



2018/2167(DEC)

17.12.2018

DRAFT REPORT

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section I – European Parliament (2018/2167(DEC))

Committee on Budgetary Control

Rapporteur: Claudia Schmidt

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section I – European Parliament (2018/2167(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2017¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2017 (COM(2018)0521 – C8-0319/2018)²,
- having regard to the report on budgetary and financial management for the financial year 2017, Section I – European Parliament³,
- having regard to the Internal Auditor's annual report for the financial year 2017,
- having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2017, together with the institutions' replies⁴,
- having regard to the statement of assurance⁵ 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 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to Article 314(10) and Article 318 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 1605/2002⁶, and in particular Articles 164, 165 and 166 thereof,
- 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 966/2012⁷, and in particular Articles 260, 261 and 262 thereof,
- having regard to the Bureau decision of 16 June 2014 on the Internal Rules on the

¹ OJ L 51, 28.2.2017.

² OJ C 348, 28.9.2018, p. 1.

³ OJ C 411, 13.11.2018, p. 1.

⁴ OJ C 357, 4.10.2018, p. 1.

⁵ OJ C 357, 4.10.2018, p. 9.

⁶ OJ L 298, 26.10.2012, p. 1.

⁷ OJ L 193, 30.7.2018, p.1.

implementation of the European Parliament's budget¹, and in particular Article 22 thereof,

- having regard to Rule 94 and Rule 98(3) of, and Annex IV to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0000/2018),
- A. whereas the President adopted Parliament's accounts for the financial year 2017 on 4 July 2018;
- B. whereas the Secretary-General, as principal authorising officer by delegation, certified, on 6 July 2018, his reasonable assurance that the resources assigned for Parliament's budget have been used for their intended purpose, in accordance with the principles of sound financial management and that control procedures established give the necessary guarantees concerning the legality and regularity of the underlying transactions;
- C. whereas the audit of the Court of Auditors stated that, in its specific assessment of administrative and other expenditure in 2017, it did not identify any serious weaknesses in the examined annual activity reports of the institutions and bodies required by Regulation (EU, Euratom) No 2018/1046;
- D. whereas Article 262(1) of Regulation (EU, Euratom) No 2018/1046 requires each Union institution to take all appropriate steps to act on the observations accompanying the Parliament's discharge decision;
1. Grants its President discharge in respect of the implementation of the budget of the European Parliament for the financial year 2017;
 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 Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

¹ PE 422.541/Bur.

2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section I – European Parliament (2018/2167(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section I – European Parliament,
 - having regard to Rule 94 and Rule 98(3) of, and Annex IV to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0000/2018),
- A. whereas in his certification of the final accounts, the European Parliament's ('Parliament's') accounting officer stated his reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Parliament;
- B. whereas, in accordance with the usual procedure, 161 questions were sent to Parliament's administration and written replies were received and discussed publicly by the Parliament's Committee on Budgetary Control (CONT), in the presence of the vice-president responsible for the budget, the Secretary-General and the internal auditor;
- C. whereas there is always scope for improvement in terms of quality, efficiency and effectiveness in the management of public finances, and scrutiny is necessary to ensure that political leadership and Parliament's administration are held accountable to Union citizens;

Parliament's budgetary and financial management

1. Notes that Parliament's final appropriations for 2017 totalled EUR 1 909 590 000, or 19,25 % of heading V of the Multiannual Financial Framework¹ set aside for the 2017 administrative expenditure of the Union institutions as a whole, representing a 3,9 % increase over the 2016 budget (EUR 1 838 613 983);
2. Notes that total revenue entered in the accounts as at 31 December 2017 was EUR 206 991 865 (compared to EUR 183 381 513 in 2016), including EUR 50 052 674 in assigned revenue (compared to EUR 30 589 787 in 2016);
3. Emphasises that four chapters accounted for 69,5 % of total commitments: Chapter 10 (Members of the institution), Chapter 12 (Officials and temporary staff), Chapter 20 (Buildings and associated costs) and Chapter 42 (Expenditure relating to parliamentary assistance), indicating a high level of rigidity for the major part of the Parliament's

¹ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020.

expenditure; underlines that the lion's share of Parliament's budget is primarily administrative and not operative, which has to be taken into account;

4. Notes the figures on the basis of which Parliament's accounts for the financial year 2017 were closed, namely:

(a) Available appropriations (EUR)	
appropriations for 2017:	1 909 590 000
non-automatic carry-overs from financial year 2016:	---
automatic carry-overs from financial year 2016:	285 312 645
appropriations corresponding to assigned revenue for 2017:	50 052 674
carry-overs corresponding to assigned revenue from 2016:	39 595 290
Total:	2 284 550 609
(b) Utilisation of appropriations in the financial year 2017 (EUR)	
commitments:	2 209 881 836
payments made:	1 904 053 540
appropriations carried forward automatically including those arising from assigned revenue:	329 655 011
appropriations carried forward non-automatically:	337 227 783
appropriations cancelled:	39 823 600
(c) Budgetary receipts (EUR)	
received in 2017:	206 991 865
(d) Total balance sheet at 31 December 2017 (EUR)	1 628 445 094

5. Points out that 99 % of the appropriations entered in Parliament's budget, amounting to EUR 1 889 574 057, were committed, with a cancellation rate of 1 %; notes with satisfaction that, as in previous years, a very high level of budget implementation was achieved; notes that the payments totalled EUR 1 599 788 767, resulting in a payment appropriations execution rate of 84,7 % and representing an increase of 0,3 % compared to the previous year;
6. Underlines the fact that the cancelled appropriations for the year 2017, amounting to EUR 17 451 943, were mainly related to remuneration and other entitlements, as well as to the expenditure related to buildings;
7. Notes that seven transfers were approved in accordance with Articles 27 and 46 of the Financial Regulation in the financial year 2017, which amounted to EUR 57 402 860 or 3,01 % of final appropriations; observes that the majority of transfers were related to the Parliament's buildings policy, and in particular to help fund the annual lease payments for the Konrad Adenauer building project;
8. Stresses the need for carry-overs in relation to large building or infrastructure projects, despite the annual nature of the budget;;

The Court of Auditor's opinions on the reliability of the 2017 accounts and on the legality and regularity of the transactions underlying those accounts

9. Recalls that the Court of Auditors (the “Court”) performs a specific assessment of administrative and other expenditure as a single policy group for all the European institutions; points out that administrative and related expenditure comprises expenditure on human resources (salaries, allowances and pensions), accounting for 60 % of total administrative expenditure, and expenditure on buildings, equipment, energy, communications and information technology;
10. Notes that the overall audit evidence indicates that the spending on ‘administration’ is not affected by a material level of error; also notes that, on the basis of the nine quantified errors, the estimated level of error present in heading 5 of the Multiannual Financial Framework on administration is 0,5 % (up from 0,2 % in 2016);
11. Takes note of the specific findings concerning Parliament contained in the annual report of the Court for 2017; notes that the Court found, of the eight Parliament transactions examined, weaknesses in three related to procurement procedure, namely compliance with contract selection criteria, full compliance with the framework contract, and the criterion to select a travel agency, and one related to the reimbursement of expenses of political groups;
12. Notes the responses given by the Parliament in the adversarial procedure with the Court; asks the Court to keep the responsible committee informed on the implementation of its recommendations;

The internal auditor's annual report

13. Notes that at the competent open committee meeting with the internal auditor held on 26 November 2018, the internal auditor presented his annual report and described that he had prepared reports on the following subjects in 2017:
 - Follow-Up of Open Actions from Internal Audit Reports - Phase I and II of 2017;
 - Revised budget nomenclature for Directorate General for Communication (DG COMM);
 - DG COMM’s organisation of invitations to journalists;
 - Procurement and contract implementation in the area of external translations;
 - Purchasing policy for library subscriptions - Directorate General for Parliamentary Research Services (DG EPRS);
 - Individual Entitlements under the Staff Regulations of Officials and the Conditions of Employment of Other Servants;
 - Decentralised Information Technology (IT) activities;
14. Welcomes and supports the following actions that the internal auditor agreed with the DGs responsible:
 - with regard to the audit of DG COMM’s organisation of invitations to

journalists, enhancing the management and control framework by ensuring that reimbursements to journalists are aligned with the real costs incurred (e.g. verified start and end points of travel); addressing systemic deviations from the rules governing the invitations; making payments by bank transfer mandatory for reimbursements to journalists, including for travel to Strasbourg; and measures for guiding the process of selection and assessing the economy, efficiency and effectiveness of the invitation process;

- in relation to the audits of individual entitlements under the Staff Regulations, improving the control environment and methodology of controls, the specific management and control procedures covering entitlement to the expatriation and daily allowances (e.g. consistency of application of rules), and the specific procedures covering the annual flat-rate travel allowances;
- with regard to the audit of procurement and contract implementation in the area of external translation, including in the organisation of the procurement process more timely requests for additional information and improved evaluation, enhancing the award criteria for quality in future procurement procedures, encouraging external companies to improve translation quality including through expanded ex post verification, and enhancing the reliability of the calculation of real full costs of external translation, particularly in light of the fact that approximately one third of translated pages are covered by external translators and this share is highly likely to increase;
- concerning the audit of decentralised information technology activities, and to achieve its full benefits, strengthening the monitoring of the budget allocated to ICT initiatives as coordinated under the IT programmes by not only reporting on certain stages of a project but by conducting a beginning-to-end overview; increasing assurance that ICT initiatives are delivered on time, for the agreed scope and required quality and within budget; improving the decentralised units' control and validation of new software releases and their problem management processes; and moving gradually from time and means contracts for outside expertise to deliverable-based contracts;

15. Notes that the 2017 follow-up process resulted in the closure of 34 of the 71 open actions, as well as that the risk profile of the overdue actions continued to be progressively reduced in 2017; notes in particular that the number of open actions addressing significant risks fell from 26 to 11 and there were no open actions in the highest risk category of “critical”; underlines that the newly added open actions for the budget year 2017 should not diminish the improvements made regarding the closure of open actions;

Follow-up to the 2016 discharge resolution

16. Takes note of the written answers to the 2016 discharge resolution provided to CONT on 17 September 2018, and of the presentation by the Secretary-General addressing the various questions and requests of Parliament's 2016 discharge resolution and the exchange of views with Members that followed;

Parliament's 2017 discharge

17. Notes the exchange of views between the vice-president responsible for the budget, the Secretary-General and CONT in the presence of the internal auditor, on 26 November 2018, in the context of the 2017 Parliament discharge;
18. Notes that the United Kingdom's decision to withdraw from the European Union had a considerable impact in the different services of the Parliament, particularly on committees, research units and horizontal services; notes that Parliament's services prepared analytical material based on fact-finding work to consider the impact of the withdrawal on the policy areas and legislation in their respective fields, and this material can be found in the Parliament's website;
19. Notes that six temporary agents in the General Secretariat, 41 temporary agents in the political groups and in the non-attached Members' secretariat as well as 30 contract agents are concerned by the United Kingdom's decision to withdraw from the European Union; understands that their situation is being assessed on a case-by-case basis; welcomes the Secretary-General assurance that no extension of contract will be denied on the sole ground of nationality; invites the Secretary-General to carefully weigh the potential role of conflicts of interest during the sensitive time of the possible transition period and the possible disorderly withdrawal of the United Kingdom from the European Union;
20. Welcomes the Parliament's legal service's support in drafting guidance for the financial actors dealing with contractual issues related to the United Kingdom's decision to withdraw from the European Union and in drafting clauses to be included in the tender and contract documents related to the United Kingdom's decision to withdraw from the European Union;
21. Draws attention to the 5 % annual staff reduction target, that in 2017 required the Parliament to eliminate 60 posts from its administration establishment plan; recalls that the political agreement reached between the Parliament and the Council on the 2016 budget, establishing a new parameter for the reduction in Parliament's staff and prolonging its application period until 2019, has maintained the exemption of political groups from this exercise; regrets however that the budgetary authorities imposed an additional cut of 76 posts from the Parliament's administration in 2017 as compensation for a staff increase for the political groups; is concerned that this significant reduction may have negative effects on the Parliament's performance;
22. Calls on the Secretary-General and all responsible DGs to work together to draft a comprehensive overview of reductions in staff numbers implemented from 2014 onwards, including moves by staff from administration to political groups and among institutions; underlines that this practice of staff rotation raises the question of whether job descriptions are appropriate; is strongly concerned that excessive staff reduction leaves Members and Accredited Parliamentary Assistants (APAs) with an additional administrative burden, which is to the detriment of the actual legislative work that Members and APAs are supposed to fulfil; underlines that a paperless office and the proper use of digital technology such as digital signature, two-step-verification and electronic files would lessen the administrative burden for all parties involved;
23. Notes that the revised rules governing the payment of financial contributions for sponsored visitors groups entered into force on 1 January 2017; calls on the Secretary-

General to release the assessment of these rules without delay;

24. Points out that the Bureau examined a proposal by the Secretary-General to improve the current legal framework governing trainees employed by Members that currently lacks certain safeguards; underlines that it is every Member's prerogative to provide trainees suitable remuneration in line with the legal framework; supports the Secretary-General in his effort to draft a comprehensive and balanced proposal to review this situation;
25. Points out that the IT outage in October 2017 produced considerable disruption in parliamentary activities; notes that an action plan was put in place in the meantime to ensure more robust business continuity; underlines the importance of a swift response to and resolution of disruptions, particularly when they hinder or completely stop legislative work;
26. Notes the publication of two "Cost of Non-Europe Reports" and the completion of two "European Added Value Assessments" in 2017;
27. Notes that, following the Secretary-General's request, all Parliament's DGs developed management tools to comply with the principle of performance-based budgeting; observes that the existing quantitative targets are difficult to implement in the DGs, which work to the timeframe of the political cycle; invites the Secretary-General to take this fact into consideration when evaluating performance based budgeting across DGs, without disregarding the focus on added value;
28. Notes with appreciation that technical solutions were created for Members who wish to use their individual page on the Parliament's website for publication of meetings with interest representatives; notes also that the Bureau is considering whether to extend this solution to ensure that information is directly available on Parliament's website;
29. Calls on the Parliament's administration to draft a report providing a comprehensive overview on the interest representatives and other organisations that were given access to Parliament's premises in 2017; requests for this report to be drafted on an annual basis to ensure a maximum level of transparency;

Geographic dispersion of the Parliament - Single Seat

30. Still strongly regrets that, according to the Court, the costs of the geographic dispersion of Parliament amount to EUR 114 million per year; takes note of the additional costs linked to Parliament's 12 journeys per year to Strasbourg, which can be broken down as follows for 2017:

Category	TOTAL ¹	AVERAGE/MONTH
Travel Costs	7 700 358	641 696
Daily Allowance	10 036 444	836 370
Distance Allowance	1 394 608	116 217
Time Allowance	1 994 045	166 170
Other Costs	47 594	3 966
TOTAL	21 173 049	1 764 421

31. Stresses that, additionally, the cost of the Thalys charter train was EUR 3 668 532 in 2017;
32. Strongly underlines that this additional expenditure goes against the principle of sound financial management and against the principle of budgetary discipline; acknowledges that a single seat can only be achieved by a unanimous Treaty change; calls upon Council and the Commission to initiate such a Treaty change without further delay; takes the view that this Treaty change will benefit European taxpayers;

Directorate-General for Communication (DG COMM)

33. Notes that DG COMM's lead indicator in 2017 is the hours of attention that Parliament receives across all communication channels; notes with satisfaction that beyond a focus on attention levels DG COMM is developing a methodology for measuring the economy, efficiency and effectiveness of its activities across all communication channels; invites the Director-General to include the results of its first year of implementation in its annual activity report;
34. Notes that the long-term projects identified for the Strategic Execution Framework/Parliamentary Project Portfolio 2017-2019 are at different stages of progress but all striving to respect the objective to "produce less, communicate better";
35. Takes note of the ongoing technical and editorial changes made to Parliament's public website; underlines that progress remains slow, particularly in view of the forthcoming European elections in 2019 and increased interest in Parliament's work;
36. Notes that in the field of media, numerous projects were implemented in 2017 and the Parliament's web presence was further consolidated with the implementation of a multiplatform approach, a new portal and the "news planet"; acknowledges in addition the significant improvement in the Parliament's use of social media, as well as actions related to raising awareness of Union action; notes also that significant efforts were invested in a comprehensive visitors' strategy and, with a particular focus on youth, the implementation of the Ambassador School Programme; underlines that the European Science-Media Hub should be further developed and made fully operational without further delay to allow for increased science-based media reporting;
37. Notes that in 2017, 223 press seminars were organised in the Member States with more than 3 076 journalists attending; welcomes that, additionally, 1 905 journalists were invited to take part in plenary sessions, centrally organised press seminars and conferences; commends DG COMM for using all possible media channels for dissemination of Parliament's work and achievements; invites the DG to pay adequate attention to the importance of social media and its significant and ever-growing potential for reaching citizens;
38. Takes note of the reorganisation of DG COMM, which included the creation of two new Directorates - dealing with campaigns and visitors respectively - to ensure the full accomplishment of the strategy for the 2019 European elections; invites DG COMM to continue its work on a comprehensive strategy to counter targeted disinformation campaigns set to influence the 2019 European elections; is strongly concerned that foreign influence may cause disruptions and undermine the elections by intentionally spreading wrongful information and thus influencing voting behaviour;

39. Notes that in 2017, the Citizens' Enquiries service (AskEP) treated over 9 200 individual enquiries and 42 900 enquiries from seemingly coordinated 'write-in' campaigns on topical issues; proposes that the Parliament's replies be published on its portal;
40. Welcomes the opening of the House of European History in May 2017 and the Simone Veil Parliamentarium in Strasbourg in July 2017; notes that between May and December the House of European History welcomed 99 344 visitors; regrets that its opening was delayed for more than one year; is concerned that 99 344 visitors seems few relative to costs of EUR 4,4 million in staff costs: EUR 2,7 million for permanent staff and EUR 1,7 million for contract agents (including the cost of the security agents); invites the Bureau to undertake a cost-benefit analysis and assess whether this significant amount of money is being spent wisely;
41. Is deeply concerned that, despite all the activities organised by DG COMM, European citizens still feel that there is a lack of information about the Union and what the Parliament accomplishes and works on; calls on DG COMM to make a greater effort towards generating innovative ideas to counter this distance between the Union and its citizens;

European Parliament Liaison Offices

42. Takes note of the reform approved by the Bureau in November 2017 of the European Parliament Liaison Offices (EPLO) where the revised mission statement aims at engaging with citizens, media and stakeholders in order to reach out to citizens;
43. Takes note of different items of expenditure for 2017, broken down as follows:

Item of expenditure	2017 expenditure
general communication activities	EUR 5 945 229
expenditure linked to specific activities	EUR 5 320 867
total building costs	EUR 8 874 530
Security equipment maintenance	EUR 1 733 071,32

44. Total building costs broken down as follows:

Rent	EUR 5 898 724
Works	EUR 148 573
Specific building management costs	EUR 266 977
Cleaning and maintenance	EUR 1 126 853
Utilities and service charge	EUR 1 433 403

45. Regrets that expenditure items such as salaries and mission costs were not communicated in response to the questionnaire; draws on the information provided during the 2016 discharge procedure, where salaries paid for EPLO staff amounted to EUR 23 058 210 and mission costs amounted to EUR 1 383 843; assumes that these amounts have not changed significantly for the budgetary year 2017 and remains concerned that costs may outweigh the benefits; acknowledges the importance of effective communication in Member States but stresses the need for cost-efficiency;

invites all decision-making parties involved to strive for more added value particularly with regards to running costs;

Directorate-General for Personnel (DG PERS)

46. Notes that DG PERS's lead indicator in 2017 is time to deliver; notes with satisfaction that targets and methods of data collection were refined with a general positive assessment of the results; notes that objectives to improve the procedures for recruiting APAs and for admitting children to the Parliament's kindergarten were not met, but that the difficulties that had been encountered were resolved in 2018;
47. Notes that the number of staff in the Parliament in December 2017 totalled 9 682 agents in activity, which includes permanent and temporary staff, contract staff and APAs (compared to 9 643 in 2016); recalls that following the conciliation agreement on the 2017 budget, a total of 136 posts were abolished;
48. Welcomes the fact that promoting equal opportunities remains a key component of Parliament's human resource management policy; takes note that the gender equality roadmap continues to be implemented through concrete actions and a clear timeline for specific measures;
49. Acknowledges the sensitive situation of APAs who have worked for two parliamentary legislative terms without interruption - but without completing the ten years' service needed due to early election in 2014 - and are therefore not entitled to the European pension rights scheme; notes with appreciation that the Bureau has discussed the issue and is putting in efforts to find credible options;
50. Notes that the drivers' service was brought in-house in 2017 with the main objective of improving the security of Members; observes that this permitted Parliament to conduct security screenings of drivers before employment and to provide continuous training and monitoring of its staff; notes with appreciation that the recruitment of 116 drivers and dispatchers was completed in 2017;
51. Welcomes the implementation of an occasional teleworking scheme for the Secretariat-General of the Parliament; supports the conduction of a survey on the first year of experience of teleworking and asks for the evaluation results to be shared with the Members and all the Parliamentary services;
52. Regrets that the number of women holding posts at the level of director-general fell from 25 % (3 posts) in 2016 to 17 % (2 posts) in 2017; notes the number of women at director level remained steady from 2016 to 2017 at 30 % (14 posts);
53. Notes the Parliament's zero tolerance policy towards sexual harassment adopted in 2017; notes also that several initiatives were and are being put in place to deal with harassment practices, in particular an updated roadmap for the adaptation of preventive and early support measures to deal with conflict and harassment between Members and APAs, trainees or other staff, an external audit of the Parliament's internal practices and procedures, the creation of a network of confidential counsellors, and the organisation of a public hearing with experts in harassment in the workplace; expects the results of the external audit to be communicated without delay, once available;

Directorate-General for Infrastructure and Logistics (DG INLO)

54. Notes that the medium-term building strategy was revised in 2017 with committed appropriations of EUR 267 588 704, corresponding to 6 % increase in relation to 2016 (EUR 251 599 697); is aware that in Brussels the Martens building was concluded and went through fitting and adaptation works, the House of European History was opened, the Trèves I building was purchased and two other sites are being reconstructed and extended; observes that in Luxembourg the KAD project progresses, and that in Strasbourg the Havel building was brought into use in April 2017, followed by the Simone Veil Parliamentarium in July of the same year;
55. Notes that the creation of Europe House in several Information Offices has been approved by the Bureau and is being implemented throughout the coming years; calls for detailed information on the progress of works be included in the DG's annual activity report;
56. Takes note of Parliament's significant infrastructure, which can be broken down as follows:

Brussels buildings		Luxembourg buildings	Strasbourg buildings
13 owned		1 owned	5 owned
6 rented		6 rented	
659 960 m ²		197 873 m ²	343 930 m ²
EP Liaison Offices			
Total	35		
owned	11		
rented	24		
surface	27 737 m ²		

57. Recalls that most of Parliament's buildings were not designed and constructed taking into account the Eurocodes requirements for structural integrity, as those norms did not exist at the time of their construction; acknowledges that this means that building policy will gradually move away from acquisition and towards renovations and maintenance;
58. Acknowledges that the Bureau instructed the Secretary-General to mandate DG INLO to launch an architectural competition for the refurbishment of the Paul-Henri Spaak building considering only the selected options B - technical update and C - redesign of the building; notes that outcome of the process is foreseen for 2019;
59. Notes that in 2017, EUR 75 000 were committed to the pilot installation of innovative furnishing and office equipment models for Members; notes also that the refurbishment of Members' offices and corridors in the Louise Weiss building, which was the only Parliament's building undergoing works in 2016 and 2017, totalled EUR 1 157 975 (compared to EUR 840 260 in 2016);

60. Supports the effort to bring the drivers' service in-house and the progress achieved so far; notes that the procedure for bringing the drivers' service in-house allowed for a qualitative and quantitative increase of the services provided to Members, as well as for an effective and efficient response to unforeseeable emergency situations or sudden increases in demand; acknowledges the implementation of the "E-mobility" Road Map with a view to the diversification, greening and electrification of the fleet; recalls the 2016 discharge resolution voted in April 2018, which states that the Bureau should not limit itself to electric cars as a more environmentally-friendly solution since there are concerns regarding their production (including the sufficient availability of the necessary resources) and the disposal of batteries at the end of their life-cycle; still regrets that Members were not informed of an analysis regarding alternative fuels such as bio fuels, synthetic fuels or hydrogen fuel cells; underlines that diversification of an environmentally friendly car-fleet would lessen dependence on one supplier and could counteract possible future supply shortages;
61. Is concerned that the cost/benefit assessment of prices and quality of the food in Parliament's self-service canteen remains unbalanced; is disappointed at the difference in quality between canteens serviced by one and the same service provider; is of the opinion that this aspect needs closer monitoring and therefore calls for a user satisfaction survey to be launched;
62. Welcomes the creation of a "Ex-Ante Control and Public Procurement Coordination Unit" in 2017, and of a procurement service in each Directorate; asks for a specific section in the annual activity report to be dedicated the new unit's activities;

Directorate-General for Interpretation and Conferences turned into Directorate-General for Logistics and Interpretation for Conferences

63. Notes that the overall average number of hours per week that staff interpreters spent delivering interpretation services in their booth increased to 14 in 2017; welcomes this increase when compared to 13 hours and 25 minutes spent delivering interpretation services in the booth in 2016; regrets that the change in working patterns, that started with the new Staff Regulation, culminated in a strike that provoked disturbances in the provision of interpretation to Members; commends the work to maintain core interpretation services in order to keep legislative work running;
64. Strongly condemns the escalation of tensions, which culminated in a 45-minute interruption of plenary work in Strasburg and no noticeable efforts for de-escalation; welcomes the agreement that was initiated by the Secretary-General and which lead to the re-establishment of regular interpretation activity;
65. Notes that the implementation of the "Strategy for the Modernisation of Conference Management" in the Parliament lead to the transfer of the Conference Ushers Unit and the creation of a new Directorate for Conference Organisation in the DG; asks for a specific section in the annual activity report to be dedicated the new unit, including an activity assessment with conclusive performance indicators, in addition to the DG's regular activities;

Directorate-General for Finance (DG FINS)

66. Notes that the Secretary-General decided to transfer several functions related to services provided to APAs and the Members' Professional Training Service from DG FINS to DG PERS; regrets that these transfers were not sufficient to overcome the negative impact on DG FINS of the 2017 reduction in staff; calls for a simplification of reimbursements of travel costs for Members, staff and APAs, that takes advantage of systems such as the electronic signature function (DISP) and two-step-verification; acknowledges that verifications are necessary but underlines that this can be done in a more efficient and paperless way;
67. Notes that the new Parliament's travel service will start operating on 1 January 2019; welcomes the fact that the new contract contains strengthened conditions, in particular with regard to ticket pricing and the availability of the travel service's call centre at all times, including at weekends; stresses again the importance of a simple and user-friendly complaints mechanism to quickly highlight shortfalls, which allows for speedy resolution of any problems; emphasises that attention needs to be paid to the specific requirements of Members and their need for tailor-made services; is doubtful that services will significantly improve since former BCD staff will be taken on by the new travel service;
68. Takes note of the Bureau's decision with regard to the General Expenditure Allowance to apply the agreed modifications only after the 2019 elections;

Voluntary Pension Fund

69. Notes that the voluntary pension scheme has an estimated actuarial deficit of EUR 305,4 million at the end of 2017; further notes that at the end of 2017, the amount of net assets to be taken into account and the actuarial commitment amount to EUR 137 million and EUR 442,4 million respectively;
70. Recalls that these projected future liabilities are spread over several decades but notes that the total amount paid in 2017 by the voluntary pension fund amounts to EUR 17,2 million;
71. Points out that this raises concerns about the possible exhaustion of the fund and that Parliament is guaranteeing the payment of pension rights when and if this fund is not able to meet its obligations;
72. Calls on the Secretary-General to ensure that a decision is taken by the Bureau without delay in order to improve the sustainability of the fund;
73. Calls on the Secretary-General, as well as the Bureau, to exhaust all possible avenues to keep Parliament's liability to a minimum, as taxpayers' money is involved; recalls that the fund was set up in 1990 to provide Members with a pension scheme because one had previously been lacking; underlines that this is no longer the case and that the Voluntary Pension Fund constitutes a supplementary pension;

Directorate-General for Innovation and Technological Support (DG ITEC)

74. Notes that DG ITEC's lead indicator in 2017 is its responsiveness to the demands of users and partners in all fields of activity in a timely and efficient manner; notes that the

overall results concerning the proximity of support, the IT welcome desk and desk telephone support are satisfying but that an extra effort remains to be made for the secure remote access service that is the second most important for users; stresses that responsiveness does not equate to a timely resolution of problems; points out that problems with IT systems such as at4am should be categorised as “priority 1” if this is not the case already;

75. Recalls that a key strategic pillar for Parliament in a world of open communication is strengthening ICT security, without hindering parliamentary work of Members, staff and APAs with seemingly arbitrary rules and requirements; underlines that security measures need to be tailor-made to encompass all operating systems - iOS as well as Windows - without hindering work on one operating system or the other; stresses that DG ITEC needs to take into account the increased use of iOS and that all remote services for Windows devices need to be adapted to iOS without further delay; welcomes in this regard the establishment of the ICT Security Unit in January 2017; regrets the scarcity of top cyber-security experts who would be interested in applying for jobs in Parliament’s administration, mainly due to the competitiveness of the market;
76. Welcomes the two new projects started in 2017 - “From tablet to hybrid” and “Mainstreaming innovation” that will reinforce the innovative and digital working environment of the Parliament; asks for IT security training for Members, APAs and staff to be planned and provided soon and to focus on their respective needs;
77. Calls on all relevant DGs to work towards and achieve paperless office by having recourse to all digital services such as e-signature and two-step verifications; underlines that e-forms only save time and resources when they don’t have to be printed, signed and sent to another office or even country, as is the case with mission reimbursement forms;
78. Stresses the Bureau conclusion that an integrated approach on security matters is required to ensure optimal coordination of all relevant services in responding to emergencies, which makes the close cooperation between DG ITEC and DG SAFE of utmost importance; encourages the DGs to plan common activities over the medium and long term;

Directorate-General for Security and Safety

79. Welcomes the significant progress made in 2017 to strengthen the Parliament’s security and safety; notes that perimeters around Strasbourg and Brussels buildings were set up, that security vetting by the Belgian authorities of all employees of outside firms working at the Parliament is in place, and that an interinstitutional project for a common warehouse has been launched with the Council and the Commission; welcomes the initiative of a common warehouse to allow for adequate security scans and screenings of items before they reach Parliament’s premises;
80. Recalls that openness to the public is a hallmark of the Parliament and an adequate balance with the necessary improvements to security must remain;
81. Acknowledges that security drills, such as the evacuation of the hemicycle in Strasbourg

in 2018, are necessary to properly prepare for emergencies; underlines the need for a clear lessons-learned approach to avoid potentially dangerous situations, such as having Members, staff and APAs swipe their badges during an evacuation;

Environmentally-friendly Parliament

82. Welcomes the Parliament's positive contribution to sustainable development through its political role and its role in legislative procedures;
83. Commends the Parliament's commitment to green public procurement; notes that in 2017, 40,71 % of the contracts were classified as green, 10,96 % as light green and 48,33 % did not have any environmental dimension;
84. Welcomes the pilot-project of electric scooters for work-related journeys between the Union institutions' buildings but also for commuting between home and work; notes, however, that the vehicles' performance is lower than expected; encourages the Parliament to make sure the contractor will improve the vehicles' capabilities, particularly the battery;

Annual report on contracts awarded

85. Recalls that the Financial Regulation¹ and its Rules of Application² lay down the information to be provided to the budgetary authority, and to the public, concerning the award of contracts by the institution; notes that the Financial Regulation requires publication of the contracts awarded with a value of more than EUR 15 000, a value that corresponds to the threshold above which a competitive tendering becomes compulsory;
86. Notes that of a total of 224 contracts awarded in 2017, 79 were based on open or restricted procedures, with a value of EUR 517 million, and 145 on negotiated procedures, with a total value of EUR 70 million; notes that the total number of contracts awarded by negotiated procedures slightly decreased in terms of value as a percentage of the total value of contracts awarded, from 14 % in 2016 to 12 % in 2017, though in terms of volume, there was an increase of almost 10 % between 2016 and 2017 (EUR 70,5 million in 2017, compared to EUR 64,28 million in 2016);
87. Notes the following breakdown of contracts by type awarded in 2017 and 2016, including building contracts:

Type of contract	2017		2016	
	Number	Percentage	Number	Percentage

¹ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 – OJ L 298, 26.10.2012.

² Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union – OJ L 362, 31.12.2012.

Services	177	79 %	170	77 %
Supply	36	16 %	36	16 %
Works	11	5 %	13	6 %
Building	0	0 %	1	1 %
Total	224	100 %	220	100 %

Type of contract	2017		2016	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Services	446 313 270	76 %	246 512 789	49 %
Supply	133 863 942	23 %	155 805 940	31 %
Works	6 892 972	1 %	97 640 851	19 %
Building	0	0 %	1 583 213	1 %
Total	587 070 184	100 %	501 542 793	100 %

(Annual report on the contracts awarded by the European Parliament, 2017, p.6)

88. Notes the following breakdown of contracts awarded in 2017 and 2016 by type of procedure used, in terms of number and value:

Type of procedure	2017		2016	
	Number	Percentage	Number	Percentage
Open	78	35 %	71	32 %
Restricted	1	1 %	7	3 %
Negotiated	145	64 %	141 ¹	64 %
Competition	-	-	-	-
Exceptional	-	-%	1	1
Total	224	100 %	220	100 %

Type of procedure	2017		2016	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Open	488 368 460	83 %	408 040 332	81,6 %
Restricted	2820000 070	5 %	29 190 756	13 %
Negotiated	501 724	12 %	64 284 705 ²	- %
Competition	-	-	-	-
Exception	-	-%	27000	-
Total	587070184	100 %	501542793	100 %

(Annual report on the contracts awarded by the European Parliament, 2017, p.8)

Political groups (budget item 4 0 0)

89. Notes that, in 2017, the appropriations entered under budget item 4 0 0, attributed to the political groups and non-attached Members were used as follows:

¹ This includes concessions awarded in 2016 in the absence of legal framework

² This includes concessions awarded in 2016 in the absence of legal framework

Group	2017					2016				
	Annual appropriations	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations	Amounts carried over to next period	Annual appropriations	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations	Amounts carried over to next period
European People's Party (EPP)	17 790	8 150	19 330	108,66 %	6 610	17 440	8 907	18 303	105,19 %	8 005
Progressive Alliance of Socialists and Democrats (S&D)	15 610	5 469	15 268	97,81 %	5 812	15 327	5 802	15 713	102,51 %	5 417
European Conservatives and Reformists (ECR)	6 200	2 810	6 051	97,60 %	2 959	6 125	2 518	5 835	95,25 %	2 809
Alliance of Liberals and Democrats for Europe (ALDE)	5 711	1 694	5 596	98 %	1 809	5 759	2 366	6 448	111,98 %	1 676
The Greens/The European Free Alliance (Greens/EFA)	4 333	1 826	4 583	105,76 %	1 578	4 180	1 557	3 921	93,82 %	1 815
European United Left/Nordic	4 421	1 407	4 571	103,39 %	1 257	4 340	1 729	4 662	107,43 %	1 407

Green Left (GUE/NGL)										
Europe of Freedom and Direct Democracy (EFDD)	3 654	1 917	3 523	96,41 %	1 827	3 820	1 873	2 945	77,10 %	1 910
Europe of Nations and Freedom (ENF)	2 719	846	2 474	91 %	1 091	3 273	765	827	25,27 %	846
Non-attached Members	929	257	494	53,18 %	318	772	216	616	79,90 %	257
Total	61 367	24 394	61 890	100,85 %	23 261	60 996	25 733	59 059	96,82 %	24 142
* <i>all amounts in thousands EUR</i>										

90. Welcomes the fact that the independent external auditor for the political groups issued only unqualified opinions; highlights that this is a positive development in contrast to the arliament discharge procedure for the budget year 2016, where the independent external auditor issued a qualified audit opinion in the case of one political group;

European political parties and European political foundations

91. Notes that the Authority for European Political Parties and European Political Foundations (APPF) was created in 2016 with the task of assessing registration requests, registering new Union parties and foundations, monitoring their funding and imposing sanctions in cases of failure to respect their obligations; acknowledges that it became fully operational in 2017;
92. Notes that, in 2017, APPF lacked resources, particularly human resources, to carry out the tasks it was created to deliver; acknowledges that the Commission, Council and Parliament agreed to provide additional resources for the APPF in the budget of 2019; underlines that adequate human resources should have been provided from the start, due to the importance of APPF's work;
93. Notes that, in 2017, the appropriations entered under budget item 4 0 2 were used as follows¹:

Party	Abbr.	Own resources	Parliament grant	Total revenue ²	EP grant as % of eligible expenditure (max. 85 %)	Revenue surplus (transfer to reserves) or loss
European People's Party	EPP	1 548 409	8 018 034	12 118 607	85 %	-
Party of European Socialists	PES	1 335 161	6 901 688	8 518 219	85 %	84 178
Alliance of Liberals and Democrats for Europe Party	ALDE	693 618	2 449 108	3 586 785	85 %	159 481
European Green Party	EGP	1 006 971	1 865 999	3 064 646	73 %	150 000
Alliance of European Conservatives and Reformists	AECR	316 291	1 439 310	1 755 601	85 %	565 789
Party of the European Left	EL	297 363	1 342 594	1 705 284	85 %	1 374

¹ All amounts in thousands of EUR

² Total revenue includes previous year's carry-over in accordance with Article 125(6) of the Financial Regulation

European Democratic Party	PDE	106 162	532 072	638 234	85 %	1
EUDemocrats	EUD	-	-	-	-	-
European Free Alliance	EFA	153 856	779 408	1 045 014	85 %	808
European Christian Political Movement	ECPM	107 018	499 993	627 808	84 %	2 143
European Alliance for Freedom	EAF	-	-	-	-	-
European Alliance of National Movements	AEMN	74 076	342 788	445 568	85 %	6 344
Movement for a Europe of Liberties and Democracy	MENL	127 900	525 296	775 467	85 %	20 184
Alliance for Peace and Freedom	APF	29 775	27 055	56 830	85 %	22 471
Coalition for Life and Family	CLF	-	-	-	-	-
Total		5 796 602	24 723 344	34 338 065		-327 530

94. Notes that, in 2017, the appropriations entered under budget item 4 0 3 were used as follows¹:

Foundation	Abbr.	Affiliated to party	Own resources	EP final grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)
Wilfried Martens Centre for European Studies	WMCES	EPP	1 020 598	5 042 165	6 062 764	85 %
Foundation for European Progressive Studies	FEPS	PES	915 754	4 221 134	5 136 888	85 %

¹ All amounts in thousands of EUR

European Liberal Forum	ELF	ALDE	254 994	1 164 869	1 419 863	85 %
Green European Foundation	GEF	EGP	201 899	1 090 052	1 291 951	85 %
Transform Europe	TE	EL	229 957	929 481	1 159 438	85 %
Institute of European Democrats	IED	PDE	50 768	264 390	315 158	85 %
Centre Maurits Coppieters	CMC	EFA	90 867	365 038	455 905	85 %
New Direction - Foundation for European Reform	ND	AECR	278 837	1 412 218	1 691 055	85 %
European Foundation for Freedom	EFF	EAF	-	-	-	-
Christian Political Foundation for Europe	SALLUX	ECPM	69 056	310 164	379 220	83 %
Identités & Traditions européennes	ITE	AEMN	43 963	212 402	256 365	85 %
Foundation for a Europe of Nations and Freedom	FENL	MENL	77 400	447 972	525 372	85 %
Europa Terra Nostra	ETN	APF	37 791	41 428	79 219	85 %
Fondation Pegasus	FP	CLF	-	-	-	-
Total			3 271 884	15 501 313	18 773 197	