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# REPORT

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2011: performance, financial management and control  
(2012/2214(DEC))

Committee on Budgetary Control

Rapporteur: Gerben-Jan Gerbrandy

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## PROPOSAL FOR A EUROPEAN PARLIAMENT RESOLUTION

### on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2011: performance, financial management and control (2012/2214(DEC))

*The European Parliament,*

- having regard to the report of 14 November 2011 from the Commission to the European Parliament and the Council on the follow-up to the discharge for the 2009 financial year (COM(2011)0736) and the accompanying Commission Staff Working Documents (SEC(2011)1350 and SEC(2011)1351),
- having regard to the Joint Statement of the European Parliament, the Council of the EU and the European Commission on decentralised agencies of 19 July 2012,
- having regard to the Common Approach on EU decentralised agencies annexed to the Joint Statement of 19 July 2012,
- having regard to the Roadmap on the follow-up to the Common Approach on EU decentralised agencies, adopted by the Commission in December 2012,
- having regard to the Commission Communication entitled 'European agencies – the way forward' (COM(2008)0135),
- having regard to its resolution of 10 May 2012 on the 2010 discharge: performance, financial management and control of EU Agencies<sup>1</sup>,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>2</sup>, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>3</sup>, and in particular Article 208 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>4</sup>, and in particular Article 96 thereof,
- having regard to Special Report No 15/2012 of the Court of Auditors entitled 'Management of Conflict of Interest in selected EU Agencies',

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<sup>1</sup> OJ L 286, 17.10.2012, p. 388.

<sup>2</sup> OJ L 248, 16.9.2002, p. 1.

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

<sup>4</sup> OJ L 357, 31.12.2002, p. 72.

- having regard to the specific annual reports<sup>1</sup> of the Court of Auditors on the annual accounts of the decentralised agencies for the financial year 2011,
  - having regard to its study entitled "Opportunity and feasibility of establishing common support services for EU Agencies", issued on 7 April 2009,
  - having regard to its Declaration of 18 May 2010 on the Union's efforts in combating corruption (P7\_DCL(2010)0002), to its Resolution of 15 September 2011 on the EU's efforts to combat corruption<sup>2</sup>, and to the Commission Communication on Fighting corruption in the EU (COM(2011)0308);
  - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinions of the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety and the Committee on Civil Liberties, Justice and Home Affairs (A7-0118/2013),
- A. whereas this resolution contains, for each body within the meaning of Article 185 of Regulation (EC, Euratom) No 1605/2002, the horizontal observations accompanying the discharge decisions in accordance with Article 96 of Regulation (EC, Euratom) No 2343/2002 and Article 3 of Annex VI to Parliament's Rules of Procedure,
- B. whereas there has been a threefold increase in the number of agencies over the last decade, from 10 in 2001 to 30 in 2011,

### ***General issues***

1. Stresses the importance of the tasks performed by the agencies and their direct impact on the daily life of citizens, in particular as regards the quality of medicines, food safety, aviation security and the control of outbreaks of infectious diseases; in this context, emphasises the utmost importance of the autonomy of the agencies, in particular of the regulatory ones and of those in charge of collecting independent information; recalls that the main purpose of establishing decentralised agencies was to be able to provide independent technical and scientific assessments;
2. Recalls that in July 2012, after three years of analysis and negotiations, Parliament, the Council and the Commission adopted a Common Approach on decentralised agencies, a political agreement concerning the future management and reform of the agencies; welcomes the conclusion of this agreement but deplores the fact that it neglects to set out either decision-making procedures in respect of the implementation of the actions proposed thereon or arrangements for Parliament oversight of those procedures;
3. Welcomes the Court of Auditors' reports and, in particular, its efforts to comply with the requests made by Parliament for the Court to conduct better audits and facilitate the discharge procedure;

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<sup>1</sup> OJ C 368, 16.12.2011.

<sup>2</sup> OJ C 51 E, 22.2.2013, p. 121.

4. Notes with satisfaction that the Court's audit reports contain now more detailed information than in previous years; encourages the Court to continue on this positive trend and to further develop performance audit elements, both in its several annual audit reports and in its special reports; calls on the Court to promote debates in which both parties are heard, whenever the agencies so wish, and to render its reports more informative and transparent, in particular by duly identifying cases in which an agency has uncovered a problem and has notified it to the Court, and by signalling even more clearly cases in which a reservation has been issued;
5. Reminds all the agencies of their obligation to submit to the discharge authority a report drawn up by their director summarising the number and nature of internal audits conducted by their internal auditor, the recommendations made and the follow-up given to them, as provided for in Article 72(5) of Regulation (EC, Euratom) No 2343/2002;
6. Commends the good cooperation with the responsible committee from the side of the Union Agencies Network ("the Network"), a forum for coordination, information exchange and agreement of common positions on issues of common interest for agencies, and encourages the strengthening of the Network; notes with satisfaction the availability and openness of the directors of the agencies contacted in the framework of the annual discharge procedure; notes with surprise the Network's letter of 19 October 2012 asking Parliament to "revert to its practice of earlier years"; on the contrary, encourages and expects the Network to support the changes requested by Parliament, in its previous discharge reports, for improved management and transparency and for anti-conflict of interest measures to be taken for the benefit of consumers and taxpayers' money;
7. Emphasises the need to focus on effectiveness and transparency in the discharge exercise and invites all involved parties – the Court of Auditors, the Council, the agencies and the Network – to approach the discharge from that position; emphasises that the focus shift towards performance should by no means hamper regularity and sound financial management;
8. Points out, in this context, the relationship between administrative weight and the output of the agencies; believes that, for the agencies to operate as efficiently as possible and to make the most of their resources, they must seek synergies, exchange best practices and share services on the basis of geographical proximity or relevance; considers that access to services provided by the Commission should also be improved, expanded and facilitated;
9. Suggests that the financial rules applicable to the Agencies should be simplified, which would allow the agencies' administrative staff costs to be reduced; calls on the Commission to draw up proposals to that effect and to encourage the agencies to use the simplification option as regards recruitment procedures where the standard procedure is designed for a larger scale organisation and presents an excessive burden for the agencies;
10. Notes with concern that there are a number of problems identified by the Court of Auditors which affect several agencies, in particular as regards:

- carryovers which are not supported by commitments or which appear excessively high,
  - lack of transparency or rigour in recruitments,
  - procurement and contract management,
  - potential conflicts of interest, including at management board level;
11. Notes, in this context, the reply of the Network; welcomes the coordinated action of the agencies and their intention to tackle the problems identified by the Court of Auditors and urges the Network, as well as the individual agencies, to report back to the discharge authority on the progress of the implementation of the concrete measures to redress the shortcomings identified by the Court of Auditors and Parliament in the discharge procedure for the financial year 2010; underlines that the responsibility lies with the executive directors and the management boards of the agencies;
  12. Urges the Network, as well as the individual agencies, to report to the discharge authority on the progress of the implementation of those ideas and approaches to assess whether a chosen approach has proved effective in resolving the outstanding issues identified by the Court of Auditors and pointed out in the Common Approach, and to report to the discharge authority on both the individual and collective actions taken to address the Court of Auditors' findings, and the results thereof;
  13. Emphasises that the agencies have for some time been calling for greater flexibility in the rules applicable to them under the Financial Regulation; recognises that most of those rules are disproportionate and ill-suited not only to the size and objectives of the majority of agencies, but also to their characteristics; considers that simplification of the financial and statutory rules applicable to the agencies would improve their efficiency, reduce their expenditure and solve many of the problems pointed out by the Court of Auditors;
  14. Notes that some agencies in the Area of Freedom, Security and Justice are operational ones and that the implementation of their budget also depends on external factors, which should be considered during the budgetary process;

#### ***Budget and financial management***

15. Reiterates that the principle of annuality is one of the three basic accounting principles (unity, annuality and balance) indispensable to ensure an efficient implementation of the Union budget; notes that decentralised agencies do not always fully comply with this principle;
16. Reminds the agencies that the persistent problem of carryovers has yet to be addressed; takes note of the agencies' explanations as regards the difficulty in avoiding carryovers in operational expenditure; believes, nevertheless, that in a number of cases there is room for improvement, in particular by means of a better management of commitment appropriations based on real needs, better internal planning and general revenue forecasting and more stringent budgetary discipline and regular overview of spending; calls on the agencies to assess their internal administrative procedures in order to reduce

their administrative burden, in particular as regards public procurement and staff recruitment procedures; believes that both the Commission and the Court of Auditors should provide effective assistance to the agencies in this area;

17. Points out that in some cases the internal planning needs to be improved, which calls on the agencies to enhance their procedures; acknowledges at the same time that under certain circumstances and with due justification (e.g., settlements of payments have not been possible in the contracting year) this should be mentioned in a transparent way in the report of the Court of Auditors; is of the opinion that only so a true assessment can be made whether carryovers are too high or not;
18. Stresses, in this context, that the hierarchy of norms is to be taken into account, and believes that the focus should be put on sound financial management; points out, however, that the current financial rules do not resolve the problem of agencies whose funding is based on charges, and calls on the Commission to propose a solution to this issue during the next revision of the financial rules applicable to the agencies; points out that the Financial Regulation is not suited either to agencies which generate surpluses, and stresses that it is essential to consider, as part of the revision, ways of resolving this problem, e.g. by creating a limited reserve fund;
19. Expects the Court of Auditors, in its role as an external auditor as a follow-up to Parliament's discharge report in 2010 and its report on the benchmarking of agencies, to consult the Network to compose an openly accessible and transparent benchmarking and ranking procedure for agencies by using important indicators in the fields of sound financial and budgetary management, low governance costs and efficient operational effectiveness, and to provide the underlying data in an easily accessible format (e.g. Excel files and/or CSV files);
20. Notes with concern that the lack of flexibility within the budget has been recognised as a weakness by certain agencies, which suggests that savings could be made if there was enough flexibility within the budget from title to title; calls on the Commission to closely examine the situation and to come forth with proposals addressing this issue;
21. Notes that the agencies undergo numerous different audit and control procedures in the course of the year, which are often very unevenly distributed and may create difficulties to them; believes that that problem should be addressed primarily by better coordinating those various audits<sup>1</sup>; considers that the agencies should be consulted in order to find practical solutions for this issue without hampering the performance of their core tasks; invites the Court of Auditors, the Commission, the agencies and the Network to come up with an approach of this matter suitable for all involved parties;
22. Demands that all agencies and joint undertakings systematically annex a standardised template regarding the publication of their final annual accounts which includes the data presented in their reports on the implementation of the budget and in their reports on the budgetary and financial management; recommends that all agencies and joint undertakings provide this information in a comprehensive, friendly accessible and

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<sup>1</sup> In this respect, see action 53 of the Roadmap on the follow-up to the Common Approach on EU decentralised agencies.

transparent manner (e. g., Excel files and/or CSV files), in order to ease the comparison between their budgetary executions, and thus enabling Parliament and the public to comprehensively compare their expenses;

23. Requests the Network to introduce a detailed, standardised budget line system so that an aggregation and comparison of the agencies revenues and expenses, as well as the implementation and use of appropriations for each budget line, can be compared by title, by chapter and by line; furthermore, asks the Network to make the subsequent comparison and to ensure that the conclusions as well as the underlying data are freely available in an easily accessible format (e.g. Excel files and/or CSV files);

### ***Human resources and recruitment policy***

24. Points out that the Staff Regulations establish the principles underlying the staff policy adopted by the agencies and that there is a need for greater flexibility and simplification of the statutory rules applicable to agencies in order to ensure that they function more effectively in this respect; points out furthermore that, although Article 110 of the Staff Regulations allows some flexibility, since the final decision rests with the Commission, it is vital that a previous agreement be reached between the agencies and the Commission; considers that, in the event of disagreement, the Commission should present a reasoned decision to Parliament's committee responsible;
25. Reminds the agencies that their staff policy planning should adopt a global programming approach to human resources which tallies with their budgetary and administrative capacities, in order to ensure that staff policy is cohesive and suited to their needs; points out, furthermore, that staff plans should take into account certain basic considerations, such as gender and geographical balance; welcomes, in this regard, the initiatives envisaged by the Commission in the Roadmap and the fact that the specific characteristics of the agencies are being acknowledged in the ongoing revision of the Staff Regulations;
26. Considers that the well-established practice of Staff Policy Plans is a valuable tool for long-term staff planning; is increasingly concerned that the Commission annuls agreed Staff Policy Plans within the annual budget procedure and, therefore, calls on the Commission to restrict itself in this respect;
27. Calls on all agencies to inform the discharge authority of the number of days of leave authorised to each grade under the flexitime and compensatory leave schemes annually annexed to their annual activity reports;

### ***Conflicts of interest and transparency***

28. Welcomes the Special Report No 15/2012 of the Court of Auditors, on Management of Conflict of Interest in selected EU Agencies, which stems from Parliament's request for the Court to undertake a comprehensive analysis of the agencies' approach to the management of situations where there are potential conflicts of interest;
29. Considers that the main added value of Special Report No 15/2012 of the Court of Auditors lies in the regular monitoring of the agencies' progress as regards management



and prevention of conflicts of interest; calls on the Court to further follow-up this issue extending the scope of its audit to other agencies, and to present its findings in a future Special Report on the matter;

30. Recalls that, in its Special Report No 15/2012, the Court of Auditors has evaluated policies and procedures for the management of conflict of interest in four selected agencies: European Aviation Safety Agency (EASA), European Chemicals Agency (ECHA), European Food Safety Agency (EFSA) and European Medicines Agency (EMA);
31. Considers that the purpose of the Court of Auditors' audit was to give an answer to two questions: firstly, were adequate policies and procedures in place, and secondly, were those policies and procedures adequately implemented; notes, furthermore, that the Court based its work on the definition of conflict of interest as provided for in the Organisation for Economic Co-operation and Development (OECD) guidelines, and that the reference framework for minimum requirements adopted by the Court was also derived from those guidelines; stresses however that, although the OECD guidelines offer an international benchmark on this matter, they basically relate to conflicts of interests in the framework of public sector employees and cannot, therefore, provide an adequate basis for an effective response in the case of potential conflicts of interests among the governing bodies and other bodies involved in the agencies' work, such as management boards and expert panels;
32. Notes that conflicts of interest can also occur between members of the Management Board of an agency and the agency itself, due to national or institutional interests which may endanger the proper functioning of the agency; therefore, calls on the Commission to urgently submit to Parliament a proposal to address this issue; expects that in the meantime the declarations of interests of each and every member of the management boards of the agencies will be made public, in the interests of transparency;
33. Regrets that, according to the findings of the Court of Auditors in its Special Report No 15/2012, at the time of completion of its field work (October 2011), none of the four selected agencies had adequately managed conflict of interest situations; notes that while EMA and EFSA had developed more advanced policies for managing conflict of interest, ECHA's policies were incomplete and EASA did not have such policies in place;
34. Notes with concern that the Court of Auditors reported a number of shortcomings, in particular as regards the implementation of policies and procedures for staff and the board of appeal (ECHA), transparency as regards the publication of annual declarations of interest (EASA) and training on conflicts of interest (ECHA and EASA); stresses that, out of the four agencies audited by the Court, only EMA had a policy on gifts and invitations put in place;
35. Welcomes the recommendations made by the Court of Auditors' to the four agencies audited; welcomes the fact that following the Court' audits, the four selected agencies have taken a number of steps to address their individual deficiencies; urges the agencies

to report to the discharge authority on any further measures taken as regards the implementation of their policies and procedures to address those shortcomings, including as regards management of conflicts of interest;

36. Notes that the Court of Auditors identified a number of significant shortcomings related to post-employment issues which weaken the prevention of 'revolving doors' situations; supports the Court of Auditors' recommendation stressing the need to address those post-employment issues, and takes the view that the 'cooling-off' period of anyone who has served as director of an agency or has discharged major responsibilities within an agency needs to be clarified;
37. Endorses the Court of Auditors' recommendation inviting all Union institutions and decentralised bodies to examine whether the recommendations of its Special Report No 15/2012 are relevant and applicable to them; considers that all agencies should develop and implement comprehensive independence policies and procedures, inter alia establishing a breach of trust mechanism and clear sanctions or changing those already in place on the basis of lessons learned and recommendations of Special Report No 15/2012; calls on the agencies to report to the discharge authority on this matter before the end of 2013;
38. Welcomes the European Ombudsman's decision to conduct an own initiative inquiry into cases of 'revolving door-type' conflicts of interest in several cases recently reported at the Commission; endorses the warning issued by the Ombudsman according to which, although effective management of conflicts of interest is a key part of good governance and sound ethical conduct, not all problems relating to governance and ethics necessarily imply a conflict of interest; takes the view that conflicts of interests need to be addressed within their strict limits, and stresses the need for training and prevention strategies and actions to be promoted as regards conflicts of interest in the Union institutions;
39. Welcomes the Court of Auditors' recommendation for the Union to consider further developing its regulatory framework dedicated to the management of conflict of interest situations;
40. Welcomes the interinstitutional Joint Statement of 19 July 2012 on decentralised agencies, and in particular its provisions on management and prevention of conflict of interest (paragraphs 11 and 18) and on the independence of their scientific experts (paragraph 20);
41. Calls on the Court of Auditors to conduct an assessment of the implementation by the agencies of any measures taken on the basis of the recommendations made to them in its Special Report No 15/2012; calls on the Network to develop proposals based on exchanges of best practices and lessons learned to enable it to identify, in cooperation with the Commission and the Court of Auditors, those agencies, or fields in which they operate, where there is greatest risk of conflicts of interest; welcomes, in that context, the review of the Transparency Register for lobby groups in the Union institutions, and urges the Commission and the agencies to implement measures stemming from that review concerning potential conflicts of interest;

42. Welcomes the Commission's foreseen action on conflicts of interest and, in particular, its intention to come up with guidelines for a coherent policy on the prevention and management of conflicts of interest for members of the management boards and directors, experts in scientific committees, and members of boards of appeal<sup>1</sup>, a task for which the Commission itself takes responsibility and has set 2013 as the target year; notes with satisfaction that this task is one of the Commission's priority actions and milestones; urges the Commission to respect the proposed deadline to implement this action and to report to the discharge authority on its outcome before the end of 2013, attaching to its report the relevant legislative proposals;
43. Notes that, in this regard, the Commission foresees two actions to be undertaken by the agencies in 2013, namely, to adopt and implement a clear policy on conflicts of interest and, in particular, exchange experience and possibly develop a coordinated approach to common problems concerning scientific committees and boards of appeal, and define transparent and objectively verifiable criteria for the impartiality and independence of the members of boards of appeal, and to review selection procedures for members of scientific committees<sup>2</sup>; urges the agencies to report to the discharge authority on the state of play as regards those tasks before the end of 2013;
44. Invites the Commission to bear in mind the need to maintain an adequate balance between risks/benefits as regards the management of conflicts of interest, on one hand, and the objective to obtain the best possible scientific advice, on the other; considers that the proliferation of codes of conduct and ethical guidelines can not rule out conflicts of interest; takes the view that the adoption of codes of conduct and ethical guidelines is necessary, but not sufficient, and that the eradication of conflicts of interest can only be achieved through the implementation of simple and appropriate rules, and their effective enforcement, as part of a general culture of honesty, integrity and transparency;
45. Reminds that a high level of transparency is a key element to mitigate risks of conflict of interest; calls therefore on the agencies that have not yet done so to make available on their websites the list of their management boards' members, management staff and external and in-house experts, together with their respective declarations of interests and curriculum vitae;

### ***Roadmap***

46. Welcomes the Roadmap on the follow-up to the Common Approach on EU decentralised agencies ("the Roadmap"), adopted by the Commission in December 2012, and invites all involved parties to take on board the ideas expressed thereon, in particular in the context of the ongoing negotiations on the multiannual financial framework (MFF);
47. Fully supports the Commission's main objectives set out in the Roadmap, namely, achieving more balanced governance, enhancing the agencies' efficiency and

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<sup>1</sup> See the Roadmap on the follow-up to the Common Approach on EU decentralised agencies, action 33.

<sup>2</sup> See the Roadmap on the follow-up to the Common Approach on EU decentralised agencies, actions 34 and 35.

accountability and introducing greater coherence in the way they function; welcomes the actions proposed thereon, in particular regarding the streamlining of management boards, efforts to seek synergies between agencies and the possibility of merging some of them;

48. Notes, however, that the Roadmap, while being a good starting point, still lacks a comprehensive assessment of the current agencies landscape, as well as a clear vision and strategy addressing the need to modernise the agencies; believes that the Commission could have been more ambitious and demanding when it comes to specific actions targeting individual agencies or types or groups of agencies; regrets that the lengthy work of the Interinstitutional Working Group has led to a rather modest outcome at this stage, and that the Council has not shown openness to a more ambitious approach; is convinced that a more proactive and forward looking approach would have led to a more considerable added value;
49. Welcomes the fact that one of the priorities of the Common Approach is to improve the governance of the agencies, in particular by defining more clearly the roles of the management board and the executive director, and by reviewing the remit of Commission and Parliament representatives on the governing boards; takes the view that this process will also help to clarify the agencies' relationship with the Union institutions and Member States, to establish enhanced accountability mechanisms for the agencies and to define the Commission's degree of responsibility in respect of the agencies' activities, whilst respecting the principle of the agencies' independence;
50. Calls on the Commission to better use the capacity building and the recommendations of agencies in the framework of the European Semester, notably when elaborating the Annual Growth Survey and macroeconomic indicators; underlines the key role of the agencies in achieving the objectives of the Europe 2020 Strategy;

### *Independence*

51. Stresses the utmost importance of the agencies' independence; recalls that the agencies should be able to independently execute their mandate and regrets that this is not always the case currently; believes that the Commission's Directorates General should be seen as partners of the agencies, and notes with concern that the Commission's interventions at times cast doubt on the objectivity of the agencies' decisions and performed actions, especially when high risks are involved regarding the safety of consumers;

### *Accountability*

52. Considers that the democratic accountability of the agencies should be streamlined, mainly as regards their way of reporting to the discharge authority (there are, in particular, inconsistencies in the presentation of financial information and in the submission of discharge follow-up reports); believes that the relationship between Parliament and the agencies would benefit from a stronger and better structured system of reporting to Parliament; considers that the current situation is rather fragmented and that contact and reporting takes place too often only on an ad-hoc basis;
53. Considers it vital for the parliamentary committees responsible for the agencies to

scrutinise their annual work programmes as closely as possible and to ensure that they reflect current circumstances and political priorities; expects, in that respect, the agencies to cooperate closely with those committees and the Commission, in line with the Joint Statement of 19 July 2012 on decentralised agencies, when drafting their annual work programmes;

54. Asks the agencies to publish the minutes of their management board meetings on their websites, in the interests of transparency and democratic scrutiny, including by Parliament;
55. Suggests that a member of Parliament's Committee on Budgetary Control should be able to attend agencies' management board meetings as an observer;

#### ***Possibilities of closer cooperation and of merging certain agencies***

56. Believes that further synergies should be explored between the European Police College and the European Police Office, taking into account the results of the study issued by CEPOL in 2011 (contract CEPOL/CT/2010/002); notes that in March 2014, the College is to leave its current premises in Bramshill (UK)); requests that the Commission presents a proposal to the European Parliament and the Council for the relocation of the College to The Hague (NL), where the European Police Office is currently located, in order for both agencies to be able to share facilities and services without jeopardizing their core tasks and autonomy; stresses that a swift decision on the relocation of CEPOL would considerably reduce the level of uncertainty which can adversely affect staff and recruitment procedures;
57. Invites the Commission to further explore, together with the European Training Foundation, the European Centre for the Development of Vocational Training, the European Foundation for the Improvement of Living and Working Conditions and the European Agency for Safety and Health at Work, the synergies that exist between those agencies and to report to the discharge authority on their possible deeper integration; invites those agencies and the Commission to evaluate whether closer cooperation could lead to economies of scale and optimisation of their performance;
58. Considers that closer coordination should be put in place between certain agencies, in particular as regards decisions impacting on the remit of another agency; proposes that the agencies concerned reach an agreement among themselves, with the involvement of the relevant stakeholders, in order to avoid competing legislation; calls on the agencies, in such cases, to inform the Parliament committees responsible at all times;

#### ***Sharing best practices***

59. Stresses the need to ensure that newly-formed agencies (e.g. the Agency for the Cooperation of Energy Regulators, the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA), all founded in 2011) benefit from best practices of older and more experienced ones, in order to avoid recruitment, procurement and financial regulation shortcomings;

60. Notes with satisfaction that newly formed agencies are participating in the Network's meetings three times a year and that those meetings comprise sharing best practices; notes, furthermore, that newly established agencies are invited to sub-networks which are set up to discuss issues requiring technical knowledge, in particular the sub-network of the Heads of Administration, which meets with the same frequency as the Network and deals with issues of recruitment, procurement and financial regulations;
61. Takes note of the two study visits organised by ESMA which took place at the European Railway Agency (ERA) in 2011 and at the European Maritime Safety Agency (EMSA) in 2012, in which ESMA staff had the opportunity to learn best practices from those well-established agencies; notes the development of frequent contact between ESMA, EIOPA and EBA, sharing experiences, aligning practices and profiting from synergies;
62. Invites the Network to liaise with the Commission in order to explore the possibilities of organising common training actions for agencies aimed at overcoming the financial problems identified by the Court of Auditors in 2011;

### ***European Supervisory Authorities (ESAs)***

63. Notes with concern that the provisions of the Financial Regulation are not fully adapted to the ESAs' financing scheme as 55 % to 60 % of their budget is financed by contributions from Member States and European Free Trade Association countries; believes that appropriate mechanisms need to be found to guarantee the security and financial stability of the ESAs, which are exposed to specific risks on account of the mixed nature of their funding; believes that that issue should be addressed, at the latest, in the course of the next revision of the Financial Regulation as regards the agencies, and calls on the Commission to evaluate this situation and to report on this issue to the discharge authority;
64. Stresses the importance of adequately matching the allocated budget and available posts on one hand and the tasks entrusted to the ESAs on the other hand, as a mismatch may result in unbalanced staffing as regards the recruitment of the ESAs' staff on one hand and the involvement of national experts on the other; expresses concern about the fact that the Commission has altered the establishment plans proposed by the ESAs without clearly indicating this; urges the Commission to be fully transparent on this and other issues;
65. Notes in this respect the concerns that were raised in the preliminary conclusions of the IMF financial sector assessment of December 2012 on the Union, in which it is recommended to increase the resources and powers of the ESAs in order to enable them to successfully fulfil their mandates, while enhancing their operational independence;

### ***Gender equality***

66. Stresses the importance of putting in place policies ensuring that women and men are properly represented on the agencies' governing bodies; urges the Network to introduce and promote general guidelines regarding best practices on this matter, even where no specific indications are given in the agencies' founding regulations;

67. Notes with concern that few of the executive director positions in the agencies are held by women; given that in most of the agencies directors are appointed by the management board on the basis of a shortlist adopted by the Commission, calls on the management boards of the agencies and on the Commission to uphold the principles of gender equality and to take account of the strategy launched by the Commission in 2010 to achieve a better gender balance in positions of responsibility; expresses concern about the fact that the Common Approach and the Roadmap do not count gender equality policies among their objectives, and calls on the Commission to devise specific proposals to address this issue;
68. Notes that it is the responsibility of Members States to select their representatives on the agencies' governing boards; invites Members States to bear in mind the principles of gender equality when appointing their representatives to those bodies, and urges the executive directors to raise the awareness of the members of the boards on this topic when the chairs and vice-chairs are to be elected; notes with satisfaction that two of the current Troika agencies have a woman as chair of their governing board;

### *Complex IT systems*

69. Stresses the need for the agencies, as well as the Commission, to coordinate and to share best practices and experiences in order to overcome the technical and management challenges presented by complex information technology (IT) systems which have to operate on a Union-wide basis; finds it strange that the Commission charges the agencies fees for using its IT systems, and that those fees are not set according to objective parameters, such as the size of the agencies; given that those fees represent a considerable burden for the small agencies, and if there is no alternative to charging them, calls on the Commission to adapt the fees to the size and financial capacity of the agencies;
70. Draws the Commission's attention to the difficulties encountered by the agencies with complex IT systems like accrual-based accounting (ABAC) and SYSPER2, due to the fact that those systems are designed to satisfy the Commission's needs, rather than those of the agencies; welcomes the actions of the sub-networks dealing with the consequences of this problem and, in particular, the Union Agencies Information and Communication Technology Network (IT issues) and the Heads of Administration sub-network (ABAC and SYSPER2), and invites the Commission to cooperate more closely with the agencies on this issue;
71. Proposes that the agencies be given the possibility of using the human resources software, or any other kind of software, of the Commission, instead of having to purchase their own expensive software;
72. Proposes that, as from the next financial year, in order to facilitate the work of the discharge authority as regards the agencies, and given the great number of agencies and the increasing complexity of their work and output, Parliament considers, when studying and preparing its opinion on an agency, making a reconfiguration that would provide for the appointment of several rapporteurs, as it was already the case this year with other institutions;

73. Instructs its President to forward this resolution to the agencies subject to this discharge procedure, the Council, the Commission and the Court of Auditors.



22.2.2013

## **OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS**

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Union Agencies for the financial year 2011: performance, financial management and control of European Union Agencies  
(2012/2214(DEC))

Rapporteur: Pervenche Berès

### **SUGGESTIONS**

The Committee on Employment and Social Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Considers it vital for the committees responsible for the agencies to scrutinise the agencies' Annual Work Programmes as closely as possible and to ensure that they reflect current circumstances and political priorities;
2. Expects, in that respect, the agencies to cooperate closely with the committees and the Commission, in line with the Interinstitutional Agreement on the Agencies, when drafting their Annual Work Programmes;
3. Calls on the Commission to better use the capacity building and the recommendations of agencies in the framework of the European Semester, notably when elaborating the Annual Growth Survey and macroeconomic indicators; underlines the key role of the agencies in attaining the objectives of the Europe 2020 Strategy;
4. Calls for close cooperation between the agencies to gain on synergies and avoid overlapping;
5. Calls for more uniform presentation of annual accounts and use of more uniform performance indicators in annual reports and annual work programmes by the Agencies to improve transparency and enable comparison.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	21.2.2013
<b>Result of final vote</b>	+: 41 -: 2 0: 1
<b>Members present for the final vote</b>	Regina Bastos, Edit Bauer, Heinz K. Becker, Jean-Luc Bennahmias, Phil Bennion, Pervenche Berès, Philippe Boulland, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Minodora Cliveti, Emer Costello, Frédéric Daerden, Sari Essayah, Richard Falbr, Thomas Händel, Marian Harkin, Nadja Hirsch, Stephen Hughes, Danuta Jazłowiecka, Jean Lambert, Patrick Le Hyaric, Verónica Lope Fontagné, Olle Ludvigsson, Thomas Mann, Elisabeth Morin-Chartier, Csaba Óry, Konstantinos Poupakis, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Nicole Sinclair, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu, Inês Cristina Zuber
<b>Substitute(s) present for the final vote</b>	Georges Bach, Sergio Gutiérrez Prieto, Ria Oomen-Ruijten, Antigoni Papadopoulou, Csaba Sógor
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Alexander Alvaro, Nirj Deva, Gesine Meissner

28.1.2013

## **OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY**

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2011: performance, financial management and control of European Union Agencies  
(2012/2214(DEC))

Rapporteur: Jutta Haug

### **SUGGESTIONS**

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

#### **Management of Resources**

1. Reiterates that annuality is one of the three basic accounting principles: unity, annuality and balance in order to guarantee an efficient implementation of the EU budget; has noted that decentralised agencies do not always fully comply with this principle;
2. Points out that in some cases the internal planning needs improvement, which calls on the agencies to work on enhanced procedures; acknowledges at the same time that under certain circumstances and with due justification (e.g. settlements of payments have not been possible in the contracting year) this should be mentioned in a transparent way in the respective report by the Court of Auditors; is of the opinion that only then a true assessment can be made whether carry-overs are too high or not;
3. Asks the Commission to give further guidance to the agencies in accordance with the Common Approach agreed by the European Parliament, the Council and the European Commission in July 2012;

#### **Human Resources**

4. Recalls that a number of agencies in the remit of this committee have had problems with regard to recruitment and selection procedures; is aware that each agency follows its own

set of rules, proceedings and policies in accordance with the Staff Regulation;

5. Considers it noteworthy to establish some best practice which can be of guidance to all agencies; believes further that the simplification of procedures as suggested in the Common Approach might contribute to help agencies to improve their procedures; points out that a fair and transparent recruitment is part of a good reputation of each Union institution and body;
6. Notes the well-established practice of Staff Policy Plans (SPP) as a valuable tool for a long-term staff planning; is increasingly worried that the European Commission annuls agreed SPPs within the annual budget procedure; calls on the Commission to restrict itself in this respect;

### **Joint Statement and Common Approach**

7. Encourages all institutions to work further on the implementation of the Common Approach as adopted in July 2012 which will ensure the best possible way of operation for the decentralised agencies;
8. Draws attention to the Roadmap agreed by the European Commission on 19 December 2012 as follow-up as requested by the European Parliament in the "Joint Statement and Common Approach of the European Parliament, the Council of the EU and the European Commission on decentralised agencies" in order to improve the governance, efficiency and transparency of agencies which includes self-evident initiatives to tackle conflict of interests;
9. Awaits the roadmap which has to be presented by the European Commission by the end of 2012; will monitor closely the implementation of the latter which shall be done in cooperation with the decentralised agencies.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	23.1.2013
<b>Result of final vote</b>	+: 53 -: 4 0: 0
<b>Members present for the final vote</b>	Kriton Arsenis, Sophie Auconie, Paolo Bartolozzi, Lajos Bokros, Milan Cabrnock, Martin Callanan, Nessa Childers, Esther de Lange, Anne Delvaux, Bas Eickhout, Jill Evans, Karl-Heinz Florenz, Elisabetta Gardini, Gerben-Jan Gerbrandy, Matthias Groote, Françoise Grossetête, Cristina Gutiérrez-Cortines, Jolanta Emilia Hibner, Karin Kadenbach, Christa Kläß, Eija-Riitta Korhola, Holger Krahnert, Jo Leinen, Corinne Lepage, Kartika Tamara Liotard, Linda McAvan, Radvilė Morkūnaitė-Mikulėnienė, Gilles Pargneaux, Antonyia Parvanova, Pavel Poc, Frédérique Ries, Dagmar Roth-Behrendt, Kārlis Šadurskis, Carl Schlyter, Richard Seeber, Theodoros Skylakakis, Claudiu Ciprian Tănăsescu, Salvatore Tatarella, Thomas Ulmer, Åsa Westlund, Glenis Willmott, Sabine Wils, Marina Yannakoudakis
<b>Substitute(s) present for the final vote</b>	Margrete Auken, Minodora Cliveti, José Manuel Fernandes, Gaston Franco, Judith A. Merkies, Miroslav Mikolášik, Vittorio Prodi, Birgit Schnieber-Jastram, Renate Sommer, Rebecca Taylor, Vladimir Urutchev, Anna Záborská, Andrea Zanoni
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Olle Ludvigsson

1.3.2013

## **OPINION OF THE COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS**

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Union Agencies for the financial year 2011: performance, financial management and control of European Union Agencies  
(2012/2214(DEC))

Rapporteur: Georgios Papanikolaou

### **SUGGESTIONS**

The Committee on Civil Liberties, Justice and Home Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

#### ***Union bodies, offices and agencies in the Area of Freedom, Security and Justice***

1. Acknowledges the high number of agencies which were created in this policy area but stresses that the creation of every new agency was based on a real need; is convinced that all the agencies in this policy area fulfil a distinct and necessary role providing for European added-value; is of the opinion that any potential mergers between agencies could negatively affect the results delivered by the agencies;
2. Encourages all agencies to do everything possible to manage their budgets responsibly and to aim at improving their management to the highest possible level so as to avoid any critical remarks of the Court of Auditors in the future; requests, in particular, improvements regarding budget planning which should not overestimate needs and respect the principle of annuality; calls on the agencies to strive for the highest possible degree of transparency; congratulates the agencies which have already made efforts to rationalise their operations and optimise the use of their budgets;
3. Notes that some agencies in the Area of Freedom, Security and Justice are operational ones and that the implementation of their budget also depends on external factors, which should be considered while planning;
4. Reminds all the agencies of their obligation to send to the authority responsible for

discharge a report drawn up by their director summarising the number and nature of internal audits conducted by the internal auditor, the recommendations made and the follow-up to them, as provided for in Article 72(5) of Regulation (EC, Euratom) No 2343/2002;

5. Generally invites the Court of Auditors to further focus on auditing the sound financial management of the agencies, namely the economy, efficiency and effectiveness with which the agencies have used their appropriations in carrying out their responsibilities.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	21.2.2013
<b>Result of final vote</b>	+:                46 -:                2 0:                 0
<b>Members present for the final vote</b>	Jan Philipp Albrecht, Rita Borsellino, Emine Bozkurt, Arkadiusz Tomasz Bratkowski, Philip Claeys, Carlos Coelho, Ioan Enciu, Frank Engel, Kinga Gál, Kinga Göncz, Nathalie Griesbeck, Sylvie Guillaume, Ágnes Hankiss, Anna Hedh, Sophia in 't Veld, Livia Járóka, Teresa Jiménez-Becerril Barrio, Timothy Kirkhope, Juan Fernando López Aguilar, Baroness Sarah Ludford, Monica Luisa Macovei, Véronique Mathieu Houillon, Anthea McIntyre, Nuno Melo, Louis Michel, Claude Moraes, Georgios Papanikolaou, Jacek Protasiewicz, Carmen Romero López, Judith Sargentini, Birgit Sippel, Renate Sommer, Nils Torvalds, Wim van de Camp, Axel Voss, Renate Weber, Josef Weidenholzer, Auke Zijlstra
<b>Substitute(s) present for the final vote</b>	Mariya Gabriel, Monika Hohlmeier, Marian-Jean Marinescu, Jan Mulder, Raúl Romeva i Rueda, Salvador Sedó i Alabart
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Knut Fleckenstein, Karin Kadenbach, Iosif Matula, Ivo Vajgl



## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	19.3.2013
<b>Result of final vote</b>	+: 23 -: 3 0: 1
<b>Members present for the final vote</b>	Jean-Pierre Audy, Inés Ayala Sender, Zigmantas Balčytis, Zuzana Brzobohatá, Andrea Češková, Ryszard Czarnecki, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Gerben-Jan Gerbrandy, Ingeborg Gräßle, Cătălin Sorin Ivan, Jan Mulder, Eva Ortiz Vilella, Monika Panayotova, Aldo Patriciello, Crescenzo Rivellini, Paul Rübig, Petri Sarvamaa, Bogusław Sonik, Bart Staes, Georgios Stavrakakis, Michael Theurer
<b>Substitute(s) present for the final vote</b>	Chris Davies, Derk Jan Eppink, Véronique Mathieu Houillon, Derek Vaughan