



Plenary sitting

A9-0105/2022

6.4.2022

REPORT

on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2020
(2021/2139(DEC))

Committee on Budgetary Control

Rapporteur: Tomáš Zdechovský

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 EMPLOYMENT AND SOCIAL AFFAIRS	12
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE.....	16
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE	17

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2020
(2021/2139(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2020,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2020, together with the agencies' replies¹,
- 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 2020, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2022 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2020 (06003/2022 – C9-0094/2022),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012³, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation⁴, and in particular Article 17 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁵, and in particular Article 105 thereof,

¹ OJ C 439, 29.10.2021, p. 3. ECA annual report on EU agencies for the financial year 2020: <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=59697>.

² OJ C 439, 29.10.2021, p. 3. ECA annual report on EU agencies for the financial year 2020: <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=59697>.

³ OJ L 193, 30.7.2018, p. 1.

⁴ OJ L 354, 31.12.2008, p. 82.

⁵ OJ L 122, 10.5.2019, p. 1.

- having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0105/2022),
1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2020;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Training Foundation for the financial year 2020
(2021/2139(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2020,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2020, together with the agencies' replies¹,
- 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 2020, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2022 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2020 (06003/2022 – C9-0094/2022),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012³, and in particular Article 70 thereof,
- having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ⁴, and in particular Article 17 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁵, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,

¹ OJ C 439, 29.10.2021, p. 3. ECA annual report on EU agencies for the financial year 2020: <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=59697>.

² OJ C 439, 29.10.2021, p. 3. ECA annual report on EU agencies for the financial year 2020: <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=59697>.

³ OJ L 193, 30.7.2018, p. 1.

⁴ OJ L 354, 31.12.2008, p. 82.

⁵ OJ L 122, 10.5.2019, p. 1.

- having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0105/2022),
1. Approves the closure of the accounts of the European Training Foundation for the financial year 2020;
 2. Instructs its President to forward this decision to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

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 Training Foundation for the financial year 2020
(2021/2139(DEC))**

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2020,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0105/2022),
- A. whereas, according to its statement of revenue and expenditure¹, the final budget of the European Training Foundation (the ‘Foundation’) for the financial year 2020 was EUR 20 957 000, representing an increase of 2,00 % compared to 2019; whereas the budget of the Foundation derives entirely from the Union budget;
- B. whereas the Court of Auditors (the ‘Court’), in its report on the Foundation’s annual accounts for the financial year 2020 (the ‘Court’s report’), states that it has obtained reasonable assurance that the Foundation’s annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that budget monitoring efforts during the financial year 2020 resulted in a high budget implementation rate of 99,88 %, representing a slight decrease of 0,08 % compared to 2019; takes note that the payment appropriations execution rate was 95,65 %, representing a decrease of 0,25 % compared to the previous year;
2. Whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

Performance

3. Notes that the Foundation uses certain measures as key performance indicators (KPIs) to measure performance, as surveys, and other to improve its budget management, such as commitment appropriation implementation, payment appropriations cancellation rate, timely payments, rate of outturn; notes with satisfaction that the Foundation has added four KPIs for measuring added value of its activities in 2020;

¹ OJ C 114, 31.3.2021, p. 22

4. Notes that the Foundation achieved an 86,84 % activity completion rate, a slight decrease compared to 2019, with a timely completion rate of 75,94 %; notes that the Foundation has achieved all the KPIs, with only few exceptions; notes that in 2020, as a result of the COVID-19 pandemic, the activity completion was negatively affected;
5. Notes that the Foundation launched a network for excellence in 2020, offering a platform to exchange partnership among new and existing centres of excellence; notes in addition that the Foundation created tools to support digital learning, such as SELFIE (a self-assessment tool), which is currently used in South-Eastern Europe, Turkey and in three selected eastern partnership countries;
6. Notes that, in terms of contribution to the Union external action policies in 2020, the Foundation's expertise was used in formulation, implementation and monitoring of Union programmes in human capital development, amounting to approximately EUR 305 million; notes that the Foundation continued its cooperation with international and bilateral development actors, such as organisations and financial institutions;
7. Welcomes the Foundation's continued cooperation with other agencies, in particular with the European Centre for Development of Vocational Training (Cedefop) and Eurofound, which improved efficiency and enabled significant knowledge sharing in their field of expertise;
8. Welcomes in particular the Foundation's ongoing initiative 'Skills for Enterprise Development' addressing the need for skills adaptation and enhancement, enabling enterprises to respond and manage challenges, including those resulting from the COVID-19 pandemic, contribute to greener, inclusive and innovative societies and boost sustainable competitiveness and resilience;
9. Welcomes the Foundation activities in helping Union partner countries harness the potential of their human capital and improve the employment prospects of their citizens through the reform of education, vocational training, skills and labour market systems, in the context of the Union's external relations policies; highlights the need to ensure adequate human and financial resources allowing the Foundation to continue implementing its work programme with a very high activity completion rate;
10. Recognises that the Foundation's objectives and actions are closely aligned with Union policies and activities in the field of vocational education and training, human development, skills and migration;

Staff policy

11. Notes that, on 31 December 2020, the establishment plan was 98,8 % implemented, with 85 temporary agents appointed out of 86 temporary agents authorised under the Union budget (compared to 86 authorised posts in 2019); notes that in addition, 41 contract agents and 1 local agent worked for the Foundation in 2020;
12. Notes that the gender balance among middle and senior management in 2020 was six women out of ten (compared to 2019, when it was five out of nine); notes that the gender balance among the members of the management board is 40 % men and 60 % women and among staff overall 32,3 % men and 67,7 % women; asks the Foundation to ensure better gender balance at the management and staff levels in the future; asks the

Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Foundation's management board; notes that the Foundation receives a higher number of applications from its host country despite the wide publication of its vacancy notices, which explains the higher number of Italian nationals recruited (in 2020, 41 % of staff had the Italian nationality); notes that the Foundation is using a merit-based selection procedure, with in presence of equal merits, the choice in favour of candidates with under-represented nationalities; calls on the Foundation to continue to enhance the geographical balance of its staff in order to establish a proper representation of nationals from all Member States, with a particular focus at management level;

13. Notes with satisfaction that the Foundation updated its own manual of procedures including a policy on preventing harassment; notes that in 2020, the Foundation organised a supervision session with a psychologist to share best practices and difficult situations in managing cases; notes that a new human resources strategy for the period 2021-2027 has been adopted and that this strategy includes a policy of zero-tolerance for non-respectful behaviour; notes with satisfaction that in 2020, all newcomers received an induction session on harassment and a presentation by the confidential counsellors;
14. Underlines the need to avoid digital overloading and emphasizes that staff should work only within working hours; welcomes the Foundation's new tools that were recently uploaded for the delivery of messages within working hours; calls on the other agencies to follow this as a good practice;

Prevention and management of conflicts of interest, and transparency

15. Notes that the Foundation published all the declarations of conflict of interest and CVs for management board members, and senior and middle managers;

Procurement

16. Notes that synergies with other institutions on procurement have been sought with a systematic ad-hoc opportunity assessment to all procurement needs; notes that in 2020, the Foundation was part of 56 interinstitutional contracts, nine service-level agreements and seven contracts open to other agencies; notes that the procurement team continued to participate actively within the network of senior procurement advisers of the EU Agencies Network;
17. Notes with satisfaction that the Foundation in 2020 has started to implement green public procurement; further notes that the Foundation's e-procurement project progressed with the receipt of electronic invoices (54 % of incoming invoices were received electronically in 2020 versus 42 % in 2019) and the receipt of electronic tenders for all open tenders (e-tendering and e-submission); notes that, apart from efficiency gains and reduction of paper use in the procurement and payment processes, this deployment also guaranteed business continuity in the area of work programme implementation, especially while working under remote conditions; encourages the Foundation to make further use of innovative digital solutions;
18. Notes that the time-to-pay has improved in 2020 to 17,5 days on average, compared to 18,5 in 2019;

Internal control

19. Regrets that, according to the Court's report, the Foundation did not comply with internal control principle 12 of its internal control framework, under which the exceptions and non-compliance events should be recorded in the register of exceptions; notes that the Court in particular identified several deviations from established procedures, such as the use of electronic signatures for documents which required traditional signatures; notes that the Court concluded that this undermines the transparency and the effectiveness of the Foundation's internal control systems; calls on the Foundation to increase transparency by registering all exceptions in the register, distinguishing between ex-ante exceptions and ex-post non-compliance events, and to report to the discharge authority;
20. Regrets that the internal audit service (IAS) did not carry out an internal audit in 2020; notes that an IAS strategic risk assessment has been carried out, which led to the development of the IAS multi-annual planning document and that it has been adopted by the governing board; notes that the Foundation has formally closed all previous IAS audit recommendations and that it does not have any outstanding open audit recommendation;
21. Notes that the Foundation has one open Court observation, which was issued in 2018 and reported as outstanding in 2019; notes that it refers to a public procurement procedure for temporary agency services where the Foundation applied award criteria that consisted mostly of non-competitive price elements; recalls the Court's conclusion that the Foundation should use award criteria that focus on competitive award price elements; acknowledges that the Foundation will address this issue when launching the next procurement procedure for interim workers, by including competitive price elements in the award criteria;
22. Notes the Foundation's assessment of its internal control system, concluding that twelve internal control principles were implemented and effective and five principles were functioning well with some minor improvements needed, showing progress in comparison with 2019; calls on the Foundation to incorporate the Court's findings in the assessment, in particular its observation on the register of exceptions;
23. Notes that the Foundation has developed and implemented its own anti-fraud strategy elaborated using the methodology developed by OLAF;

COVID-19 response and business continuity

24. Notes that the Foundation set up various measures in response to the COVID-19 pandemic, such as permitting telework and limiting the access to the Foundation building for the majority of 2020, providing means and tools to support coping with change and disruptive social and working environments, and reprioritising the activities in the work programme 2020; notes that the implementation rate of the work programme was at 87 % , according to the Foundation due to the fact that many actions were postponed from the second to the last quarter of the year which put a strain on the implementation capacity of the Foundation and on partner countries with some actions carried forward into 2021; notes that access for the Foundation staff to COVID-19 testing was arranged; notes that regular staff meeting were held;

25. Notes that in 2020, the Foundation launched a web-campaign to offer support during the COVID-19 crisis, called ‘#learningconnects’, focusing on how education and training systems, businesses, schools, teachers, students and their families could adapt to the challenges of teaching and learning at a distance, often using unfamiliar and untried technology and imperfect systems and infrastructure;

Other comments

26. Notes that the Foundation implemented the key measures in place to address cybersecurity, such as the collaboration with CERT-EU and the implementation of multi-factor authentication notes that in 2020 a working group was set up to tackle security issues, focusing on actions to mitigate the risks linked to cyber security;
27. Notes that, in 2020, the Foundation implemented the environmental management system leading to the successful completion of ISO Certification and of the audit process for EMAS registration in 2021; notes with satisfaction that the Foundation has developed five environmental improvement plans, concerning key areas waste, water, material, energy and emissions;
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28. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [...] 2022 ² on the performance, financial management and control of the agencies.

² Texts adopted, P9_TA(2022)0000.

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 European Training Foundation
for the financial year 2020
(2021/2139(DEC))

Rapporteur for opinion: Romana Tomc

SUGGESTIONS

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

1. Expresses its satisfaction that the Court of Auditors has declared the transactions underlying the Foundation's annual accounts for the financial year 2020 to be legal and regular and that its financial position as of 31 December 2020 is fairly represented;
2. Welcomes in particular the Foundation's ongoing initiative 'Skills for Enterprise Development' addressing the need for skills adaptation and enhancement, enabling enterprises to respond and manage challenges, including those resulting from the COVID-19 pandemic, contribute to greener, inclusive and innovative societies and boost sustainable competitiveness and resilience;
3. Welcomes the Foundation activities in helping Union partner countries harness the potential of their human capital and improve the employment prospects of their citizens through the reform of education, vocational training, skills and labour market systems, in the context of the Union's external relations policies; highlights the need to ensure adequate human and financial resources allowing the Foundation to continue implementing its work programme with a very high activity completion rate;
4. Recognises that the Foundation's objectives and actions are closely aligned with Union policies and activities in the field of vocational education and training, human development, skills and migration; welcomes the Foundation's continued cooperation and sharing of resources with other agencies, in particular with CEDEFOP and Eurofound, which enables significant knowledge sharing; stresses the Foundation's importance, autonomy and added value in its field of expertise;
5. Takes note that the transparency and the effectiveness of the Foundation's internal control systems have been undermined by the Foundation not fully complying with internal control principle n. 12 of its own internal control framework and urges the Foundation to fully comply with it and to record deviations from the rules and procedures in its register of exceptions;

6. Notes that the Foundation still has to take action to respond to the Court's observations of 2018 as regards the use of mostly non-competitive price elements in award criteria for a public procurement procedure for a temporary-agency services; stresses that the Foundation should respond to the Court's observation and use award criteria that focus on competitive price elements;
7. Underlines the need to avoid digital overloading and emphasizes that staff should only work within working hours; welcomes the Foundation's new tools that were recently uploaded for the delivery of messages within working hours; calls on the other agencies to follow this as a good practice;
8. Recommends, on the basis of the facts available, that discharge be granted to the Director of the European Training Foundation in respect of the implementation of the Foundation's budget for the financial year 2020.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	1.2.2022
Result of final vote	+: 47 -: 5 0: 2
Members present for the final vote	Atidzhe Alieva-Veli, Marc Angel, Dominique Bilde, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Sylvie Brunet, Jordi Cañas, David Casa, Ilan De Basso, Margarita de la Pisa Carrión, Özlem Demirel, Klára Dobrev, Jarosław Duda, Estrella Durá Ferrandis, Lucia Ďuriš Nicholsonová, Rosa Estaràs Ferragut, Nicolaus Fest, Loucas Fourlas, Cindy Franssen, Helmut Geuking, Elisabetta Gualmini, Alicia Homs Ginel, France Jamet, Agnes Jongerius, Radan Kanev, Ádám Kósa, Stelios Kympouropoulos, Katrin Langensiepen, Miriam Lexmann, Elena Lizzi, Giuseppe Milazzo, Dragoş Pîslaru, Manuel Pizarro, Dennis Radtke, Elżbieta Rafalska, Daniela Rondinelli, Mounir Satouri, Monica Semedo, Michal Šimečka, Beata Szydło, Eugen Tomac, Romana Tomec, Nikolaj Villumsen, Marianne Vind, Maria Walsh, Stefania Zambelli, Tatjana Ždanoka, Tomáš Zdechovský
Substitutes present for the final vote	Marc Botenga, Peter Lundgren, Eugenia Rodríguez Palop, Véronique Trillet-Lenoir, Kim Van Sparrentak

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

47	+
ECR	Giuseppe Milazzo, Elżbieta Rafalska, Beata Szydło
NI	Ádám Kósa, Daniela Rondinelli
PPE	David Casa, Jarosław Duda, Rosa Estaràs Ferragut, Loucas Furlas, Cindy Franssen, Helmut Geuking, Radan Kanev, Stelios Kypouropoulos, Miriam Lexmann, Dennis Radtke, Eugen Tomac, Romana Tomc, Maria Walsh, Tomáš Zdechovský
Renew	Atidzhe Alieva-Veli, Sylvie Brunet, Jordi Cañas, Lucia Ďuriš Nicholsonová, Dragoş Pîslaru, Monica Semedo, Michal Šimečka, Véronique Trillet-Lenoir
S&D	Marc Angel, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Ilan De Basso, Klára Dobrev, Estrella Durá Ferrandis, Elisabetta Gualmini, Alicia Homs Ginel, Agnes Jongerius, Manuel Pizarro, Marianne Vind
The Left	Marc Botenga, Özlem Demirel, Eugenia Rodríguez Palop, Nikolaj Villumsen
Verts/ALE	Katrin Langensiepen, Mounir Satouri, Kim Van Sparrentak, Tatjana Ždanoka

5	-
ECR	Peter Lundgren
ID	Dominique Bilde, Nicolaus Fest, France Jamet, Stefania Zambelli

2	0
ECR	Margarita de la Pisa Carrión
ID	Elena Lizzi

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	31.3.2022
Result of final vote	+: 27 -: 3 0: 0
Members present for the final vote	Matteo Adinolfi, Gilles Boyer, Olivier Chastel, Caterina Chinnici, Lefteris Christoforou, Corina Crețu, Ryszard Czarnecki, José Manuel Fernandes, Raffaele Fitto, Luke Ming Flanagan, Isabel García Muñoz, Monika Hohlmeier, Jean-François Jalkh, Pierre Karleskind, Mislav Kolakušić, Joachim Kuhs, Ryszard Antoni Legutko, Claudiu Manda, Alin Mituța, Jan Olbrycht, Younous Omarjee, Markus Pieper, Michèle Rivasi, Petri Sarvamaa, Angelika Winzig, Lara Wolters, Tomáš Zdechovský
Substitutes present for the final vote	Bas Eickhout, Tsvetelina Penkova, Viola Von Cramon-Taubadel

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

27	+
ECR	Ryszard Czarnecki, Raffaele Fitto, Ryszard Antoni Legutko
NI	Mislav Kolakušić
PPE	Lefteris Christoforou, José Manuel Fernandes, Monika Hohlmeier, Jan Olbrycht, Markus Pieper, Petri Sarvamaa, Angelika Winzig, Tomáš Zdechovský
Renew	Gilles Boyer, Olivier Chastel, Pierre Karleskind, Alin Mituța
S&D	Caterina Chinnici, Corina Crețu, Isabel García Muñoz, Claudiu Manda, Tsvetelina Penkova, Lara Wolters
The Left	Luke Ming Flanagan, Younous Omarjee
Verts/ALE	Bas Eickhout, Michèle Rivasi, Viola Von Cramon-Taubadel

3	-
ID	Matteo Adinolfi, Jean-François Jalkh, Joachim Kuhs

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention