



Plenary sitting

A9-0116/2023

4.4.2023

REPORT

on discharge in respect of the implementation of the budget of the European Union Agency for the Space Programme (before 12.5.2021 the European GNSS Agency) for the financial year 2021
(2022/2122(DEC))

Committee on Budgetary Control

Rapporteur: Katalin Cseh

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on discharge in respect of the implementation of the budget of the European Union Agency for the Space Programme (before 12.5.2021 the European GNSS Agency) for the financial year 2021
(2022/2122(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Union Agency for the Space Programme for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, 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 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0104/2023),
- 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 (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council⁴, and in particular Article 14 thereof,
- having regard to Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010,

¹ OJ C 412, 27.10.2022, p. 12.

² OJ C 412, 27.10.2022, p. 12.

³ OJ L 193, 30.7.2018, p. 1.

⁴ OJ L 276, 20.10.2010, p. 11.

(EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU⁵, and in particular Articles 85 and 86 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 Council⁶, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0116/2023),
1. Grants the Executive Director of the European Union Agency for the Space Programme discharge in respect of the implementation of the Agency's budget for the financial year 2021;
 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 Union Agency for the Space Programme, 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).

⁵ OJ L 170, 12.5.2021, p. 69.

⁶ OJ L 122, 10.5.2019, p. 1.

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the European Union Agency for the Space Programme (before 12.5.2021 the European GNSS Agency) for the financial year 2021 (2022/2122(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Union Agency for the Space Programme for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, 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 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0104/2023),
- 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 (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council⁴, and in particular Article 14 thereof,
- having regard to Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU⁵, and in

¹ OJ C 412, 27.10.2022, p. 12.

² OJ C 412, 27.10.2022, p. 12.

³ OJ L 193, 30.7.2018, p. 1.

⁴ OJ L 276, 20.10.2010, p. 11.

⁵ OJ L 170, 12.5.2021, p. 69.

particular Articles 85 and 86 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 Council⁶, and in particular Article 105 thereof,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0116/2023),
1. Approves the closure of the accounts of the European Union Agency for the Space Programme for the financial year 2021;
 2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for the Space Programme, 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).

⁶ OJ L 122, 10.5.2019, p. 1.

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 Union Agency for the Space Programme (before 12.5.2021 the European GNSS Agency) for the financial year 2021 (2022/2122(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for the Space Programme for the financial year 2021,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0116/2023),
- A. whereas, according to its statement of revenue and expenditure¹, the final budget of the European Union Agency for the Space Programme (the ‘Agency’) for the financial year 2021 was EUR 57 130 215,17, representing an increase of 61,16 % compared to 2020, due to Agency’s enlarged mandate based on the new EU Space Programme; whereas the Agency’s budget derives mainly from the Union budget;
- B. whereas the Court of Auditors (the ‘Court’), in its report on the Agency’s annual accounts for the financial year 2021 (the ‘Court’s report’), states that the Court obtained reasonable assurance that the Agency’s annual accounts are reliable and that the underlying transactions are legal and regular; whereas the Court presents an emphasis of matters paragraph in relation to the impact of the Russian war of aggression against Ukraine in the Agency’s statement of financial performance and balance sheet;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of current year commitment appropriations of 100 %, representing the same rate as in 2020; regrets that the execution rate of the current year payment appropriations was 74,78 %, representing a decrease of 8,60 % compared to 2020;
2. Notes that in addition to its core budget, the Agency continued to manage a large amount of delegated budget (earmarked appropriations), in particular under the exploitation of the European Geostationary Navigation Overlay Service (EGNOS) and Galileo, as well as Horizon 2020 Delegation Agreements; notes, furthermore, that the Agency signed in 2021 a contribution agreement with the Commission entrusting the Agency with additional components of the Horizon Europe programme, Copernicus, the European Union Governmental Satellite Communications (GOVSATCOM) and Space Situational Awareness (SSA), as per Regulation (EU) 2021/696²; notes, furthermore,

¹ OJ C 141, 29.3.2022, p. 104.

² Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No

that a total of EUR 6 361 705 119 was committed under the delegated budget in 2021 and EUR 1 574 943 399 was made in payments;

Performance

3. Notes that the Regulation (EU) 2021/696 established the Agency, which replaced and succeeded the European GNSS Agency; notes that that Regulation provides an extension of responsibilities of the Agency in the European GNSS Programmes; notes the positive performance of the Agency, including its successful transition pursuant to Regulation (EU) 2021/696; further welcomes the fact that, in 2021, following negotiations, the Agency adopted a financial framework partnership agreement (FFPA) and a contribution agreement (CA), allowing it to carry out the space programme in an efficient and effective manner, avoiding duplication and minimising development and operational risks based on the establishment between the European Space Agency (ESA) and the Agency of synergies with regard to the competences and capabilities of each other with a clear chain of command; notes, moreover, that under the FFPA and the CA, the Agency acts as the EGNOS and Galileo exploitation manager and, when entrusted by the Commission, as contracting authority for the contract implementation phase;
4. Notes that in 2021 the Agency was responsible for a wide range of activities relating to the implementation of EGNOS and Galileo, such as ensuring the security accreditation of EGNOS and Galileo, through its independent security accreditation board, as well as contributing to the promotion and marketing of EGNOS and Galileo services, including carrying out the necessary market analysis and establishing close contacts with users and potential users of the system; notes, moreover, that the Agency performed other tasks relating to the implementation of EGNOS and Galileo, entrusted to it by the Commission by means of delegation and contribution agreements;
5. Underlines the importance of the Union Space Programme and the creation of the Agency; notes with satisfaction that the Agency's contribution as a security provider for space and to the Satellite Navigation, Earth Observation, Connectivity and Space research and innovation which help to ensure security for Union citizens and investments in critical infrastructure; calls on the Agency and Commission to further identify possible synergies between the Union Space Programme components and future programmes, such as for the implementation of the Secure Connectivity IRIS² Programme and of the Space Traffic Management (STM); calls on the Agency and the Commission to maximize the use of the Union dual-use space infrastructure and to strengthen its role in the context of European security and defence; encourages the involvement of the Agency in the implementation of the EU Space Strategy for security and defence;

Staff policy

6. Notes that on 31 December 2021 the establishment plan was 100 % implemented, with 191 temporary agents appointed out of 191 temporary agents authorised under the Union budget (compared to 150 authorised posts in 2020); notes that, in addition, 56 contract agents and 7 seconded national experts worked for the Agency in 2021;

541/2014/EU (OJ L 170, 12.5.2021, p. 69).

7. Regrets the lack of gender balance within the Agency's senior management, with three out of three (100 %) being men; regrets the lack gender balance within the Agency's administrative board members, with 23 out of 28 (82 %) being men; further, notes with concern the gender balance within the Agency's overall staff, with 168 out of 247 (68 %) being men; notes that the Agency is working on a diversity and inclusion strategy which includes an action plan; calls on the Agency to take concrete measures to improve gender balance at all levels of hierarchy as soon as possible and report back to the discharge authority;
8. Notes with concern from the Court's report that a number of procedural deficiencies in two audited recruitment procedures which undermine the principles of transparency and equal treatment, that the vacancy notices did not establish the number of points candidates needed to achieve in order to be shortlisted or put on a reserve list, or the number of candidates to be shortlisted or put on a reserve list, that the instructions issued by the selection board on awarding points for the various selection criteria were not detailed enough to ensure that selection board members applied a consistent approach, and that in one of the two recruitment procedures, no scoring scheme had been set in advance for one of the tests; notes the Agency's reply that it plans to introduce modifications to its recruitment procedures to address the observation; calls on the Agency to report any developments in that regard to the discharge authority;
9. Notes from the follow up to 2020 discharge that the Agency agreed with the Commission a plan to gradually and progressively reduce its total number of contract agents so that by the end of the financial perspective it will be in line with the legislative financial statement attached to Regulation (EU) 2021/696, but that, however, the Agency needs to increase the number of contract agents working in particular in the Galileo security monitoring centre operations and security functions; notes moreover, that the Agency highlighted to the Commission and its administrative board that there are operational risks associated with the reduction in contract agents which the Agency intends to manage through increased outsourcing, although this induces increased financial costs; calls on the Agency to report any developments in that regard to the discharge authority;
10. Acknowledges the Agency's existing measures and policies which aim to protect the dignity of the person and preventing psychological and sexual harassment; notes, in particular, that the Agency has implemented a manual of informal procedure for confidential counsellors that facilitates an easy and confidential reporting; notes that in 2021 there were four recorded consultations of confidential counsellors and that none of these consultations resulted in a case investigated or taken before the court, and all consultations discontinued after the provision of information on the procedure, and the informal discussion between the confidential counsellor and the complaining party;
11. Recalls that procedural deficiencies in recruitment procedures undermine the principles of transparency and equal treatment; requests that the Agency improves its internal recruitment procedure to clarify evaluation processes and vacancy notices;
12. Recalls the importance to developing a long-term human resources policy on work-life balance, lifelong guidance and the offering of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all

Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;

Procurement

13. Notes that the Agency continues to implement e-procurement whenever possible considering the selected procurement procedure, the nature of the documentation to be exchanged and the protection of the security interest of the Union; notes that recent examples of tenders for which e-procurement has been implemented are HQ guarding, Administrative support tender and Copernicus Demonstrator;

Prevention and management of conflicts of interest and transparency

14. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest;
15. Notes from the Court's report that, between 2019 and 2021, the Agency assessed one case of a potential conflicts of interest in relation to a senior member of staff taking up a new job elsewhere, that it approved the new job with restrictions, and that however, despite the general obligation to give reasons for its decisions, the Agency did not provide justification for those restrictions; notes the Agency's reply that it will take it duly into account in its procedures, and clarification that, in this particular case, it did not state the reasons for the restrictions in the decision because it considered them self-evident; calls on the Agency to report any developments in that regard to the discharge authority;
16. Notes that the Agency had one whistleblowing case during 2021 and that the investigation was still ongoing at the end of the year; calls on the Agency to report any developments in that regard to the discharge authority;
17. Insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and "revolving doors"; calls on the Agency to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;

Internal control

18. Notes with appreciation from the follow-up to the 2020 discharge that as regards the risk connected to the Agency's payments to the ESA in relation to the implementation of the EGNOS and Galileo programmes, ESA expenditure for the years 2019, 2020 and 2021 were audited by the Commission's Directorate-General for Defence Industry and Space (DEFIS) in the first year (on behalf of the Agency), that, in the following two years, a joint team of auditors from DEFIS and the Agency audited ESA, and that the three consecutive yearly audits showed no findings;
19. Welcomes the increasing transparency in the budget execution by ESA by stipulating conditions for the management of Union funds, establishing budget monitoring and control measures, and establishing principles of the remuneration of ESA for each component to which it contributes, recognising that as a non-EU body, ESA is not

accountable to Union citizens for budget spending³;

20. Notes that the Commission's internal audit service released an audit report on Galileo exploitation in November 2021 with four important recommendations; notes that the Agency implemented at least two thirds of the actions implementing recommendations; calls on the Agency to report any developments in that regard to the discharge authority;
21. Notes from the follow-up to 2020 discharge, that the internal audit capability 2019's audit of the 'Capacity Building of GSA's staff' was finalised and that a review audit on the implementation of the audit was to be completed in 2022; calls on the Agency to report any developments in that regard to the discharge authority;
22. Recalls the importance of strengthening the management and control systems to ensure the proper functioning of the Agency; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflicts of interest, missing *ex-ante/ex-post* controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;

Digitalisation and green transition

23. Notes that in 2021 the Agency decided to extend its main information systems to cloud and adopt technologies such as data leak prevention; notes with appreciation, furthermore, the implementation of S/MIME encryption for e-mail, that allows exchange of encrypted and digitally signed messages with other institutions using the same technology, and the adoption of euSIGN, as well as the replacement of the Agency's main firewalls with most recent models allowing better monitoring and control of network traffic;
24. Notes that the Agency actively collaborates with the Commission on green ambitions applied to space, to ensure a specific focus on the environmental impact of its core business; notes, moreover, that the Agency has established a working framework to initiate its process of implementing an environmental management system; notes, further, that the Agency monitors regular energy consumptions and applies recycling principles in all areas amongst other activities, while also endorsing elements of green procurement; notes, moreover, that the Agency requested an upper scale environmental grading for new buildings, both in planning and construction;
25. Recalls the importance of increasing the digitalisation of the Agency in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Agency to continue to be proactive in this regard in order to avoid a digital gap between Union agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;
26. Encourages the Agency to work in close cooperation with the European Union Agency for Cybersecurity and the Computer Emergency Response Team for the Union institutions, bodies and agencies and to carry out regular risk assessments of its information technology (IT) infrastructure and to ensure regular audits and tests are

³ EPRS, Towards EU leadership in the space sector through open strategic autonomy. January 2023, page 8.

carried out on its cyber defences; suggests to offer regularly updated cybersecurity-related training programmes to all members of staff within the Agency; calls on the Agency to develop its cybersecurity policy swifter, deliver it before 31 December 2023 and report back to the discharge authority;

Business continuity along crisis

27. Notes the Agency management's strong response to COVID-19 pandemic across all sites ensuring the health and safety of members of staff and the continuity of operations, and the identification and implementation of network of Agency Site Managers, including for implementation of health and safety measures across all sites in response to COVID-19 pandemic;

Other comments

28. Notes that the Agency, while considering all COVID-19 pandemic related measures, has launched its first open-air exhibition called EUSPA Open to introduce to the general public the Agency's new mission and the Union Space Programme;
29. Welcomes the social media engagement in 2021, which consisted of running the “#EUSpace 4 our Planet” campaign, highlighting the contribution of the Union Space Programme to, inter alia, the European Green Deal; further notes that, in line with its transition pursuant to Regulation (EU) 2021/696, the Agency has proactively engaged with a large number of media outlets across the Member States;
30. Calls on the Agency to continue to develop its synergies (for instance with regard to human resources, building management, IT services and security), and to reinforce its cooperation, its exchange of good practices and its discussions regarding areas of mutual interest with other Union agencies with a view to improving efficiency;
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31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [...]2023⁴ on the performance, financial management and control of the agencies.

⁴ Texts adopted, P9_TA(2023)0000.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	22.3.2023
Result of final vote	+ : 20 - : 1 0 : 0
Members present for the final vote	Gilles Boyer, Olivier Chastel, Caterina Chinnici, Ilana Cicurel, Corina Crețu, José Manuel Fernandes, Luke Ming Flanagan, Daniel Freund, Isabel García Muñoz, Monika Hohlmeier, Jean-François Jalkh, Alin Mituța, Markus Pieper, Petri Sarvamaa, Eleni Stavrou, Angelika Winzig, Lara Wolters, Tomáš Zdechovský
Substitutes present for the final vote	Maria Grapini, Mikuláš Peksa
Substitutes under Rule 209(7) present for the final vote	Anne-Sophie Pelletier

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

20	+
PPE	José Manuel Fernandes, Monika Hohlmeier, Markus Pieper, Petri Sarvamaa, Eleni Stavrou, Angelika Winzig, Tomáš Zdechovský
Renew	Gilles Boyer, Olivier Chastel, Ilana Cicurel, Alin Mituța
S&D	Caterina Chinnici, Corina Crețu, Isabel García Muñoz, Maria Grapini, Lara Wolters
The Left	Luke Ming Flanagan, Anne-Sophie Pelletier
Verts/ALE	Daniel Freund, Mikuláš Peksa

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ID	Jean-François Jalkh

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention