

2014 Discharge

Individual replies to the written questions to Decentralised Agencies

Hearing of 28 January 2016

BEREC replies

II. QUESTIONS TO BE ANSWERED BY INDIVIDUAL AGENCIES

BEREC:

1. A large number of budget transfers changed the structure of the initial budget considerably, mainly in order to finance on-going studies. Can the agency please give an indication of why this was necessary and why needs could not have been foreseen/planned for earlier?

The provisional budget for 2014 was drafted in December 2012 with limited experience after gaining financial autonomy only in September 2011. The agency was not fully staffed and key posts were not filled in. Additionally, the annual work programme of BEREC, the independent body of the national regulatory authorities, is adopted every year in December for the following year (i.e. in December 2013 for 2014, one year after the budget of the BEREC Office was drafted). The mandate of the BEREC Office is to provide professional and administrative support to BEREC so the available human and financial resources needed to be reallocated during the year.

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CDT replies



Temporary Director

DISCHARGE 2014

II. QUESTIONS TO BE ANSWERED BY INDIVIDUAL AGENCIES: Translation Centre for the Bodies of the European Union

1. The Centre extended its framework contracts in 2013 for one year as no agreement on contract terms could be reached with the Commission. What is the current status of these contracts and was a new tender procedure organised?

After prolongation of the framework contracts, a tender procedure was organised to cover the specific needs of the Centre. Following this procedure new framework contracts were signed with service providers. The old framework contracts have expired now more than two years ago.

2. With regard to the adaptability project which started in 2014, what measures will the Centre take to enhance the adaptability of its staff and reduce detected gaps?

Following a report with the results of the adaptability screening performed in 2014, a list of training actions and trainers were identified at the beginning of 2015. The Centre started the implementation of the identified training actions. The analysis of skills possessed by at least two people in each section performed at the end of 2015 shows that the percentage has considerably increased and is equal to 76.50% (compared to 65.46% in 2014). The on-the-job training actions will continue in 2016 and beyond, but progress is expected to slow down after an initial series of quick wins. The target for 2016 is a 3% increase compared to 2015.

3. Could the Centre provide the discharge authority with a breakdown of its translation prices from 2012 to 2014?

The breakdown of the translation prices can be find in the bellow table:

Translation service	Unit	Price in 2012	Price in 2013	Price first half 2014	Price second half 2014
Translation	page	97.00	97.00	92.00	88.00
Modification	page	180.00	180.00	180.00	172.00
Revision	page	48.50	48.50	60.00	60.00
Editing	page	60.00	60.00	45.00	45.00
Trademarks	page	39.90	37.94	35.53	35.53
Terminology	man/day	900.00	900.00	900.00	900.00
Term lists	term	5.00	5.00	4.00	4.00

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CEPOL replies

2014 Discharge of the EU decentralised agencies

WRITTEN QUESTIONS TO THE AGENCIES

Hearing on 28 January 2016

II. QUESTIONS TO BE ANSWERED BY INDIVIDUAL AGENCIES

CEPOL:

1. *According to the Court, "The cancellation rate for committed appropriations carried over from 2013 was high at 129 828 euro (15 %), mainly because of the cancellation of the Matrix project (15 090 euro) and the lower than estimated costs to be reimbursed under the 2013 grant agreements (57 285 euro). The Matrix project was cancelled during its initial phase because it did not meet operational needs. This could have been avoided if there had been a proper user analysis by the College. The over-estimation of grant costs indicates the need to obtain more accurate information from the College's beneficiaries". What was the purpose of the Matrix project, on what basis has it been initiated? What was the rationale to cancel it? How come the costs for the reimbursement of grant agreements was so much overestimated, and is it a recurring situation? What can be done to avoid re-occurrence of these issues next year?*

Matrix is a software tool developed by the Fundamental Rights Agencies with an initial aim to accommodate and streamline the procurement process. At later stages FRA continued building on it to include a number of other aspects of operational and administrative management inside it. The source code (software) was made available free of charge, but the necessary adjustments to be incorporated in the CEPOL environment were estimated to be around € 15k.

The introduction of Matrix in CEPOL seemed beneficial for CEPOL as it would provide a solid fundament to run procurement. With a limited number of staff numbers, it would increase the capacity to ensure continued compliance with procurement rules.

The decisions of the United Kingdom to sell off the Bramshill premises and subsequent focus on the relocation of the CEPOL lead to a re-prioritisation of planned activities. Additional analysis on the efforts needed to introduce MATRIX in CEPOL (both from organisational and ICT perspective) showed that this would be a much more intensive project than originally foreseen, especially with regards to software updates (as MATRIX was built in an older version of software in use at

CEPOL). This has been confirmed in 2015 by EU-LISA who also have analysed the possibility to use MATRIX and have come to a similar conclusion.

With regards to the cancellation of the funds needed to reimburse cost under grant agreements (57,285€), we would like to remark that the measures introduced by CEPOL in the recent years lead to improvements in the payment forecast and significantly reduced amount of Title III carried forward funds (from 1,006,270€ for 2011-2012 operations to 393,384€ for 2013-2014 operations) and cancellations (from 43% for 2011-2012 operations, to 14% for 2013-2014 operations).

We are committed to further increase and maintain compliance with the budgetary principle of annularity provided in the Financial Regulation, by continuous implementation of the following measures:

- weekly and monthly reports on budget implementation to the management and staff, paying special attention to carried over funds
- training sessions for the framework partners organising courses under the grant agreements, in order enable them to improve the budget planning and respect of budgetary principle of annularity
- regular in-house trainings organised on general finance related matters and specific topics, e.g. de-commitments, carry forward, etc.
- a close monitoring of all outstanding commitments during the year, combined with a further improved analysis of the carry over process, aiming to a further decreased level of carry overs and cancellations.

However, it has to be clear and accepted that there will always be certain over budgeting in the grant systems for several reasons, inter alia a cover for unforeseen costs as well as for exchange rates for grants with partners in non-EURO countries.

2. What is the reduction of administrative expenses by using the accounting services offered by the Commission?

The reduction of administrative expenses is twofold: the reduction of staff costs of 1 AST3 position and the reduced bank account costs. This would total approximately € 35 000. However, as the SLA with the Commission foresees that CEPOL has to pay up to € 25 000 for the services provided by the Commission the actual reduction of administrative expenses is approximately € 10 000 on annual basis.

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EASA replies

EASA REPLIES
to
WRITTEN QUESTIONS TO EASA
2014 Discharge of the EU decentralised agencies
(Hearing on 28 January 2016)

1. How did EASA improve its independence and conflict of interest policy ?.

EASA established in August 2012 and since then implemented a comprehensive set of measures concerning the prevention and mitigation of conflict of interests. This includes in particular a “Code of Conduct for the staff of EASA” which contains in its Annexes a dedicated “Policy on impartiality and independence: “prevention and mitigation of Conflict of Interest” as well as a “Policy Gifts and Hospitality”.

The Agency’s conflict of interest policy includes among others (1) the requirements for managers, members of the Executive Committee and sensitive functions to complete an Annual Declaration of Interest which will be assessed by the their relevant line managers, (2) the establishment of an Ethical Committee to assess the completed declarations of interest submitted to it and to support the Executive Director on any matters related to the “Code of Conduct for staff of EASA” and (3) the establishment of a mandatory training related to the Code of Conduct for all Agency staff members.

In addition, a similar code of conduct and conflict of interest policy has been adopted for the members of the EASA Board of Appeal and the members of the EASA Management Board.

As requested by the EP, the CVs and Declarations of Interest of all EASA Directors and Heads of Department are already published on the EASA website. The CVs and Declarations of Interest of the members of the EASA Board of Appeal and the Members of the Management Board have been also published on the EASA website.

In 2015, EASA has re-assessed its system/control environment in this domain taking due account of the observations of the European Parliament.

EASA will informed the EP about the outcome of this evaluation.

2. The European Court of Auditors has reported that there are still problems in monitoring the status of procurement procedures and that of the contracts implementation, especially in respect of framework contracts. Has the Commission provided help for EASA to solve this issue ?. Which practices is EASA improving to better manage the procurement procedures ?.

The Agency acknowledged the comments from the European Court of Audits that enhancement in monitoring EASA's procurement procedures, and follow-up of the contracts implementation, can be achieved.

The organisational evolutions adopted in 2014 & 2015 aimed, amongst others, to deliver a better organisational oversight on procurement. Moreover, in light of the centralisation of low value procurement (1-60K€), in addition to high value procurement (>60K€), during 2013-2014, increased centralised monitoring and control has been established.

Efforts have been made throughout 2015 to improve the level of planning and monitoring as follows:

- 1) In order to monitor more closely the status of the procurement procedures and contracts implementation with the operational departments, quarterly budget monitoring exercises as well as ad-hoc procurement planning meetings (where necessary) have been implemented,
- 2) Regular feedback (monthly scoreboard) to the top management to highlight any delays / risk to the implementation so as to bring accountability to the operational departments. Thereby facilitating closer follow-up of the planning and timely reaction to any potential risks and/or delays.
- 3) In order to strengthen the planning and business accountability to this respect, a procurement and contract management service level agreement with the concerned parties within the Agency has been developed and is being rolled out for high value procedures in conjunction with the 2016 procurement planning.
- 4) In addition to the existing (contract) monitoring tools, additional means have been made available to the operational departments in order to facilitate the monitoring of status of the procurement procedures and contracts implementation, such as monitoring of contract end dates / renewals, centralised framework contract consumption monitoring, increased access to documents / information through SAP, etc.



3. The agency became operational in 2004 and has, to date, after more than 10 years, worked on the basis of correspondence and exchanges with the host Member State. However, a comprehensive headquarters agreement between the agency and the Member State has not been signed. The agency reports that negotiations did finally start in 2014 but that they are very slow. Which are the reasons for such a delay ? Why has the host state waited for 10 years to start negotiations ? Why is it important for the agency to have this agreement? What are the consequences of not having one? Which improvements to its operations would represent such an agreement ?.

EASA undertook a number of attempts to start negotiations of a host agreement with Germany. However, the German government was never willing to start such negotiations, as in their view the exchange of letters between the Ministry and Transport and the Agency reflecting the provisions of the Protocol on Privileges and immunities was sufficient. In June this year, the Agency received a first draft for a Headquarters Agreement which is still under discussion with the German Transport Ministry.

In our specific case, it is firstly important to point out that, in the past 12 years, EASA has developed its role as the European aviation safety authority entrusted with extensive powers to take safety measures with a far reaching impact, ultimately to ensure the safety of citizens travelling in Europe and worldwide.

Among others, EASA is taking measures regarding aircraft operations in conflict zones all over the world as in the cases of the Ukraine, Syria and Egypt. Furthermore, EASA participates in investigations of aircraft accidents worldwide as the recent one in the Egypt Sinai Peninsula and can be subject of judicial requests within the context of those investigations.

For these reasons, the exposure of EASA to security threats and to be subject of judicial requests has substantially grown and cannot be underestimated. The adequate level of protection for the EASA staff and its facilities needs to be ensured at all times by the adequate channels available with the Host State, in this case Germany.

Within this context, it is clear that the existing exchange of letters between the German Ministry of Transport and EASA does not cover the aforementioned specific needs of EASA as an Agency of the European Union having its seat in Germany. In particular, it does not contain any provision clarifying the role of the competent German authorities and the appropriate communication-cooperation-coordination channels with the Agency as regards the protection of the EASA staff and facilities against security threats or in case the Agency is confronted with requests from police and judicial authorities from various countries including Germany. For example, in the aftermath of aviation accidents, judicial authorities may start a criminal investigation in addition to the safety investigation and approach the Agency with different kind of requests. Moreover, the current framework does not provide for detailed arrangements to guarantee the inviolability and protection of the EASA premises, archives and communications either.

The existence of a comprehensive headquarters agreement is indispensable to appropriately cover the aforementioned needs.



Furthermore, the urgent need for a host agreement is specifically recognised by the European institutions in the Common Approach on EU decentralised agencies that “all agencies should have headquarters agreements, which should be concluded before the agency starts its operational phase.” The need for a headquarter agreement for EASA has also been underlined by the European Parliament and by the European Court of Auditors on several occasions. Recently, in its Resolution from 29 April 2015, the European Parliament has urged Germany as the Host Member State “... to conclude an agreement with the Agency as quickly as possible with a view to clarifying relations between national judicial Authorities and enabling the Agency to perform its legal task without hindrance”. The European Parliament also called on the European Commission “... to take the opportunity available this year to amend the act establishing the Agency with a view to securing a headquarters agreement allowing the Agency to operate unimpeded”. Accordingly, the European Commission has included in its legislative proposal for the Agency’s Basic Regulation review adopted on 07.12.15 a provision requiring a host agreement.

In the light of the foregoing considerations, after more than 12 years in operation, it is an absolute necessity that a host agreement with EASA is in place as it is the international usance to adequately design the relation between Germany as the host State and EASA, an EU body established in Germany.



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EASO replies

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II. QUESTIONS TO BE ANSWERED BY INDIVIDUAL AGENCIES

EASO:

1. The significant under-consumption of the budget of the agency shown in the reports available to the Parliament indicates that there are difficulties with the budget implementation of the agency. Could you inform the Parliament on how EASO is planning to improve this issue? Are there any actions by the Commission programmed in order to analyse the issue and support EASO to better implement budgetary planning? What are the reasons for the significant under-consumption? What can be done in order to respect the principle of the annuality of the budget?

In 2015 EASO has further enhanced the budget planning, monitoring and reporting system. A new reporting document has been introduced enhancing the budget related support for management. Budget correspondents in all Units/Departments have been appointed and regular budget monitoring meetings are held between them and the Budget officer to assess and analyse the actual consumption vis-à-vis the expected for a given period.

Mid-Year Budget Review exercises are performed every July in order to evaluate the operational and budget results of the activities carried out in the first half of the year, assess the budget requirements until the end of year n in light of possible operational reprioritizations and subsequently accommodate possible reallocation of resources.

As a result the expected budget execution 2015 is approximately 95% in CA¹, 10% more than in 2014, and almost 80% in PA, 10% more than in 2014. Particular improvements have been achieved in Operational expenditure, Title 3 of EASO budget, the execution of CA increased from 77%² to 99%³ and the payments went up from 57% to 75%⁴. It is to be noted that these results have been achieved with a budget 1 M EUR higher than in 2014.

2. According to the Court, "The Office, in its budget management system (ABAC) for the year 2014, carried over budgetary commitments amounting to some 1,3 million euro which were not covered by legal commitments. This is in contradiction with the Financial Regulation". What are the reasons for EASO not complying with the

¹ Excluding possible amounts carried over non automatically

² After the correction of the irregular carry forward

³ Financial year 2015 not yet closed

⁴ *Ibidem*

Financial Regulation and what concrete actions will be taken to avoid new occurrence of such non-compliance?

In early 2015 EASO has corrected the accounts by cancelling the commitments not covered by legal commitments signed by 31/12/2014. As of 2015 effective mitigating measures to make sure that legal commitments are signed by 31/12/2015 were put in place: as part of the year-end exercise EASO has included 2 ex-ante steps before the signature of the AO and 2 ex-post checks: one on the actual signature of the legal obligation and a second one on the accruals.

Some weaknesses of the internal flow of information were identified as main causes of this non-compliance. Consequently EASO enhanced considerably the internal exchange of information related to budgetary and legal commitment establishing a continuous flow of communication between the Finance and Budget department and the project/contract managers. Internal trainings on Finance were also organized and all staff dealing with budget matters are now duly aware of the fact that commitments can only be carried over if they are covered by the corresponding legal commitments.

In 2016 a paperless system for financial transaction will go-live and help ensuring compliance with the FR.

3. How did EASO update its work activities and procedures in view of migration crisis and how did it improve its effectiveness and efficacy?

In the wake of the recent tragic incidents in the Mediterranean, on 20 April 2015, at the joint meeting of Foreign and Interior Ministers, Migration, Home Affairs and Citizenship Commissioner Avramopoulos presented a 10-point plan outlining immediate actions to be taken in response to the crisis in the Mediterranean. The European Council, on 23 April 2015, issued a statement outlining various measures — several of them involving EASO — aimed at preventing further loss of life at sea and at tackling the root causes of the human emergency that the EU is facing. This was followed by a European Parliament Resolution on 29 April 2015. On 13 May 2015, the European Commission adopted the European Agenda on Migration, which outlines a series of steps that the EU should take to build a coherent and comprehensive approach to reap the benefits and address the challenges deriving from migration. Following the European Council Conclusions of 25 and 26 June 2015, at the 8 and 9 July 2015 informal JHA Council Member States in principle supported the European Commission's proposal to use the emergency response mechanism under Article 78(3) of the Treaty on the Functioning of the European Union to relocate Syrian and Eritrean applicants for international protection from Italy and Greece. Likewise, Member States supported a Commission recommendation for a European resettlement scheme. On 14 September 2015 and 22 September 2015, the Council adopted Decision (EU) 2015/1523 and (EU) 2015/160 respectively, establishing provisional measures in the area of international protection for the benefit of Italy and Greece.

All these developments have significant implications on EASO activities, mainly in Italy and Greece through the so-called 'hotspots' approach, in particular on registration of

applications for international protection, joint processing of asylum applications, referral of potential outgoing Dublin take-charge requests, and assistance with the relocation of applicants for international protection from Italy and Greece.

As a result of all these developments, EASO was allocated additional human and financial resources. These changes were incorporated in the revised versions of EASO's work programmes, in particular the revised version of 2016 work programme (currently under adoption). An internal Task Force on relocation was created to support and coordinate EASO's activities on relocation. Pending further recruitments, internal mobilisation of human resources took place in order to address increased needs of staff for specific activities, such as deployment to Hotspots.

4. According to the Court of Auditors' report almost a third of all payments were made after the time limits set out in the Financial Regulation. What are the reasons for the late payments and which specific measures are to be put in place by the Office in order to remedy this situation?

In 2015 EASO has put in place a series of specific measures to reduce as much as possible late payments including an increase of the finance team workforce. Although the overall percentage of late payments remains high, these actions have proved to be effective as late payments in 2015 are going steadily down. Reimbursements of missions to staff remain the sole type of payments with high late payments rate, this issue is receiving targeted attention consisting in additional human resources and the implementation of an IT tool for their management in 2016.

After the implementation of most actions, late payments show a significant decrease: from an average of 39% in the period January to July 2015 to 17% in the period August – November 2015.

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EBA replies

EBA/ED/2015/03

15 December 2015

CONFIDENTIAL

EBA Discharge individual questions

The agency has suggested that it needs more manpower. Can the agency clarify why it feels this is necessary given that the amount of Level 2 legislation underway will rapidly decrease over the next few years?

In September 2015, the EBA sent to the EU institutions, and also published on its website its proposed 2016 Work Programme, so describing the key strategic areas, activities and deliverables of the EBA in the forthcoming year. This work programme was devised based on the requested budget sought from the EU Institutions, which had not been set.

Further whilst the EBA has requested in 2014 and 2015 a budget calculated to facilitate its tasks, but received from the budgetary authority less resources than requested resulting in the EBA delaying delivery of some of its mandates until the future in the anticipation of receiving further budget. However this has not materialised.

The 2016 EBA budget adopted in November 2015 by the Budgetary Authority is EUR 4.917 million lower than the figure approved by the Board of Supervisors in January 2015, resulting mainly from a decrease of 23 temporary agent (TA) posts with a final figure of 127 TA posts. This reduction will have a considerable impact on the EBA's performance, as it represents the second year in a row where the EBA has received considerably less human and financial resources than requested.

Recently, new and reviewed financial services legislation have been prepared which have provided mandates for the EBA to perform which were not foreseen. These include the Mortgage Credit Directive, the revised Payments Services Directive, Payments Accounts Directive, the 4th Money Laundering Directive, the envisaged bank structural reform framework and various delegated Acts and requests from the European Commission for Calls for Advice under the Capital Requirements Directive/Regulation (CRD IV/CRR) and the Banking Recovery and Resolution Directive (BRRD) and the Deposit Guarantee Directive (DGSD).

The complete list of extra tasks envisaged is presented below:

- Tasks and mandates related to delegated acts in the CRD IV/CRR, envisaged reform of the BRRD and the DGSD;

- Envisaged new regulatory mandates coming from the Basel Committee on Banking Supervision revision of the trading book, which will require amendments to the CRD IV/CRR;
- Envisaged challenges to the EBA's role protecting the integrity of the Single Market in the EU, fostering a common supervisory culture across the EU and ensuring a level playing field for banks in the Single Market with the adoption of the establishment of the Single Supervisory and Resolution Mechanism in the context of the Banking Union;
- Envisaged changes arising from the Review of the European System of Financial Supervision; including potentially any follow up to the Commission's "White Paper on Governance and Funding of the ESAs" [envisaged in first half of 2016],
- Tasks mandated in the securitisation area under the Commission's Capital Market Union proposal;
- Envisaged bank structural reform measures, to prevent systemic risk, financial stress or failure of large, complex and interconnected credit institutions by preventing excessive risk from trading activities within core credit institutions and by reducing interconnections in the financial sector; and
- Potential envisaged tasks under the Commission initiative 'Green paper on retail financial services and insurances'.

Additionally, the EBA also foresees a growth of its existing tasks:

- The EBA stands ready to assist in any due follow-up to the European Commission's 'Report of the Financial Legislation Review' possible inconsistencies, incoherence and gaps in financial rules, as well as unnecessary regulatory burdens and factors negatively affecting long-term investment and growth due by mid-2016;
- The EBA, together with the other ESAs, stands ready to assist in any due follow-up to on the European Commission's Financial Conglomerates Directive Evaluation (2011/89/EC amending 2002/87/EC) envisaged in 2016;
- The EBA plans to enhance its production of Q&As, given the implementation of the CRD IV/CRR framework and also the BRRD;
- Follow up on legislation that becomes applicable in 2016 such as Directive 2014/92/EU on the comparability of fees related to payment accounts;
- Increase in data collection to undertake Stress tests and transparency exercises;
- Envisaged additional work on the single supervisory handbook (on the form of guidelines); and

- The contributing sample of the memorandum of understanding on sharing Risk Indicators will be expanded to incorporate the entry of new parties.

In light of the above, the EBA has carried out a prioritisation exercise taking into account the comments received from the EBA's Management Board members and the Board of Supervisors on its discussion of the EBA's 2016 Work and 2016-18 Multi Annual Work Programme.

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ECHA replies

Discharge 2014

ECHA:

1. *How did ECHA improve its independence and conflict of interest policy, also with regard to expert groups?*

ECHA has 4 (scientific) Committees set up by its founding Regulation which issue formal opinions and recommendations. They are manned by experts nominated or appointed by the Member States, which in turn means that they are almost 100% populated by public officials from those Member States (which of course greatly reduces ECHA's risk for conflicts of interest). Stakeholders are only allowed to participate as observers. But even for the members of ECHA's Committees that are public officials the prevention of conflicts of interest is strictly managed by [ECHA's Procedure on the prevention and management of potential conflicts of interest](#) (including e.g. annual declarations of interests and oral declarations at the start of each meeting).

Besides these formal Committees, ECHA has also established a number of informal working groups, experts groups and discussion fora. They all have in common that they do not have any formal decision- or opinion-making power, nor any formal role in ECHA's processes. They are informal networks or advisory bodies at most.

The most important ones of them (PBT expert group, ED expert group and Nanomaterials working group) are composed for 90% by ECHA, Commission and Member State representatives, while stakeholders (both industry and NGOs) are also invited to nominate some members. As these groups give advice regarding specific substances and thereby give indirect input to the decision-making, ECHA has decided that they shall be subject to conflict of interest management (annual declarations of interest and oral declarations at the start of each meeting).

Some groups consist of representatives of public authorities only: the HelpNet steering group, the CMR coordination group and the Sensitiser coordination group.

Some other platforms are targeted at stakeholders specifically: the Partner Expert Group (PEG) is used to consult accredited stakeholders (industry and NGOs) on draft guidance documents, while some networks and discussion fora also exist to discuss policy developments with the stakeholders (e.g. Directors' Contact Group, ECHA-NGO Discussion Forum, etc.).

The ECHA policies for managing conflict of interest in all of the above networks and expert groups is laid down in the [Guidance for the prevention of potential conflicts of interest in ECHA networks and expert groups](#). Page 5 of the document has an easy-to-use overview table.

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EEA replies

I. QUESTIONS TO BE ANSWERED BY INDIVIDUAL AGENCIES

EEA:

1. What were the weaknesses reported by the European Court of Auditors regarding the grant transactions audited? What measures have been introduced in order to strengthen the system and to avoid irregularities and mismanagement of the grants?

REPLY:

The European court of Auditors observed (i) a weakness in the operation of the Agency's Internal Control Standard on the documentation of the procedures used for its main processes, (ii) the payment of ineligible expenditure declared by a beneficiary and (iii) the reimbursement of expenditure despite incomplete evidence/ex-ante verifications.

The EEA has taken into consideration these observations and implemented the following measures:

- (i) 'verification guidelines' were elaborated and distributed to the resource officers performing ex-ante verifications on grants;
- (ii) the amount paid to the beneficiary concerned was recovered; and
- (iii) an appropriate verification policy aimed at ensuring coverage and eligibility was elaborated in dialogue with the Court of Auditors.

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EFCA replies

Question: The Agency proposed a yearly estimation of Joint Deployment Plans costs to analyse the cost-effectiveness of the control operations; could the agency provide further information on this estimation?"

Answer: EFCA has developed with the assistance of an external expert and in tight cooperation with MS, an analytical model allowing for the estimation of costs of JDPs operations. Under this model, the cost of each Joint Deployment includes:

- **EFCA coordination costs** (salaries, missions, trainings, meetings),
- **MS costs**, including the costs of campaign coordination by designated Member State (salary of 1 staff per day), and the costs of field operations (sea, air or land-based patrols). The cost of each patrol is tailored to the patrol asset used, and takes into account the labour of inspectors and crew, fuel consumption, maintenance, depreciation and insurance. The model uses different sources for the estimation of standard costs like salaries (Eurostat) or fuel price.

Please find below the estimation of the different EFCA JDPs costs, detailing MS costs and EFCA ones:

	EFCA COST	MS COSTS				
2014 JDP	Coordination	CCIC cost	Land	Sea	Air	Total
North Sea	€603,338	€183,181	€32,178	€15,140,534	€598,398	€16,557,629
Baltic Sea	€603,338	€46,115	€54,032	€7,999,059	€68,933	€8,771,477
Western Waters Pelagic	€654,363	€72,568	€17,884	€7,777,651	€684,545	€9,207,011
Mediterranean Bluefin tuna	€1,168,581	€5,541	€80,515	€2,266,337	€287,674	€3,808,648
NAFO	€327,182	n/a	€3,823	€2,674,408	n/a	€3,005,413
NEAFC	€327,182	n/a	n/a	€3,831,252	€496,467	€4,654,901
Total	€3,683,984	€307,405	€188,432	€39,689,241	€2,136,017	€46,005,079

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EFSA replies

Parma, 17th December 2015

2014 Discharge of the EU Decentralised Agencies

Written questions to the Agencies

Hearing 28 January 2016

II. QUESTIONS TO BE ANSWERED BY INDIVIDUAL AGENCIES

EFSA:

- 1. What can be done to ensure the agency has the most effective conflict of interest policy possible whilst still enabling it to work with the top academics in the industry?**

High-level expertise is in great demand by both the public and private sectors and it is important to understand that most experts and the academic institutions they are affiliated with will have had contact with industry at some stage during their careers – either through research funding mechanisms (public-private partnerships are a well-established feature of the EU research landscape, e.g. Horizon 2020) or through participation in privately sponsored programmes or events. This reflects the emergence of a more competitive academic environment where institutions are required to obtain funds from the private sector to remain at the forefront of scientific research.

The key to a well-functioning system for managing experts' interests is to ensure an appropriate balance between avoiding conflicts of interests and remaining in a position to attract the best scientific expertise. EFSA believes that the current system it uses to assess experts' interests - which considers the role of the experts and the mandate of the scientific working group or Panel the expert would be a member of against a number of different criteria – strikes this balance in an appropriate way.

Notwithstanding this, in 2016 will undertake an examination of the systems it has in place to guard against conflicts of interest as part of the regular cycle of review of its Independence Policy.

2. How did EFSA improve its independence and conflict of interest policy, also with regard to expert groups? Has EFSA adopted a revolving door policy?

In 2014, EFSA performed an ex-post analysis of its rules on declarations of interests (DoI) in force at the time. On the basis of the outcome of this exercise, it reviewed the rules, adopting a new, simpler and more sophisticated version in July 2014.

Furthermore, in 2015, EFSA carried out a pilot project aimed at exploring the best way to implement the European Parliament's recommendation to centralise the DoI validation process, currently carried out by EFSA's scientific units, which are also responsible for the adoption of scientific outputs and the management of external experts. The pilot project was successfully concluded at the end of 2015 and the full centralisation will be implemented and achieved by Q2 2016.

In 2016, EFSA will also review its current Independence Policy to assess whether it is still fit for purpose five years after its adoption.

Regarding a revolving door policy and as underlined in EFSA's follow up to the 2013 discharge recommendation, as an EU agency, EFSA staff are legally bound to comply with EU Staff Regulations regarding future employment. This includes the requirement that staff leaving the service behave with integrity and discretion as regards the acceptance of certain appointments or benefits. Staff are also required to inform their institution of future employment, whether gainful or not, within 2 years after leaving the service. If EFSA deems that employment to constitute a potential conflict with the interests of the Authority, EFSA's Executive Director may forbid that staff member to accept the employment or give his/her approval subject to certain conditions.

The rules concerning staff leaving EFSA are reinforced in a 2012 Decision by the Executive Director regarding implementation of the Staff Regulations.

The assessment of staff's future employment happens on a systematic basis and, on occasion, the Executive Director exercises his right to set conditions related to that employment. For example, in 2013, of the 29 statutory staff members that left EFSA employment, three went to the chemical/pharmaceutical sector. In these cases, a range of restrictions were put in place for the individuals involved, including:

- (i) Refraining from contacting EFSA staff to gain access to non-public documents and/or information;
- (ii) Preventing the individual from becoming the acting reference contact point between EFSA and the new employer;

- (iii) Refraining from contacting or seeking information from EFSA staff outside the formal communication channels;

EFSA considers that a clear legal and governance already exists concerning future employment of EFSA staff and, as such, does not see the additional benefit that a standalone revolving door policy would bring.

3. Has EFSA revised its rules regarding election of the Chair and Vice-Chair of the Management Board?

EFSA's Management Board, which represents the organisation's highest level of governance, adopts its own Rules of Procedure, which currently provide for the election of EFSA's Chair and Vice-Chairs to be held in open session by secret ballot. Any change to these rules can only be brought about by a decision of EFSA's Management Board.

4. Has EFSA improved its dialogue with public?

EFSA continues to develop important measures to support openness and transparency goals and is fully committed to dialogue with stakeholders, including representatives of civil society. New initiatives to further engage society in EFSA's risk assessment process were launched over the last two years, in particular opening plenary meetings in Brussels with a dedicated-session to interact with observers/stakeholders, public consultations of scoping papers of guidance documents, e.g. health claims area, public consultations on draft opinions, e.g. BPA, caffeine, followed by dedicated stakeholder meetings. More recently, a new initiative has been launched a piloted as a focus group for the development of a guidance document on allergenicity in the area of GMOs. This focus group include representatives from stakeholder groups (industry, consumers), representatives from Member States and members of EFSA GMO Panel. Under the umbrella of EFSA liaison with interested parties and partners, meetings with NGOs, industry federations as well as with MEPs were regularly held over the past year. The list of all these meetings is publicly available on EFSA's website.

In the area of communication, EFSA adopts an approach that relies on the multiplication of its communications via Member States, stakeholder communities (e.g. NGOs and consumer organisations), institutional partners (e.g. the European Parliament), the scientific community and the media.

EFSA continues to invest appropriate resources to promote its scientific work, further strengthen awareness of its role, and extend engagement with non-expert audiences and, ultimately, the public.

For example, since 2012, EFSA has introduced specific communication products designed for lay audiences. The 'Understanding Science' series consists of short videos about EFSA's scientific work explained in simple terms and has proved very popular with over 150,000 views for all videos. In 2013, EFSA also introduced its 'Lay Summary' series to explain scientific outputs on issues of high public interest (e.g., aspartame, bisphenol A, caffeine, glyphosate). Here, again, the intended target audience is non-specialist.

EFSA continues to develop its presence on social media, recognising the power of this medium to reach a broad range of interested parties, including the media and the general public. We currently count nearly 12,000 followers on our Twitter feed, which is one of the highest numbers of followers for any of the EU agencies using Twitter. We also have a presence on LinkedIn, which is used to share news summaries and advertise job vacancies to interested parties.

EFSA's use of social media is complemented by the recent introduction of multimedia products such as static and interactive infographics. The infographic format is ideal for communicating complex information in visual form and is popular with media and non-specialist audiences alike.

A new approach to stakeholder engagement is under development and forms an integral part of a wider transparency initiative (Transparency and Engagement in Risk Assessment, or TERA project). This new approach aims to lay down the foundations for a more inclusive and engaging interaction with stakeholders at various stages of the risk assessment process. It will be presented at the Management Board meeting in March 2016 and, pending adoption, rolled out to effectively support the implementation of EFSA's Strategy 2020 and the Authority's strategic objective to promote and prioritise public engagement in its work.

5. How much did EFSA spend on transport services between the agency and the airport in 2014? What measures did it take to decrease the costs?

In 2014 EFSA spent EUR 1.01 million for enabling 9 100 experts working days in Parma. The average cost per expert day is 110 Euro. Cost reductions are obtained by organising for people arriving or returning at

different times to the airport from EFSA premises to travel with the same shuttle.

Cost reductions have also been achieved through the increased reliance on video conferencing for scientific and other meetings , for instance, 20% of scientific meetings are organised through videoconference, which means that experts can attend meetings virtually.

6. Has EFSA considered organizing some of its meetings in other cities (e.g. Milan) in order to save time and money?

An analysis performed in 2012 concluded that meetings organised in other cities are on average more expensive than comparable meetings held in Parma (+ 13%). Notwithstanding this fact, EFSA is organizing meetings outside Parma, e.g. to foster the participation of representatives of the civil society to open scientific plenary meetings.

2014 Discharge

Individual replies to the written questions to Decentralised Agencies

Hearing of 28 January 2016

EIOPA replies

I Introduction

In the framework of the discharge procedure 2014, EIOPA received written questions from the Budgetary Control Committee of the European Parliament. In the current document EIOPA provides a reply to these questions.

II Discharge 2014: EIOPA's Reply to the written questions received from the European Parliament

Question 1. The agency is free to launch consultations and to do technical work on any subject. However, given that the agency has complained about a lack of funding, does it consider this 'own-initiative' work, such as the consultation on reporting standards for pension funds, to be necessary? Does it offer good value for money?

EIOPA Reply

According to the EIOPA Regulation, EIOPA has been given a clear mandate by the co-legislators in its founding regulation that covers the referred pensions work. The main tasks foreseen are:

- to contribute to a sound, effective and consistent level of regulation and supervision;
- to ensure that risks related to IORPs activities are appropriately regulated and supervised;
- to enhance consumer protection, prevent regulatory arbitrage, support the functioning of the internal market and safeguard financial stability;
- to develop a European supervisory culture.

The work on the "opinion on the risk management/transparency framework for IORPs" is fully in line with EIOPA's scope of actions. EIOPA's work is aiming at providing European citizens with safe, sustainable and adequate pensions and this work is a relevant part of it. The decision to undertake this work and its content have been discussed and agreed by the EIOPA Board of Supervisors, as part of a sound governance framework.

Additional work in the field of occupational pensions include, inter alia, a biannual stress test, also requested by the EIOPA Founding Regulation, or work on how behavioural economics affect key decision making by European citizens.

EIOPA has allocated to the work on risk management and transparency framework for IORPs a total of 1 FTE for the reference period, ensuring therefore good value for money.

Question 2. The significant under-consumption of the budget of the agency shown in the reports available to the Parliament indicates that there are difficulties with the budget implementation of the agency. Could you inform the Parliament on how EIOPA is planning to improve this issue? Are there any actions by the Commission programmed in order to analyse the issue and support EIOPA to better implement budgetary planning? What are the reasons for the significant under-consumption? What steps have been done in order to finalise the multi-annual IT strategy of EIOPA?

EIOPA Reply

EIOPA has achieved over the past years very high budget implementation rates, close to 100%, as a direct consequence of sound and robust processes that cover the full budgetary cycle, from planning to monitoring and executing. Furthermore, EIOPA is combining this high implementation rates with constant efficiency gains targeted and implemented, to increase value for money for European citizens. For the last two years, the maximum 100% commitment level has been reached, with subsequent high levels of execution for carry-forward appropriations. The outcome of this is demonstrated in the following overview for 2013-2015:

	Executed commitment appropriations (a)	Executed payment appropriations (b)	Executed payments for carry-forward appropriations to next year (c)	Total budget execution for payments
2013	97%	69%	90%	95%
2014	100%	74%	93%	99%
2015	100%	84%	97%	<i>Only available at the end of 2016</i>

Percentages are rounded.

To maintain this level of budget execution EIOPA will continue to cooperate closely with the European Commission (in particular DG FISMA) and will keep its internal budget processes well integrated in the overall work planning and execution framework of the Authority at corporate level. The multi-annual IT strategy of EIOPA is being implemented as planned under the auspices of the EIOPA Board of Supervisors. The XBRL Taxonomy which will be used by industry to report Solvency II data was already published in 2015. In 2016 the bulk of the work will be realised with the completion of EIOPA's central data collection and analysis systems.

2014 Discharge

Individual replies to the written questions to Decentralised Agencies

Hearing of 28 January 2016

EIT replies

2014 Discharge of the EU decentralised agencies

WRITTEN QUESTIONS TO THE AGENCIES

Hearing on 28 January 2016

QUESTIONS TO BE ANSWERED BY INDIVIDUAL AGENCIES

EIT:

1. EIT had an 'emphasis of matter' from the court in the financial year 2014. Please indicate in detail progress made on these issues since the Court's audit.

The emphasis of matter paragraph refers to a timing issue in that a particular verification activity was carried out by the EIT after the audit period (in the first half of 2015) and the Court of Auditors could not fully take this into account for their audit report on 2014.

According to the Framework Partnership Agreements signed between the EIT and the Knowledge and Innovation Communities (KICs), the EIT financial contribution may not exceed 25% of the KIC's global expenditure over the first five years, from 1 January 2010 to 31 December 2014. While the EIT audited the costs of KIC added value activities every year, audit certificates on the cumulative costs of KIC complementary activities incurred during 2010-2014 were obtained by 31 March 2015.

On the basis of the audited figures for KIC complementary activities as well as the costs of KIC added value activities approved and EIT grant actually paid, the funding percentages for the period 2010-2014 are as follows:

- Climate KIC: 16%
- KIC InnoEnergy: 19%
- EIT Digital: 21%

Consequently, based on the audit evidence collected on KIC complementary activities after the Court's audit period, the EIT can confirm that the EIT funding provided to the three KICs in years 2010-2014 has not exceeded the 25% ceiling set out in the EIT-KIC Framework Partnership Agreements.

In addition, the EIT has drawn valuable conclusions from the review of KIC portfolios mentioned by the European Court of Auditors that has been used to improve the relevance of KIC complementary activities as well as the link between KIC complementary activities and KIC added value activities funded by the EIT. As a result of the review, the EIT issued new guidance for the preparation of Business Plans strengthening the criteria with which KIC

Complementary Activities are assessed. From the 2016 Grant Agreements, all KIC Complementary Activities are reviewed at the Business Plan assessment stage.

2. The EIT overestimates its budgetary needs for 2014 by EUR 13.1 million. What are the reasons for overestimation?

In our view, it is not fully correct to state that the EIT overestimated its budgetary needs for 2014 for the following reasons.

As regards year 2014, significant uncertainties surrounded the EIT's 2014 annual budget due to the ongoing negotiations related to the 2014-2020 Multiannual Financial Framework and Horizon 2020 throughout the year 2013. Therefore, the EIT Governing Board took a prudent approach and decided in September 2013 to allocate only 180 million euro, as a first tranche, for the 2014 grant agreements. After the 2014 annual budget had been confirmed, the EIT awarded further grants totalling 38,5 million euro, as a second tranche, to the three KICs in March 2014. However, it was not possible to use the full amount of the remaining commitment appropriations, as KICs had requested less EIT grant than what would have been possible to be awarded on the basis of the remaining available EIT budget. Furthermore, as the second tranche of grants was allocated when three months had already passed from the calendar year, awarding higher amounts would have put in risk the full implementation of the Business Plans.

It is worth noting that the operational activities of the EIT and the KICs are by nature multiannual and this is reflected by a derogation specific to the EIT. This allows the EIT to re-enter any cancelled appropriations into its budget in the following three years. This derogation is designed to optimise the implementation of the EIT's budget which is mainly used for grants provided to the Knowledge and Innovation Communities.

3. According to the AAR 2014, the compliance with the 25% ceiling set out in the Framework Partnership agreements has been verified on the basis of final figures. Could the EIT please provide the European Parliament with these figures?

On the basis of the audited figures for KIC complementary activities as well as the costs of KIC added value activities approved and EIT grant actually paid, the relevant figures for 2010-2014 are as follows:

Climate KIC

Total cost of KIC activities: EUR 964 million

Total EIT funding: EUR 152 million

Ratio of EIT funding: 16%

KIC InnoEnergy

Total cost of KIC activities: EUR 803 million

Total EIT funding: EUR 152 million

Ratio of EIT funding: 19%

EIT Digital

Total cost of KIC activities: EUR 688 million

Total EIT funding: EUR 145 million

Ratio of EIT funding: 21%

4. In the report of the European Court of Auditors on the annual account of EIT for 2014, the Court indicated that the KICs remain fully dependent on financing by the Institute and KIC partners. Which measures are taken by EIT to reduce this dependency of KICs on EIT funding?

While the EIT agrees that the EIT grant was the main source of funding for KIC added value activities in 2013, it is important to note that the steps made by KICs to develop strategies for financial sustainability were in full compliance with the relevant legal obligations. Pursuant to the EIT Founding Regulation, a KIC *“shall normally have a time-frame of seven to fifteen years”*. Furthermore, the EIT Strategic Innovation Agenda provides that *“while KICs will not be fully financially independent from the EIT during the first years of operation, they will be encouraged to become sustainable in the medium-term; i.e. gradually reduce their dependency from EIT funding for their further consolidation and further expansion”*.

In line with the EIT Founding Regulation, KICs are currently further improving their strategies for financial sustainability and they are actively building revenue streams to complement the EIT funding. A summary of these strategies has been presented in Business Plans 2014, 2015 and 2016. Furthermore, the EIT Governing Board adopted the *“Principles on KICs”*

Financial Sustainability” on 5 March 2015. This document sets a clear direction by providing definitions, funding principles and incentives for the KICs to work towards financial sustainability. Furthermore, the EIT has provided the KICs with a specific template for reporting on the progress made towards financial sustainability.

In fact, the 2016 Business Plans and assessments by EIT experts show significant progress towards financial sustainability for all KICs. Following the adoption of the principles of financial sustainability by the EIT, all KICs have made this one of their priority objectives and activities are reviewed accordingly to create a return of income from activities. Several revenue streams have been established such as cash contributions from KIC Partners, return on investment from innovation projects, monetization of equity in start-up companies, self-paying students etc. The two new KICs selected in 2014 already attract significant cash financing in their first year of operations, which is impressive and shows lessons learnt have been taken and KICs are indeed likely to become financially sustainable. For example, one of the new KICs (EIT Health) fully finances its management and overhead costs from own funds, which is a strong starting point to become financially sustainable.

In line with the Annual Work Programme for 2016, the EIT will continue monitoring the KICs’ progress towards financial sustainability and take specific corrective actions, if necessary. Concretely, the EIT will assess the KICs’ reports on financial sustainability to be submitted to the EIT in the first half of 2016. Furthermore, the EIT will start the preparations for an in-depth review of the first wave KICs to be carried out after seven years in line with the principles for financial sustainability.

5. How did EIT gradually improve its financial verification of the KICs’ cost claims? What is the reason for the lagging behind of the operational verification of deliverables? What is the reason for the Institute to overestimate its budgetary needs for 2014 by 13,1 million euro?

As expressed in the Court’s comments, the reason for lagging behind in detailed operational verification was the lack of detailed definition of deliverables and quantified targets in the KICs’ Business Plans in their first year of operations. This line was taken at the time when the EIT-KIC model was in its first experimental years and KICs were focussing on building up their portfolios of activities.

However, the level of detail in the ex-ante technical assessment of the implementation of KIC activities has already improved significantly in

comparison with previous years. The 2013 KIC Reports were prepared in accordance with the improved Guidelines for the Preparation of Reports issued by the EIT. A structured analysis of the vast amount of information received, complementing the work done by external experts, allowed the EIT to obtain a satisfactory level of assurance about the provision of deliverables by KICs, which were included in the Business Plans. As a result of improved guidance provided by the EIT to the KICs, Business Plans for 2014 and onwards provide significantly more details on each planned KIC added value activity. Moreover, a more robust methodology is now in place to assess the KICs' performance based on the reporting.

Furthermore, it is very important to note that the EIT does not accept costs associated to non-implemented parts of KIC added value activities. Costs associated with non-implemented parts of activities or with missing deliverables are systematically rejected by the EIT and the final grant is adjusted accordingly. As an example, the EIT rejected activities, for which more than 1.5 million euros of costs had been reported by one of the KICs under the Grant Agreement 2014, as a result of the EIT's assessment of the KIC's performance. In addition, if a KIC underperforms in its activities compared to the Business Plan targets in a given year, this will have a negative impact on the maximum grant allocated to that particular KIC for year N+2, as a result of the EIT's annual competitive funding allocation exercise.

As regards the reason for the "*overestimation of budgetary needs by 13,1 million euro*", please, see our answer to Question No 2 above.

6. The significant under-consumption of the budget of the agency shown in the reports available to the Parliament indicates that there are difficulties with the budget implementation of the agency. Could you inform the Parliament on how EIT is planning to improve this issue? Are there any actions by the Commission programmed in order to analyse the issue and support EIT in better implementing budgetary planning? What are the reasons for the significant under-consumption? What can be done in order to respect the principle of the annuality of the budget?

First, it is important to note that about 95% of the EIT's budget is implemented by the Knowledge and Innovation Communities. The under-consumption of EIT grants by KICs in previous years was caused by the fact that KICs actually spent less than what was budgeted in their Business Plans and Grant Agreements. In this context, it is important to note that it is not possible to precisely forecast the actual spending of KICs, as the innovation activities carried out by them are dynamic and fast-reacting in nature. Certain

innovation projects or plans that are included in the KICs' Business Plans, and therefore in the grant agreements, may turn out to have less potential than expected and have to be cancelled during the implementation of the grant agreements.

Furthermore, the EIT, together with the KICs, has already significantly improved the absorption capacity of the three first-wave KICs in the period 2010-2014. The total amount of EIT grant absorbed by the KICs were as follows:

- 2010: EUR 16 million
- 2011: EUR 47 million
- 2012: EUR 83 million
- 2013: EUR 122 million
- 2014: EUR 182 million

The annual average growth rate of EIT grant absorbed by the three KICs was 84% in 2010-2014.

Finally, the EIT Governing Board selected and designated two partnerships in December 2014 to become the second-wave KICs: EIT Health and EIT Raw Materials. These new KICs have completed their successful start-up period by December 2015. Therefore, the EIT has now five KICs with a wide range of partners from education, research and industry, which will further increase the absorption capacity from year 2016.

In order to improve its own budget implementation, the EIT has improved both planning and monitoring of the implementation of the budget. Improved programming and planning includes a more rigorous assessment of all activities proposed with budget impact over EUR 50,000. Additional planning documents have been introduced to ensure that needs of human and financial resources are well identified and available to implement all planned activities. Furthermore, the link between planned activities and resource allocation has been strengthened by linking the Annual Work Programme with the annual budget.

As regards the principle of annuality, it is important to reiterate that the operational activities of the EIT and the KICs, such as Masters and Doctoral education programmes or long-term research projects, are by nature multiannual and this is reflected in a derogation specific to the EIT. This allows the EIT to re-enter any cancelled appropriations into its budget in the following three years. This derogation is designed to optimise the

implementation of the EIT's budget which is mainly used for grants provided to the Knowledge and Innovation Communities.

The Commission is supporting the EIT to implement the above mentioned derogation and to improve the budget implementation by better monitoring the unused appropriations as foreseen in Article 14(1) and (6) of the EIT Financial Regulation. Thus, the EIT has two options to re-use the credits available at the end of a year: a) cancel the unused appropriations and re-enter them in the estimate of revenue and expenditure up to the following three financial years, in accordance with Article 33 of the EIT Financial Regulation; or b) cancel the unused appropriations and carry them over to the following financial year only, by a decision taken by 15 February by the EIT Governing Board in accordance with the provisions of the EIT Financial Regulation.

The EIT is currently exploring the legal and technical possibilities to move towards a more multi-annual planning approach for the EIT grants. A longer time perspective would not only offer greater legal and financial security for the KIC partners but it would further consolidate the innovation activities in line with the multiannual strategy adopted by the KICs. It would also ease the administrative burden by reducing the annual reporting of the KIC partners and it would facilitate the assessment of the KICs' performance over a longer period of time.

2014 Discharge

Individual replies to the written questions to Decentralised Agencies

Hearing of 28 January 2016

EMA replies

EMA/783423/2015
European Medicines Agency

EMA reply to questionnaire from European Parliament

Hearing on Agencies discharge for Financial Year 2014 (28 January 2016)

II. Questions to be answered by individual Agencies.

1. How did EMA improve its independence and conflict of interest policy, also with regard to expert groups?

The Agency published its revised policy on handling of declarations of interests of scientific committees' members and experts in November 2014, which entered into force on 30 January 2015. The revisions reflect a more balanced approach to handling of declarations of interests, restricting the involvement of experts with possible conflicts of interests in the Agency's work while maintaining EMA's ability to access the best available expertise. The revised policy takes into account experience obtained since its last revision in 2012 and input from stakeholders at the Agency's September 2013 public workshop "Best expertise vs conflicts of interests: striking the right balance".

The revised policy includes a number of measures which better take into account the nature of the declared interest before determining the length of time any restrictions may apply:

- an executive role, or a lead role in the development of a medicine during previous employment with a pharmaceutical company will result in a lifetime non-involvement with the concerned company or product.
- for the majority of declared interests a three-year cooling-off period is foreseen. Restrictions to involvement decrease over time and make a distinction between current interests and interests within the last three years.
- for some interests, such as financial interests, there continues to be no cooling-off period required when the interest is no longer present.

Overall, requirements for experts who are members of scientific committees remain stricter than for those participating in advisory bodies and ad-hoc expert groups. Similarly, requirements for chairs and members in a lead role, e.g. rapporteurs, are stricter than requirements for the other committee members.

2. Has EMA published the list of the patients' organisations it is working with in order to increase the transparency?

The EMA publishes on its website the [list](#) of patients' and consumers' organisations that are involved in the European Medicines Agency's activities. All of these organisations fulfill the eligibility criteria to

work with the Agency. Together with the name of the organisations, the Agency also publishes their mission and objectives and provides a link to the organisations' website.

3. Has EMA finalized the electronic declarations of interest forms?

The electronic declaration of interests form for scientific committees' members and experts was revised in 2014 to take into account the revised policy on handling of declarations of interests of scientific committees' members and experts. It was launched in November 2014 and mandatory since 30 January 2015.

4. Has EMA clarified its policies on Clinical Trials Regulation?

EU clinical trial portal and database

While authorisation and oversight of clinical trials remains the competence of EU Member States, the European Clinical Trial Regulation requires the European Medicines Agency (EMA) to develop and maintain a clinical trial portal and database to be used for the submission, authorisation and supervision of trials in the EU. It will serve as the source of public information on the clinical trial applications assessed, and all clinical trials conducted in the EU.

The functional specifications for the EU portal and database to be audited were agreed and published in December 2014, following a public consultation:

- [Functional specifications for the EU portal and EU database to be audited](#) (EMA/42176/2014)

Transparency requirements and implementation

Article 81(4) of the Regulation requires that information contained in the clinical trial database shall be publicly available unless one or more of the following exceptions apply:

- protection of personal data;
- protection of commercially confidential information, in particular taking into account the marketing authorisation status of the medicinal product, unless there is an overriding public interest in disclosure;
- protection of confidential communication between Member States in the preparation of their assessment;
- protection of the supervision of clinical trials by Member States.

Following publication of the functional specifications, EMA put forward a specific proposal on how to apply the exceptions that the Regulation makes to its transparency requirements and finalised two sets of requirements. Firstly, the EMA Management Board endorsed a revision of section 6 of the functional specifications document in March 2015, which sets out features that will support making information public:

- [Revision of section 6 of the "Functional specifications for the EU portal and EU database to be audited - EMA/42176/2014" setting out features to support making information public](#) (EMA/129363/2015)

Secondly, in October 2015 EMA published an appendix on disclosure rules to the functional specifications document, which describes the practical implementation of the transparency rules:

- [Appendix, on disclosure rules, to the "Functional specifications for the EU portal and EU database to be audited - EMA/42176/2014" \(EMA/228383/2015\)](#)

The rules on transparency in relation to the clinical trial Regulation are separate to those of EMA's Policy 70 which are described below. The two sets of provisions are complementary, and whilst they

overlap with regard to clinical study reports, of studies authorised under the new Regulation, the Policy will remain the basis for publication of clinical study reports of studies conducted in the EU prior to the coming into application of the new Regulation and for all clinical study reports of studies conducted outside of the EU, including after the Regulation applies.

EMA is committed to continuously extend its approach to transparency. A policy on publication of clinical data for medicinal products for human use ([Policy 0070](#)) was adopted by the Management Board on 2.10.14 as a further step. The implementation of the policy is in two phases. The first phase is the publication of clinical reports only. Specifically, clinical reports are the clinical overviews (module 2.5), clinical summaries (module 2.7), clinical study reports (module 5), appendices 16.1.1, 16.1.2 and 16.1.9. Phase two concerns publication of Individual Patient Data that will be undertaken at a later time.

The scope of the clinical reports to be published relates to marketing authorisation applications (MAAs) submitted to EMA

- on or after 1.1.2015 for initial MAAs & article 58 applications and
- on or after 1.7.2015 for extension of indication applications and line extension applications relating to existing centrally authorised products (CAPs). An effective date is not yet established for other post authorisation procedures.

The data will be published after the European Commission Decision granting/refusing the marketing authorisation, or other regulatory decision, or the withdrawal of the application by the company.

The benefits of the policy are that proactive publication enables public scrutiny and establishes trust and confidence in the system. Public access enables application of new knowledge in future research, thereby increasing efficiency of medicine development learning from experience. Increased knowledge about clinical trials avoids duplicating clinical trials and so limits unnecessary patient exposure.

To support the implementation of the policy EMA is preparing for companies (including SMEs) specific guidance on:

- procedural aspects,
- anonymization: methodology to protect personal data (PPD) and to avoid re-identification of clinical trial subjects; and
- redaction of commercial confidential information.

Work is currently underway to allow the publication of clinical reports in 2016 (date to be confirmed).

The Agency is implementing in parallel the Clinical Trials Regulation.

2014 Discharge

Individual replies to the written questions to Decentralised Agencies

Hearing of 28 January 2016

EMCDDA replies

2014 Discharge of the EU decentralised agencies

WRITTEN QUESTIONS TO THE AGENCIES

Hearing on 28 January 2016

.....

II. QUESTIONS TO BE ANSWERED BY INDIVIDUAL AGENCIES

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EMCDDA:

1. What are the biggest challenges for EMCDDA in terms of cooperation with the Member States?

EMCDDA reply:

From the EMCDDA's perspective, the biggest challenge in terms of cooperation with the Member States (MS) is to ensure that the latter maintain the same commitment and investment to fulfil their reporting and data collection obligations. Indeed, while some of the data are being routinely collected in all MS, some other data sets and surveys are being collected periodically, and there is a tendency for some countries to extend the time lapse between two successive surveys that may harm the reporting and analysis of the drug situation at European level.

Furthermore, the EMCDDA is under increasing pressure from the Commission, the Council and the Member States to provide more and better data and analysis in areas that have been identified as clear priorities but that are partly still under development. In that context, it can be expected that MS would adopt a coherent attitude regarding the data collection process that is needed in order to address their needs for information, and that they would ensure sufficient funding for those areas in development. However this is not always the case and this might put at risk the capacity of the Agency to address new needs and to anticipate on new threats posed to EU citizens by the evolution of the drugs situation.

An associated challenge is the need to maintain strong and functional national drug observatories, also called "National Focal Points", who have the responsibility to implement the standard national reporting package and to collect the standardised and harmonised sets of indicators and other core data. The setting up and the effective functioning of a National Focal Point is part of the obligations and responsibilities of the Member States and deserve a continuous attention to ensure that the whole European system as such remains fully operational.

2014 Discharge

Individual replies to the written questions to Decentralised Agencies

Hearing of 28 January 2016

ENISA replies

ENISA INDIVIDUAL QUESTIONS:

- 1. When the agency was created it was based on Crete. Recently, operational staff has moved from Crete to Athens but admin staff remain on Crete. Is this working well and has it solved the problems that were involved in being based on Crete?**

The European Court of Auditors and the Budgetary Authority have highlighted that the operational efficiency as well as the cost-effectiveness of the Agency would be improved if the Agency staff were located in one location.

The Agency still have the same issues related to the location of the Crete, these issues are mainly the capacity to attract and retain staff and operational issues. The remote location of Crete, in one hand the travel time, associated cost have an important impact and second the limited school facilities that are very important and challenging factors.

The Agency took all necessary measures to create internal electronic workflows to minimize the impact using technology, however currently this is not the ideal situation bearing in mind that is requested more and more optimization of resources, efficiency and effectiveness to all EU institutions.

The Agency is prepared to comply with the requirements of the Budgetary Authority and centralise its staff in one location. Such decision would be made with consideration to allow the children of the staff to have access to appropriate schooling facilities, minimize travel times and costs and optimize internal coordination, which will improve the attractiveness of the Agency as an employer and improve the Agency's efficiency and effectiveness. Any decision to this regard will anyway take into consideration the obligation of the host Member State to "[...] provide the best possible conditions to ensure the proper functioning of the Agency, [...]", deriving from Article 33 of the Regulation 526/2013.

- 2. What is the state of cooperation between ENISA and FRONTEX and EUROPOL?**

State of cooperation with FRONTEX:
ENISA does not collaborate with FRONTEX.

State of cooperation with EUROPOL:
ENISA sits on the programme board of the Euro Cybercrime centre (EC3) in order to help ensure alignment of work programmes and take advantages of any synergies. Since 2011, the Agency runs a joint workshop with EC3 addressing issues that can be tackled by the CSIRT community, together with the Law and Enforcement communities. This is now an annual event. ENISA has also help bring together the LEA and CSIRT communities for a number of projects and has produced deliverables on how to encourage a more effective collaboration between these two communities. This year, we will publish a report on 'information sharing and common taxonomies between CERTs and law enforcement.

2014 Discharge

Individual replies to the written questions to Decentralised Agencies

Hearing of 28 January 2016

ESMA replies

ESMA DISCHARGE 2014 - INDIVIDUAL QUESTION

Given that the bulk of Level 2 legislation should soon be concluded, does the agency expect its budget to decrease in the coming years?

In May 2015, ESMA published its 2016-2020 Strategic Orientation. Following the development of its Strategy, ESMA developed, published on its website and sent to the EU institutions its proposed 2016 Work Programme, describing the key strategic areas, activities and deliverables of ESMA in the forthcoming year.

ESMA's Strategic Orientation explains that while the single rule-book task is gradually slowing down, the focus is shifting to the implementation challenge. ESMA has made a significant contribution to putting in place the regulatory foundations on which we should now build to ensure that a genuine single EU capital market can deliver the economic growth and employment that Europe needs. Accordingly, the Capital Markets Union (CMU) and the associated action plan as published by the Commission will drive a lot of ESMA's activity over the next few years.

ESMA faces implementation challenges in three particular areas:

1. Implementation will require the successful building and operation of cross-EU IT systems to collect data and publish the necessary information that will allow the EU markets to operate successfully. National Competent Authorities from 27 countries have agreed to delegate the building and running of certain MiFID II related IT systems to ESMA. The Authority is thus becoming core to the systems infrastructure of the European capital markets and indeed the very market itself. We will need to upgrade our IT capability further, build on our successful IT project delivery experience to date and work closely with the national authorities and trading venues.
2. Implementation will also, very importantly, mean the need to align supervisory outcomes and practices. The single rule-book will only work if the significant divergences in practices, which still exist currently, and which lead to risks of regulatory arbitrage and market fragmentation, are addressed. We are working on a detailed work programme of our supervisory convergence activity for 2016 which will complement our overarching high-level annual and multi-

annual work planning and sit alongside our regulatory and supervisory work programmes. We will also need to ensure that we have the right capabilities and experiences in this shift of emphasis from policy work to supervisory and convergence work. This will involve not only a re-focusing of priorities but also some HR challenges, in terms of training and internal mobility.

3. Finally, implementation will require using the data that is now being collected at both the national and European level to better understand, analyse and mitigate risks to ESMA's objectives. Optimal use of this data means a collective effort by ESMA and the other EU bodies (through the Joint Committee of the ESAs, the ESRB, etc.), but also close cooperation with the national authorities. We have already created in ESMA a team that centralises data and statistical information and analyses this information. Data quality is and will remain a particular challenge, which we will need to tackle collectively.

In light of the above, ESMA carried out a prioritisation exercise taking into account the steer from ESMA's Management Board members and the Board of Supervisors. In addition, resources allocated to Single Rulebook tasks so far are indeed reallocated to implementation tasks. However, ESMA expects its current resources to be insufficient to face all above challenges, which will lead to a limited increase of ESMA's budget for the coming years.

2014 Discharge

Individual replies to the written questions to Decentralised Agencies

Hearing of 28 January 2016

EU-LISA replies



European Agency for the operational management
of large-scale IT systems in the area of freedom, security and justice

Subject: eu-LISA reply to EP – Discharge Questions

Q1 - eu-LISA had an 'emphasis of matter' from the Court in the financial year 2014. Please indicate in detail progress made on these issues since the Court's audit.

The 'emphasis of matter' refers to the presentation of the value of assets transferred at book value from the Commission in 2013 into the Agency's accounts as a part of the process of granting financial autonomy to the Agency. The procedure followed by the European Commission was standard and applied to all other EU Agencies. As long as the book value of the transferred assets by the Commission to the Agency was established in line with the Commission's internal accounting rules, there was no action that Agency had to or could have performed in this respect.

The present 'emphasis of matter' is a repetition of the same observation that the Court expressed on the Agency's 2013 accounts. The emphasis should be lifted in the next audit period i.e. 2015, as the value of those assets, net of amortization accumulated in the financial year 2015, will be materially insignificant. To illustrate in figures the effect of amortization, how the book value of those assets has decreased since 2013 is shown below:

- 6,6 million euro at date of transfer in 2013
- 2,1 million euro on 31 December 2014
- 0,2 million euro on 31 December 2015 (forecast value)

Q2 - The significant under-consumption of the budget of the agency shown in the reports available to the Parliament indicates that there are difficulties with the budget implementation of the agency. Could you inform the Parliament on how eu-LISA is planning to improve this issue? Are there any actions by the Commission programmed in order to analyse the issue and support eu-LISA to better implement budgetary planning? What are the reasons for the significant under-consumption? What can be done in order to respect the principle of the annuity of the budget?

The implementation of the 2014 budget reached 99.32% for commitments (executed 82.09% plus 17.23% non-automatic carry-forward authorised by the Management Board for the reconstruction of the operational site in Strasbourg) and 99.14% for payments (executed 75.32% plus 23.82% carried forward). The above mentioned 17.23 % carry-forward was exceptional and a result of complexity from the procurement procedure for the new building, where due to the

need of a longer time for the detailed evaluation of technical proposals, the number of additional questions asked and requested clarifications from the participants, the period of execution for the procurement procedure was extended. The carry-forward was planned and the Management Board was duly informed. In this sense the Agency respectfully disagrees with the conclusion that budget for 2014 was under-utilized.

In 2015, with completion in 2016, the Agency started to adopt a structured approach to budget ownership, which is expected to strengthen and further refine budgetary management, monitoring, and control for all appropriations.

As regards the principle of annuality, the operational expenditure of the Agency is made up of differentiated appropriations; for administrative appropriations, carry-forwards are performed in respect of the rules of the financial regulation.

It shall also be noted that the nature of operations of the Agency i.e. operational management of complex large-scale IT systems, requires multi-annual contracts used to support core operations. The nature of the services provided for under these contracts implies the use of differentiated appropriations and carry-overs to ensure continuity and stability of operations.

Q3 – What is the actual operational usage of the Schengen Information System (SIS II), the Visa Information System (VIS) and EURODAC (systems) by MS?

The Schengen Information System (SISII) has been since its establishment the main compensatory measure for the abolition of internal border checks in the Schengen area. The system plays an important role in ensuring the level of security within this area of freedom, security and justice as well as facilitating the free movement of people. SISII allows competent national authorities rights to issue and consult alerts on persons who may have been involved in a serious crime or may not have the rights to enter the Schengen area. It also contains alerts on missing persons, in particular children, information on aircraft, boats, cars, vans, containers, firearms and identity documents that may have been stolen or lost. The system also supports law enforcement authorities (more than 2 million policemen) at European level who have direct and real access to all this data. SISII is a hit no hit system. In a nutshell the Schengen Information System has currently 62.771.000 records split into wanted persons and objects. In 2014 more than 120.000 hits were made while it was queried 2 billion times.

The Visa Information System (VIS) allows data exchange on short-stay visas between Schengen States, supports the implementation of the common EU visa policy by preventing “visa shopping”, assists in the fight against irregular migration and brings transparent and faster procedures for bona fide travellers. It is accompanied by the Biometric Matching System (BMS), which performs fingerprint matching services. Between 11 October 2011 and 31 August 2013, VIS processed more than 4,3 million visa applications of which more than 3,6 million resulted in the issue of a short-stay visa. VIS currently contains 19.640.000

applications and 15.495.000 finger prints. The system is mainly used by consular posts and border guards. VIS fully and satisfactorily serves the objectives for which it was created. The overall reliability, performance, security and functioning of the system has been adequate in relation to the world wide VIS roll out and has met the expectations of the Member States. With regard to Law Enforcement's access to VIS, Council Decision 2008/633/JHA¹ entered into force on 1 September 2013 and since then VIS may also be consulted by Law Enforcement Authorities although this possibility is not widely used (less than 5.000 retrieval/searches).

Eurodac is the European Dactyloscopy (fingerprints) database. It facilitates the application of the Dublin Regulation by helping to determine the country responsible for the assessment of an asylum claim to the EU or the Associated Dublin States (Norway, Iceland, Switzerland and Liechtenstein). Since its creation in 2003 Eurodac has been used for asylum related purposes only. On 20 July 2013 Recast Regulation (No 603/2013) took effect and national police forces as well as Europol have access to the system. Access possibilities are given to law enforcement authorities subject to strict conditions for the purpose of prevention, detection and investigation of terrorist and serious criminal offences.

Since mid-2015 Eurodac's use has steadily grown due to the huge increase (more than 6 times compared with 2014) of asylum seekers and irregular migrants approaching the EU. Today Eurodac holds more than 4 million records in its database. This number is expected to continue growing in 2016 and 2017.

What is the added value of each of these systems compared to INTERPOL information systems that seems operationally preferred?

While eu-LISA is not in a position to provide any specific information concerning the use of Interpol databases by the Member States it shall be emphasized that systems operated by the agency i.e. SISII, VIS and Eurodac provide technological platforms for EU border and migration management as well as for internal security and law-enforcement cooperation. The normal functioning of the Schengen area depends on their availability 24 x 7, 365 days a year. In this sense these systems cannot be compared with databases operated by Interpol as long as the latter have different and narrower purposes and the information in them complements information available in systems managed by eu-LISA.

It is important to recall that since the beginning of the Schengen cooperation, the Schengen Information System (SIS) has been presented as the biggest compensatory measure taken in relation to the lifting of border controls at internal borders between participating states. In fact, these three European systems (especially SIS, VIS being its "side effect" for the Schengen visa policy and Eurodac for the Schengen asylum policy) are a condition *sine qua non* to allow the

¹ OJ L 218/129, 13.8.2008 p.129.

free movement of persons within the Schengen Area. All the Schengen states have to participate in these three systems.

20 years later, the **Second Generation SIS (SISII)** has become the cornerstone of police cooperation and information exchange within the EU. This is, without any doubt, the reason why SISII has recently been presented as a solution to deal with several current phenomena and calls have been made asking for an extensive use of the system to deal with the terrorism threat, in particular the phenomenon of Foreign Terrorist Fighters, as well as the migration crisis.

Very important changes to the central SISII have already been performed by eu-LISA on emergency mode, allowing in practice, the appropriate authority to trigger immediate actions via the national SIRENE bureau and seize the travel documents of the suspected traveller (potential foreign fighter). Other important measures are being envisaged and might be proposed by the Commission in the near future (preceded by the required impact assessments), such as the implementation of return decisions and to make mandatory the introduction of entry-bans into SISII.

The recent recommendation to give Frontex access to SISII and to provide Europol with systematic and automated access to the system clearly reflects the importance attached to this database.

Also for the **Visa Information System (VIS)** there has been an enormous evolution, in fact, the planned consular posts roll-out has been finalised in a just over 4 years (starting in Oct 2011 when the system was launched). The last rollout was recently concluded. On 2 November 2015 EU Member States started using the Visa Information System (VIS) in Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri-Lanka (region 20 of the VIS roll-out schedule) and on 20 November in Andorra, Holy See, Monaco, San Marino, Ireland and the UK as well as all the Member States in the Schengen area (regions 21-23 of the schedule). The introduction of VIS in these last regions follows the successful entry into operation of VIS in China, Japan, Mongolia, North Korea, South Korea and Taiwan on 12 October and in Russia on 14 September.

All Member States have reported the successful launch of VIS in these regions along with effective operations towards the VIS Central System. eu-LISA remains in close contact with the Member States, providing assistance to the national teams as well as detailed reports when necessary.

The entire Member States' consular authority's world-wide community is now using the central VIS, including biometric aspects. The Central System is consistently performing very well subsequently to the completion of the full VIS roll-out schedule to the consular authorities.

Regarding **Eurodac**, the new Recast system became operational on 20 July 2015, in order to ensure full compatibility with the most recent developments of asylum legislation. With the launch of the recast Eurodac IT system eu-LISA continues to strengthen the Common European Asylum System and support the objectives of the European Agenda on Migration.

Europol will also start preparations for their connection by the end of 2016 and the access of Frontex to the system will also be negotiated in the new Frontex Legislative Proposal.

The recent significant increase in the number of asylum seekers and irregular migrants approaching the EU, the priorities set in the Agenda for Migration introduced by the European Commission and the new direction of development of the common EU asylum system imply that the Eurodac system shall evolve further in order to be aligned with the new reality and better support Member States in the implementation of the Dublin III Regulation. Therefore the Agency believes that now is the right time to assess the future evolution of Eurodac.

Taking into account all the present challenges faced by the EU at its external borders, there are urgent calls for the systematic use of existing EU systems and instruments, which also includes the use of other databases and a clear appeal to have an increasing number of countries taking part in this exchange of information. It is important to increase the level of mutual trust between Member States and to increment the exchange of information, as terrorism related information and intelligence exchange remains low. For example, concerning the Interpol SLTD database (Stolen and Lost Travel Documents) it is important to emphasize that not all Schengen Member States are feeding the database, even if almost 80% of the documents contained in the database come from the Schengen area.

Q4 – According to the Court, the funds spent on the development of these systems should be capitalized and depreciated on annual basis accordingly, just like tangible assets, and EU-LISA commits to adopt this approach as from next year. Is this making financial sense considering that the development costs related to these systems do not have any tangible value like a building for instance? Should this be considered as operational expenditure rather than true capital ones as (mistakenly?) suggested by the the Court? Does a risk of artificially conflating the financial accounts of EU-LISA exist?

eu-LISA follows the accounting rules of the Commission - as per Article 94 of eu-LISA's Financial regulation adopted by the Management Board, that is applicable not only to the DGs but also to other EU consolidated entities. By doing so the Agency follows the provisions set out in **Accounting rules 6 & 7** on intangible and tangible assets by the Accounting Officer of the Commission. Within intangible assets there is a special group called "Internally generated intangible assets" that comprise all software specifically developed for EU entities either built in house or tendered to external contractors and where the European Commission expects service potential or economic benefits from their use.

Generally accepted accounting rules define **assets** as resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity. Generally speaking recognizing assets on the face of the Balance Sheet has a direct impact on the most basic calculations of a company's value and profitability. Assets are "lasting" components versus **expenses** that is money spent or cost incurred in an organization's efforts to generate revenue, representing the cost of doing business covering a defined period of time (calendar year) in the statement of financial performance.

Consequently not recognizing assets would be contrary to the business logic of value creation and fair presentation of an entity's present and future service potential.

We all know that intangible assets indeed can represent substantial value regardless of their non-physical nature: consider e.g. the famous brands in different industries, patents and softwares.

Artificial inflation of asset values is a risk that stakeholders/investors need to consider as indeed the intention behind this is usually to show a company's higher business potential in order to attract fresh capital, better credit ratings etc.

At eu-LISA we follow the principle of sound financial management and put in place robust internal control processes in order to prevent material misstatements.

Q5 - According to the Court, "out of the 6,6 million euro committed appropriations for titles I (staff expenditure) and II (administrative expenditure) which were carried over from 2013 to 2014, 1,7 million euro (26 %) were cancelled in 2014, showing that budgetary needs were overestimated at the end of 2013". EU-LISA answered that "The business case supporting these commitments did not always prove relevant in the new organisational/logistical set up of the agency". What are cancelled projects/activities? Under what basis were they initiated? What concrete guarantees do we have that the same issue will not happen next year?

The carry forwards from 2013 to 2014 of title I and II were based on budgetary commitments raised in 2013, when upon financial independence the Agency was starting to define its internal processes and budgetary planning was performed by the limited number of staff available at that time. In this respect there were no cancelled projects or activities.

As the Agency was new, no reliable historical data existed to support the budgetary planning. These factors resulted in a relatively high rate of cancellation of carry forwards for premises in France and Austria, Corporate IT and Security.

In 2015, thanks to increased expertise and improved planning and monitoring, the level of cancellation of carry forwards in title I and II are estimated at below 0.47 million euro (9%), compared to 1.7 million (26%) in 2014.

In 2015, with completion in 2016, the Agency started to adopt a structured approach to budget ownership, which is expected to strengthen and refine further budgetary management, monitoring, and control for all appropriations.

2014 Discharge

Individual replies to the written questions to Decentralised Agencies

Hearing of 28 January 2016

EUROPOL replies



The Hague, 11 January 2016
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**Discharge proceedings by the European Parliament (EP) on the
implementation of the budget for the financial year 2014**
**Europol's answers to the specific questions by the Budgetary Control
(CONT) Committee of the European Parliament:**

1 Question by the CONT Committee

"How is it possible that the delays of the IT projects mentioned in the Court report did not have any operational impacts according to EUROPOL? What is the real added value of these projects in this case? What are these projects? Should they be cancelled to save taxpayers' money?"

1.1 Background

- Comment of the ECA: "The cancellation rate of committed appropriations carried over from the previous year was high at 22 % (2013: 9 %). Cancellations were mainly related to delays in IT projects provided by external suppliers (mainly in the area of document and asset management and the exchange of police data)."
- Europol's response to the comment of the ECA: "Europol acknowledges the ECA's comment regarding the high level of cancellation rates of carry-forwards from the previous year. The delayed IT projects related to so called 'turn-key' solutions procured by Europol. The low budget implementation for these projects was mainly a result of the suppliers failing to deliver in line with the agreed planning. The delays did not affect operational business delivery as existing IT solutions continued to be in use for the relevant systems. It should be noted that compared with the previous financial year, Europol significantly reduced the carry-forwards in absolute figures. Accordingly, despite the delivery delay caused by external contractors, the actual nominal increase of unused carry-forwards was 0,9 million euro at the end of 2014 (compared with 2013)."

1.2 Europol's answer

The respective IT projects, concerning which the carry-forwards (from 2013) were cancelled, at an overall amount of 2.1 million Euro regarding the financial year 2014, are the following:

• **IT infrastructure**

Description: Virtual Private Network (VPN) upgrade (migration and maintenance costs) by a new supplier under a Framework Contract of the European Commission, regarding the secure information exchange with EU Member States and (operational) cooperation partners (referred to in the report by the ECA as "exchange of police data").

Budget impact: 1.1 million Euro (rounded) were cancelled from the carry-forward to 2014. Following the completion of the delayed implementation in Q4 2015, a recovery order for a compensation amount of 260.000 Euro (rounded), regarding the delay (according to the contractual provisions), is currently processed.

Reason: The supplier, from an overall perspective, was late in implementing the VPN upgrade and did not deliver the service according to the original planning by the end of 2014 (thus, the concerned budget carried forward could not be used and needed to be cancelled). Europol was one of the first EU bodies to complete the migration.

Business delivery impact: The secure information exchange was not disrupted as the previous VPN service continued to be in use, in order to cover the period of delay concerning the new VPN system.

Current status: The budget that lapsed and was cancelled by the end of 2014 was re-committed from 2015 budget (allocated via re-prioritisation of other activities). By the end of 2015, the upgrade was completed and fully operational.

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- **Analysis system**

Description: The IT project concerns the upgrade to a new analysis system of Europol (referred to in the report by the ECA as “exchange of police data”).

Budget impact: 660.000 Euro (rounded) were cancelled from the carry-forward to 2014.

Reason: The supplier did not deliver the service according to the original planning by the end of 2014 (thus, the concerned budget carried forward could not be used and needed to be cancelled). Europol obtained an amount of 325.000 Euro as a ‘discount’ to compensate the delayed delivery.

Business delivery impact: The current analysis system continues to be in use, based on an exceptional extension of its accreditation. The delivery of the analysis system was intended as a multi-year project, now scheduled to be completed by the end of 2016. The life of the current system has been extended until then, thereby protecting business interests, but the new system is required in the medium term to provide Europol with an upgraded means to deal with higher information management demands.

Current status: The required budget (which was cancelled year end 2014) was reserved from the 2015 budget (re-prioritisation), minus the ‘discount’ amount for the delay referred to above. The overall budgeted costs for the EAS delivery by the supplier in 2015 were 1.2 Million Euro.

- **Document Management System**

Description: This project concerned the delivery of a new Document Management System (DMS) and integrated intranet solution (primarily for internal communication purposes) - referred to in the report by the ECA as “document ... management”.

Budget impact: 66.000 Euro (rounded) were cancelled from the carry-forward to 2014.

Reason: The supplier did not deliver the service according to the original planning by the end of 2014 (thus, the concerned budget carried forward needed to be cancelled). Against this background, Europol terminated the related delivery contract by the end of November 2014 and obtained an amount of 260.000 Euro (rounded) as liquidated damages for the incurred delay.

Business delivery impact: Europol decided to insource the development activity. The existing DMS of Europol reached its end-of-life and was therefore upgraded to a new version in order to preserve the current functionality. New document management features however were not implemented, thus need to be addressed in future. A new intranet delivery was included in the work planning and the first stage of the intranet was delivered in 2015. Europol’s existing intranet continues to be in use (no business disruption). A full migration to the new intranet is scheduled for completion in 2016.

Current status: The required budget (which was cancelled year-end 2014) was reserved from the 2015 budget (re-prioritisation). The cost impact of the upgrade of the current DMS was 156.000 Euro. The cost impact for the new intranet development in 2015 was 220.000 Euro, and its completion in 2016 is budgeted for at an amount of 309.000 Euro.

- **Facility Management Information System (FMIS)**

Description: This project concerns the delivery of the Facility Management information System (FMIS) for Europol, including the handling of the facility (building) related assets (e.g. furniture) - referred to in the report by the ECA as “asset ... management”.

Budget impact: 56.000 Euro (rounded) were cancelled from the carry-forward to 2014. No liquidated damages (for the delay) were incurred by Europol.

Reason: The supplier did not deliver the service according to the original planning by the end of 2014 (thus, the concerned budget carried forward needed to be cancelled). However, Europol’s requirements for customisations to the FMIS were developed also further during the year 2014 (accordingly, no compensation for the delay was put forward by Europol).

Business delivery impact: A first release of the FMIS (incl. inventory functionality) was implemented in Q3 2015. The required current tools continue to be in use (migration into the FMIS are planned in 2016).

Current status: The roll-out of the remaining modules of the FMIS system is planned by the end of 2016, with a budget impact of 162.000 Euro.

- **Other activities and overall summary:**

The cancelled amount of carry-forwards of the above mentioned IT projects comes to 1.882 million Euro. The remaining amount of cancelled IT carry-forwards, i.e. 218.000 Euro (2.1 million

Europol Unclassified – Basic Protection Level
Releasable to the European Parliament (EP) and the Council

Euro minus 1.882 million Euro) concerned various small IT related activities (e.g. adjustments to the internet website, telephone costs) given that the actual costs year-end 2014 were less than originally envisaged.

2 Question by the CONT Committee

“What is the state of cooperation between ENISA and FRONTEX and EUROPOL?”

2.1 Europol’s answer: Cooperation Europol - Frontex

Europol enjoys good cooperation with Frontex, in particular regarding the:

- Frontex joint operations in the Mediterranean (Poseidon and Triton), as well as the Frontex Headquarters Situation Centre;
- EU Regional Task Force (RTF) deployments (in the context of addressing migration ‘hotspots’) in Italy (Catania) and Greece (Piraeus) – Europol is using office space maintained by Frontex (in a joint office environment);
- Europol’s Joint Operational Team (JOT) Mare, to counteract the related facilitation of illegal immigration by Organised Criminal Groups (OCGs) by sea, as well as cooperation between Frontex and Europol’s Focal Point (FP) Checkpoint (bringing together respective information and criminal intelligence for operational and strategic analysis purposes);
- Operational Action Plan (OAP) ‘Illegal Immigration’ established under the EU Policy Cycle, based on Europol’s Serious Organised Crime Threat Assessment (SOCTA) and the related political crime fighting priorities at EU level which are supported by the dedicated operational funds assigned by the European Commission for this purpose – Out of the 20 specific action areas of the OAP for 2016, Frontex co-leads one action area with Europol, while taking the lead for 7 further action areas and participating in the remaining action areas (apart from 4 action areas which are (exclusively) focussed on law enforcement activities beyond border management aspects).

On the way forward, Europol expects that the operational cooperation will expand further, especially concerning the exchange of personal data, in light of the 33 additional posts granted to Europol by the budgetary authority in 2015 for the establishment of the European Migrant Smuggling Centre (EMSC), with a view to disrupting Organised Criminal Groups (OCGs) operating in source countries, at the main entry points to the EU and within EU Member States.

2.2 Europol’s answer: Cooperation Europol - ENISA

Since the establishment of the European Cyber Crime Centre (EC3) within Europol in 2013, ENISA has been one of the closest institutional partners of Europol, in particular through:

- A pro-active role within the EC3 Programme Board (in which key EU partners in cyber security and cybercrime fighting coordinate and align their activities, including the promotion of required cooperation with the private sector by means of EC3 Advisory Groups);
- Joining efforts in the Europol/EC3 - ENISA conference on an annual basis, bringing together practitioners from national CERTs (Computer Emergency Response Teams) and law enforcement authorities, with a view to strengthening overall cooperation, as well as preventing, mitigating and investigating cybercrime activities (a concrete example is the joint development of a common taxonomy for a structured information exchange on cyber-crime and related incidents);
- Common involvement in major cybercrime events (e.g. ENISA High Level event, the annual Europol/EC3 – Interpol Cybercrime conference, as well as the Cyber Security Month (once per year));
- ENISA having associated Europol to its Permanent Stakeholder Group.

2014 Discharge

Individual replies to the written questions to Decentralised Agencies

Hearing of 28 January 2016

FRA replies

2014 Discharge of the EU decentralised agencies

WRITTEN QUESTIONS TO THE AGENCIES

Hearing on 28 January 2016

II. QUESTIONS TO BE ANSWERED BY INDIVIDUAL AGENCIES

FRA:

1. *Can the agency provide a detailed account of the transparency of its recruitment processes and how it avoids conflict of interests with regard to appointments?*

All recruitment procedures at FRA pursue an open and transparent publication of a vacancy notice. The vacancy notice describes among others, the functions and duties of the advertised position, the eligibility and selection criteria, the selection procedure and the conditions of the employment of the successful candidate. The selection committee is nominated at the moment of the preparation of the vacancy notice. All members of the selection committee sign a declaration of absence of conflict of interest. All these provisions are stipulated in the Agency's guidelines for recruitment approved by the Director.

Prior to the appointment of the successful candidate, the Director examines whether he/she has any personal interest such as to impair his/her independence or any other conflict of interest. To this end, the candidate must complete a form where he/she declares any actual or potential conflict of interest.

2. *Can the agency please provide a detailed overview of its whistle-blowers policy and how it is implemented?*

FRA applies by analogy the Commission's whistleblowing guidelines as per the Executive Board Decision Nr 2012/04 which can be found in the Agency's website: [Executive Board Decision no. 2012/4 on whistleblowing rules / 6525 / Agency \(12/12/2012\)](#)

Staff members are obliged to report facts pointing to a possible illegal activity, including fraud or corruption, or to a serious failure to comply with their professional obligations. The duty only concerns facts discovered by the staff in the course of or in connection with their duties.

A staff member who becomes aware of any serious wrongdoing shall transmit it in writing and without delay to his/her Head of Department, the Director or

OLAF directly. Staff members who fulfil this obligation enjoy protection from adverse consequences of "blowing the whistle". The Agency raised awareness on this policy and provided a wide internal publicity on it.

3. *Can the agency please provide a detailed account of its policies and practices in cases of alleged employee harassment?*

FRA adopted the Executive Board Decision Nr 2009/02 on protecting the dignity of the person and preventing psychological and sexual harassment. This comprehensive policy aims at:

- promoting a culture in which psychological and sexual harassment, like other forms of violence in the workplace, are considered unacceptable and are neither tolerated nor ignored;
- introducing a policy of prevention by raising staff awareness and providing information, training and counselling;
- introducing effective procedures (informal and formal) to protect the dignity of each and every person working at the FRA;
- taking appropriate action (if necessary, disciplinary measures) in accordance with the Staff Regulations against any person who is found guilty of psychological or sexual harassment.

In 2010, the Agency established a network of confidential counsellors to deal with alleged harassment cases under the informal procedure. A presentation of the network is done in the induction session for newcomers. Under the formal procedure (i.e. Article 24 and 90.1 of the Staff Regulations), the Agency immediately and thoroughly examines the case in order to decide whether to uphold it or not.

FRA provides annual raising awareness sessions to its staff as well as up-to-date information on its intranet about the measures available to combat and prevent psychological and sexual harassment. In addition, the FRA's Equal Opportunities and Diversity Policy Action Programme 2013-2015 targets a respectful working environment with actions dedicated to the prevention of harassment.

4. *In February 2012, after a whistle-blower reported on irregularities in certain contracts signed among the agency for Fundamental Rights (FRA) and the DIHR (Danish Institute for Human Rights), the former President of FRA sent a letter of termination of the whistle-blowers' employment contract, without giving the person any right to defend themselves. After suing FRA in front of the Civil Service Tribunal and in appeal to the CJEU, the whistle-blower obtained the reintegration to their former workplace. Nonetheless, the new ad-interim Director of FRA has not yet reintegrated the whistle-blower to the*

former workplace, offering only a compensation amount. Why has not FRA reintegrated the whistle-blower? Has the Commission offered its support to the whistle-blower in this specific case? Could the Commission explain if any actions have been taken to ensure the reintegration of whistle-blowers in similar cases?

In February 2012, FRA decided not to renew the contract of one contract agent hired under Article 3a of the Conditions of Employment of Other Servants. This decision was taken in the interests of the service and the performance of the staff member.

In June 2015 the judgment of the General Court (Case T-658/13 P) annulled the decision of the non-renewal of contract and rejected the remainder of the appeal. The reason of the annulment was that the appellant's right to be heard by the appointing authority before the adoption of the decision was not observed. The General Court did not order the reintegration of the staff member. The Agency is in the process of executing the Court's decision in agreement with art 266 of the TFEU.

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WRITTEN QUESTIONS TO THE AGENCIES

Hearing on 28 January 2016

II. QUESTIONS TO BE ANSWERED BY INDIVIDUAL AGENCIES

FRONTEX:

1. In the Annual Activity Report 2014, FRONTEX listed the number of officer-days of different Joint Operations. How many staff of FRONTEX and/or of the participating Member States were deployed in Joint Operations
 - a. at air borders
 - b. at land borders
 - c. at sea borders?

	Land border	Sea border	Air border
Number of officers from MS/SAC deployed	1.283	1.080	249
Total man-days for officers from MS/SAC	52.664	58.267	6.703
Frontex staff deployed	11	20	0
Total man-days for Frontex staff	610	1.415	0

2. What is the amount allocated and spent specifically for the "Search and Rescue" activities?

During 2014, the amount allocated and spent for supporting SAR activities under Frontex-coordinated joint maritime operations was approximately EUR 25.6m, which constituted as much as 75% of the overall budget allocation for Frontex maritime operational activities. The mentioned SAR-related allocation include amounts paid for deployments of technical equipment in Frontex joint maritime operations, as they were supporting directly the SAR efforts of the host MS, by continuous vigilance and operational readiness, detection of boats in distress and involvement in SAR operations under instructions of the relevant Rescue Coordination Centre.

3. What was the amount funding the protection of human rights? Is it possible to provide the figures related to the costs incurred by the Fundamental Right Officer (i.e. expected funds and staff costs)?

The Fundamental Rights Officer and the cooperation with the Consultative Forum (CF) incurred in 2014 costs amounting to EUR 310.000 following the activity based budgeting principles of allocating direct and indirect costs to a certain activity. The costs comprise staff related costs of the Fundamental Rights Officer herself and one assistant, mission and meeting related costs as well as overhead costs.

4. How many Seconded national experts are currently employed by FRONTEX? What is the amount they receive? From which countries do they come from?

Currently Frontex employs 80 SNEs from MS and SAC. They receive on average allowances amounting to EUR 4.200 monthly.

Belgian	0
Croatian	0
Estonian	0
Icelandic	0
Irish	0
Lithuanian	0
Luxembourger	0
Swiss	0
British	1
Bulgarian	1
Cypriot	1
Danish	1
Liechtenstein	1
Maltese	1
Norwegian	1
Slovenian	1
Swedish	1
Dutch	2
Hungarian	2
Latvian	2
Slovak	2
Austrian	3
Czech	3
Greek	3
Finnish	4

German	4
Polish	5
Portuguese	5
French	7
Italian	8
Spanish	8
Romanian	13

5. Is there any collaboration agreement with the Coast guards of third countries? In that case, what do such agreements feature and what is the amount that is paid out?

Frontex is cooperating with authorities of third countries competent in border management on the basis of working arrangements. According to Art 14.8 of the Founding Regulation, these arrangements concluded were reported to the European Parliament.

In some of the third countries, the Coast Guard is an integral part of the Border Guard Authorities (E.g. Azerbaijan, Georgia). In other third countries the structure shows that Border Guards perform direct Coast Guard functions (E.g. Ukraine, Russia) while in other third countries the Coast Guard is a separate organisation that has competences that include Border Guard Functions which as such involves them in the direct cooperation with Frontex (E.g. Turkey, USA).

The Working Arrangements don't feature exact separation of Land, Air or Maritime Border Guard functions but describe the overall remit and functioning of operational cooperation between Frontex and the competent authorities of a third country. Therefore there is no quantification possible.

6. Frauds were detected regarding visas granted by Malta and Belarus: what actions have been taken? What is the agency's estimation about the number of possible frauds related to visas? What control systems were put in place?

Frontex does not have a mandate to take actions on Member States or non EU countries on issues related to visa fraud. Frontex supports Member States in performing border control activities through the implementation of Joint Operations coordinated by the Agency and providing for operational collaboration from Member States, including through the provision of risk analysis.

In order to perform its risk analyses, the Agency collects data provided by the Member States in the form of different operational reporting systems. Frontex then analyses these data and delivers its assessments to inform decision making at different levels (EU, regional, national), including the setting up of control systems through policy and procedures in the different levels. Frontex

is then ready to support the implementation of those control systems through its operations.

The following are data categories that serve to give an estimation of the phenomenon of visa fraud at the level of the EU:

In the period Jan-Nov 2015, there have been 806 refusals of entry issued by all MS for reason "D: having a false/counterfeit/forged visa or residence permit". Also in the period of Jan-Nov 2015, there have been 1194 visas fraudulently obtained and as such detected at the external borders of the EU, as reported by MS (currently only 12 MS are reporting under this category). Most of the detections are reported by Poland.

7. Has FRONTEX, in the meantime, concluded the headquarters agreement with Poland and if not, why not? (In the latest Court of Auditors report this is indicated as "ongoing").

No headquarters agreement between the Agency and the Polish state has been signed. The negotiations are still ongoing. In November 2015 the Agency was visited by the newly appointed Minister of External Affairs. The recent national elections, resulting in a change of the reigning political parties in Poland, may impact on the timing of future negotiations.

The discussion turn around the themes mentioned in Article 15 of the Frontex Regulation, namely European oriented multi-lingual schooling, accommodation and facilities to be provided by Poland to the agency and specific rules for the staff and their family members.

8. According to the Court "The high and constantly increasing number of grant agreements and the magnitude of related expenditure to be verified and reimbursed by FRONTEX raise the question whether more efficient and cost-effective alternative funding mechanisms could be used". According to FRONTEX, "The agency shares fully the view of the Court that the grant mechanism is neither the appropriate nor the most efficient instrument to finance FRONTEX coordinated operations. FRONTEX' mandate to coordinate activities of border guard authorities is difficult to implement using grants as financial instrument. According to Article 3 (4) of the Founding Regulation, FRONTEX has to use grants for (co-)financing FRONTEX coordinated joint operations; the agency will address this issue in the upcoming review of the Founding Regulation following the regular 5 year evaluation". What is concretely the alternative mechanism envisaged by FRONTEX? How will it improve the current situation? How soon can the proposal be presented to the European Parliament? What concrete measures have been taken in the meantime to improve the situation?

The Management Board, in its Decision 40/2015 of 28.10.2015, adopted recommendations of the MB following the external evaluation of Frontex.

One of the recommendations relates to the facilitation of financial management and stipulates abandoning the limitation introduced by the Frontex Regulation by mentioning grants. Contractual relationships between the Agency and the Member State authorities could pave the way for a more efficient financial management.

Consultations with the European Commission are still necessary to explore all details and possibilities.

Bearing in mind the activities Frontex is carrying out could rather be characterized as “purchasing” services from MS authorities, as the MS deploy officers and/or technical equipment to Frontex coordinated operations; the MS sign the Operational Plan drafted by Frontex and the host Member State. This Operational Plan clearly indicates the terms of the operational cooperation; there is no freedom foreseen for Participating MS (as the grant instrument suggests) that - in order to achieve a certain policy objective - different ways and means can possibly achieve that goal. The Operational Plan needs to be implemented as agreed upon without deviation unless amended.

The new proposal for establishing a Border and Coast Guard Agency goes even further and proposes a proactive role particularly for joint operations and return activities. Such a proactive role does not go hand in hand with the features of a grant as financial instrument.

Until such a change will occur, the agency uses all possibilities to ease the grant management, for example by establishing unit costs; until now only for small scale expenditure unit costs were approved by the Management Board; for over 90% of the expenditure the real costs incurred are reimbursed, which are subject to work intensive ex-ante/ex-post controls of supporting documents.

9. Has FRONTEX improved its ex post verifications?

Significant improvements in both, ex-ante and ex-post verifications, were already noted in the annual ECA report for the financial year 2014.

Ex-post controls in Frontex are risk based, aiming at being efficient and effective. The methodology of the ex-post controls is followed: either 10% of the value of the grant population is controlled or 10% of the number of grants issued. The nature of the ex-post controls is complimentary to the ex-ante controls, e.g. payments covered by ex-ante controls are excluded from the ex-post controls sampling for verification. The following criteria are chosen for the sampling:

- MS/SAC that have not yet been subject to ex-post controls;
- MS/SAC controlled already, but where the information gathered indicate an increased risk;
- Countries that have due to the lower risk profile a limited coverage by ex-ante controls.

The ex-post control team is very experienced and lessons learned from the past are included in the planning of the future controls. There is a good cooperation between Frontex and the controlled MS/SAC, the concept being understood and accepted.

10. Has FRONTEX improved its conflict of interest policy?

Frontex has developed, adopted and enforces series of rules governing (among other issues) the transparency and the possible conflicts of interests of experts, management board and staff:

- ED Decision 2012.120 – Frontex Staff Code of Conduct
- ED Decision 2011.24 – Code of Conduct for all persons participating in Frontex activities
- ED Decision 2013.67 - Code of Conduct for joint return operations coordinated by Frontex

The statements of commitment of MB members are published in Frontex website. Those members who did not submit it for any reason (e.g. new members) have been notified at the last MB meeting on 25 November 2015. <http://frontex.europa.eu/about-frontex/organisation/management-board/>

SNEs, before secondment, are to sign a declaration on confidentiality, which is a part of Code of Conduct. Before an SNE is engaged in an activity where she/he is representing interest of the Agency, a specific decision has to be issued. SNEs from a given country are - unless for compelling reasons - not dealing with operations in their home country.

All other external and internal experts are required to perform their duties properly and should refrain from any activities which would undermine or compromise their independence and the appropriate performance of their duties.

11. Has there been any new development in the negotiations over support of the Polish government to the FRONTEX activities?

Please refer to question Nr.7.

12. What is the state of cooperation between ENISA, FRONTEX and EUROPOL?

Frontex and Europol enjoy for many years a fruitful cooperation and Frontex expects this cooperation to deepen, also bearing in mind the future possibility of processing personal data and forwarding from Frontex to Europol. In December 2015, Frontex and Europol signed a new working arrangement creating a sound basis for the future cooperation.

Frontex is hosting colleagues from Europol (and EASO and/or Eurojust) in the premises of the European Regional Task Forces (EURTF) in Catania and Piraeus respectively. These are joint operational headquarters coordinating the work of the Support Teams at the so called 'hotspots' and ensuring close cooperation with the national authorities of the respective host Member State supporting the management of the migratory flows.

Frontex supports the Joint Operational Team (JOT) Mare, hosted at Europol headquarters in The Hague. JOT Mare is an intelligence-led European response to the development of organized criminal groups that facilitate the transport of irregular migrants across the Mediterranean.

Both agencies support mutually joint multi-purpose operations.

In 2010, the EU established a multi-annual policy cycle, aiming at ensuring effective cooperation between Member States law enforcement agencies, EU Institutions, EU Agencies and relevant third parties as well as having coherent operational actions targeting the most pressing criminal threats facing the EU. The EMPACT (European Multidisciplinary Platform against Criminal Threats) was created and Frontex is particularly involved in projects related to combat trafficking in human beings, combat illegal migration and combat illicit trafficking in firearms.

The cooperation with ENISA takes place within the overall agencies' network cooperation.

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II. QUESTIONS TO BE ANSWERED BY INDIVIDUAL AGENCIES

1. The agency's training costs increased due to an active training management providing staff with training opportunities. Please provide more information on the training management and, if available, the participation rate of the staff.

Answer:

The main objective of learning and development is to shape the staff's capabilities, knowledge and attitudes necessary for achievement of the GSA objectives and mission. Learning and development are also important factors of performance and motivation at work. Developmental needs of staff members are identified in the course of the performance management exercise. Line managers and staff usually establish the list of training needs while discussing annual objectives. Objectives and consequently training needs are aligned with the overall goals to be achieved by the department and by GSA as a whole. Line managers and HR are in charge respectively to approve and monitor the training applications. The line manager has a key role in assessing applications for training in the light of agreed needs and the chosen learning activity and in defining the expectations concerning the results to be achieved in light of the department goals and individual objectives. Attendance of staff and relevant evaluations are monitored by HR in view of tracking the interest and effectiveness of the training programme proposed.

Overall, the majority of the trainings (51%) were focused on technical competencies, such as GNSS System, Operations and Engineering; System Safety, Cyber Security, Security Certifications; Health and Safety; Project Management; and IT skills. EC specialised courses (19%) have been attended when in the interest of service and where a centrally organised course would not be appropriate and/or efficient (e.g. ABAC courses, lifecycle expenditure, EU policy making practices, procurement courses).

Staff members have also participated in language courses (18%) and in training for the development of behavioural skills such as leadership, communication and negotiation (12%).

The average attendance to trainings amounts to 5.5 days per staff member a year.

2. What measures did the GSA implement in order to improve its visibility in its host country?

Answer:

The GSA organised its first 'Open Days' event at its Headquarters in Prague. This event offered an opportunity to get an inside look at European GNSS services and the people behind it. During the Agency's Open Days, over 2,000 visitors, including 500 school children learned what the European Union is doing in space, the work of the GSA and how satellite navigation impacts all of our daily lives. <http://www.gsa.europa.eu/news/inside-look-gsa> Along with this, the agency regularly participates in public events along with the European Commission's representation in Prague. In 2014 the GSA organised the 3rd European Space Solution conference in Prague and led

the organisation of the popular European Space Expo public exhibition which attracted almost 30,000 visitors in 9 days.

3. What is the reason for having no insurance coverage of fixed tangible assets with a net book value of 1 million euros? What are the agency's plans in order to solve the situation?

Answer:

The Agency is currently analysing risks, value and criticality of each asset owned in order to conduct a first assessment of possible mitigation actions associated to risk of their ownership. On the basis of the outcome of such assessment the Agency is planning, on one hand, to approach the insurance market to have quotations of possible premium and, on the other hand, to assess the available budget to follow a self-insurance approach.

The outcome of the above mentioned exercise will serve as a basis of a value for money judgement to decide whether to subscribe to an insurance.