



Plenary sitting

A8-0085/2017

28.3.2017

REPORT

on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2015
(2016/2166(DEC))

Committee on Budgetary Control

Rapporteur: Inés Ayala Sender

CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	3
2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	5
3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	7
OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY	11
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE	14
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE.....	15

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2015 (2016/2166(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2015,
- having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2015, together with the Agency's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0052/2017),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network⁴, and in particular Article 13 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁵, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0085/2017),

¹ OJ C 449, 1.12.2016, p. 87.

² OJ C 449, 1.12.2016, p. 87.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 126, 21.5.2009, p. 13.

⁵ OJ L 328, 7.12.2013, p. 42.

1. Grants the Executive Director of the European Environment Agency discharge in respect of the implementation of the Agency's budget for the financial year 2015;
2. Sets out its observations in the resolution below;
3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the European Environment Agency for the financial year 2015 (2016/2166(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2015,
- having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2015, together with the Agency's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0052/2017),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network⁴, and in particular Article 13 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁵, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0085/2017),

¹ OJ C 449, 1.12.2016, p. 87.

² OJ C 449, 1.12.2016, p. 87.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 126, 21.5.2009, p. 13.

⁵ OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Environment Agency for the financial year 2015;
2. Instructs its President to forward this decision to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2015

(2016/2166(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0085/2017),
 - having regard to the Court of Auditors' Special Report No 12/2016 on the "Agencies' use of grants: not always appropriate or demonstrably effective",
- A. whereas, according to its financial statements, the final budget of the European Environmental Agency ("the Agency") for the financial year 2015 was EUR 49 156 474, representing a decrease of 6,50 % compared to 2014; whereas 74 % of the Agency's budget derives from the Union budget,
- B. whereas the Court of Auditors ("the Court"), in its report on the annual accounts of the European Environmental Agency for the financial year 2015 ("the Court's report"), has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the special importance of further strengthening the democratic legitimacy of the institutions of the Union by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99,36 % and that the payment appropriations execution rate was 87,5 %;

Commitments and carry-overs

2. Takes note that the carry-overs from 2015 to 2016 were at EUR 4 944 739, representing a similar figure compared to the previous year; notes that of the amount carried over in Title III (operational expenditure), 57 % refers to the final payment of the contribution for 2015 to the European Topic Centres which was to be paid after the fourth quarterly progress report was presented in 2016; notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes and do not necessarily indicate weaknesses in budget planning and implementation nor are

they always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

Procurement and recruitment procedures

3. Acknowledges the fact that the Agency reduced the number of its staff by 5 %, in line with the overall principles laid down in the Interinstitutional agreement on budgetary discipline¹ ; notes that the Commission classified the Agency as a ‘cruising speed agency’, which implies that an additional 5 % reduction is expected; welcomes the fact that the Agency implemented the redundancies without detrimental effects on its capacity to deliver the main parts of the multiannual work programme; calls on the Commission to ensure that potential further cost saving measures do not hinder the Agency’s ability to fulfil its mandate;

Prevention and management of conflicts of interest and transparency

4. Notes that the anti-fraud strategy of the Agency was adopted by its Management Board in November 2014, with the aim of ensuring proper handling of conflict of interest issues and of developing anti-fraud activities especially through prevention, detection, awareness-raising and closer cooperation with the European Anti-Fraud Office (OLAF); takes note that in line with OLAF’s “Methodology and guidance for anti-fraud strategies for EU decentralised Agencies”, the Agency conducted a fraud risk assessment of its activities based on the estimated likelihood and possible impact of fraud;
5. Takes note that the Agency established a register of documents and made it publicly accessible via its website; observes that the Agency’s 2014 policy on prevention and management of conflicts of interest was reviewed in the course of 2016 and supplemented with additional information on declarations of interest and obligations for staff members leaving the Agency;
6. Notes with concern that the Agency’s Management Board members are not required to make their CVs and declarations of interest publicly available, and consequently only a few can be found on its website; calls on the Agency to take all necessary measures to remedy this situation to ensure necessary oversight and scrutiny of its management; notes that the CVs and declarations of interest of its senior management team are published in the website;
7. Notes with satisfaction that the Agency’s Management Board adopted its own internal guidelines on whistleblowing in December 2016; asks the Agency to report to the discharge authority on the implementation of its whistleblowing rules;
8. Notes with concern that the Agency has not undertaken specific initiatives to create or increase transparency regarding contacts with lobbyists;
9. Encourages the Agency further to raise awareness of the conflict-of-interest policy among

¹ Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

Internal audits

10. Takes note that the Commission's Internal Audit Service (IAS) carried out an audit on data/information management, including an IT component, which was finalised in 2015; notes with satisfaction that, according to the IAS' conclusions, the management and control systems set up by the Agency to support data/information management are effective under the current circumstances; notes moreover that, in order to face upcoming challenges, such as the expected significant increase in the volume of data and information the Agency must be able to handle, the Agency should further develop its data/information management;

Internal controls

11. Acknowledges the fact that, according to the new requirements of 2014, the Internal Audit Capability (IAC) plans for 2015 and 2016 were approved by the Agency's Management Board; notes that the plans include audit assignments, advisory tasks and liaison with other auditors as the three main areas of contribution;
12. Takes note that the IAC established a risk assessment to select beneficiaries for on-the-spot verifications, resulting in the verification of payments for three different grants to ensure accuracy and reliability of the staff costs claimed; observes that on the basis of the new policy, approved in October 2015, further on-the-spot verifications were conducted in 2016;

Communication

13. Notes that the Agency undertook in 2015 a major revision of its product portfolio aiming to modernise and adapt it to the way its audience digests information; notes also that the Agency has invested in better design, data visualisation and infographics and updated its corporate identity to this effect, as well as that more efforts were put into social media and media relations;
14. Underlines that the Agency should continue promoting dialogue with stakeholders and citizens and incorporate it as part of the priorities and activities to be implemented;

Other comments

15. Takes note from the Court's report that the audited procurement procedures showed that the Agency signed framework contracts with a single contractor which were used for various services under fixed-price specific contracts; notes with concern that, as a consequence of requesting a fixed-price offer from a single contractor under those contracts, competition on price was neutralised and dependence upon the contractor was increased;
16. Notes from the Agency that the level of competition of the market of satellite imagery production and analysis is relatively limited due to the small number of service

providers operating in the related sectors and the stability and consistency of the prices applied; notes furthermore that the technical nature and the complexity of the services to be provided require the combination of different types of expertise that the service providers operating in this market can only provide when joining forces into a consortium; acknowledges the fact that the Agency made a conscious choice of awarding a framework contract to a single economic operator which resulted from an assessment of tangible factors from the related market;

17. Takes note that the Agency is striving for improved gender balance in the junior management but notes with concern a significant gender imbalance in its senior management team; urges the Agency to correct this imbalance and to communicate the results to Parliament as quickly as possible;
18. Recalls that, since its creation, the Agency, together with its European Environment Information and Observation Network (EIONET), has been an information source for those involved in developing, adopting, implementing and evaluating Union environment and climate policies, as well as sustainable development policies, and also been an information source for the general public;
19. Welcomes the publication of the Agency's fifth yearly State of the Environment Report (SOER 2015);
20. Takes note of the development of the Agency's information systems and data flow management processes to support countries and companies with the reporting and quality improvement of data, particularly with regard to the amended reporting regime under the new Fluorinated gases (F-Gas) Regulation, and with regard to the reporting on large combustion plants (LCPs), which were taken over by the Agency from the Commission in 2015;
21. Recalls the importance of the on-going "Evaluation of the European Environment Agency and of its EIONET network", due for the end of 2017, in order to better assess the extent to which the Agency has achieved its objectives and implemented the tasks set out in its mandate and in its multi-annual work programme;
22. Recommends that the Agency develop impact indicators, and believes that such impact indicators are essential tools in order to measure the effectiveness of the Agency;
 -
 - ◦
23. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2017]¹ [on the performance, financial management and control of the agencies].).

¹ Texts adopted of that date, P[8_TA(-PROV)(2017)0000].

1.2.2017

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 Environment Agency for the financial year 2015
(2016/2166(DEC))

Rapporteur: Giovanni La Via

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 into its motion for a resolution:

1. Notes that in 2015, the total budget of the European Environment Agency ('the Agency'), was EUR 49 200 000, of which EUR 36 309 240 had been made available through the core funding from the general budget of the European Union;
2. Recalls that, since its creation, the Agency, together with its European Environment Information and Observation Network (EIONET), has been an information source for those involved in developing, adopting, implementing and evaluating Union environment and climate policies, as well as sustainable development policies, and also been an information source for the general public;
3. Takes note that the Agency reduced the number of staff in line with the overall principles laid down for Union institutions (a 5% reduction in the period 2013–2018); stresses that the Commission classified the Agency as a 'cruising speed agency', implying the need for an additional 5% reduction;
4. Welcomes the publication of the Agency's fifth yearly State of the Environment Report (SOER 2015);
5. Takes note of the development of the Agency's information systems and data flow management processes to support countries and companies with the reporting and quality improvement of data, particularly with regard to the amended reporting regime under the new Fluorinated gases (F-Gas) Regulation, and with regard to the reporting on large

combustion plants (LCPs), which were taken over by the Agency from the Commission in 2015;

6. Encourages the Agency further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;
7. Welcomes that the Court of Auditors has announced that the transactions underlying the annual accounts of the Agency for the financial year 2015 were legal and regular in all material respects;
8. Recalls the importance of the on-going "Evaluation of the European Environment Agency and of its EIONET network", due for the end of 2017, in order to better assess the extent to which the Agency has achieved its objectives and implemented the tasks set out in its mandate and in its multi-annual work programme;
9. Recommends that the Agency develop impact indicators, and believes that such impact indicators are essential tools in order to measure the effectiveness of the Agency;
10. Underlines that the Agency should continue promoting dialogue with stakeholders and citizens and incorporate it as part of the priorities and activities to be implemented;
11. Recommends, based on the facts available, that discharge be granted to the Executive Director of the European Environment Agency with respect to the implementation of the Agency's budget for the financial year 2015.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	31.1.2017
Result of final vote	+: 57 -: 11 0: 1
Members present for the final vote	Marco Affronte, Margrete Auken, Pilar Ayuso, Zoltán Balczó, Simona Bonafè, Biljana Borzan, Paul Brannen, Soledad Cabezón Ruiz, Nessa Childers, Alberto Cirio, Mireille D'Ornano, Miriam Dalli, Angélique Delahaye, Mark Demesmaeker, Ian Duncan, Stefan Eck, Bas Eickhout, José Inácio Faria, Karl-Heinz Florenz, Francesc Gambús, Elisabetta Gardini, Gerben-Jan Gerbrandy, Jens Gieseke, Julie Girling, Sylvie Goddyn, Françoise Grossetête, Andrzej Grzyb, Jytte Guteland, György Hölvényi, Anneli Jäätteenmäki, Jean-François Jalkh, Benedek Jávor, Karin Kadenbach, Kateřina Konečná, Urszula Krupa, Giovanni La Via, Peter Liese, Norbert Lins, Valentinas Mazuronis, Susanne Melior, Miroslav Mikolášik, Gilles Pargneaux, Piernicola Pedicini, Pavel Poc, Julia Reid, Frédérique Ries, Daciana Octavia Sârbu, Renate Sommer, Claudiu Ciprian Tănăsescu, Ivica Tolić, Estefanía Torres Martínez, Adina-Ioana Vălean, Jadwiga Wiśniewska, Damiano Zoffoli
Substitutes present for the final vote	Clara Eugenia Aguilera García, Jørn Dohrmann, Herbert Dorfmann, Martin Häusling, Jan Huitema, Peter Jahr, Merja Kyllönen, Gesine Meissner, James Nicholson, Gabriele Preuß, Bart Staes, Tiemo Wölken
Substitutes under Rule 200(2) present for the final vote	Dieter-Lebrecht Koch, Jiří Maštálka, Clare Moody

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	22.3.2017
Result of final vote	+: 21 -: 6 0: 0
Members present for the final vote	Inés Ayala Sender, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Luke Ming Flanagan, Ingeborg Gräßle, Cătălin Sorin Ivan, Jean-François Jalkh, Bogusław Liberadzki, Monica Macovei, Notis Marias, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Hannu Takkula, Derek Vaughan, Joachim Zeller
Substitutes present for the final vote	Richard Ashworth, Gerben-Jan Gerbrandy, Benedek Jávor, Karin Kadenbach, Julia Pitera, Patricija Šulin
Substitutes under Rule 200(2) present for the final vote	Raymond Finch, Jens Geier, Janusz Zemke

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

21	+
ALDE	Martina Dlabajová, Gerben-Jan Gerbrandy, Hannu Takkula
ECR	Monica Macovei
PPE	Tamás Deutsch, Ingeborg Gräßle, Julia Pitera, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Joachim Zeller, Patricija Šulin
S&D	Inés Ayala Sender, Jens Geier, Cătălin Sorin Ivan, Karin Kadenbach, Bogusław Liberadzki, Derek Vaughan, Janusz Zemke
VERTS/ALE	Benedek Jávor, Bart Staes

6	-
ECR	Richard Ashworth, Notis Marias
EFDD	Raymond Finch
ENF	Jean-François Jalkh
GUE/NGL	Luke Ming Flanagan, Dennis de Jong

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention