Simplification and Surveillance), and its horizontal activities; notes that despite the persistent restrictions created by the COVID-19 pandemic, the objectives set out for 2021 were achieved overall through a high level of implementation of the annual work programme;
4. Notes that the Agency cooperated with the European Environmental Agency on an analysis of the environmental dimension of the maritime transport sector, resulting in the publication of the first European Maritime Transport Environmental Report; notes that, given their geographical proximity to one another, the Agency cooperates with EMCDDA; notes, moreover, the Service Level Agreement with EFCA with regard to the back-up mechanism for the accounting function;
5. Welcomes the fact that, since 2017, the tripartite working arrangement between the Agency, the European Fisheries Control Agency (EFCA) and the European Border and Coast Guard Agency (Frontex) has functioned well; considers the arrangement an example of synergy between EU agencies that should inspire agencies in other areas; calls on the

(1) OJ C 141, 29.3.2022, p. 72.

Agency to continue its efforts in that regard and considers it appropriate to also increase the cooperation between the Agency, the European Environmental Agency and the European Fisheries Control Agency in order to collect data for scientific research on marine ecosystems;

6. Welcomes the fact that the Agency continues to implement two projects of cooperation for technical assistance with third countries of the Mediterranean Sea (SAFEMEDIV) and the Black and Caspian Sea (BCSEA); considers these projects with third countries to be a good example of cooperation to improve maritime safety, maritime security and preservation of the marine environment; calls on the Agency to continue its efforts in that regard and to consider new similar cooperation with third countries;
7. Welcomes the fact that the Agency continues to be a key partner to the Commission and to Member States when it comes to developing maritime safety standards, the digitalisation and simplification of EU shipping; also salutes the technical and operational assistance the Agency provides;
8. Welcomes in particular the increased role of the Agency in the assessment, verification and implementation of EU maritime security legislation, which has grown over the years, while the demand for support to the Commission and the EFTA Surveillance Authority is expected to continue to increase, reflecting the growing priority at EU level;
9. Underlines the Agency's role in monitoring European waters in cooperation with Member States to detect illegal waste spills and potential oil spills; calls on the Agency to continue strengthening its surveillance and digital capacities with a view to combating illegal water pollution; underlines the work the Agency does in supporting the Search & Rescue efforts of Member States;

Staff policy

10. Notes that, on 31 December 2021, the establishment plan was 99,06 % implemented, with 210 officials and temporary agents (TAs) appointed out of 212 authorised under the Union budget (compared to 212 authorised posts in 2020); notes that, in addition, 50 contract agents and 13 seconded national experts worked for the Agency in 2021;
11. Notes with satisfaction that gender balance was achieved among the Agency's senior management members, with 3 out of 5 (60 %) being women; notes with concern the lack of gender balance among the Agency's management board members, with 47 out of 65 (72 %) being men; further notes with concern the lack of gender balance within the Agency's overall staff, with 172 out of 268 (64 %) being men; notes, moreover, that in 2021 the Agency successfully launched the Speed Network initiative to offer women interested in a position at the Agency or a career in the maritime sector in general the opportunity of a short informal conversation with female staff members; encourages the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Agency's management board;
12. Notes that the Agency has a policy on the prevention of psychological and sexual harassment, which includes confidential counsellors to support staff as well as regular training and awareness sessions, and dedicated information on its intranet;

Procurement

13. Notes that in 2021, 51 procurement procedures were initiated (25 open, 3 special negotiated, 4 competitive negotiated procedures and 19 very low and low value negotiated procedures) and that a total of 65 contracts were signed;
14. Notes that, according to the Court's report, the Agency amended 14 specific contracts for the provision of services, with the total value of the amendments being EUR 6,8 million, an increase of 76 % on the contracts' initial value, and that those amendments were not in line with Article 172(3)(d) of the Financial Regulation; notes, moreover, that the amounts paid in 2021 (EUR 5,4 million) resulted from the application of the unit prices set in the respective framework contracts and were within the original framework contract ceiling, and that the amendments in question

did not change the economic balance in favour of the contractor and did not lead to a distortion of competition, therefore the resulting payments were not affected; notes that, according to the Agency's reply, it has taken measures to amend future tender specifications and contract templates accordingly; calls on the Agency to report to the discharge authority any development in that regard;

Prevention and management of conflicts of interest and transparency

15. Acknowledges that the Agency employs declarations of conflicts of interest for its management board members and senior management; notes moreover, that additional particular declarations of conflicts of interest, such as of member in recruitment panels, are also signed; notes, furthermore, that the Agency has a number of policies and procedures in place to identify and avoid conflicts of interest, and that it has implemented internal rules on whistleblowing, including regular training;
16. Notes with appreciation that the Agency developed and implemented, in March 2022, its internal 'Rules on the EMSA Transparency Register' and participates in the newly established interinstitutional agreement on a mandatory transparency register for interest representatives, signed by the Commission, the Council and Parliament;
17. Insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, and illegal lobbying; calls on the Agency to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Internal control

18. Notes that the Internal Audit Service (IAS) audit on the 'IT governance and IT portfolio management' was carried out remotely in 2021, and that the IAS concluded that due to the restructuring of ICT into one department, the Agency has overall designed and implemented efficient and effective management and control systems for its information technology governance arrangements; notes moreover that the IAS issued six recommendations for which the Agency issued an action plan; calls on the Agency to report to the discharge authority any development in that regard;
19. Welcomes the fact that in 2021 the Internal Audit Service of the Commission and the European Court of Auditors did not issue any critical recommendations or observations that could lead to a reservation in the annual declaration of assurance; notes that in 2021 there was one recommendation related to an OLAF investigation that is in the course of being followed-up;
20. Notes the annual assessment on the internal control system carried out by the Agency and its conclusion that all internal control principles and the five internal control components have been adequately implemented and are effective overall, that only minor improvements are needed, and that no significant control weaknesses were reported;

Digitalisation and the green transition

21. Notes that the Agency continued the ongoing digitalisation activities to support the eCertificates objectives to facilitate the work of the Member States in their capacity as Flag, Port and coastal States, and that it supported the Commission in preparation of the impact assessment in relation to the revision of Directive 2009/16/EC of the European Parliament and of the Council ^(²) and Directive 2009/21/EC of the European Parliament and of the Council ^(³), which foresee the inclusion of eCertificates; believes that the Agency can play a coordinating role in ensuring safety in European ports and can assist the Commission in working on effective implementation;
22. Notes the launch of the Agency's Cloud Strategy enabling the creation of state-of-art technological landscape accelerating maritime digital services; salutes the development of Maritime Picture and making the new SafeSeaNet operational;

⁽²⁾ Directive 2009/16/EC of the European Parliament and of the Council of 23 April 2009 on port State control (OJ L 131, 28.5.2009, p. 57).

⁽³⁾ Directive 2009/21/EC of the European Parliament and of the Council of 23 April 2009 on compliance with flag State requirements (OJ L 131, 28.5.2009, p. 132).

23. Encourages the Agency's efforts to contribute to the European green agenda for maritime transport by strengthening the Union's capacity to protect the marine environment, manage climate change including through the shift to sustainable mobility with the contribution of maritime transport reflected in the Sustainable and Smart Mobility Strategy adopted in December 2020; furthermore, recalls the role that the Agency could play in enhancing risk-assessment capabilities in safety domains, including for alternative fuels infrastructure deployment;
24. Welcomes the Agency's continued implementation of its 2020-2024 strategy, since it will enable the Agency to fulfil its maritime surveillance, safety and security tasks while contributing efficiently to the Union's digital and environmental priorities; welcomes in particular the Agency's publication – with the European Environment Agency – of the first European Maritime Transport Environmental Report, collecting verified information on the environmental footprint of shipping activities; recalls in this context that all future climate and environmental measures have to be based on thorough impact assessment and recognises that a global approach on maritime emission reduction via IMO is crucial;
25. Believes that the Agency has an important role to play in making European waters not only safer but also more sustainable and contributing to the green agenda; welcomes the adoption of the EMSA Environmental Policy and the strategic pillars and objectives for the following years by strengthening the EU capacity to protect the marine environment, manage climate change including through the shift to sustainable mobility; encourages the Agency to develop measures to reduce the use of plastics on board of ships;
26. Underlines the role of the Agency in the successful implementation of the transition to renewable and low-carbon fuels in maritime transport; commends in that regard the contribution the Agency has made in giving technical support and data for initiatives related to the European Green Deal including the FuelEU Maritime initiative, the Zero Pollution Action Plan initiative and work at IMO on energy efficiency and carbon intensity; highlights the role that the Agency could play for alternative fuels infrastructure and wind propulsion technologies deployment, as well as renewable energy installations at sea; therefore stresses that adjustments to the Agency's mandate could be made accordingly so that the Agency can strengthen its support, possibly accompanied by budgetary means;
27. Encourages the usage of new technologies (Artificial Intelligence and Machine Learning) and the potential future evolution of the EMSA Maritime Analytics Tool (EMAT) prototype presented during the workshop on the Agency's maritime digital services which took place on 15 December 2021; calls on the Agency to report to the discharge authority in that regard;
28. Notes with appreciation that, during the last quarter of 2021, the Agency started a project for implementing the ISO 27.001 standard (on Information security management) in preparation for the upcoming Cybersecurity and Information Security regulations; calls on the Agency to report to the discharge authority on developments in that regard;
29. Encourages the Agency to work in close cooperation with ENISA (European Union Agency for Cybersecurity) and CERT-EU (Computer Emergency Response Team for the Union Institutions, bodies and agencies) and to carry out regular risk assessments in respect of its IT infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests to offer regularly updated cybersecurity-related training programmes to all staff members within the Agency; calls on the Agency to develop its cybersecurity policy swifter, deliver it before 31 December 2023 and report back to the discharge authority;
30. Notes that in 2021 the Agency proceeded with implementing its environmental management, and prepared and adopted its first Environmental Statement; notes with appreciation the Agency's greening activities and projects in 2021, such as ensuring that the energy that it uses is provided from 100 % renewable green sources, its installation of photovoltaic solar panels, its paperless office policy, and its efforts to minimise water consumption;

31. Notes that the internal audit regarding the registration under EU Eco-Management and Audit Scheme (EMAS) took place in June 2021 and that the first part of the external certification audit for the EMAS registration was performed in November 2021; notes with satisfaction that the external verification was completed in 2022 and the Agency is now EMAS registered and has its environmental statement published;

Business continuity during the COVID-19 crisis

32. Notes that the pandemic fast-tracked the integration in the Agency of a series of tools and methods to enable work to continue remotely, from live broadcasting to virtual reality technology to remote auditing techniques; encourages the Agency to put the lessons learned regarding remote and hybrid working methods into practice, in order to better recognise what meetings and tasks could be carried out more efficiently remotely than in-person in the future; notes, moreover, that staff dealing with functions directly affected by the COVID-19 travel restrictions, such as expert and mission reimbursements, were temporarily assigned to perform other duties and to cover for staff absences; notes, furthermore, that a number of new identified risks and opportunities related to this major health crisis were identified and included in the updated risk registers;
33. Notes with appreciation the Agency's report 'Impact of COVID-19 on the Maritime Sector in the EU', which provided an in-depth overview of the impact of the pandemic on shipping in relation to traffic, trade, EU Flags and ownership, shipbuilding, safety and environmental inspections, as well as specific segments such as cruise and passenger;

Other comments

34. Reiterates its call to the Agency to increase the availability of its website in languages other than English; considers that greater linguistic diversity will facilitate access to information for European citizens and thus enhance their understanding and knowledge of the European Union's action in terms of maritime safety;
35. Welcomes the publication by the Agency of its Annual Overview of Marine Casualties and Incidents 2021 which presents statistical data on marine casualties and incidents for the 2014-2020 period;
36. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁴⁾ on the performance, financial management and control of the agencies.

⁽⁴⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1903 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Maritime Safety Agency (EMSA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0093/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Transport and Tourism,
- having regard to the report of the Committee on Budgetary Control (A9-0113/2023),

1. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2021;
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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 208, 5.8.2002, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1904 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of ENISA (European Union Agency for Cybersecurity) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of ENISA (European Union Agency for Cybersecurity) for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0094/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act) ⁽⁴⁾, and in particular Article 31 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0115/2023),

1. Grants the Executive Director of ENISA (European Union Agency for Cybersecurity) discharge in respect of the implementation of the Agency's budget for the financial year 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 151, 7.6.2019, p. 15.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of ENISA (European Union Agency for Cybersecurity), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1905 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of ENISA (European Union Agency for Cybersecurity) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of ENISA (European Union Agency for Cybersecurity) for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0115/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of ENISA (the 'Agency') for the financial year 2021 was EUR 23 473 060, including a contribution of EUR 640 000 from the Hellenic authorities for the rent of the office building, representing an increase of 8,26 % compared to 2020; 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 2021 (the 'Court's report'), states that the Court has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation of current year commitment appropriations rate of 99,51 %, representing an increase of 2,16 % compared to 2020; notes, furthermore, that the current year payment appropriations execution rate was 77,40 % (short of the Agency's planned target of 85 %), representing an increase of 8,77 % compared to 2020;

Performance

2. Notes that the Agency uses key performance indicators (KPIs) to assess its activities and the results achieved in respect of the objectives of the work programme, such as added value to Union institutions, bodies, offices and agencies and Member States in providing support for policymaking and policy implementation and the ability to contribute to Union's cyber resilience through the provision of timely and effective information and knowledge; appreciates the fact that the KPIs were fulfilled and that the Agency has drawn attention to measures that can improve the efficiency and effectiveness of its work; however, recommends that the Agency takes note of the KPIs that have not yet been achieved or that are lagging behind;
3. Notes that the Agency was examining the possibility to contribute, by means of shared services, in the implementation of the upcoming Cybersecurity Regulation for Union institutions, bodies and agencies, in collaboration with Computer Emergency Response Team for the Union and the EU Agencies network; calls on the Agency to report any developments in that regard to the discharge authority;

Staff policy

4. Notes that, on 31 December 2021, the establishment plan was 90,79 % implemented, with 69 temporary agents appointed out of 76 temporary agents authorised under the Union budget (compared to 69 authorised posts in 2020); notes that, in addition, 27 contract agents and 10 seconded national experts worked for the Agency in 2021;

⁽¹⁾ OJ C 141, 29.3.2022, p. 84.

5. Reiterates its concern about the lack of gender balance within the Agency's senior management, namely five men (71 %) and two women (29 %); notes with concern the lack of gender balance on the Agency's management board, with 24 out of 28 (86 %) being men; further, notes the gender balance within the Agency's overall staff, with 57 out of 106 (54 %) being men; calls on the Agency and the Member States to observe gender balance when nominating and appointing members of the senior management or of the management board; asks the Agency to report back to the discharge authority about the concrete measures to improve gender balance;
6. Notes that the Agency has a policy on protecting the dignity of the person and preventing harassment, including a dedicated intranet page, specific annual training, confidential counsellors, and that the Agency has put in place a memorandum of understanding to share confidential counsellors with the European Centre for the Development of Vocational training (Cedefop);
7. Notes that the Agency relied heavily on delivering its services through interim agents, who supported the day-to-day administrative burden, considering that increased support was also needed following the reorganisation and preparation of the new building, putting additional strain on the financial and procurement team; notes with appreciation, moreover, that the Agency's revised recruitment policy has led to a reduction of interim staff; notes, furthermore, from the Court's report, that the increase in staff numbers in 2021 is due to the Agency's success in filling in several long-term vacancies; understands that the cybersecurity and the information communication technology sectors are highly competitive with regard to finding skilled and committed workforce;
8. Recalls the importance of developing a long-term human resources policy on work-life balance, lifelong guidance and the offering of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted; reminds the Agency to further develop staff policy and working culture in order to more efficiently answer to the feedback received in staff surveys;

Procurement

9. Notes that, in 2021, the Agency concluded a total of 58 public procurement procedures, including two jointly with Cedefop;
10. Notes with concern, from the Court's report, that the Agency systematically awards low-value contracts without the relevant award decision approved and signed by the authorising officer, which is not in line with points 30.3 to 30.4 of Annex I to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council^(?); notes the Agency's reply that it has already taken the necessary steps to address this concern; calls on the Agency to report any developments in that regard to the discharge authority;
11. Notes from the Court's report that in order to decide whether to outsource a particular service or to provide it in-house, the Agency has developed and uses a cost-benefit analysis methodology, and that that methodology has design deficiencies which can affect the objectivity of the decision-making process and exposes the Agency to financial risks; takes note of the Agency's reply that it has already taken the necessary steps to address this concern; calls on the Agency to report any developments in that regard to the discharge authority;
12. Notes, from the Court's report, that the Agency in two procurement procedures used, as an award criterion, the technical capacity of the company, which clearly relates to the evaluation of the tenderer, not the tender, and that such overlap between selection and award criteria undermines the legal certainty and exposes the Agency to reputational and legal risks; takes note of the Agency's reply that it has already taken the necessary steps to address this concern; calls on the Agency to report any developments in that regard to the discharge authority;

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

13. Recalls the importance for all procurement procedures to ensure fair competition between tenderers and to procure goods and services at the best price, respecting the principles of transparency, proportionality, equal treatment and non-discrimination; asks for the implementation of the e-procurement information technology (IT) tools developed by the Commission; calls for an updated clarification of the procedures and templates in the procurement guidelines; notes with concern the Court's observation regarding the public procurement weaknesses which are increasing and remain the largest source of irregular payments for most of agencies;

Prevention and management of conflicts of interest, and transparency

14. Notes the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and notes that the CVs of the members of the management board, and their declaration of commitment and declarations of interests are being published on its website;
15. Notes from the Court's report that between 2019 and 2021 the Agency assessed three cases of a potential conflicts of interest in relation to a senior member of staff taking up a new job elsewhere, and that in one case reviewed by the Court the Agency did not consult the joint committee, in contravention of Article 16 of the Staff Regulations; notes from the Agency's reply that the Agency will formally constitute a joint committee to comply with the applicable legal framework; calls on the Agency to report any developments in that regard to the discharge authority;
16. Insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; calls on the Agency to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Internal control

17. Notes that the internal audit service's (IAS) audit report on human resources management and ethics issued three very important and four important recommendations in 2019; notes that, although four recommendations were closed by the IAS, three important recommendations remained open at the end of 2021 and were not fully implemented within the set time frame; calls on the Agency to report any developments in that regard to the discharge authority;
18. Notes that the IAS conducted an audit on strategic planning programming and performance management in 2021 and issued its final audit report in April 2022, with three important recommendations; calls on the Agency to report any developments in that regard to the discharge authority;
19. Notes that the Agency adopted a sensitive functions policy in 2021, entering into force in May 2022;
20. Notes that the internal controls assessment in 2021 shows that internal controls provide reasonable assurance that policies, processes, tasks and behaviours of the agency, taken together, facilitate its effective and efficient operation, help to ensure the quality of internal and external reporting, and help to ensure compliance with its regulations, and that however, some improvements are needed in certain principles, including the refinement of the Agency's internal control framework indicators, the establishment of an enterprise risk management framework, the revision of the IT governance and underlying policy and procedural framework, the revision of the Agency's recruitment policy, as well the update of the Agency's business continuity plan; calls on the Agency to report any developments in that regard to the discharge authority;
21. Notes that the Agency's policy conflicts of interest and its anti-fraud strategy were updated and adopted in 2021;

22. Recalls the importance of strengthening the management and control systems to ensure the proper functioning of the Agency; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflicts of interest, missing *ex ante/ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

23. Notes the tasks assigned to the Agency in relation to the Cybersecurity Act, aiming to promote a high common level of cybersecurity across the Union, including actively supporting Member States, and the Union institutions, bodies, offices and agencies, in improving cybersecurity; notes, moreover, the support of the Agency to the development of new policy files such as network and information security, digital operational resilience, electronic identification, authentication and trust services, European electronic communications code, 5G, digital wallets, artificial intelligence and the Network CODE on cyber security; welcomes the fact that the Agency would be in charge of evaluating whether a product presents a significant cybersecurity risk under the proposed Cyber Resilience Act; underlines the need of ensuring adequate staffing reflecting the Agency's increased tasks;
24. Notes that the Agency has a cybersecurity policy in place, and that, in particular, it applies the 'defence in depth' approach; notes, moreover, that in 2021 the Agency started the revision of its IT policy and procedural framework, including its information security policy; notes, furthermore, that data protection training and cybersecurity awareness courses are provided annually to all members of staff;
25. Recalls the importance of increasing the digitalisation of the Agency in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Agency to continue to be proactive in this regard in order to avoid a digital gap between the agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
26. Notes that the Agency is developing an environmental management system which is intended to lead to the certification of the EU Eco-Management and Audit Scheme; notes, furthermore, that the Greek authorities concluded a lease agreement on behalf of the Agency for its headquarters building in Athens, fully operational from 1 July 2021, and that this will enable the Agency to set a wider set of green measures to be implemented;

Business continuity during the COVID-19 crisis

27. Notes that since the start of the COVID-19 pandemic and during 2021, the Agency introduced and maintained permanent teleworking options while maintaining and enhancing employee motivation, efficiency and development; notes with appreciation, in particular, that during the pandemic, daily updates were sent to all staff members via a designated functional mailbox, detailing the number of cases and the most recent developments in the world, in order to update members of staff with regard to developments; encourages the Agency to put the lessons learned regarding remote and hybrid working methods into practice, in order to better organise what meetings and tasks could be carried out more efficiently remotely than in-person in the future;

Other comments

28. Notes that the Agency adopted its international strategy in November 2021, and that this has allowed the Agency to engage with a selective number of third countries and international organisations, in particular in working towards cooperation arrangements with Ukraine, the United States of America and the North Atlantic Treaty Organization;
29. Calls on the Agency to continue to develop its synergies (for instance human resources, building management, IT services and security), and to reinforce its cooperation, its exchange of good practices and its discussions regarding areas of mutual interest with other Union agencies with a view to improving efficiency;

30. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽³⁾ on the performance, financial management and control of the agencies.
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⁽³⁾ Texts adopted, P9 TA(2023)0190.

DECISION (EU) 2023/1906 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of ENISA (European Union Agency for Cybersecurity) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of ENISA (European Union Agency for Cybersecurity) for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0094/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act) ⁽⁴⁾, and in particular Article 31 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0115/2023),
1. Approves the closure of the accounts of ENISA (European Union Agency for Cybersecurity) for the financial year 2021;
 2. Instructs its President to forward this decision to the Executive Director of ENISA (European Union Agency for Cybersecurity), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 151, 7.6.2019, p. 15.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1907 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Public Prosecutor's Office (EPPO) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Public Prosecutor's Office for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the European Public Prosecutor's Office in respect of the implementation of the budget for the financial year 2021 (06247/2023 – C9-0073/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ⁽⁴⁾, and in particular Article 94 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0079/2023),

1. Grants the Administrative Director of the European Public Prosecutor's Office discharge in respect of the implementation of the Office's budget for the financial year 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 283, 31.10.2017, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Administrative Director of the European Public Prosecutor's Office, the European Council, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1908 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Public Prosecutor's Office (EPPO) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Public Prosecutor's Office for the financial year 2021,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0079/2023),

- A. Whereas the European Public Prosecutor's Office (EPPO) has been established by Council Regulation (EU) 2017/1939 ⁽¹⁾;
- B. Whereas the EPPO is the new independent public prosecution office of the Union and is responsible for investigating and prosecuting crimes against the financial interests of the Union and bringing to judgment the perpetrators of, and accomplices to, criminal offences provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council ⁽²⁾ and indicated by Regulation (EU) 2017/1939;
- C. Whereas the EPPO intervenes in a scenario where only national authorities could investigate and prosecute these crimes, but their powers stopped at the borders of their country, and other organisations like Eurojust, OLAF and Europol had not the necessary powers to carry out the relevant criminal investigations and prosecutions;
- D. Whereas the competence of the EPPO encompasses several types of fraud, and includes amongst them VAT fraud with damages above EUR 10 million, money laundering, corruption and others in which regard the EPPO exercises the functions of prosecutor in the competent courts of the participating Member States, until the case has been finally disposed of;
- E. Whereas the procedural acts of the EPPO are subject to judicial review by the national courts and the European Court of Justice – by way of preliminary rulings or judicial reviews of those acts – has residual powers to ensure a consistent application of EU law;
- F. Whereas the EPPO is composed of a central level, with its headquarters in Luxembourg, consisting of the European Chief Prosecutor, 22 European Prosecutors (one per participating EU country) and the Administrative Director, and of a decentralised (national) level consisting of the European Delegated Prosecutors (EDPs) in the 22 participating EU Member States;
- G. Whereas at the central level the European Chief Prosecutor and the 22 European Prosecutors compose the College of the EPPO and supervises the investigations and prosecutions carried out by the EDPs at the national level, who operate with complete independence from their national authorities;
- H. Whereas, under Article 93 of Regulation (EU) 2017/1939 the EPPO Administrative Director, acting as the authorising officer of the Office, shall implement its budget under its own responsibility and within the limits authorised in the budget and shall send each year to the budgetary authority all information relevant to the findings of any evaluation procedures;

⁽¹⁾ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

⁽²⁾ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

- I. Whereas, in accordance with Article 50(2) of the EPPO's Financial Rules, the Accounting Officer of the Commission shall also act as Accounting Officer of the EPPO and is responsible for the preparation of the annual accounts, which are consolidated with those of the Union;
 - J. Whereas, under the current framework, the final annual accounts are scrutinised by the Court and it is with the Council to recommend and to the European Parliament to decide whether to grant discharge to the Administrative Director of the Office in respect of the implementation of the budget for a given financial year;
 - K. Whereas the Office started its operational activities on 1 June 2021 and it gained financial autonomy from the European Commission as of 24 June 2021 and produces in this year the first set of annual accounts;
1. Welcomes the European Court of Auditors' positive opinion on the reliability of the EPPO's accounts for the financial year 2021 and on the legality and regularity of the underlying revenue and payments;
 2. Welcomes the EPPO's efforts with regard to setting up an operational structure and support system to enable its functioning as the Union's independent prosecution office, in particular the recruitment of staff for central and decentralised levels, the setting up of a dedicated case management system, including the acquisition of software and access to databases material to the performance of its functions and the intensive cooperation launched with the relevant partners;
 3. Believes that the experience earned in the first year of operational activity and administrative management of the EPPO has identified a number of weaknesses in Regulation (EU) 2017/1939 and therefore requires a timely intervention by the Commission; calls on the Commission to engage in an active dialogue with the EPPO and to submit, without delay, an adequately comprehensive proposal for the revision of Regulation (EU) 2017/1939, aiming to resolve existing shortcomings, particularly in internal processes related to of financial and human resources; asks the EPPO to inform the discharge authority, in a timely manner, about measures taken to resolve the weaknesses or potentially new identified shortcomings;
 4. Emphasises that all payments made for the fulfilment of milestones and targets based on reforms and investments described in the national plans under the Recovery and Resilience Facility (RRF) are considered Union money; underlines that therefore all related projects, transactions, tenders or other activities fall under the mandate of the EPPO; calls on all Member States to fully cooperate with the EPPO in all investigations that relate to the implementation of the RRF;

Budgetary and financial management

5. Notes that the overall budget allocated to the EPPO for 2021 was EUR 26,3 million, reduced from the initial endowment of EUR 45 million; notes that an additional EUR 9 200 000 was allocated and used while the EPPO was still operating financially as part of the Commission; understands that, out of the initially expected amount of EUR 45 million, EUR 9 500 000 was returned to the budget of the Union; points out that the return of EUR 9,5 million resulted from the delay in both the appointments of EDPs at the beginning of the EPPO's operations, and from the fact that the budget quota granted for hiring statutory staff was not used because the establishment plan was not adapted accordingly;
6. Observes that, in 2021, the EPPO's budget increased significantly compared to 2020 (EUR 11,6 million), as a consequence of a correction of the underestimation of the caseload provided in 2017 when adopting Regulation (EU) 2017/1939; stresses the importance of adapting human and financial resources to the growing workload and increasing the EPPO's budget accordingly;
7. Notes the budget implementation of 97 % of commitment appropriations and of 71 % of payment appropriations; underlines the carry over of 26 % of the payment appropriations to 2022; observes that 83 % of the payment transactions were carried out within the statutory time limit and that the average payment time was 21,1 days;

underlines that 34 % of the late payments were one day late and that 75 % of the late payments were less than five days late; encourages the EPPO to reduce the delay for payments with the fully efficient use of electronic solutions which would also contribute to making the institutions more transparent and sustainable;

8. Remarks that, overall, the COVID-19 pandemic had no specific impact on the EPPO's activities in terms of mopping-up, transfers or investments needed or on market costs of goods and services; however, remarks that the COVID-19 pandemic may have contributed, to a minor extent, to preventing the timely appointment of the EDPs, delaying the start of the prosecutorial and investigative operations;
9. Observes that the most important intangible asset is the EPPO's dedicated IT system, which is used for entering, managing and transmitting the EPPO's cases and other confidential data in a secure manner and is linked to the Member States' systems (Case Management System – CMS); notes that the development of that software began before the EPPO became independent from the Commission and that the intrinsic value paid until then for the CMS has been transferred from the Commission;
10. Remarks that the majority of tangible assets were transferred to the EPPO from the Commission free of charge and that the corresponding revenue from this donation has been recognised in the accounts as revenue;
11. Notes that this recent transfer from the Commission of prerogatives and responsibilities, even if expected under the implementing arrangement agreed upon, following the adoption of Regulation (EU) 2017/1939, still requires considerable efforts from the EPPO in order to address the issue of late payments, compliance with its internal financial rules, including controls associated with the operational and financial aspects of its operations;
12. Encourages the EPPO to use the electronic invoicing procedures to ensure a more efficient management of actions related to making payments;
13. Notes the relevant additional costs, linked to operational activities (meetings and missions), incurred by the EDPs on top of their remuneration, were regarded as operation expenditure as part EPPO's budget under Article 91(5) of Regulation (EU) 2017/1939;
14. Understands that the EPPO is exploring the possibility of acquiring the services of national sworn translators, recognised by the competent national authorities as the exclusive providers of certified translations admissible and usable in court trials, or of directly contributing to the costs incurred by the EDPs for such services, via the reimbursement of costs sustained at national level;
15. Recalls that the implementation of Article 31, 91(5) and 91(6) of Regulation (EU) 2017/1939, which sets out the situations in which a financial contribution from the EPPO budget may be required to cover investigation costs at the decentralised level and exceptionally costly investigative measures carried out at national level, requires adaptation of the relevant financial rules, which, currently, do not allow for the reimbursement of expenses incurred by national justice systems; points out that due to the sensitivity and confidentiality of EPPO operations, launching a procurement procedure might be unknown and therefore the rules shall take into account the possibility of concluding financing agreements and service level agreements between the EPPO and Member States; urges the Commission to take action in this regard, proposing appropriate amendments of the Financial Regulation, while taking into account the need to allocate the burden of such costs in compliance with the proportionality principle;
16. Is aware that, in the context of the budgetary procedure, the EPPO's needs are communicated to the Commission by 31 January for the following year; remarks that the outcome of the forecast exercise, material to the quantification of such needs, duly considers the estimated caseload (average number of incoming crime reports and of the investigations being launched, and the level of maturity of the ongoing investigations); observes, however, that this forecast does not factor in the impact of the deployment of the Recovery and Resilience Facility (RRF), which has brought an increase in the amount of available resources and of the risk of fraud and mismanagement; points out that an additional element of complexity in the quantification of the budgetary needs stems both from the mandatory nature of the EPPO's

competence, which has no power of discretion when it comes to the expediency of investigations and prosecutions, and from the lack of fixed correlation between the number of investigations and their costs, that are very difficult to predict; underlines the need for the EPPO to be provided with sufficient resources and the required prerogatives to be able to perform its tasks successfully;

17. Remarks that clarification has been sought in each participating Member State on how fraud affecting the RRF will be reported to the EPPO and that discussion is ongoing regarding how the EPPO could effectively intervene in this regard;
18. Is concerned by the lack of certainty on the remedial measures that could be adopted following detection and prosecution of such frauds affecting the RRF;
19. Urges the Commission to provide adequate guidance in this regard and to exhaustively inform the budgetary authority about the options;
20. Shares the view that the absence of a mid-term resource framework for the EPPO, both in terms of budget and staffing, at a time when operations need to be swiftly ramped-up and administrative foundations established, limits the options that should be made available to achieve maximal flexibility in the development of an organisational infrastructure for a project as innovative as the EPPO;

Internal management, performance and internal control

21. Encourages the EPPO to periodically review its set of performance indicators, building on the operational experience in running its particular operating model;
22. Notes that, in 2021, the EPPO received 2 832 reports about potential offences -1 351 from national authorities, 190 from institutions, bodies, organisations and agencies of the Union, 1 282 from private parties and 9 ex officio; understands that, after verifying the reported information in accordance with Article 24(6) of Regulation (EU) 2017/1939, the EPPO concluded there were grounds to exercise its competence and to evoke or initiate investigations in 576 cases (while 84 assessments were pending at the end of the year 2021), out of which 31 cases were further referred to the national authorities after the EPPO's competence was exercised; observes that, in 2021, five indictments were issued by the EPPO and that one final conviction was ordered by the courts in the EPPO cases, while in three additional cases, simplified prosecution procedures were applied;
23. Welcomes the fact that the EPPO is in the process of adopting a comprehensive business continuity plan; stresses the importance of adopting a business continuity plan as soon as possible in order to avoid any disruptions in its business but also to be prepared in the event of future tumultuous events;
24. Calls on the Commission and the participating Member States to consider the extension of the mandate and competences of the EPPO to include the investigation, prosecution and bringing to justice of violations of Union restrictive measures;

Human resources, equality and staff well-being

25. Praises the EPPO's efforts to engage in an intensive recruiting and onboarding process, with the goal of guaranteeing the achievement of a full operational capacity without delay;
26. Notes that the occupancy rate is 94 % for temporary and contract agent posts and that, in the 22 participating Member States, there were 95 EDPs out of the 140 that were initially budgeted;
27. Understands that, at the end of 2021, the EPPO had 217 staff overall, out of which 122 statutory agents (91 temporary agents and 31 contract agents) were employed in the central office, while the national offices were staffed with 95 special advisors, and that for both offices the gender levels are well balanced; observes, however, that the gender distribution amongst the five management positions is suboptimal (four men and one woman) and that this aspect should be improved, together with the development of a diversity strategy, to include adequate encouragement for people with disabilities to apply for positions in the EPPO;

28. Regrets that the selection procedures of EDPs in several Member States have been repeatedly unsuccessful in filling the positions initially budgeted for various reasons, amongst them the remuneration level (80 % of AD 9 level – in line with the Special Advisors status, which is sometimes not in line with the qualifications and experience expected from the EDPs), the lack of a clear career perspective, as well as uncertainty as to their social security and health insurance coverage;
29. Believes that the complexity resulting from the EDPs' administrative status (for whom social rights and benefits including pension rights, working time and leave regimes are to be provided by the Member States and the remuneration is provided by the Union budget calculated as a percentage of the remuneration of a Union official) contributes to making these posts less appealing and their appointment process less selective;
30. Understands that the application of the general Staff Regulation's Implementing Rules with regard to EDPs represents a risk to judicial independence, but, under the procedure set out in article 110 of the Staff Regulations, and without the prior validation of the Commission, the status of the EPPO does not allow for the adoption of alternative implementing rules for EDPs; recalls that the EPPO is the only Union institution employing prosecutors and that their independence is paramount to the good functioning of the prosecution office; calls on the Commission to address this issue and to ensure the necessary flexibility within the legal framework in order to fully accommodate the special status of prosecutors as EPPO staff; believes that this situation brings additional considerations to further support a revision of Regulation (EU) 2017/1939 and the EPPO status;
31. Commends the EPPO management for having adopted all possible viable actions, within its prerogatives, to address the matter, deploying the available resources to increase the occupation rate and to speed up the recruitment process, despite the post-pandemic issues; is aware of the post-pandemic limitations and of the peculiarities of the very competitive Luxembourgish labour market, and observes that the unattractiveness of Luxembourg as a place of employment, mainly because of the high cost of living, has also resulted in limiting the geographical variety of the candidates for applying for positions; remarks that, in terms of the financial package, combined with the career perspective, the EPPO is less competitive than the four Union Institutions with employees in Luxembourg (Parliament, Commission, Court of Justice and Court of Auditors), as it cannot offer a path towards becoming a Union official and that the one and only Union agency in Luxembourg has been merged and moved to Brussels under the current MFF;
32. Is concerned by how frequently third-party commercial services and temporary worker mechanisms are used in most areas where staffing by Union public agents was not cleared, and created at times sub-optimal working conditions resulting from prolonged high workloads for a significant number of EPPO staff; calls on the Commission to address, without further delay, the understaffing of the EPPO when proposing its future establishment plans;
33. Agrees with the European Court of Auditors that the indicated shortcomings in financial management also reflect a lack of resources allocated to finance and procurement functions, and constitute a weakness in the EPPO's human resources management;
34. Acknowledges that, with regard to human resources, attention is to be devoted to guarantee full compliance with the principles of transparency and equal treatment, while being aware of the urgency and pressure that were predominant in the start-up phases of the EPPO's operational activities, recalls the need to follow up the Court's findings on the implementation of some recruitment procedures;
35. Appreciates that about 86 % of the recruited staff are deployed, across the EPPO's departments, in investigative-related activities (that is 186 staff, including the 95 EDPs);
36. Notes that the EPPO's staffing strategy is focused on growing operational resources in the years 2022 and 2023, that administrative and central support functions will have to grow as well, to be able to support the growing operational population, and that additional recruitment will also be critical in the areas of compliance and risk management functions and digital and security services;

37. Notes that the working arrangements adopted for 2021, following the authorisation to return to the office, stipulated working from home for up to 2,5 days a week and that this option was widely used by the majority of staff; understands that the EPPO will align its policy with the recent Commission Implementing Rules regarding working time and hybrid work;

Ethical framework and transparency

38. Notes that the EPPO is in the process of developing the essential features of its ethical framework; welcomes that it has adopted an anti-fraud strategy as a component of its risk-based management, that all staff provide a conflicts of interest declaration, all staff deployed in operations are subject to a personal security clearance requirement and that declarations of interests are requested and screened for all prosecution roles and for the Administrative Director;
39. Appreciates the adoption of implementing rules on whistleblowing by the College of the EPPO, and understands that such provisions are now subject to further practical implementation steps;
40. Is aware of the case opened by the European Ombudsman's in 2021 in relation to the appointment procedure of an EDP; understands that, because the same complaint has been introduced by the same complainant before the Court of Justice of the European Union, the European Ombudsman had decided to close the case considering that the Ombudsman may not examine complaints where the issues raised are or have been the subject of legal proceedings;
41. Calls for an end to the use of external companies that, according to Yale University's ranking ⁽³⁾, continue to operate in Russia;

Digitalisation, cybersecurity and data protection

42. Remarks that the EPPO's case management system is based on a system developed by DG COMP at the Commission, and that while options to interconnect such system with other equivalent tools (used for instance by OLAF or Europol) have not been discussed for the time being, a wide interoperability is however ensured using concepts and components developed and made available by the Commission;
43. Observes that the EPPO CMS is fully managed by the EPPO and that, while its development is outsourced, the contract is managed by a dedicated EPPO CMS Programme team; notes that the operational system and its data are stored and processed in the EPPO's own data centre managed by a dedicated CMS Support team;
44. Appreciates the attention paid to the use of automated translation services, and the development of the 'translation portal' for prosecutors, staff of the Central Office and other staff to enhance efficiency in the handling of cases and to limit the increase of translation-related costs, which are expected to increase in consideration of the corresponding increasing workload of the Office;
45. Encourages the Office to further develop its own cybersecurity capacity to supplement and collaborate with the services of CERT-EU and of DG DIGIT at the Commission;
46. Notes that, in 2021, EUR 547 000 was invested in audiovisual, technical equipment and installations, and that EUR 872 000 and EUR 4 871 000 were invested in administrative and operational ICT goods/services respectively (hardware, software, services, analysis, programming and technical assistance); remarks that, during 2021, the EPPO made full use of the developments resulting from the Covid-19 working adjustments, relying DG DIGIT at the Commission for videoconference facilities and launching a project to upgrade all of the EPPO's meeting rooms to full videoconference capability;

⁽³⁾ <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>

Buildings and security

47. Is aware that, during 2021, the EPPO received, from the Luxembourg government, a total of 8 335 square meters of office space, free of charge, which would cost approximately EUR 3 901 000 to rent per year and that, additionally, in 2021, the Luxembourg government offered the refurbishment of floors free of charge, estimated at cost of EUR 2 700 000;
48. Notes that no lease agreement has been signed yet with the host Member State authorities providing the office space free of charge, despite what is laid out in Article 3.2 of the Headquarters Agreement; agrees with the European Court of Auditors when it highlights how that the lack of a written official lease agreement could deprive the EPPO of the adequate long-term stability needed to perform its duties; understands that the EPPO has finalised its part and has handled the matter to the Member State hosting authority; calls for the Luxembourgish administration to speed up the process and finalise the procedure without any further delay;

Environment and sustainability

49. Notes that the building occupied by the EPPO and the relevant services are provided by the Luxembourgish authorities, who are also in charge of investments related to sustainability and energy performance;
50. Invites the EPPO to adopt a strategy for the sustainable mobility of its staff;

Interinstitutional cooperation

51. Praises the efforts deployed by the EPPO in engaging in an intensive cooperation and coordination with partners and stakeholders;
52. Underlines that, in 2021, the EPPO concluded a cooperation agreement with the Commission and working arrangements with the European Investment Bank Group, OLAF, the European Court of Auditors, Europol and Eurojust;
53. Welcomes the signature of 21 Service Level Agreements and Memoranda of Understanding with other institutions and bodies of the Union with the aim of maximising the benefits stemming from already existing contractual instruments;
54. Underlines the importance of engaging in productive dialogue with non-participating Member States; notes that, in 2021, the EPPO opened 48 investigations involving non-participating Member States; observes that cooperation, grounded on the relevant Union acts on judicial cooperation in criminal matters, works smoothly with Denmark, Hungary and Sweden, even if at a different pace than with the participating countries; shares the concern expressed by the Chief European Prosecutor on the lack of cooperation from Ireland and Poland in the EPPO investigations which require evidence to be gathered from these two non-participating Member States;
55. Is concerned by a lack of cooperation from non-participating Member States, since the start of EPPO operations in June 2021, in particular affecting the gathering of evidence; emphasises that, as of 2022, the number of EPPO investigations involving Poland was the highest of any non-participating country; regrets that Poland considerably delayed the introduction, into its code of criminal procedure, of the amendment required for the operationalisation of the working arrangement with the EPPO; notes that the aforementioned amendment has since been adopted; calls on non-participating Member States to fully respect their obligations towards ensuring sincere cooperation with the EPPO;
56. Calls on the Commission to promote the extension of the participation of the other still non-participating Member States in the EPPO by; invites these countries to depart from approaches that could result in the creation of areas of immunity and privilege, and to adopt at least cooperation agreements that facilitate effectively the execution of the EPPO's activities, ensuring a sincere cooperation with the EPPO; also encourages the EPPO to find efficient and effective working arrangements with the five non-participating Union Member States and to define how the EPPO can better cooperate with them;

57. Remarks that the cooperation of the EPPO with the Commission in the spheres of administrative recovery and precautionary measures, as governed by Article 103(2) of Regulation (EU) 2017/1939, is regulated under the Cooperation agreement with the Commission; observes that in this specific regard, no feedback has yet been provided by the EPPO; understands that the successful implementation of the cooperation under Article 103(2) requires coordination with EDPs in the Member States and is aware that compliance with the general principle of the EPPO's independence and consistency with the objective of efficiency and effectiveness of its investigations are essential; calls on the EPPO to advise the EDPs in their efforts in supporting the Commission's efforts to safeguard the Union budget, and asks both the EPPO and the Commission to report on this specific matter;
58. Encourages the EPPO to work closely and to strengthen its cooperation with the European Court of Auditors, OLAF and Ombudsman in order to avoid the duplication of investigations and emphasises the need to discuss areas of mutual interest;
59. Notes the EPPO observer status in the Camden Asset Recovery Inter-Agency Network (CARIN) since December 2020 and in the Working Group on Bribery in International Business Transactions (WGB), as well as the invitation to participate also as observer at the bi-annual meetings of the Law Enforcement Officials (LEO) of the Organisation for Economic Cooperation and Development (OECD) and the preliminary meetings held in 2021 with the Financial Action Task Force (FATF/GAFI) Secretariat to prepare the EPPO application as observer;

Communication

60. Notes that the institution's external communication is centred on the corporate website platform (www.eppo.europa.eu), and shared via the EPPO's official accounts on Facebook, Twitter and LinkedIn, and that a range of options are offered into such platforms (request for public access to documents, contact forms for citizens, journalists, and potential applicants);
 61. Appreciates the publication of press releases, the social media updates and the interviews on its operational and institutional activities that the European Chief Prosecutor, the European Prosecutors and several specialised staff members are giving to significantly increases the knowledge and awareness about the EPPO's role and actions;
 62. Encourages the EPPO to include, amongst its strategic actions, focused activities aiming to increase its visibility and to endorse the knowledge and understanding of the Union's vision and approach in the protection of the Union's and taxpayers' interests.
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DECISION (EU) 2023/1909 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Public Prosecutor's Office (EPPO) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Public Prosecutor's Office for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the European Public Prosecutor's Office in respect of the implementation of the budget for the financial year 2021 (06247/2023 – C9-0073/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ⁽⁴⁾, and in particular Article 94 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0079/2023),

1. Approves the closure of the accounts of the European Public Prosecutor's Office for the financial year 2021;
2. Instructs its President to forward this decision to the Administrative Director of the European Public Prosecutor's Office, the European Council, 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 283, 31.10.2017, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1910 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Union Agency for Railways (ERA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Railways for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0095/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004 ⁽⁴⁾, and in particular Article 65 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Transport and Tourism,
- having regard to the report of the Committee on Budgetary Control (A9-0100/2023),

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 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 138, 26.5.2016, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1911 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Railways (ERA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Railways for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Budgetary Control (A9-0100/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Union Agency for Railways (the 'Agency') for the financial year 2021 was EUR 31 827 678, representing an increase of 3,45 % compared to 2020; 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 2021 (the 'Court's report'), has stated that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year appropriations of 99,82 %, representing a slight decrease of 0,16 % compared to 2020; further notes that the current year payment appropriations execution rate was 93,54 %, representing an increase of 4,25 % compared to 2020;
2. Notes that the budget outturn in 2021 was EUR 69 638, down from EUR 114 225 in 2020;
3. Acknowledges the challenges which the Agency faced in budget execution in 2021, including with regard to the efforts made to absorb as fast and effectively as possible the IT security budget of around EUR 1,3 million assigned by the Commission in May 2021 to strengthen the Agency's IT security capabilities; commends the Agency for the implementation of around 81 % of that budget despite the limited timeframe;
4. Notes the Agency reporting on the ongoing strain on its budget in the last years, owing to insufficient staff to cover the new and extended tasks brought upon by the 4th Railway Package; notes with concern the Agency's reply that every year it has had to make an increasingly significant cut in its operational budget to pay its staff's salaries; commends the Agency for the measures taken to mitigate the effects of such insufficiencies, e.g. by increasing the hourly rate applied by the Agency for authority tasks-related activities;
5. Recalls that the Agency has the smallest budget among the transport agencies despite the outstanding environmental performance and other benefits of rail transport which the Commission established as one of its priorities with the Action plan to boost long distance and cross-border passenger rail; reiterates its support for an increase of the budget of the Agency in order to provide it with the necessary means to enable it to act as an efficient authority and to fulfil its tasks, particularly those with regard to increasing competitiveness, improving safety and cross-border interoperability;

(1) OJ C 162, 13.4.2022, p. 5.

Performance

6. Acknowledges that the Agency reported a 76,41 % achievement of its 2021 annual programme (compared to 59,35 % in 2020); welcomes the fact that most of the KPIs set under the Single Programming Document (SPD) 2021–2023 have been achieved; notes, however, that some important KPIs have still not been achieved, such as those related to gender equality audit, to the closure of pre-2021 audit findings (12 out of 14 actions opened at the beginning of 2021 having been postponed to 2022) and the presence of women in the transport sector;
7. Notes some of the Agency's main achievements in 2021, such as the timely delivery of a substantially increasing number of Vehicle Authorisations (1260), Single Safety Certificates (41) and ERTMS Trackside Approvals (2), the completion of an ambitious safety climate survey aimed at developing a positive safety culture in the railway sector (with 100 participating organisations and overall 46 500 replies), the deployment of the European Vehicle Register in a production environment and the progress made in revising the TSI package by 2022; welcomes the full transposition of the technical pillar of the 4th Railway Package in all Union's Member States and recalls the importance of completing ERTMS by 2030 as a matter of urgency;
8. Notes, with regard to the follow-up of last year's discharge observations, that the Agency moved its SPD from an annual – and output-focused system to a multiannual outcome-driven one with, at the core, the application of the intervention logic throughout the Agency's 'plan-do-check-act' cycle, KPIs for monitoring outcome and impact (the added value on the railway system), as well as a SPD Dashboard regularly shared with the Agency's Management Board for evidence-based governance of the Agency;
9. Recalls that, following the full transposition of the 4th Railway Package Technical Pillar at the end of 2020, the Agency was given a number of new tasks that entailed a considerable increase of workload; notes that the Agency has developed a Strengthening Plan (SP) in collaboration with the Commission and conducted ad hoc prioritisation exercise to cope better with the new workload;
10. Commends the Agency's continuous effort to improve its efficiency and budget execution through its SP drafted in 2021; notes that the SP is built on a number of pillars, such as further consolidating data collection and transparency through reinforced monitoring and a data-driven performance culture; calls on the Agency to continue to develop its synergies (for instance human resources, building management, IT services and security), cooperation and exchange of good practices with other Union agencies with a view to improving efficiency;
11. Salutes the fact that the Agency has continued to successfully deliver its tasks in the field of Union rail interoperability, safety and harmonisation; welcomes the continuous commitment from the Agency to the objective of creating a Single European Railway Area and for improving rail transport connectivity; notes the important role of rail in ensuring sustainable travel and freight throughout the Union for decades to come, and stresses therefore the importance of the agency's work to this respect;
12. Recalls that 2021 was also the European Year of Rail, and highlighted rail as one of the most sustainable, innovative, and safest transport modes available; notes that, as part of the European Year of Rail, a special Union train travelled across the continent stopping in over 100 cities in 26 countries and that this initiative showcased the potential of rail, as well as its achievements in developing interoperable railways across Europe, together with the importance of removing any of the cross-border barriers that persist;
13. Welcomes the Agency's strategic contribution within the field of national rules; salutes the extensive work carried by the Agency in 2021 to assess the Vehicle Authorisation (VA) National Rules and is looking forward to the finalisation of the assessment for the remaining Member States in 2022, as well as to the results in terms of rules reduction over the next years;

14. Urges that completion of the core TEN-T rail network shall be a key priority; calls for a new European Investment Bank (EIB) support for investment in rail, and measures to prepare the ground for the renaissance of rail;
15. Suggests the Agency to consider measures to improve the quality of services for rail transport;

Staff policy

16. Notes that, on 31 December 2021, the establishment plan was 98 % implemented, with 148 temporary agents appointed out of 151 temporary agents authorised under the Union budget (compared to 148 authorised posts in 2020); notes, in addition, that 34 contract agents (out of 36 authorised) and 2 seconded national experts (out of 4 authorised) worked for the Agency in 2021;
17. Notes the lack of gender balance within the Agency's senior management, with 7 out of 9 (77,78 %) being men; notes the gender distribution within the Agency's management board, with 28 out of 49 (57,14 %) being men; further notes the gender distribution within the Agency's overall staff, with 125 out of 192 (65 %) being men; acknowledges the Agency's continuous work towards closing the gender gap, with specific projects such as 'Women in transport' to strengthen women's employment and equal opportunities in the transport sector; acknowledges the effort made by the Agency to strengthen the telework and the geographical balance in recruitment; recalls that procedural deficiencies in recruitment procedures undermine the principles of transparency and equal treatment; requests that the Agency improves its internal recruitment procedure to clarify evaluation processes and vacancy notices; recalls the importance of developing a long-term HR policy on work-life balance, lifelong guidance and career development and recruitment and integration of people with disabilities;
18. Observes the Agency's new HR strategy (2023–2027) aimed at fostering long-term commitment and reducing turnover among staff; highlights that all priority actions identified to ensure gender balance and equal opportunities will be delivered in synergy with that strategy and calls on the Agency to keep the discharge authority informed on the ongoing implementation thereof; notes that, in 2021, the Agency started its transition to the SYSPER tool for the management of its human resources which is planned to 'go live' at the beginning of 2022;
19. Notes that the Commission envisaged an increase in the Agency's establishment plan from 2023 which was not accompanied by a corresponding increase in subsidy allocation; recalls that the Agency is already making substantial efforts to match the level of ambition required to achieve the Commission's policy objectives effectively under the current budgetary constraints; highlights that several employees reported significant overtime in 2021; acknowledges that this underlines a mismatch between the resources envelope and the needs on the ground; points out that maintaining a proper work-life balance within the staff is necessary to fulfil the Agency's tasks in a satisfactory manner;
20. Takes note of the issues incurred by the Agency's members of staff seeking healthcare in France, as the French national authority does not accept them to be affiliated with the national health system;
21. Notes that, between 2020 and mid-2022, four cases of harassment were reported within the Agency and three of its members of staff were put on the register; notes, nevertheless, that no investigations were carried out and no cases were brought to court; encourages the Agency to further develop its policies and methods to prevent such cases more efficiently in the future;

Procurement

22. Notes that the original procurement plan has been updated throughout the year by adding EUR 350 000 for a new call for tenders and EUR 228 000 for an amended framework contract; notes that the Agency carried out 4 open calls for tenders, 4 negotiated procedures and 2 reopenings of competition in 2021;

23. Recalls that the Agency is mandated to take into account the needs of small and medium-sized enterprises (SMEs); notes the Court's observation in 2020 that the Agency should introduce effective controls to check the SME status of applicants; commends the Agency's ongoing measures to implement the Court's recommendation, such as making the information on the specific conditions for SMEs clearly visible to the applicants, ensuring that a self-declaration is enabled for applicants declaring themselves as SMEs and ensuring that a workflow is in place to process the checks based on the evidence provided;

Prevention and management of conflicts of interest, and transparency

24. Notes that the Agency has published the CVs and declaration of interests of management board members and its senior management on the Agency's website; notes that the CVs of 2 out of 49 management board members are missing; notes that the Agency does not publish the CVs of external experts and in-house experts;
25. Welcomes the Agency's efforts to enhance the transparency of the Agency's activities by regularly publishing on its website information on all meetings held by the Executive Director with organisations or self-employed individuals on issues relating to the activities of the Agency; calls on the Agency to participate in the newly established interinstitutional agreement on a mandatory transparency register for interest representatives, signed by the Commission, the Council and Parliament;

Internal control

26. Observes, following the observations of the discharge authority in 2020, that the Agency, in order to strengthen the control dimension of its internal management system, has shifted towards a system focused on the Internal Control Framework based on the Commission's guidelines, while the international standard ISO 9001:2015 remained secondary reference to be phased out in 2022;
27. Notes that the Agency performed the annual assessment of its Internal Control Framework, concluding that the Agency is overall compliant with some areas for further improvements; notes that the established follow-up actions will be monitored throughout 2022; further notes that the Agency was subject to a surveillance audit to verify that the Agency's processes are complying with the ISO requirements, with no non-conformities identified by the certification body;
28. Notes that the Internal Audit Service of the Commissions (IAS) carried out a risk assessment to identify areas for prospective audits for the Agency in the next years (2021–2023); notes that the risk assessment identified three audit topics, namely Strategic planning and monitoring, IT governance, and 4th Railway Package Implementation; notes that the first audit has been conducted, the final audit report has been sent to the Agency in March 2022 and an action plan has been agreed with the IAS;
29. Recalls that the IAS had performed an audit on Information Management and Information Security in 2019; notes that the final report contained two recommendations rated as very important by the IAS on data governance framework and IT continuity and physical security; highlights that the formal revised implementation date of those recommendations was set to the end of 2022; calls on the Agency to report to the budgetary authority on the progress made in this regard;
30. Notes that 35 nonconformities have been registered in 2021, with a number of financial nonconformities decreasing compared to the previous years;
31. Notes that an internal investigation has been opened by OLAF in 2021, which is still ongoing; calls on the Agency to report to the budgetary authority about the outcome of the investigation; calls on the Agency to take note to the fact that the participation rate of the anti-fraud and ethics trainings are low even though they are mandatory; encourages the Agency to improve the participation rates of these trainings in order to improve the detection techniques and to encourage staff to report any suspicion of fraud;

Digitalisation and the green transition

32. Acknowledges that the Agency has achieved a very high degree of digitalisation in its workflow; notes that the Agency is an active member of the working group of the Commission e-Procurement Project, which is almost fully implemented; welcomes the Agency's role from 2021 as one of the three pilot agencies migrating from the financial IT application ABAC to the new SUMMA; welcomes the fact that the Agency, benefitting from Commission's dedicated support in 2021, introduced valuable measures to strengthen its cybersecurity, such as corrective actions addressing vulnerabilities in some IT systems, penetration tests for its IT systems, security controls procedure for outsourced IT systems, as well as periodic IT security awareness sessions for all its staff; notes that, as a consequence, the Agency experienced cybersecurity attacks in 2021 to a lesser extent than in 2020; further notes that the Agency is cooperating with EASA for sharing expertise on a well-established IT system for monitoring the safety information in aviation; encourages the Agency to work in close cooperation with ENISA (European Union Agency for Cybersecurity);
33. Welcomes the Agency's commitment and ongoing efforts to promote sustainability and to reduce its environmental impact; notes with interest that in the draft SPD 2023 the Agency included a dedicated environmental strategy in line with the Green Deal priorities and the current economic context; calls on the Agency to set a CO₂ reduction target in its work programme and keep the discharge authority informed about the effective introduction of the environmental strategy;

Business continuity during the COVID-19 crisis

34. Notes from its consolidated annual activity report for 2021 that the Agency responded in a timely manner and adequately to the COVID-19 pandemic, in relation to both its staff and working arrangements, and to the railway sector; notes, regarding its response in relation to the staff policy, that the Agency supported the application of teleworking by all staff with a number of measures that are bound to become the new normal, such as increasing the bandwidth of data connection and optimising remote VPN connectivity for staff working from home; encourages the Agency to put the lessons learned regarding remote and hybrid working methods into practice, in order to better organise what meetings and tasks could be carried out more efficiently remotely than in-person in the future; regarding response to pandemic in relation to the railway sector, notes in addition that the Agency prepared a report on 'Travel safety during COVID-19 for passengers travelling long distance by train and other modes' and organised a webinar on 'Post pandemic Recovery of Rail Transport';

Other comments

35. Notes the Agency's ongoing trend to reduce the costs of double premises, in Lille and Valenciennes, and concentrate its operations in one location only; notes, in particular, that the Agency's commitment not to renew the contract lease for the premises in Lille and to limit the travels to Lille to mandatory meetings;
36. Notes that, due to the Agency's evolution into an Union authority, the current Agency headquarters' building in Valenciennes no longer satisfies the necessary requirements for accommodating the Agency's staff and activities;
37. Stresses that financial regulation and high management standards have to be respected by all the EU's institutions;
38. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽²⁾ on the performance, financial management and control of the agencies.

⁽²⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1912 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Union Agency for Railways (ERA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Railways for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0095/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004 ⁽⁴⁾, and in particular Article 65 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Transport and Tourism,
- having regard to the report of the Committee on Budgetary Control (A9-0100/2023),

1. Approves the closure of the accounts of the European Union Agency for Railways for the financial year 2021;
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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 138, 26.5.2016, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1913 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Securities and Markets Authority (ESMA) or the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0097/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ⁽⁴⁾, and in particular Article 64 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0137/2023),

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 84.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

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 2021;
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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1914 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Securities and Markets Authority (ESMA) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0137/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Securities and Markets Authority (the 'Authority') for the financial year 2021 was EUR 60 600 822, representing an increase of 7,64 % compared to 2020; whereas the Authority is financed by a contribution from the Union (EUR 19 172 407, representing 30,59 % of the total budget), contributions from national supervisory authorities of the Member States (EUR 23 936 648, representing 38,20 %) and fees received from supervised entities (EUR 17 087 867, representing 27,27 %);
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Authority for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of 99,94 %, representing a slight increase of 0,92 % compared to 2020; notes that the execution rate of payment appropriations was at 89,91 %, representing an increase of 4,40 % compared to the previous year;
2. Notes that 2021 was the first full year in which the Authority collected fees from third-country central counterparties (CCPs) and the first year when it started collecting fees from securitisation repositories, in addition to fees from credit rating agencies and trade repositories under Regulations (EU) No 648/2012 of the European Parliament and of the Council ⁽²⁾ and (EU) 2015/2365 of the European Parliament and of the Council ⁽³⁾;
3. Notes with appreciation that the Authority has upgraded its payment management system aimed at managing better the late payments made, for example, by credit rating agencies or trade repositories, and the accrued interest in connection with those payments;

Performance

4. Notes that the Authority uses certain measures such as key performance indicators (KPIs) to assess the added value provided by its activities and other measures to improve its budget management, such as the number of risk topics analysed, the rate of cancellation of payment appropriations and the staff turnover rate; commends the Authority for its 2021 work programme being 91 % completed, with most of its KPIs having been achieved or exceeded;

⁽¹⁾ OJ C 141, 29.3.2022, p. 152.

⁽²⁾ Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1).

⁽³⁾ Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (OJ L 337, 23.12.2015, p. 1).

5. Commends the Authority for having grouped its outputs and deliverables for 2021 in three categories of priority: (i) 'top priority' for 128 outputs linked to strategic priorities; (ii) 'lower priority' for 75 outputs not linked to those priorities; and (iii) 'deprioritised completely' for 29 outputs regarding tasks to be done only if there is time;
6. Notes that in 2021 the Authority's strategic priorities focused on three cross-cutting topics: sound Union capital markets, sustainable finance, and innovation and digitalisation; further notes the Authority's deliverables and successes in 2021 in areas which are not directly linked to those priorities, such as, among others, the Union carbon market, enforcement activities, investment services, investment management or CCPs;
7. Commends the Authority for its achievements in 2021, such as, among others, the implementation of new mandates stemming from the 2019 review of the European Supervisory Authorities, the preparation for the new supervisory responsibilities (the supervision of securitisation repositories, data reporting service providers and critical benchmarks), the approval of the registrations of the first two securitisation repositories under Regulation (EU) 2017/2402 of the European Parliament and of the Council ⁽⁴⁾, the preparation for the transfer to the Authority of the supervisory responsibilities for the European Money Markets Institute and the taking over of the supervision of the seven third-country administrators of benchmarks recognised at Union level;
8. Commends the Authority, in the context of the risks arising from digitalisation of financial markets, for its efforts in 2021 to provide the Union institutions with technical feedback regarding the Commission's proposals for a regulation on markets in crypto-assets and the digital operational resilience act; welcomes the development of the Authority's sustainable finance roadmap 2022-2024, which will serve as a practical tool to ensure that the Authority delivers on a wide array of sustainable finance tasks across several sectors in a coordinated way;
9. Welcomes the cooperation between the Authority and the two other European Supervisory Authorities, European Insurance and Occupational Pensions Authority and the European Banking Authority, via the Joint Committee of the European Supervisory Authorities; notes with satisfaction that ESMA shares an accounting officer with the European Banking Authority and that the majority of the procurement procedures which it leads are joint procurements with other agencies and the Commission; notes the Memorandum of Understanding of 2013 between the Authority and the Agency for the Cooperation of Energy Regulators establishing a framework for exchanging information when the regulatory responsibilities of both entities coincide in relation to wholesale energy markets; stresses that the current situation in the commodities markets will likely result in a need for strengthened cooperation on regulatory topics related to energy markets; encourages the Authority to perform steps to facilitate this enhanced cooperation;

Staff policy

10. Notes that, on 31 December 2021, the establishment plan was 85,20 % implemented, with 213 temporary agents appointed out of 250 temporary agents authorised under the Union budget (compared to 226 authorised posts in 2020); notes that, in addition, 85 contract agents and 10 seconded national experts worked for the Authority in 2021;
11. Notes that in 2021 the number of staff increased by 23 % compared to 2020, with 58 additional statutory members; commends the Authority for its efforts in recruiting 102 staff members, owing to 21 (internal and external) selection procedures launched, 2 075 CVs screened and 175 candidates interviewed in 2021;
12. Notes the gender distribution within the Authority's senior management members, with four out of five senior management members being women (80 %); notes the gender distribution within the Authority's management board, with three out of five members of the management board being women (60 %); further notes the gender distribution within the Authority's overall staff, with 162 out of 308 members of staff being men (53 %); recalls the importance of

⁽⁴⁾ Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

ensuring a balanced gender and geographical representation among the management and staff of the Authority and calls on the Authority to take those aspects into consideration with regard to future appointments; underlines the importance of candidates' skills, knowledge and experience when recruiting and promoting staff;

13. Notes that the Authority has a policy on protecting the dignity of the person and preventing psychological and sexual harassment; welcomes that the application of that policy is strengthened through communication measures and awareness sessions; welcomes that in 2021 there were no harassment cases reported, investigated, or taken before the court; further welcomes the Authority's plan to develop a 'Diversity and Inclusion policy';
14. Calls on the Authority to keep developing a long term HR policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;

Procurement

15. Notes that, in 2021, the Authority managed 15 procurement procedures, seven of which were completely finalised; commends the efforts made by the Authority to create synergies through joint procurement procedures with other Union agencies and the Commission; encourages the Authority to continue developing synergies with other Union bodies;
16. Notes with concern the observation from the Court's report that in 2021 the Authority decided to launch a negotiated procedure without advertising it, thus being in breach of point 3.1 of Annex I to the Financial Regulation; further notes that the justification for that decision was not approved in centrally logged exceptions reports before action was taken; calls on the Authority to ensure in the future that all cases of deviation from established processes and procedures are treated in keeping with the legality and regularity principles;

Prevention and management of conflicts of interest, and transparency

17. Commends the Authority for the comprehensive measures and policies it has put in place, and for the diligence with which they are applied to ensure transparency, ethics, good administrative behaviour, as well as prevention and management of conflicts of interest regarding the Authority's members of staff, board of supervisors, management board and CCP Supervisory Committee; notes that, following an assessment made by the Authority's ethics officer on the occasion of an *ad hoc* check that was carried out in the context of a single procedure linked to the creation of three positions of team leader, a review of the guidelines on declarations of interests by selection board members was proposed in order to enhance transparency in those declarations; calls on the Authority to report to the discharge authority once that review has been finalised and approved;
18. Notes that in 2021 the Authority received 11 declarations regarding conflicts of interest ahead of meetings of the board of supervisors and two similar declarations ahead of meetings of the management board; further notes that in 2021 the Authority's ethics team checked, among others, 251 annual declarations by staff members, none of which raised conflict of interest issues, 16 declarations regarding gainful employment of spouses for review, with no issues requiring specific actions identified, and 38 requests for clearance to deal in financial instruments, with the majority of requests having been approved; notes furthermore that the ethics team assessed 94 requests for the prevention of conflicts of interest in the context of recruitment in 2021, following which the ethics team recommended to the Authority's executive director a change of composition of selection panels in nine instances; calls on the Authority to continue reporting to the discharge authority on the measures it has taken to ensure that no conflicts of interest occur;

19. Notes that the Authority established two joint committees, one for senior managers and one for staff members, which need to be involved in the event that conflicts of interest concerns arise in the context of intended future activity after leaving the Authority; further notes that in 2021 the Authority organised nine bilateral 'exit meetings' with staff members leaving the Authority in order to check declarations regarding activities and assess whether there are conflicts of interest between the duties of the concerned staff members at the Authority and their future activities; observes that no issues were raised in that regard;
20. Commends the fact that, in 2021, the Authority undertook several actions to raise awareness about the rules regarding conflicts of interest, ethics rules, the inquiry into dealing in financial instruments, and post-employment rules and cooling off-periods; further commends the Authority for having put in place internal rules on conflicts of interest and 'revolving door' situations applicable to the members of its management board;
21. Welcomes the fact that the Authority publishes CVs and declarations of interest of the members of its management board and its management staff; commends the transparent manner in which the Authority reports the meetings of its staff with external stakeholders and makes them available on its website;
22. Welcomes the Authority's commitment to the highest ethical standards regarding the prevention of conflicts of interest; recalls, following the Court's observations, the requirement for the members of the Authority's board of supervisors to abstain from participating in the discussion and voting on measures for which they have a conflict of interest; stresses that those members should also refrain from attending meetings where such discussions take place, in order to preserve the independence of the board of supervisors; welcomes the Authority's reply that it has amended its policy to explicitly require that conflicted members leave the room;
23. Welcomes that, in accordance with its conflicts of interest and ethics policy, the Authority has made use of a temporary ban on trading in selected financial instruments by its staff to avoid any risk of insider dealing; calls upon the Authority to continue reporting to the discharge authority on measures taken on the prevention of conflicts of interest;
24. Welcomes the publishing of the revised joint guidelines on the assessment of the suitability of members of the management body and key function holders in July 2021 by ESMA and EBA following the amendments to Directives 2013/36/EU of the European Parliament and of the Council ⁽⁵⁾ and 2014/65/EU of the European Parliament and of the Council ⁽⁶⁾, and their effect on assessing the suitability of members of the management body, in particular with regard to anti-money-laundering and terrorist financing risks and promoting gender diversity;
25. Recalls, following the Court's findings, that conflicts of interest can arise within the process of appraisal of the Authority's chairperson and executive director when the national competent authority of a member of the board of supervisors is, for example, subject to a breach of Union law procedure; welcomes therefore the Authority's commitment to introduce an explicit cross-reference to conflicts of interest in its appraisal process;
26. Insists on the need to put into place systematic sets of rules on transparency, incompatibilities, conflicts of interest and illegal lobbying; calls on the Authority to also set up internal anticorruption measures; calls on the Authority to report to the discharge authority on the progress made in this regard;

⁽⁵⁾ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

⁽⁶⁾ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

Internal control

27. Welcomes the annual assessment of the Authority's internal control system and the conclusion that such a system exists and functions well; notes that, the same as in a similar exercise of 2020, the Authority measured 78 internal control indicators, covering all internal control principles, and identified 22 deficiencies, most of which were minor and none of which called into question the existence and proper functioning of the internal control principles; notes that the observed opportunities for improvement are mainly related to the components 'control environment' and 'control activities';
28. Notes that the Internal Audit Service of the Commission (IAS) performed an audit on the Authority's HR management and ethics in 2021 concluding that the management and control systems put in place by the Authority in those areas are adequately designed, effectively implemented and support the Authority in achieving its business objectives; observes regarding that audit that the IAS issued four recommendations; calls on the Authority to report to the discharge authority on the progress made in this regard;
29. Recalls the importance to strengthen management and control systems to ensure the proper functioning of the Authority; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflicts of interest, missing *ex ante* or *ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

30. Notes with appreciation that in 2021 the Authority successfully migrated its activity-based management model from an Excel-based system to a new cloud-based environment, which is expected, according to the Authority, to improve its planning and reporting capabilities, in the context of increasing complexity of its budgeting and costing models;
31. Welcomes that the Authority aimed at strengthening its cybersecurity defences by reviewing its security detection strategy with more sophisticated and automated tools, increasing the security skills among the Authority's ICT unit and by hiring a new information security officer and a document management officer;
32. Recalls the importance of investing in ICT staff with long-term contracts, to avoid brain drain, inefficiencies and potentially increased risks and weakness to cyber-attacks;
33. Encourages the Authority to work in close cooperation with ENISA (the European Union Agency for Cybersecurity) and CERT-EU (Computer Emergency Response Team for the Union institutions, bodies and agencies) and to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests to offer regularly updated cybersecurity-related training programmes to all staff members within the Authority; calls on the Authority to keep developing its cybersecurity policy further, and to report to the discharge authority on the progress made in this regard;
34. Commends the Authority for its ambitious environmental policy, which in 2021 led to improvements in several key environmental indicators such as, among others, waste reduction, paper recycling and decrease in travel; notes that impacts of or progress towards the achievement of sustainability goals are measured and monitored through a control panel for KPIs set by the Authority's management;
35. Commends the Authority for the progress made in order to become registered with the EU Eco-Management and Audit Scheme (EMAS) by 2022; notes the Authority's plan to become fully paperless by 2025;

Business continuity during the COVID-19 crisis

36. Notes that the Authority continued to successfully tackle the challenges posed by the COVID-19 pandemic, for example by continuously adapting the premises and its processes to the changing protective measures adopted by the French government and the Commission;
37. Notes that the Authority has continued to work smoothly in 2021 owing to its prior investments in audio- and videoconferencing and a voting tool; further notes that the Authority installed a new desk management and booking tool to better ensure public health guidance in the office, increase flexibility and prepare for the post-pandemic reality;

Other comments

38. Notes that the Authority identified risks in 2021 such as, among others, a limited capacity to deliver on its mandates, inadequate resources and lack of expertise to manage the extensive legislative agenda (namely as regards the capital markets union and CCPs), the consequences of the withdrawal of the United Kingdom from the Union, potential new mandates for the Authority in certain areas (such as in relation to central securities depositories), more volatile financial markets, and a limited supervisory convergence and supervision of third-country CCPs; calls on the Commission to take these issues into account and allocate the resources necessary for the Authority to deliver on new or extended mandates;
39. Notes that the issues stemming from the Authority's follow-up to the Court's observations from previous years, such as the Authority's annual cross-financing of activities, the harmonisation of the fee calculation system and the scope of circumvention for the fee-charging mechanism, do not fall under Authority's scope of action; calls on the Commission to revise the delegated acts and amend the regulations relating to such issues, as proposed by the Authority;
40. Calls on the Authority to aim its focus on disseminating the results of its operations to the public, and to reach out to public via the social media and other media outlets;
41. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁷⁾ on the performance, financial management and control of the agencies.

⁽⁷⁾ Texts adopted, P9 TA(2023)0190.

DECISION (EU) 2023/1915 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Securities and Markets Authority (ESMA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0097/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ⁽⁴⁾, and in particular Article 64 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0137/2023),

1. Approves the closure of the accounts of the European Securities and Markets Authority for the financial year 2021;
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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 84.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1916 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Training Foundation (ETF) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0098/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0135/2023),
1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 354, 31.12.2008, p. 82.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

RESOLUTION (EU) 2023/1917 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Training Foundation (ETF) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0135/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Training Foundation (the 'Foundation') for the financial year 2021 was EUR 21 402 739, representing an increase of 2,13 % compared to 2020; whereas the Foundation's budget derives entirely from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Foundation's annual accounts for the financial year 2021 (the 'Court's report'), states that it has obtained a reasonable assurance that the Foundation's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that budget monitoring efforts during the financial year 2021 resulted in a high budget implementation rate of current year commitment appropriations of 99,91 %, representing a slight increase of 0,04 % compared to 2020; points out, however, that the current year payment appropriations execution rate was 86,23 %, representing a decrease of 9,43 % compared to 2020;

Performance

2. Notes that the Foundation's work programme for 2021 was 95,58 % completed, the highest in the last five years, with a timely completion rate of 91,15 %; commends that the Foundation has achieved all the key performance indicators above the targets set;
3. Notes the Foundation's key achievements of 2021, which are based on three strategic objectives: skills relevance and anticipation, skills development and validation, and performance and quality of education and training policies; notes that those objectives were delivered by the Foundation under three core services: the knowledge hub, monitoring and assessment, and policy advice;
4. Notes the new initiatives launched by the Foundation in 2021, such as the analysis of green skills positioning and job vacancies in partner countries through the use of big data as well as analyses of scope, conditions and potential for platform work in Eastern Partnership and Western Balkans countries; notes that in 2021 the Foundation was successful in translating skills demand changes, both ongoing and anticipated, into adjustment requirements for matching policies, namely the extension of its network of excellence; further notes the continuing growth of the Foundation's quality assurance forum, bringing together 22 partner countries in a platform for bilateral and multilateral dialogue on vocational education and training (VET) governance; underlines the Foundation's activities in helping transition and developing countries to harness the potential of their human capital through the reform of education, training, and labour market systems, in the context of the Union's external relations policies;

(1) OJ C 141, 29.3.2022, p. 23.

5. Welcomes in particular the Foundation's initiative 'Skills for Enterprise Development' ^(?) addressing in Union neighbourhood countries, enlargement countries and Central Asian countries the need for skills adaptation by linking VET with small and medium-sized enterprises; highlights that this initiative enables enterprises to respond and manage challenges, including those resulting from the COVID-19 pandemic by contributing to greener, inclusive and innovative societies and boosting sustainable competitiveness, social fairness and resilience, thus ensuring business development and continuity for undertakings;
6. Welcomes the fact that the Foundation has strengthened its work and relationship in its partner countries in the Union neighbourhood and enlargement regions; also welcomes the fact that in March 2022, the Foundation revised its cooperation with Russia and Belarus following the unprovoked and unjustified Russian aggression in Ukraine and stopped all cooperation;
7. Welcomes the initiative of the Foundation to monitor the Ukraine crisis and responding where possible and relevant, in close contact with different Commission services, tapping into its thematic expertise and knowledge of education and training systems of the country, at the same time strengthening partnerships with local stakeholders and beyond;

Staff policy

8. Notes that, on 31 December 2021, the establishment plan was 102,3 % implemented, with 88 temporary agents appointed out of 86 temporary agents (including two additional temporary agents to offset part-time work in line with Article 38(2) of the Foundation's financial regulation) authorised under the Union budget (compared to 86 authorised posts in 2020); notes that in addition, 42 contract agents and one local agent worked for the Foundation in 2021;
9. Notes with great concern that the geographical balance is still a challenge; notes that 43 % of its staff are nationals of the Member State where the foundation is located; is deeply concerned that only 16,8 % of the Foundation's staff is from Member States that joined the Union after 2004, whereas those Member States have 23,2 % of the population; acknowledges that the Foundation uses merit-based selection procedures, whereby in presence of equal merits, the Foundation would favour the under-represented nationalities; urges the Foundation to consider with utmost priority geographical balance in its recruitment procedures and report any developments in this regard to the discharge authority;
10. Notes that the gender representation among middle and senior managers in 2021 was six women out of ten (the same as in 2020); notes that the gender representation among the members of the management board was 40 % men and 60 % women (10 and 15 members respectively) and among the staff overall was 34 % men and 66 % women (44 and 87 respectively); recalls the importance of ensuring gender balance and calls on the Foundation to take this aspect into consideration with regards to future appointments;
11. Notes that during the COVID-19 pandemic, in 2021, the Foundation offered the services of confidential counsellors remotely to all colleagues; welcomes that all newcomers at the Foundation received an induction session on harassment and a presentation by the confidential counsellors; regrets, however, that *intra muros* workers can only access the informal procedure; notes that in 2021 no harassment cases were registered, investigated, or brought to court;

Prevention and management of conflicts of interest, and transparency

12. Notes that the Foundation published all the declarations of conflicts of interest and CVs for management board members and senior and middle managers;

^(?) <https://www.etf.europa.eu/en/what-we-do/skills-enterprise-development>

13. Notes that the Foundation has not yet developed a dedicated policy for the management and prevention of conflicts of interest; notes, however, that the Foundation established in 2018 a comprehensive compilation of ethics-related issues including conflicts of interest; further notes that an update took place in 2021 to introduce the latest regulatory references;

Procurement

14. Notes that synergies with other institutions on procurement have been sought with a systematic ad hoc opportunity assessment to all procurement needs; notes that in 2021, the Foundation was part of 28 inter-institutional contracts, 10 service-level agreements and five contracts open to other agencies;
15. Notes that the e-submission of procurement tenders became the norm in the Foundation; welcomes that a green selection and award criteria for tenders was piloted under a newly established green procurement working group;

Internal control

16. Notes the Foundation's reply to the observation in the 2020 Court's report, which related to the non-compliance with internal control principle 12 and the measures taken by the Foundation; notes that the Foundation has addressed the Court's recommendation with a thorough and regular review of exceptions and non-compliance events; notes, furthermore, the development and implementation of a new Foundation policy and streamlined workflow on handling deviations (exceptions and non-compliance events); notes, additionally, that, in 2021, the Foundation carried out an in-depth review of all decisions taken in view of the COVID-19 pandemic up to Q1-2021 to ensure that all decisions resulting in a deviation from the Foundation's regulatory framework were properly recorded, including deviations of a non-financial nature;
17. Notes that, in 2021, the Foundation has launched an internal audit on 'complementarity and cooperation mechanisms between the ETF and EC services' that will be concluded in 2022; notes that this audit is included in the Commission's internal audit service (IAS) multi-annual plan; further notes that the Foundation has formally closed all previous IAS audit recommendations and that it does not have any outstanding open audit recommendation;
18. Recalls that the Foundation has one Court observation outstanding since 2018 and referring to a public procurement procedure for temporary agency services where the Foundation applied award criteria that consisted mostly of non-competitive price elements; acknowledges that the Foundation will address this issue in 2023 when launching the next procurement procedure for interim workers in line with planned actions;
19. Notes the Foundation's positive assessment of its internal control system, with internal control principles assessed as 82,4 % effective (71 % in 2020) and 17,6 % partially effective (29 % in 2020), with only minor improvements needed; notes the Foundation's response to the Court's findings on the register of exceptions by conducting a thorough and regular review of exceptions and non-compliance events;
20. Notes that the Foundation has developed and implemented its own anti-fraud strategy elaborated using the methodology developed by OLAF;
21. Recalls the importance to strengthen management and control systems to ensure the proper functioning of the Foundation; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflicts of interest, missing *ex ante/ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

22. Welcomes the Foundation's digital strategy and implementation roadmap defined in 2021, which seeks to increase the use of digital and online tools for delivering the Foundation's services and engaging stakeholders, as well as for internal efficiency gains; commends the accelerated digitalisation of internal processes, such as human resources, financial workflows electronic signature, and procurement management, as well as external interaction, such as the use of online digital tools for exchanges, meetings;
23. Notes the specific actions implemented by the Foundation in 2021 to increase efficiency gains, such as the use of single payment order grouping several payment requests, the use of digital signature workflow for internal documents and the progress on the digitalisation with the full testing and deployment of public procurement management tool for procurement process and full digitalisation for both internal and external communication for financial management processes;
24. Notes that in 2021 the Foundation adopted a new policy on cyber-security developed in a coordinated approach to security with an overall policy and specific policies for information security; notes, furthermore, that the Foundation has a coordinated transversal working group, which includes the strands of cyber-security, information security, physical security of staff and building security; welcomes the creation of the Foundation's Information assets inventory and the progress made in 2021 towards the migration to a new digital records management system;
25. Welcomes the achievement of the Foundation to obtain its eco-management and audit scheme registration and ISO 14001 certifications; commends the concrete measures taken by the Foundation, with greening efforts in 2021 in the fields of energy, plastic, mobility, emissions, and green procurement;
26. Recalls the importance of increasing the digitalisation of the Foundation in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Foundation to continue to be proactive in this regard in order to avoid a digital gap between the agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
27. Encourages the Foundation to work in close cooperation with ENISA (the European Union Agency for Cybersecurity) and CERT-EU (the Computer Emergency Response Team for the Union institutions, bodies and agencies) and to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests offering regularly updated cybersecurity-related training programmes to all staff members within the Foundation;

Business continuity during the COVID-19 crisis

28. Notes that, in 2021, the Foundation continued to cooperate closely with the EU agencies network, to exchange knowledge regarding the management of the COVID-19 crisis and the new teleworking rules; notes the support actions implemented by the Foundation for a continued management of the pandemic, such as – among others – handling requests for green pass certificates, establishing conventions with three medical centres and establishing director decisions on glasses and contributions for home-office equipment;

Other comments

29. Notes that in 2021 the Foundation successfully engaged in media partnerships for a campaign on the future of work and on the future of learning, resonating with a wide public audience; further notes the Foundation's engagement on different social media channels that led to improved metrics in 2021; urges the Foundation to step up its efforts and report relevant performance information to Union citizens and the public in clear and accessible language; calls on the Foundation to ensure greater transparency and public accountability by better-utilising media and social media channels;

30. Notes with satisfaction the long-standing partnership and joint work of the Foundation with Cedefop and Eurofound under their respective collaboration agreements, and the preparation in 2021 and entry into force in 2022 of an agreement with the European Agency for Safety and Health at Work for the purpose of sharing accounting services; invites the Foundation to continue to develop its synergies (for instance with regard to human resources, building management, IT services and security), and exchanges of good practices, in particular in the areas of mutual interest, and to explore the possibility of extending its activities and working arrangements with other Union bodies and agencies with a view to improving efficiency;
 31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽³⁾ on the performance, financial management and control of the agencies.
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⁽³⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1918 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Training Foundation (ETF) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0098/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0135/2023),
1. Approves the closure of the accounts of the European Training Foundation for the financial year 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 354, 31.12.2008, p. 82.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1919 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0099/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), and amending Regulation (EC) No 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) No 1077/2011 ⁽⁴⁾, and in particular Article 47 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0105/2023),
1. Grants the Executive Director of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) discharge in respect of the implementation of the Agency's budget for the financial year 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 295, 21.11.2018, p. 99.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

RESOLUTION (EU) 2023/1920 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0105/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) (the 'Agency') for the financial year 2021 was EUR 216 513 780, representing a decrease of 9,83 % compared to 2020, in line with the downward trend going on since 2019, when the Agency's budget was increased by 40,23 % compared to the previous year; whereas the Agency's budget derives almost exclusively from the Union budget;
- B. whereas the Court of Auditors (the 'Court') in its report on the annual accounts of the Agency for the financial year 2021 (the 'Court's report') states that it has obtained reasonable assurance that the Agency's annual accounts are reliable, and that the underlying transactions as regards revenue are legal and regular in all material aspects; whereas the Court identified payments of, in total, EUR 18,11 million of which it considered EUR 15,67 million not to be compliant with certain provisions of the Agency's financial regulation and EUR 2,44 million not to be compliant with the provisions of the relevant framework contracts, representing in total 6,20 % of the payment appropriations available in 2021 which exceeds the materiality threshold set for the audit and, consequently, resulted in a qualified opinion on the legality and regularity of payments underlying the Agency's accounts; whereas, except for those non-compliant payments, the Court concluded that the underlying transactions as regards payments for the year ended 31 December 2021 are legal and regular in all material respects;

Budget and financial management

1. Notes with appreciation that budget-monitoring efforts during 2021 resulted in a budget implementation rate of 100 % which represents an increase of 24,39 % compared to 2020; notes, furthermore, that the payment appropriations execution rate was 94,65 %, representing an increase of 0,24 % compared to 2020;
2. Welcomes the fact that, in 2021, no non-automatic carry-overs were performed; notes, however, a high amount of automatic carry-overs (EUR 11,1 million) of non-differentiated payment appropriations for Title II (infrastructure and operating expenditure), representing 56 % of the total of EUR 19,8 million for that title and 93,55 % of the total amount (EUR 11,8 million) of automatic carry-overs from 2021 to 2022; echoes the Court's opinion that high rates of carry-overs contradict the budgetary principle of annuality and are indicative of structural issues in the implementation of the budget; notes the Agency's reply that carry-overs of Title II expenditure related mainly to external support service providers, contracted by the Agency to address systematic understaffing following the assignment of new tasks to the Agency that were not accompanied by an adequate allocation of human resources; further notes that the timeliness of contracts with such external service providers were not aligned with the calendar year, but with the duration of the necessary services provided; calls, nevertheless, on the Agency to address those

⁽¹⁾ OJ C 162, 13.4.2022, p. 22.

issues and report to the discharge authority on the measures taken in that respect; calls on the Commission to improve coordination between the allocation of new tasks and the necessary resources in order to reduce the need for resorting to external service providers;

3. Considers that the Agency should continue its dialogue with the Commission in order to propose changes to its multiannual budget planning, so that it only receives funds for developing systems once legal certainty is ensured;

Performance

4. Welcomes the fact that the Agency uses certain tools, such as key performance indicators, to assess the added value provided by its activities and to improve its budget management; notes that, according to the statement of the Agency, it has achieved its objectives for 2021 as set out in its establishing regulation, Regulation (EU) 2018/1726 of the European Parliament and of the Council ⁽⁷⁾, and delivered the results defined in its 2021 annual work programme, both in terms of outcomes and performance; welcomes the continued efforts made in 2021 by the Agency to adapt to its updated mandate as set out in that Regulation, which entered into force on 11 December 2018, and notes the adoption of a long-term strategy for the period 2021-2027, guiding the Agency's long-term development and activities and its future multiannual and annual programming;
5. Notes that the performance and availability of the IT systems operated by the Agency was in accordance with the relevant service-level agreements; notes the continued development of new IT systems for the Entry/Exit System (EES), the European Travel Information and Authorisation System (ETIAS), and the system to identify the Member States holding information on previous convictions of third-country nationals (ECRIS-TCN) and of interoperability between the new and the existing systems; further notes that the entry into operation of those new systems was postponed by several months, while the overall schedule for the completion of the interoperability architecture by end of 2023 was preserved; commends the Agency for having completed several projects, such as the installation of the National Uniform Interfaces, the upgrade of the communication infrastructure for the Visa Information System (VIS), and the release of the shared Biometric Matching Service (BMS); welcomes the fact that the Agency has stepped up its efforts in research and innovation through projects in the areas of artificial intelligence, technologies for seamless and contactless border crossing, and internal security; notes that the Agency is on track with the project for the second extension of its operational site in Strasbourg; further notes that the Agency reviewed that project in order to make additional capacities available earlier than the expected delivery in 2028 through a modular data centre, reduction of office space and a phased construction approach for the site extension;
6. Welcomes the fact that the Agency, along with the European Union Agency for Asylum (the successor to the European Asylum Support Office) and the European Border and Coast Guard, provide active support to the Member States which are the main entry points for migrants and asylum seekers into the Union; notes that the Agency operates the central component of a series of large-scale IT systems in the area of freedom, security and justice, which are connected to national systems;
7. Welcomes the Agency's continuing support in the implementation of Union policies in the areas of free movement of people and goods, common travel visa, border control, immigration and asylum, as well as in the cooperation between national law enforcement and judicial authorities, including with respect to combating organised crime, human smuggling and trafficking, and terrorism;

Staff policy

8. Notes that, on 31 December 2021, the establishment plan was 90,61 % implemented, with 193 temporary agents appointed out of the 213 temporary agents authorised under the Union budget (compared to 202 authorised posts in 2020); notes that, in addition, 107 contract agents and 10 seconded national experts worked for the Agency in 2021, out of 132 contract agents and 11 seconded national experts authorised;

⁽⁷⁾ 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).

9. Highlights that, in 2021, seven members of staff left the Agency, representing a turnover of 5,5 %, higher than the target of 5 % and higher than the 3,7 % baseline of 2020; welcomes the monitoring and evaluation of reasons with respect to that indicator by the Agency's management; notes from the Agency's replies that among the identified causes, contracts with limited duration, contracts with low grades and the heavy workload were reported during exit interviews organised by the Agency; highlights the need for increased flexibility in terms of the availability of human resources in order to allow the Agency to adapt to fluctuations in the workload and possible delays in the adoption of relevant legislative acts; calls on the Commission to engage in a constructive dialogue with the Agency and address those issues when determining the availability of resources in future establishment plans;
10. Notes with concern the composition of the Agency's senior management with respect to gender with two men (100 %) and no women, of its management board with 49 men (81,7 %) and 11 women (18,3 %), and of its staff overall with 215 men (69,4 %) and 95 women (30,6 %); acknowledges that the responsibility of appointing persons to the management board lies with the relevant national authorities in each Member State; calls on the Member States to actively consider gender balance as a factor when nominating and appointing members of the Agency's management board; takes note of the Agency's efforts to improve gender balance and welcomes the slight improvement registered in 2021; calls, nevertheless, on the Agency to work actively towards gender balance and report to the discharge authority on an action plan in that respect; recalls also the importance of ensuring a balanced geographical representation within the Agency's management and staff;
11. Notes that in 2021 the Agency launched 15 selection procedures and received 1 944 applications for a total of 18 recruitment procedures; commends the Agency for the reported efficiency gains and for the improvement of the Agency's recruitment process and of its image as an attractive employer; notes in that sense the Agency's various actions such as the 'Agile recruitment' pilot project, its participation in the online global career fair 'Women in Tech', the publication of vacancy notices beyond the Agency's website and the grouping of profiles or the use of existing reserve lists for equivalent grades and function groups; further notes that an analysis of the Agency's competency framework was carried out and encourages the Agency to develop its competency-based human resources management strategy;
12. Commends the Agency for its policy for zero-tolerance on harassment; notes that in 2021, 14 cases related to psychological or sexual harassment were dealt with by the Agency; further notes in this context that the Agency performed two preliminary assessments which led to the launch of three administrative inquiries and the dismissal of one staff member; welcomes the organisation by the Agency of webinars and awareness sessions on harassment prevention and the role of its confidential counsellors, as well as its measures to improve well-being at work and the work-life balance of the Agency's staff through webinars on mental health and individual counselling sessions;
13. Welcomes the fact that the Agency is using all basic modules of the SYSPER human resources management tool and several optional modules; encourages the Agency to continue the digitalisation of its human resources management system;

Procurement

14. Notes the Agency reporting that the Transversal Engineering Framework, the largest tender ever signed by the Agency, has proven viable for several of the Agency's key operational activities, while maximisation of the benefits of transversal procurement through coordination of the inputs of different contractors across several projects remains a goal; observes that in 2021 several important tenders were prepared and contracts were signed, namely regarding the central system of the ECRIS-TCN, an the updated version of the VIS/BMS new test environment and the assessment of the technology for the future document management system solution;
15. Highlights the Court's qualified opinion on the legality and regularity of payments due to the irregularity of six payments made in 2021 for a total of EUR 18,11 million in connection with several framework contracts, representing 6,20 % of the payment appropriations available in 2021; notes with concern that 2021 is the second year in a row for which the Court issued a similar qualified opinion regarding the Agency's procurement and contract management area; notes that, according to the Agency, compliance in this area is affected by several factors linked to

operational and budgetary planning, the sourcing model, managing contractual evolutions and insufficient staffing which restrict the possibility for the Agency to limit the scope, duration and value of contracts; highlights that given the additions and updates to the large scale IT systems managed, the Agency had transitioned from vertical to transversal sourcing, rendering the initial vertical procurement model inherited from the Commission no longer viable; notes that the main reasons behind this transition related to reducing vendor lock-in and achieving economies of scale or reducing costs;

16. Highlights the Court's observations concerning a specific contract of EUR 40 million to implement a framework contract related to large-scale IT systems that the Agency signed without specifying the details of the services acquired; notes from the Agency's explanations that the rapid pace of evolution in technology requires enhanced flexibility in the field of IT procurement; points out that the framework contracts drafted by the Agency require a large degree of flexibility in order to adapt not only to technological evolutions, but also to legislative changes such as establishing new or adapting existing large-scale IT systems managed by the Agency; underlines that repeated delays in the adoption and implementation of relevant legal acts, aspects completely outside of the Agency's control, are key factors in determining the level of detail and precision that the Agency is able to offer when initially establishing framework contracts; further notes the information from the Agency that its procurement policies and practices have improved over the last several years, but that it has little impact on older ongoing contracts; calls on the Agency to take stock of the experience gained and of the insights provided by the Court in order to guarantee lasting improvements in this area; supports the Agency in its endeavour to adopt a comprehensive set of procurement guidelines and its first contract management policy and calls on the Agency to provide the discharge authority with such documents once approved; calls on the Agency, the Court and the Commission to explore possible solutions towards enhancing procurement flexibility and adaptability for the efficient implementation of the Agency's mandate;
17. Notes the Agency's position that the formal irregularities identified by the Court did not result in any financial prejudice to the Union's budget;
18. Highlights that in 2021, 759 legal commitments were signed by the Agency; notes that the Agency employs 14 procurement member of staff (11 officers and 3 assistants); highlights that the Agency does not dispose of an appropriate level graded post in order to organise a fully operational procurement unit; calls on the Commission to take into consideration these needs when determining the availability of resources in future establishment plans;

Prevention and management of conflicts of interest, and transparency

19. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and the protection of whistleblowers; welcomes the fact that in 2021 the Agency revised and adopted its guidelines on whistleblowing in order to introduce the Internal Audit Capability of the Agency with the role of providing confidential and impartial guidance on the whistleblowing rules;
20. Notes with appreciation that the Agency publishes yearly the declarations of interest and the CVs of the members of its management board and its senior management on its website; welcomes the fact that the Agency has established a transparency register whereby meetings between its senior management and economic operators are published on its website;

Internal control

21. Notes that, in 2018, the European Data Protection Supervisor conducted a data protection audit with respect to the second generation Schengen Information System (SIS II) and VIS, and in 2019 an inspection with respect to Eurodac, all operated and managed by the Agency, following which a total of 72 recommendations were issued; notes that the Agency has been implementing those recommendations and that it organises quarterly follow-ups to monitor the progress of their implementation; encourages the Agency to keep its activities regarding data protection high on its agenda; calls on the Agency to report to the discharge authority about the progress made in the implementation of those recommendations;

22. Welcomes the Agency's annual assessment of its internal control system that concluded that its internal control system is present, functioning and effective, although some improvements are needed; further welcomes the progress made regarding the Court's observations and Parliament's discharge resolutions from previous years and the fact that the Agency has implemented the Court's recommendations from 2018 and 2019 concerning non-compliance with public procurement rules; recalls that work with regard to two remaining observations is still ongoing; calls on the Agency to step up its efforts to implement corrective measures regarding the Court's outstanding observations;
23. Notes that at the end of 2021 the implementation rate of audit recommendations was 77 % (24 recommendations implemented and 37 recommendations due); notes that in total 32 recommendations were open at the end of 2021 out of which none were 'critical'; notes with concern that seven recommendations were past the due date, meaning that the implementation of the recommendation was ongoing though the deadline for implementation had lapsed; calls on the Agency to implement the outstanding recommendations without further delay and to report to the discharge authority about the progress made; considers that the findings of report OC-2020-0441-A2 of the European Anti-Fraud Office (OLAF) should be made available to the discharge authority; further calls on the Agency to provide the discharge authority with a report on the implementation of the recommendations from OLAF;

Digitalisation and the green transition

24. Commends the Agency for its various measures to improve energy efficiency, from the use of green electricity and recycled paper only to heating the building in Tallinn through the reuse of heat from the server room; calls on the Agency to accelerate the procedures for certification under the Union's Eco-Management and Audit Scheme (EMAS); further calls on the Agency to provide the discharge authority with the Agency's latest environmental statement reports;
25. Notes the Agency's additional measures taken in 2021 in the area of cybersecurity, such as the adoption of six standards on the matter and the initiation of the establishment of a computer security incident response team, as well as its continuous cooperation with the Computer Emergency Response Team for the EU institutions, bodies and agencies (CERT-EU) and the implementation of a structured IT security risk management and control framework; notes that in 2021 the Agency collaborated with ENISA (the European Union Agency for Cybersecurity), on the practical implementation of the Union's cybersecurity legislation and on the Agency's annual cybersecurity exercise; calls on the Agency to adopt new tools in the areas of budget and procurement digitalisation such as e-Signature, e-Contracts and e-Invoicing;

Business continuity during the COVID-19 crisis

26. Commends the Agency for its ability to ensure the uninterrupted availability and resilience of the systems under its management and the normal functioning of the Schengen area, despite the challenges caused by the COVID-19 pandemic that continued in 2021; notes in this context, nevertheless, that implementation schedules regarding the development of the new systems were revised due to hardware unavailability, delays in equipment delivery and installation, and less frequent on-site presence of staff and contractors;
27. Commends the Agency for its cooperation with other Union institutions, bodies, offices and agencies for the exchange of knowledge and best practices in matters related to business continuity; further commends the Agency for its participation in the initiatives of the Inter-Institutional Security Training and Awareness Group and the JHA Security Officers Network in order to tackle common security matters;

Other

28. Welcomes the Agency's active online presence in 2021 and notes the improvement of its social media metrics; commends the Agency for its contribution to online external campaigns such as 'Digital EU' and 'Women in Tech', and for organising events with good outreach such as its annual conference and the eu-LISA Industry Roundtables;

29. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽³⁾ on the performance, financial management and control of the agencies.
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⁽³⁾ Texts adopted, P9 TA(2023)0190.

DECISION (EU) 2023/1921 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0099/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), and amending Regulation (EC) No 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) No 1077/2011 ⁽⁴⁾, and in particular Article 47 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0105/2023),

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 295, 21.11.2018, p. 99.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2021;
2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

DECISION (EU) 2023/1922 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work (EU-OSHA) for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0100/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 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 ⁽⁴⁾, and in particular Article 16 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Employment and Social Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0132/2023),

1. Grants the Interim Executive Director of the European Agency for Safety and Health at Work (EU-OSHA) discharge in respect of the implementation of the Agency's budget for the financial year 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 30, 31.1.2019, p. 58.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Interim Executive Director of the European Agency for Safety and Health at Work (EU-OSHA), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1923 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work (EU-OSHA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work (EU-OSHA) for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0132/2023),
- A. whereas according to its statement of revenue and expenditure ⁽¹⁾ the final budget of the European Agency for Safety and Health at Work (the 'Agency') for the financial year 2021 was EUR 16 114 100, representing a slight increase of 0,35 % compared to 2020; whereas the Agency's budget derives mainly from the Union budget;
- B. whereas the Court of Auditors (the 'Court') in its report on the Agency's annual accounts for financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year commitment appropriations of 97,26 %, representing a slight increase of 0,46 % compared to 2020; regrets that the current year payment appropriations execution rate was 63,53 %, representing a slight increase of 1,38 % compared to 2020;
2. Welcomes, however, the fact that the Agency has completed all actions taken with regard to the Court's observations related to the implementation of the budget for the financial years 2018 and 2019;
3. Notes that the Agency has a quarterly planning of commitment and payment appropriations under title 3 of the budget for the related annual work programme, as well as a monthly planning for both commitment and payment appropriations during the implementation phase reviewed periodically; notes, moreover, that in 2021, the Agency centralised the administrative resources and expertise for the management of all of its procurements, including planning, tendering, awarding and monitoring; calls on the Agency to report to the discharge authority whether the expected results of harmonisation and efficiency have been achieved, especially in respect of the management of carry-overs;

Performance

4. Notes with appreciation the Agency's activities to develop, gather and provide reliable and relevant information, analysis and tools on occupational safety and health, which contribute to the Union policy of aiming to promote healthy and safe workplaces across the Union;

(1) OJ C 141, 29.3.2022, p. 42.

5. Notes that the Agency uses certain measures as key performance indicators (KPIs) to assess the added value provided by its activities and other measures to improve its budget management, such as work programme delivery, cancellation of payments appropriations and outreach capacity of intermediaries through networking; notes, in particular, that the Agency uses a KPI for the implementation of commitment appropriations; notes that the Agency achieved almost all its targets and that six of the work programme outputs were cancelled as the pandemic had an impact on traveling and events;
6. Notes that in 2021 the Agency made available results of an occupational safety and health overview, which was focused on teleworking and the role of psychosocial risk factors and worker participation in prevention and management of musculoskeletal disorders, which served as the base for the Healthy Workplaces campaign 'Lighten the Load', launched in October 2020 for a period of 24 months; notes, moreover, the Agency's activities and overviews focusing on digitalisation, psychological risks, and on the healthcare sector; welcomes the involvement of the Agency in the Union response to the COVID-19 crisis; notes, moreover, the adoption in June 2021 of the Agency's Strategic Framework for Safety and Health at Work 2021–2027;
7. Notes further the role that the Agency can play in supporting the Union institutions' work with regard to the protection of workers from risks related to exposure to asbestos at work, the protection of workers from risks related to exposure to carcinogens, mutagens or reprotoxic substances at work, in accordance with Directive 2004/37/EC of the European Parliament and of the Council ⁽²⁾, and the revision of the Council Directive 98/24/EC ⁽³⁾;
8. Notes the prominent role that the Agency has been given when implementing the principles enshrined in the European Pillar of Social Rights and achievements of Porto targets; welcomes the Agency's strong commitment to ensuring that all workers enjoy the same occupational health and safety rights regardless of the size of the undertaking, the type of contract or the employment relationship and delivering on the 'vision zero' approach to work-related deaths;
9. Highlights the need to ensure adequate human and financial resources allowing the Agency to continue implementing its work programme with a very high activity completion rate, in particular in the light of the implementation of the new EU Strategic Framework on Health and Safety at Work (2021–2027);
10. Notes that the Agency collaborates closely with other agencies, such as the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the Fundamental Rights Agency, the European Centre for the Development of Vocational Training and the Joint Research Centre, on topics of common interest such as the employment and social affairs policy, and is formalising cooperation with the European Labour Authority (ELA); notes that the Agency cooperated with Eurostat for the development of the OSH Barometer; notes, moreover, the Agency's support to the European Maritime Safety Agency in the development of guidance for health and safety in oil-spill removal actions, to the European Asylum Support Office in its work on an extensive guide on risk assessment, focusing on the psychosocial burden of front desk officers, and the contribution to the initiative EU4BorderSecurity with Frontex; notes that the Agency continued to provide logistical support to the national focal points and their networks;

Staff policy

11. Notes that on 31 December 2021, the establishment plan was 97,5 % implemented (39 temporary agents posts were filled out of 40 temporary agents authorised under the Union budget); notes that, in addition, 25 contract agents were working for the Agency in 2021;

⁽²⁾ Directive 2004/37/EC of the European Parliament and of the Council of 29 April 2004 on the protection of workers from the risks related to exposure to carcinogens or mutagens at work (Sixth individual Directive within the meaning of Article 16(1) of Council Directive 89/391/EEC) (OJ L 158, 30.4.2004, p. 50).

⁽³⁾ Council Directive 98/24/EC of 7 April 1998 on the protection of the health and safety of workers from the risks related to chemical agents at work (fourteenth individual Directive within the meaning of Article 16(1) of Directive 89/391/EEC) (OJ L 131, 5.5.1998, p. 11).

12. Notes the gender balance reporting for 2021, at senior management level with 3 men (representing 75 %) and 1 woman (representing 25 %), at the level of the management board with 65 men (representing 66 %) and 34 women (representing 34 %), and among the Agency's overall staff, with 21 men (representing 33 %) and 43 women (representing 67 %); calls on the Agency to improve the gender balance in its overall staff, and to report any developments in that regard to the discharge authority; reiterates its call on the Commission and on the Council to ensure that gender balance is taken into account when nominating members to the management board of the Agency;
13. Notes that the Agency employed 64 staff from 15 Member States; is deeply concerned by the underrepresentation of staff from remaining 12 Member States; urges the Agency to consider with utmost priority geographical balance in its recruitment procedures and report to the discharge authority any development in this regard;
14. Welcomes the fact that no harassment cases were reported in 2021 and that the Agency has a strong engagement in promoting anti-harassment policies, regularly organising awareness-raising sessions for its staff and updating a specialised intranet page on the topic;

Procurement

15. Notes that the Agency implemented a strategy of its finance and procurement function aiming to optimise the use of resources, harmonising processes, better defining roles and responsibilities, and achieving efficiency gains; notes further that the implementation of this strategy delivered the optimal finance and procurement operating model for the Agency;
16. Notes with concern from the Court report that in one open procurement procedure divided into lots, in one lot, the members of the evaluation committee had signed the declaration of absence of conflicts of interest only after the contract was awarded, and that this represents a weakness in the procurement procedure and goes against the requirements of Articles 61 and 150 of the Financial Regulation; calls on the Agency to comply with the Financial Regulation in future procedures;

Prevention and management of conflicts of interest, and transparency

17. Acknowledges the Agency's existing measures and ongoing efforts to ensure transparency and the prevention and management of conflicts of interest; notes that in December 2021 the decision providing rules for acceptance of gifts and hospitality by the Agency staff was adopted; notes that the management board members are requested to provide a declaration of absence of conflicts of interest in addition to a declaration of interests; welcomes that both declarations are available on the Agency's website; notes with appreciation that no cases of conflicts of interest were reported in 2021;

Internal control

18. Welcomes the fact that the Agency uses a non-conformity strategy that records not only *ex ante* exceptions, but also *ex post* events, aiming to improve existing procedures and detect internal control weaknesses at earlier stages; notes that in 2021 the non-conformities recorded did not indicate significant weaknesses in terms of the existing controls; welcomes the fact that in 2021 the Agency took again part in the peer review exercise on risk management in decentralised agencies launched by the Commission, by sharing knowledge, methodologies and critical risks with the other agencies taking part to the working group;
19. Recalls the fact that the internal control framework (ICF) was adopted by the management board in 2019, based on the internal control framework of the European Commission; notes that the assessment of the ICF for the reporting year 2021 concluded that the compliance and the implementation of the framework are satisfactory;

20. Notes that the Agency's corporate risk register is linked to the ICF and that both are subject to regular reviews by senior management; notes that four risks monitored during 2021 were categorised as related to the 'external environment', two risks were categorised as related to the 'internal environment' and none of them is classified as a potential threat for the Agency's reputation or strategic achievement;
21. Notes that in 2021 the Agency drafted and finalised its new anti-fraud strategy 2022–2026; welcomes the fact that in 2021 the procedure on identification and management of sensitive functions was implemented;

Digitalisation and the green transition

22. Recalls the remote working arrangements and document management system adopted in previous years, and notes that the Agency launched and further implemented a number of new electronic internal procedures; notes, moreover, the implementation of e-Tools through a wide use of e-Meetings, e-Procurement (e-Tendering, e-Submission and Public Procurement Management Tool), and adoption of e-Signature and e-Workflows; welcomes, in that regard, the progressive simplification and digitalisation of the Agency's administration areas;
23. Notes the Agency's contribution to a foresight study on the circular economy to identify new and emerging risks on occupational safety and health related to the green transition, relevant for policy-makers and researchers;
24. Notes that the Agency started a cooperation with CERT-EU via a service level agreement in order to ensure cyber protection for the Agency; notes that in 2021 several security audits were launched to assess the level of security of the Agency's applications and websites; notes that at the inter-agency level the Agency has started coordinating the implementation of a common solution to provide cybersecurity services to the Union's smaller agencies; calls on the Agency to report any developments in that regard to the discharge authority;

Business continuity during the COVID-19 crisis

25. Notes that due to the COVID-19 crisis, a significant part of the 2021 budget for missions and meetings was not used and partially transferred via credit operations between titles, chapters, items and activities;
26. Notes with appreciation that the Agency organised expert discussions related to pandemic preparedness at workplace; notes that the Agency delivered almost all the activities (corresponding to 96 %) of its work programme as planned, while also assuming and delivering unplanned COVID-19-related tasks;
27. Notes that in order to support the remote working arrangements for staff, in place since 2020, in 2021 the Agency launched and further implemented new electronic internal procedures to facilitate business continuity;
28. Notes that in 2021, the Agency continued to effectively communicate and promote occupational safety and health either directly or through its network, almost entirely online due to the pandemic restrictions;

Other comments

29. Welcomes the Agency's engagement at governance level with Eurofound, ELA, and the European Institute for Gender Equality (EIGE) and the draft work programmes exchange with Eurofound, the European Chemicals Agency and EIGE, for the purpose of ensuring synergies in the respective work programmes of those bodies; urges the Agency to explore further synergies and possibilities for extending its activities and working arrangements with other Union bodies; urges the Agency to explore possibilities of resource sharing of overlapping tasks with other Union bodies;

30. Calls on the Agency to step up its efforts and report relevant performance information to Union citizens and the general public in clear and accessible language; urges the Agency to ensure greater transparency and public accountability by better-utilising the media and social media channels;
 31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁴⁾ on the performance, financial management and control of the agencies.
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⁽⁴⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1924 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Agency for Safety and Health at Work (EU-OSHA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work (EU-OSHA) for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0100/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 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 ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0132/2023),
1. Approves the closure of the accounts of the European Agency for Safety and Health at Work (EU-OSHA) for the financial year 2021;
 2. Instructs its President to forward this decision to the Interim Executive Director of the European Agency for Safety and Health at Work (EU-OSHA), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 30, 31.1.2019, p. 58.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU, Euratom) 2023/1925 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0096/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 68 thereof,
 - having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ⁽⁴⁾, and in particular Article 8 of the Annex thereto,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0126/2023),
1. Grants the Director General of the Euratom Supply Agency discharge in respect of the implementation of the Agency's budget for the financial year 2021;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director General of the Euratom Supply Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 41, 15.2.2008, p. 15.

RESOLUTION (EU) 2023/1926 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0126/2023),
- 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 2021 was EUR 210 000, representing a decrease of 8,7 % compared to 2020; 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 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2021 resulted in the implementation of the current year commitment appropriation rate of 99,76 % representing a slight increase of 0,21 % compared to 2020, and notes that the execution of current year payment appropriation rate was 51,22 %, representing an increase of 28,88 % compared to 2020;
2. Notes that the carrying-forward of outstanding commitments (RAL, committed amounts not yet paid for) of 2021 to the financial year 2022 amounted to EUR 101 966,38 or 49 % of committed amounts (compared to EUR 177 578,67 or 78 % in 2020), and that this amount involves mainly information technology (IT) services for the transition phase of the IT project 'Nuclear Observatory and ESA management of information (NOEMI)' that were not fully provided, and training or conferences to that were to take place in the beginning of 2022; calls on the Agency to report any developments in that regard to the discharge authority;
3. Notes that from 1 January 2021, the Agency, which cannot act unilaterally in this field, registered an accounting provision in its financial statements on the United Kingdom's share repayment, and that any payment, return or remuneration to the United Kingdom in the subsequent periods as a consequence of the termination of United Kingdom's membership will be co-decided with the Commission; calls on the Agency to report any developments in that regard to the discharge authority;

Performance

4. Notes with appreciation that, following approval by the Commission, the new rules determining the manner in which the Agency is to balance supply and demand entered into force on 1 July 2021, inter alia, providing new definitions and formally extending the scope of the simplified procedure;
5. Notes, in particular, the Agency's work with the advisory committee working group on security of supply and prices, which was given a new mandate in 2021;

Staff policy

6. Notes that on 31 December 2021, the establishment plan was 94,12 % achieved, with 16 Commission officials appointed out of 17 authorised posts in the establishment plan (17 authorised posts in 2020); notes, moreover, the Agency's difficulty in finding assistants at lower grades, given the specialised profile required and the associated pay levels compared to the cost of living in Luxembourg;
7. Notes that in 2021 the Agency reported a gender repartition among all members of staff of 56 % women and 44 % men;
8. Recalls the importance of developing a long-term human resources policy on work-life balance, lifelong guidance and the offering of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to ensure an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities area widely promoted;

Procurement

9. Notes that following the entry into force of the new rules, the Agency published the forms that must be used to submit supply contracts to be concluded by the Agency and to notify contracts for the provision of services;

Internal control

10. Notes that in 2021 the Agency performed a risk assessment update covering all areas of the Agency's work and its operational and administrative processes and that adjustments were made to align the controls in place with the risks; calls on the Agency to report any developments in that regard to the discharge authority;
11. Notes that in 2021 the Agency performed an assessment of the effectiveness of its internal controls consisting of an evaluation of pre-defined monitoring indicators, including a survey, the evaluation of audit results and new or outstanding recommendations, and an analysis of non-compliances and exception cases; notes that the assessment did not reveal any risks that could lead to a reservation in the annual declaration of assurance;
12. Notes, as regard to information security, that all members of staff of the Agency and all external contractors hold security clearance, and, furthermore, that the NOEMI IT system underwent a vulnerability assessment, to be repeated after all the recommendations from this assessment are carried out; calls on the Agency to report any developments in that regard to the discharge authority;
13. Recalls the importance of strengthening management and control systems to ensure the proper functioning of the Agency; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflicts of interest, missing *ex ante* or *ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

14. Notes with appreciation that, according to the follow-up to the 2020 discharge, the NOEMI IT project, which aims to reinforce the Agency's monitoring capabilities of the nuclear materials and fuel market whilst securely hosting the data of sensitive nuclear contracts, became operational in 2021, and that future developments will depend on the financing received in the upcoming budgets; notes, furthermore, that the next stages of the project envisage full digital processing of nuclear supply contracts and the Agency's information; calls on the Agency to report to the discharge authority any developments in that regard;

15. Recalls the importance of increasing digitalisation in the Agency in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Agency to continue to be proactive in this regard in order to avoid a digital gap between Union agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risks to the online security of the information processed;
16. Encourages the Agency to work in close cooperation with ENISA (the European Union Agency for Cybersecurity) and CERT-EU (the Computer Emergency Response Team for the Union institutions, bodies and agencies) and to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests of its cyber defences; suggests offering regularly updated cybersecurity-related training programmes to all staff members within the Agency; calls on the Agency to develop its cybersecurity policy swifter, to deliver it before 31 December 2023, and to report on any developments in that regard to the discharge authority;

Business continuity during the COVID-19 crisis

17. Notes that the COVID-19 pandemic continued to affect the Union in 2021 and the Agency introduced teleworking as the default option in line with Commission guidance and to minimise the risk to staff and their families, and that critical and essential staff who needed to access resources and work on the premises were able to do so on rotation;
18. Notes that the Agency introduced changes to its spending pattern through a budget amendment and internal transfers, given the reduced spending on statutory work trips and advisory committee meetings, and invested in its IT system instead; notes, moreover, that the advisory committee meetings in 2021 took place online;

Other comments

19. Notes with appreciation that the Agency's website was overhauled in 2021 in collaboration with the Commission's Directorate-General for Communication, resulting in a website harmonised with that of the Commission on an updated, user-friendly, dynamic platform; notes, moreover, that all the information posted on the website was redrafted for a better user experience;
20. Calls on the Agency to step up its efforts and report relevant performance information to the Union citizens and the general public in clear and accessible language; urges the Agency to ensure greater transparency and public accountability through the better use of media and social media channels;
21. Calls the Agency to continue to develop its synergies (for instance with regard to human resources, building management, IT services and security), and to reinforce its cooperation, exchanges of good practices and discussions regarding areas of mutual interest with other Union agencies, with a view to improving efficiency; urges the Agency to further explore possibilities for extending its working arrangements and resources sharing of overlapping tasks with other Union bodies;
22. Welcomes the Agency's recommendations on the security of supply of nuclear materials and fuel included in the Agency's annual report 2021; calls on the Agency to increase its recommendations on possibilities for diversification of sources of uranium supply for each stage of the fuel cycle; recalls that nuclear plants generated around 25,2 % of the total electricity produced in the Union in 2021;
23. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU, Euratom) 2023/1927 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the Euratom Supply Agency for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0096/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 68 thereof,
 - having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ⁽⁴⁾, and in particular Article 8 of the Annex thereto,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0126/2023),
1. Approves the closure of the accounts of the Euratom Supply Agency for the financial year 2021;
 2. Instructs its President to forward this decision to the Director General of the Euratom Supply Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 41, 15.2.2008, p. 15.

DECISION (EU) 2023/1928 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****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 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0101/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 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 ⁽⁴⁾, and in particular Article 16 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Employment and Social Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0109/2023),

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 30, 31.1.2019, p. 74.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

1. Grants the Executive Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) discharge in respect of the implementation of the Foundation's budget for the financial year 2021;
2. Sets out its observations in the resolution below;
3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

RESOLUTION (EU) 2023/1929 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0109/2023),
- A. whereas, according to its statement of revenue and expenditure, the final budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) (the 'Foundation') for the financial year 2021 was EUR 21 757 000, representing an increase of 1,69 % compared to 2020; whereas the Foundation's budget derives mainly from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the Foundation's annual accounts for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Foundation's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year appropriations of 99,98 %, a slight increase of 0,06 % compared to 2020; takes note of the fact that the execution rate of the current year payment appropriations was 83,56 %, representing an increase of 3,12 % compared to 2020;
2. Is concerned that the real purchasing power of the budget decreases and the share of the operational budget decreased from 39 % in 2010 to 28 % in 2021; stresses that the continuation of this trend puts at risk the ability of the Foundation to collect sufficient, timely and reliable data;
3. Notes with satisfaction that the implementation rate of funds carried forward from 2020 was 98,10 %, which is 1,7 percentage points higher than the same figure in 2020;
4. Notes with concern that due to the increased costs of living in Ireland, the share of the operating budget of the Foundation is constantly shrinking from 37,6 % in 2012 to 26,4 % in 2021; warns that the continuation of this trend will put at risk the ability of the Foundation to preserve and further improve the quality of its work;
5. Welcomes the fact that the Foundation has been sharing its accounting officer's services with the European Labour Authority (ELA), which helped the latter with a smooth ramp-up;

Performance

6. Acknowledges the fact that the delivery of work programme outputs planned for 2021 reached 93 % of achievement, with 38 out of 41 deliverables achieved in 2021;

7. Notes that the Foundation uses eight key performance indicators included in its performance monitoring system; notes in particular a visibly improved performance with regards to the uptake of the Foundation's expertise in key Union-level policy documents, from 34,6 % in 2020 to 74 % in 2021, such as the proposal for a directive on strengthening the application of the principle of equal pay, the Council conclusions on telework, Commission reports on long-term care in the Union, digital labour platforms in the Union and the 2021 Employment and Social Developments in Europe review; notes, further, a strong performance with regard to the uptake of the Foundation's knowledge in the media, with 1 083 press articles in 2021 compared to 703 in 2020, and commends, in particular, the Foundation for its high-profile visibility in key European and international media outlets on the most pertinent topics such as the various impacts of the COVID-19 pandemic, telework, the right to disconnect and minimum wage issues; takes note of an increase in the Foundation's engagement at policy-relevant events and meetings throughout 2021, from 202 contributions in 2020 to 360 contributions in 2021;

8. Welcomes in particular the very timely and useful actions to communicate findings relevant to the changes brought by the COVID-19 pandemic, such as teleworking, platform work, increasing gender inequalities and intergenerational differences, labour shortages, long-term care, industrial relations, drawing on the living, working and COVID-19 e-survey and the COVID-19 EU PolicyWatch, including reports entitled 'Working conditions in the time of COVID-19: Implications for the future' ⁽¹⁾ and 'Impact of COVID-19 on young people in the EU' ⁽²⁾; believes that the Foundation can play a crucial role in further analysing the increase in telework and related impacts on work-life balance and quality of working conditions, the dissemination of best practices and assessing possible policy responses; welcomes the fact that the Foundation's work programme analyses policy options to improve working conditions, industrial relations, employment and living conditions;

9. Reiterates the importance of high-quality data provided by the Foundation's ongoing monitoring tools for evidence-based policymaking, especially the Europe-wide surveys conducted by the Foundation;

10. Commends the Foundation's active collaboration in 2021 with its stakeholders such as the European Parliament, the Commission, the Council (under the Portuguese and Slovenian Presidencies), Union agencies such as the European Agency for Safety and Health at Work (EU-OSHA), the European Centre for the Development of Vocational Training (Cedefop), the European Training Foundation (ETF), the European Institute for Gender Equality (EIGE), and the European Union Agency for Fundamental Rights (FRA) as well as other international organisations; notes the Foundation's noteworthy output in 2021 with six webinars, six activity videos, the launch of Foundation's podcast series (EurofoundTalks), three social media campaigns, contributions to the Conference on the Future of Europe and the delivery of executive summaries of research reports in 21 languages; underlines the development of joint events and publications with several other Union agencies;

11. Commends the fact that the Foundation developed an action plan in response to recommendations in the *ex ante* evaluation of its programme 2021-2024; acknowledges that some actions require a medium-term effort, while others have already been carried out, such as the optimisation of the use of financial resources to match programme ambitions to available resources; notes further that, in 2021, external evaluation contractors conducted an evaluation of two activities, 'The digital age: Opportunities and challenges for work and employment' and 'Monitoring convergence in the European Union', which were new in the 2017-2020 programming period; notes that this evaluation looked at the achievements and learning from the implementation of those activities, the extent to which the ambitions for those activities set out at the start have been achieved and how they have impacted on policy making; takes note that in 2021 the Foundation launched an evaluation of its current learning and development programme and approach;

⁽¹⁾ <https://www.eurofound.europa.eu/publications/report/2022/working-conditions-in-the-time-of-covid-19-implications-for-the-future>

⁽²⁾ <https://www.eurofound.europa.eu/publications/report/2021/impact-of-covid-19-on-young-people-in-the-eu#>

12. Notes that the focus of the Foundation's COVID-19 EU PolicyWatch has been expanded to investigate policies related to several (crisis) contexts, including the war in Ukraine, the increase in inflation and the temporary protection of refugees, the greening and the digital agenda, and it has thus been renamed into the EU PolicyWatch database; notes that this database is the only existing Union-wide source which rigorously captures the form of social partners' involvement in the design and implementation of such policies and can therefore feed into various monitoring requirements related to national social dialogue, such as, for example, the European Semester;

Staff policy

13. Regrets the fact that on 31 December 2021, the establishment plan was only 89 % completed (compared to 95 % in 2020), with nine officials and 74 temporary agents appointed out of 91 authorised under the Union budget (91 authorised posts in 2020), whereas two staff members were on leave on personal grounds and were not immediately replaced; points out, however, that considering the vacant positions offered and accepted in 2021, 94 % of positions were filled; notes that, in addition, 13 contract agents were working for the Foundation in 2021; notes that six staff members left the Foundation in 2021 (turnover 5,8 %), two of them because of retirement; regrets that three senior positions were not filled; commends the Foundation for its continuous reflection on good practices and improvement of the working conditions; recalls the importance of fighting against staff turnover within Union agencies;
14. Notes that in 2021 the breakdown by gender of the Foundation's senior management was five men (56 %) and four women (44 %), of its management board members was 54 men (64 %) and 30 women (36 %), and of its overall staff was 41 men (43 %) and 55 women (57 %); notes the underrepresentation of staff from Cyprus, Estonia, Malta and Slovenia; reminds the Commission and the Member States to take into account the importance of ensuring gender and geographical balance when nominating members to the Foundation's management board; urges the Foundation to ensure gender and geographical balance when recruiting its staff;
15. Notes that since 2013 the Foundation has a policy on protecting the dignity and respect of persons and prevention of harassment (Eurofound Policy); notes that the Foundation has a draft procedure manual for the Eurofound Policy which is in a consultation process; welcomes the fact that new staff, trainees and local temporary staff participate at the dignity and respect programme as part of their induction training; welcomes the fact that in 2021 physical and psychological well-being and the technology necessary to maintain a high level of performance while working remotely was addressed in training;
16. Commends the Foundation's proactive approach to measuring the well-being of staff through internal surveys and questionnaires; welcomes the annual programme entitled Ethics Month with sessions in 2021 focused on creating a positive workplace, having analysed behaviour to be adopted on specific situations; recalls the importance of developing a long-term human resources policy on work-life balance, lifelong career guidance and the offer of specific training opportunities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to ensure an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;

Procurement

17. Notes that, in 2021, the Foundation launched seven open tenders resulting in contracts with a value of EUR 1 942 570; notes further that the Foundation launched 21 low and medium-value procedures (negotiated with three and five candidates) with a total value of EUR 1 248 790;
18. Recalls the Court's observation that the Foundation concluded a framework contract in June 2019 for a maximum amount of EUR 170 000 to supply of electricity on the basis of a negotiated procurement procedure with a single candidate, without the prior publication of a contract notice waiver; notes the Court's observation that the contractor is a retail supplier with the provision of electricity not quoted and purchased on a commodity market, and that therefore the exception of a negotiated procurement procedure as followed by the Foundation is not applicable; notes the Court's conclusion that the payments made in connection with this contract are irregular and that in 2021 they amounted to EUR 30 689; notes that the underlying contract has expired in June 2021; welcomes the fact that the internal procedures for procurement were adjusted accordingly;

19. Notes that the Foundation adopted the revised procurement plan 2021; notes further that the Foundation has begun to investigate the procurement methodology used to tender for the large surveys; takes note that, in Autumn 2021, the Internal Audit Service (IAS) started an audit of the Foundation's procurement and contract management; welcomes the Foundation's on-boarding to the public procurement management tool;
20. Recalls the importance of all procurement procedure ensuring fair competition between tenderers and of procuring goods and services at the best price, respecting the principles of transparency, proportionality, equal treatment and non-discrimination; asks for the implementation of the e-procurement information technology (IT) tools developed by the Commission; calls for an updated clarification of the procedures and templates in the procurement guidelines; notes with concern the Court's observation that the public procurement weaknesses are increasing and remain the largest source of irregular payments in most Union agencies;

Prevention and management of conflicts of interest and transparency

21. Notes that declarations of conflicts of interest and CVs of management board members and of management staff have been published on the Foundation's website; commends the Foundation for having in place a conflicts of interest policy with a detailed procedure for situations of potential situations of conflicts of interest;
22. Notes from the Foundation's reply to written questions it complies with Directive (EU) 2019/1937 of the European Parliament and of the Council⁽⁷⁾; notes that in 2021 there was no whistleblowing case; welcomes the fact that, as a complement to the anti-fraud strategy 2021-2023, the guideline on whistleblowing was explained to staff in a more accessible manner; welcomes further the Foundation's transparency with regard to visitor groups and academic experts who are nominated to the Foundation's advisory committees;

Internal control

23. Notes that the Foundation's internal control framework covers five components (control environment, risk assessment, control activities, information and communication and monitoring activities) and includes 17 principles; notes that the effectiveness of these components is assessed through a combination of ongoing monitoring, findings and recommendations by the IAS on risks and controls in specific areas and an internal appraisal; notes the support by the IAS with regard to the Foundation's existing reporting mechanism;
24. Notes that in April 2021, the IAS delivered its final report on human resources and ethics, with four recommendations, none of which was labelled critical; notes that an action plan was agreed to implement those recommendations in 2022;
25. Commends the Foundation for having developed and implemented a policy on sensitive posts; notes that the Foundation's risk register and mitigating actions for 2021 were reviewed and assessment of risks related to the programme for 2022 was carried out; commends the rollout in 2021 of the anti-fraud strategy 2021-2023 and the access provided to all the Foundation's staff to an anti-fraud roadmap and infographic with steps to take in cases where fraud is suspected; further, welcomes the fact that information sessions and awareness campaigns were organised in areas such as cybersecurity, anti-plagiarism, conflicts of interest and prevention of data breaches;
26. Recalls the importance to strengthen management and control systems to ensure the proper functioning of the Agency; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflicts of interest, missing *ex ante* or *ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

⁽⁷⁾ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L 305, 26.11.2019, p. 17).

Digitalisation and the green transition

27. Welcomes the measures put in place in 2021 with regard to the Foundation's cybersecurity; notes in particular the cybersecurity awareness programme 2021 and the awareness trainings provided to all staff, the rolling-out of the multi factor authentication system and the performance by CERT-EU (Computer Emergency Response Team for the Union Institutions, bodies and agencies) of network penetration and phishing simulation tests; welcomes the Foundation's proactive approach in preparing for the update of its information systems security policy in light of the upcoming two Union regulations on cybersecurity and information security in Union institutions and bodies; encourages the Foundation to work in close cooperation with ENISA (the European Union Agency for Cybersecurity);
28. Commends the Foundation's consistent implementation of its 'digital first' approach in different areas of its work, in particular with regard to content production and dissemination through online and mobile channels; notes that in 2021 actions in this area focused on data visualisation, on the development of an online explorer tool and on establishing a plan to develop a central data warehouse for sharing statistical data; notes that in 2021 the Foundation prepared the rollout of the qualified electronic signature; commends the development by the Foundation of the web application that enables the computation of convergence in gender equality in real time; commends further the use of a new software for extracting Union policy documents which increased efficiency in recording uptake in key Union-level policy documents;
29. Commends the Foundation's environmentally friendly measures to reduce its electricity consumption, to improve the energy efficiency of its boilers and to install additional charging points for electric cars; congratulates the Foundation for the sharp decrease in its paper consumption from 1,9 million sheets in 2019, to 148 980 sheets in 2020 and to 84 990 sheets in 2021; notes with appreciation the Foundation's reply that for the last five years it has procured only 100 % green electricity from renewable sources; notes that in 2021 the Foundation took significant additional steps to prepare for the EMAS certification that was to take place in Q3 2022;

Business continuity during the COVID-19 crisis

30. Notes that the Foundation's work programme for 2021 and its business continuity plan were adapted to the new reality brought about by the COVID-19 crisis, different stakeholder needs and disruptions in executing current obligations;
31. Notes that, in spite of the prolonged lockdown due to the COVID-19 pandemic, the Foundation successfully continued its data collection for ongoing projects such as its COVID-19 EU PolicyWatch database and the European Working Conditions Telephone Survey, to monitor the impact of the COVID-19 pandemic; notes that the fifth round of that e-survey, published in July 2021, aims to capture the wide-ranging impact of the COVID-19 pandemic on the work and lives of Union citizens over the last two years and also sheds light on the new uncertain reality caused by the war in Ukraine, record high inflation and the sharp rises in the cost of living; welcomes those innovative methods for data collection which allowed the Foundation to create and maintain an unmatched relevant and trustworthy database for the developments across the Union, assisting policy makers to take well-founded decisions;

Other comments

32. Notes the Foundation's actions and efforts towards compliance with the General Data Protection Regulation; notes in particular the adoption of a personal data breach policy, the performance of a data protection audit to assess the internal level of compliance with the Union data protection law, the publication of data protection notices on the Foundation's internet or intranet, the update of its employee data protection policy and the continued efforts to increase and consolidate the staff's awareness of data protection;

33. Welcomes that the Foundation has cooperation agreements or memorandum of understandings with several Union agencies such as EU-OSHA, Cedefop, the ETF, EIGE and the FRA; notes that such agreements are the basis for exchanges of data sources and joint initiatives in the areas of research, events and operations systems; notes further that such agreements allow for inter-agencies coordination that ensures an early exchange on programming documents in order to provide feedback, avoid overlaps, identify synergies and potential areas of cooperation; calls on the Foundation to continue to develop its synergies (for instance human resources, building management, IT services and security), cooperation and exchanges of good practices with other Union agencies, with a view to improving efficiency;
34. Notes that in 2021 the Foundation stepped up its cooperation with other Union agencies through joint events and publications with EIGE on upward convergence in gender equality and on the gender pay gap, with Cedefop based on the joint analysis of the European company survey, and with the European Environment Agency on the social challenges of low-carbon energy policies; notes further that the Foundation continued its exchange of experience and cooperation with FRA in the area of survey methodology and its development and with EU-OSHA in the research area of digitalisation, including telework, and other areas;
35. Notes that the Foundation signed a memorandum of understanding with the ELA in June 2022; notes that in November 2021, the Foundation signed a cooperation agreement with the European University Institute in Florence; notes that in September 2022 it signed a new framework agreement for cooperation with the International Labour Organization; notes, further, that while a draft agreement for collaboration with the Organisation for Economic Cooperation and Development is still under preparation, collaboration continues on an ad-hoc basis in various research areas, such as job quality, collective bargaining, and minimum wages; notes with appreciation that the Foundation extended its cooperation to include the European Centre for Disease Prevention and Control;
36. Welcomes that the Foundation is consistently working on enhancing accessibility and dissemination of its findings, reaching out to new audiences, and ensuring that Union stakeholders can access information in a variety of ways through its 'digital first' approach, including through newly launched podcast series and enhanced data visualisation; urges the Foundation to step up its efforts and report relevant performance information to the Union citizens and general public in clear and accessible language; urges the Foundation to ensure greater transparency and public accountability by better-utilizing media and social media channels; expects the Foundation to report developments in that regard to the discharge authority;
37. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁴⁾ on the performance, financial management and control of the agencies.

⁽⁴⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1930 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0101/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 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 ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0109/2023),
1. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2021;
 2. Instructs its President to forward this decision to the Executive Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 30, 31.1.2019, p. 74.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1931 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Union Agency for Criminal Justice Cooperation (Eurojust) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Criminal Justice Cooperation (Eurojust) for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0102/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 2018/1727 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 ⁽⁴⁾, and in particular Article 63 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0122/2023),

1. Grants the Administrative Director of the European Union Agency for Criminal Justice Cooperation (Eurojust) discharge in respect of the implementation of the Agency's budget for the financial year 2021;

2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 295, 21.11.2018, p. 138.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Administrative Director of the European Union Agency for Criminal Justice Cooperation (Eurojust), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1932 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Criminal Justice Cooperation (Eurojust) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Criminal Justice Cooperation (Eurojust) for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0122/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of European Union Agency for Criminal Justice Cooperation (Eurojust) (the 'Agency') for the financial year 2021 was EUR 53 297 699, representing an increase of 27,81 % compared to 2020; whereas the Agency's budget derives almost exclusively from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of 99,97 %; notes that this represents a slight decrease of 0,02 % compared to 2020; notes that the execution rate of payment appropriations was 84,58 %, representing a decrease of 0,49 % compared to 2020;

Performance

2. Notes that the Agency uses key performance indicators (KPIs) to assess the added value provided by its activities and to improve its budget management; observes that the Agency defined 59 KPIs in its annual working plan for 2021 and 9 multi-annual KPIs for the multi-annual strategy (MAS) 2019-2021; notes that, excluding the KPIs impacted by the COVID-19 pandemic and those deemed not measurable or possible to assess, the Agency achieved the targets for only 36 out of 49 KPIs (73 % achieved as in 2020) and 6 out of 6 multi-annual KPIs (100 %);
3. Notes that the Agency continued to strengthen operational cooperation and the referral of cases by the liaison prosecutors, resulting in 290 new cases in 2021; notes with satisfaction that the Agency continued to take steps to increase the referral of cases between the Agency and the European Judicial Network (EJN), with 44 cases referred to the EJN in 2021; notes with satisfaction that in 2021 the Agency facilitated the execution of European Arrest Warrants related to 480 new cases and 713 ongoing cases and enabled the use of 4 262 European Investigation Orders; notes furthermore that national prosecutors from across the Union and beyond turned to the Agency for assistance in 10 105 cross-border criminal investigations (an increase of 15 % compared to 2020), among which 4 808 were new cases opened during 2021 and 5 297 cases were ongoing cases;

⁽¹⁾ OJ C 141, 29.3.2022, p. 91.

4. Notes with appreciation that the Agency has been supporting the Commission in the preparation for the start of negotiations for international agreements between the Union and 13 third countries, for the exchange of operational information, including personal data; further notes that the network of the Agency contact points increased to 60 countries in 2021; further notes the strengthening of cross-border cooperation between the Union and the United Kingdom (UK), with the appointment of a Liaison Prosecutor and Assistants from the UK to the Agency;
5. Stresses the important role of the Agency in assisting the competent authorities of the Member States in the prosecution of cross-border serious and organised crime; commends the contribution of the Agency's dedicated team of lawyers and analysts in providing legal advice, analysis and operational assistance, resulting in 466 cases directly supported by the team in 2021; commends the Agency for supporting in 2021, 457 coordination meetings and 22 coordination centres with videoconferencing and other hybrid solutions in addition to the meetings held in-person; notes with satisfaction that the Agency provided rapid responses in order to support judicial authorities in 1 928 time-sensitive cases;
6. Welcomes the fact that in 2021 the Agency enhanced its strategic cooperation with partners in the Area of Freedom, Security and Justice, such as Frontex, Europol and eu-LISA; welcomes, furthermore, the signature of the Working Arrangement between the Agency and the European Public Prosecutor's Office (EPPO) to practically implement the means of cooperation put in place in their respective regulations; welcomes the subsequent legal and operational assistance offered to EPPO in the facilitation of cooperation with non-participating Member States;
7. Supports the further strengthening of the Agency's cooperation with the European Union Agency for Fundamental Rights (FRA) in particular with regard to access to lawyers, victims' rights and problems concerning detention conditions;

Staff policy

8. Notes with appreciation that, on 31 December 2021, the establishment plan was 100 % executed, with 207 temporary agents appointed out of 207 temporary agents authorised under the Union budget (compared to 204 appointed out of 207 authorised posts in 2020); notes that, in addition, 30,5 contract agents and 19 out of 21 full-time equivalent seconded national experts worked for the Agency in 2021; notes however, from the Agency's reply to the discharge authority, the Agency's concern regarding the insufficient human resources allocated within the MFF 2021-2027, particularly in the context of the increase of tasks and demands for the Agency to support operational cases and the additional workload resulting from the new Eurojust legal framework; calls on the Agency and the Commission to engage in an active dialogue in order to address the issue of understaffing in its future establishment plans;
9. Notes the lack of gender and geographical balance within the Agency for 2021; notes that the Agency reported 6 men (67 %) and 3 women (33 %) in senior and middle management, 18 men (67 %) and 9 women (33 %) in the Agency's management board, and 77 men (33 %) and 158 women (67 %) in overall staff; asks the Agency to ensure gender and geographical balance at the staff level in the future; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Agency's executive board;
10. Notes with appreciation the Agency's existing measures and ongoing efforts to prevent harassment; notes that a new group of confidential counsellors was appointed as the previous mandate expired; welcomes the fact that in 2021, the Agency offered refresher training on psychological and sexual harassment to all staff and additional training on conflict management and resolution to the confidential counsellors and managers; notes that no cases of harassment were reported in 2021;
11. Notes with interest that the Agency took some internal measures to alleviate the strain that extended teleworking caused to staff, such as measures ensuring the right to disconnect and the right to concentrate; notes with satisfaction that, with regard to the right to concentrate, 'slow weeks' and 'meeting free days' were introduced to reduce stress and digital overload caused by virtual meetings and to concentrate on specific tasks; calls on the Agency to share the results achieved through these measures and good practices in the area of staff well-being in its cooperation with other Union decentralised agencies;

12. Notes with appreciation that the Agency has appointed a contact point for whistleblowing matters, providing staff with confidential and impartial guidance on whistleblowing rules for staff; welcomes the organisation in 2021 of one ethics and whistleblowing training for all staff;
13. Notes that the Agency recruited 23 temporary and contract agents in 2021 through external recruitment procedures; notes that two appointments have been made to offset the effects of part-time work that was on average 4,9 FTE throughout the year; welcomes that, in line with the Agency's KPIs, in 2021 the percentage of staff deployed to operational roles was higher than in 2020; notes, however, that OLAF has been carrying out an investigation, that is still ongoing, on allegations of irregularities in recruitment; takes note that OLAF made no recommendations to the Agency in 2021; calls on the Agency to ensure full cooperation with OLAF and to timely and transparently report to the budgetary authority on the outcome of the investigation;
14. Notes with appreciation that the Agency has implemented Phase 1 of the SYSPER human resources tool, with the first modules becoming available in September 2021; encourages the Agency to continue implementing further modules in order to improve the management of its human resources;

Procurement

15. Notes that 51 procurement procedures were concluded in 2021 for a total value of EUR 42 249 672; acknowledges that the Agency was audited by the Court in the framework of a performance audit on 'blacklisting of economic operators', covering Early Detection and Exclusion System (EDES), to assess whether exclusion is being used effectively to protect Union funds from untrustworthy recipients; calls on the Agency to keep the discharge authority informed regarding this audit's conclusions, once they will be available;
16. Welcomes the adoption and implementation of e-tendering and e-submission in the digitalisation of procurement procedures, as well as the current testing of the Public Procurement Management Tool (PPMT); calls on the Agency to report to the discharge authority about the implementation of the PPMT and to continue the digitalisation process of its procurement procedures;
17. Notes that, according to the Court's observation in its audit report for the 2020 financial year, the procurement procedure for leasing vehicles in connection with a framework contract signed in 2018 was irregular; notes the Court's remark that all subsequent payments made based on that contract were irregular, and that in 2021 such payments amounted to EUR 34 022; acknowledges the Agency's reply that remedies for such cases have been foreseen; underlines that such situations may incur reputational damage to the Agency; calls on the Agency to address this finding without further delay and to report to the discharge authority about the solutions identified;

Prevention and management of conflicts of interest, and transparency

18. Acknowledges the Agency's existing measures and its ongoing efforts to secure the transparency, prevention and management of conflicts of interest; notes that the Agency adopted a new anti-fraud strategy on 21 June 2021 after conducting a fraud-risk assessment in the first half of 2021; welcomes the fact that the risk assessment confirmed that the risk of fraud in the Agency was relatively low;
19. Acknowledges the Agency's standard operating procedure regarding the management of conflicts of interest; notes with interest that, in addition, all staff leaving the Agency are requested to fill in a form requesting permission to engage in an occupation for the two subsequent years to ensure that there is no conflict of interest between their future position and their employment with the Agency; welcomes the fact that the Agency publishes on its website the declarations of interest and CVs of its national members, the Commission representative in the management board, and that of the administrative director; regrets, however, that the CVs of senior management, external experts and in-house experts are not published on its website; calls on the Agency to publish these CVs on its website without further delay;

Internal control

20. Welcomes the Agency's assessment of its internal control system, that concluded that all internal control principles are present and functioning, with minor deficiencies for which corrective measures have been foreseen;
21. Notes the limited review of the implementation of the Agency's new legal framework; highlights that, in the final audit report submitted in January 2021, the internal audit service (IAS) included two recommendations, one of which concerns the Agency's actions for implementing its own initiative on operational tasks, and the other on the need for the Agency to update its risk management register; takes note that, according to the Agency's action plan submitted in February 2021, the actions foreseen for the first recommendation are ongoing, while the actions foreseen for the second recommendation are marked as completed; calls on the Agency to fully implement the recommendations of the IAS and to report to the discharge authority about the progress achieved;
22. Notes the limited review on the implementation of the Agency's new internal control framework (ICF); highlights that, in the final audit report submitted in May 2021, the IAS recommended to the Agency to carry out an iCAT survey to strengthen the assessment of soft controls as part of the overall assessment of the ICF; notes that, according to the Agency's action plan submitted in May 2021, the internal iCAT survey is planned to take place in 2022; calls on the Agency to keep working on the implementation of all the recommendations and to report to the budgetary authority in this regard;
23. Notes that in 2021 European Data Protection Supervisor (EDPS)' first data protection audit of the Agency's data protection activities took place, and that the EDPS found that, overall, the Agency's compliance with the data protection framework was satisfactory, with no critical issues;

Digitalisation and the green transition

24. Notes that in 2021 the Agency initiated the implementation of the EMAS (Environmental Management and Audit Scheme)/ISO 14001 compliance framework; welcomes the fact that, according to the Agency's energy providers, 70 % of its sources of energy come from renewable energy resources; further notes that the Agency, as part of the Union Greening network, organised a public tender in 2021 for the environmental management system, reduction and offsetting of greenhouse emissions related services;
25. Notes that the Agency initiated a number of ICT projects in 2021 in areas such as video-conferencing tools, remedy implementation, e-recruitment tools; welcomes the fact that, with regards to video-conference tools, the Agency launched a project to increase the number of available interpretation languages and enhance the users' experience when joining one of the Agency's videoconferences;
26. Welcomes the Agency's continuous efforts to monitor security logs and respond to potential cyber security incidents; notes that in 2021 the Agency signed a Memorandum of Understanding with Computer Emergency Response Team for the EU institutions, bodies and agencies (CERT-EU) to improve the cyber security support and the log monitoring; further notes that the Agency is developing a cyber security structure to anticipate the implementation of the upcoming regulation on cybersecurity; calls on the Agency to keep reporting to the budgetary authority about the progress in this regard;
27. Welcomes the Agency's participation as a pilot Agency in the Commission's process of implementing a modernised accounting and financial management system, SUMMA; notes that during 2021, the Agency provided key user support in the different phases of the SUMMA implementation, from requirement analysis and specification to testing, data migration and roll out into production in 2022;
28. Welcomes the actions taken by the Agency in 2021 towards starting the key preparatory initiatives for the implementation of the new Eurojust case management system, related to the legislative proposal on exchanges of digital cross-border terrorism cases; highlights that the allocation of new tasks through upcoming legislation must be accompanied in a coordinated manner by the adequate human and budgetary resources, entailing at the same time a reasonable level of flexibility in order to prevent situations where resources are allocated in an untimely manner;

Business continuity along the COVID-19 crisis

29. Notes that in 2021 the Agency's business continuity team continued to meet weekly to ensure that any impact on the Agency's work was addressed proactively; notes that the Agency took some corrective actions such as budget transfers and an in-year revision of KPI targets for areas that continued to be impacted by COVID-19;
30. Notes that in 2021, 83 % of coordination meetings took place online and 7 % took place through hybrid modalities; takes note of the Agency's commitment to keep holding a minimum percentage of coordination meetings online or through hybrid methods and running selections remotely;

Other comments

31. Notes that the Agency continued strengthening its data protection compliance; recalls that a register of processing activities was created on the Agency's website in accordance with Article 57 of the Agency's regulation; observes that 82 records of processing activities have been published on its website at the end of 2021; highlights that 6 requests for access to personal data were received and handled by the data protection officer throughout the year;
32. Calls on the Agency to step up its efforts and report relevant performance information to the Union citizens and general public in clear and accessible language; urges the Agency to ensure greater transparency and public accountability by better-utilizing media and social media channels;
33. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽²⁾ on the performance, financial management and control of the agencies.

⁽²⁾ Texts adopted, P9 TA(2023)0190.

DECISION (EU) 2023/1933 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Union Agency for Criminal Justice Cooperation (Eurojust) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Criminal Justice Cooperation (Eurojust) for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0102/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 2018/1727 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 ⁽⁴⁾, and in particular Article 63 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0122/2023),
1. Approves the closure of the accounts of the European Union Agency for Criminal Justice Cooperation (Eurojust) for the financial year 2021;
 2. Instructs its President to forward this decision to the Administrative Director of the European Union Agency for Criminal Justice Cooperation (Eurojust), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 295, 21.11.2018, p. 138.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1934 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0103/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA ⁽⁴⁾, and in particular Article 60 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0138/2023),
1. Grants the Executive Director of the European Union Agency for Law Enforcement Cooperation (Europol) discharge in respect of the implementation of the Agency's budget for the financial year 2021;
 2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 135, 24.5.2016, p. 53.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1935 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0138/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Union Agency for Law Enforcement Cooperation (Europol) (the 'Agency') for the financial year 2021 was EUR 178 310 917, representing an increase of 12,41 % compared to 2020; whereas the Agency's budget mainly derives from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of 98,72 %, representing a decrease of 0,72 % compared to 2020; notes that the payment appropriations execution rate was 83,51 %, indicating a decrease of 1,58 % compared to 2020;
2. Notes with concern that the observation from the Court stressing that the Agency faces challenges regarding late payments is still ongoing; shares the opinion of the Court that that recurrent weakness exposes the Agency to reputational risks; notes the Agency's efforts made to reduce its payment delays; commends the fact that in 2021 the late payment rate was 7,8 %, compared to 32,8 % in 2020; welcomes the Agency's commitment to reach a maximum of 5 % of payment delays in 2022, including by monitoring a performance indicator on a monthly basis and other mitigating actions; observes that appropriations related to the current budget carried over from 2021 to 2022 are at a relatively high level of 15,20 % or EUR 25,7 million; calls on the Agency to continue its efforts and address this aspect in full compliance with the principle of annuality;

Performance

3. Notes with satisfaction that the Agency uses certain measures as key performance indicators to assess the added value provided by its activities and other measures to improve its budget management; notes that in 2021 the Agency monitored, in total, 44 corporate performance indicators, of which 33 reached or exceeded the set targets;
4. Commends the Agency's progress made towards achieving its five multi-annual strategic priorities set in the Europol Strategy 2020+; notes, in particular, the setting up of the SIRENE Office, the delivery of the data analysis portal for operational analysis, which incorporates new features to enhance data protection by design, and the regular support of the Agency to four major Horizon 2020 innovation projects; further notes the endorsement in 2021 of the implementation plan for the Agency's information management strategy, which aims to achieve eight strategic objectives through actions and tasks that will be monitored and reported on regularly by the newly created Information Management Unit;

⁽¹⁾ OJ C 162, 13.4.2022, p. 16.

5. Highlights the fact that in 2021 the number of operations was 2 519, i.e. 9 % higher than in 2020; further highlights outstanding results in several areas such as the use of EIS (Europol Information System) and QUEST (Query Europol System), in which, in 2021, more than 12 million searches were recorded, representing a 20 % increase compared to 2020; notes the positive assessments given by users in 2021 on the occasion of the user satisfaction surveys carried out by the Agency with regard to several of its activities;
6. Welcomes that in 2021 the European Counter Terrorism Centre (ECTC) supported a total of 1 010 operations in the area of counterterrorism, which is well above the annual target set at 650; notes that in the context of the Terrorist Finance Tracking Programme Agreement with the USA, 104 searches were requested by the Union in 2021, compared to 174 in the previous year;
7. Welcomes the activities of the Agency under Western Balkan Partnership against Crime and Terrorism, in particular the first operational training needs analysis workshop which took place in Sarajevo, followed by a regional training course focusing on countering terrorism financing in Budapest, as well as several workshops and webinars;
8. Welcomes the cross-border initiatives in the area of counterterrorism, namely those with the countries in the Western Balkans and countries in the Middle East and North Africa (MENA) and Turkey; notes especially the ECTC meetings organised by the Commission's Directorate-General for Migration and Home Affairs with all Western Balkan partners to discuss the progress and the report on the implementation of the joint action plan on counterterrorism for the Western Balkans; notes the ECTC attendance at several workshops, conferences and meetings organised by the delegations from the European External Action Service in the MENA region, the Arab Interior Ministers' Council and the Counter Terrorism MENA Project; encourages the Agency to continue cross-border cooperation with third countries in the area of counterterrorism;
9. Notes with satisfaction that the Agency strives for close cooperation with other Union bodies and international organisations in order to guarantee the security interests of all Union citizens; welcomes the Agency's cooperation with the European Anti-Fraud Office (OLAF) in Operation Sentinel, which was joined by OLAF, with the European Public Prosecutor's Office in Operation Sentinel against fraud relating to Union COVID-19 recovery funds, and with the European Union Agency for Law Enforcement Training (CEPOL) in various ways, such as through training sessions and conferences; calls on the Agency to further continue the development of strong ties with other relevant Union institutions; encourages the Agency to explore ways of sharing resources or staff, or both, on overlapping tasks among other agencies with similar activities, most notably CEPOL;
10. Welcomes the establishment of the Europol Data Protection Experts Network, which is used as a channel to present projects, best practices and events linked to data protection in a law enforcement context;
11. Notes the collaboration between the Agency and the European Data Protection Supervisor (EDPS) in 2021, with an increase of activities regarding prior consultation as required by Article 39 of Regulation (EU) 2016/794 of the European Parliament and of the Council⁽²⁾ (the 'Europol Regulation'); further notes that all actions (except one pending technical implementation) contained in the action plan prepared by the Agency as a follow up to the EDPS decision of 18 September 2020 regarding the processing of large and complex datasets were fully implemented and evaluated; further notes that 25 staff members, representing 3 % of the Agency's workforce, are estimated to be committed for efforts in responding to data protection supervision and assurance related actions; notes, nevertheless, that in September 2022, the EDPS requested that the Court of Justice of the European Union (CJEU) annul two provisions of the amended Europol Regulation; notes with appreciation, in light of the EDPS request that the CJEU annul two provisions, the action taken by Member States, operational cooperation partners and the Agency, as no request was made to these articles and all contributions from before the entry into force of the amended Europol Regulation have meanwhile been assigned a data subject category;

⁽²⁾ 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).

12. Is concerned about one individual complaint in particular to the EDPS introduced against the Agency for the refusal to grant access to personal data; notes that the EDPS issued a decision instructing the Agency to comply with the data subject's request two years after the complaint was introduced following exchanges between the EDPS and the Agency; calls on the Agency to report to the discharge authority about the progress of this situation and to fully comply with its obligations concerning the protection of personal data;
13. Welcomes the signature of a memorandum of understanding with the Fundamental Rights Agency which would contribute to ensure the Agency's compliance with fundamental rights;

Staff policy

14. Notes with appreciation that, on 31 December 2021, the establishment plan was 99,80 % implemented, with 614 temporary agents appointed out of 615 temporary agents authorised under the Union budget (same as in 2020); notes that, in addition, 214 contract agents and 59 seconded national experts worked for the Agency in 2021, with 235 and 71 authorised respectively; notes that the Agency differentiates between four categories of seconded national experts, with three categories bearing no or limited costs for the Agency's budget and representing another 91 persons, bringing the total number of seconded national experts to 150 in 2021;
15. Commends the Agency's low vacancy rate of 0,2 % in 2021, well below the annual target of a maximum vacancy rate of 2 %, as well as the decrease of the turnover rate from 10,9 % in 2020 to 6,9 % in 2021; further notes that the Agency regularly monitors those indicators against annual targets; welcomes the fact that the Agency has taken several measures to prevent high turnover rates, such as the possibility for internal career advancement, a flexible working regime or training and development opportunities; acknowledges, nevertheless, that for certain restricted positions in the core area of law enforcement work, the maximum contract duration is nine years;
16. Notes the gender distribution reported for 2021 for senior and middle management, with 83 % being men (29 men and 6 women), for the management board, with 79 % being men (44 men and 12 women) and for the overall staff, with 65 % being men (541 men and 288 women); is concerned over a decrease in the percentage of women in management posts, with 17 % in 2021 compared to 21 % in 2020; acknowledges that the responsibility to ensure gender balance within the members of the management board lies with the Member States; reiterates its call on the Agency and the Member States to ensure a more equal gender distribution on the management board, in the Agency's management and within staff levels in the future; recalls also the importance of ensuring a balanced geographical representation among the Agency's management and staff members;
17. Notes the Agency's reply that in 2021 there was one administrative inquiry into allegations of harassment regarding a work-related conflict situation; further notes that the administrative inquiry was concluded in June 2022 and that no decision had been taken by the time the discharge authority received the Agency's reply on 16 September 2022; calls on the Agency to keep the discharge authority informed with regard to the decision and follow-up in that matter; further notes that no harassment cases relating to the Agency's staff were brought before a court in 2021;
18. Expresses concern over the 8 burnout cases reported by the Agency in 2021; recalls, nevertheless, that that represents less than 1 % of the total staff of the Agency; notes with appreciation that the Agency took several preventive actions, including the provision of occupational health and lifestyle advice, medical part-time schedules, mental check-ups, flexitime options or dedicated meetings for addressing the well-being of staff;
19. Welcomes the approval of the Agency's 2020+ human rights strategy and the diversity and inclusion strategy; further welcomes the audits on diversity, equality and inclusion, and the review of the Agency's ethics framework, both carried out in 2021 by the internal audit capability (IAC); commends the positive conclusions of those audits;
20. Notes with appreciation that following the release of the SYSPER human resources management system to all staff at the Agency, the Agency has implemented a basic set of modules, as well as most of the optional ones; acknowledges that the implementation of further modules is ongoing; calls on the Agency to continue the digitalisation of its human resources management activities;

Public procurement

21. Notes that in 2021 the implementation of the Agency's annual procurement plan reached 79 %, including 10 procurement procedures for contracts above EUR 15 000 for a total value of EUR 58 314 000; notes with great concern that one contract of a value of EUR 405 000 was concluded under a negotiated procedure without prior publication of a contract notice; calls on the Agency to fully respect all legal provisions concerning thresholds for the publication of contract notices;
22. Welcomes the fact that the digitalisation of public procurement procedures is part of the Agency's procurement policy and finance unit strategy; notes with satisfaction that the Agency uses e-procurement tools such as eNotices, eSubmission and eTendering, the latter also applying to middle-value procedures as of 2022; notes with satisfaction that the Agency is in the process of on-boarding the public procurement management tool, intended for deployment from January 2023; encourages the Agency to continue the digitalisation of its procurement procedures and to report to the discharge authority about the progress achieved;
23. Welcomes the participation of the Agency in 16 interinstitutional procurement procedures organised by other contracting authorities; encourages the Agency to continue participating in such procedures in order to enhance efficiency and achieve economies of scale;
24. Commends that, according to the Court's report, in the area of procurement and contract management, all follow-up actions regarding the Court's observations from previous years have been completed;

Prevention and management of conflicts of interest, and transparency

25. Notes the Agency's existing measures and ongoing efforts to secure transparency, the prevention and management of conflicts of interest, whistleblower protection and the fight against harassment; notes with satisfaction that declarations of interests and CVs of management board members and senior management are published on the Agency's website; commends the Agency in particular for being among the nine agencies who had introduced their own internal rules to deal with the lack of provisions in Union law governing the activities of members of agencies' boards, thus going beyond the minimum legal requirements when handling potential 'revolving door' situations;
26. Notes that between 2019 and 2021, the Agency assessed two cases of a potential conflict of interest in relation to a senior member of staff taking up a new job elsewhere; notes with concern the Court's finding that in one of those cases the Agency did not issue its decision within the deadline provided by Article 16 of the Staff Regulations and thus effectively authorised the person concerned to take up the new job without any restrictions; notes that, according to the Agency's reply, an *ex-post* assessment confirmed that the Agency was not exposed to a conflict of interest situation; calls, nevertheless, on the Agency to comply with all provisions of the Staff Regulations and to apply in a comprehensive and effective way the legal framework applicable to the handling potential 'revolving door' situations and the associated risk of conflicts of interest;
27. Notes the reports about cooperation between the Agency and Frontex in the field of border guard operations, particularly in light of the findings regarding Frontex's 'Processing of Personal Data for Risk Analysis' programme; recalls that cooperation between the Agency and other JHA agencies should be fully transparent and subject to an adequate framework of oversight and that accountability should be ensured; calls on the Agency to take measures to ensure full compliance with Union transparency rules as well as with fundamental rights with data protection standards, in particular, and accountability, including when cooperating with other JHA agencies and partners; considers that the disclosure of meetings and interactions between the Agency and third parties, where that can be disclosed without prejudice to its operational activities, contributes to ensuring enhanced transparency; welcomes the swift appointment of the Agency's fundamental rights officer, a position which was introduced by Regulation (EU) 2022/991 of the European Parliament and of the Council⁽³⁾, which amended the Europol Regulation and which entered into force on 28 June 2022;

⁽³⁾ Regulation (EU) 2022/991 of the European Parliament and of the Council of 8 June 2022 amending Regulation (EU) 2016/794, as regards Europol's cooperation with private parties, the processing of personal data by Europol in support of criminal investigations, and Europol's role in research and innovation (OJ L 169, 27.6.2022, p. 1).

Internal control

28. Notes that the Commission's Internal Audit Service (IAS) completed its audit on the Agency's contract management and issued four recommendations marked as 'important'; calls on the Agency to take the necessary actions for the implementation of these recommendations; calls on the Agency to fully implement all the open recommendations marked as 'important' issued by the IAS from previous audits on human resources management and ethics and IT security and to keep the discharge authority informed on the progress made in that regard;
29. Notes that the components of the Agency's internal control framework were present and functioning in an integrated manner across the Agency and that the internal control system effectively reduced, to an acceptable level, the risk of not achieving the Agency's annual and multiannual objectives relating to operations, reporting and compliance; notes the good progress made by the Agency regarding the follow-up to IAC audit recommendations, with 87 % implementation rate of all the critical and very important recommendations issued since 2015 (381 recommendations overall) and foreseen for completion in 2021;
30. Notes that in 2021, the IAC also completed three audit engagements on the Agency's 24/7 operational support, on validation of user access rights granted in ABAC and on the Agency's document forensics, with 32 recommendations issued, two of which are marked as 'critical' and two of which are marked as 'very important'; notes with concern the IAC's audit of the Agency's asset management, with 39 recommendations issued, 5 of which are marked as 'critical' and 15 of which are marked as 'very important'; calls on the Agency to implement the IAC's recommendations within the agreed timeframe and to keep the discharge authority informed of the progress made in this matter;
31. Notes the Court's four recommendations made by the Court in its special report of 2021 on Agency's effectiveness of its support to the Members States in combating migrant smuggling; calls on the Agency to implement the Court's recommendations within the agreed timeframe and keep the discharge authority informed of the progress made in that regard;

Digitalisation and the green transition

32. Notes the various ICT-related developments by the Agency in 2021 in the areas of information exchange, search, cross-checking and data management, and accreditation of information systems; further notes the Agency's progress towards Union interoperability and access to Union large-scale IT systems, the measures taken in order to increase the Agency's cyber security and other initiatives such as the endorsement of the Agency's hybrid cloud strategy, the selection of a tool for face recognition through biometrics technology and the rolling out of the e-signature tool for internal documents;
33. Notes with concern that the Agency experienced two distributed denial of service cyberattacks against its public website in 2021; notes with satisfaction that those attacks only caused minimal disruption;
34. Encourages the Agency to work in close cooperation with the European Union Agency for Cybersecurity and the Computer Emergency Response Team for the Union Institutions, bodies and agencies and to carry out regular risk assessments of its IT infrastructure and to ensure that regular audits and tests are carried out on its cyber defences; suggests that the Agency offer regularly updated cybersecurity-related training programmes to all of its staff;
35. Commends the Agency for having received the EMAS and ISO 14001:2015 certifications in 2021; welcomes the Agency's efforts to reduce or offset its CO₂ emissions ranging from purchasing electricity from 100 % renewable sources to awareness-raising measures among staff; notes that, for contracts above EUR 15 000, the Agency applies environmental considerations; notes with appreciation that the Agency monitors its environmental impact through environmental indicators included in the Agency's annual activity report;

Business continuity during the COVID-19 crisis

36. Notes with appreciation that in 2021 the Agency's crisis management team continued to manage the effects of the COVID-19 pandemic by providing guidance on steps to follow and regular updates to staff; notes in that context that some activities requiring physical presence had to be postponed or cancelled, while teleworking remained the norm for most of the non-operational staff; welcomes the approval of the Agency's business impact analysis, which includes the lessons learned from the COVID-19 crisis and the power outage incident from 2020;

Other comments

37. Notes the improved metrics in 2021 regarding the Agency's presence in high-impact web-based media and the number of visitors to the Agency's website, as well as its efforts to increase its public visibility through interviews and press releases; encourages the Agency to continue promoting its work, research and activities;
38. Calls on the Agency to focus on disseminating the results of its operations to the general public and to reach out to the public via the social media and other media outlets; welcomes in that regard the Agency's current efforts to promote its activities;
39. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁴⁾ on the performance, financial management and control of the agencies.
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⁽⁴⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1936 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0103/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA ⁽⁴⁾, and in particular Article 60 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0138/2023),
1. Approves the closure of the accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 135, 24.5.2016, p. 53.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1937 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights (FRA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0105/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ⁽⁴⁾, and in particular Article 21 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0141/2023),

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 53, 22.2.2007, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

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 2021;
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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1938 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights (FRA) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0141/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Union Agency for Fundamental Rights (the 'Agency') for the financial year 2021 was EUR 24 860 491, representing an increase of 2,87 % compared to 2020; whereas the Agency's budget derives almost exclusively from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of 100,00 %, the same rate as in 2020; notes that the payment appropriations execution rate was 70,95 %, representing a slight increase of 0,1 % compared to 2020;
2. Notes that, according to the Court's report, the Agency carried over EUR 7 million (27 %) of 2021 commitment appropriations to 2022, 96 % of which related to operational activities; highlights the Court's renewed opinion that the high level of carry overs is indicative of structural issues in the Agency's implementation of the budget and contradict the budgetary principle of annuality; notes that this is a recurring issue; acknowledges the Agency's reply that the high carry overs mainly reflect the nature of the Agency's core business, which includes activities that span several months or even extend beyond the end of year and that the level of the Agency's outturn is above 99 %; welcomes the Agency's efforts to improve its budget planning by establishing a monitoring tool on planned carry overs from one year to the next; calls on the Agency to keep monitoring its level of carry overs and improve its implementation cycles;
3. Regrets that the Agency's establishment plan has not been increased since 2017 and that the budget increase mainly reflected the indexation with the inflation rate and it was not commensurate with the increased workload and requests, particularly after the entry into force of Council Regulation (EU) 2022/555 ⁽²⁾, which amended Council Regulation (EC) No 168/2007 ⁽³⁾ (the 'Founding Regulation') to introduce new activities in the areas of justice and police cooperation; highlights the fact that, without adequate financial and staff resources, the Agency will not be able to carry out all the tasks assigned to it and fully implement its new mandate, creating a situation that could affect the quality of work that the Agency provides;

⁽¹⁾ OJ C 141, 29.3.2022, p. 60.

⁽²⁾ Council Regulation (EU) 2022/555 of 5 April 2022 amending Regulation (EC) No 168/2007 establishing a European Union Agency for Fundamental Rights (OJ L 108, 7.4.2022, p. 1).

⁽³⁾ Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights (OJ L 53, 22.2.2007, p. 1).

Performance

4. Notes with satisfaction that the Agency uses a system of key performance indicators (KPIs) as part of its performance measurement; notes that a revision of the Agency's performance measurement framework and KPIs was completed in 2021 to better align with the requirements and needs of programming documents and activity reports; commends the high rate of achievement against its KPIs in 2021, with the Agency exceeding almost all targets set per KPI; notes, in particular, an outstanding performance regarding the number of research output produced, input delivered and output accessed, and the stakeholders' satisfaction in relation to the Agency's events;
5. Welcomes the Agency's initiatives to create synergies with other justice and home affairs (JHA) agencies in a number of fields, including digitalisation and the implementation of the European Green Deal; notes with appreciation the Agency's active contribution to a total of 60 activities in the JHA area in 2021; welcomes the Agency's decision to participate in various joint procurement procedures, such as on the assessment of management skills; notes in particular the Agency's cooperation with Eurojust in agreeing on a list of concrete actions in areas of common interest (e.g. European Arrest Warrant) to be implemented in 2021–2022; further notes that the Agency signed in 2021 working agreements or memorandums of understanding with Europol, CEPOL, Eurojust and EIGE; welcomes the fundamental rights support offered by the Agency to projects related to AI and biometrics, led by the European Border and Coast Guard Agency (Frontex) and Europol;
6. Notes that the Agency contributed to a total of around 60 activities in the JHA area, including 24 in the area of migration, asylum and border management, and 16 in the area of internal security and serious and organised crime; stresses the support provided by the Agency to projects related to AI and biometrics, led by Europol and Frontex, and considers that the Agency's recommendations should be taken into account;
7. Welcomes the support provided by the Agency to Frontex in the establishment and recruitment of Frontex's fundamental rights monitors (FRMs) and deputy fundamental rights officer; highlights the fact that the Agency continued its engagement with Frontex, with the Agency's director taking part in Frontex management board meetings; further welcomes the active role played by the Agency in the training of the Frontex FRMs; recalls that, throughout 2021, the Agency provided support from a fundamental rights perspective to projects related to AI and biometrics, led by Europol and Frontex;

Staff policy

8. Notes that, on 31 December 2021, the establishment plan was 93 % executed, with 67 temporary agents appointed out of 72 temporary agents authorised under the Union budget (the same number of authorised posts as in 2020); notes that, in addition, 30,1 contract agents (FTEs) and 6 seconded national experts (FTEs) worked for the Agency in 2021;
9. Notes with satisfaction the gender balance among the Agency's senior management members, with 3 men (50 %) and 3 women (50 %) at management board level, with 37 out of 64 members (58 %) being women, and within the Agency's overall staff, with 49 out of 96 members (51 %) being women;
10. Acknowledges the Agency's ongoing work in developing a long-term perspective human resources framework on the basis of the outcome of three key exercises regarding a competency framework, a workload assessment and a well-being survey; welcomes, in that context, the establishment of the Agency's new human resources management plan; calls on the Agency to finalise the remaining phases (competency assessment and gap analysis of the workforce) in order to introduce a competency-based talent management system;
11. Welcomes the adoption of SYSPER by the Agency in 2021; notes with appreciation that the Agency has implemented 9 modules and is working towards implementing 3 more, intending to adopt additional modules from the basic and optional packages;

12. Notes that no burnout cases were reported by the Agency in 2021; welcomes the measures taken by the Agency to support staff wellbeing, such as providing psychological support services to staff or having a medical advisor in house once per week;

Procurement

13. Notes that in 2021 the Agency launched eight procurement procedures, three open and five negotiated, and signed 546 contracts, three of which were direct contracts representing a total of EUR 2 768 596, 480 of which were specific contracts or order forms against framework contracts for a total of EUR 9 564 632, and 63 of which were low-value contracts equal to EUR 269 428;
14. Notes with appreciation that the Agency makes use of eNotices, eTendering and eSubmission in its procurement procedures; encourages the Agency to continue the digitalisation of its procurement procedures and welcomes the efforts of the Agency towards the implementation of the PPMT tool;

Prevention and management of conflicts of interest and transparency

15. Welcomes the Agency's existing measures and its ongoing efforts in relation to securing transparency, prevention and management of conflicts of interest, and regarding whistleblower protection; welcomes the actions taken by the Agency in 2021 with regards to developing specific work instructions specifying the workflow of internal whistleblowing and its subsequent communication about these rules to staff members; notes that in 2021 the Agency revised its practical guide on management and prevention of conflict of interests for staff; further notes that no cases of conflicts of interest and whistleblowing were reported in 2021; commends the Agency for having introduced its own rules to deal with the lack of provisions in Union legislation governing the activities of the members of its board;
16. Notes with appreciation that the CVs and declarations of interest of almost all management board members and scientific committee members have been published on the Agency's website; notes, however, that the Agency has not published the CVs of the management team members and in-house experts; notes nevertheless that the Agency publishes a short biographic description of the management team members and in-house experts; calls on the Agency to publish the remaining CVs and declarations of interests and welcomes the measures already taken to mitigate the risks;

Internal control

17. Notes that in 2021 the Agency performed an *ex post* control exercise on a sample of transactions performed during the first months of the pandemic in 2020; notes the Agency's conclusion that the activity revealed two potential minor mistakes and resulted in some formal remarks but no critical issues were identified; welcomes that in 2021 the Agency adopted an updated version of its anti-fraud strategy based on a specific risk assessment, which includes fraud prevention training, raising awareness of staff through information sessions and fraud risk assessments;
18. Notes that the Agency performed in 2021 an assessment of the level of implementation of its new internal control framework; notes the Agency's conclusion that all components of the system are present and functioning, with some improvements needed to principles 3, 4, 5 and 14; notes, regarding principles 3 and 5, that the update of the job descriptions for all staff was successfully completed in 2022, with their alignment to the Commission's SYSPER template; notes, regarding principle 4, that the competency framework is under implementation and calls on the Agency to accelerate its actions in order to finalise the outsourcing of an integrated internal communication policy (principle 14);
19. Notes, regarding the Agency's process of registration and authorisation of exceptions, that four exceptions were registered in 2021 for an overall value of transactions of over EUR 5 000 none of which, according to the Agency's assessment, had a financial impact;

Digitalisation and the green transition

20. Acknowledges the Agency's ongoing efforts to ensure a cost-effective and environmentally friendly working place; notes the Agency's commitment to undertake an assessment on how to reduce its environmental footprint while considering the situation of the current premises;
21. Notes that the Agency adopted cloud services (linked to telephony, video and web conferencing, online collaboration and document management) between 2020 and 2021, thereby digitising the internal financial and other workflows; commends the adoption of the Mission Processing System (MiPS), which contributes to the digitalisation efforts of the Agency and the optimisation of human and financial resources, including by replacing paper-based workflows while offering better reporting capabilities to its staff and its human resources function; further commends the Agency's ongoing actions to ensure cyber security, as well as the new measures implemented in 2021, such as the use of two-factor authentication, geolocation connection monitoring, and installing latest product updates; encourages the Agency to work in close cooperation with ENISA (European Union Agency for Cybersecurity) and CERT-EU (Computer Emergency Response Team for the Union Institutions, bodies and agencies) and to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests are carried out on its cyber defences;

Business continuity during the COVID-19 crisis

22. Notes that the business continuity plan remained active in 2021 and that the Agency conducted all its meetings and events virtually; underlines that, as a consequence, out of a total of 29 planned training activities, only 13 actually took place, using online solutions, representing a low implementation rate of 45 %; further notes that, to facilitate the decision-making process in the absence of in-person meetings, a series of Management Board decisions were taken in the form of written procedures; observes that, with regard to recruitment, the Agency made use of videoconferencing technologies for candidate interviews;
23. Notes that during 2021 the Agency performed a specific risk assessment on all 2021 projects, taking into account the risks related to the COVID-19 pandemic; commends the Agency in that context for having identified mitigating actions the implementation of which prevented major impacts on the finalisation of the planned project activities; underlines that the 2021 Fundamental Rights Forum, as the flagship event on the state of fundamental rights within the Union, was organised in a hybrid format; encourages the Agency to put the lessons learned from the COVID-19 pandemic into practice in order to better organise meetings, events and interviews that could be carried out more efficiently remotely than in-person in the future;

Other comments

24. Notes the Agency's continuous work to increase its public visibility and online presence, with a number of initiatives such as the e-media toolkit on migration, the e-learning tool on the Charter of Fundamental Rights of the European Union and the fundamental rights podcast; notes, in particular, that a total of 798 participating organisations from all Member States and candidate countries participated in the Agency's Fundamental Rights Platform in 2021 and that it brought together over 3 000 people from all over the world; highlights the fact that the Agency continued to be the Union agency with the highest number of publication orders; notes that references to the Agency in the media increased by 35 %;
25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 (*) on the performance, financial management and control of the agencies.

(*) Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1939 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Union Agency for Fundamental Rights (FRA) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0105/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ⁽⁴⁾, and in particular Article 21 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0141/2023),
1. Approves the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 53, 22.2.2007, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1940 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency (Frontex) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Border and Coast Guard Agency for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0106/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) 2019/1896 of the European Parliament and of the Council of 13 November 2019 on the European Border and Coast Guard and repealing Regulations (EU) No 1052/2013 and (EU) 2016/1624 ⁽⁴⁾, and in particular Article 116 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0142/2023),
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 2021;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Border and Coast Guard Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 295, 14.11.2019, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

RESOLUTION (EU) 2023/1941 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency (Frontex) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0142/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Border and Coast Guard Agency (the 'Agency') for the financial year 2021 was EUR 535 245 042, representing an increase of 46,87 % compared to 2020; whereas the Agency's budget derives mainly from the Union budget;
- B. whereas all Union bodies, offices and agencies should be transparent and fully accountable to the citizens of the Union for the funds entrusted to them;
- C. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2021 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;
- D. whereas since December 2019 the Agency has been implementing a new mandate with a scale-up that is significant in terms of missions and staff, that requires an adequate budget;
- E. whereas in 2021 there was a significant increase in the Agency's budget and execution of the establishment plan due to the enlarged mandate under Regulation (EU) 2019/1896 of the European Parliament and of the Council ⁽²⁾;
- F. whereas the Court in its Special Report No 8/2021 on the Agency's support to external border management concluded that there were several shortcomings related to the Agency's primary activities, namely situation monitoring, risk analysis, vulnerability assessment, joint operations and rapid border interventions, return operations and the Agency's training and the lack of needs and impact assessments prior to the exponential increase in the Agency's expenses;

Budget and financial management

1. Welcomes the Court's conclusion that the revenue and payments underlying the Agency's accounts for the year ended 31 December 2021 are legal and regular in all material respects;
2. Observes that the budget-monitoring efforts during the financial year 2021 resulted in a budget implementation rate of 94,70 %, representing a decrease of 4,27 % compared to 2020; calls on the Agency to pay more attention in order to avoid lower levels of commitments and to reach a rate closer to the target of 100 %;

⁽¹⁾ OJ C 141, 29.3.2022, p. 112.

⁽²⁾ Regulation (EU) 2019/1896 of the European Parliament and of the Council of 13 November 2019 on the European Border and Coast Guard and repealing Regulations (EU) No 1052/2013 and (EU) 2016/1624 (OJ L 295, 14.11.2019, p. 1).

3. Regrets that, in spite of the Agency's financial unit having put in place certain mechanisms to improve budget execution, in 2021 the payment appropriations execution rate was only 50,42 %, representing a decrease of 4,90 % compared to 2020; notes the Agency's explanation for this decrease, whereby payments for field operations are made to a large extent in year N+1, and the significant increase in the scope of field operations inevitably resulted in the decrease of payment appropriations execution rate in 2021;
4. Notes the second amendment of the Agency's budget in 2021 in connection with a return to the Union budget of EUR 14,5 million; considers that the Agency's justification for having adopted this amendment is insufficient; calls for the Agency, in its future reporting, to provide the discharge authority with more elaborate justifications as to why budgetary amendments, returning money to the Union, are adopted;
5. Is concerned that the level of carry-over (C8 funds) from 2020 to 2021 was EUR 159 400 000, while from 2021 to 2022 it was EUR 237 000 000; considers the level to be particularly high; regrets that the rate of payments of C8 funds in 2021 was only 87 %, which is lower than in previous years (2019 and 2020); notes, however, the Agency's observation that this indicator has been affected by the pandemic; observes that grants represent around 60 % of the total operational budget of the Agency and that, according to the Agency, most of the them are related to activities that usually have an extended horizon; notes further the Agency's observation that significant amounts of carry-overs are justified since most of them are linked to the lifecycle of activities which have a final date in December, which makes the carry-over inevitable; understands the Agency's observation that risk of cancellation of carry-overs is mitigated by the fact that all of those carry-overs must have legal commitment in place which gives a level of certainty that the amounts would be paid; recalls and shares, nevertheless, the Court's position that excessive levels of carry-overs can, in certain cases, be prevented by improving budget planning and its implementation cycles; calls on the Agency to continue its efforts in this direction, including by striving for more precise cost estimates and budget forecasts and to report to the discharge authority about the progress achieved;
6. Expresses concern over the Court's observation highlighted as an 'Emphasis of matter' concerning the carry-over to 2021 of a budgetary commitment dated in December 2020, without the backing of a legal commitment before the end of 2020; notes that the payments related to this issue were, in 2021, EUR 18 375 458; takes further note of the fact that the Agency addressed this non-compliance by means of subsequent legal commitments throughout 2021;
7. Notes with concern the second Court observation highlighted as an 'Emphasis of matter' that contributions from non-Union Schengen area countries and the balancing Union contribution are not correctly calculated; notes that the latter was overstated by EUR 2,6 million and the former was understated by the same amount; notes further that there was no impact on the operating revenue of the statement of financial performance for the year 2021; maintains however its observation that this is an indication of the need for additional guidance from the Commission to Union bodies on how to calculate correctly contributions from non-Union countries; calls on the Commission to issue additional guidance without further delay;
8. Notes with concern the third 'Emphasis of matter' observation made by the Court, concerning the declaration of the Agency's accounting officer with regard to the lack of the necessary information for the validation of a new system laid down by the authorising officer and used for supplying accounting information, that show the Agency's assets and liabilities and the budgetary implementation; notes that the same system is in use by the Commission and has been validated by the Commission's accounting officer; urges the Agency to provide the discharge authority with clarifications on this issue;

9. Highlights the importance of a strong, effective and well-functioning Agency able to assist Member States to manage the common external borders of the Union and to ensure an integrated border management with a view to managing those borders efficiently and in full compliance with fundamental rights, and to increasing the efficiency of the Union return policy; notes the shared responsibilities that the Agency and the Member States have in the fulfilment of fundamental rights obligations; stresses that the effective and just management of the external borders is of crucial importance for the protection of the Schengen as an area of freedom, security and justice; stresses that close cooperation and agreements with third countries in aspects such as readmission agreements, technical assistance, training, and return activities, together with development aid are important to guarantee an efficient EU border management ⁽³⁾; calls on the Agency and the Member States to further develop structures of cooperation, information-sharing and the exchange of best practices;
10. Notes the Agency's measures to mitigate the high risk of losing possible unspent budget, with Member States sending on a monthly basis monitoring tables, indicating up to date real costs incurred; calls on the Internal Audit Service (IAS) to conduct an evaluation of the Agency's mechanism for the monitoring of costs and forecasting needs under grant provisions, as well as the effect, on the financial management of its return operations, of the upgrades of the Frontex Applications for Return (FAR) and Integrated Return Management Applications (IRMA) systems;

Performance

11. Notes that in 2021 the Agency implemented a new organisational structure, a major endeavour for effectively addressing its extended mandate; acknowledges the impact and changes that the Agency's restructuring has entailed; commends, in this context, the Agency's strategy for efficiency gains through the digitalisation, automation or simplification of rules and procedures applied in certain areas;
12. Notes that in 2021 the Agency used certain measures as key performance indicators to assess the performance of its activities, adopted by the Agency's management board and stemming from the single programming document 2021-2023; notes with appreciation that the level of the perceived quality of the Agency's delivered products and services has improved, as in 2021 it reached a mark of 94,34 % of assessments from average, high to very high; regrets that for some performance indicators, the Agency missed the set targets, for example with regard late payments or the availability of technical equipment for deployments;
13. Notes that the Agency successfully deployed to the host Member States and to four Union airports the first officers of the European Border and Coast Guard standing; acknowledges that the latter's main activities focused on supporting cooperation in the area of the identification and issuance of travel documents, return counselling and booking flights in the FAR; notes further that in 2021 the Agency implemented 19 joint operations (JO) with 9 host Member States, 23 participating Member States, 32 authorities and 4 third countries involved therein; notes the Agency's rapid border intervention (RBI) to respond to migratory pressure at the external land border between Lithuania and Belarus and to control irregular immigration flows towards Lithuania and the Union, but emphasises simultaneously the fundamental rights concerns, including as identified by the fundamental rights officer (FRO), that has come with these operations; notes the Agency's operational outreach in connection with RBI Lithuania, JO Opal Coast at the English Channel and the launch of the new JO in a third country, namely Serbia; notes the launch of the pilot phase for the first deployments of liaison officers from Member States; calls on the Agency to inform the discharge authority on the assessment of the results of this pilot phase once finalised;
14. Notes that operational activities conducted on land borders in 2021 resulted in 3 546 incidents reported, involving 16 304 apprehended irregular migrants, 6 461 irregular migrants and 368 arrested smugglers; notes with appreciation the Agency's efforts that led to the return by air of 18 301 non-EU nationals, of which 10 193 were persons on 337 operations by charter flights to 33 countries of return and 8 108 persons by scheduled flights to 107 countries of return; acknowledges that in 2021 return in a voluntary manner constituted 57 % of all returns by scheduled flights and that the Agency chartered 22 aircrafts for return operations; commends the successful preparation and organisation of the first fully fledged Agency-led return operation, whereby the Agency takes over the role of the organising Member State;

⁽³⁾ Frontex Strategic Risk Analysis 2022.

15. Notes that in April 2021, an amended standard operating procedure (SOP) on the Serious Incident Report (SIR) mechanism was signed and served to define the role and competences of the FRO; notes further that the necessary additional revision of the SOP on the SIR mechanism has been delayed, welcomes that the SIR mechanism is currently being finalised in cooperation with the FRO and in consultation with the Agency's Consultative Forum on Fundamental Rights; recalls that this had been one of seven conditions addressed to the Agency with respect to granting discharge in previous years; calls upon the Agency to inform the discharge authority about the finalisation of the additional revision of the SOP on the SIR mechanism;
16. Stresses that every operational plan should include a transparent reporting mechanism ensuring that every incident in the operational area is reported and properly followed up; stresses that this reporting mechanism should apply regardless of the way these assets are being financed, in order to ensure that the Agency, and in particular the FRO, can monitor the whole operational area and investigate all SIRs or other indications of non-compliance;
17. Welcomes the Agency's decision of 25 January 2022 detailing standard operating procedures for the implementation of Article 46 of Regulation (EU) 2019/1896 drafted in accordance with the comments and observations of the Member States and Schengen Associated Countries, the FRO, and the Frontex Consultative Forum on Fundamental Rights;
18. Welcomes the implementation of Return Case IT systems based on Return Case Management System (RECAMAS) model in Italy, Belgium and Finland; echoes the recommendation of the Agency's management board to the Agency to engage also with other Member States and fulfil necessary prerequisites to follow this example;
19. Notes a substantial increase in the number of the SIRs from only 10 SIRs in 2020 to 62 SIRs in 2021, of which 53 were covered by the newly amended SOP; regrets that the highest numbers reported were from Lithuania and Greece; welcomes the fact that a new procedure has been put in place whereby all incidents involving use of force are shared with the FRO on a monthly basis who committed to issue an annual assessment of this procedure; calls on the Agency to report to the discharge authority on the results of this assessment; commends the fact that Fundamental Rights Monitors (FRMs) started their integration into the operational framework and completed over 200 deployment days visiting 10 countries and taking part in 15 return missions;
20. Notes that in 2021, under the Agency's complaints mechanism, 27 complaints were received and reviewed by the FRO who deemed admissible 6 of them; expresses its deep concern over the alleged violations of fundamental rights in connection with the admissible complaints;
21. Recalls that, in its judgement of 30 June 2022, the Court of Justice of the European Union (CJEU) found that Lithuanian legislation allowing the denial of international protection and the placing of applicants in automatic detention solely on the grounds that they have irregularly crossed the border was incompatible with Union law; notes that as of July 2022, the Agency no longer participated or supported Lithuania with border surveillance; notes however that the Agency maintained its operation in Lithuania, with agents working on border checks, even after the judgment of the CJEU; further recalls the concerns, including from the Council of Europe, about the humanitarian situation and the alleged violation of humanitarian rights at the Latvian-Belarusian border, which was caused by the instrumentalisation of migrants by the Belarussian regime; calls on the Agency to verify that it is not involved in activities related to the Lithuanian legislation declared incompatible with Union law by the CJEU, and to refrain from participating in any operations that are incompatible with Union law;

22. Notes the legal actions against the Agency initiated at the CJEU, on behalf of victims who had sought protection in Greece; notes that the CJEU was requested to determine whether the Agency failed to act in accordance with Article 46(4) of Regulation (EU) 2019/1896 by refraining from taking the decision to withdraw the financing of all or of part of its activities in the Aegean Sea region, to suspend those activities or to terminate them in whole or in part; calls on the Agency to provide to Parliament all relevant documentation in this regard, including the FRO opinion of 1 September 2022, SIRs from 2021 and 2022 as well as information about the investigation into the case of the Agency's cultural mediator that was forcibly expelled to Turkey with at least 130 third-country nationals, as reported in November 2021 to the management board; notes that following the opinions and recommendations of the FRO regarding his assessment of the situation in Greece, the former executive director ad interim and the FRO engaged with Hellenic authorities to establish safeguards for the implementation of a fundamental rights framework in operational activities carried out in Greece; notes that further to those discussions, the Hellenic authorities drew up an implementation plan for the implementation of the safeguards, which was recognised as a good achievement by the FRO and the management board; highlights the fact that the FRO recognises the procedural efforts, and notes that FRO recommended the Agency to withdraw from Greece in line with Article 46 of Regulation (EU) 2019/1896;
23. Notes the Agency's cooperation with the European Fisheries Control Agency and European Maritime Safety Agency in order to coordinate and share resources in areas such as information sharing, surveillance and communication services, capacity building, risk analysis and, in particular, capacity sharing; further notes that such cooperation is governed by a Tripartite Working Arrangement signed by the three agencies and updated in 2021 for an indefinite period; welcomes the implementation thereof through, for example, operations that respond to coast guard related matters in specific maritime area and surveillance aircraft services provided by the Agency; calls on the Agency to further explore possibilities to also coordinate and share resources with other agencies, in particular with the Justice and Home Affairs Agencies, in spite of their potential differences in operational activities;
24. Notes that the Agency has been postponing the deadline for the implementation of Recommendation 1 of the Court's Special Report 8/2021 (deadline end of 2021) regarding the improvement of the information exchange framework and of the European situational picture, by more than a year from mid-2022 to Q3 and Q4 of 2023; calls upon the Agency to address this matter with priority;

Staff policy

25. Notes that, on 31 December 2021, the establishment plan was 82 % executed, with 861 temporary agents appointed out of 1 050 temporary agents authorised under the Union budget; notes that, in addition, 506 contract agents and 187 seconded national experts worked for the Agency (with 730 contract agents and 220 seconded national experts authorised for the Agency in 2021); welcomes the occupancy rate of the Agency having been increased by approx. 15 % compared to the year 2020, with a recruitment of 432 newcomers, but a net increase of 320 occupied positions from 1234 in 2020 to 1554 in 2021; notes that the current occupancy rate in the Agency is 79 %, the highest occupancy rate since the Regulation (EU) 2019/1896 came into force; notes further that 44 members of the European travel information and authorisation system (ETIAS) were on-boarded for the ETIAS Central Unit Division; regrets that in 2021 the external turnover of the Agency's staff has almost doubled from 2,8 % in 2020 to 4,4 % 2021; acknowledges the Agency's sustained efforts and critical improvements in the recruitment area, in spite of delays; acknowledges that timely recruitment and achieving geographical balance remain challenging mainly due to a low coefficient rate for Poland; further notes that the low coefficient rate for Poland is a long standing challenge for the Agency, which has been exacerbated in recent months by record high inflation in the country, reaching 16,6 % in December 2022;
26. Notes the Agency's gender breakdown reported for 2021 at senior management level with 15 men (68,18 %) and 7 women (31,82 %), at the level of the management board with 55 men (83,3 %) and 11 women (16,7 %), and for the Agency's staff overall, with 1 116 men (71,8 %) and 438 women (28,2 %); acknowledges that the responsibility to ensure gender balance within the management board lies with the Member States; deeply regrets that, in spite of previous calls of the Parliament upon the Agency and Member States, efforts to improve the gender balance in the Agency's top management and staff were insufficient; urges the Agency and the Member States to address this issue and take into consideration gender balance when recruiting new staff and when making nominations and appointments to the aforementioned positions;

27. Notes with appreciation the appointment of the FRO in June 2021; recalls however the European Anti-Fraud Office (OLAF) finding that the FRO was not assigned a case-handler for reports on serious incidents with alleged violations of fundamental rights; notes further that the Agency has come closer to the full implementation of its extended mandate by having in office, in 2022, a total of 46 FRMs, compared to only 20 FRMs in 2021; notes that most of the FRMs have been appointed at AD level; regrets nevertheless that a differentiation exists between FRMs, as 15 are still recruited on AST positions, compared to the other 31 recruited at AD level; recalls the Parliament and Commission's long standing call for at least 40 FRMs at AD level; highlights that Regulation (EU) 2019/1896 provides the framework for further increases in the number of FRMs as the Agency continues to expand, with the initial 40 FRMs being the threshold and not the ceiling; urges the Commission and the Agency to modify the establishment plan of the Agency in order to recruit all FRMs at AD level; calls on the Agency to conduct further recruitment of FRMs exclusively at AD level; further regrets that the fulfilment of the requirement of Article 110(6) of Regulation (EU) 2019/1896, which provided for the recruitment of at least 40 FRMs by December 2020, has been delayed by almost two years; recalls the negative role played by the former executive director in the repeated delays of this process and welcomes the efforts of the former ad-interim management towards fulfilling this requirement;
28. Welcomes the Agency's extensive anti-harassment measures and policies put in place; notes with appreciation the adoption in 2021 of the Manual of Procedures for Frontex' Confidential Counsellors (CCs) which outlines the practical application of the Agency's Anti-Harassment Policy; acknowledges the key role that the CCs play in protecting the dignity of the Agency's staff and preventing psychological and sexual harassment; emphasises, at the same time, the importance of an organisational culture that puts such policies into practice, as at the time the Manual of Procedures was adopted, serious misconduct, including related to harassment, continued to persist among key individuals within the Agency; acknowledges that these have been addressed in the follow-up to the findings of the OLAF investigation; welcomes in that regard the Agency's commitment to structural transformation and the enlargement of the network of CCs specifically; reiterates its call on the Agency's leadership to conduct a thorough investigation into the implementation of existing procedures against sexual harassment, to fully cooperate with all relevant authorities and report back to the discharge authority about the findings, and present a detailed action plan with measures ensuring zero tolerance towards sexual harassment in all of the Agency's activities;
29. Notes the Agency's replies to Parliament's written questions to the effect that in total 10 cases of harassment were reported to the Agency's competent entities in 2021; notes further that of the 7 formal procedures opened in 2021, 4 cases were concluded; calls on the Agency to carefully assess each pending case, taking a zero-tolerance approach to psychological, sexual or any other kind of harassment, and to proceed swiftly with holding those responsible for this misconduct accountable; calls further on the Agency to keep the discharge authority informed about the results of the reopened investigation with regard to the tragic death of a staff member in 2020;
30. Notes the Agency's attention and proactivity with regard to occupational safety and health (OSH) policies and procedures; welcomes in this context the creation of the internal working group on OSH to ensure effective internal coordination, consultation and the identification of priorities; calls on the Agency to inform the discharge authority with regard to the list of actions and measures proposed to be implemented under the OSH framework and their implementation; notes the Agency's current measures in place, flexitime and the reimbursement of sport activities, aimed at improving its staff's well-being at work and work-life balance; calls on the Agency to adopt more measures in this area, also by taking example from other Union institutions and bodies;

Procurement

31. Notes that in 2021 the Agency launched 36 open tenders, with 18 resulting in signed contracts for a total value of EUR 218 400 000, and that 18 of these are still ongoing, with an estimated value of EUR 241 000 000; notes further that the Agency launched 29 low- and medium-value procedures (negotiated with three and five candidates) with a total value of EUR 12 000 000, with out of the 29 procedures, 25 resulting in signed contracts in 2021 for a total value of EUR 11 800 000, while four of these are still ongoing, for a total value of EUR 300 000; notes further that 203 very low-value procedures (negotiated with one candidate) for a total value of EUR 2 500 000 were handled by the Agency in 2021; notes finally that 991 procedures under existing framework contracts for a total value of EUR 194 600 000 have been handled in 2021 with 900 resulting in signed specific contracts or order forms, with a total value of EUR 172 200 000, while 91 of them for a total value of EUR 22 300 000 are still ongoing;

32. Commends the Agency's efforts in 2021 to secure strategically important contracts in areas such as surveillance aircraft support, the provision of personal protective equipment and sanitary supplies, the supply of four-wheel drive off-road vehicles, the supply of service weapons, satellite imagery provisioning, the delivery of map production services, the provision of meteorological and oceanographic information services or the purchase of drones and payloads; welcomes the Agency's diligence in designing and implementing the procurement training plan;
33. Reiterates its strong concern regarding media reports in August 2022 according to which the Agency made use of a contractor who allegedly exploited cultural mediators, offering them working conditions that violate European standards on pay and working conditions; takes note of the petition initiated by cultural mediators in this regard as well as their complaint to the European Ombudsman; takes note of the Agency's replies to the media that, following the petition, the Agency contacted the contractor to remind them about their obligations; deplors the fact that information about the implementation of the contract and respect of conditions for the workers could not be found in the information provided by the Agency to the Parliament;
34. Notes with concern the Court's observations in the area of procurement; notes in particular that the Agency has launched a procurement procedure for a framework contract for the provision of travel services, whereby the requirements for the financial, technical and professional capacity of bidders was set very low; notes that the estimated contract value on which the Agency based its assessment was EUR 15 000 000, while the underlying value of the contract was covering planned mission costs which were estimated at approximately EUR 240 000 000; echoes the Court's conclusion that in this case, the Agency exposed itself to various risks, such as the impossibility to deliver contracted services at the minimum quality on time and the risk that the contract would not be performed correctly; regrets that the contract led to a lack of performance that resulted in serious disruptions of business continuity; welcomes the fact that following verifications, the contract was terminated immediately; stresses that lax requirements used for the assessment of bidders or assessments carried out based on misleading data must be avoided;
35. Notes the Agency reporting on having improved the planning and monitoring of the annual procurement plan; calls on the IAS to include this plan in its future audits;

Prevention and management of conflicts of interest, and transparency

36. Welcomes the successful implementation of Parliament's calls for publication of the CVs and declarations of interest of the members of the Agency's management board and of its executive management on the Agency's website;
37. Notes the further steps taken in order to enhance the transparency of the Agency's activities; welcomes the decision of the Agency's executive director to establish the Transparency Register pursuant to Article 118 of the Regulation (EU) 2019/1896; notes the reply to the discharge authority which provides information on the contacts and meetings registered and documented in the Agency's Transparency Register in 2021; calls on the Agency to regularly report to the discharge authority about the implementation and use of this tool;
38. Recalls the European Ombudsman's decision in its own initiative enquiry on fundamental rights obligations; recalls further that the Agency has an obligation to ensure proactive transparency as stated in Article 114(2) of Regulation (EU) 2019/1896; calls on the Agency to implement all the European Ombudsman's recommendations; reiterates its suggestion that the Agency develops and implements a new code of conduct ensuring full transparency and good management and that the Agency keeps the discharge authority informed about the progress made in that regard;
39. Stresses that the European Ombudsman found the maladministration on the side of the Agency in regards to its recent practice regarding access to documents in its decision of 15 December 2022 in Cases 1261/2020 and 1361/2020;

40. Acknowledges the Agency's briefing note of 27 June 2022 on actions taken by the Agency's management during the transition period, in particular its efforts to strengthen the procedures needed for good governance and accountability in the organisation, through enhancing transparency, proactive communication and engagement with internal and external stakeholders; welcomes the Agency's initiative for an operational brief informing the public about its operational activities in a comprehensive way; welcomes further the Agency's commitment to publish on its website the recommendations presented by the FRO and the Consultative Forum to the management board; welcomes the fact that the Agency has finally increased its transparency on its Industry Days, through the publication on the Agency's website of follow-up reports providing information on companies participating in the Industry Days and their presentations;
41. Notes that the application of the Agency's measures and guidelines on whistleblowing has brought results; acknowledges that in 2021 staff has reported one case of fraudulent activity and two cases of alleged harassment; notes further that of the three cases, one has been closed, while the remaining two cases are ongoing at the level of fact-finding mission; calls on the Agency to ensure that those responsible are held accountable, and to inform the discharge authority on the outcome and further steps taken with regard to these three cases;
42. Reiterates that the enhanced competences and resources allocated to the Agency must be accompanied by increased transparency and accountability, as well as full respect for and protection of fundamental rights; welcomes in this regard the use by the Agency of a Transparency Register and notes the prioritisation of efforts by both the management board and the executive management to further enhance integrity and accountability arrangements at the cross-Agency level; notes with satisfaction in this regard the establishment of an Internal Audit Capability and adoption of Internal Audit Charter in 2022; reiterates its dismay for the track record of the Agency under the leadership of the previous executive director with regards to accountability, transparency and respect for fundamental rights that was acting as executive director throughout the year 2021 and only resigned on 29 April 2022; welcomes the expressed commitment of the ad-interim executive management to fully address these issues; stresses that such accountability and transparency, and fundamental rights compliance are essential in the evaluation towards granting discharge to the Agency for the respective financial year;

Internal control

43. Takes note of the Agency's assessment of the internal control system being partially effective in 2021; echoes the management board's concern that in only 2 out of the 17 areas assessed no deficiencies have been identified; further expresses its concern that major deficiencies have been identified in relation to area 5 ('holds individuals accountable for their internal control responsibilities in the pursuit of objectives') and to area 10 ('Selects and develops control activities that contribute to mitigation of risks to the achievements of objectives to acceptable levels'); welcomes the Agency's 15 improvement actions to strengthen the controls in the areas where control deficiencies have been identified; notes that 4 of those actions require improvement on an ongoing basis and that 4 more actions are in progress; calls on the Agency to keep the discharge authority informed about the progress made;
44. Expresses its concern that the Agency registered a high amount of non-compliance events in the domain of contract and, in particular, grants management; regrets that the number of deviations (exceptions and non-compliant events) and the value related thereto increased notably from 106 in 2020 to 159 in 2021 and from EUR 10,2 million in 2020 to EUR 21,3 million in 2021, respectively; notes with concern that in 2021 the area of grant management accounts for 72 % of this amount; notes further that in 2021, 8 deviations were registered with an amount higher than EUR 1 million;
45. Regrets that there are delays in the implementation of 12 recommendations from the IAS on contract management, IT governance and project management, HR management and planning and allocation; calls on the Agency to correct these deficiencies as soon as possible, if necessary with assistance from the Commission, and keep the discharge authority informed about the progress on this matter;
46. Recalls the Court's recommendation that the Agency should adopt and implement a sensitive post policy; notes the Agency reporting that the draft of such policy is being finalised; calls on the Agency to implement this recommendation as soon as possible;

47. Notes the Court's observations on the Agency's internal control weaknesses in the areas of recruitment procedures, procurement procedures and with regard to the delegation of powers to authorising officers by delegation or sub-delegation; notes further the Agency's replies to the Court's findings and the measures already implemented; welcomes the adoption by the Agency in January 2022 of clearer instructions to the selection committee members ensuring more consistent assessment and harmonised procedures; calls on the IAS to include the Agency's updated recruitment procedures in its future audits;
48. Welcomes the fact that measures to improve the carry-forward procedure have been introduced in order to prevent irregular carry-overs; welcomes further the agreement to involve the Agency's financial services in the carry-forward process, the planned improvement of the training provided to authorising officers by delegation, as well as the establishment of an Internal Audit Capability in the Agency;

Digitalisation and the green transition

49. Commends the Agency's aim to further integrate sustainability in its operational, analytical, scientific and administrative activities; notes the positive assessment of the Agency's experience with green public procurement, following the introduction of guidelines in this area; welcomes, as encouraged by the discharge authority, the fact that the Agency opted for sharing good practices and lessons learned with other agencies; welcomes further the awareness-raising activities on green procurement; notes that Agency's entities are constantly encouraged to use green criteria and solutions in public procurement;
50. Notes that in 2021 the Agency held the Presidency of the Justice and Home Affairs Agencies' Network (JHAAN) composed of nine Union agencies; welcomes the Agency's decision to explore cooperation among Justice and Home Affairs agencies, through seminars and training activities in the area of climate change, environmental crimes, corporate carbon neutrality and Green Deal policies; notes with appreciation that JHAAN committed to take a series of actions to support the environment and fight environmental crime; commends the fact that the JHAAN signed a Joint Statement on the EU Green Deal committing to adhere to the European policy objectives related to this framework and supporting the Union and the Member States in their implementation;
51. Welcomes the Agency's various measures to reduce the environmental impact of its activities, including through digital solutions for paperless document circulation, paperless workflow for financial transactions, e-learning tools for training activities or remote meetings; understands that, on its way towards carbon neutrality, the Agency's goal is to collect data on carbon footprint and consumption per person; notes further that the Agency launched a study called 'The Green Deal and the European Border and Coast Guard' to embed environmental sustainability in all the Agency's processes, policies and operations; calls on the Agency to report to the discharge authority on the results of this study and the follow-up thereto;
52. Welcomes the Agency's decision to adopt its Cybersecurity Strategy that addresses the actions that must be performed to increase resilience against cybersecurity threats and protect the Agency's digital records; further welcomes in this area the most important measures implemented in 2021, including the enhanced security monitoring capability, the ICT vulnerability management capability and the Endpoint Detection and Response technology; notes that the Agency has adopted the Frontex Security Rules, the Frontex Information Management Framework and ICT Strategy 2022-2027; notes further that the Agency plans to implement a 24/7 Security Operations Centre for cybersecurity operations;
53. Notes that the Agency's strategy for efficiency gains is closely linked to the implementation of various IT tools; welcomes the modernisation of the architecture of the EU-RESTRICTED EUROSUR network, the extended digital support provided to the staff of the Agency and the deployment of digital-profiled standing corps to gain experience in providing off-site support in operational areas; calls on the full integration of SYSPER in the Agency's management of its human resources;
54. Commends the Agency's efforts and progress in the area of return-related digitalisation, in particular with regard to updates to the RECAMAS reference model, new releases of the FAR and FAR Charter flights systems and the continued statistical data collection through the IRMA system;

Business continuity during the COVID-19 crisis

55. Welcomes the adoption of the Agency's business continuity plan (BCP); calls on the Agency to report to the discharge authority on the implementation of its BCP;
56. Commends the Agency's continued efforts to adapt to the changing conditions in the context of the third and fourth waves of the pandemic, including through updated internal practices such as paperless workflows, online authorisations or virtual meetings; acknowledges the key role of the crisis cell, created following the outbreak of the pandemic, in supporting the executive management in decision making to ensure business continuity, minimising disruption to Agency's operations and ensuring a safe working environment;
57. Welcomes the fact that the Agency has created guidelines on health and safety in return operations during pandemics or outbreaks, aimed at ensuring the safe continuation of return operations in such situations;

Other comments

58. Notes the Agency's commitment to define and operationalize the compliance of fundamental rights in its activities through the adoption in 2021 of the Fundamental Rights Strategy and the Fundamental Rights Action Plan (FRAP); welcomes the Agency's commitment to monitor the implementation of the FRAP; calls on the Agency to provide the discharge authority with an update on the progress with regard to FRAP implementation; stresses that the success of the Fundamental Rights Strategy depends on its implementation, and that the findings of the OLAF report, which also pertain to the 2021 financial year; indicate on this matter that (a) the FRO was prevented from accessing operational information, contrary to the provisions of Regulation (EU) 2019/1896, and (b) that staff doing their job and reporting on Fundamental Rights incidents had been ignored by the previous Agency's executive management; welcomes in this regard that since then, the FRO is involved and consulted on all pertinent files and has regular meetings with the executive management and the Consultative Forum; notes the creation of a network of fundamental rights focal points in all the Agency's entities to develop fundamental rights expertise in all areas of activity; acknowledges the important role that the FRMs have, including their access to the operational areas and close cooperation with the Agency's operational staff; notes nevertheless that the FRO office disposes of less than 20 staff members, in spite of the growing numbers in the Agency's recruitment plan; calls on the Agency to step up its efforts towards equipping the FRO office with the appropriate resources for conducting its respective activities; further acknowledges the Agency's decision setting rules for the executive director and the management board to inform the Consultative Forum of the follow-up to its recommendations and to ensure that action is taken with regard to the recommendations of the FRO; expects the Agency to implement the recommendations of the FRO as set out in his 2021 annual report; calls on the Agency's to ensure that the recommendations of the FRO and the Consultative Forum presented to the management board are shared with the discharge authority;
59. Reiterates that the findings of the OLAF report are limited to misconduct and non-compliance with procedures by individuals; recognises that the Agency did valuable work in strengthening the role of the FRO, but that the Agency did not yet conduct a deeper analysis to ensure there are no structural problems; reiterates in this regard the need (i) to analyse internal checks and balances, since misconduct by individuals was allowed to continue too long, (ii) to monitor the Agency's relationship with Member States, as OLAF findings point to Member States pressuring coast guards and concealing push backs, which challenges the work of the Agency beyond the past leadership, and (iii) to evaluate its continued application of Article 46 of Regulation (EU) 2019/1896, as indicated by the Agency's decision to increase presence in the Aegean Sea, despite media reports and OLAF's findings point to persistent fundamental rights violations in this area;
60. Notes that as from October 2021, the Agency reports regularly to the management board on the progress of the implementation of recommendations of the European Ombudsman, Working group on Fundamental Rights and Legal and Operational Aspects of Operations in the Aegean Sea and the European Parliament Frontex Scrutiny Working Group (FSWG); calls on the Agency to report also to the discharge authority on the progress in the implementation of these recommendations;

61. Recalls the conclusion of the CJEU, that return decisions issued by the Hungarian authorities are incompatible with Directive 2008/115/EC of the European Parliament and of the Council ⁽⁴⁾ and the Charter of Fundamental Rights of the European Union; calls on the Agency to refrain from participating in any operations that are incompatible with Union law; notes from the Agency's reply that it performed verifications and concluded that it had never been involved in returns related to the Hungarian legislation deemed incompatible with Union law by the CJEU (HU national Act LXXXIX of 2007 and Act LVIII of 2020); stresses that if the Agency wants to make a new start including a renewed commitment to transparency, it should provide more clarity and transparency in such cases; takes note that the Agency says it requires Hungary to confirm special disclaimers concerning procedural aspects when requesting the Agency's support, ensuring that all the Agency does its utmost to ensure that all return procedures supported by it in Hungary are fully compliant with the relevant Union legal framework on return and asylum; further notes that the Agency increased monitoring activities in Hungarian returns and strengthened consultation and cooperation with the FRO on Hungary; stresses that procedures are only as effective as their implementation, and that this is of particular concern given the general rule of law situation in Hungary;
62. Stresses that Agency's direct and indirect involvement in border management and border surveillance activities must go hand in hand with preventing and combating fundamental rights violations, and with securing compliance with the principle of non-refoulement, in accordance with the Union *acquis*; calls upon the Agency's management board to further strengthen internal oversight structures, and reiterates the importance to constantly review and control the activities of the management team, towards the timely identification and resolution of any mismanagement situations, as well as to implement the standard operating procedures to withdraw the financing of, or suspend or terminate, or not launch Agency's activities where such risks arise;
63. Notes the Agency's management board decisions in 2021 adopting implementing rules with regard to personal data processing rules; recalls that the European Data Protection Supervisor (EDPS) issued opinions on the Agency's data processing rules and, consequently, the Agency proceeded to redraft the relevant management board decisions in order to ensure full compliance with Union data protection rules; calls on the Agency to report to the discharge authority on the progress on this matter; calls further on the Agency to ask the EDPS for an opinion as a result of the revised management board decisions on the data processing rules;
64. Notes with concern the media reports about alleged misconduct in expansion of the Processing of Personal Data for Risk Analysis programme; notes from the Agency's reply that the project had been implemented between 2015 and 2017, allowing the Agency to develop capabilities required for processing personal data in accordance with Article 11c of Regulation (EU) No 1168/2011 of the European Parliament and of the Council ⁽⁵⁾; further takes note of the Agency's position that it had been processing only the operational personal data of suspects of cross-border crime and terrorism, having not started the processing of personal data of victims and witnesses; reiterates its deep concern about reports that the Data Protection Officer repeatedly warned that this data expansion would breach Union law, but that the Agency initially chose to ignore this advice; takes note of the management board decisions 56/2021, 68/2021 and 69/2021, upon the receipt of the EDPS opinions on the Agency's data protection rules, leading to the Agency's Data Protection Officer to prepare an Action Plan for the implementation of the EDPS recommendations; calls on the Agency to address this situation and ensure full compliance with Union data protection rules, regularly consulting the EDPS over and keeping the discharge authority informed about the status and progress of the reform;

⁽⁴⁾ Directive 2008/115/EC of the European Parliament and of the Council of 16 December 2008 on common standards and procedures in Member States for returning illegally staying third-country nationals (OJ L 348, 24.12.2008, p. 98).

⁽⁵⁾ Regulation (EU) No 1168/2011 of the European Parliament and of the Council of 25 October 2011 amending Council Regulation (EC) No 2007/2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (OJ L 304, 22.11.2011, p. 1).

65. Deplores the long delay for MEPs as well as members of the senior management and the FRO to be granted access to the OLAF report; recalls that two additional OLAF final reports are expected to be presented in relation to the Agency; while acknowledging that the findings of the OLAF report may be a matter of public interest, demands that the confidential report be published within the framework of Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council ⁽⁶⁾, to respect the confidentiality of the investigation conducted by OLAF as well as the legitimate rights of the persons concerned including their data protection rights; reiterates its call for the immediate access of Members of Parliament to those final reports once finalised, as well as of all executive staff of the Agency that need to access those reports to ensure transparency and accountability of the Agency, and a correct implementation of the Agency's budget in the future;
66. Notes that the problems identified through media reports, FSWG conclusions as well as the findings of the OLAF report, led to the refusal of discharge within the previous cycle; highlights that the Agency is currently undergoing a transition process, following the resignation of its former executive director, in light of the OLAF investigation into the mismanagement of the Agency; further welcomes in this sense the various actions taken by the ad-interim management to improve its activities and standards; notes with satisfaction that these activities tackled budgetary and financial management issues such as the clarification of delegations and sub-delegations for payments authorising offices, greater respect for fundamental rights through the enhanced institutional cooperation between the ad-interim executive management and the FRO, as well as the changes in the management culture through a visible shift towards decentralisation, delegation and improved dialogue in the decision-making process; welcomes in particular the ad-interim management's commitment to changing the management culture, working towards breaking the culture of silence, encouraging collective engagement in solving issues; calls on the Agency to continue its commitment towards fully implementing these necessary reforms, also after the appointment of a non-interim executive director, and to report to the discharge authority about the progress achieved;
67. Reminds the Agency of the fact it is accountable to the Parliament, and that the Parliament is resolved to ensure that the Agency contributes to the continuous and uniform application of Union law, including the Union *acquis* on fundamental rights, in particular the Charter of Fundamental Rights of the European Union; highlights that, in order to achieve this goal, an enhanced cooperation with the Agency's management board by strengthening the transparency, accountability and democratic oversight of the Agency is needed;
68. Calls on the Agency to step up its efforts in reporting relevant performance information to the Union citizens and general public in clear and accessible language; urges the Agency to ensure greater transparency and public accountability by utilizing media and social media channels;
69. Takes note of the decision of the management board in its extraordinary meeting on 20 December 2022, to appoint Mr Hans Leijtens as the new executive director of the Agency; encourages the Agency to step up ongoing efforts and take all actions needed to ensure full respect of Union standards, in particular in the field of budgetary and financial management, fundamental rights, organisational culture and transparency; reiterates its call upon the Agency to present a detailed roadmap on how it intends to fulfil the outstanding concerns, together with a clear and detailed timeframe for those actions, as well as to complete corrective actions to address all outstanding concerns raised by the European Ombudsman, by the FSWG and by the Consultative Forum; calls on the Agency to fully implement the necessary reforms, also after the appointment of a non-interim executive director, and to report to the discharge authority about the progress achieved;
70. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁷⁾ on the performance, financial management and control of the agencies.

⁽⁶⁾ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

⁽⁷⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1942 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Border and Coast Guard Agency (Frontex) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Border and Coast Guard Agency for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0106/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) 2019/1896 of the European Parliament and of the Council of 13 November 2019 on the European Border and Coast Guard and repealing Regulations (EU) No 1052/2013 and (EU) 2016/1624 ⁽⁴⁾, and in particular Article 116 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0142/2023),

1. Approves the closure of the accounts of the European Border and Coast Guard Agency for the financial year 2021;
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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 295, 14.11.2019, p. 1.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1943 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Union Agency for the Space Programme – EUSPA (before 12 May 2021 the European GNSS Agency) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for the Space Programme for the financial year 2021,
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0104/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU ⁽⁵⁾, and in particular Articles 85 and 86 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0116/2023),
1. Grants the Executive Director of the European Union Agency for the Space Programme discharge in respect of the implementation of the Agency's budget for the financial year 2021;
 2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 276, 20.10.2010, p. 11.

⁽⁵⁾ OJ L 170, 12.5.2021, p. 69.

⁽⁶⁾ OJ L 122, 10.5.2019, p. 1.

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 Space Programme, 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1944 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for the Space Programme – EUSPA (before 12 May 2021 the European GNSS Agency) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for the Space Programme for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0116/2023),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Union Agency for the Space Programme (the ‘Agency’) for the financial year 2021 was EUR 57 130 215,17, representing an increase of 61,16 % compared to 2020, due to Agency’s enlarged mandate based on the new EU Space Programme; 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 2021 (the ‘Court’s report’), states that the Court has obtained reasonable assurance that the Agency’s annual accounts are reliable and that the underlying transactions are legal and regular; whereas the Court presents an emphasis of matters paragraph in relation to the impact of the Russian war of aggression against Ukraine in the Agency’s statement of financial performance and balance sheet;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year commitment appropriations of 100 %, representing the same rate as in 2020; regrets the fact that the execution rate of the current year payment appropriations was 74,78 %, representing a decrease of 8,60 % compared to 2020;
2. Notes that in addition to its core budget, the Agency continued to manage a large amount of delegated budget (earmarked appropriations), in particular under the exploitation of the European Geostationary Navigation Overlay Service (EGNOS) and Galileo, as well as Horizon 2020 Delegation Agreements; notes, furthermore, that the Agency signed in 2021 a contribution agreement with the Commission entrusting the Agency with additional components of the Horizon Europe programme, Copernicus, the European Union Governmental Satellite Communications (GOVSATCOM) and Space Situational Awareness (SSA), as per Regulation (EU) 2021/696 of the European Parliament and of the Council ⁽²⁾; notes, furthermore, that a total of EUR 6 361 705 119 was committed under the delegated budget in 2021 and EUR 1 574 943 399 was made in payments;

Performance

3. Notes that the Regulation (EU) 2021/696 established the Agency, which replaced and succeeded the European GNSS Agency; notes that that Regulation provides an extension of responsibilities of the Agency in the European GNSS Programmes; notes the positive performance of the Agency, including its successful transition pursuant to Regulation (EU) 2021/696; further welcomes the fact that, in 2021, following negotiations, the Agency adopted a financial framework partnership agreement (FFPA) and a contribution agreement (CA), allowing it to carry out the space programme in an efficient and effective manner, avoiding duplication and minimising development and operational risks based on the establishment between the European Space Agency (ESA) and the Agency of synergies with regard to the competences and capabilities of each other with a clear chain of command; notes, moreover, that under the FFPA and the CA, the Agency acts as the EGNOS and Galileo exploitation manager and, when entrusted by the Commission, as contracting authority for the contract implementation phase;

⁽¹⁾ OJ C 141, 29.3.2022, p. 104.

⁽²⁾ Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU (OJ L 170, 12.5.2021, p. 69).

4. Notes that in 2021 the Agency was responsible for a wide range of activities relating to the implementation of EGNOS and Galileo, such as ensuring the security accreditation of EGNOS and Galileo, through its independent security accreditation board, as well as contributing to the promotion and marketing of EGNOS and Galileo services, including carrying out the necessary market analysis and establishing close contacts with users and potential users of the system; notes, moreover, that the Agency performed other tasks relating to the implementation of EGNOS and Galileo, entrusted to it by the Commission by means of delegation and contribution agreements;
5. Underlines the importance of the Union Space Programme and the creation of the Agency; notes with satisfaction that the Agency's contribution as a security provider for space and to the Satellite Navigation, Earth Observation, Connectivity and Space research and innovation which help to ensure security for Union citizens and investments in critical infrastructure; calls on the Agency and Commission to further identify possible synergies between the Union Space Programme components and future programmes, such as for the implementation of IRIS² (the Union Secure Connectivity Programme) and of space traffic management; calls on the Agency and the Commission to maximise the use of the Union dual-use space infrastructure and to strengthen its role in the context of European security and defence; encourages the involvement of the Agency in the implementation of the Union's space strategy for security and defence;

Staff policy

6. Notes that on 31 December 2021 the establishment plan was 100 % implemented, with 191 temporary agents appointed out of 191 temporary agents authorised under the Union budget (compared to 150 authorised posts in 2020); notes that, in addition, 56 contract agents and 7 seconded national experts worked for the Agency in 2021;
7. Regrets the lack of gender balance within the Agency's senior management, with three out of three (100 %) being men; regrets the lack gender balance within the Agency's administrative board members, with 23 out of 28 (82 %) being men; further, notes with concern the gender balance within the Agency's overall staff, with 168 out of 247 (68 %) being men; notes that the Agency is working on a diversity and inclusion strategy which includes an action plan; calls on the Agency to take concrete measures to improve gender balance at all levels of hierarchy as soon as possible and report back to the discharge authority;
8. Notes with concern from the Court's report that a number of procedural deficiencies in two audited recruitment procedures which undermine the principles of transparency and equal treatment, that the vacancy notices did not establish the number of points candidates needed to achieve in order to be shortlisted or put on a reserve list, or the number of candidates to be shortlisted or put on a reserve list, that the instructions issued by the selection board on awarding points for the various selection criteria were not detailed enough to ensure that selection board members applied a consistent approach, and that in one of the two recruitment procedures, no scoring scheme had been set in advance for one of the tests; notes the Agency's reply that it plans to introduce modifications to its recruitment procedures to address the observation; calls on the Agency to report any developments in that regard to the discharge authority;
9. Notes from the follow up to 2020 discharge that the Agency agreed with the Commission a plan to gradually and progressively reduce its total number of contract agents so that by the end of the financial perspective it will be in line with the legislative financial statement attached to Regulation (EU) 2021/696, but that, however, the Agency needs to increase the number of contract agents working in particular in the Galileo security monitoring centre operations and security functions; notes moreover, that the Agency highlighted to the Commission and its administrative board that there are operational risks associated with the reduction in contract agents which the Agency intends to manage through increased outsourcing, although this induces increased financial costs; calls on the Agency to report any developments in that regard to the discharge authority;
10. Acknowledges the Agency's existing measures and policies which aim to protect the dignity of the person and preventing psychological and sexual harassment; notes, in particular, that the Agency has implemented a manual of informal procedure for confidential counsellors that facilitates an easy and confidential reporting; notes that in 2021 there were four recorded consultations of confidential counsellors and that none of these consultations resulted in a case investigated or taken before the court, and all consultations discontinued after the provision of information on the procedure, and the informal discussion between the confidential counsellor and the complaining party;

11. Recalls that procedural deficiencies in recruitment procedures undermine the principles of transparency and equal treatment; requests that the Agency improves its internal recruitment procedure to clarify evaluation processes and vacancy notices;
12. Recalls the importance to developing a long-term human resources policy on work-life balance, lifelong guidance and the offering of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;

Procurement

13. Notes that the Agency continues to implement e-procurement whenever possible considering the selected procurement procedure, the nature of the documentation to be exchanged and the protection of the security interest of the Union; notes that recent examples of tenders for which e-procurement has been implemented include head quarters guarding, administrative support and a Copernicus demonstrator;

Prevention and management of conflicts of interest and transparency

14. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest;
15. Notes from the Court's report that, between 2019 and 2021, the Agency assessed one case of a potential conflicts of interest in relation to a senior member of staff taking up a new job elsewhere, that it approved the new job with restrictions, and that however, despite the general obligation to give reasons for its decisions, the Agency did not provide justification for those restrictions; notes the Agency's reply that it will take it duly into account in its procedures, and clarification that, in this particular case, it did not state the reasons for the restrictions in the decision because it considered them self-evident; calls on the Agency to report any developments in that regard to the discharge authority;
16. Notes that the Agency had one whistleblowing case during 2021 and that the investigation was still ongoing at the end of the year; calls on the Agency to report any developments in that regard to the discharge authority;
17. Insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; calls on the Agency to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Internal control

18. Notes with appreciation from the follow-up to the 2020 discharge that as regards the risk connected to the Agency's payments to the ESA in relation to the implementation of the EGNOS and Galileo programmes, ESA expenditure for the years 2019, 2020 and 2021 were audited by the Commission's Directorate-General for Defence Industry and Space (DEFIS) in the first year (on behalf of the Agency), that, in the following two years, a joint team of auditors from DEFIS and the Agency audited ESA, and that the three consecutive yearly audits showed no findings;
19. Welcomes the increasing transparency in the budget execution by ESA by stipulating conditions for the management of Union funds, establishing budget monitoring and control measures, and establishing principles of the remuneration of ESA for each component to which it contributes, recognising that as a non-EU body, ESA is not accountable to Union citizens for budget spending ⁽³⁾;
20. Notes that the Commission's internal audit service released an audit report on Galileo exploitation in November 2021 with four important recommendations; notes that the Agency implemented at least two thirds of the actions implementing recommendations; calls on the Agency to report any developments in that regard to the discharge authority;

⁽³⁾ EPRS, Towards EU leadership in the space sector through open strategic autonomy. January 2023, page 8.

21. Notes from the follow-up to 2020 discharge, that the internal audit capability 2019's audit of the capacity-building of the GSA's staff was finalised and that a review audit on the implementation of the audit was to be completed in 2022; calls on the Agency to report any developments in that regard to the discharge authority;
22. Recalls the importance of strengthening the management and control systems to ensure the proper functioning of the Agency; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflicts of interest, missing *ex-ante/ex-post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

23. Notes that in 2021 the Agency decided to extend its main information systems to cloud and adopt technologies such as data leak prevention; notes with appreciation, furthermore, the implementation of S/MIME encryption for email, that allows exchange of encrypted and digitally signed messages with other institutions using the same technology, and the adoption of euSIGN, as well as the replacement of the Agency's main firewalls with most recent models allowing better monitoring and control of network traffic;
24. Notes that the Agency actively collaborates with the Commission on green ambitions applied to space, to ensure a specific focus on the environmental impact of its core business; notes, moreover, that the Agency has established a working framework to initiate its process of implementing an environmental management system; notes, further, that the Agency monitors regular energy consumptions and applies recycling principles in all areas amongst other activities, while also endorsing elements of green procurement; notes, moreover, that the Agency requested an upper scale environmental grading for new buildings, both in planning and construction;
25. Recalls the importance of increasing the digitalisation of the Agency in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Agency to continue to be proactive in this regard in order to avoid a digital gap between Union agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
26. Encourages the Agency to work in close cooperation with ENISA (European Union Agency for Cybersecurity) and CERT-EU (Computer Emergency Response Team for the Union institutions, bodies and agencies) and to carry out regular risk assessments of its information technology (IT) infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests to offer regularly updated cybersecurity-related training programmes to all members of staff within the Agency; calls on the Agency to develop its cybersecurity policy swifter, deliver it before 31 December 2023 and report back to the discharge authority;

Business continuity during the COVID-19 crisis

27. Notes the Agency management's strong response to COVID-19 pandemic across all sites ensuring the health and safety of members of staff and the continuity of operations, and the identification and implementation of network of Agency site managers, including for implementation of health and safety measures across all sites in response to COVID-19 pandemic;

Other comments

28. Notes that the Agency, while considering all COVID-19 pandemic related measures, has launched its first open-air exhibition called EUSPA Open to introduce to the general public the Agency's new mission and the Union Space Programme;
29. Welcomes the social media engagement in 2021, which consisted of running the '#EUSpace 4 our Planet' campaign, highlighting the contribution of the Union Space Programme to, inter alia, the European Green Deal; further notes that, in line with its transition pursuant to Regulation (EU) 2021/696, the Agency has proactively engaged with a large number of media outlets across the Member States;

30. Calls on the Agency to continue to develop its synergies (for instance with regard to human resources, building management, IT services and security), and to reinforce its cooperation, its exchange of good practices and its discussions regarding areas of mutual interest with other Union agencies with a view to improving efficiency;
 31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 10 May 2023 ⁽⁴⁾ on the performance, financial management and control of the agencies.
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⁽⁴⁾ Texts adopted, P9_TA(2023)0190.

DECISION (EU) 2023/1945 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Union Agency for the Space Programme – EUSPA
(before 12 May 2021 the European GNSS Agency) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for the Space Programme for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0104/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council ⁽⁴⁾, and in particular Article 14 thereof,
- having regard to Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU ⁽⁵⁾, and in particular Articles 85 and 86 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0116/2023),

1. Approves the closure of the accounts of the European Union Agency for the Space Programme for the financial year 2021;

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 276, 20.10.2010, p. 11.

⁽⁵⁾ OJ L 170, 12.5.2021, p. 69.

⁽⁶⁾ OJ L 122, 10.5.2019, p. 1.

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for the Space Programme, 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1946 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2021: 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 2021,
 - having regard to the Commission's report on the follow-up to the discharge for the 2021 financial year (COM(2022) 331),
 - having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies ⁽¹⁾,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽²⁾, and in particular Articles 68 and 70 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽³⁾, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Employment and Social Affairs and the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0144/2023),
- A. whereas this resolution contains, for each body within the meaning of Article 70 of Regulation (EU, Euratom) 2018/1046, cross-cutting observations accompanying the discharge decisions in accordance with Article 262 of Regulation (EU, Euratom) 2018/1046 and Article 3 of Annex V to Parliament's Rules of Procedure;
- B. whereas this resolution also contains, for the Euratom Supply Agency, cross-cutting observations accompanying the discharge decision in accordance with Article 262 of Regulation (EU, Euratom) 2018/1046 and Article 3 of Annex V to Parliament's Rules of Procedure;
- C. whereas Union agencies should focus on missions with clear European added value and the organisation of such missions should be optimised to avoid overlaps in the best interests of the Union taxpayer;
1. Commends the agencies for their resilience and efforts made in maintaining their high standards of work and high quality output, despite the limitations imposed during the second year of the COVID-19 pandemic;
 2. Notes that for the 33 decentralised Union agencies, the cumulative total for the 2021 budget amounted to around EUR 3 206 million in commitment appropriations, representing an increase of approximately 5 % compared to 2020, and amounted to EUR 3 090 million in payment appropriations, an increase of 6,88 % compared to 2020; notes moreover that of the EUR 3 090 million in payment appropriations, approximately EUR 2 477 million were financed from the general budget of the Union, representing 77,27 % of the agencies' total financing in 2021 (compared to 72,83 % in 2020); acknowledges furthermore that approximately EUR 728 million were financed by fees and charges and by direct contributions from participating countries (a decrease of 12,15 % compared to 2020);

⁽¹⁾ OJ C 412, 27.10.2022, p. 12.⁽²⁾ OJ L 193, 30.7.2018, p. 1.⁽³⁾ OJ L 122, 10.5.2019, p. 1.

3. Notes with concern that the final budgets of some agencies have been frozen in nominal terms for 6 years and, due to accumulated inflation, the real purchasing power of the budget decreases; notes that the continuation of this trend puts at risk the agencies' abilities to perform their functions in an effective and timely manner;
4. Welcomes the conclusion of the European Court of Auditors (the 'Court') in its annual report on Union agencies for the financial year 2021 (the 'Court's report') that overall, the Court's audit of the annual accounts of the agencies for the financial year ended 31 December 2021 and of the revenue underlying them reconfirmed the positive results reported in previous years; notes, however, that some improvements are needed in the area of payments underlying the accounts, according to the Court;

Main risks identified by the Court

5. Notes that, according to its report, the Court considers the overall risk to the reliability of agencies' accounts, as established by applying the accounting rules adopted by the Commission's accounting officer and based on international accounting standards, to be generally low, as was the case in 2020;
6. Underlines that, according to its report, the Court considers the overall risk to the legality and regularity of revenue underlying the agencies' accounts to be low for most agencies, and to be medium for the partly self-financed agencies where specific regulations are applicable to collection of fees and other revenue contributions, as was the case in 2020;
7. Remarks that the Court considers the risk to the legality and regularity of payments underlying the agencies' accounts overall to be medium, varying from low to high for specific budget titles; notes that the Court considers the risk for Title I (Staff Expenditure) to be generally low, for Title II (Administrative Expenditure) to be medium, and for Title III (Operational Expenditure) to be low to high, depending on the agency in question and the nature of its operational expenditure; points out that the Court considers the risk as regards Title III similar to the risk of Title II, but since there are far higher amounts at stake under Title III, the impact is considered to be higher;
8. Notes that the Court considers the risk to sound financial management to be medium, primarily associated with public procurement procedures that did not ensure that the best possible value for money was achieved;
9. Notes that the Court considers the risk to budget management to be low, with the Court's audit showing high carryovers of committed appropriations, which were, however, justified according to the Court by the multiannual nature of operations or for reasons beyond the agencies' control;
10. Notes the Court's mention of an 'other risk' related to the COVID-19 pandemic that has affected the Court's work as travel restrictions prevented it from carrying out on-the-spot checks, obtaining original documents and interviewing auditees' staff in person; notes with appreciation that the Court nevertheless carried out its work through desk reviews and remote interviewing of auditees; notes the Court's assessment that, despite an increased detection risk due to no on-the-spot checks, the evidence it obtained from its auditees still enabled the Court to complete its work and draw conclusions from it;
11. Welcomes the fact that the Court has declared that in most cases the agencies have taken corrective actions to address previous years' audit observations and calls on all the agencies concerned to continue their efforts to follow up on the Court's observations that are ongoing (39) or outstanding (9), in particular in the fields of management and control systems, public procurement procedures and budgetary management;

Budget and financial management

12. Underlines with satisfaction that, according to the annual report of the Court, an unqualified audit opinion on the reliability of the accounts of all agencies was issued; notes in addition that the Court issued an unqualified opinion on the legality and regularity of the revenue underlying the accounts for all agencies; observes that the Court issued an unqualified opinion on the legality and regularity of the payments underlying the accounts for all agencies, except for the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA); notes that the qualified opinion for eu-LISA was due to the irregularity of six payments made in 2021 for a total of EUR 18,11 million in connection with several framework contracts, whereby said payments represent 6,20 % of the total payment appropriations available in 2021;
13. Notes that, as regards the reliability of accounts, the Court issued an 'emphasis of matter' paragraph for the European Medicines Agency (EMA), the European Border and Coast Guard Agency (Frontex) and the European Institute for Gender Equality (EIGE); notes that the 'emphasis of matter' paragraph for EMA was related to the ongoing issue regarding the lease agreement for its previous premises in London that lasts until 2039, with no provision for early termination and potential liabilities estimated at EUR 383 million on 31 December 2021; notes that the 'emphasis of matter' paragraph for Frontex was related to the incorrect calculation of the contributions from non-EU Schengen area countries with EUR 2,6 million less than they should have paid to the budget of Frontex in 2021; notes that the 'emphasis of matter' paragraph for EIGE was related to a contingent liability (EUR 22 000) in its accounts which could be incurred in an ongoing court case concerning temporary agency workers;
14. Notes that, as regards legality and regularity of payments underlying the agencies' accounts, the Court issued an 'emphasis of matter' paragraph for Frontex, whereby a budgetary commitment dated 21 December 2020 was carried-over to 2021 without the backing of a legal commitment before the end of 2020; notes from the Court's report that Frontex addressed this non-compliance by means of subsequent legal commitments throughout 2021;
15. Notes the Court's observation, related to the contributions from associated countries, that different methods in the agreements for calculating contributions entail a risk of erroneous implementation of those contribution agreements; notes the Court's invitation to the agencies concerned to consult the Commission in order to assess whether they need to align with the Commission contribution agreements and methods of calculation for the contributions of associated countries;
16. Notes the Court's observation regarding excessive levels of carryovers and high rates of late payments for ten agencies, with weaknesses (structural issue, weak budgetary planning or possible contravention of the budgetary principles of annuality) for three agencies in particular, i.e. the European Union Agency for the cooperation of Energy Regulators (ACER), eu-LISA, and the European Union Agency for Fundamental Rights (FRA); strongly insists on the respect of the budgetary principle of annuality; echoes the Court's recommendation that the agencies concerned should further improve their budget planning and their implementation cycles to avoid excessive delays in the implementation of work programmes or procurement plans;
17. Notes, however, that in certain cases the level of high carryovers is also a result of factors that are outside of the Agencies' control such as the nature of their activities expanding on multi-annual periods, or the necessity to recur to external contractors over periods that extend beyond the financial year, due to understaffing;
18. Recalls the importance of establishing and maintaining an active dialogue between the Commission and the agencies over the allocation of appropriate resources and the design of the respective establishment plans, in keeping with the Union's policy objectives and ambitions that have been increasing in recent years and have led to new and extended tasks and mandates for several agencies;

Performance

19. Notes that all agencies use various systems of key performance indicators (KPIs), planned outputs or strategic targets set as part of their performance measurement; commends the agencies with implementation rates of their Annual Working Programme (AWP) exceeding 95 % in 2021; calls on all the agencies to report to the discharge authority on the implementation rate of their AWP as a consolidated figure expressed in percentage; appreciates the KPI's fulfilled by the Agencies and the fact that the Agencies have drawn attention to measures that can improve the efficiency and effectiveness of their work; however calls on the Agencies to take note of the indicators that have not yet been achieved or are lagging behind;
20. Notes the achievements and successes of all agencies in 2021, the second year of the COVID-19 pandemic with particular challenges for the agencies operating in justice and home affairs, transport, and medical related areas;
21. Stresses the valuable role played by Union agencies in helping Union institutions design and implement policies, especially in carrying out specific technical, scientific, operational and managerial tasks; appreciates the high quality expertise and work performed by European Centre for the Development of Vocational Training (Cedefop), European Foundation for the Improvement of Living and Working Conditions (Eurofound), European Agency for Safety and Health at Work (EU-OSHA), European Training Foundation (ETF) and European Labour Authority (ELA), the agencies working in the area of employment, social affairs and inclusion; reiterates in this regard the need to equip the agencies at a level commensurate to the assigned tasks, with a sufficient number of staff, employed in a stable manner and having sufficient material resources; reiterates therefore the need to ensure adequate human and financial resources to allow them to continue implementing their work programmes with a very high activity completion rate; stresses the importance and added value of each agency in their field of expertise and their autonomy; reiterates that the proper functioning of the agencies also requires high-quality social dialogue;
22. Recalls that the yearly exchange of views in the EMPL committee regarding the annual work programmes and the multiannual strategies of the agencies is instrumental in ensuring that the programmes and strategies are aligned to the actual political priorities, especially in the context of the implementation of the principles enshrined in the European Pillar of Social Rights and the achievements of the Porto targets;
23. Reiterates the important role of the EU Justice and Home Affairs (JHA) agencies, as they are indispensable for the implementation of Union policies, and the important support they ensure to the Union institutions and bodies and Member States in the sectors of fundamental rights, security and justice, by carrying out operational, analytical, managerial and monitoring tasks; reiterates therefore the need to ensure adequate financial and human resources to JHA agencies; notes that all agencies should perform their mandates effectively;
24. Recalls that the agencies are the most qualified in assessing the use of resources and play a crucial role in supporting the right sustainable projects in line with the European Green Deal; calls on the Commission to ensure funding supporting the Union agencies in securing the social dialogue; notes that Union agencies have a crucial role in securing social dialogue with the Union institutions;
25. Calls on the agencies to continue developing synergies (in areas such as human resources, procurement, digitalisation, building management, IT services and cyber-security), as well as cooperation and exchange of good practices with other Union agencies with a view to improving efficiency, in particular in the context of inflationary strains; calls on the agencies to continue reporting to the discharge authority on the implementation of their strategy for efficiency gains and to update that strategy when necessary;
26. Calls on the Commission to increase the use of cross-cutting evaluations of agencies in the context of the Commission's fitness checks of the different policy areas; notes that the Commission should use evaluation results to identify synergies and possible changes, including mergers, and, where appropriate, to prepare legislative proposals in response to changing needs;

27. Notes with satisfaction the continuing good cooperation between the agencies within DG Employment's remit which have regular exchanges in the planning stage of their work programmes and keep each other informed of developments and findings;
28. Notes with concern, from the Court's report, the disclosures of two agencies (European Union Agency for Asylum (EUAA) and European Union Agency for the Space Programme (EUSPA)) reporting on the impact that the war of aggression against Ukraine had on their activities; notes in this context the increased demand for assistance from Member States accepting refugees from Ukraine and the interruption in the use of Russian Soyuz launchers for Galileo satellites; notes in this regard the signing of the Financial Framework Partnership Agreement between EUSPA and the European Space Agency and the intensified collaboration between the two agencies enabling the Union to contribute as a security provider for space and achieving strategic autonomy;

Staff policy

29. Notes that, in 2021, the 33 decentralised agencies reported that they employ a total of 9 631 members of staff, comprising officials, temporary agents, contract agents and seconded national experts (compared to 9 001 in 2020), representing an increase of 7,00 % compared to 2020; notes that part of the increase, i.e. 0,93 %, is due to the addition, for the first time, of the 84 staff employed in the new agency ELA, which became financially independent in 2021;
30. Notes that burnout cases (in total 23) were registered in 5 agencies and overtime was taken by some employees in 13 agencies in 2021; notes in particular that a high number of employees haven taken overtime in EUAA (78 out of 423 staff), European Food Safety Authority – EFSA (117 out of 516 staff), European Monitoring Centre for Drugs and Drug Addiction – EMCDDA (78 out of 110 staff), European Maritime Safety Agency – EMSA (88 out of 273 staff), eu-LISA (229 out of 310 staff) and European Union Agency for Law Enforcement Cooperation – Europol (583 out of 979);
31. Notes that all agencies have put in place measures to improve staff's well-being at work and work-life balance; notes that the number and impact of such measures varies significantly from one agency to another and that no common framework of reference across agencies appears to exist; notes that, with the exception of some agencies, generally there are no measures for integration of persons with disabilities in place;
32. Notes with concern that, in 2021, the staff turnover rate was more than 5 % in 16 out of 33 agencies; commends the agencies (e.g. European Union Aviation Safety Agency (EASA)) for the targeted measures they took to prevent high staff turnover rates; highlights the importance for all agencies to implement such measures;
33. Reiterates its concern that the Court has identified a recurrent shortcoming that applies to several agencies regarding the use of external staff and interim workers; calls for the dependency on external recruitment by agencies to be addressed and for applicable labour law to be respected; is concerned about the lack of appropriate grading for posts managing procurement procedures; notes the judgment of the Court of Justice of the European Union (CJEU) of 11 November 2021 in Case C-948/19 ⁽⁴⁾ which considered, as part of the scope of the application of Directive 2008/104/EC of the European Parliament and of the Council ⁽⁵⁾, temporary agency workers to Union agencies; calls on the agencies to rely as much as possible on permanent staff and on the Commission to ensure appropriate human resources allocations for this purpose;
34. Calls on the EU Agencies Network (EUAN) to develop a general policy to prioritise permanent staff over external consultants, in order to guarantee high quality working conditions and to prevent knowledge and experience from being lost;

⁽⁴⁾ Judgment of the Court of 11 November 2021, UAB 'Manpower Lit' v E.S. and Others, C-948/19, ECLI:EU:C:2021:906.

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

35. Notes with concern the observations from the Court's report on the weaknesses related to deficiencies in recruitment procedures found in eight agencies in 2021; recalls that procedural deficiencies in recruitment procedures undermine the principles of transparency and equal treatment; asks the agencies concerned to improve their internal recruitment procedures, in several aspects, in particular evaluation processes and vacancy notices;
36. Notes an improved gender balance in 2021, compared to 2020, at the level of senior management, with 68 % men and 32 % women (74,6 % and 25,4 %, respectively in 2020) and for staff overall with 50,26 % men and 49,73 % women (52,7 % and 47,3 %, respectively in 2020); further notes that the gender balance reported for the management boards of the agencies was 62 % men and 38 % women, representing also an improvement compared to the previous year; calls on the agencies to work on improving further the gender balance in senior management; reiterates its calls on the Commission and Member States to observe gender balance when nominating and appointing members of the management or administrative boards; recalls the ambition of the agencies to align with the Commission to reach a gender balance of 50 % at all levels of its management by the end of 2024;
37. Regrets the fact that gender equality is absent in the multiannual strategy 2021-2027 for the EUAN; calls on the EUAN to integrate gender equality in its strategies;
38. Reiterates its concern about the large size of the management boards of certain agencies (e.g. Cedefop, EU-OSHA, Eurofound), making it difficult to make decisions and generating considerable administrative costs; urges the Commission to make a suitable proposal in this regard;
39. Notes that, in 2021, the EUAN created a Working Group (WGDI) dedicated to issues in the area of Diversity and Inclusion (D&I) for all agencies; notes that a Charter on D&I was developed and endorsed by the WGDI, with five commitments, including to ensure diversity and inclusion throughout the career path, from recruitment to promotion and mobility, and to reach the target of 40 % of underrepresented gender in middle management positions in all agencies; calls on all agencies to adopt and implement that Charter; welcomes the additional actions taken by the WGDI, such as the launch of a survey on D&I amongst the agencies' staff, the establishment of contacts and cooperation agreements with the Commission and the European Parliament for the exchange of best practices and innovative ideas, and the development of an action plan for 2022 which proposes 29 actions for agencies to promote the principles of diversity and non-discrimination set out in the Union's Staff Regulations in a harmonised manner across the network; calls on the EUAN to keep reporting to the discharge authority on the progress made in these matters;
40. Notes that the geographical balance of staff of Union decentralised agencies follows the population of the Member States as a percentage of the EU27 more closely than the geographical balance of staff of the Commission; regrets an under-representation for six Member States, an over-representation for eighteen Member States and an approximate balance for three Member States; considers that, as an objective, the agencies should engage in a common effort towards improving geographical representation overall; calls in this sense on the EUAN to coordinate efforts across agencies to put forward a plan and to put the necessary horizontal measures in place to allow for the attainment of said objective;
41. Recalls the importance of developing a long term HR policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as the promotion of their equal treatment and their opportunities;

42. Notes that all agencies have put in place for all their staff a policy and measures to prevent and fight against harassment, with some of the agencies having specific measures (e.g. training courses, awareness or coaching sessions) in place for senior and middle management; further notes that the agencies reported to have 24 ongoing or closed harassment cases in 2021; observes that in some agencies (e.g. EUAA), for staff related procedures (e.g. harassment cases), support from external law firms specialised in Union Civil service law (Union Staff Regulations) is sought, even when the agencies have their own legal services unit; calls on the agencies, where applicable, to report to the discharge authority on all the staff related cases where the support of such firms was received in the years 2017 to 2022;
43. Recalls the judgment of the CJEU of 11 November 2021 regarding the use of interim workers, addressing several questions concerning the application of Directive 2008/104/EC on temporary agency workers to Union agencies; calls on the agencies using interim workers to intensify their efforts to reduce the number of interim workers replacing members of staff;

Procurement

44. Notes with concern that the Court observed 34 weaknesses in public procurement in 2021 (compared to 18 in 2020) and that the number of agencies concerned is increasing with 19 agencies concerned in 2021 (compared to 9 agencies in 2020); further notes that such weaknesses remain the largest source of irregular payments, stemming from irregular procurement procedures reported either in 2021 or in previous years; echoes the Court's recommendation that, when implementing framework contracts, the agencies concerned should only use specific contracts to procure goods or services covered by the associated framework contract; further echoes the Court's recommendation that the agencies concerned should further improve their public procurement procedures, ensuring full compliance with the applicable rules;
45. Welcomes the increased use of e-procurement tools by Union agencies and the important role they have played in ensuring business continuity for procurement under teleworking conditions; notes that the most common e-PRIOR modules used by agencies are e-Tendering, e-Submission and e-Invoicing and that several agencies implemented the Public Procurement Management Tool in the course of 2021; commends the agencies (Translation Centre for the Bodies of the European Union (CdT), European Banking Authority (EBA), European Union Agency for Cybersecurity (ENISA), European Securities and Markets Authority (ESMA)) reporting to have fully digitalised their procurement processes;
46. Recalls the importance for all procurement procedures, to ensure fair competition between tenderers and to procure goods and services at the best price, respecting the principles of transparency, proportionality, equal treatment and non-discrimination; invites all agencies to implement the e-procurement IT tools developed by the Commission and calls on the latter to clarify and update the procedures and templates in the procurement guidelines;

Prevention and management of conflicts of interest, and transparency

47. Notes that, with the exception of one agency, all agencies have a policy for prevention and management of conflicts of interest in place; insists on the need to put in place or regularly update systematic sets of rules on transparency, incompatibilities, conflicts of interest and 'revolving door' situations, and illegal lobbying, as well as anti-fraud strategies; calls furthermore on all agencies to develop an internal anticorruption strategy; calls on the agencies to keep reporting to the discharge authority on the progress made in these matters;
48. Calls on the agencies, where applicable, to participate in the newly established interinstitutional agreement on a mandatory transparency register for interest representatives, signed by the Commission, the Council and Parliament; notes that, due to the nature of their business, some agencies (e.g. Body of European Regulators for Electronic Communications (BEREC), European Union Agency for Law Enforcement Training (CEPOL), CdT) do not have meetings with lobbyists;

49. Notes that all agencies request declarations of interest for their management board members and senior management and that they publish them on their website;
50. Notes that most agencies publish on their website the curriculum vitae (CV) or a short description of the background of their management board members, management staff, external experts and in-house experts; notes that CVs are incomplete or missing from the respective websites of the European Centre for Disease Prevention and Control (ECDC), European Chemicals Agency (ECHA), and European Environment Agency (EEA) (in-house experts), Frontex, European Union Agency for Railways (ERA) and ESMA (both in-house and external experts), Cedefop (some of its management board members and alternate members), EU-OSHA (management board members and alternate members); reminds the agencies that it is important to increase the transparency of the backgrounds of their members of their management board, management staff and external and in-house experts; calls on the EUAN to coordinate efforts among its member agencies for the publication on their websites of the CVs of said members, staff and experts, whereas said CVs should include at least professional experience and education;
51. Echoes with concern the Court's observation that agencies are particularly prone to the risk of 'revolving door' situations because of their reliance on temporary staff, resulting in high rates of staff turnover, and their governing model, which includes boards whose members tend to serve for relatively short terms; acknowledges that for some agencies the risk is further heightened by significant regulatory powers or links to the industry; welcomes in this context the Court's audit on a horizontal topic related to conflicts of interest and potential 'revolving door' situations in some 40 agencies; notes that for this audit the Court examined cases between 2019 and 2021 in which current or former senior agency staff took up a job after leaving an agency or performed a paid outside activity while working for an agency; further notes that the Court also looked into similar cases affecting members and former members of agencies' boards;
52. Observes with concern that only 20 of the 40 agencies examined by the Court had considered any potential revolving-door cases related to their senior staff members; notes the Court's conclusion that agencies generally complied with the applicable legal requirements; notes with concern, however, that the Court found in six agencies (ACER, EASA, European Insurance and Occupational Pensions Authority (EIOPA), ENISA, Europol and EUSPA) several procedural infringements on their legal obligations e.g. to publish a list of the cases assessed, to consult the Joint Committee or to issue a formal decision within 30 working days; calls on the agencies to strengthen their internal procedures and controls concerning potential 'revolving door' situations in order to ensure full compliance with the applicable rules foreseen in the Union's Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy;
53. Strongly deplores the inefficiency and insufficiency of the monitoring of compliance of current and former staff of agencies regarding the 'revolving door' requirements and restrictions; notes with concern that, in this context, undeclared 'revolving door' cases and breaches of restrictions imposed on departing staff in relation to their new jobs may remain undetected which can lead to unfair advantages for certain private-sector entities in terms of insider information or lobbying; acknowledges that these weakness and risks are owed to the limited obligations set out by the Union's legal framework in this field; commends BEREC Office, EBA and ESMA for having procedures in place for monitoring compliance with the applicable rules in the area of 'revolving door';
54. Acknowledges that the rules on handling potential 'revolving door' situations and the associated risk of conflicts of interest do not apply to the members of agencies' boards, scientific committees, expert groups and other similar bodies; notes from the Court's report that during the audited period (2019-2021), only four agencies assessed any cases related to members of their boards taking up a new job or an outside activity; deplores that only 25 cases (i.e. 3,8 %) out of 659 departures related to members of agencies' boards were assessed; commends EBA, EIOPA, the European Institute of Innovation and Technology (EIT), EMA, ESMA, Europol and FRA) for having specific provisions in place covering the risk of 'revolving door' situations in relation to members of their boards, despite the existing legal vacuum;

55. Calls on the EUAN to coordinate efforts for the introduction, in all its member agencies, of: (i) a code of conduct and a set of rules for members of their management boards, setting out principles, procedures and specific mechanisms to deal with conflicts of interest of said members and 'revolving door' situations; (ii) procedures for monitoring compliance of current and former staff (including senior staff) with the applicable decisions in the area of 'revolving door' and related restrictions; further calls on the EUAN to coordinate efforts for the implementation, in all its member agencies, of all recommendations issued by the European Ombudsman in the Inspection Report of 28 February 2019 (case SI/2/2-17/NF) in order to enforce the one-year lobbying and advocacy ban for senior Union staff who have left the civil service and to publish annually information on the cases assessed for this purpose; acknowledges however the lack of binding power of those recommendations and calls on the Commission to fill this gap; moreover calls on the EUAN to report to the discharge authority on the progress made in these matters;
56. Notes that most agencies reported not to have investigated or concluded cases of conflicts of interest in 2021; strongly regrets that in several agencies, several cases of potential conflicts of interest (Cedefop: 1 case; EFSA: 13 cases; EIT: 1 case; Eurofound: 1 case; Europol: 2 cases) were reported with regard e.g. to selection panels, external experts, recruitment procedures, procurement and grants awarding procedures or former agency staff; notes the replies of the agencies concerned with regard to the follow-up to the said reported cases;
57. Notes that all agencies have a whistleblower policy in place, with some of them (EMA, eu-LISA) having updated it in 2021; calls on CEPOL to put specific, safe reporting channels in place in line with the relevant requirements of Directive (EU) 2019/1937 of the European Parliament and of the Council⁽⁶⁾ on whistleblowing; observes that in 2021, whistleblowing cases were reported at the EBA (1 case closed), at Frontex (3 cases: one closed and notified to OLAF and two cases ongoing) and at the EUSPA (1 case ongoing); further notes that the EMA did not report any internal whistleblowing cases, however, 29 reports of external whistleblowing cases were received, of which 23 cases were closed and 6 cases are still ongoing; calls on the agencies concerned to report to the discharge authority on the progress made in the ongoing cases; calls on all agencies to offer regular refresher training courses on whistleblowing policy to all their staff, to include this topic in the induction programmes for newcomers and to publish information on whistleblowing on the agencies' intranet webpages;

Internal control

58. Notes with concern the Court's findings in the area of management and control systems, where weaknesses were observed in 2021 regarding potential conflicts of interest, missing *ex ante* or *ex post* controls, inadequate management of budgetary and legal commitments and failures to report issues in the register of exceptions;
59. Notes from the Court's report that as regards European supervisory authorities (ESA), provisions are in place in their founding regulations to ensure that Members of their Boards of Supervisors act independently and objectively in the interest of the Union; further notes that the Court reported governance issues affecting the ESA in several special reports in previous years, where it recommended that the Commission should consider proposing changes to the ESA's governance structure which would allow them to use their powers more effectively, even though, in 2019, the legislator did not accept the Commission's proposed revised governance structure; notes, furthermore, that in July 2021, the Commission tabled a proposal to establish a new Union authority to counter money laundering and the financing of terrorism (AMLA) for which negotiations are ongoing;
60. Notes that, at the end of 2021, all agencies reported that they had implemented the revised, COSO-based, internal control framework (ICF) and that they had performed the annual assessment of the ICF; calls on all agencies to provide as a minimum the results of the assessment at component level, encourages the agencies however to report on a more detailed level, such as per internal control principle;

⁽⁶⁾ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L 305, 26.11.2019, p. 17).

61. Notes that, in 2021, according to the Court's report concerning follow-up of previous years' observations, 67 observations were closed and 48 observations were still being implemented or outstanding; calls on the agencies to diligently implement the observations and further improve their internal control frameworks; notes finally that 9 agencies reported to have ongoing OLAF cases;
62. Recalls the importance of strengthening management and control systems in order to ensure the proper functioning of the agencies; strongly insists on the requirement of effective management and control systems to avoid potential cases of conflicts of interest, missing *ex ante* or *ex post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and the green transition

63. Commends that all agencies have put measures in place to varying degrees in order to reduce their environmental impact and make a positive contribution to sustainable development and climate neutrality; notes that such measures regarding staff's sustainable mobility, use of greener facilities, waste management, reduction in consumption of paper and consumables, improvement of energy use etc.; acknowledges, however, that in some agencies (e.g. CEPOL) much more needs to be done with regard to their environmental sustainability related measures; calls on all the agencies to transition, as soon as possible, to green electricity, wherever possible from 100 % renewable sources and to install, where possible, solar panel cells on the roof of their buildings;
64. Notes that 6 agencies are EMAS (Eco-Management and Audit Scheme)-certified, 19 agencies are not EMAS-certified, while for 7 agencies the process for EMAS certification is ongoing; notes that most agencies have not implemented Green Public Procurement (GPP) or are gradually introducing green (clear and verifiable environmental) criteria in their public procurement processes; calls on all agencies to speed-up the adoption and implementation of GPP in full; calls on the agencies to keep reporting to the discharge authority on the progress made in these matters;
65. Encourages all agencies to adopt multiannual greening action plans that include commitments regarding CO₂ reductions; further encourages all agencies to publish annual environmental reports assessing, through relevant KPIs, their environmental performance and CO₂ footprint;
66. Observes that 2021 was a key year for most agencies regarding various measures taken in order to strengthen the agencies' cybersecurity and protection of the digital records in their possession; regrets, however, that those measures are not harmonised across agencies; commends the proactivity of some agencies which have prepared for the update of their Information systems' security policies in light of the two upcoming Union regulations on cybersecurity and information security in Union institutions and bodies; calls on all agencies to follow suit in this regard; encourages the agencies to work in close cooperation with ENISA; observes the initiative by EU-OSHA to coordinate the implementation of a common solution to provide cybersecurity services to smaller agencies; notes that some agencies (BEREC, CEPOL) have not yet adopted a cybersecurity policy and urges them to do so; calls on the agencies to offer updated cybersecurity-related training programmes on a regular basis for all their staff;
67. Recalls the importance of increasing the digitalisation of the agencies in terms of internal operation and management but also in order to speed up the digitalisation of procedures; is pleased that, in 2021, most agencies made further progress with regard to digitalisation and optimisation of their workflows and procedures, in particular in the fields of HR, financial and procurement procedures; encourages all agencies to adopt and implement the Advanced Qualified Signature and Qualified Electronic Signature software to obtain approvals and signatures from both internal and external counterparties in procurement and contractual documents;

Business continuity during the COVID-19 crisis

68. Acknowledges that 2021 was a year of renewed challenges requiring adaptation, innovation, resilience and flexibility under the continued grip of the COVID-19 pandemic and emerging new political and economic instabilities;
69. Notes that teleworking was essential for the business continuity of the agencies in 2021, owing its success also to the agencies' investments in audio and videoconferencing and other online tools; observes from the agencies' replies that teleworking and hybrid working have had a neutral or a positive impact on the performance of almost all agencies, with some agencies considering that teleworking plays a significant role in attracting and retaining talent; encourages the agencies to put the lessons learned regarding remote and hybrid working methods into practice, in order to better organise meetings and tasks that could be carried out more efficiently remotely than in-person in the future; further notes that several agencies conducted surveys among their staff to assess the impact of teleworking, with results indicating an overall positive experience and (perceived) increased efficiency, however some challenges were noted including the connection to people from other teams and a sense of belonging that could be compromised; encourages all agencies to adopt and implement the Commission decision on working time and hybrid working;

Other comments

70. Welcomes the steps taken by the agencies to disclose and publish the results of their work through various channels, including their websites and social media; urges the agencies to step up their efforts and report relevant performance information to the Union citizens and the general public in clear and accessible language to ensure greater transparency and public accountability by better-utilising media and social media channels; expects the agencies to report to the discharge authority in this regard;
 71. Recalls that, in 2020, the Court piloted automated audit procedures in the area of the audit of the accounts of several executive agencies; notes that, in 2021, the Court extended the use of such procedures to all agencies, however – in the case of decentralised agencies – the Court applies ten procedures relating to salaries only; observes from the Court's report the results that have been successfully delivered by applying automated procedures; regrets that gaps in the use of standardised IT tools (in e-procurement, and finance, accounting and reporting) represent serious obstacles for the Court in expanding the use of digital audit technology to other areas and to all agencies; welcomes nevertheless the Court's plan to extend this technology to auditing the agencies' public procurement in 2022;
 72. Considers that more needs to be done by the EUAN to become a real centre of coordination of the agencies and contribute to increasing cooperation and the exchange of good practices between them with a view to, inter alia, reducing their functioning costs; calls on the agencies to agree on the allocation from their organigrammes of an additional part-time post (0,5 FTE) for the EUAN; invites the EUAN to provide the discharge authority with an updated list with contact points in all agencies;
 73. 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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DECISION (EU) 2023/1947 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the Circular Bio-based Europe Joint Undertaking – CBE JU (before 30 November 2021 the Bio-based Industries Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Circular Bio-based Europe Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0107/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0093/2023),

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 130.

⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

1. Grants the Executive Director of the Circular Bio-based Europe Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2021;
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 Circular Bio-based Europe 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1948 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Circular Bio-based Europe Joint Undertaking (CBE JU) (before 30 November 2021 the Bio-based Industries Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Circular Bio-based Europe Joint Undertaking for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0093/2023),
- A. whereas the Bio-based Industries Joint Undertaking (the 'BBI Joint Undertaking') was set up in May 2014 under the Horizon 2020 programme for a period until 31 December 2024 ⁽¹⁾; whereas in November 2021, the Circular Bio-based Europe Joint Undertaking (the 'CBE Joint Undertaking') was established by Council Regulation (EU) 2021/2085 ⁽²⁾ to replace the BBI Joint Undertaking, under the Horizon Europe programme for the period ending on 31 December 2031;
- B. whereas the general aim of the joint undertakings under the Horizon Europe programme is to be more objective-driven and have more ambitious partnerships with the respective industrial sectors than under the previous programmes;
- C. whereas the CBE Joint Undertaking was financed under the Multiannual Financial Framework (MFF) 2021-2027 with the aim of bringing together all relevant stakeholders and contributing to establishing the Union as a key player in research, through the involvement and commitment of partners in designing and implementing a programme of research and innovation activities with European added value;
- D. whereas, under the MFF programmes for research and innovation, joint undertakings have separate legal personalities and adopt their own research and innovation agenda in their strategic area of research, and implement it through calls for proposals or procurements;
- E. whereas the general objectives of the CBE Joint Undertaking are to accelerate the innovation process and development of bio-based innovative solutions, to accelerate market deployment of the existing mature and innovative bio-based solutions and to ensure a high level of environmental performance of bio-based industrial systems;
- F. whereas, in order to take into account the duration of the Horizon Europe programme, calls for proposals under the CBE Joint Undertaking are to be launched by 31 December 2027; whereas calls, in duly justified cases, for proposals to be launched by 31 December 2028;
- G. whereas the founding members of the CBE Joint Undertaking are the Union, represented by the Commission, and industrial partners, represented by the Bio-based Industries Consortium (BIC);
- H. whereas the Union financial contribution to the CBE Joint Undertaking, including EEA appropriations, is up to EUR 1 billion (of which up to EUR 23,5 million is for administrative costs); whereas the members of the CBE Joint Undertaking other than the Union are to make or arrange for their constituent or affiliated entities to make a total contribution of at least EUR 1 billion, including up to EUR 23,5 million for administrative costs, over the 10-year period;

⁽¹⁾ OJ L 169, 7.6.2014, p. 130.

⁽²⁾ Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 (OJ L 427, 30.11.2021, p. 17).

General

1. Welcomes that the report of the Court of Auditors (the 'Court') on the CBE Joint Undertaking's annual accounts (the 'Court's report'); finds the 2021 annual accounts to present fairly, in all material respects, the financial position of the CBE Joint Undertaking on 31 December 2021, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the CBE Joint Undertaking's financial rules and with accounting rules adopted by the Commission's accounting officer and that the underlying transactions to the accounts are legal and regular in all material aspects;
2. Acknowledges that Horizon Europe envisages ambitious goals for the joint undertaking that can be achieved only if effective solutions that address the weaknesses in the internal control systems and prepare for the future challenges arising from increased responsibilities, such as in the area of human resources management and planning, are designed and implemented; points out, in this context, that particularly complicated and burdensome calculations and reporting requirements represent a significant risk of error and calls therefore, to explore the possibilities of simplifications wherever possible and compatible with the existing legal framework;
3. Notes that there is no harmonised definition of 'administrative costs' among the joint undertakings, which is a basis for calculating the financial contributions of their members and a precondition for rendering such costs comparable; calls, with this in mind, for common guidelines for all joint undertakings to take a harmonised approach for the classification of certain administrative cost expenditure categories, such as expenditure for consultations, studies, analyses, evaluations, and technical assistance;

Budget and financial management

4. Notes that, in December 2020, the governing board adopted the 2021 budget for the CBE Joint Undertaking for the global amount (adopted budget and reactivations) of EUR 5 215 066 in commitment appropriations and EUR 174 626 895 in payment appropriations and that there were no amendments;
5. Notes with regret that, according to the Court's report, the implementation rate for the CBE Joint Undertaking's 2021 payment budget available for Horizon 2020 projects was only 71 %, due to external factors such as the COVID-19 pandemic, as well as the unexpected termination of a large Horizon 2020 project after the main beneficiary went bankrupt in 2021;
6. Notes, moreover, that the former BBI Joint Undertaking's budget included a surplus of unused budget from prior years (2018, 2019 and 2020), which included EUR 600 000 in administrative commitment appropriations and payment appropriations and on the operational side EUR 46 881 709 in payment appropriations; notes also that the reactivated appropriations were consumed in priority in line with the CBE Joint Undertaking's financial rules, and reached almost 100 % on the administrative commitment appropriations side, 84 % on the administrative payment appropriations and 79 % on the operational payment appropriations by the year-end;
7. Notes that, at the end of 2021, the Union contributed EUR 728,228 million and the industry grouping contributed EUR 52,239 million in-kind validated, EUR 14,559 million in cash to administrative costs and EUR 3,250 million in cash to operational costs;
8. Notes that, as regards the CBE Joint Undertaking's operational obligations at the end of 2021, the CBE Joint Undertaking had almost fully committed EUR 815,8 million of the maximum Union contribution for signed Horizon 2020 grant agreements; notes, in addition, that around EUR 159,6 million (or 19,6 %) remains to be paid in the coming years; notes, on the other hand, that private members had legally committed to provide in-kind and financial contributions of EUR 266,5 million or 56 % of the indicative target of EUR 475,3 million set in the CBE Joint Undertaking's adopted annual working programmes; notes, however, that as all Horizon 2020 calls were closed at the end of 2020, the CBE Joint Undertaking will not achieve the indicative target for its private members by the end of the programme period;

9. Notes that the implementation rate for the CBE Joint Undertaking's payment available for Horizon 2020 projects was 71 %, which can be explained by suspensions and extensions of recent Horizon 2020 projects, necessary due to the COVID-19 pandemic, as well as the termination of a large Horizon 2020 project after the main beneficiary went bankrupt in 2021; notes that the CBE Joint Undertaking had no 2021 operational commitment appropriations as it had finished its last call for proposal by the end of 2020;
10. Notes that, at the end of 2021, the industry members reported total in-kind contributions to additional activities of EUR 1 646,5 million or 74 % of the target of EUR 2 225,4 million; notes, however, the Court's observation on the non-conclusion of the certification process for EUR 715,6 million or 43 % of the reported amount; notes the action taken by the CBE Joint Undertaking's governing board to ensure the achievement of the target by the end of the programme, by approving, in February 2022, an additional EUR 658 million of industry members' investments into 2022 activities closely linked to the CBE Joint Undertaking's strategic objectives; notes, consequently, that that private members' commitment may mitigate the CBE Joint Undertaking's risk of not achieving the target for in-kind contributions for additional activities by the end of the Horizon 2020 programme;
11. Notes that, following the Court's observation in 2020 on the lack of data for the validated in-kind contributions, by the release of the annual activity report 2021, the BIC had managed to deliver a large number of certificates covering in-kind contributions by BIC's constituent entities to additional activities mostly from 2020, but also from 2019 and 2018, the delivery of which was delayed during the COVID-19 pandemic;
12. Highlights that, regarding the risk identified by the Court in 2020 relating to the achievement of the CBE Joint Undertaking's research and innovation agenda for the Horizon 2020 programme, the operational achievements reported in the annual activity report 2021 confirm that, despite the reduction of in-cash contributions from both the CBE Joint Undertaking's members (Commission and BIC), the CBE Joint undertaking succeeded in achieving its strategic objectives; welcomes, in particular, the fact that among the operational highlights reported for 2021, 41 projects were finalised, with all key performance indicators (KPIs) linked to the project performance having been achieved; appreciates, moreover, that the expected results reported by ongoing projects indicate that the final KPIs will significantly exceed the targets set in the 'Strategic, Innovation and Research Agenda: Bio-based Industries for Development and Growth in Europe', which identified the research, demonstration and deployment activities to be carried out by the CBE Joint Undertaking in the framework of the Horizon 2020 programme;
13. Notes that in its annual activity report 2021 the CBE Joint Undertaking continues to report on actual values of financial in-kind contributions provided by the BIC, or its constituents entities, in order to achieve the targets established in Council Regulation (EU) No 560/2014^(?) and that the overall level of in-kind and financial contributions already reached 70 % of the EUR 2,73 billion final expected value and is well on track to reach that final objective by 2024;

Performance

14. Notes that the 2021 priorities and objectives of the CBE Joint Undertaking were first presented by the Executive Director to the governing board during its meeting of 17 June 2020, prior to a final version being presented and discussed on 7 October 2020; notes that the priorities were then included in the annual working plan 2021 as objectives for 2021, aimed at consolidating the project portfolio whilst maintaining the quality standards to absorb the peak of the workload; notes, moreover, that a smooth transition from the BBI Joint Undertaking to the new CBE Joint Undertaking under the Horizon Europe Framework Programme was ensured;

^(?) Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking (OJ L 169, 7.6.2014, p. 130).

15. Notes that there were no open calls for proposals in 2021, the last call being implemented in 2020 and that the CBE Joint Undertaking continued to manage its portfolio of projects which resulted in the signature of 18 grant agreements, bringing the total number of projects in the CBE Joint Undertaking's portfolio to 142 (71 research and innovation actions, 39 demonstration actions, 14 flagships and 18 coordination and support actions) of which 96 were still ongoing at the end of 2021 and 46 finalised;
16. Notes that, in 2021, a dedicated study ⁽⁴⁾ was performed by an external contractor to both validate the KPI results of the 32 BBI Joint Undertaking's projects completed by July 2020 and provide an overall assessment of the BBI Joint Undertaking's project portfolio; notes that the validation exercise analysed the reported KPI results and impacts against the evidence provided in the project documentation, including the periodic report, deliverables and review reports carried out by independent experts; notes, in addition, that a validation score was developed to indicate the extent to which the reported KPI results were supported by evidence;
17. Points out that the majority (around 90 %) of the validated data reaches scores 1 or 2 (validation scores: 1, 2, 3) showing that the KPI framework set for the BBI Joint Undertaking gives a meaningful measure of the outcomes and impacts of the programme;
18. Notes that flagships and advanced demonstration actions are the projects contributing the most to socioeconomic impacts such as job creation, rural development and benefits to primary producers, regional and local impact and impacts on markets and industry; notes that the technology ruddiness level of those projects allows the deployment of the technologies at a large, pre-industrial scale, engaging actors from the whole value chain, from local feedstock suppliers to end users and local authorities;
19. Notes that decreasing the environmental impact of industrial processes and products is one of the core objectives of the CBE Joint Undertaking; notes that an important contribution to climate change mitigation is the reduction of emissions of CO₂ and other green house gases reported by 65 % of the CBE Joint Undertaking projects; notes that 29 % of projects report the utilisation/recycling of CO₂ released from bio-based operations, which corresponds to reducing their direct green house gas emissions;
20. Is pleased that, in 2021, the CBE Joint Undertaking's efficient performance in core operations continued in respect of the main KPIs of Horizon 2020 on which the CBE Joint Undertaking is monitored, confirming the positive trends observed in previous years: time to inform (TTI) applicants of call 2020 was met in January 2021, at 137 days against a target of 153 days (100 % on time); time to grant (TTG) for retained proposals of call 2020 was on average 236 days against the target of 245 days and all grant agreements were signed on time (100 % on time); time to amend (TTA) was nine days against the target of 45 days (100 % on time); time to pay (TTP) for pre-financing of retained proposals from Call 2020 was 9,5 days on average against the target of 30 days (100 % on time) and for interim and final payments was 66 days on average against the target of 90 days (100 % on time);
21. Notes that, following an observation in the 2020 discharge procedure on intellectual property rights, the grant agreements signed by the CBE Joint Undertaking correspond to the model grant agreement issued by the Commission to implement the Union budget and with no deviations in the intellectual property rights management; notes, moreover, that for what concerns intellectual property rights and the publication of results, the ownership of the project results remains under the control of the beneficiaries, and they have to fulfil specific obligations regarding open science and access to research results in line with section 3 ('Rights and obligations related to background and results') of the Horizon 2020 model grant agreement;

⁽⁴⁾ <https://www.bbi.europa.eu/sites/default/files/executive-summary-bbi-ju-portfolio-kpi.pdf>

Procurement, staff and recruitment procedures

22. Notes that, by the end of 2021, the CBE Joint Undertaking programme office comprised 22 members of staff and that four recruitment procedures were launched in 2021, leading to the recruitment of one project officer (contract agent, one stakeholder relations and executive assistant (temporary agent), one communication assistant (temporary agent) and one financial assistant (contract agent); notes, in addition, that, as in 2020, to cope with the peak period of workload, the CBE Joint Undertaking concluded – via the Commission framework contract for interim services – several short-term contracts for interim services to address specific needs of the CBE Joint Undertaking programme office;
23. Notes with concern that the average annual rate of interim staff remained high, representing 19 % of statutory staff; recalls that the high ratio of contractual staff tends to increase significantly the CBE Joint Undertaking's staff turnover rate and further destabilises the staffing situation; emphasises, moreover, that the use of interim staff should remain a temporary solution or it could negatively affect the CBE Joint Undertaking's overall performance, such as the retention of key competencies, unclear accountability channels, possible judicial disputes and lower staff efficiency; reminds that the CBE Joint Undertaking should develop a formalised model or guidance on how to estimate staff needs (including essential competencies), with the objective of optimising the use of staff resources;
24. Notes that, on the basis of the 2021 annual activity report, the gender balance is adequate, with 64 % women at programme office level, 46 % in the States representatives group (including alternates), and 57 % in the scientific committees; encourages the CBE Joint Undertaking to maintain and further improve the gender balance;
25. Acknowledges that, according to its annual activity report, the number of women on the governing board has increased from 20 % in the previous year to 30 % by the end of 2021; encourages the CBE Joint Undertaking to make further efforts to achieve gender balance on the governing board;
26. Notes that the part of the employers' contributions for the staff of the joint undertakings corresponding to the ratio of their third-country subsidised revenues to their total revenues, has not been paid by the joint undertakings to the Union pension scheme since 2016, as the Commission has neither provided for this expenditure in the budget of the joint Undertaking nor formally requested the payments; calls for the Commission to take steps to avoid similar issues in the future;
27. Notes that, in 2021, the CBE Joint Undertaking took the lead with four other joint undertakings in the implementation of the SYSTAL tool, an e-recruitment tool designed by Oracle and already used by several decentralised agencies and that the CBE Joint Undertaking used the tool for the first time in September 2021 with the publication of one post;
28. Notes that, in 2021, to ensure that members of staff are competent in their roles and able to cope with the demanding working environment, the human resources function developed a learning and development framework, taking into consideration the BCE Joint Undertaking's annual objectives; notes that due to the COVID-19 pandemic, all learning activities were organised online;
29. Highlights that, following an observation in the 2020 discharge procedure on procurement, the CBE Joint Undertaking has implemented all possible measures in order to ensure the broadest competition in its procurement procedures and in compliance with the Financial Regulation; welcomes, moreover, the CBE Joint Undertaking's use of eTendering to publish its public procurement notices and has implemented all accession requirements for eProcurement solutions (such as eSubmission), which were planned to be fully integrated into this system by the end of 2022;

30. Acknowledges the fact that, following an observation in the 2020 discharge procedure on the lack of a support structure to ensure the psychological well-being of staff, the CBE Joint Undertaking put in place a series of events to support staff in coping with the challenges imposed by the pandemic and that best practices and golden working rules have been set up in the preparation of the 'Return to the Office' strategy of the organisation within the framework of new ways of working;

Internal controls and internal audit

31. Notes that the CBE Joint Undertaking's internal control framework is based on 17 control principles and it is aligned with the control framework of the Commission and is in force since 1 January 2020;
32. Notes that the results of the 2021 internal control assessment confirm that the CBE Joint Undertaking's control system is present and functioning while some improvements are needed; notes that, overall, all internal control components operate together in an integrated manner, the system is compliant with the internal control framework, it is working to an acceptable level of effectiveness, and it allows sufficient control of risks for the achievement of control objectives;
33. Notes that, for Horizon 2020 payments, the common audit service of the Commission's Directorate-General for Research and Innovation is responsible for the *ex post* audit; notes that, based on the *ex post* audit results available by the end of 2021, the CBE Joint Undertaking reported a representative error rate of 1,9 % and a residual error rate of 1,2 % for Horizon 2020 projects (clearings and final payments); notes, however, that the error rates presented above should be treated with caution, since not all audit results are available yet, the error rates are not fully representative of the expenditure under control;
34. Appreciates that, as was the case in 2020, there is evidence that the simplifications introduced in Horizon 2020, along with the progressively increasing experience acquired by the major beneficiaries, have positively affected the number and level of errors; notes, however, that beneficiaries still make errors, usually because of a lack of understanding or non-respect of the rules;
35. Emphasises that the Court's findings confirmed persistent systemic errors for declared personnel costs and that in particular, small and medium-sized enterprises (SMEs) and new beneficiaries are more error-prone than other beneficiaries; highlights that those errors are also regularly reported in Court's annual reports since 2017; emphasises therefore that streamlining of the Horizon 2020 rules for the declaration of personnel costs and wider use of simplified cost options is a precondition to stabilise error rates to below materiality level; emphasises that the CBE Joint Undertaking should strengthen its internal control systems to address the increased risk regarding SMEs and new beneficiaries and strongly encourage the use of the Personnel Costs Wizard by certain categories of beneficiaries that are more prone to errors, such as SMEs and new beneficiaries; welcomes that in 2022 all joint undertakings have started implementing actions for error rate reductions in line with the action proposed by the Court, including exploring the options of simplified forms of costs such as unit costs, lump sums and flat rates;
36. Notes that, to assess the operational payment controls of the CBE Joint Undertaking, the Court audited randomly sampled Horizon 2020 payments made in 2021, at the level of the final beneficiaries, to corroborate the *ex post* audit error rates ⁽ⁱ⁾; notes that, in one case, the Court found and quantified an error related to the direct personnel costs declared for a person who was neither employed by the beneficiary nor directly contracted for the project;

⁽ⁱ⁾ Regarding the grant payment transactions tested at the beneficiaries, the reporting threshold for quantifiable error is 1 % of the audited costs.

37. Notes that, following an observation in the 2020 discharge procedure on the Court's finding persistent systemic errors in personnel costs declared by beneficiaries and that such errors were also regularly reported in the *ex post* audits of the common audit service, the CBE Joint Undertaking remains actively engaged to improve its control strategies concerning expenditure and has been participating in common actions taken in this context by the Horizon 2020 and Horizon Europe governance and also targeting the well identified categories of beneficiaries of Union funds;

Management and prevention of conflicts of interest and of fraud risks

38. Notes that, at the end of 2021, a total of 11 risks were identified and described in the risk register with varying degrees of importance, convergence and interdependency; points out that the risk assessment exercise conducted in 2021 confirmed the trend of previous years and some additional risks were absorbed or reduced by an increased effectiveness of internal controls as well as experience gained in the core activities, such as the Horizon 2020 grant planning, processes and systems;
39. Welcomes that, regarding management of potential conflicts of interest, the CBE Joint Undertaking's programme office has developed a comprehensive set of rules and procedures that are effectively implemented across its entire governance structure and that specific measures have been implemented for the prevention and management of conflicts of interest of experts in charge of the review of projects and tenders;
40. Highlights that, during of 2021, those controls systems operated effectively, and nothing needs to be reported which may influence the reasonable assurance to be provided by the authorising officer;
41. Notes that, following an observation in the 2020 discharge procedure, the CBE Joint Undertaking, in its annual activity report 2021, reports to the discharge authority on the management of fraud risks and confirms that the CBE Joint Undertaking continued to implement and to report to the European Anti-Fraud Office (OLAF) about the effective implementation of recommendations made in previous years;
42. Notes that, following an observation in the 2020 discharge procedure, the declaration of interests of the members of the governing board are published on the official website of the CBE Joint Undertaking and that they include relevant information on past and current professional activities of the members;
43. Notes that, following an observation in the 2020 discharge procedure, the CBE Joint Undertaking has implemented a number of policies and trainings to counter harassment and fraud, to prevent conflicts of interest and to protect whistleblowers; notes, moreover, that the ethical policies are embedded into a wide set of activities and risk management mechanisms whose effectiveness is continuously monitored by the accountable functions that are well identified in the governance structure of the CBE Joint Undertaking and all relevant control systems are regularly tested by the internal audit service and by the Court as assurance providers; notes that the CBE Joint Undertaking has been regularly reporting in its annual activity reports on these risk management mechanism and, notably, on the realisation of any potential harassment, conflict of interests and fraudulent events that could raise reservations in the accompanying yearly declaration of assurance provided by the Executive Director of the CBE Joint Undertaking; notes that the CBE Joint Undertaking's annual activity report 2021 does not include reporting on findings and conclusions that could lead to a reservation in those areas.
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DECISION (EU) 2023/1949 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the Circular Bio-based Europe Joint Undertaking – CBE JU (before 30 November 2021 the Bio-based Industries Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Circular Bio-based Europe Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0107/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0093/2023),

1. Approves the closure of the accounts of the Circular Bio-based Europe Joint Undertaking for the financial year 2021;

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 130.

⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

2. Instructs its President to forward this decision to the Executive Director of the Circular Bio-based Europe 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

DECISION (EU) 2023/1950 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the Clean Aviation Joint Undertaking
(before 30 November 2021 the Clean Sky 2 Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Aviation Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0108/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Transport and Tourism,
- having regard to the report of the Committee on Budgetary Control (A9-0078/2023),

1. Grants the Executive Director of the Clean Aviation Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2021;
2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 77.

⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Clean Aviation 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1951 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Clean Aviation Joint Undertaking (before 30 November 2021 the Clean Sky 2 Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Clean Aviation Joint Undertaking for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Budgetary Control (A9-0078/2023),
- A. whereas the Joint Undertaking for the implementation of the Joint Technology Initiative in Aeronautics was set up in December 2007 under the Seventh Research Framework Programme for a period of 10 years (Clean Sky 1); whereas, in May 2014, the Council extended the lifetime of the Joint Undertaking under the Horizon 2020 programme for a period until 31 December 2024 (Clean Sky 2);
- B. whereas, in November 2021, the Council adopted Regulation (EU) 2021/2085 ⁽¹⁾ ('Single Basic Act'), setting up the Clean Aviation Joint Undertaking (the 'Joint Undertaking') to replace Clean Sky 2, under the Horizon Europe programme for the period ending on 31 December 2031;
- C. whereas the Clean Aviation Joint Undertaking is a public-private partnership for transforming aviation towards a sustainable and climate neutral future;
- D. whereas the founding members of the Joint Undertaking are the Union, represented by the Commission, and organisations from the aviation sector engaged in creating new global standard for reliable and climate-neutral aviation systems;
- E. whereas the Union financial contribution to the Joint Undertaking, including EEA appropriations, to cover administrative costs and operational costs shall be up to EUR 1,7 billion, including up to EUR 39,223 million for administrative costs; whereas the members of the Joint Undertaking other than the Union shall make or arrange for their constituent or affiliated entities to make a total contribution of at least EUR 2,4 billion, including up to EUR 39,223 million for administrative costs, over the ten-year period;

Budgetary and financial management

1. Welcomes the fact that, according to the report of the Courts of Auditors (the 'Court's report'), the annual accounts of the Joint Undertaking for the financial year that ended on 31 December 2021 present fairly, in all material respects, with regard to the financial position of the Joint Undertaking at 31 December 2021, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with the accounting rules adopted by the Commission's accounting officer and that the underlying transactions to the accounts are legal and regular in all material respects;
2. Acknowledges that Horizon Europe envisages ambitious goals for the Joint Undertaking, that can only be achieved if effective solutions that address the weaknesses in the internal control systems and prepare for the future challenges arising from increased responsibilities, e.g. in the area of human resources management and planning, are designed and implemented; points out, in this context, that particularly complicated and burdensome calculations and reporting requirements represent a significant risk of error and calls therefore, for possible simplifications to be explored wherever they are possible and compatible with the existing legal framework;

⁽¹⁾ Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 (OJ L 427, 30.11.2021, p. 17).

3. Notes that the Joint Undertaking's final budget available for 2021 (including re-entered unused appropriations of previous years, assigned revenues, and reallocations to the next year) comprised commitment appropriations of EUR 182,6 million and payment appropriations of EUR 189,9 million;
4. Understands that the budget execution was impacted by the COVID-19 pandemic situation, in particular concerning payment appropriations for administrative expenditure and that nonetheless, the Joint Undertaking had a 99,6 % rate of implementation for the commitment appropriations in 2021 (excluding the unused appropriations not required in current year) and the payment appropriations were executed to 82,3 % of the available funds, excluding the unused appropriations 2021 of EUR 22,9 million (56,3 % of execution rate if the unused appropriations are included as total payment budget);
5. Notes that, at the end of 2021, the Joint Undertaking had almost fully committed EUR 1 716 million of the maximum EU contribution for signed Horizon 2020 grant agreements; notes that, out of this amount, around EUR 273 million (or 16 %) remains to be paid in the coming years; notes, in addition, that the private members had legally committed to provide in-kind contributions of EUR 2 113,8 million;
6. Highlights that the implementation rate for the Joint Undertaking's 2021 commitment and payment budget available for Horizon 2020 projects was 100 % and 83 % respectively;
7. Notes from the Annual Activity Report that the 2022-2023 planning was revised to include the carry-over from 2020-2021 (unspent efforts and re-planned deliverables) in order to report on the remaining activities until programme end; notes that the next period will be critical, as 70 % of the results are expected to be delivered in the last two years of the programme with a remaining funding of ~10 % at programme level; notes, in addition, that the risk of delays in some Innovative Aircraft Demonstration Platforms/Integrated Technology Demonstrators (IADP/ITD) areas remains high and requires specific monitoring from the members in order to deliver their results within the lifetime of the Clean Sky 2 programme; notes, moreover, that in the next period, all the Innovative Aircraft Demonstration Platforms (IADPs), Integrated Technology Demonstrators (ITDs) and Transverse Activities (TAs) are expected to confirm the plan to completion via the mid-year assessment (due in July 2022) and the interim progress reviews will play a central role in the assessment of the cumulative performance achieved and confirm the delivery plan of results as per schedule;

Staff and procurement

8. Notes that Joint Undertaking establishment plan for 2021 contained a total of 42 statutory staff (temporary agents and contract agents) and two seconded national experts with 42 posts filled at the end of the 2021; notes that in 2021 the Joint Undertaking launched the recruitment process of two positions (Team Leader and Project Officer); notes that, in addition to the statutory posts, the Joint Undertaking relies on external service providers such as the webmaster, the IT services firm shared with the other Joint Undertakings, nine interims and one consultant in communications (English Writer) to provide extra support to the Joint Undertaking;
9. Notes with concern, from the follow-up of previous years' observations of the Court of Auditors (the 'Court') that the situation with the increased use of interim staff during the past years remains high at around 13 % of statutory staff; recalls that the high level of contractual staff tends to increase significantly the Joint Undertaking's staff turnover rate and further destabilises the staffing situation; emphasises, moreover, that the use of interim staff should remain a temporary solution as it could otherwise negatively affect the Joint Undertaking's overall performance, such as the retention of key competences, unclear accountability channels, possible judicial disputes and lower staff efficiency; notes the Joint Undertaking's reply, that it has been obliged to constantly enlarge the use of interim staff during the past years due to the limitations of the rigid staff establishment plan under the condition of increasing tasks and workload, and that this trend is expected to continue with the two programmes – the Clean Sky 2 and the new Clean Aviation programme – running in parallel; notes, furthermore that a more optimal solution would be to provide more flexibility to the Joint Undertaking with regards to number of contract agents' posts in the staff establishment plan; reminds, however, that the Joint Undertaking should develop a formalised model or guidance on how to estimate staff needs (including essential competences), with the objective of optimising the use of staff resources;

10. Welcomes the fact that the Joint Undertaking further implemented, together with the other Joint Undertakings, the use of Systal, an online HR tool to perform secure selection processes; notes that, in accordance with the decision of the Governing Board regarding the reclassification system, in 2021 the Joint Undertaking has performed the reclassification exercise and as a result, eleven temporary agents and three contract agents members of staff were reclassified;
11. Regrets that there was no call launched in 2021 for proposals;
12. Commends the strong involvement of small and medium-sized enterprises (SME) in terms of participation (29 % of the total number of participations in funded projects – 555 out of 1887) and the high level of success of SME applicants (43 %); recalls that the Undertaking creates new opportunities for SMEs;
13. Notes that, in 2021, the 17 contracts which were awarded and signed related to procurement and specific contracts to implement ongoing framework contracts;
14. Notes, from the Annual Activity Report 2021, in terms of gender balance, that the Clean Aviation Joint Undertaking has a lower percentage of women in programme participation, project coordinators, advisors and experts compared to the previous year; regrets that these figures have decreased and calls for increased efforts in terms of gender balance;
15. Notes that the part of the employers' contributions for the staff of the Joint Undertakings corresponding to the ratio of their non-EU subsidised revenues to their total revenues, has not been paid by the Joint Undertakings to the Union pension scheme since 2016, as the Commission has neither foreseen this expenditure in the budget of the Joint Undertakings nor formally requested the payments; calls on the Commission to take steps to avoid similar issues in the future;
16. Notes that the follow up on the Court's 2020 recommendation regarding the use of interim staff is still outstanding; calls on the Joint Undertaking to address the issue as soon as possible as this situation creates instability and significant risks for the Joint Undertaking; notes that the implementation of the Joint Undertaking's research and innovation agenda cannot be realized with this level of statutory staffing;

Internal control

17. Notes that, for Horizon 2020 payments, the Common Audit Service of the Commission's Directorate-General for Research and Innovation is responsible for the *ex post* audits, notes that based on the *ex post* audit results available at the end of 2021, the Joint Undertaking reported a representative error rate of 1,8 % (compared to 1,60 % in 2020) and a residual error rate of 1,0 % (compared to 0,91 % in 2020) for Horizon 2020 projects (clearings and final payments);
18. Notes that to assess the operational payment controls of the Joint Undertaking, the Court audited randomly sampled Horizon 2020 payments made in 2021, at the level of the final beneficiaries, to corroborate the *ex post* audit error rates; deplores that, in one case, the Court found and quantified a systemic error related to the incorrect calculation of the hourly rates for personnel costs;
19. Emphasises that the Court's finding confirmed persistent systemic errors for declared personnel costs and that, in particular, SMEs and new beneficiaries are more error-prone than other beneficiaries; highlights that these errors are also regularly reported in the Court's previous annual reports since 2017; emphasises therefore that streamlining of the Horizon 2020 rules for the declaration of personnel costs and wider use of simplified cost options is a precondition to stabilise error rates to below materiality level; emphasises that Joint Undertaking should strengthen its internal control systems to address the increased risk regarding SMEs and new beneficiaries and strongly encourage the use of the Personnel Costs Wizard by certain categories of beneficiaries that are more prone to errors, such as SMEs and new beneficiaries; welcomes the fact that in 2022 all Joint Undertakings started implementing actions for error rate reductions in line with the action proposed by the Court, including exploring the options of simplified forms of costs such as unit costs, lump sums and flat rates;

20. Is deeply concerned that, in 2021, important documents (for example, evaluation committee members' declarations of absence of conflicts of interest; procurement evaluation reports; recruitment evaluation reports; decisions on recruitment selection boards; procurement award decisions, and employment contracts) were authorised by copying and pasting an image of the signature of the responsible authorising officer into the document in Word format and then converting the file into PDF format; agrees with the Court observation that this practice may present legal risks, as a rejected candidate may challenge the regularity of the signed evaluation documents; calls on the Joint Undertaking to immediately stop this practice and to opt for a secure authorisation method;
21. Notes that there is no harmonised definition of 'administrative costs' among the Joint Undertakings, which is a basis for calculating the financial contributions of its members and a precondition for the purpose of comparable figures; with this in mind, calls for common guidelines for all Joint Undertakings to take a harmonised approach for the classification of certain administrative cost expenditure categories, such as expenditure for consultations, studies, analysis, evaluations, and technical assistance;
22. Welcomes the introduction of the digital signature; encourages the Undertaking to work towards further digitalisation;

Internal audit

23. Notes, from the Annual Activity Report, that the internal audit functions of the Joint Undertaking were carried out in 2021 by the Internal Audit Service of the Commission (IAS) and by the Internal Audit Officer of the Clean Aviation Joint Undertaking (IAO) according to Article 28 and Article 29 of the Financial Regulation;
24. Notes that, in 2021, the IAS did not carry out a new assurance audit; notes that several follow-up audits were performed on previous recommendations; notes that the follow-up of the Audit on Horizon 2020 grant implementation (final report of 22 October 2020), started in April 2021; notes that the IAS concluded in June 2021 that the three recommendations had been adequately and effectively implemented by the Joint Undertaking and were therefore considered closed;
25. Notes that the follow-up of the Audit on Performance Management (final report of 20 November 2017), started in July 2021; notes that the concerned recommendation related to Monitoring and Reporting on the Performance of Horizon 2020 Projects; notes that the action plan consisted of three sub-actions which addressed weaknesses in the Joint Undertaking's monitoring process regarding the contribution of the Clean Sky 2 projects of partners to the High Level Objectives of Clean Sky 2; notes that, following the implementation process of the actions, the Joint Undertaking has proposed the recommendations to the IAS in several steps as ready for closure, the last update being provided in May 2021; notes that, in a specific note for the Clean Aviation Joint Undertaking concerning the year 2021, the IAS concluded that the recommendations are considered implemented;
26. Notes that the follow-up Audit on Performance Management (final report issued on 20 November 2017) and on the Horizon 2020 Grant Process (from the identification of the call topics to the signature of the grant agreement) (final report issued on 15 November 2016), started in January 2022; notes that the two recommendations concerning the update of the Joint Undertaking's internal procedure descriptions, such as the Management Manual and the Quality Manual, in the light of the current Horizon 2020 processes have been implemented by the Joint Undertaking in several steps and has been proposed to the IAS for final closure in November 2021; notes that in its annual report for the Clean Aviation Joint Undertaking concerning the year 2021, the IAS concluded that the recommendations are considered to have been implemented;

Prevention of fraud and conflicts of interest

27. Welcomes the fact that, in 2021, the Joint Undertaking continued to apply the decisions adopted by the Governing Board regarding the rules on the prevention and management of conflicts of interest applicable to the bodies of the Joint Undertaking and to the members of staff of the Joint Undertaking and that the related processes, for instance

concerning Members of the Joint Undertaking's Governing Board, experts of evaluation procedures, panels for procurement and recruitment, applied consistently the required precautionary measures to identify potential conflicts of interest; underlines that a Joint Undertaking policy on sensitive functions has been drafted based on a dedicated risk assessment and will be finalised in the year 2022;

28. Points out that, according to an assessment of the Court, the risk of fraudulent bankruptcies or other fraudulent behaviours to escape the financial problems and supply restrictions needs to be considered in the context of the COVID-19 pandemic as an additional threat for legality and regularity; appreciates that the Joint Undertaking has established a specific risk-based sample of *ex post* audits to cover the stratum in the Joint Undertaking population of Grant Agreement for Partners (GAP) projects, which indicate a certain exposure to COVID-19 constraints as described by the Court, like financial weaknesses, operational delays, high personal costs as compared to average;
 29. Deplores that, in the year 2021, OLAF issued the conclusions and its reports regarding two cases pertaining to grants of Clean Sky 1 and Clean Sky 2 and that the alleged fraud was confirmed in both cases;
 30. Notes that the recommendations of OLAF in both cases focus on measures to be taken by the Joint Undertaking to recover the funding and to consider flagging the entity and the person in the EC systems (Exclusion Database); notes that the Joint Undertaking has completed the litigation case before the General Court pertaining to the case in Italy (lodged in 2018) and will try to execute the General Court judgement at national level; notes that with regard to the Belgian case, the Joint Undertaking had registered its financial claims with the liquidator already in 2017, based on the OLAF report and confirmation of fraud, and that the Joint Undertaking is analysing what judicial action may be taken at national level.
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DECISION (EU) 2023/1952 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the Clean Aviation Joint Undertaking (before 30 November 2021
the Clean Sky 2 Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Aviation Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0108/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Transport and Tourism,
- having regard to the report of the Committee on Budgetary Control (A9-0078/2023),

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 77.

⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

1. Approves the closure of the accounts of the Clean Aviation Joint Undertaking for the financial year 2021;
2. Instructs its President to forward this decision to the Executive Director of the Clean Aviation 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

DECISION (EU) 2023/1953 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the Key Digital Technologies Joint Undertaking – KDT JU (before 30 November 2021 the ECSEL Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Key Digital Technologies Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0109/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0082/2023),

1. Grants the Executive Director of the Key Digital Technologies Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2021;
2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 152.

⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Key Digital Technologies 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1954 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Key Digital Technologies Joint Undertaking (KDT JU) (before 30 November 2021 the ECSEL Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Key Digital Technologies Joint Undertaking for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0082/2023),
- A. whereas the Electronic Components and Systems for European Leadership Joint Undertaking (ECSEL), was established under the Horizon 2020 programme on 6 May 2014 by Council Regulation (EU) No 561/2014 ⁽¹⁾, which entered into force on 27 June 2014, for a period until 31 December 2024; whereas ECSEL replaced and succeeded the ENIAC Joint Undertaking (ENIAC) and the ARTEMIS Joint Undertaking (ARTEMIS), which were wound up on 26 June 2014; whereas in November 2021, the Key Digital Technologies Joint Undertaking (the 'KDT Joint Undertaking') was established under the Horizon Europe programme by Council Regulation (EU) 2021/2085 ⁽²⁾ to replace ECSEL, for the period ending on 31 December 2031;
- B. whereas the KDT Joint Undertaking is a public-private partnership managing a research and innovation programme aiming to reinforce the Unions strategic autonomy in the electronic components and systems sector; whereas the KDT Joint Undertaking should address clearly defined topics that would enable Union industries at large to design, manufacture and use the most innovative technologies in electronic components and systems;
- C. whereas the members of the KDT Joint Undertaking are the Union, represented by the Commission, the Participating States, and three industry associations, namely the European Association on Smart System Integration, the Association for European Nano Electronics Activities, and the Inside Industry Association, representing stakeholders in microelectronics and nanoelectronics, smart integrated systems and embedded/cyber-physical systems;
- D. whereas the Union financial contribution to the KDT Joint Undertaking, including EEA appropriations, to cover administrative costs and operational costs is up to EUR 1,8 billion, including up to EUR 26,331 million for administrative costs; whereas the private members of the KDT Joint Undertaking are to make or arrange for their constituent or affiliated entities to make contributions of at least EUR 2,5 billion to the KDT Joint Undertaking; whereas the private members are to make or arrange for their constituent and affiliated entities to make a financial contribution of up to EUR 26,331 million for administrative costs of the KDT Joint Undertaking for the 10-year period;

General

1. Welcomes the Council general approach on the proposal for a Regulation of the European Parliament and of the Council establishing a framework of measures for strengthening Europe's semiconductor ecosystem (the 'Chips Act');

⁽¹⁾ Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking (OJ L 169, 7.6.2014, p. 152).

⁽²⁾ Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 (OJ L 427, 30.11.2021, p. 17).

2. Acknowledges that Horizon Europe programme envisages ambitious goals for the KDT Joint Undertaking, that can be achieved only if effective solutions that address the weaknesses in the internal control systems and prepare for the future challenges arising from increased responsibilities, for example in the area of human resources management and planning, are designed and implemented; points out, in this context, that particularly complicated and burdensome calculations and reporting requirements represent a significant risk of error and calls therefore on the KDT Joint Undertaking to explore the possibilities of simplifications wherever possible and that are compatible with the existing legal framework;
3. Notes that there is no harmonised definition of administrative costs among the joint undertakings that is a basis for calculating the financial contributions of its members and a precondition for comparability; calls, with this in mind, for common guidelines for all joint undertakings to take a harmonised approach for the classification of certain administrative cost expenditure categories, such as expenditure for consultations, studies, analyses, evaluations, and technical assistance;

Budgetary and financial management

4. Welcomes the fact that the annual accounts of the KDT Joint Undertaking present fairly, in all material respects, the financial position of the KDT Joint Undertaking on 31 December 2021, the results of its operations, its cash flows and the changes in net assets for that year, in accordance with its financial regulation and with account rules adopted by the Commission's accounting officer and that the underlying transactions to the accounts are legal and regular in all material respects;
5. Notes that the KDT Joint Undertaking's total available budget for the year 2021, which includes re-entered unused appropriations of previous years, assigned revenues and reallocations to the following year, included EUR 218,3 million for commitment and EUR 199,3 million for payment appropriations, and that the implementation rate was 99,4 % (compared to 99,59 % in 2020) for commitment appropriations and 84 % (compared to 88,63 % in 2020) for payment appropriations;
6. Notes from the report of the Court of Auditors (the 'Court's report') that, at the end of 2021, the KDT Joint Undertaking financially closed the on-going Seventh Framework Programme for Research projects; notes that, based on the total costs of signed Seventh Framework Programme for Research activities and the actual payments made by the KDT Joint Undertaking and the predecessors of the KDT Joint Undertaking, namely, ENIAC, ARTEMIS and ECSEL, for the co-financing of these activities, the final contributions of the members are estimated at EUR 564,3 million for the Union, at EUR 812,5 million for Participating States and at EUR 2 202,4 million in-kind contributions for private members;
7. Notes that, at the end of 2021, the KDT Joint Undertaking had fully committed EUR 1 170 million of the maximum EU contribution for signed Horizon 2020 grant agreements; notes that of this amount, around EUR 190,3 million (16,6 %) remains to be paid in the coming years;
8. Notes the 85 % implementation rate for the KDT Joint Undertaking's 2021 payment budget available for Horizon 2020 projects; notes that the KDT Joint Undertaking had almost no 2021 operational commitment appropriations as it finished its last call for proposal by the end of 2020;
9. Notes from the Court's report that, at the end of 2021, the private members' potential final in-kind contributions for operational Horizon 2020 activities were estimated at EUR 1 594,2 million; notes that the KDT Joint Undertaking can calculate and validate only the actual amount of the private members' in-kind contributions once all payments have been made by both the KDT Joint Undertaking and the Participating States and all end-of-project certificates and related information have been received; notes, in this context and given that at the end of 2021 only a limited number of Horizon 2020 projects had been finalised, that the validated industry in-kind contributions amounted to EUR 300,6 million; notes that at the end of 2021, the cumulative estimated and (not yet validated) in-kind contributions from private members amounted to EUR 968,2 million, based on a *pro-rata temporis* methodology adopted by the KDT Joint Undertaking's governing board;

10. Notes that at the end of 2021, the Participating States signed contractual commitments amounting to EUR 1 106,2 million and declared total financial contributions of EUR 450,2 million, which they paid directly to the national beneficiaries of the Horizon 2020 projects they supported; notes that the difference between the amount of Participating States' financial contribution and the Union's financial contribution of EUR 1 058,1 million at the end of 2021 is due to the fact that most Participating States only recognise and report their costs to the KDT Joint Undertaking on completion of the Horizon 2020 projects they support;

Procurement and staff

11. Notes that procurement and contracts are managed in accordance with the provisions of the KDT Joint Undertaking's financial regulation and coordinated within the KDT Joint Undertaking's administration and finance team;
12. Notes that the KDT Joint Undertaking, in order to reach its objectives and adequately support its operations and infrastructure, allocated funds to procure the necessary services and supplies; notes that in the context of sound financial management and efficiency, the KDT Joint Undertaking made to the largest possible extent use of the various Service Level Agreements already concluded with relevant Commission services, as well as its private members and made use of inter-institutional framework contracts (for example, IT services and equipment, interim staff services, external audit services); notes that given the sanitary context due to the COVID-19 pandemic and the restrictions imposed, substantially all meetings and events were held remotely and only a very few missions took place in the last quarter of 2021 and as a result, in 2021, the KDT Joint Undertaking ran very few procurement procedures, essentially for low value contracts;
13. Notes that, in May 2021, two negotiated procedures for very low value were launched for the award of two contracts for the logistical support and the creation of videos in the context of the organisation of the digital version of 'ECSEL Joint Undertaking Symposium 2021' and in September 2021, ECSEL launched a negotiated procedure for a low value contract related to the organisation of a high-level seminar;
14. Notes from the Court's report that, on 31 December 2021, the KDT Joint Undertaking employed 29 staff, which included temporary agents, contract agents and seconded national experts; notes, from the annual activity report that, in 2021, ECSEL recruited two contractual agents for the posts of financial/administrative assistant (left vacant after former staff departures); notes that the recruitment was finalised in the fourth quarter of 2021; notes that two temporary agents went on retirement and that one has already been successfully replaced;
15. Notes with concern that during the period from 2018 to 2021 the average annual rate of interim staff for all joint undertakings remained high at around 11 % of statutory staff; recalls that the high ratio of contractual staff tends to increase significantly the KDT Joint Undertaking's staff turnover rate and further destabilises the staffing situation; emphasises, moreover, that the use of interim staff should remain a temporary solution or it could negatively affect the Joint Undertaking's overall performance, such as the retention of key competences, unclear accountability channels, possible judicial disputes and lower staff efficiency;
16. Notes from the Court's report that with the Commission's proposal ⁽³⁾ to amend Regulation (EU) 2021/2085, the KDT Joint Undertaking will be transformed into the future Chips Joint Undertaking, with a new remit related to the implementation of the 'Chips for Europe Initiative' under the Multiannual Financial Framework (MFF) 2021-2027; welcomes, in this context, that the KDT Joint Undertaking will support the development of innovative next-generation semiconductor technologies that should reinforce the Union's chip-production capability; notes that, according to this proposal, the KDT Joint Undertaking will implement projects of about EUR 10,9 billion under the

⁽³⁾ Proposal for a Council Regulation amending Regulation (EU) 2021/2085 establishing the Joint Undertakings under Horizon Europe, as regards the Chips Joint Undertaking, COM(2022) 47 of 8.2.2022.

MFF 2021-2027 and should recruit an additional 19 members of staff to achieve the planned 50 statutory staff by 2025; is concerned that, as the KDT Joint Undertaking had only 29 members of staff (13 temporary members of staff and 16 contractual members of staff) at the end of 2021, it may face considerable human resources challenges in managing these new recruitments, in addition to the new administrative and operational processes yet to be established;

17. Notes that based on the 2021 annual activity report, in terms of gender balance, that the number of female experts for reviews in the KDT Joint Undertaking increased compared to the previous year, both in percentage and absolute figures; regrets that the percentage rate with 19,4 % is still low and calls for increased efforts in terms of gender balance;
18. Notes that the part of the employers' contributions for the staff of the joint undertakings corresponding to the ratio of their third-country subsidised revenues to their total revenues, has not been paid by the joint undertakings to the Union pension scheme since 2016, as the Commission has neither provided for this expenditure in the budget of the joint undertakings nor formally requested the payments; calls on the Commission to take steps to avoid similar issues in the future;

Internal control

19. Notes from the Court's report that administrative agreements concluded by ENIAC and ARTEMIS with the National Funding Authorities (NFAs) continue to apply following their merger to form ECSEL; notes that, under those agreements, ENIAC's and ARTEMIS's *ex post* audit strategies relied heavily on the NFAs to audit project cost claims; regrets that the significant variation in the methodologies and procedures used by the NFAs does not allow the ECSEL Joint Undertaking to calculate a single reliable weighted error rate or a residual error rate for the Seventh Framework Programme for Research payments and that as ECSEL's total payments in 2021 to close the remaining Seventh Framework Programme for Research projects only amounted to EUR 0,6 million, or 0,4 % of the total operational payments, they did not represent a risk of material errors in 2021;
20. Notes, from the annual activity report, that for Horizon 2020 payments, the common audit service of the Commission's Directorate-General for Research and Innovation carries out the *ex post* audits; deplores that based on its audit results at the end of 2021, the KDT Joint Undertaking reported a representative error rate for Horizon 2020 of 2,2 % (compared to 2,68 % in 2020) and a residual error rate of 1,2 % (compared to 1,25 % in 2020);
21. Notes that, to assess the operational payment controls of the KDT Joint Undertaking, the Court of Auditors (the 'Court') audited randomly sampled Horizon 2020 payments made in 2021, at the level of the final beneficiaries, to corroborate the *ex post* audit error rates (regarding the grant payment transactions tested at the beneficiaries, the reporting threshold for quantifiable errors is 1 % of the audited costs); regrets that, in two cases, the Court found and quantified errors resulting from personnel costs having been over claimed;
22. Emphasises that the Court's findings confirmed persistent systemic errors for declared personnel costs and that in particular, small and medium-sized enterprises (SMEs) and new beneficiaries are more error-prone than other beneficiaries, highlights that these errors are also regularly reported in Court's previous annual reports since 2017; emphasises therefore that streamlining of the Horizon 2020 rules for the declaration of personnel costs and wider use of simplified cost options is a precondition to stabilise error rates to below materiality level; emphasises that KDT Joint Undertaking should strengthen its internal control systems to address the increased risk regarding SMEs and new beneficiaries and strongly encourage the use of the Personnel Costs Wizard by certain categories of beneficiaries that are more prone to errors, such as SMEs and new beneficiaries; welcomes that in 2022 all joint undertakings have started implementing actions for error rate reductions in line with the action proposed by the Court including exploring the options of simplified forms of costs such as unit costs, lump sums and flat rates;

23. Notes from the annual activity report that, in 2021, ECSEL has assessed the effectiveness of its internal control systems based on the revised framework; notes that the overall objective of the self-assessment exercise was to understand if all principles were present and functioning; notes that the exercise was based mainly on the self-assessment of monitoring indicators and analysis of reports by the internal audit service, the Court and external auditors and supported with other evidence, such as the register of exceptions, the risk assessment exercise, follow up of actions, recommendations, findings, and discussions with management on the activities and objectives of ECSEL;
24. Welcomes the fact that ECSEL has assessed the internal control system during the reporting year and has concluded that it is effective and that the components and principles are present and functioning as intended;

Internal audit

25. Notes that the Commission's internal audit service performs the role of internal auditor of the KDT Joint Undertaking, as specified in Article 28 of the its financial regulation; notes that in October 2021, the ECSEL Executive Director informed the internal auditors on the latest important developments at ECSEL and the results of the latest risk assessment exercise;

The new centralised system to manage Participating States' financial contributions

26. Notes from the Court's report, that, based on the Horizon Europe Framework Regulation and Regulation (EU) 2021/2085, the KDT Joint Undertaking is obliged to introduce a new centralised management process, the Central Management of Financial Contributions (CMFC) system, to manage the financial contributions of its Participating States;
 27. Notes that under the planned CMFC system, each Participating State can opt to pay to the KDT Joint Undertaking its respective financial contributions at project level for beneficiaries established in its state; notes that during this process, each Participating State also has a right of veto on all issues concerning the use of its own national financial contributions, paid to the KDT Joint Undertaking for applicants established in its state, in line with Union's financial and competition rules; notes that this allows a Participating State to decide, on the basis of national strategic priorities, whether or not to support a national beneficiary of a selected and approved research and innovation project;
 28. Notes, in addition, that the KDT Joint Undertaking will have to execute the co-financing payments for all Participating States that choose to entrust the KDT Joint Undertaking with their financial contributions; notes that it will have to manage and monitor two alternative processes of supporting administrative agreements with Participating States; notes that each Participating State's NFA has to sign an administrative agreement with the KDT Joint Undertaking, to either entrust it with the payment of national contributions, or to coordinate national transfer of funds agreements for the payments to beneficiaries and reporting on contributions;
 29. Notes the Court's concern with the fact that the KDT Joint Undertaking's additional resource needs for implementing the planned CMFC system was neither assessed by the Commission nor included in the KDT Joint Undertaking's initial staff resource estimates for the implementation of the Horizon Europe programme; agrees with the Court that this lack of planning in the introduction of the CMFC system combined with the staff situation, and the lack of IT tools and support may negatively affect the implementation of the KDT Joint Undertaking's programmes and the achievement of the other members' contributions and that if the CMFC must be managed manually, this will be human resource intensive; calls on the KDT Joint undertaking and Commission to report back to the discharge authority on further developments.
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DECISION (EU) 2023/1955 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the Key Digital Technologies Joint Undertaking – KDT JU (before 30 November 2021 the ECSEL Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Key Digital Technologies Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0109/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0082/2023),

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 152.

⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

1. Approves the closure of the accounts of the Key Digital Technologies Joint Undertaking for the financial year 2021;
2. Instructs its President to forward this decision to the Executive Director of the Key Digital Technologies 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCETTI

DECISION (EU) 2023/1956 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the Clean Hydrogen Joint Undertaking (before 30 November 2021 the Fuel Cells and Hydrogen 2 Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Hydrogen Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0112/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0083/2023),

1. Grants the Executive Director of the Clean Hydrogen Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2021;
2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 108.

⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Clean Hydrogen 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1957 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Clean Hydrogen Joint Undertaking (before 30 November 2021 the Fuel Cells and Hydrogen 2 Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Clean Hydrogen Joint Undertaking for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0083/2023),
- A. whereas the Fuel Cells and Hydrogen Joint Undertaking (the 'FCH Joint Undertaking'), was set up for the period up to 31 December 2017 in May 2008 under the Seventh Research Framework Programme by Council Regulation (EC) No 521/2008 ⁽¹⁾; whereas in May 2014, the Council adopted Regulation (EU) No 559/2014 ⁽²⁾, extending the lifetime of the Joint Undertaking under the Horizon 2020 programme for a period until 31 December 2024 (the 'FCH 2 Joint Undertaking'); whereas in November 2021, the Clean Hydrogen Joint Undertaking (the 'Clean H2 Joint Undertaking') was established by Council Regulation (EU) 2021/2085 ⁽³⁾ to replace the FCH 2 Joint Undertaking, under the Horizon Europe programme for the period ending on 31 December 2031;
- B. whereas the Clean H2 Joint Undertaking is a public-private partnership in the field of hydrogen and fuel cells technology research and innovation and its founding members are the Union, represented by the Commission, the Industry Grouping (Hydrogen Europe) and the Research Grouping (Hydrogen Europe Research);
- C. whereas the Union financial contribution to the Clean H2 Joint Undertaking, including EEA appropriations, to cover administrative and operational costs is to be up to EUR 1 billion, including up to EUR 30,193 million for administrative costs;
- D. whereas the members of the Clean H2 Joint Undertaking other than the Union are to make or arrange for their constituent or affiliated entities to make a total contribution of at least EUR 1 billion, including up to EUR 30,193 million for administrative costs, over the 10-year period as set out in Regulation (EU) 2021/2085;
- E. whereas the overall objective of the Clean H2 Joint Undertaking is to support research and innovation activities in the Union in clean hydrogen solutions and technologies, under the Union's new funding programme for research and innovation Horizon Europe;

Budget and financial management

1. Welcomes the fact that the Court of Auditors' report on the annual accounts (the 'Court's report') of the Clean H2 Joint Undertaking finds the 2021 annual accounts to present fairly, in all material respects, the financial position of the Clean H2 Joint Undertaking on 31 December 2021, 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 account rules adopted by the Commission's accounting officer and that the underlying transactions to the accounts are legal and regular in all material respects;

⁽¹⁾ Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking (OJ L 153, 12.6.2008, p. 1).

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

⁽³⁾ Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 (OJ L 427, 30.11.2021, p. 17).

2. Acknowledges that Horizon Europe envisages ambitious goals for the Clean H2 Joint Undertaking, that can be achieved only if effective solutions that address the weaknesses in the internal control systems and prepare for the future challenges arising from increased responsibilities, for example, in the area of human resources management and planning, are designed and implemented; points out, in this context, that particularly complicated and burdensome calculations and reporting requirements represent a significant risk of error and calls therefore, to explore the possibilities of simplifications wherever possible and compatible with the existing legal framework;
3. Notes that the Clean H2 Joint Undertaking final available budget, which includes re-entered unused appropriations of previous years, assigned revenues and reallocations to the next year, for the financial year 2021 included commitment appropriations of EUR 15,8 million (compared to EUR 104,2 million in 2020) and payment appropriations of EUR 56,2 million (compared to EUR 103,8 million in 2020); notes that the overall 2021 budget execution of commitment and payment appropriations reached 97 % (compared to 94 % in 2020) and 87 % (compared to 95 % in 2020) respectively;
4. Notes that compared to 2020, the 2021 appropriations decreased by 85 % in terms of commitments and by 44 % in terms of payments; notes that the decrease in the 2021 budget was due to the lack of calls launched in 2021; underlines that no pre-financing was planned for 2021;
5. Notes that, at the end of 2021, out of the maximum contribution of EUR 470 million, as provided for in Regulation (EU) 2021/2085 and decisions adopted pursuant thereto, the Union contributed a total of EUR 426,5 million in cash and in-kind from the Seventh Research Framework Programme and the members of the Industry and Research Groupings contributed a total of validated resources of EUR 466 million, comprising EUR 443,9 million in-kind contributions in the Seventh Research Framework Programme projects;
6. Notes, from the Court's report, that, at the end of 2021, the Clean H2 Joint undertaking had committed EUR 425,5 million (95 %) of EUR 450 million of the maximum Union contribution for signed Seventh Research Framework Programme grants agreements of which around EUR 3 million (0,7 %) remains to be paid in the coming years; notes that private members provided in-kind contributions at the same level; notes that the implementation rate for the Clean H2 Joint Undertaking's 2021 payment budget available for Seventh Research Framework Programme projects was 97,8 % (compared to 89 % in 2020) and that in addition, that the Clean H2 Joint Undertaking had almost no 2021 operational commitment appropriations as it finished its last call for proposals by the end of 2014;
7. Notes that, at the end of 2021, the Union contributed a total of EUR 545,5 million from Horizon 2020 and that the private members contributed a total of EUR 50 million in cash and validated in-kind contributions, comprising EUR 38,6 million in in-kind contributions in the Clean H2 Joint Undertaking's Horizon 2020 projects;
8. Notes from the Court's report that the level of validated private members' in-kind contributions for operational activities of EUR 38,6 million, is due to the fact that the Clear H2 Joint Undertaking certifies them later in the Horizon 2020 programme, when the final payment for the projects is made and the certificates of financial statement are due; is pleased that the private members contributed a total of EUR 1 039 million in-kind to additional activities as at the end of 2021, significantly more than the minimum EUR 285 million as provided for in Regulation (EU) 2021/2085 for the entire duration of the Horizon 2020;
9. Notes that, at the end of 2021, the Clean H2 Joint Undertaking had committed EUR 646 million of the maximum Union contribution for signed Horizon 2020 grant agreements and contracts, of which, around EUR 112,6 million (17,8 %) remains to be paid in the coming years; notes, moreover, that the private members had legally committed to provide in-kind contributions of EUR 158,3 million;
10. Notes that the implementation rate for the Clean H2 Joint Undertaking's 2021 commitment and payment budget available for Horizon 2020 projects was 98 % and 87,8 % respectively (compared to 97 % in 2020);

11. Notes that there is no harmonised definition of administrative costs among the joint undertakings, which is a basis for calculating the financial contributions of their members and a precondition for rendering such costs comparable; calls with this in mind for common guidelines for all joint undertakings to take a harmonised approach for the classification of certain administrative cost expenditure categories, such as expenditure for consultations, studies, analyses, evaluations, and technical assistance;

Procurement and staff

12. Welcomes the fact that the management of tenders and contracts has been simplified as far as possible by following the interinstitutional procurement procedures launched by the Commission and using the resulting multiannual framework contracts; notes that the Clean H2 Joint Undertaking cooperates with other Joint undertakings on tendering needs in order to minimise the administrative effort; notes that, as in previous years, most of the Clean H2 Joint Undertaking's contracting was carried out under existing multiannual framework contracts, except mainly for operational procurement activities;
13. Notes that, in terms of volume, the operational procurement activities, IT services and the organisation of the European Hydrogen Week for 2021 were the contracts with the highest value and that launching and publishing a call for tender, and receiving and opening of tenders have been simplified by using eTendering, eNotices and eSubmission modules; notes that the latter enables the automatic registration of tenders with the European Commission's document management IT system; notes that the Clean H2 Joint Undertaking is using the latest version of eSubmission and thus the publication, submission and reception of offers and opening stages are now fully digital;
14. Appreciates the Clean H2 Joint Undertaking's use of EU Sign, a software solution provided by the Commission's Directorate-General of Informatics, which allows a qualified electronic signature (QES) to be applied to documents; notes that the programme office (PO) now applies a QES on its contracts, which facilitates business processes by significantly reducing the time and cost of signing a contract in blue ink and moreover, that QESs, if applied using EU Sign, are legally binding, as they are compliant with Regulation (EU) No 910/2014 of the European Parliament and of the Council ⁽⁴⁾ for electronic transactions within the Union's internal market and provides a higher level of technical security;
15. Notes that on 31 December 2021, the Clean H2 Joint Undertaking had 23 temporary agents, two contract agents and two seconded national experts;
16. Notes from the annual activity report 2021 that in terms of gender balance, the members of staff were 44 % female and 56 % male, with one-third of management positions held by women and two thirds by men; encourages the Clean H2 Joint Undertaking to further improve the gender balance; regrets the fact that the percentage of female project coordinators working, under Horizon 2020, in Commission advisory groups, expert groups, evaluation panels, individual experts, etc. does not exceed 33 %;
17. Notes with concern that during the period from 2018 to 2021 the average annual rate of interim members of staff for all joint undertakings remained high at around 11 % of statutory members of staff; recalls that the high ratio of contractual members of staff tends to increase significantly the Clean H2 Joint Undertaking's staff turnover rate and further destabilises the staffing situation; emphasises, moreover, that the use of interim members of staff should remain a temporary solution or it could negatively affect the Clean H2 Joint Undertaking's overall performance, such as the retention of key competences, unclear accountability channels, possible judicial disputes and lower staff efficiency;

⁽⁴⁾ Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73).

18. Notes that the part of the employers' contributions for the members of staff of the joint undertakings corresponding to the ratio of their third-country subsidised revenues to their total revenues, has not been paid by the joint undertakings to the Union pension scheme since 2016, as the Commission has neither provided for this expenditure in the budget of the joint undertakings nor formally requested the payments; calls for the Commission to take steps to avoid similar issues in the future;
19. Notes that, in 2021, joint IT sessions were organised together with the other joint undertakings with the main purpose of preparing for the switch to Office 365, SharePoint and OneDrive;
20. Notes, from the annual activity report that during the COVID-19 pandemic, members of staff took time to participate in online training in order to expand their knowledge related to their jobs, notes that participation in training was highly encouraged to keep members of staff motivated and connected with others during the lockdown;
21. Notes that, in February 2021, the FCH 2 Joint Undertaking on-boarded Sysper, and that throughout the year new modules were added; appreciates, moreover the use of the Mission Processing System and the feature for members of staff evaluations and promotions is expected; supports the use of the new recruitment tool, Systal, that was rolled out to the FCH 2 Joint Undertaking in November 2021, and the next recruitment will be done using this system and is of the opinion that such tools can help to support the necessary recruitment of highly skilled workers;

Internal audit

22. Notes, from the annual activity report, that the internal audit is carried out in accordance with Article 20 of the Clean H2 Joint Undertaking's financial regulation;
23. Highlights that, in 2021, the internal audit service (IAS) accepted an action plan developed by the FCH 2 Joint Undertaking to address two important recommendations stemming from the IAS audit on Horizon 2020 grant implementation in the FCH 2 Joint Undertaking and concluded that the action plan is adequate to mitigate the risks identified;
24. Notes that, in 2021, in line with the agreed action plan, the FCH 2 Joint Undertaking formalised the current monitoring practices regarding risks and complexity of the grant agreements and developed internal guidance for monitoring dissemination and exploitation of the Horizon 2020 project results; notes that, by the end of 2021, the FCH 2 Joint Undertaking considered all action plans fully implemented;

Internal control

25. Notes, from the Court's report, that for Seventh Research Framework Programme interim and final payments, the Clean H2 Joint Undertaking performs *ex post* audits at the beneficiaries, whilst for Horizon 2020 payments, the common audit service of the Commission's Directorate-General for Research and Innovation is responsible for the *ex post* audits; notes that, based on the *ex post* audit results available at the end of 2021, the Clean H2 Joint Undertaking reported a representative error of 2,0 % (compared to 1,97 % in 2020) and a residual error rate of 1,0 % (compared to 1,01 % for 2020) for its Seventh Research Framework Programme projects, and a representative error rate of 2,16 % (same as 2020) and a residual error rate of 1,3 % (compared to 1,34 % for 2020) for Horizon 2020 projects (clearings and payments);
26. Notes that, to assess the operational payment controls of the Clean H2 Joint Undertaking, the Court of Auditors (the 'Court') audited randomly sampled Horizon 2020 payments made in 2021, at the level of the final beneficiaries, to corroborate the *ex post* audit error rates (regarding the grant payment transactions tested at the beneficiaries, the reporting threshold for quantifiable errors is 1 % of the audited costs); regrets the fact that, in one case, the Court found and quantified an error resulting from personnel costs having been over claimed due to a clerical mistake, and in another case, a systemic non-quantifiable control weakness related to the absence of the beneficiary's validation procedure for the worked hours on the project;

27. Notes, from the annual activity report, because of persistent systemic errors in declared personnel costs, particularly on the part of small and medium-sized enterprises (SMEs) and new beneficiaries (who are more error-prone than other beneficiaries), the Clean H2 Joint Undertaking had already strengthened its internal control to address the increased risk regarding SMEs and new beneficiaries; notes that these measures were evident for the first time in 2021 and contributed to significantly lowering the representative error rate from SMEs and new beneficiaries in the last two years; welcomes the positive results in terms of reduced error rates and the willingness of the Clean H2 Joint Undertaking to continue with the reinforced risk-based controls in 2022, with aid of the reinforced monitoring tool available in the corporate COMPASS/SyGMA system for Horizon 2020 grants management;
28. Emphasises, furthermore, that streamlining of the Horizon 2020 rules for the declaration of personnel costs and wider use of simplified cost options is a precondition to stabilise error rates to below materiality level; welcomes the fact that in 2022 all joint undertakings have started implementing actions for error rate reductions in line with the action proposed by the Court including exploring the options of simplified forms of costs such as unit costs, lump sums and flat rates;
29. Notes, from the Court's report that for Clean H2 Joint Undertaking the follow-up of all previous years' observations was completed because of the Clean H2 Joint Undertakings' corrective actions taken during 2021;

Prevention and management of conflicts of interest, and anti-fraud strategy

30. Welcomes the fact that conflicts of interest procedures were in place for the members of both the FCH 2 Joint Undertaking Governing Board and the advisory bodies, and were renewed in December 2021 in the scope of newly adopted rules of procedures of the Governing Board for the Clean H2 Joint Undertaking and that, in addition, specific measures have been implemented for the prevention and management of conflicts of interest of experts in charge of the evaluation of grant applications and of the review of projects and tenders;
 31. Notes that the Clean H2 Joint Undertaking actively contributed to the development of the Horizon Europe control strategy (*ex ante* audit and fraud prevention) by participating in the dedicated working groups set up by the Common Implementation Centre and providing input;
 32. Is pleased that the Clean H2 Joint Undertaking also ensures the implementation of the research community's common anti-fraud strategy; welcomes the fact that the main actions derived from the strategy include the organisation of awareness-raising sessions within the Joint Undertaking and cooperation with the European Anti-Fraud Office in the case of risk-based audits conducted by the common audit service or outsourced contractors.
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DECISION (EU) 2023/1958 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the Clean Hydrogen Joint Undertaking (before 30 November 2021 the Fuel Cells and Hydrogen 2 Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Hydrogen Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0112/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0083/2023),

1. Approves the closure of the accounts of the Clean Hydrogen Joint Undertaking for the financial year 2021;

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 108.

⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

2. Instructs its President to forward this decision to the Executive Director of the Clean Hydrogen 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

DECISION (EU) 2023/1959 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the Innovative Health Initiative Joint Undertaking – IHI (before 30 November 2021 the Innovative Medicines Initiative 2 Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Innovative Health Initiative Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0113/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0069/2023),

1. Grants the Executive Director of the Innovative Health Initiative Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2021;
2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 54.

⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Innovative Health Initiative 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1960 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Innovative Health Initiative Joint Undertaking – IHI (before 30 November 2021 the Innovative Medicines Initiative 2 Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Innovative Health Initiative Joint Undertaking for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0069/2023),
- A. whereas, in November 2021, Council Regulation (EU) 2021/2085 ⁽¹⁾, setting up the Innovative Health Initiative (‘IHI’) Joint Undertaking to replace Innovative Medicines Initiative 2 (‘IMI2’) Joint Undertaking under the Horizon Europe programme for the period ending on 31 December 2031, was adopted;
- B. whereas the IHI Joint Undertaking is a public-private partnership for health research and innovation; whereas the goal of the IHI Joint Undertaking is to help create a Union-wide health research and innovation ecosystem that facilitates the translation of scientific knowledge into tangible innovations; whereas those innovations should cover prevention, diagnostics, treatment and disease management;
- C. whereas its founding members are the Union, represented by the Commission, the European Coordination Committee of the Radiological, Electromedical and Healthcare IT Industry, Advancing Healthcare, the European Federation of Pharmaceutical Industries and Associations including Vaccines Europe (EFPIA), the European Association for Bioindustries and MedTech Europe (the European trade association for the medical technology industry including diagnostics, medical devices and digital health); whereas the IHI Joint Undertaking follows a bipartite model, with the Commission and private members from industry and research represented on the governing board and contributing to the IHI Joint Undertaking’s operational activities;
- D. whereas the IHI Joint Undertaking’s total budget for the period 2021-2027 is EUR 2,4 billion, of which half comes from the Horizon Europe programme; whereas the Union financial contribution from Horizon Europe, including European Free Trade Association appropriations, will cover administrative costs and operational costs up to EUR 1,2 billion, including up to EUR 30,2 million for administrative costs; whereas, between 2021 and 2028, the Union will further contribute an amount of up to EUR 22,3 million to the administrative budget, representing the carryover from the IMI2 Joint Undertaking;

Budgetary and financial management

1. Welcomes the fact that, according to the report of the Court of Auditors (the ‘Court’s report’), the accounts of the IHI Joint Undertaking for the year ended in 31 December 2021 present fairly, in all material respects, the financial position of the IHI Joint Undertaking at 31 December 2021, the results of its operations, its cash flows, and the changes in its net assets for the year that ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission’s accounting officer; highlights, moreover, the fact that, according to the Court’s report, the transaction underlying the accounts are legal and regular in all material respects;

⁽¹⁾ Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 (OJ L 427, 30.11.2021, p. 17).

2. Notes that Horizon Europe envisages ambitious goals for the IHI Joint Undertaking, which can only be achieved if effective solutions that address the weaknesses in the internal control systems of the IHI Joint Undertaking and prepare for the future challenges arising from increased responsibilities, e.g. in the area of human resources management and planning, are designed and implemented; points out, in this context, that particularly complicated and burdensome calculations and reporting requirements represent a significant risk of error and calls, therefore, for the possibilities for simplification wherever possible and compatible with the existing legal framework to be explored;
3. Notes that the final IHI Joint Undertaking available budget for 2021, including unused appropriations of previous years, which the IHI Joint Undertaking re-entered in the budget of the current year, assigned revenues and reallocations to the next year was EUR 11,0 million in commitment appropriations and EUR 210,4 million in payment appropriations; notes that the budget execution of the commitment appropriations and the payment appropriations reached 75,91 % (98,66 % in 2020) and 95,39 % (97,08 % in 2020) respectively;
4. Notes that there is no harmonised definition of 'administrative costs' among the Joint Undertakings, which is a basis for calculating the financial contributions of its members and a precondition for the purpose of comparable figures; calls, with this in mind, for common guidelines to be adopted so that all Joint Undertakings take a harmonised approach for the classification of certain administrative cost expenditure categories, such as expenditure for consultations, studies, analyses, evaluations, and technical assistance;
5. Is concerned that the IHI Joint Undertaking's level of achievement of members' contribution targets is relatively low; notes, however, that this is due to the long project duration required by the nature of the IHI Joint Undertaking's research in the area of innovative health, and the scale of global consortia implementing projects; notes that the IHI Joint Undertaking still has to pay EUR 84,3 million for ongoing Seventh Framework Programme projects in the coming years;
6. Draws attention to the fact that the increasing number of ongoing projects from multiple Multiannual Financial Framework programmes being implemented simultaneously presents the risk that administrative resources needed for the efficient management of those funds may not be sufficient; is pleased that the follow-up on the 2020 discharge has led to actions addressing this issue and that the IHI Joint Undertaking will report on details of the process in the Consolidated Annual Activity Report for 2022;
7. Notes, as regards the IHI Joint Undertaking's operational obligations at the end of 2021, that the IHI Joint Undertaking had fully committed EUR 966 million of the maximum Union contribution for signed Seventh Framework Programme grant agreements, out of which around EUR 84,3 million (or 8,7 %) remains to be paid in the coming years; notes that private members provided in-kind contributions at the same level; notes that the implementation rate for the IHI Joint Undertaking's 2021 payment budget available for Seventh Framework Programme projects was 80 %; notes, moreover, that the IHI Joint Undertaking had almost no 2021 operational commitment appropriations, as it had finished its last call for proposals by the end of 2014;
8. Notes that, at the end of 2021, the IHI Joint Undertaking had committed EUR 1 452,1 million or 91 %, of EUR 1 595,4 million of the maximum Union contribution for signed Horizon 2020 grant agreements; notes that this was due to the fact that the 2019 call for proposals could not cover all topics planned and the Union budget had been reduced accordingly by decision of the governing board; notes that, of this committed amount, around EUR 616,8 million (or 42,5 %) remains to be paid in the coming years; notes, in addition, that the IHI Joint Undertaking's private members had legally committed to provide in-kind contributions of EUR 1 520,7 million;

9. Underlines the fact that the implementation rate for the IHI Joint Undertaking's 2021 payment budget available for Horizon 2020 projects was 97 % and that the IHI Joint Undertaking had almost no 2021 operational commitment appropriations, given that Council Regulation (EU) No 557/2014 ^(*) required that all commitments be made before the end of 2020, and Regulation (EU) 2021/2085 only came into force at the end of 2021, no calls were launched in 2021;

Performance

10. Notes, from the annual report, that in 2021 the completion of the IMI2 Joint Undertaking project portfolio, with the signature of the last 15 IMI2 Joint Undertaking project grant agreements, was achieved; notes that the 15 newly created projects have a total budget of EUR 413 million, with around half of that amount coming from the Union's Horizon 2020 programme and the rest coming from EFPIA contributions and IMI2 Joint Undertaking associated partners as well as other sources;
11. Notes with appreciation that the IHI Joint Undertaking's projects have generated 275 assets that completed a significant milestone during the project lifecycle (the target was 50); notes that those assets include, amongst others, tools, methodologies, processes, services, training materials; notes that examples of milestones are: key clinical trial phases, animal models, prototypes, commercialisation, patents and publications; notes, moreover, that industry participants in many of the IHI Joint Undertaking's projects are making use of new tools and processes generated by the projects, such as animal models, standards, biomarkers, standard operating procedures, use of screening platforms, and clinical trial networks;
12. Highlights the fact that, as regards visibility, the IHI Joint Undertaking continued to demonstrate Union added value through assertive communication to target audiences with emphasis on the openness, transparency, relevance, and coherence of the IHI Joint Undertaking's activities; notes that it continued to disseminate the project results and success stories by boosting the diversity of their output to include over 100 written articles in different styles, as well as short, accessible videos for promotion via social media, and that in addition all of the IMI2 Joint Undertaking project factsheets were added to the newly created IHI Joint Undertaking website, to facilitate their promotion in the future; encourages the IHI Joint Undertaking to share any successful visibility strategies with other Joint Undertakings in order to present their added-value to citizens;

Recruitment and staff

13. Notes that the staff establishment plan provides for 39 temporary agents, 15 contract agents and 2 seconded national experts (SNEs), in total 56 staff members; notes that, on 31 December 2021 there were 50 positions occupied: 36 out of 39 temporary agents (TAs) (92,30 %), 13 out of 15 contract agents (86,70 %) and 1 out of 2 SNEs (50 %); notes, in addition, that, as regards TAs, the empty posts were to be filled in 2022 as two selection procedures were on-going and that, in 2022, 1 SNE post was to be cut;
14. Welcomes the fact that the IHI Joint Undertaking has maintained a good geographical balance (20 different countries) and a good gender balance (22 women, 17 men) when external experts were consulted;
15. Notes with concern that during the period from 2018 to 2021 the average annual rate of interim staff for all Joint Undertakings remained high, at around 11 % of statutory staff; recalls that the high level of contractual staff tends to significantly increase the IHI Joint Undertaking's staff turnover rate and further destabilises the staffing situation; emphasises, moreover, that the use of interim staff should remain a temporary solution, otherwise it could negatively affect the IHI Joint Undertaking's overall performance, such as the retention of key competences, unclear accountability channels, possible judicial disputes and lower staff efficiency;

^(*) 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).

16. Notes from the annual activity report 2021 that there is an appropriate gender balance with 66 % of staff being female: 50 % of members on the governing board, 61,5 % of appointed nominees at the States representatives group and 41,7 % of full members in the scientific committee are women; encourages the IHI Joint Undertaking to maintain this balance;
17. Appreciates the fact that the continuous improvements in the project management workflow and the coordinated effort made by the IHI Joint Undertaking's staff led to the difficulties linked to the COVID-19 pandemic period being overcome, thereby ensuring business continuity and resulting in a considerable 96,04 % of operational budget execution in 2021;
18. Notes that the employers' contributions for the staff of the Joint Undertakings corresponding to the ratio of their non-Union subsidised revenues to their total revenues, have not been paid by the Joint Undertakings to the Union pension scheme since 2016, as the Commission has neither provided for this expenditure in the budget of the Joint Undertakings nor formally requested the payments; calls on the Commission to take steps to avoid similar issues in the future;

Internal control systems

19. Notes that, for Seventh Framework Programme interim and final payments, the IHI Joint Undertaking performs *ex post* audits, whilst for Horizon 2020 payments, the Common Audit Service of the Commission's DG RTD is responsible for the *ex post* audits; notes that, based on the *ex post* audit results available at the end of 2021, the IHI Joint Undertaking reported a representative error rate of 1,9 % (2,16 % in 2020) and a residual error rate of 0,8 % (1,14 %) for its Seventh Framework Programme projects, and a representative error rate of 0,97 % (1,13 % in 2020) and a residual error rate of 0,6 % (0,74 % in 2020) for Horizon 2020 projects (clearings and final payments);
20. Notes that, to assess the operational payment controls of the IHI Joint Undertaking, the Court audited randomly sampled Horizon 2020 payments made in 2021, at the level of the final beneficiaries, to corroborate the *ex post* audit error rates; notes that, in one case, the Court found and quantified a systemic error related to personnel costs resulting from the use of incorrect hourly rates that were not based on a completed financial year, and in another case, an error resulting from the lack of appropriate supporting evidence for declared equipment and travel costs;
21. Emphasises that the Court's finding confirmed persistent systemic errors for declared personnel costs and that in particular, small and medium-sized enterprises (SMEs) and new beneficiaries are more error-prone than other beneficiaries; highlights the fact that those errors have also been regularly reported in the Court's previous annual reports since 2017; emphasises, therefore, that streamlining of the Horizon 2020 rules for the declaration of personnel costs and wider use of simplified cost options is a precondition for stabilising error rates to below materiality level; emphasises that the IHI Joint Undertaking should strengthen its internal control systems to address the increased risk regarding SMEs and new beneficiaries and strongly encourage the use of the personnel costs calculation wizard by certain categories of beneficiaries that are more prone to errors, such as SMEs and new beneficiaries; welcomes the fact that, in 2022, all Joint Undertakings started implementing actions for error rate reductions in line with the action proposed by the Court, including exploring the options of simplified forms of costs such as unit costs, lump sums and flat rates;
22. Notes that, given the multi-annual nature of both programmes and individual research projects, the residual error rate calculated on the duration of the programme provides the most meaningful indication of the financial impact of errors and that it takes into account the corrections made by the IHI Joint Undertaking and the fact that the IHI Joint Undertaking extrapolates the systematic findings of the audits, significantly increasing the cleaning effect of audits; highlights, moreover, the fact that as the programmes advance, beneficiaries learn from their errors and that drawing from the lessons learned from the audit findings, the IHI Joint Undertaking also works continuously to better inform beneficiaries of any pitfalls to help them report their costs correctly, thereby preventing errors;

Prevention and management of conflicts of interest, and anti-fraud strategy

23. Notes that IHI Joint Undertaking has an anti-fraud strategy aligned with the Commission anti-fraud strategy (CAFS 2019) and the Common anti-fraud strategy for the research family (RAFS 2019), complemented by additional anti-fraud actions related to service contract management and administration;
 24. Notes that actions implemented on grants and operational activities are coordinated with DG RTD and other research agencies through a multiannual action plan coordinated by the Fraud and irregularity in research (FAIR) Committee;
 25. Notes that, in 2021, the IMI 2 Joint Undertaking's anti-fraud activities covered cooperation with the FAIR Committee activities, increasing staff awareness on anti-fraud, including participation in the European Anti-Fraud Office's conference 'United against corruption – Upholding the ethical standards of EU Institutions' and fraud risk assessment exercise; notes in addition that that task was twofold, one task embedded in the annual anti-fraud cycle and one, more extensive and detailed, to set the basis for the revision of the overall anti-fraud strategy for the IHI Joint Undertaking;
 26. Welcomes, moreover, the fact that regular information on fraud-related risks and on the procedures to be used in the event of suspicion of fraud/irregularities was communicated to the entire staff of the IHI Joint Undertaking and that attention was given to cross-sectional issues such as risks linked with conflicts of interest, delegation of authority and segregation of duties.
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DECISION (EU) 2023/1961 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the Innovative Health Initiative Joint Undertaking – IHI (before 30 November 2021 the Innovative Medicines Initiative 2 Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Innovative Health Initiative Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0113/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0069/2023),

1. Approves the closure of the accounts of the Innovative Health Initiative Joint Undertaking for the financial year 2021;

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 54.

⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

2. Instructs its President to forward this decision to the Executive Director of the Innovative Health Initiative 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

DECISION (EU, Euratom) 2023/1962 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy (F4E) for the financial year 2021**

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 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0111/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
- having regard to Council Decision 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 ⁽⁴⁾, and in particular Article 5 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0092/2023),

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 2021;
2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 90, 30.3.2007, p. 58.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1963 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy (F4E) for the financial year 2021**

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 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0092/2023),
- A. whereas the European Joint Undertaking for ITER and Development for Fusion for Energy (the 'Joint Undertaking') was established in April 2007 for a period of 35 years by Council Decision 2007/198/Euratom ⁽¹⁾;
- B. whereas the Joint Undertaking started to work autonomously in March 2008;
- C. whereas the members of the Joint Undertaking are the European Atomic Energy Community (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;
- D. 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 and related facilities;
- E. whereas the ITER project involves seven global partners, namely, the Union, represented by Euratom, the United States, Russia, Japan, China, South Korea and India, with the Union taking the lead with a share of 45,4 % of the construction costs and other partners involved 9,1 % each; which will change in the operational fusion testing phase, with the Union providing 34 % of the operating costs ⁽²⁾;
- F. whereas the total outlay provided for by the Union to implement its obligations and the associated activities under the ITER agreement until 2031 amounts to EUR 18,2 billion (in current values) ⁽³⁾;
- G. whereas, following the United Kingdom's withdrawal from the Union and Euratom on 31 January 2020 and the failure by the parties to conclude the protocol provided for in the Trade and Cooperation Agreement between the Union and Euratom and the United Kingdom agreed on 30 December 2020, the United Kingdom is still not associated to the ITER project or a member of the Joint Undertaking and thus does not contribute to its budget;
- H. whereas the impact of the Russian illegal, unprovoked and unjustified war of aggression against Ukraine and its consequences on the Joint Undertakings activities is still hard to measure;

⁽¹⁾ Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it (OJ L 90, 30.3.2007, p. 58).

⁽²⁾ The ITER documents 'Value estimates for ITER Phases of Construction, Operation, Deactivation and Decommissioning and Form of Party Contributions' and 'Cost Sharing for all Phases of the ITER Project'.

⁽³⁾ Estimates are based on the Commission Communication COM(2017) 319 of 14 June 2017 and the related staff working paper SWD(2017) 232, table 4.

General

1. Welcomes the fact that the report of the Court of Auditors (the 'Court') on the Joint Undertaking's annual accounts for the financial year of 2021 (the 'Court's report') finds the annual accounts to present fairly, in all material respects, its financial position on 31 December 2021 and the results of its operations, its cash flows, and the changes in net assets for the financial year 2021, in accordance with its financial rules and with the accounting rules adopted by the Commission's accounting officer; highlights, in addition, the fact that the underlying transitions to the accounts for the financial year 2021 are, in all material respects, legal and regular;
2. Regrets, however, that the Court's report draws attention to the fact that the Joint Undertaking's annual accounts for the financial year 2021 disclose the Joint Undertaking's estimate of the total cost for completing its delivery obligations for the ITER project, assessed at EUR 18,3 billion (in 2021 values) and to the fact that changes in key assumptions for the estimate and risk exposure could lead to significant increases in costs and/or to further delays in the implementation of the ITER project;
3. Acknowledges that Horizon Europe envisages ambitious goals for the Joint Undertaking, that can be achieved only if effective solutions that address the weaknesses in the internal control systems and prepare for the future challenges arising from increased responsibilities, such as in the area of human resources management and planning, are designed and implemented; points out, in this context, that particularly complicated and burdensome calculations and reporting requirements represent a significant risk of error and calls therefore, to explore the possibilities of simplifications wherever possible and compatible with the existing legal framework;
4. Notes with concern the fact that since Russia is a member of ITER-IO, with the obligations to deliver to the ITER assembly site in France (Cadarache), several components for the ITER projects and to provide annual contributions to the ITER-IO, represents a risk of further delays and increased costs for the ITER project;
5. Notes that the Joint Undertaking maintains an estimate of the total costs of completing its delivery obligations for the ITER project (estimate at completion), which includes the costs of the construction and operational phase until 2035, as well as the decommissioning and deactivation phase until 2042; notes, moreover, that at the end of 2021, the Joint Undertaking assessed this total cost at EUR 18,3 billion (in 2021 values), consisting of the total payments made at the end of 2021, amounting to EUR 8,3 billion and the estimate of the future payments, assessed at EUR 10 billion (in 2021 values);
6. Points out that changes in key assumptions for the above estimate and risk exposure may lead to further cost increases and projects delays and, for 2021, considers that, based on the Court's report, special attention should be paid to the events that may have a significant impact on the estimate at completion; further, points out that those key assumptions include the new baseline for the ITER project planned for the first quarter of 2023, the late delivery of components, the sanctions imposed on Russia, the ongoing approval of the French Nuclear Safety Authority (NSA) for the assembly of the components of the tokamak pit and the expected revision of the cost estimate for the Hot Cell Complex; underlines the fact that, in the event of delivery problems resulting in the lack of crucial components for the continuation of the project, alternative supply streams should be explored;
7. Recalls that ITER officially expects a first operational test in 2025 and the achievement of full fusion power by 2035; observes, however, that this baseline was adopted in 2016, and that, since then, construction and manufacturing delays and the COVID-19 pandemic have made the 2025 date increasingly unlikely; underlines, in addition, that, according to the Court's report, there is a risk of further delay due to a combination of different construction starting from problems welding the vacuum vessel sections that form the steel chamber in which the fusion experiments will take place to the problem of corrosion causing cracks up to 2,2 millimetres deep on the thermal shield panels, affecting all 23 kilometres of cooling pipes welded to the component surface; notes that, due to the fact that the crack issue in the cooling pipes could be systemic, affecting all thermal shield components of tokamak, the new direction of ITER activates a repair strategy for the tokamak's thermal shield panels and vacuum vessel sectors;

8. Notes that the duration and cost of the repairs cannot be precisely estimated at this stage and that the ITER Council plans to adopt a new ITER baseline at the end of 2023, setting out the calendar for certain achievements, which will significantly push back the dates when it expects to accomplish key milestones and consequently impact the estimate at completion; calls on the Joint Undertaking to report on the outcome and the expected delays as well as the consequences for the completion of the ITER project;
9. Notes that, as regards nuclear safety requirements, the NSA has the ultimate authority to approve any further changes in designs affecting the nuclear safety requirements, and that, in this context, at the beginning of 2021, the Joint Undertaking formally applied for the NSA's approval of the new welding design and technology related to the assembly of the components of the tokamak pit; underlines, however, that additional information from the Joint Undertaking to finalise the NSA's analysis was not requested by NSA before January 2022; notes that, while NSA's approval is part of the ITER-IO's normal assembly process, it may, however, result in an additional delay of several months and consequently impact the estimate at completion;
10. Calls on the Joint Undertaking to revise the cost estimate for the Hot Cell Complex in order to allow for the preparation of a reliable cost estimate in line with the current maturity stage of the ITER-IO design requirements;

Budgetary and financial management

11. Notes that, in December 2020, the Joint Undertaking's governing board adopted the Joint Undertaking's original budget for 2021 for EUR 1 048,77 million in commitment appropriations and EUR 742,81 million in payment appropriations and that the governing board amended this budget in November 2021;
12. Welcomes the fact that the final available appropriations, including the carry-over from the previous year, amount to EUR 1 069,88 million in commitment appropriations and EUR 764,83 million in payment appropriations;
13. Notes that the implementation rates for commitment and payments appropriations were 99,7 % and 97,4 % respectively (compared to 100 % and 98 % in 2020);
14. Notes that, from EUR 1 069,88 million available for commitments appropriations, 88,4 % was implemented through individual commitments (corresponding to EUR 942,50 million);
15. Notes with satisfaction that, following the 2020 discharge recommendation on the calculation method for the 2020 membership contributions, the Joint Undertaking has adopted corrective measures, in particular the draft single programming document, to avoid the issue being raised by the Court again;
16. Notes, therefore, that, regarding the 2021 membership contributions, the Joint Undertaking has used the annual and multiannual programme 2020-2024 adopted by its governing board on 10 December 2019, with EUR 6,5 million estimated for the membership contributions;
17. Notes that, since January 2016, those joint undertakings that are only partly financed from the Union budget are required to pay the part of the employer's contributions to the Union pension scheme, corresponding to the ratio of their third-country subsidised revenues to their total revenues (*); is concerned that, as the Commission has neither provided for this expenditure in the joint undertakings' budgets nor formally requested the payments, the joint undertakings have not yet paid such contributions; calls on the Commission to take steps to avoid similar issues in the future;

(*) Article 8 3a of Regulation No 31 (EEC), 11 (EAEC) laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community (OJ 45, 14.6.1962, p. 1385/62).

18. Calls in this regard that, in line with the Commission's guidance to the joint undertakings, on the Commission's Office for Administration and Payment of Individual Entitlements to calculate the employer contribution for each joint undertaking as a percentage of the third-country revenue related to the total revenue of the Joint Undertaking, including third-country revenue for operational expenditure; notes that, for ITER, this percentage share was set at 21,6 % for the period 2017-2020 or around EUR 5,8 million, and at 19,8 % for the year 2021 or around EUR 1,5 million; underlines, in addition, that that guidance only takes account of the respective provisions of the Staff Regulations in determining the calculation method for the joint undertakings' payments of employer contributions to the Union budget based on revenue;
19. Calls on the Joint Undertaking not to wait for the final calculation of outstanding contributions, but to consider this obligation when planning its future budget, such as through a corresponding accrual for pension contributions;
20. Is aware, however, that the relevant provisions of the Joint Undertaking's Statutes require that the total amount of membership contributions shall not exceed 10 % of the Joint Undertaking's annual administrative costs, suggesting an employer contribution of around EUR 740 013 per year for the Joint Undertaking (based on 2021 figures); notes, therefore, that the concurrence of these different legal provisions risks the elaboration of diverse interpretations regarding the calculation of the Joint Undertaking's employer contribution, with varying financial impact and expects that this legal uncertainty is removed without any delay; welcomes the Joint Undertaking's preparedness to engage with the Commission for a clearer alignment of the relevant legal bases;

Performance

21. Notes that 2021 was the first year of the 2021-2027 Multiannual Financial Framework;
22. Welcomes the fact that, during 2021, the Joint Undertaking has further progressed in the work and continued the delivery of some of the major components to ITER in order to start the assembly activities according to plan for the achievement of First Plasma at the end of 2025; notes that the ITER Organisation is currently replanning the first plasma baseline, the outcome of which was expected to be decided by ITER Council in 2022 and that the Joint Undertaking will subsequently adjust its planning accordingly;
23. Notes that, after 10 years, the Joint Undertaking transferred the responsibility of the buildings site coordination to the ITER Organisation; notes that, according to the planning attached to the public arrangement for building construction, that transfer was planned for September 2018, once the main construction risks on the site were no longer present;
24. Notes that, during 2021, the COVID-19 pandemic continued to have a significant impact on the Joint Undertaking's supply chain, as many of the Joint Undertaking's suppliers were affected by restrictions on work attendance and travel, and ongoing and future efficiency impacts due to enhanced sanitation measures required in most Member States; regrets that delays in some deliveries were up to four months, resulting in a 'cost at completion' impact of EUR 45 million (EUR 57 million in 2020 – both in 2008 values);
25. Notes, in addition, that the indirect effect of the COVID-19 pandemic is still having impact on many of the Joint Undertaking's contracts, due to the high increases in prices of raw materials, and that the effect on cost at completion is still under estimation; notes, nevertheless, that the impact of the COVID-19 pandemic is serious but not substantial and that the result of 2021 financial statements is not material;

Prevention of fraud and conflicts of interest

26. Notes that the anti-fraud and ethics officer promoted and coordinated the implementation of the Joint Undertaking's anti-fraud strategy and the accompanying anti-fraud action plan covering the period 2020 through 2023;

27. Welcomes the fact that the implementation of the actions in the anti-fraud action plan is systematically monitored through a dedicated database which details the scope of each action, the action owner and the target date for its implementation and that good progress has been achieved as regards the implementation of anti-fraud actions;
28. Notes, in addition, that in 2021, information and support on fraud prevention matters was provided on an ongoing basis, notably to staff involved in procurement, contracts management and finance and that the Joint Undertaking's internal network of fraud correspondents was kept informed individually and in the context of the regular assurance network meetings;
29. Appreciates that rules, procedures, processes and best practices in ethics and prevention and management of conflicts of interest have been communicated to staff in 2021, including via the Joint Undertaking's manual with specific chapters on ethics & integrity and fraud prevention, a page on whistleblowing, as well as a section on the prevention and management of conflicts of interest;

Staff and recruitment

30. Regrets that, in November 2021, the staff of the Joint Undertaking went on strike and that, according to internal and external management assessments and several internal surveys, the main reasons for the deterioration of the working environment at the Joint Undertaking were shortcomings at senior management level, such as non-transparent and dysfunctional decision-making and a lack of social dialogue; notes, furthermore, the disproportionate use of external staff resources increased challenges and risks for the working environment, which was confirmed by the representatives of the Joint Undertaking's staff and their formal letters, sent to the responsible Commissioners; notes that the Commission (Directorate-General for Energy), in its reply to the letters, stated that the 2022 annual assessment of the Joint Undertaking will exclusively focus on human resource management matters and has encouraged the Joint Undertaking in using a 360-degree management assessment for its management team;
31. Notes with concern that the Joint Undertaking has become more dependent on external staff in recent years; stresses that this Court's observation remained outstanding since 2019 when the external staff represented 62 % of statutory staff of the Joint Undertaking; highlights that according to the Joint Undertaking's current strategic resource plan for 2021-2027, the number of external staff is envisaged to increase in 2022 to 93 % of the maximum statutory staff number approved by the Commission, and then gradually decrease to 70 % by 2027; recalls that this situation presents significant risks for the Joint Undertaking concerning the retention of key competences, unclear accountability, possible judicial disputes, and lower staff efficiency due to decentralised management; emphasises, moreover, that the use of interim staff should remain a temporary solution; reminds that the Joint Undertaking's management should strengthen the measures already undertaken to mitigate the risks related to the use of external staff, in particular, the risk of inefficient management due to the unclear division of responsibilities between statutory and external staff;
32. Notes that mistakes relating to human resources cannot be repeated and a change in management culture is necessary and must be maintained; notes, further, that increased efforts relating to human resources are needed to avoid cases of long-term vacancies, high staff turnover, excessive numbers of external staff, dependence on expertise of a few members of staff, extreme workloads and resulting staff absences and inefficiencies; calls for increased efforts to create attractive and socially fair employment conditions that support the achievement of the Joint Undertaking's objectives;
33. Supports that, in response to the situation, the Joint Undertaking has launched several actions to improve the working environment and wellbeing of staff; observes that those actions were integrated into a change agenda, targeting excessive workload, negative working atmosphere, and a lack of communication by the management on the planned organisational changes and it is expected that they will be effective, given the reported events;

34. Notes that the Joint Undertaking's Learning & Development (L&D) continued to offer a larger variety of online and digital resources giving increased flexibility and the freedom to learn when desired and needed; notes, moreover, that a total of 94 % of the members of staff enrolled to at least one learning activity during 2021 and that the rate of satisfaction from the staff concerning internal L&D activities was high – 88 % of the Joint Undertaking's staff rated them either excellent or good;
35. Notes that, as of 31 December 2021, the occupied staff posts at the Joint Undertaking included 47 officials, 226 temporary agents and 166 contract agents, notes, in addition, that the Joint Undertaking relied on the support of 11 interim staff (in FTE) and two seconded national experts;
36. Notes from the 2021 annual activity report that there is no appropriate gender balance among the Joint Undertaking's members of staff and management, with only 19 % of staff and less than 10 % of management and off staff recruited in 2021 being women; regrets these figures and calls for increased efforts in terms of gender balance;
37. Notes that, following the survey on the impact of the COVID-19 pandemic from 2020 and on the basis of its effects, the Joint Undertaking's Human Resources continued in 2021 to focus very actively on psychosocial preventive actions in the area of emotional well-being and stress management;
38. Notes that, during 2021, 14 vacancy notices were published externally for six temporary agents and eight contract agents and that, overall, 14 selection procedures were completed, of which three were published in 2020 and the remaining 11 published in 2021;

Management and control systems

39. Observes that, during 2020 and 2021, the Joint Undertaking was subject to the regular annual assessments by external experts and intensive internal audits covering most of its critical areas of its activities and that the implementation of the remedial actions in response to audits and assessments, in order to address the identified risks; regrets, however, that this resulted in an increase of the administrative burden, while it was not evident that the added controls were efficient and improved the system;
 40. Notes that, in 2021, the Joint Undertaking further aligned its management and internal control standards (MICS), indicators and procedures with the Commission's internal control framework;
 41. Notes that the Joint Undertaking followed a step-by-step approach on the identification of strengths and weakness of the internal control system based on any deficiencies identified in the functioning of the MICS and formulated corresponding corrective actions, leading to the conclusions for the establishment of the director's declaration of assurance and reporting in the consolidated annual activity report (CAAR);
 42. Notes that, in the 2021 CAAR, the Joint Undertaking concluded that all the components are operating together in an integrated manner; notes, however, that due to the fact that one component, namely 'Control activities – Issue on wellbeing of staff', was found to have a critical deficiency, the Joint Undertaking's management concluded that the overall internal control system was partially effective.
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DECISION (EU, Euratom) 2023/1964 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy (F4E) for the financial year 2021**

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 2021,
 - having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0111/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 70 thereof,
 - having regard to Council Decision 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 ⁽⁴⁾, and in particular Article 5 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0092/2023),
1. Approves the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2021;
 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 90, 30.3.2007, p. 58.

⁽⁵⁾ OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2023/1965 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the Single European Sky ATM Research 3 Joint Undertaking (before 30 November 2021 the SESAR Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Single European Sky ATM Research 3 Joint Undertaking for the financial year 2021,
 - having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0114/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
 - having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ⁽⁴⁾, and in particular Article 4b thereof,
 - having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Budgetary Control (A9-0118/2023),
1. Grants the Executive Director of the Single European Sky ATM Research 3 Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2021;
 2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.⁽²⁾ OJ C 399, 17.10.2022, p. 240.⁽³⁾ OJ L 193, 30.7.2018, p. 1.⁽⁴⁾ OJ L 64, 2.3.2007, p. 1.⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Single European Sky ATM Research 3 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1966 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Single European Sky ATM Research 3 Joint Undertaking (before 30 November 2021 the SESAR Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Single European Sky ATM Research 3 Joint Undertaking for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Budgetary Control (A9-0118/2023),
- A. whereas the Single European Sky Air Traffic Management Research (SESAR) Joint Undertaking was set up in February 2007 under the Seventh Research Framework Programme (FP7) for a period of eight years (SESAR 1); whereas in June 2014, the Council amended the founding Regulation and extended the lifetime of the Joint Undertaking under the Horizon 2020 programme for a period until 31 December 2024 (SESAR);
- B. whereas in November 2021, the Council adopted the Single Basic Act, setting up SESAR 3 to replace SESAR, under the Horizon Europe programme for the period ending on 31 December 2031 ⁽¹⁾;
- C. whereas the Single European Sky ATM Research 3 Joint Undertaking is a public-private partnership for the development of modernised air traffic management in Europe; whereas its founding members are the EU, represented by the Commission, the European Organisation for the Safety of Air Navigation (Eurocontrol), and more than 50 organisations covering the entire aviation value chain, from airports, airspace users of all categories, air navigation service providers, drone operators and service;
- D. whereas the Union financial contribution to the Single European Sky ATM Research 3 Joint Undertaking, including EEA appropriations, to cover administrative costs and operational costs shall be up to EUR 600 million, including up to EUR 30 million for administrative costs; whereas the private members of the Single European Sky ATM Research 3 Joint Undertaking shall make or arrange for their constituent or affiliated entities to make a total contribution of at least EUR 500 million, including up to EUR 25 million for administrative costs, over the 10-year period;
- E. whereas Eurocontrol is to make a total contribution of up to EUR 500 million, including up to EUR 25 million for administrative costs, over the 10-year period; whereas the contribution shall also consist of in-kind contributions to additional activities;
- F. whereas the Financial Regulation and high management standards need to be respected by all Union institutions;
- G. whereas one of the most important goals of the Joint Undertaking is to support a swift transition to greener aviation, in line with the European Green Deal.

General

1. Points out that Single European Sky ATM Research 3 Joint Undertaking, as a tripartite Joint Undertaking, implements – in addition to the Union budget and private members' contributions – contributions from Eurocontrol of around EUR 500 million for Horizon Europe activities and that as the Commission did not consider the Eurocontrol contributions in its productivity model, the resulting lower productivity ratio for the Joint Undertaking cannot be directly compared to the ratio of the other Joint Undertakings;

⁽¹⁾ Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 (OJ L 427, 30.11.2021, p. 17).

2. Regrets that the Joint Undertaking (like others) reported that after the internal budget and resource planning process, their management was not included in the negotiation process between the parent DG and DG BUDG; further regrets that, according to the Joint Undertaking, they were insufficiently informed about the Commission's productivity model, used to determine the human resources for implementing their programmes under the new MFF, and about the basis for capping staff numbers, despite an increased budget to be implemented;
3. Salutes the smooth transition to the new legal entity SESAR 3 Joint Undertaking and notes that the Joint Undertaking developed several transversal coordination mechanisms, which allowed transparent and structured cooperation and relied on the individual expertise of each of the member of the organisation, in particular, a Transition Coordination Group was established in February 2021;
4. Acknowledges that Horizon Europe envisages ambitious goals for the Joint Undertaking, that can only be achieved if effective solutions that address the weaknesses in the internal control systems and prepare for the future challenges arising from increased responsibilities, e.g. in the area of human resources management and planning, are designed and implemented; points out, in this context, that particularly complicated and burdensome calculations and reporting requirements represent a significant risk of error and calls therefore, to explore the possibilities of simplifications wherever possible and compatible with the existing legal framework;
5. Stresses the importance of the Joint Undertaking in the completion of the Digital European Sky; highlights that the 2021-2027 proposals for the European Partnerships of SESAR and CEF are crucial for the future of digitalised and ecological aviation and need to be provided with appropriate financing;
6. Stresses the importance of Single European Sky 2+ and calls for its timely adoption and implementation; stresses that the use of satellites systems for navigation, communications and tracking, and the complete deployment of the Single European Sky Air Traffic Management Research (SESAR) will contribute to the completion of the European Digital Single Sky;
7. Recalls the strategic role of the Joint Undertaking regarding the decarbonisation of the aviation sector, many of their projects being focused on harnessing digital technology in order to support the transition towards a greener aviation sector;
8. Welcomes the overall R&I activities that the SESAR 3 Joint Undertaking will carry out from 2021 to 2031, referred to as the 'Digital European Sky programme', organised as part of the SESAR Innovation Pipeline; in addition, salutes other priorities set for SESAR 3 Joint Undertaking such as: leveraging synergies with other European partnerships and with national or regional ATM modernisation programmes; ensuring the engagement of institutional and industry stakeholders; securing cooperation with third countries and international organisations; promoting the SESAR 3 Joint Undertaking's activities and results through communication initiatives;
9. Notes that there is no harmonised definition of 'administrative costs' among the Joint Undertakings, a term which is the basis for calculating the financial contributions of its members and a precondition for the purpose of comparable figures; calls with this in mind for common guidelines for all Joint Undertakings so that they are able to take a harmonised approach for the classification of certain administrative cost expenditure categories, such as expenditure for consultations, studies, analysis, evaluations, and technical assistance;
10. Agrees with the Court of Auditor's (the 'Court') observation, that, as the Joint Undertakings are autonomous and responsible for the implementation of their work programmes, they could have been better included in the human resources planning process for the 2021-2027 MFF;

Budgetary and financial management

11. Welcomes the fact that the report of the Court on the Joint Undertaking's annual accounts finds that the 2021 annual accounts present fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2021, 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 that the underlying transactions to the accounts are legal and regular in all material respects;
12. Notes that, in 2021, the total available budget (including re-entered unused appropriations of previous years, assigned revenues and reallocations to the next year was EUR 34,8 million (EUR 163,2 million in 2020) in commitment appropriations and EUR 69,9 million (EUR 179,2 million in 2020) in payment appropriations;
13. Notes that, as regards the current level of the Joint Undertakings members' operational obligations, at the end of 2021, the Joint Undertaking had fully committed EUR 555,8 million of the maximum Union contribution for signed grant agreements and contracts under the Horizon 2020 programme, of which, around EUR 92,5 million (or 16,6 %) remains to be paid in the coming years for projects and contracts yet to be completed; notes, in addition, that the private members had legally committed to provide the entire in-kind contributions of EUR 280 million, defined in the industry membership agreement, and Eurocontrol to provide contributions of EUR 433,4 million or 91 % of the target of EUR 475 million of operational contributions defined in the bilateral agreement;
14. Highlights that the implementation rate for the Joint Undertaking's 2021 payment budget available for Horizon 2020 projects was 93 % and that the Joint Undertaking had almost no 2021 operational commitment appropriations as it had finished its last call for proposals by the end of 2020;
15. Recognises the ongoing effects of the COVID-19 crisis on the sector; notes that the Joint Undertaking implemented a number of measures, including extending the duration of grants where necessary, to allow projects to conclude their validation activities and deliver the technical outcomes in accordance with the timelines of the European Air Traffic Management (ATM) Master Plan; notes that the Joint Undertaking's members and partners were successful in advancing new technologies and procedures through the SESAR innovation pipeline release process, in accordance with the timeline set by the European ATM Master Plan – Europe's roadmap for the digital transformation of ATM;
16. Notes that the budget result in 2021 amounted to a deficit of EUR 17,55 million (of which a deficit of EUR 292 513 for SESAR 1 following the final reimbursement of SESAR 1 excess financial contributions and a deficit of EUR 17,26 million for the SESAR 2020) and that the remaining cumulative surplus amounts to EUR 592 241;

Performance

17. Welcomes the fact that the Joint Undertaking met all of its key policy and operational objectives in 2021 as outlined in the Single Programming Document for 2021 to 2023 (2021–2023 SPD);
18. Appreciates that the Joint Undertaking, in the context of COVID-19 crisis and its financial impact on the Joint Undertaking's Members, has put in place a series of budgetary measures that aim to provide the Members and the aviation sector with immediate cash-flow support;
19. Salutes the organisation of the 1st edition of the SESAR Innovation Days and all the projects dedicated to young scientists;

20. Welcomes the fact that the Joint Undertaking continued to manage and monitor 71 projects across its three strands of research in 2021 (exploratory research, industrial research and validation, and very large-scale demonstrations), with 300 different beneficiaries of which nearly 20 % are SMEs, 17 % are higher education organisations or universities and 9 % are research organisations and recommends measures to increase the number of SMEs in the general number of projects managed by the Joint Undertaking;

Procurement and staff

21. Notes that, owing to its focus on the transition process, the Joint Undertaking limited its maximum number of procurement procedures and dealt with 10 procurement procedures, including six very low-value procurements; notes, in addition, that the Joint Undertaking signed six interinstitutional framework service contracts, two direct service contracts, eight specific contracts implementing Joint Undertaking framework contracts / interinstitutional agreements and one prize;
22. Notes that the Joint Undertaking signed ninety amendments to its contracts, specific contracts, memoranda of understanding and service-level agreements, mainly as a consequence of the transition towards SESAR 3;
23. Welcomes the fact that all procedures were carried out in compliance with the SESAR Joint Undertaking's financial rules to ensure respect for transparency, fair competition among suppliers and the most efficient use of the Joint Undertaking's funds;
24. Highlights that in 2021, the adoption by the Joint Undertaking of e-tendering and e-submission and that in order to manage and ensure the timely implementation of procurement activities to support its objectives, the SESAR Joint Undertaking continued to use a contract action planning tool to record all of the procurement / contract activities; notes, moreover, that this file is updated on a weekly basis in coordination with operational initiating agents and the corporate management team;
25. Notes that the Joint undertaking approved 2021 staff establishment plan allows for 38 temporary or contract agents and two seconded national experts, as set out in the annual general budget of the European Union for the European Commission;
26. Notes from the Annual Activity Report 2021, in terms of gender balance, that no significant increase of female participation, of female project coordinators in Horizon 2020 projects and of female members in advisory groups, expert groups, evaluation panels, individual experts, etc. was achieved compared to the previous year; notes with regret that the share of women participants in Horizon 2020 projects has actually decreased compared to the previous year from 30 % to 29 % in 2021; Notes with regret that according to the Joint Undertaking's Annual Report for 2021, the gender balance on the Administrative Board (1 woman, 27 men) is in great need of improvement; is disappointed by these figures and calls for increased efforts in terms of gender balance;
27. Notes with concern that during the period from 2018 to 2021 the average annual rate of interim staff for all Joint Undertakings remained high at around 11 % of statutory staff; recalls that the high level of contractual staff tends to increase significantly the Joint Undertakings's staff turnover rate and further destabilises the staffing situation; emphasises, moreover, that the use of interim staff should remain a temporary solution or it could negatively affect the Joint Undertakings's overall performance, such as the retention of key competences, unclear accountability channels, possible judicial disputes and lower staff efficiency;
28. Notes that, in 2021, work continued on a number of initiatives in the SESAR Joint Undertaking's premises in Brussels to maintain the productivity, safety and efficiency of the working environment and facilities offered to its staff;
29. Points out that the effective allocation of staff resources also remained a priority for the SESAR Joint Undertaking during 2021 and that efforts were focused on the professional and career development of its staff, in addition to ensuring that allocated staff resources were used in the most economic, efficient and effective way;

30. Notes that, in 2021, the Joint Undertaking conducted its appraisal exercise in accordance to the its implementing rules, and was able to conduct the reclassification exercise, as a result of which eight temporary agents were reclassified;
31. notes that the part of the employers' contributions for the staff of the Joint Undertakings corresponding to the ratio of their non-EU subsidised revenues to their total revenues, has not been paid by the Joint Undertakings to the Union pension scheme since 2016, as the Commission has neither foreseen this expenditure in the budget of the Joint Undertakings nor formally requested the payments; calls for the Commission to take steps to avoid similar issues in the future.

Internal control

32. Notes that, for Horizon 2020 payments, the Common Audit Service of the Commission's DG RTD is responsible for the *ex post* audits, notes that based on the *ex post* audit results available at the end of 2021, the Joint Undertaking reported a representative error rate of 0,7 % (3,46 % in 2020) and a residual error rate of 0,6 % (1 % in 2020) for Horizon 2020 projects (clearings and final payments); notes from the legislative financial statement accompanying the Commission's proposal for Horizon 2020 that the ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, corrections and recovery measures will have been taken into account is to achieve a level as close as possible to 2 %;
33. Acknowledges that the decrease in the error rates in 2021 could be due, among other reasons, to the beneficiaries' increased knowledge of the eligibility rules and the inherent learning curve, as well as to the results of the communication campaigns, targeted webinars and training, addressed in particular to newcomers and SMEs; stresses that the error rates should be treated with caution, as they may change subject to the availability of additional data from audit results;
34. Notes that, to assess the operational payment controls of the Joint Undertaking, the Court audited randomly sampled Horizon 2020 payments made in 2021, at the level of the final beneficiaries, to corroborate the *ex post* audit error rates; notes that Court found and quantified an error in one case where the beneficiary declared direct personnel costs, which should have been declared as sub-contracting costs; notes, however, since the grant agreement did not foresee such expenditure for the beneficiary, that those costs incurred were not eligible;
35. Emphasises that the Court's finding confirmed persistent systemic errors for declared personnel costs and that, in particular, SMEs and new beneficiaries are more error-prone than other beneficiaries; highlights that these errors are also regularly reported in Court's previous annual reports since 2017; emphasises therefore that streamlining of the Horizon 2020 rules for the declaration of personnel costs and wider use of simplified cost options is a precondition to stabilise error rates at below materiality level; emphasises that the Joint Undertaking should strengthen its internal control systems to address the increased risk regarding SMEs and new beneficiaries and strongly encourage the use of the Personnel Costs Wizard by certain categories of beneficiaries that are more prone to errors, such as SMEs and new beneficiaries; welcomes the fact that in 2022 all Joint Undertakings have started implementing actions for error rate reductions in line with the action proposed by the Court including exploring the options of simplified forms of costs such as unit costs, lump sums and flat rates.
36. Notes, from its Annual Activity Report, that the Joint Undertaking met all of its objectives related to effective financial, administrative and corporate management in this domain, as set out in the 2021–2023 single programming document (SPD); notes that this includes the monitoring the efficiency and effectiveness of the Joint Undertaking's project audit activities, monitoring the efficiency and effectiveness of the Joint Undertaking's corporate and management activities, monitoring the exception and non-compliance events register (target within 1 %);

37. Notes that the Joint Undertaking recorded one non-compliance event resulting of the non-activation of the Horizon 2020 Guarantee Fund or issue a Recovery Order due to the bankruptcy of a beneficiary (H2020 project 763702 (PercEvite)) and one exception linked to the extension of duration of the contract governing the monitoring and maintenance of the Joint Undertaking premises' alarm system (CTR SJU/LC/327-CTR);

Conflicts of interest, fraud prevention and detection

38. Highlights that an anti-fraud implementation report for 2021 was submitted to the Executive Director in the first quarter of 2022, providing an overview of the anti-fraud activities that were carried out by the Joint Undertaking in 2021 and that it notably describes specific training sessions that were set up in the field of ethics and anti-fraud in the fourth quarter of 2021, covering fraud definitions, red flags, reporting of serious irregularities, conflicts of interest, outside activities, gifts and favours, the Early Detection and Exclusion System database, double funding, and plagiarism;
39. Notes, in addition, that in terms of conflicts of interest, in December 2021, the SESAR 3 Joint Undertaking Governing Board adopted new rules on confidentiality, prevention, avoidance and the management of conflicts of interest of the Joint Undertaking, replacing the previous set of rules that had been applicable since 2008 and that, in addition, in December 2021, a code of conduct for the Governing Board was also adopted;

Internal audit

40. Notes that over the course of 2021, the Internal Audit Service (IAS) performed an audit on HR management and ethics in the Joint Undertaking; notes that the fieldwork took place remotely and the final report was issued on 9 November 2021;
41. Notes that the auditors concluded that the Joint Undertaking's management and control systems that were put in place for HR management and the promotion of the ethical environment are overall adequately designed, efficient and effectively implemented and support the Joint Undertaking in achieving its business objectives;
42. Notes, however, that while the audit did not result in the identification of any critical or very important issues, the IAS considers that there are a few weaknesses and there is some room for further improvement in certain areas, such as workload management, the recruitment process and annual declarations of interest, individual objective setting, and communication on HR matters;
43. Welcomes the fact that, in order to address the Court's recommendations and the underlying risks, the SESAR Joint Undertaking set up a detailed action plan; further welcomes the fact that the IAS confirmed the suitability of that detailed action plan and that the Joint Undertaking expects to implement all actions by the end of 2022.
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DECISION (EU) 2023/1967 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the Single European Sky ATM Research 3 Joint Undertaking (before 30 November 2021 the SESAR Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Single European Sky ATM Research 3 Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0114/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ⁽⁴⁾, and in particular Article 4b thereof,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Transport and Tourism,
- having regard to the report of the Committee on Budgetary Control (A9-0118/2023),

1. Approves the closure of the accounts of the Single European Sky ATM Research 3 Joint Undertaking for the financial year 2021;

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 64, 2.3.2007, p. 1.

⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

2. Instructs its President to forward this decision to the Executive Director of the Single European Sky ATM Research 3 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

DECISION (EU) 2023/1968 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the Europe's Rail Joint Undertaking
(before 30 November 2021 the Shift2Rail Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Europe's Rail Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0115/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Transport and Tourism,
- having regard to the report of the Committee on Budgetary Control (A9-0090/2023),

1. Grants the Executive Director *ad interim* of the Europe's Rail Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2021;
2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 177, 17.6.2014, p. 9.

⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director *ad interim* of the Europe's Rail 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1969 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Europe's Rail Joint Undertaking (before 30 November 2021 the Shift2Rail Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Europe's Rail Joint Undertaking for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Budgetary Control (A9-0090/2023),
- A. whereas in November 2021 the Council adopted Regulation (EU) 2021/2085 (the Single Basic Act) ⁽¹⁾, setting up the Europe's Rail Joint Undertaking to replace Shift2Rail Joint Undertaking under the Horizon Europe programme for the period ending on 31 December 2031;
- B. whereas the Joint Undertaking is a public-private partnership dedicated to manage and coordinate mission-oriented research and innovation activities for a major transformation in rail systems in Europe; whereas the main objectives of the Joint Undertaking include to contribute towards the achievement of the Single European Railway Area, to ensure a fast transition to more attractive, user-friendly, competitive, affordable, easy to maintain, efficient and sustainable European rail system, integrated into the wider mobility system and to support the development of a strong and globally competitive European rail industry;
- C. 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 of other entities participating in the Joint Undertaking as associated members; whereas contributions of members other than the Union should not be limited to only covering the administrative costs and the co-financing required to carry out research and innovation actions, they should also relate to additional activities;
- D. whereas the Financial Regulation and high management standards have to be respected by all the Union's institutions;

General

1. Welcomes the fact that the annual accounts present fairly, in all material respects, the financial position of the Joint Undertaking on 31 December 2021, 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; highlights furthermore that the underlying transactions to the accounts are, in all material respects, legal and regular;
2. Acknowledges that Horizon Europe envisages ambitious goals for the Joint Undertaking, that can only be achieved if effective solutions that address the weaknesses in the internal control systems and prepare for the future challenges arising from increased responsibilities, e.g. in the area of human resources management and planning, are designed and implemented; points out, in this context, that particularly complicated and burdensome calculations and reporting requirements represent a significant risk of error and calls therefore, to explore the possibilities of simplifications wherever possible and compatible with the existing legal framework;

⁽¹⁾ Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 (OJ L 427, 30.11.2021, p. 17).

3. Notes that, for the period set in the Regulation (EU) 2021/2085, the Union financial contribution to the Joint Undertaking, including EEA appropriations, to cover administrative costs and operational costs shall be 'up to EUR 600 million, including at least EUR 50 million for the system pillar and up to EUR 24 million for administrative costs'; notes the members of the Joint Undertaking other than the Union shall make or arrange for their constituent or affiliated entities to make a total contribution of at least EUR 600 million, including up to EUR 24 million for administrative costs;
4. Notes that there is no harmonised definition of 'administrative costs' among the Joint Undertakings, a term which is the basis for calculating the financial contributions of its members and a precondition for the purpose of comparable figures; with this in mind calls for common guidelines for all Joint Undertakings so that they are able to take a harmonised approach for the classification of certain administrative cost expenditure categories, such as expenditure for consultations, studies, analysis, evaluations, and technical assistance;
5. Recalls that in order to achieve climate neutrality, a substantial part of the 75 % of inland freight carried today by road should shift onto rail and inland waterways; notes that automated and connected multimodal mobility will play an increasing role, together with smart traffic management systems enabled by digitalisation;
6. Welcomes the efforts of the Joint Undertaking, based on its replies to the European Parliament's discharge of 2020, to further develop synergies between the new partnership and existing funding mechanisms of the Union, including projects funded under Union programmes such as the Connecting Europe Facility, the Digital Europe Plan, the European Regional Development Fund and the Cohesion Fund, as well as InvestEU; notes that these efforts include activities planned to promote potential links with other Union programmes, work with Member States in the States Representatives Group, and the setting up of a Deployment Group to support the identification and alignment of deployment and investment plans with other Union funding instruments; underlines the importance of continuing this work in order to achieve a more sustainable, reliable and attractive railway system;
7. Salutes the new Sustainable and Smart Mobility Strategy of the Commission, launched in December 2020, which includes more concrete milestones for the railway sector to enhance a smart and sustainable future; notes that the Action Plan of 82 initiatives lays the foundation for how the EU transport system can achieve its green and digital transformation and become more resilient to future crises;
8. Highlights that the Horizon Europe programme should contribute to an increase in high-speed rail traffic of 50 % by 2030; stresses that the scheduled collective travel of under 500 km should be carbon neutral within the Union, automated mobility should be deployed at large scale and by 2050 rail freight traffic should double; recalls that high-speed rail traffic should triple and the multimodal Trans-European Transport Network (TEN-T) be equipped for sustainable and smart transport with high speed connectivity should be operational for the core network by 2030; stresses that a full deployment of ERTMS by 2030 is a matter of highest priority;
9. Notes that digital transformation can improve the ecosystems related to mobility and transport; notes that digitalisation can improve environmental and cost performance and simultaneously increase safety levels contributing to a higher quality of life; calls for more advanced levels of automation, faster and more reliable connectivity and IT enabled profound transformation of the management of mobility service; believes that the public could also benefit from fast internet connectivity for passengers on most stations and lines, user-oriented telematics and facilitated multi-modality;
10. Welcomes the commitment of the Joint Undertaking to facilitate research and innovation activities to deliver an integrated European railway network by design, eliminating barriers to interoperability and delivering smart, sustainable, and resilient rail system to ensure a harmonised approach to the evolution of the Single European Rail Area so as to ensure connectivity throughout the Union; highlights the importance of supporting the Joint Undertaking given rail's advantages in terms of environmental performance and safety;

11. Congratulates the Joint Undertaking for its continued, active reporting on the Joint Undertaking's contributions to the United Nation's Sustainable Development Goals, as well as its contribution to the goals outlined in the Commission's Sustainable and Smart Mobility Strategy and the Digital Decade, thereby maximizing its potential alignment with the Union strategic goals;
12. Underlines the importance of the cooperation of the Joint Undertaking with the European Agency for Railways in order to ensure interoperability for the developed projects;
13. Notes that the Europe's Rail Joint Undertaking officially started on 30 November 2021;

Budget and financial management

14. Underlines that the 2021 Joint Undertaking budget does not include any revenue or commitment/payment appropriations in relation with Joint Undertaking's resources coming from Horizon Europe or its private members and that it consists only of appropriations related to Shift2Rail Joint Undertaking and Shift2Rail Joint Undertaking members;
15. Notes that in 2021, the Joint Undertaking budget, as finally adopted, including unused appropriations of previous years, which the Joint Undertaking re-entered in the budget of the current year, assigned revenues and reallocations to the next year, amounted to EUR 13,625 million (EUR 84,1 million in 2020) in commitment appropriations and EUR 68,440 million (EUR 75,8 million in 2020) in terms of payment appropriations;
16. Welcomes the fact that, at the year-end 2021, the Joint Undertaking had implemented 100 % of its commitment appropriations made available in its active budget, which include staff and administrative expenditure and that the payment appropriations were implemented up to 85 % of the active funds; notes that the implementation when compared to the full Joint Undertaking budget, including unused appropriations not required in current year, was 100 % in commitment and 63 % in payment appropriations;
17. Notes that, at the end of 2021, the private members contributed a total of validated EUR 189,6 million, comprising of EUR 10,5 million in cash, EUR 179,1 million in validated in-kind contributions, and additionally a total in-kind contributions to additional activities of EUR 208,8 million, compared to the Union total cash contribution of EUR 339,2 million;
18. Notes that, in April 2021, the Joint Undertaking launched a final call for the Horizon 2020 programme; notes that, with this call, at the end of 2021, the Joint Undertaking had almost committed EUR 385,5 million of the maximum EU contribution for signed Horizon 2020 grant agreements, out of which, around EUR 96,4 million (25 %) remains to be paid in the coming years; notes, moreover, that the private members had legally committed to provide 'in-kind' contributions of EUR 572,6 million;
19. Highlights that the Joint Undertaking implemented 100 % of its commitment budget available for Horizon 2020 projects; notes that the implementation rate for the Joint Undertaking's 2021 operational payment budget available, including operational unused and reallocated appropriations, fell to 61 % (2020: 76 %); is aware that this situation was mainly caused by the poor quality of the beneficiaries' technical reports or the need to request from the beneficiaries, additional evidence confirming the achievement of project results; calls on the Joint Undertaking to explore any additional means of facilitating the reporting rules for achievements of project results in order to avoid delays in the future; notes, moreover, that most of the Joint Undertaking's payment are lump-sums paid for project work packages that have been properly implemented by multiple beneficiaries; notes, therefore, that the delay of a single beneficiary affects the payment of the whole lump-sum amount related to the work package;
20. Notes that the Joint Undertaking successfully made more than 70 payments related to operational tenders and grant agreements for a total amount of EUR 39,3 million; notes that the Joint Undertaking highlighted to the governing board the importance of the quality of the beneficiaries' reporting and the need for beneficiaries and/or contractors to comply with deadlines and that it informed the governing board in November 2021 that, due to the beneficiaries'

delays in the submission of payment requests and underlying documents, payment appropriations of around EUR 17,5 million would remain unused at the year-end; notes, moreover, that the Joint Undertaking had to transfer this amount to the unused appropriations in order to be re-inscribed into the payment appropriations for 2022; notes that, in the Joint Undertaking's view, with this reallocation it achieved an implementation rate for operational payments (operational expenditure) of 84 %;

Performance

21. Welcomes that, during 2021, the Joint Undertaking has further progressed in delivering the Shift2Rail Programme, although operational activities have been affected by the COVID-19 pandemic, further delaying the programme outputs of about additional 6 months compared to 2020 delays, in particular due to the increased number of demonstration activities on-site that were active in 2021; is pleased to note that the internal control system in place has ensured effective and efficient sound financial management;
22. Notes that, in 2021, the Joint Undertaking awarded and signed 2 grants for a total value of EUR 2,34 million, in the fields of 'research and innovation impact and benefits to make rail attractive for stakeholders' and 'digital automated coupler innovation for the European Delivery Programme';
23. Highlights that, by the end of 2021, the Shift2Rail Programme reached pivotal milestones in term of programme implementation with almost all Shift2Rail Joint Undertaking resources being committed for the programme activities and that all planned innovative Programme/Cross Cutting Activities related activities were running in granted projects; appreciates that, on average, almost 75 % of the programme has been realised in view of reaching the technology readiness level 6/7 ⁽²⁾ operational demonstrations planned for conclusion during 2023; notes that, in total, it is estimated that the total value of the activities performed in 2021 amounts to EUR 123,5 million, of which EUR 113,6 million delivered by the members other than the Union;
24. Notes that, during 2021, the Joint Undertaking assessed its research and innovation activities through a third control gate exercise; notes that this exercise took into account the deliverables and reports submitted in the context of the annual review of the active projects coordinated by the Shift2Rail Joint Undertaking other member (Union and the associated members). The Joint Undertaking also ensured through this process that the recommendations made during the previous control gate assessment had been properly applied; notes that the result overall is that the programme benefited from such feedback, built upon also external expertise;

Staff and procurement

25. Notes that, due to ongoing/pending recruitments, on 31 December 2021 there were 19 staff members including 1 seconded national expert available; notes that according to the Joint Undertaking staff establishment plan it should be 23 posts as at year-end 2021;
26. Notes that, due to the launch of the new Europe's Rail Joint Undertaking as from 30 November 2021, the staff establishment plan remained the one adopted in the context of the Shift2Rail Joint Undertaking; notes that the governing board adopted the new staff establishment plan only on 1 March 2022;
27. Notes, from the annual activity report, that the staff expenditure was mainly used for the salaries of the Joint Undertaking staff; notes, moreover, that the Joint Undertaking also made use of external support, to fill in gaps during the recruitment process following from staff turnover and to cope with the important workload on the Joint Undertaking activities;

⁽²⁾ Technology Readiness Level reaching at least 6 – technology demonstrated in relevant environment.

28. Notes with concern that the average annual rate of interim staff remained high, representing 18 % of statutory staff; recalls that the high level of contractual staff tends to increase significantly the Joint Undertaking's staff turnover rate and further destabilises the staffing situation; emphasises, moreover, that the use of interim staff should remain a temporary solution or it could negatively affect the Joint Undertaking's overall performance, such as the retention of key competences, unclear accountability channels, possible judicial disputes and lower staff efficiency; reminds that the Joint Undertaking should develop a formalised model or guidance on how to estimate staff needs (including essential competences), with the objective of optimising the use of staff resources;
29. Regrets that, in 2021, the staff turnover continued to be high with some staff members and one seconded national expert leaving the Joint Undertaking; notes that this was attributable, besides other aspects, to the fact that other Union Joint Undertakings are in the position to offer temporary agent posts instead of contractual agent posts; calls for increased efforts in human resources to minimise staff turnover;
30. Welcomes the fact that, as it was the case already in 2020, the Joint Undertaking continued in 2021 to follow the EC approach in response to the COVID-19 pandemic by implementing special measures designed to protect staff; notes that, in particular, this was ensured by applying teleworking arrangements, and, when working onsite, by decreasing physical contacts between colleagues and utilising protective measures; is pleased that the Joint Undertaking strived to tackle the negative effects of the COVID-19 pandemic on the staff's mental health by introducing already in 2020 a wellbeing programme;
31. Notes, from the annual activity report 2021, in terms of gender balance, that the Joint Undertaking has a lower percentage of women in the governing board than in the previous year, namely 10 % and 13 % respectively, taking into account the alternating board members, with the percentage of women represented in the representatives group and in the scientific committee being 33 %, as in 2019 and 2020; regrets that these numbers have decreased or stagnated compared to previous years and calls for increased efforts in terms of gender balance;
32. Notes that, with regard to the implementation of procurement activities, the Joint Undertaking has complied with the principles of the Financial Regulation and the guidance provided in the European Commission Procurement Vademecum; notes that this resulted in the implementation of activities obtaining the best value for money; the values established for the different procurement procedures, which are below any materiality level considering the total value of the research and innovation activities and the programme, result from the collective knowledge of involved staff and their experience in previous private and public organizations;
33. Notes, following the observations of the Court of Auditors (the 'Court'), that the Joint Undertaking agrees to pay its employer's pension contributions in line with the calculation to be provided by the Commission's services, once legal aspects are confirmed and calls on the Commission to take steps to avoid similar issues in the future; calls on the Joint Undertaking not to wait for the final calculation of outstanding contributions, but to consider this obligation when planning its future budget e.g. through a corresponding accrual for pension contributions;
34. Congratulates the Joint Undertaking for the definition of key goals to strengthen the role of rail in the transport system in its multi-annual action programme, in order to maximise its contribution to reaching the goals of the European Green Deal;
35. Commends, for the year 2021, the continued supervision by the programme office of the implementation of 105 projects and operational contracts of the Shift2Rail Programme, awarded and signed since 2016, for an estimated research and innovation total value of EUR 805,1 million;
36. Notes that the Joint Undertaking played an active role for the visibility of the sector during the Year of Rail 2021;
37. Commends the Joint Undertaking continued reporting, since 2018, on its contribution to the attainment of the United Nation's Sustainable Development Goals;

38. Notes the continued effect of the COVID-19 pandemic on the activities of the Joint Undertaking, its predecessor, and the rail sector in general and the resulting further delays in some of the programme outputs, as reported in the Joint Undertaking's annual activity report; calls attention to the fact underlined by the Joint Undertaking, that the COVID-19 pandemic will continue to affect certain operations in the rail sector even after its most severe effects are receding; congratulates and encourages, therefore, the Joint Undertaking to continue the detailed risk analysis and mitigation plans that have been carried out by its programme team and project coordinators since the onset of the COVID-19 pandemic;

Internal audit

39. Notes that the Commission's internal audit service confirmed that in 2021, there was no impairment to individual objectivity, in particular through conflicts of interest, scope limitations, restrictions on access to records, personnel, and properties, or resource limitations;
40. Notes that, following its risk assessment performed at the Joint Undertaking during 2020, the internal auditor drew up the strategic internal audit plan for 2021-2023; notes that in Q4 2021 the Joint Undertaking provided the internal audit service with an update on the internal and external developments having influence on its business, as well as with its updated version of the risk register; notes that the internal audit service will take this input into account for the preparation of its planning of the audit work for 2022 and for the establishment of the next in-depth risk-assessment and strategic internal audit plan of Joint Undertaking;
41. Notes that, in 2021, internal audit plan launched an 'Audit on H2020 grant implementation and closing' with the objective of this audit is to assess the adequacy of the design and the efficiency and effectiveness of the internal controls in place in the Joint Undertaking for the implementation and closing of grant agreements under H2020; calls on the Joint Undertaking to reply to the discharge authority concerning the findings of the audit;

Internal control

42. Highlights that, in 2020, the Joint Undertaking adopted a revised internal control framework and that a first annual self-assessment of the revised internal control framework was performed in Q1 2021 in order to evaluate the compliance and effectiveness of internal controls, looking back to 2020, as well as reflecting the current situation in internal control activities existing at that time;
43. Notes that, similarly, a new annual internal control framework assessment evaluating the situation in 2021 was conducted in Q1 2022 both at the level of its individual 17 principles, 5 components, and from the perspective of the framework as a whole; notes that this assessment was carried out on the basis of 53 indicators and taking into account all relevant information available at that time, including the results from previous internal/external audits and the records in the Joint Undertaking's register of exceptions and non-compliance events; notes, after due assessment, that no relevant deficiencies in internal controls were identified; notes that all individual internal control framework principles as well as components were found to be present and to be functioning well;
44. Notes, from the Court's report, that for Horizon 2020 payments, the common audit service of the Commission's DG RDT is responsible for the *ex post* audit; notes that based on the *ex post* audit results available at the end of 2020, the Joint Undertaking reported a representative error rate of 2,3 % (2,9 % in 2020) and a residual error rate of 1,6 % (1,99 % in 2020) for Horizon 2020 projects (clearings and final payments);
45. Notes, that the Court randomly audited a sample of Horizon 2020 payments made in 2021, at the level of final beneficiaries, to corroborate the *ex post* audit error rates; notes that the Court did not find any errors or control weaknesses at the Joint Undertaking beneficiaries sampled;

46. Welcomes that in 2022 all Joint Undertakings have started implementing actions for error rate reductions in line with the action proposed by the European Court of Auditors including exploring the options of simplified forms of costs such as unit costs, lump sums and flat rates, targeting more 'error-prone' types of beneficiaries such as SMEs and new beneficiaries;
 47. Notes that, as with the treatment of potential conflicts of interest, and in order to implement the requirements following from its constituent act with regard to this matter, the Joint Undertaking has adopted by means of its internal legal framework rules in relation to its members and staff, as well as to the members of its governing board, and that the annual declarations of interests of the those members of its governing board are publicly available in the Joint Undertaking official website.
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DECISION (EU) 2023/1970 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the Europe's Rail Joint Undertaking (before 30 November 2021 the Shift2Rail Joint Undertaking) for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Europe's Rail Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0115/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ⁽⁵⁾, and in particular Article 26 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Transport and Tourism,
- having regard to the report of the Committee on Budgetary Control (A9-0090/2023),

1. Approves the closure of the accounts of the Europe's Rail Joint Undertaking for the financial year 2021;

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 177, 17.6.2014, p. 9.

⁽⁵⁾ OJ L 427, 30.11.2021, p. 17.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

2. Instructs its President to forward this decision to the Executive Director *ad interim* of the Europe's Rail 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

DECISION (EU) 2023/1971 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on discharge in respect of the implementation of the budget of the European High Performance Computing Joint Undertaking for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European High Performance Computing Joint Undertaking for the financial year 2021,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-01110/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
- having regard to Council Regulation (EU) 2018/1488 of 28 September 2018 establishing the European High Performance Computing Joint Undertaking ⁽⁴⁾,
- having regard to Council Regulation (EU) 2021/1173 of 13 July 2021 on establishing the European High Performance Computing Joint Undertaking and repealing Regulation (EU) 2018/1488 ⁽⁵⁾,
- having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0089/2023),

1. Grants the Executive Director of the European High Performance Computing Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2021;
2. Sets out its observations in the resolution below;

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 252, 8.10.2018, p. 1.

⁽⁵⁾ OJ L 256, 19.7.2021, p. 3.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the European High Performance Computing 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

RESOLUTION (EU) 2023/1972 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European High Performance Computing Joint Undertaking for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European High Performance Computing Joint Undertaking for the financial year 2021,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0089/2023),
- A. whereas the European High Performance Computing Joint Undertaking (the 'Joint Undertaking') was set up in October 2018 for a period of until 31 December 2026 ⁽¹⁾ and became autonomous in September 2020;
- B. whereas in July 2021, the Council adopted a new founding regulation extending the duration of the Joint Undertaking under the Multiannual Financial Framework (MFF) 2021-2027, for a period ending on 31 December 2033 ⁽²⁾ with the mission to develop, deploy, extend and maintain in the Union a world-leading federated, secure and hyper-connected supercomputing, quantum computing, service and data infrastructure ecosystem, and to support the development and uptake of demand-oriented and user-driven innovative and competitive supercomputing systems based on a supply chain that will ensure components, technologies and knowledge limiting the risk of disruptions and the development of a wide range of applications optimised for these systems, as well as to widen the use of that supercomputing infrastructure to a large number of public and private users, and support the twin transition and the development of key skills for European science and industry;
- C. whereas the Joint Undertaking founding members are the Union, represented by the Commission, the Participating States ⁽³⁾, and two private partners, represented by the European Technology Platform for High Performance Computing and the Big Data Value associations; whereas at the end of 2021, the governing board of the Joint Undertaking accepted the membership request of a third private partner, the European Quantum Industry Consortium;
- D. whereas the maximum Union financial contribution to the Joint Undertaking (including EEA appropriations) under Regulation (EU) 2021/1173 is to amount to EUR 3,081 billion, including EUR 92 million for administrative costs, provided that that amount is matched or exceeded by the contribution of Participating States;

General

1. Welcomes the fact that the report of the Court of Auditors (the 'Court's report') finds that the accounts of the Joint Undertaking for the year ended 31 December 2021 present fairly, in all material respects, its financial position on 31 December 2021, the results of its operations, its cash flows, and the changes in net assets for the year ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer; highlights the fact that the underlying transactions to the accounts are legal and regular in all material respects;

⁽¹⁾ Council Regulation (EU) 2018/1488 of 28 September 2018 establishing the European High Performance Computing Joint Undertaking (OJ L 252, 8.10.2018, p. 1).

⁽²⁾ Council Regulation (EU) 2021/1173 of 13 July 2021 establishing the European High Performance Computing JU and repealing Regulation (EU) 2018/1488 (OJ L 256, 19.7.2021, p. 3).

⁽³⁾ Member States and Associated Countries that have chosen to become members of the Joint Undertaking: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, North Macedonia, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden and Turkey.

2. Notes, nevertheless, that the Court considered the risk to the reliability of the annual accounts to be medium, due to the procedures regarding asset recognition and management not yet having been established, and due to the requirements for the reporting, certification and validation of its members' in-kind contributions;
3. Notes that the Joint Undertaking will receive additional funding of around EUR 2 billion from the Digital Europe programme, as well as additional funding of EUR 200 million from the Connecting Europe Facility to support the acquisition, deployment, upgrading and operation of the infrastructures for supercomputers and quantum computers;
4. Acknowledges the fact that the Horizon Europe 2020 envisages ambitious goals for the Joint Undertaking, which can be achieved only if effective solutions that address the weaknesses in the internal control systems and prepare for the future challenges arising from increased responsibilities, such as in the area of human resources management and planning, are designed and implemented; points out, in this context, that particularly complicated and burdensome calculations and reporting requirements represent a significant risk of error and calls, therefore, to explore the possibilities of simplifications wherever possible and compatible with the existing legal framework;
5. Notes that 2021 was the first full year of operation of the Joint Undertaking since becoming autonomous in September 2020;
6. Notes that there is no harmonised definition of administrative costs among the joint undertakings, which is a basis for calculating the financial contributions of their members and a precondition for rendering such costs comparable; calls, with this in mind, for common guidelines for all Joint Undertakings to take a harmonised approach for the classification of certain administrative cost expenditure categories, such as expenditure for consultations, studies, analyses, evaluations and technical assistance;

Budget and financial management

7. Notes that, for 2021, the budget in new payment appropriations amounted to EUR 207,5 million (compared to EUR 181,5 million in 2020) and in new commitment appropriations to EUR 722,4 million (compared to EUR 509,1 million in 2020); notes that the available payment budget amounted to EUR 348,2 million (compared to EUR 181,5 in 2020) and the available committed budget amounted to EUR 753,4 million (compared to EUR 509,1 in 2020); notes that the available budget includes unused appropriations of previous years, which the Joint Undertaking re-entered in the budget of the current year, assigned revenues and reallocations to the next year;
8. Notes with concern that the Court categorised the risk to budget management as medium for the Joint Undertaking because of weaknesses observed in the budget planning and monitoring process and the complexity and multiannual nature of its contracts and grant actions; calls on the Joint Undertaking to address this issue in the future budget and monitoring procedures;
9. Notes that, at the end of 2021, the Joint Undertaking had already committed EUR 180 million for the 50 % co-financing under Horizon 2020 research and innovation grants, which is the minimum target under Regulation (EU) 2018/1488, and that the Participating States are to finance the remaining 50 % of the total project costs, and that private members are to contribute on top of the maximum eligible costs of the grant actions; notes, however, with concern that, by that date, the private members had only reported EUR 4,2 million of in-kind contributions; notes that the Court considers that there is a high risk that the EUR 420 million of private members' contributions, as required under Regulation (EU) 2018/1488, will not be achieved by the end of the implementation of the grant project;

10. Notes that Council Regulation (EU) 2021/1173 requires the Joint Undertaking implements projects amounting to EUR 7 billion, of which EUR 3,1 billion should be leveraged from the Participating States and EUR 900 million from private members in form of cash and in-kind contributions; highlights the fact that this represents a significant increase compared to the preceding MFF under which the Joint Undertaking had to implement projects of around EUR 1,4 billion and, therefore, the risk that the Joint Undertaking will not achieve the other members' contribution targets under Regulation (EU) 2021/1173 is significantly increased;
11. Notes that, regarding the Joint Undertaking's 2021 budget available for operational projects, the implementation rates for operational commitment and payment appropriations were 2 % and 47 % respectively; notes that the very low implementation rate for commitment appropriations is largely explained by the delayed start of the Joint Undertaking under the MFF 2021-2027 in July 2021 and the transfer by the Commission and Participating States of EUR 700 million of funds to the Joint Undertaking in December 2021; notes that delays by hosting entities and supply issues for key components caused by the global pandemic situation in the constructions of the buildings (data centres), necessary to host and operate the already acquired supercomputers, also contributed to the low implementation rate;
12. Notes that the low implementation rate of the operational payment appropriations was mainly caused by the delayed start of some new infrastructure projects, resulting in a delay in pre-financing payments planned for 2021, as well as by the unexpected additional time needed for the *ex ante* control work on deliverables, concerning the first interim grant payments for Horizon 2020 projects;
13. Notes, as regards the administrative commitment and payment appropriations, that the Joint Undertaking did not consider sufficiently, in the planning of its 2021 administrative budget, the reallocation of the significant amounts of unused payment appropriations of previous years; notes, moreover, that the reallocated budget appropriations from previous years were not used before the new appropriations of the year;
14. Notes with concern that the Joint Undertaking still lacks reliable procedures for certifying and validating in-kind contributions, reported by its private members and Participating States and that it is the only Joint Undertaking that does not have a strategic implementation plan for the achievement of other members' contributions; calls on the Joint Undertaking to inform the discharge authority on the steps taken to address the lack of such a plan; emphasises that the Joint Undertaking should implement reliable procedures for the certification and validation of in-kind contributions, as well as a strategic implementation plan (road map) with realistic milestones and annual contribution targets for both Participating States and private members at programme level; notes, furthermore, the Joint Undertaking's acknowledgement of the action proposed by the Court and its commitment to address this matter in a timely manner;
15. Notes that under the MFF 2021-2027, the Horizon Europe and Digital Europe programmes remain the main financial resource for joint undertakings, with a total budget of EUR 15,1 billion for co-financing the joint undertakings' research and innovation activities and that the joint undertakings implement EUR 11,6 billion, representing around 12 % of the total Horizon Europe budget of EUR 95,5 billion; welcomes, on the other hand, the fact that the Joint Undertaking and the future Chips Joint Undertaking⁽⁴⁾ will implement large capacity-building, deployment and investment projects related to the European Digital Single Market strategy under the Digital Europe Programme and that the Joint Undertaking and the future Chips Joint Undertaking will receive EUR 3,4 billion in Union funds from the Digital Europe Programme, representing 39 % of the programme's total funding of EUR 8,6 billion, to implement those activities;

⁽⁴⁾ In February 2022, the Commission proposed to amend and rename the Key Digital Technologies Joint Undertaking into the future Chips Joint Undertaking. The Chips Joint Undertaking is intended to have the additional remit to implement capacity-building activities of the Chips for Europe Initiative under the 2021-2027 MFF. In this context, the Chips Joint Undertaking will use budget from the Digital Europe programme to foster the development of innovative next-generation semiconductor technologies and reinforce the European chips production capability.

16. Notes, based on the Court's report, that, under Regulations (EU) 2021/695⁽³⁾ and (EU) 2021/1173, the Joint Undertaking is obliged to introduce a new centralised management process, the central management of financial contributions (CMFC) system, to manage the financial contributions of its Participating States;
17. Notes that, under the planned CMFC system, each Participating State can opt to pay to the Joint Undertaking its respective financial contribution at project level for beneficiaries established in its State and, during that process, each Participating State also has a right of veto on all issues concerning the use of its own national financial contributions paid to the Joint Undertaking for applicants established in its State, in line with the Union's financial and competition rules, allowing a Participating State to decide, on the basis of national strategic priorities, whether or not to support a national beneficiary of a selected and approved research and innovation project; notes, on the other hand, that the Joint Undertaking will have to execute the co-financing payments for all Participating States that have chosen to entrust it with their financial contributions; notes that the Joint Undertaking will have to manage and monitor two alternative processes of supporting administrative agreements with Participating States; notes that each Participating State's national funding authority has to sign an agreement with the Joint Undertaking, to either entrust it with the payment of national contributions, or to coordinate national transfer of funds agreements for the payments to beneficiaries and reporting on contributions; notes that, according to the Joint Undertaking's timeline, the agreements should have been signed before the Joint Undertaking signed its first model grant agreements for calls launched under the MFF 2021-2027; calls on the Joint Undertaking to explore simplifications for this burdensome procedure and to inform the discharge authority about possible solutions;
18. Notes, based on the Court's observations, that the additional resources needed for implementing the planned CMFC system was neither assessed by the Commission nor included in the Joint Undertaking's initial staff resource estimates for the implementation of the Joint Undertaking's new research and innovation agenda; notes that this lack of planning in the introduction of the CMFC system combined with the staff situation, and the lack of IT tools and support may negatively affect the implementation of the Joint Undertaking's programmes and the achievement of the other members' contributions; notes with concern that the CMFC system must be managed manually, which will be human resource intensive; requests that the discharge authority is informed of implementation status of this new centralised system;

Procurement and staff

19. Highlights the fact that the Court assessed the risk for contract expenditure and public procurement procedures as medium for the Joint Undertaking, due to the complex procurement procedures for high-value contracts;
20. Notes that, at the end of 2021, the Joint Undertaking employed 15 statutory members of staff and 3 interim members of staff who assist the finance and communications team; notes, in addition, that since the seconded national expert post allocation was discontinued under Regulation (EU) 2021/1173, the recruitment was put on hold and will be replaced by the recruitment of a programme officer in 2022;
21. Regrets that the main concerns identified by the Court are related to the fact that the Joint Undertaking has been understaffed, and that the lack of sufficient statutory staff has led to increased use of interim staff, which can lead to weaknesses in financial, budgetary and staff management, and may pose risks in terms of continuity of activities, retention of key competences and lack of sufficient internal controls, and, consequently, may negatively affect achievement of the Joint Undertaking's objectives; welcomes the fact that, under Regulation (EU) 2021/1173, the Joint Undertaking is able to take steps to rectify this issue and has initiated the recruitment process while prioritising essential positions which relate to key functions of the Joint Undertaking and risk mitigation, such the internal auditor positions;

⁽³⁾ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

22. Notes that, under Regulation (EU) 2021/1173, the Joint Undertaking will have to implement more than EUR 7 billion in funds and, for this, it needs to recruit an additional 39 members of staff to achieve its planned level of 54 statutory members of staff by the end of 2023 ⁽⁶⁾; notes that, due to the delayed adoption of Regulation (EU) 2021/1173, the Joint Undertaking launched the necessary recruitment processes for seven top priority posts only in late 2021, and that the Joint Undertaking could not increase its staff during 2021;
23. Notes that, with regard to the Court's findings of the precarious staffing situation in the Joint Undertaking in 2021, increased efforts are needed in the human resources field in general and in the involvement of the Commission's resource planning in order to improve the human resources planning and specifically the recruitment process, to avoid cases of long-term vacancies, high staff turnover, high numbers of external staff, dependence on the expertise of a few staff, excessive workloads and resulting staff absences and inefficiencies, and instead offer attractive and socially fair employment conditions that support the achievement of the Joint Undertaking's objectives;
24. Notes that, according to the annual activity report 2021, out of a total number of 45 experts participating in evaluations and project reviews, 47 % were female and 53 % were male; welcomes these figures and encourages the Joint Undertaking to further improve the gender balance among the Joint Undertaking's members of staff;
25. Notes that the Joint Undertaking is working with the Commission's Directorate-General for Budget to clarify the situation on the Joint Undertaking's staff pension contributions, in line with the Court's recommendations of the made in late 2021; calls on the Joint Undertaking not to wait for the final calculation of outstanding contributions, but to consider this obligation when planning its future budget, such as through a corresponding accrual for pension contributions, and calls on the Commission to take steps to avoid similar issues in the future;

Performance

26. Notes that the Joint Undertaking's research and innovation actions in 2021 focused mostly on completing of calls and actions initiated in 2019 and 2020 (legacy projects);
27. Welcomes the fact that thirteen consortia signed agreements with the Joint Undertaking in 2021 and began to work in April 2021; notes that the projects cover the three topics of the call 'Towards Extreme Scale Technologies and Applications', and use up more than the 70 % of the designated funding available under Horizon Europe 2020;
28. Highlights the fact that the different consortia will work on research and innovation activities that will help Europe to become globally competitive in the field of supercomputing and that ten of these projects will address EuroHPC-01-2019 'Extreme scale computing and data driven technologies' and that another two projects, MICROCARD and REGALE, will focus topic EuroHPC-02-2019 on 'HPC and data centric environments and application platforms';
29. Notes, moreover, that the exaFOAM project will concentrate on topic EuroHPC-03-2019 on 'Industrial software codes for extreme scale computing', the Joint Undertaking launched a call covering the call 'Training and Education on High Performance Computing' for the design and delivery of a European master programme in high performance computing, the call was launched early in the year and by October the Joint Undertaking was able to announce that the project would go ahead as lead by the University of Luxembourg and in collaboration with seven other European universities; is convinced that this initiative will facilitate the education and professional development of people with high potential, who are pivotal for the success of the Joint Undertaking;

⁽⁶⁾ COM(2020) 569 of 19.9.2020.

30. Notes that, in 2021, the Joint Undertaking prepared the second phase of the European processor initiative project, a cornerstone of the European initiative towards strategic autonomy in high performance computing, chip technologies and infrastructure which started in 2022 and to build on the achievements of the first phase;

Internal control

31. Welcomes the fact that, in 2020, the Joint Undertaking developed an action plan to implement the remaining actions of the 17 internal control principles of the Commission's internal control framework in 2021, and that due to the absence of key administrative staff (as such, head of finance and administration and head of internal audit capability), the Joint Undertaking had not yet approved several important internal control actions within the 2021 deadlines set in its action plan;
32. Notes, with concern, that, despite the risks the Joint Undertaking is facing due to its increased budget, it only performed a simplified annual risk assessment exercise; notes, in addition, that, by the end of 2021, the Joint Undertaking had not fully completed the development of a control and monitoring strategy nor a business continuity and IT security plan; underlines that these delays increased the Joint Undertaking's internal control risk for 2021;
33. Welcomes the fact that in 2022 all joint undertakings have started implementing actions for error rate reductions in line with the action proposed by the Court including exploring the options of simplified forms of costs such as unit costs, lump sums and flat rates, targeting more error-prone types of beneficiaries such as small and medium-sized enterprises and new beneficiaries;

Prevention and management of conflicts of interest, and anti-fraud strategy

34. Welcomes the fact that the Joint Undertaking has developed a comprehensive set of rules and procedures for its staff to have a clear framework in which to work and that these rules are effective across the entire governance structure of the Joint Undertaking, and that the conflict of interest procedures are in place for the members of both the governing body and the advisory bodies;
35. Notes with appreciation, in addition, the fact that specific measures have been implemented for the prevention and management of conflicts of interest of experts in charge of the evaluation of grant applications and of the review of projects and tenders;
36. Highlights the fact that the Joint Undertaking adopted and started to implement the common research anti-fraud strategy and that for areas of expenditure other than grants, the Joint Undertaking applies *mutatis mutandis* and by analogy, the anti-fraud strategy approved by the Commission's Directorate-General for Communications Networks, Content and Technology Risk management.
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DECISION (EU) 2023/1973 OF THE EUROPEAN PARLIAMENT**of 10 May 2023****on the closure of the accounts of the European High Performance Computing Joint Undertaking for the financial year 2021**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European High Performance Computing Joint Undertaking for the financial year 2021,
 - having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2021, together with the Joint Undertakings' replies ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2021 (06252/2023 – C9-0110/2023),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ⁽³⁾, and in particular Article 71 thereof,
 - having regard to Council Regulation (EU) 2018/1488 of 28 September 2018 establishing the European High Performance Computing Joint Undertaking ⁽⁴⁾,
 - having regard to Council Regulation (EU) 2021/1173 of 13 July 2021 on establishing the European High Performance Computing Joint Undertaking and repealing Regulation (EU) 2018/1488 ⁽⁵⁾,
 - having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0089/2023),
1. Approves the closure of the accounts of the European High Performance Computing Joint Undertaking for the financial year 2021;
 2. Instructs its President to forward this decision to the Executive Director of the European High Performance Computing 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
Roberta METSOLA

The Secretary-General
Alessandro CHIOCCHETTI

⁽¹⁾ OJ C 433, 15.11.2022, p. 52.

⁽²⁾ OJ C 399, 17.10.2022, p. 240.

⁽³⁾ OJ L 193, 30.7.2018, p. 1.

⁽⁴⁾ OJ L 252, 8.10.2018, p. 1.

⁽⁵⁾ OJ L 256, 19.7.2021, p. 3.

⁽⁶⁾ OJ L 142, 29.5.2019, p. 16.

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