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## TEXTS ADOPTED

*Provisional edition*

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### **P8\_TA-PROV(2018)0144**

#### **Discharge 2016: European Environment Agency (EEA)**

##### **1. European Parliament decision of 18 April 2018 on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2016 (2017/2151(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Environment Agency for the financial year 2016,
- having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2016, together with the Agency's reply<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 – C8-0061/2018),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>3</sup>, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network<sup>4</sup>, and in particular Article 13 thereof,

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<sup>1</sup> OJ C 417, 6.12.2017, p. 104.

<sup>2</sup> OJ C 417, 6.12.2017, p. 104.

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

<sup>4</sup> OJ L 126, 21.5.2009, p. 13.

- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council<sup>1</sup>, and in particular Article 108 thereof,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0090/2018),
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 2016;
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

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<sup>1</sup> OJ L 328, 7.12.2013, p. 42.

## **2. European Parliament decision of 18 April 2018 on the closure of the accounts of the European Environment Agency for the financial year 2016 (2017/2151(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Environment Agency for the financial year 2016,
  - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2016, together with the Agency's reply<sup>1</sup>,
  - having regard to the statement of assurance<sup>2</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 – C8-0061/2018),
  - having regard to Article 319 of the Treaty on the Functioning of the European Union,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>3</sup>, and in particular Article 208 thereof,
  - having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network<sup>4</sup>, and in particular Article 13 thereof,
  - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council<sup>5</sup>, and in particular Article 108 thereof,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0090/2018),
1. Approves the closure of the accounts of the European Environment Agency for the financial year 2016;

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<sup>1</sup> OJ C 417, 6.12.2017, p. 104.

<sup>2</sup> OJ C 417, 6.12.2017, p. 104.

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

<sup>4</sup> OJ L 126, 21.5.2009, p. 13.

<sup>5</sup> OJ L 328, 7.12.2013, p. 42.

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).

### **3. European Parliament resolution of 18 April 2018 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2016 (2017/2151(DEC))**

*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 2016,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0090/2018),
- 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, according to its statement of revenue and expenditure<sup>1</sup>, the final budget of the European Environment Agency (the “Agency”) for the financial year 2016 was EUR 50 509 265, representing an increase of 2,75 % compared to 2015; whereas the Agency’s budget derives mainly from the Union budget;
- C. whereas the Court of Auditors (the “Court”), in its report on the annual accounts of the European Environmental Agency for the financial year 2016 (the “Court's report”), has stated that it has obtained reasonable assurances that the Agency’s annual accounts for the financial year 2016 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 2016 resulted in a budget implementation rate of 99,9 % and that the payment appropriations execution rate was 89,8 %;

#### ***Commitments and carry-overs***

2. Takes note that the carry-overs from 2016 to 2017 were at EUR 4 203 111, representing a decrease of EUR 741 628 compared to the previous year (EUR 4 944 739 in 2015);
3. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies’ operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

#### ***Staff policy***

4. Acknowledges the fact that the management board of the Agency is concerned about the continued reduction of staff allocated to the Agency in light of the foreseen 10 %

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<sup>1</sup> OJ C 443, 29.11.2016, p. 1.

reduction in posts resulting from the Multiannual Financial Framework for 2014–2020 and the establishment of a ‘redeployment pool’ for agencies with new tasks;

5. Notes that the management board agrees with the proposed future role of the Agency and the European Environment Information and Observation Network (EIONET) in the field of the Energy Union and welcomes the proposal of the Commission to make additional resources available to the Agency in relation to the proposed new tasks;
6. Notes that the Agency achieved an occupancy rate for temporary agents of 99,2 % with 129 staff against 130 posts authorised under the Union budget; takes note that the last post is reserved for the known reduction in the establishment table in 2017; welcomes the fact that approximately 77 % of all staff are dedicated to operational activities;
7. Notes with satisfaction the gender balance in the Agency’s management board; regrets, however, the gender imbalance in the Agency’s senior management team; acknowledges the fact that the Agency has only seven heads of unit positions available, which limits the potential speed of a transition towards a better man/woman ratio;
8. Notes with appreciation that by the number of all posts occupied in 2015 gender balance has been met since the ratio is 54,6 % female to 45,4 % male;
9. Stresses that the work-life balance should be part of the staff policy of the Agency and that the budget spent on well-being activities amounts to approximately EUR 560 per member of staff, corresponding to two working days; observes that the average sick leave amounts to 13,8 days per member of staff, which amounts to an average of almost three working weeks; calls on the Agency as a matter of urgency to examine this issue with a view to ascertaining and addressing the major causes thereof, and to establish in particular whether workplace stress plays any role;
10. Welcomes the fact that, in June 2017, the Agency adopted a new policy on protecting the dignity of the person and preventing harassment; supports the training session organised to increase the awareness of the staff and suggests to regularly organise training and information sessions on the matter; regrets the alleged case of harassment on which a complaint was lodged on 16 December 2016; requests additional information from the executive director while respecting the presumption of innocence and the data protection rules; waits for the final decision and considers that it will be carefully followed up during the next discharge exercise;
11. Notes that two complaints were lodged on the basis of Article 90(2) of the Staff Regulations (21 December 2016 and 8 March 2017) against the Appointing Authority’s (AIPN) decision to terminate a contract during the probationary period and not to confirm a contract at the end of the probationary period; asks for more information from the executive director, while respecting data protection rules;
12. Highlights that the continuing staff reduction poses a risk for the Agency to deliver its multiannual work programme for 2014-2020 to the full, and limits its capacity to respond to policy developments; stresses that it has become increasingly difficult for the Agency to manage the risks associated with the decrease in resources; notes that the limitation of staff resources contributed to the lower delivery rate observed in some strategic areas;

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

13. Welcomes the fact that 18 board members have made CVs and declarations of interest available on the Agency's website; acknowledges the fact furthermore that the CVs and declarations of interest of its senior management team are published on the website;
14. Acknowledges the fact that newly recruited members of staff take part in ethics and integrity courses and that for every member of staff an assessment of potential conflict of interest is part of the annual staff performance review; notes furthermore that specific training is also provided to all staff holding line management responsibilities;
15. Notes that the anti-fraud strategy of the Agency was adopted by its management board in November 2014, with the aim of ensuring proper handling of conflict of interest issues and of developing anti-fraud activities, especially through an action plan which covers three objectives: to ensure an effective internal organisation for detecting potential fraud, to strengthen the formalisation of authorisation of access rights to the Business Data Repository database and to maintain a high level of ethics and fraud awareness within the Agency;
16. Welcomes the implementation of Agency's guidelines on whistleblowing which aim inter alia at clarifying the rules regarding professional ethics within the Agency by providing information on the types of situations where the obligation to blow the whistle applies and on the reporting channels; welcomes that those guidelines also address the protection to be granted to the whistleblower and the guidance and support that could be provided by the Agency; calls on the Agency to report to the discharge authority on the implementation of those guidelines;
17. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistle-blowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

### ***Main achievements***

18. Welcomes the three main achievements identified by the Agency in 2016, namely:
  - the publication of the 2016 Air quality in Europe report;
  - the publication in 2016 of its first assessment report on “Circular economy in Europe — Developing the knowledge base”, addressing the perspective of reducing the environmental pressures and impacts from material resource use;
  - the publication of the report “Transforming the EU power sector: avoiding a carbon lock-in”, which assesses the extent to which the thermal power sector in the Union has the potential to facilitate the necessary transition towards long-term Union energy and climate objectives;

### ***Internal audit***

19. Notes that the Commission's Internal Audit Service (IAS) carried out an audit on the State of the Environment Report (SOER), which was finalised in 2016; notes with satisfaction that, according to the IAS' conclusions, the management and control systems set up by the Agency for the SOER 2015 preparation process were generally fit for purpose and ensured an efficient and effective internal and external coordination of this complex multiannual

project; notes from the Court's report that the Agency and the IAS agreed on a plan to further improve them; calls on the Agency to report to the discharge authority on the implementation of this action plan;

20. Takes note that the IAS carried out an audit on data/information management, including an IT component, which was finalised in 2015; acknowledges the fact that, in order to address the recommendations of the IAS in relation to that audit, an action plan was drawn up covering the coming years; notes with satisfaction that in 2017 the majority of the recommendations have been closed by the IAS, demonstrating that appropriate measures have been implemented to ensure proper handling of a higher volume of data;

### ***Internal controls***

21. Notes with concern from the Court's report that, even if the Agency updated its security policy in 2016, many other internal procedures are outdated; notes that the senior management approved an action plan which includes the review and update of the business continuity plan and that the Agency also intends to review its document management policy, which it adopted in 2009, in line with the new security policy; notes moreover that the Agency envisages to review and update its internal control standards, where necessary; calls on the Agency to report to the discharge authority on the implementation of this action plan;
22. Takes note that the Internal Audit Capability established a risk assessment to select beneficiaries for on-the-spot verifications, resulting in the verification of payments for two beneficiaries in relation to eight grants to ensure accuracy and reliability of the staff costs claimed; notes that, as a result, an unjustified payment has been identified and paid back to the Agency in accordance with the contractual provisions; observes that on the basis of the new policy approved in October 2015, further on-the-spot verifications were conducted in 2016; calls on the Agency to report to the discharge authority on the results of those verifications;
23. Notes that, following observations from the discharge authority, the Agency improved the verification methods by providing guidelines and training to the European Topic Centre partners regarding criteria for eligibility of costs;

### ***Other comments***

24. Recalls with concern from the Court's report that in 2014 the Commission signed, on behalf of more than 50 Union institutions and bodies (including the Agency), a framework contract (FWC) with one contractor for the acquisition of software, licences and the provision of related IT maintenance and consultancy services; notes that the framework contractor acts as an intermediary between the Agency and suppliers and that for these intermediary services the framework contractor is entitled to uplifts of two to nine per cent of the suppliers' prices; notes moreover that the FWC explicitly stipulates that it does not confer any exclusive right to the contractor; observes that, in 2016, the Agency used this FWC to purchase software licences for a total of EUR 442 754; notes that most of those purchases were for products belonging to a particular category that should only be used on an exceptional basis, for which prices were not quoted during the tender process or in the FWC; acknowledges the fact that the Court's report indicates that this procedure does not ensure sufficient competition or the application of the most economical solution; acknowledges moreover the fact that the uplifts charged by the framework contractor were



not adequately checked: the largest order concerned the renewal of software licences provided by an exclusive Scandinavian reseller (EUR 112 248); expresses its concern that in this instance, there was no justification for the use of the FWC which resulted in an unnecessary uplift cost; notes the Agency's reply to the comment from the Court;

25. Recalls that, since its creation, the Agency, together with EIONET, has been an information source for those involved in developing, adopting, implementing and evaluating Union environment and climate policies, as well as sustainable development policies, and has also been an information source for the general public;
26. Stresses that the Commission, in line with the Better Regulation Agenda, initiated in 2016 an evaluation of the Agency and the EIONET, covering the period between mid-2012 and end 2016, the findings of which will be used to assess how well the Agency is performing;

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27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018<sup>1</sup> on the performance, financial management and control of the agencies.

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<sup>1</sup> Texts adopted, P8\_TA-PROV(2018)0133.