



Plenary sitting

A9-0135/2023

12.4.2023

REPORT

on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2021
(2022/2116(DEC))

Committee on Budgetary Control

Rapporteur: Alin Mituța

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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 2021
(2022/2116(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Training Foundation 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 Foundation in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0098/2023),
- 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 (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,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,

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 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 (A9-0135/2023),
1. Grants the Interim Director of the European Training Foundation discharge in respect of the implementation of the Foundation'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 Interim 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 2021
(2022/2116(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Training Foundation 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 Foundation in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0098/2023),
- 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 (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,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,

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 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 (A9-0135/2023),
1. Approves the closure of the accounts of the European Training Foundation for the financial year 2021;
 2. Instructs its President to forward this decision to the Interim 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 2021
(2022/2116(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 2021,
 - 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 (A9-0135/2023),
- A. whereas, according to its statement of revenue and expenditure¹, the final budget of the European Training Foundation (the ‘Foundation’) for the financial year 2021 was EUR 21 402 739, representing an increase of 2,13 % compared to 2020; 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 2021 (the ‘Court’s report’), states that it has obtained a 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 with appreciation that budget monitoring efforts during the financial year 2021 resulted in a high budget implementation rate of current year commitment appropriations of 99,91 %, representing a slight increase of 0,04 % compared to 2020; points out, however, that the current year payment appropriations execution rate was 86,23 %, representing a decrease of 9,43 % compared to 2020;

Performance

2. Notes that the Foundation’s working programme for 2021 was 95,58 % completed, the highest in the last five years, with a timely completion rate of 91,15 %; commends that the Foundation has achieved all the key performance indicators above the targets set;
3. Notes the Foundation’s key achievements of 2021, which are based on three strategic objectives: skills relevance and anticipation, skills development and validation, and performance and quality of education and training policies; notes that those objectives are delivered by the Foundation under three core services: the knowledge hub, monitoring and assessment, and policy advice;

¹ OJ C 141, 29.3.2022, p. 23.

4. Notes the new initiatives launched by the Foundation in 2021, such as the analysis of green skills positioning and job vacancies in partner countries through the use of big data as well as analyses of scope, conditions and potential for platform work in Eastern Partnership and Western Balkans countries; notes that in 2021 the Foundation was successful in translating skills demand changes, both ongoing and anticipated, into adjustment requirements for matching policies, namely the extension of its network of excellence; further notes the continuing growth of the Foundation's quality assurance forum, bringing together 22 partner countries in a platform for bilateral and multilateral dialogue on vocational education and training (VET) governance; underlines the Foundation's activities in helping transition and developing countries to harness the potential of their human capital through the reform of education, training, and labour market systems, in the context of the Union's external relations policies;
5. Welcomes in particular the Foundation's initiative 'Skills for Enterprise Development'² addressing in Union neighbourhood countries, enlargement countries and Central Asian countries the need for skills adaptation by linking VET with small and medium-sized enterprises; highlights that this initiative enables enterprises to respond and manage challenges, including those resulting from the COVID-19 pandemic by contributing to greener, inclusive and innovative societies and boosting sustainable competitiveness, social fairness and resilience, thus ensuring business development and continuity for undertakings;
6. Welcomes the fact that the Foundation has strengthened its work and relationship in its partner countries in the Union neighbourhood and enlargement regions; also welcomes the fact that in March 2022, the Foundation revised its cooperation with Russia and Belarus following the unprovoked and unjustified Russian aggression in Ukraine and stopped all cooperation;
7. Welcomes the initiative of the Foundation to monitor the Ukraine crisis and responding where possible and relevant, in close contact with different Commission services, tapping into its thematic expertise and knowledge of education and training systems of the country, at the same time strengthening partnerships with local stakeholders and beyond;

Staff policy

8. Notes that, on 31 December 2021, the establishment plan was 102,3 % implemented, with 88 temporary agents appointed out of 86 temporary agents (including two additional temporary agents to offset part-time work in line with Article 38(2) of the Foundation's financial regulation) authorised under the Union budget (compared to 86 authorised posts in 2020); notes that in addition, 42 contract agents and one local agent worked for the Foundation in 2021;
9. Notes with great concern that the geographical balance is still a challenge; notes that 43 % of its staff are nationals of the Member State where the foundation is located; is deeply concerned that only 16,8 % of the Foundation's staff is from Member States that joined the Union after 2004, whereas those Member States have 23,2 % of the population; acknowledges that the Foundation uses merit-based selection procedures, whereby in presence of equal merits, the Foundation would favour the under-

² <https://www.etf.europa.eu/en/what-we-do/skills-enterprise-development>

represented nationalities; urges the Foundation to consider with utmost priority geographical balance in its recruitment procedures and report any developments in this regard to the discharge authority;

10. Notes that the gender balance among middle and senior managers in 2021 was six women out of ten (same as in 2020); notes that the gender balance among the members of the management board is 40 % men and 60 % women (10 and 15 members respectively) and among staff overall 34 % men and 66 % women (44 and 87 members respectively); recalls the importance of ensuring gender balance and calls on the Foundation to take this aspect into consideration with regards to future appointments;
11. Notes that during the COVID-19 pandemic, in 2021, the Foundation offered the services of confidential counsellors remotely to all colleagues; welcomes that all newcomers at the Foundation received an induction session on harassment and a presentation by the confidential counsellors; regrets, however, that *intra-muro* workers can only access the informal procedure; notes that in 2021 no harassment cases were registered, investigated, or brought to court;

Prevention and management of conflicts of interest, and transparency

12. Notes that the Foundation published all the declarations of conflicts of interest and CVs for management board members and senior and middle managers;
13. Notes that the Foundation has not yet developed a dedicated policy for the management and prevention of conflicts of interest; notes, however, that the Foundation established in 2018 a comprehensive compilation of ethics related issues including conflict of interest; further notes that an update took place in 2021 to introduce the latest regulatory references;

Procurement

14. 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 2021, the Foundation was part of 28 inter-institutional contracts, 10 service-level agreements and five contracts open to other agencies;
15. Notes that the e-submission of procurement tenders became the norm in the Foundation; welcomes that a green selection and award criteria for tenders was piloted under a newly established green procurement working group;

Internal control

16. Notes the Foundation's reply to the observation in the 2020 Court's report, which related to the non-compliance with internal control principle 12 and the measures taken by the Foundation; notes that the Foundation has addressed the Court's recommendation with a thorough and regular review of exceptions and non-compliance events; notes, furthermore, the development and implementation of a new Foundation policy and streamlined workflow on handling deviations (exceptions and non-compliance events); notes, additionally, that, in 2021, the Foundation carried out an in-depth review of all decisions taken in view of the COVID-19 pandemic up to Q1-2021 to ensure that all decisions resulting in a deviation from the Foundation's regulatory framework were

properly recorded, including deviations of a non-financial nature;

17. Notes that, in 2021, the Foundation has launched an internal audit on “complementarity and cooperation mechanisms between the ETF and EC services” that will be concluded in 2022; notes that this audit is included in the Commission’s internal audit service (IAS) multi-annual plan; further notes that the Foundation has formally closed all previous IAS audit recommendations and that it does not have any outstanding open audit recommendation;
18. Recalls that the Foundation has one Court observation outstanding since 2018 and referring to a public procurement procedure for temporary agency services where the Foundation applied award criteria that consisted mostly of non-competitive price elements; acknowledges that the Foundation will address this issue in 2023 when launching the next procurement procedure for interim workers in line with planned actions;
19. Notes the Foundation’s positive assessment of its internal control system, with internal control principles assessed as 82,4 % effective (71 % in 2020) and 17,6 % partially effective (29 % in 2020), with only minor improvements needed; notes the Foundation’s response to the Court’s findings on the register of exceptions by conducting a thorough and regular review of exceptions and non-compliance events;
20. Notes that the Foundation has developed and implemented its own anti-fraud strategy elaborated using the methodology developed by OLAF;
21. Recalls the importance to strengthen management and control systems to ensure the proper functioning of the Foundation; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflict 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 the green transition

22. Welcomes the Foundation’s digital strategy and implementation roadmap defined in 2021, which seeks to increase the use of digital and online tools for delivering the Foundation’s services and engaging stakeholders, as well as for internal efficiency gains; commends the accelerated digitalisation of internal processes, such as human resources, financial workflows electronic signature, and procurement management, as well as external interaction, such as the use of online digital tools for exchanges, meetings;
23. Notes the specific actions implemented by the Foundation in 2021 to increase efficiency gains, such as the use of single payment order grouping several payment requests, the use of digital signature workflow for internal documents and the progress on the digitalisation with the full testing and deployment of public procurement management tool for procurement process and full digitalisation for both internal and external communication for financial management processes;
24. Notes that in 2021 the Foundation adopted a new policy on cyber-security developed in a coordinated approach to security with an overall policy and specific policies for information security; notes, furthermore, that the Foundation has a coordinated

transversal working group, which includes the strands of cyber-security, information security, physical security of staff and building security; welcomes the creation of the Foundation's Information assets inventory and the progress made in 2021 towards the migration to a new digital records management system;

25. Welcomes the achievement of the Foundation to obtain its eco-management and audit scheme registration and ISO 14001 certifications; commends the concrete measures taken by the Foundation, with greening efforts in 2021 in the fields of energy, plastic, mobility, emissions, and green procurement;
26. Recalls the importance of increasing the digitalisation of the Foundation in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Foundation to continue to be proactive in this regard in order to avoid a digital gap between the 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;
27. Encourages the Foundation to work in close cooperation with ENISA (the European Union Agency for Cybersecurity) and CERT-EU (the Computer Emergency Response Team for the EU Institutions, bodies and agencies) and to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests offering regularly updated cybersecurity-related training programmes to all staff members within the Foundation;

Business continuity along crisis

28. Notes that, in 2021, the Foundation continued to cooperate closely with the Union agencies network (EUAN), to exchange knowledge regarding the management of the COVID-19 crisis and the new teleworking rules; notes the support actions implemented by the Foundation for a continued management of the pandemic, such as - among others - handling requests for green pass certificates, establishing conventions with three medical centres and establishing Director decisions on glasses and contributions for home-office equipment;

Other comments

29. Notes that in 2021 the Foundation successfully engaged in media partnerships for a campaign on the future of work and on the future of learning, resonating with a wide public audience; further notes the Foundation's engagement on different social media channels that led to improved metrics in 2021; urges the Foundation to step up its efforts and report relevant performance information to Union citizens and the public in clear and accessible language; calls on the Foundation to ensure greater transparency and public accountability by better-utilising media and social media channels;
30. Notes with satisfaction the long-standing partnership and joint work of the Foundation with CEDEFOP and EUROFOUND under their respective collaboration agreements, and the preparation in 2021 and entry into force in 2022 of an agreement with EU-OSHA for the purpose of sharing accounting services; invites the Foundation to continue to develop its synergies (for instance with regard to human resources, building management, IT services and security), and exchanges of good practices, in particular in the areas of mutual interest, and to explore the possibility of extending its activities and

working arrangements with other Union bodies and 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 ...³ on the performance, financial management and control of the agencies.

³ Texts adopted, P9_TA(2023)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 the European Training Foundation
(2022/2116(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 2021 to be legal and regular and that its financial position as of 31 December 2021 is fairly represented;
2. Appreciates the Foundation's activities in helping transition and developing EU neighbouring countries, enlargement countries and Central Asian countries harness the potential of their human capital and improve the employment prospects of their citizens through the reform of education, vocational training and skills in response to labour market needs, in the context of the Union's external relations policies;
3. Recognises that the Foundation's objectives and actions are closely aligned with EU 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; welcomes in particular the Foundation's initiative 'Skills for Enterprise Development'¹ addressing in EU neighbouring countries, enlargement countries and Central Asian countries the need for skills adaptation by linking vocational education and training (VET) with small and medium-sized enterprises (SMEs); highlights that this initiative enables enterprises to respond and manage challenges, including those resulting from the COVID-19 pandemic by contributing to greener, inclusive and innovative societies and boosting sustainable competitiveness, social fairness and resilience, thus ensuring business development and continuity for enterprise;
4. Notes that, the final budget of the Foundation for the financial year 2021 amounted to EUR 21 million; expresses its satisfaction that the Foundation's budget for 2021 was

¹ <https://www.etf.europa.eu/en/what-we-do/skills-enterprise-development>

executed by 99.9%;

5. Recommends, on the basis of the facts available, that discharge be granted to the Interim Director of the European Training Foundation's in respect of the implementation of the Foundation's budget for the financial year 2021.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	24.1.2023
Result of final vote	+: 39 -: 4 0: 0
Members present for the final vote	João Albuquerque, Atidzhe Alieva-Veli, Dominique Bilde, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, David Casa, Leila Chaibi, Margarita de la Pisa Carrión, Özlem Demirel, Estrella Durá Ferrandis, Lucia Ďuriš Nicholsonová, Rosa Estaràs Ferragut, Helmut Geuking, Alicia Homs Ginel, Agnes Jongerius, Irena Joveva, Radan Kanev, Katrin Langensiepen, Miriam Lexmann, Elena Lizzi, Sara Matthieu, Max Orville, Kira Marie Peter-Hansen, Dragoș Pîslaru, Dennis Radtke, Elżbieta Rafalska, Guido Reil, Daniela Rondinelli, Mounir Satouri, Monica Semedo, Romana Tomc, Marianne Vind
Substitutes present for the final vote	Abir Al-Sahlani, Konstantinos Arvanitis, Robert Biedroń, Krzysztof Hetman, Livia Járóka, Peter Lundgren
Substitutes under Rule 209(7) present for the final vote	Deirdre Clune, Jens Geier, Robert Hajšel, Mircea-Gheorghe Hava

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

39	+
ECR	Margarita de la Pisa Carrión, Elżbieta Rafalska
NI	Livia Járóka, Daniela Rondinelli
PPE	David Casa, Deirdre Clune, Rosa Estaràs Ferragut, Helmut Geuking, Mircea-Gheorghe Hava, Krzysztof Hetman, Radan Kanev, Miriam Lexmann, Dennis Radtke, Romana Tomc
Renew	Atidzhe Alieva-Veli, Abir Al-Sahlan, Lucia Ďuriš Nicholsonová, Irena Joveva, Max Orville, Dragoş Pîslaru, Monica Semedo
S&D	João Albuquerque, Robert Biedroń, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Estrella Durá Ferrandis, Jens Geier, Robert Hajšel, Alicia Homs Ginel, Agnes Jongerius, Marianne Vind
The Left	Konstantinos Arvanitis, Leila Chaibi, Özlem Demirel
Verts/ALE	Katrin Langensiepen, Sara Matthieu, Kira Marie Peter-Hansen, Mounir Satouri

4	-
ECR	Peter Lundgren
ID	Dominique Bilde, Elena Lizzi, Guido Reil

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention

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

1	-
ID	Jean-François Jalkh

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention