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## TEXTS ADOPTED

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### **P9\_TA(2024)0237**

#### **Discharge 2022: European Public Prosecutors Office (the ‘EPPO’)**

##### **1. European Parliament decision of 11 April 2024 on discharge in respect of the implementation of the budget of the European Public Prosecutor’s Office for the financial year 2022 (2023/2139(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Public Prosecutor’s Office for the financial year 2022,
- having regard to the Court of Auditors’ annual report on EU agencies for the financial year 2022, together with the agencies’ replies<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> 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 2022, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council’s recommendation of 22 February 2024 on discharge to be given to the European Public Prosecutor’s Office in respect of the implementation of the budget for the financial year 2022 (06179/2024 – C9-0077/2024),
- 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 966/2012<sup>3</sup>, and in particular Article 70 thereof,

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<sup>1</sup> OJ C, C/2023/594, 27.10.2023.

<sup>2</sup> OJ C, C/2023/112, 12.10.2023.

<sup>3</sup> OJ L 193, 30.7.2018, p. 1.

- having regard to Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor’s Office (‘the EPPO’)<sup>1</sup>, and in particular Article 94 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 Council<sup>2</sup>, and in particular Article 105 thereof,
  - having regard to Rule 100 of and Annex V to its Rules of Procedure,
  - having regard to the opinion of the Committee on Legal Affairs,
  - having regard the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
  - having regard to the report of the Committee on Budgetary Control (A9-0117/2024),
1. Grants the Administrative Director of the European Public Prosecutor’s Office discharge in respect of the implementation of the Office’s budget for the financial year 2022;
  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 Administrative Director of the European Public Prosecutor’s Office, the European Council, 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).

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<sup>1</sup> OJ L 283, 31.10.2017, p. 1.

<sup>2</sup> OJ L 122, 10.5.2019, p. 1.

## **2. European Parliament decision of 11 April 2024 on the closure of the accounts of the European Public Prosecutor's Office for the financial year 2022 (2023/2139(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Public Prosecutor's Office for the financial year 2022,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2022, together with the agencies' replies<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> 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 2022, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 22 February 2024 on discharge to be given to the European Public Prosecutor's Office in respect of the implementation of the budget for the financial year 2022 (06179/2024 – C9-0077/2024),
- 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 966/2012<sup>3</sup>, and in particular Article 70 thereof,
- having regard to Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO')<sup>4</sup>, and in particular Article 94 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 Council<sup>5</sup>, and in particular Article 105 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Legal Affairs,
- having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
- having regard to the report of the Committee on Budgetary Control (A9-0117/2024),

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<sup>1</sup> OJ C, C/2023/594, 27.10.2023.

<sup>2</sup> OJ C, C/2023/112, 12.10.2023.

<sup>3</sup> OJ L 193, 30.7.2018, p. 1.

<sup>4</sup> OJ L 283, 31.10.2017, p. 1.

<sup>5</sup> OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the European Public Prosecutor's Office for the financial year 2022;
2. Instructs its President to forward this decision to the Administrative Director of the European Public Prosecutor's Office, the European Council, 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. European Parliament resolution of 11 April 2024 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Public Prosecutor's Office for the financial year 2022 (2023/2139(DEC))**

*The European Parliament,*

- having regard to its decision on discharge in respect of the implementation of the budget of the European Public Prosecutor's Office for the financial year 2022,
  - having regard to Rule 100 of and Annex V to its Rules of Procedure,
  - having regard to the opinion of the Committee on Legal Affairs,
  - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
  - having regard to the report of the Committee on Budgetary Control (A9-0117/2024),
- A. whereas the European Public Prosecutor's Office (EPPO) is the independent public prosecution office of the Union and is responsible for investigating and prosecuting crimes against the financial interests of the Union and bringing to judgment the perpetrators of, and accomplices to, criminal offences provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law<sup>1</sup> and indicated by Council Regulation (EU) 2017/1939 of 12 October 2017, implementing enhanced cooperation on the establishment of the Office;
- B. whereas the competence of the EPPO encompasses several types of fraud, and includes amongst them VAT fraud with damages above EUR 10 million, money laundering, corruption and others in which regard the EPPO exercises the functions of prosecutor in the competent courts of the participating Member States, until the case has been finally disposed;
- C. whereas the EPPO is one of the component of the European Union Anti-Fraud architecture and, as such, its actions are coordinated with and complementary to those of the other components of said architecture, to achieve a final result which is bigger than the sum of its parts;
- D. whereas the EPPO intervenes in a scenario where only national authorities could investigate and prosecute these crimes, but their prerogatives stopped at the borders of their country, and other organisations like Eurojust, OLAF and Europol had not the necessary powers to carry out the relevant criminal investigations and prosecutions;
- E. whereas the procedural acts of the EPPO are subject to judicial review by the national courts and the Court of Justice of the European Union (the Court of Justice') – by way of preliminary rulings or judicial reviews of those acts – has residual powers to ensure a consistent application of EU law;

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<sup>1</sup> OJ L 198, 28.7.2017, p. 29.

- F. whereas the EPPO is composed of a central level, with its headquarters in Luxembourg, consisting of the European Chief Prosecutor, 22 European Prosecutors (one per participating EU country) and the Administrative Director, and of a decentralised (national) level consisting of the European Delegated Prosecutors (EDPs) in the 22 participating EU Member States;
  - G. whereas at the central level the European Chief Prosecutor and the 22 European Prosecutors compose the College of the EPPO and supervises the investigations and prosecutions carried out by the EDPs at the national level, who operate with complete independence from their national authorities;
  - H. whereas, under Article 93 of Regulation (EU) 2017/1939 the EPPO Administrative Director, acting as the authorising officer of the Office, shall implement its budget under its own responsibility and within the limits authorised in the budget and shall send each year to the budgetary authority all information relevant to the findings of any evaluation procedures;
  - I. whereas, in accordance with Article 50(2) of the EPPO's Financial Rules, the Accounting Officer of the Commission shall also act as Accounting Officer of the EPPO and is responsible for the preparation of the annual accounts, which are consolidated with those of the Union;
  - J. whereas, under the current framework, the final annual accounts are scrutinised by the Court and it is with the Council to recommend and to the European Parliament to decide whether to grant discharge to the Administrative Director of the Office in respect of the implementation of the budget for a given financial year;
  - K. whereas the Office started its operational activities on the 1st of June 2021 and it operates autonomously in the implementation of its budget only since 24 June 2021, and that this short timeframe allows a limited comparative analysis and trend identification;
  - L. whereas the rules governing the management of the EPPO resources and related expenditure need to be adjusted to the peculiarities of prosecution and investigative actions and the relevant provisions of the Financial Regulation are being discussed within the recast of that regulation and, in a wider context, between the EPPO and the Commission;
1. Welcomes the European Court of Auditors' positive opinion on the reliability of the EPPO's accounts for the year ended 31 December 2022 and on the legality and regularity of the underlying revenue and payments;
  2. Recalls the Parliament's strong support for the establishment of the EPPO; acknowledges the important role of EPPO as an independent Union body and stresses the particular responsibility that this imposes on it towards the other institutions and the public at large in the areas falling within the remit of the legal system; highly respects and expresses appreciation for the work that the EPPO does in investigating, prosecuting and achieving justice for crimes against the Union budget and the financial interests of the Union such as fraud, corruption and serious cross-border VAT fraud; recognises the important role that the EPPO plays in contributing to the protection of the financial interests of the Union and, in particular, the budget of the Union; recalls that the unique role of the EPPO in the Union law enforcement framework as a

prosecution service creates an obligation for the EPPO to investigate all matters under their competence, when brought to their attention;

### ***Budgetary and financial management***

3. Notes that the overall final budget allocated to the EPPO for 2022 was EUR 51,2 million, reduced from the initial endowment amounting to EUR 57,1 million, and sensibly increased from the EUR 35,4 million allocated in 2021; remarks that the returned amount of EUR 5,9 million (representing 10 % of the initial budget for 2022) is an improvement compared to 2021, when EUR 9,5 million was returned to the Union's budget (representing 21 % of initial budget for 2021); observes that such amount was gradually returned in 2022 because in part it was overestimated in respect of the effective needs (for linguistic service it was 65 % higher), in part it was impossible to use it for the reimbursement of the participating Member States' exceptionally costly investigations, for example Article 91(6) of Regulation (EU) 2017/1939 (prevented by the Financial Regulation until a derogation was granted in 2023) and, finally, because of the delayed launch of selection and recruitment of new members of staff (which should have been planned in 2021 but became possible only later, when the budget 2022 was adopted);
4. Notes that it is only possible to compare the budgetary performance of the EPPO for the period following its financial autonomy, which began in June 2021; welcomes the satisfactory level of budget implementation of 98,1 % of commitment appropriations (against 97,4 % in 2021) and of 76.6% of payment appropriations (compared to 78,2 % in 2021); appreciates that the overall execution rate for payments progressed in 2022 with 76,6 % of paid appropriations completed in the final budget, compared to 71 % in 2021; observes that the average payment time increased to 23,8 days in 2022 compared to 21,0 days in 2021 and understands that this trend is linked to the substantial increase in payment requests processed in the year (2 316 payment requests compared to 657 in 2021 represents an increase of 252 %); encourages the EPPO, once again, to further implement the electronic invoicing module (e-invoicing) which only started in 2023, to reduce administrative burdens, time-to-payment and the overall processing costs;
5. Observes that, following the achievement of its financial autonomy, in June 2021, the EPPO has prioritised the operational expenditure related to investigation, prosecution and security measures, limiting non-operational expenditure to essential compliance requirements and basic level support services;
6. Remarks the upward trend in a number of operational expenditure lines; notes that the remuneration of the European Delegated Prosecutors reached EUR 8,7 million, and it represents the main operational expenditure because of the increased number of European Delegated Prosecutors in place over 2022; observes that missions and operational meeting costs represented 5,2 % of the operational expenditure (EUR 1,1 million) compared to 2,9 % in 2021, and for missions alone the increase in 2022 compared to 2021 (after the EPPO gained financial autonomy) was 170 %, as a consequence of the increase in staff and external activities in the first full year of operations; also notes that EUR 2,8 million was committed for translation services, representing 14 % of the operational expenditure, compared to 7,6 % in 2021; recognises the need for additional resources for translation given the expected increase in investigative cases in the following years; asks the EPPO to inform Parliament about its plans to further expand the use of automated translation services by the 'translation

portal' developed internally and by the increased use of national sworn translators paid for by the participating Member States;

7. Observes that a forecast of the expenditure related to the EPPO's activities is very complex because of the level of detection of fraud, the typology and nature of the cases, the EPPO's efficiency in leading investigations and prosecutions in consideration of their mandatory nature and of the national judicial systems' procedures and constraints, the lack of a fixed correlation between the number of investigations and their costs, and last but not least, the magnitude of the financial interests of the Union that are to be protected, including Poland and Sweden's plans to join the EPPO; also observes that it is difficult to estimate the forecast of expenditure for the caseload related to the Recovery and Resilience Facility (RRF) because of the unprecedented implementation mode and sheer volume of resources;
8. Reiterates its call to factor in the impact of the deployment of the RRF in the forecast that the EPPO is to communicate to the Commission in the framework of the budgetary procedure; shares the view that the workload of the EPPO, initially underestimated, has gone through a significant growth and will continue to increase in the coming years, in particular with regard to the number of RRF cases (only 15 cases were opened in 2022, but more will be opened in 2023 as it reaches its' implementation peak) and that a larger number of cases in the trial phase will require a different focus than those in the investigation phase;
9. Acknowledges that the EPPO clearly contributes to European added value in terms of coordination and cooperation with the Member States in investigating and prosecuting crimes against the financial interests of the Union and that the EPPO has been achieving the goals set out in Regulation (EU) 2017/1939 of 12 October 2017 in that regard; expects Member States to comply with legal obligations and to report all relevant cases to the EPPO; notes with concern that in several instances Member States have been declaring criminal offences affecting the financial interests of the Union as national cases, which are within the competence of the EPPO; notes that questions of competence between the national authorities and the European Delegated Prosecutors have come up in several cases across several countries; is aware that, according to Article 25(6) of Regulation (EU) 2017/1939, cases of disagreement about the EPPO's competences are to be decided by the same national judicial authority who is responsible for determining the competent body for prosecution at national level; regrets that in many participating Member States the procedures in force and the national authorities entrusted with the decisions on such cases regarding conflicts of competence are not set in compliance with Regulation (EU) 2017/1939, stresses that in cases of conflicts of competence between the EPPO and a national prosecution authority, the national authority competent to decide on the attribution of competence could come to a conclusion without requesting a preliminary ruling by the Court of Justice but rather making a decision that is binding on the EPPO and points out that this is against the spirit of Regulation (EU) 2017/1939, which states that the Court of Justice, in accordance with Article 267 of the TFEU, has jurisdiction to give a preliminary ruling on the interpretation of the provision on conflicts of competence between the EPPO and national authorities; believes that the current situation lacks legal clarity; encourages all Member States to work more closely with the EPPO; emphasises that the competence of the EPPO is clearly outlined in Article 22(1) and (2), and in Article 23, and that all Member States should respect Regulation (EU) 2017/1939; notes that when Member States have doubts about the competence of the EPPO in a particular a case, there is the



possibility of submitting a preliminary question to the Court of Justice for a preliminary ruling following Article 267 of the TFEU and Article 42(2)(c) of Regulation (EU) 2017/1939 ; urges the Commission, where there is a case breach of Regulation (EU) 2017/1939, to submit the case to the Court of Justice; notes with concern that the question of competence can cause a halt of the investigation; is concerned about potential loss of evidence when cases are paused; calls on the Commission to collect information on cases regarding conflicts of competence for the evaluation report that will be submitted in 2026;

10. Observes that, in 2022, of the 15 active RRF cases listed in the EPPO Annual Report, 9 cases occurred in Italy, 2 in Portugal, 3 in Romania, and 1 case in Croatia; strongly encourages the EPPO to look for fraud patterns in countries where more than one RRF case occurred, and to inform both OLAF and the Recovery and Resilience Task Force of these patterns with the goal of reducing the instances of fraud occurring in the first place;
11. Notes that the EPPO currently has an estimated 170 active investigations in over 7 countries involving RRF cases and that the damages in these active investigations is currently estimated at EUR 530 million; notes that the EPPO estimates that the number of new active investigations involving recovery and resilience funds will increase as more countries become the recipients of RRF funds, encourages the EPPO to plan their budget and capacities accordingly;
12. Regarding the amount of resources allocated to the EPPO, underlines that the budgetary and human resources allocated should be adequate to allow the efficient and successful carrying out of its mandate and the normal handling of the related administrative procedures; calls on the Commission to review the EPPO budgetary framework in close cooperation with the EPPO to find adequate ways to support it in its work, with the knowledge that in the context of a growing number of complex cases, additional resources will be needed and these should not be dependent on the revision of Regulation (EU) 2017/1939 and/or its mandate; notes that, also in this regard, an increasing number of legal challenges are expected, calling into question the interpretation of the EPPO's legal framework and its integration into the Member States' judicial systems or before the Court of Justice;
13. Regarding the use of the resources allocated to the EPPO, understands that the EPPO engages in a continuous update and revision of its internal financial rules governing the financial aspects of its operations; welcomes, to this end, the ongoing dialogue with the Commission and is aware that, in line with the suggestions made by the Commission, a recent Decision of the College of the EPPO amended its financial rules by adding the possibility to conclude agreements with the competent authorities of Member States and to conclude contracts without having recourse to a public procurement procedure, where procurement is not possible;
14. Understands that, in 2022, a pilot framework agreement was launched, for the reimbursement of claims made under Article 91(6) of Regulation (EU) 2017/1939, to cover exceptionally costly investigation measures carried out at national level on behalf of the EPPO;
15. Points out the need to allow Article 91(6) of Regulation (EU) 2017/1939 to be implemented properly and underlines that the peculiar characteristics of prosecution and

investigation expenditure (including the exceptional cases of the EPPO's operational expenditure governed by Article 91.6) have to be taken into account; regrets that the proposal brought forward in the recast trilogue negotiation was dropped; maintains that the Commission, in dialogue with the EPPO, should explore alternative avenues to allow for an effective and efficient implementation of the provision;

16. Highlights that following the start of the EPPO's operational activity, the 2017 Legislative Financial Statement was no longer fit-for-purpose due to a significantly underestimated workload, and no update to it has been proposed; in this regard, believes that the absence of a mid-term budgetary review for the EPPO prevents the EPPO from having a clear understanding of the resources available for the future activities of the already existing cases and to anticipate budget implementation preparatory activities before the end of the budgetary adoption process;
17. Reiterates its view that the absence of a mid-term resource framework for the EPPO, both in terms of budget and staff, at a time when operations need to be swiftly ramped-up and administrative foundations established, limits the options that should be made available to achieve maximal flexibility in the development of an organisational infrastructure for a project as innovative as the EPPO;
18. is aware that the EPPO has been striving for cooperation and coordination with Member States on how fraud affecting the RRF should be reported to the EPPO and handled at investigative level and during the prosecutorial stage, and on how the EPPO could intervene effectively in this regard; believes that the EPPO's involvement in the investigation and prosecution of cases of fraud affecting RRF funds is essential in protecting the Union's financial interests; recalls that the EPPO is an independent body of the Union and reiterates its call on the Commission to provide adequate guidance to the EPPO on how to support and foster the adoption of the remedial measures which follows the EPPO independent investigation and prosecution of fraud affecting the RRF and to keep the budgetary authority informed regarding the available options;

### ***Internal management, performance and internal control***

19. Observes the increase in crime reports submitted to the EPPO (3 318 in 2022 compared to 2 832 in 2021) and, as a result, the increase in open investigations (865 in 2022 with estimated damages amounting to EUR 9,9 billion, compared to 576 in 2021 with estimated damages amounting to EUR 5,4 billion); notes that the number of closed cases (251 in 2022 compared to 57 in 2021) and the number of indictments (87 in 2022 compared to 5 in 2021) together with the freezing orders obtained by the EPPO amounted to EUR 359,1 million in 2022 alone (compared to EUR 516 million requested); notes that, in 2022, 20 cases were concluded in Court, and deems it important that the EPPO reports systematically on the follow-up to these cases in terms of the financial measures adopted (confiscation and/or recovery) to provide a clearer understanding of the impact of the EPPO's actions; calls on the Commission to explore the most appropriate avenues to assist the EPPO in the monitoring and follow-up activities, in such a way that the EPPO's resources are not diverted from their investigative and prosecutorial tasks; encourages the EPPO, where possible and appropriate, to engage in better cooperation with other components of the Anti-Fraud Architecture, such as Eurojust and Europol, or using -via OLAF- the Anti-Fraud Coordination Services (AFCOS) established in the Member States;

20. Calls on the EPPO to put a system in place to monitor efficiency gains, time and cost savings and appreciates the adoption of a quality management system to optimise key processes and achieve an increase in organisational performance, service quality and cost-effectiveness; understands that some procedures have been reengineered to reduce unnecessary administrative burden and redundancies;
21. Understands that the EPPO employs a risk-based approach across its activities, with a focus on identifying high-risk areas; welcomes the adoption of the EPPO Administrative Internal Control Environment Policy and invites the management of the EPPO to monitor the effective implementation of the 17 internal control principles to verify that they are continuously adapted to the EPPO's organisational maturity growth path; appreciates, in this regard, the assessment recently performed resulting in an implementation roadmap focusing on the deficiencies identified; points out that the main residual high risk areas have been identified as originating from a lack of resources (where the EPPO is forced to choose between activities equally essential to the delivery of its mandate or where there is a failure to deliver reasonable assurance on compliance with all the administrative standards);
22. Welcomes the adoption of Key Performance Indicators (KPIs) for both operational and administrative activities, linked to the annual and multi-annual work programme; observes that the main KPIs for operational activities do not include any specific reference to the amounts recovered from the Union's budget, the safeguard of which is ultimately the raison d'être of the Anti-Fraud Architecture of which the EPPO is an important component; asks the EPPO to adopt indicators linked to the achievement of this essential task;
23. Appreciates the adoption by the EPPO College, in 2022, of the Internal Audit Capability's Internal Audit Charter and risk-based audit plan, identifying the Internal Auditing priorities for 2022–2024; encourages the Internal Audit Service (IAS) and the Internal Audit Capability (IAC) to coordinate their actions with a view to advising and assisting the EPPO in the establishment of its main core processes and the achievement of its objectives;
24. Calls for a better system of monitoring results and following financial impact of the EPPO work; notes the need for more aggregated data concerning cases in order to better identify patterns of fraud; encourages continued coordination with Europol in this area;
25. Remarks that the EPPO is aiming to achieve full compliance with the Union's public administration management standards, and recalls that the adoption of a comprehensive business continuity plan is amongst such basic requirements;

***Human resources, equality and staff well-being***

26. Observes the upward trend in the number of staff, increasing from 58 in 2020, to 122 in 2021, to 217 by the end 2022; is aware that, for 2022, the EPPO requested 171 temporary agents, 48 contractual agents and 29 seconded national experts, representing a total of 248 posts (compared to the situation in 2021, with 95 temporary agents, 35 contract agents, and 0 SNEs for a total of 130 posts); notes that the budgetary authority granted 100% of the requested posts;

27. Points out that, in 2022, the EPPO's efforts to recruit an adequate number of qualified staff with fast procedures resulted in the hiring of 85 statutory agents in the central office and 22 EDPs in national offices; notes that, with 217 of the 248 budgeted posts filled at end 2022, the occupancy rate of posts filled by temporary agents, contract agents and SNEs decreased to 87,5% (compared to 94% in 2021) having regard to, while for the EDPs the occupancy rate rose to 82,1% (with 115 out of the 140 budgeted EDP posts filled) compared to 68% in 2021 (with only 95 out the 140 budgeted EDP posts filled) bringing the overall global occupancy rate to 85,56% (compared to 81% in 2021);
28. Underlines that during the visit to the EPPO during the Budgetary Control Mission to Luxembourg in 2023, the EPPO expressed the dire need for more legal experts to handle the large number of investigations; notes that, in 2022, there were over 1117 active investigations (EPPO 2022 statistic); recognises that the Commission has already been active in this area but asks for further capacities to be fulfilled especially considering the backlog and additional RRF-related cases and far-reaching VAT fraud; points out that the Commission may have underestimated needs and capacities; acknowledges that DG Budget and the Commission have fulfilled the EPPO's requests thus far;
29. Understands that the administrative and central support functions are expected to grow, in line with the larger operational population, and that additional recruitment will also be critical in the area of Digital and Security Services; appreciates that the additional operational needs have been included in the EPPO Single Programming Document 2024-2026 and Budget request for 2024;
30. Is aware that the Luxembourgish labour market is very competitive, and that the conditions offered by the Union administration are neither attractive against the local market (subject to diverse salary indexations throughout the year), nor do they adequately take into account the high cost of living (especially in the housing domain); understands that this difficult situation is even more acute for trainees and contract agents, for this reason, contract agents are in the process of being progressively phased out in favour of temporary agent positions as they benefit from a more favourable contract; notes that the attraction and retention of personnel has become even more difficult in 2022 because of the inflation rate and increased cost of living, and that compensation figures are not having the same positive impact as it is outside the Union administration, where national wage indexations have maintained the protection of the citizens' purchasing power;
31. Notes that the EPPO has been rendered less attractive than the four other Union institutions operating from Luxembourg, as it cannot offer a path towards becoming a Union Official; highlights the need for the EPPO to offer attractive salaries to contract and temporary agents, that are competitive with what is on offer in the private sector, including legal services and IT services, in order to attract the best and brightest talent with international experience; highlights that current salaries and budget may need to be adjusted to reflect this;
32. Observes that, at the end of 2022, geographical and gender balance is adequately pursued overall across the 217 members of staff (with 122 men and 95 women); welcomes that the nationality breakdown of the EPPO population is constantly monitored by the hiring staff, in seeking to ensure balance, especially, in light of the

uneven distribution of applicants; remarks, however, that the gender distribution amongst the senior and middle management positions (four to one) is still suboptimal and reiterates that this aspect should be improved in the framework of the overall diversity strategy, including adequate encouragement for people with disabilities to apply; reiterates its request to the EPPO to adopt its charter on diversity and inclusion without delay, in consideration of the increase in staff in the last year;

33. Remarks that, by the end of 2022, 275 out of 332 staff (82,83 % compared to 186 staff that is 86 % in 2021) were deployed in investigative activities (temporary agents, contract agents, SNEs and EDPs) while 57 members of staff were engaged in Administrative Support and Control Functions (17,17 %) and 9 investigative posts stayed vacant;
34. Notes that the appointment of European delegated prosecutors is a shared responsibility of the EPPO and Member States; stresses that the appointment procedure must always be in compliance with Article 17 of Regulation (EU) 2017/1939 and the principle of national procedural autonomy;
35. Is pleased by the increased number of EDPs recruited in several Member States; is aware that the participation of qualified candidates could be enhanced, and the appointment process could be more selective by adopting a clear career perspective and more favourable administrative discipline on social security and health insurance coverage; believes that the creation of a specific status for EDPs, as suggested by the nature of their judicial function, would make these posts more appealing; calls on the EPPO and the Commission to explore all possible solutions in order to enhance their dialogue towards achieving this result, taking into consideration the benefits that this would create in terms of competences and operational efficiency; reiterates its view that this situation provides additional support to the call for a revision of Regulation (EU) 2017/1939 and of the EPPO's status;
36. Observes that the EPPO still employs external service providers working on site (39 members of staff in 2022); is aware that, once again, during of 2022, the EPPO had to resort to the use of interim staff for financial transactions, in violation of its own financial rules; understands that this decision, which was transparently disclosed, was imposed by the need to deploy the available statutory staff in investigative and prosecutorial roles; remarks, however, that the EPPO has stopped relying on interim staff to process financial transactions following its increased staffing capacity;
37. Observes the increased costs of training courses in 2022 and understands that this resulted in a more intensive use of the EU Learn platform, the cost of which almost doubled;
38. Stresses that two bodies of rules currently define flexible working arrangements and the teleworking regime, the Decision of the EPPO College on working time adopted in October 2021 is applicable only to prosecutors and the administrative director, and the Decision of the EPPO College adopted in December 2022 is applicable to the remaining staff; stresses that both Decisions are in force and applied simultaneously to the respective addressees;
39. Understands that the first decision is more restrictive and tailors the working time and related options for management levels to the demands of the EPPO, to guarantee

consistency and continuity of the decision-making processes, while the second aims to optimise private and work-life balance; observes that a similar distinction is adopted for the teleworking regime, where management is entitled to perform teleworking for a maximum of 60 days per calendar year, while other staff can opt to telework between 20% and 60% of the weekly working time; notes that both staff groups can telework from abroad up to a limit of 10 working days; encourages the EPPO to consult its staff by launching a survey to verify the level of satisfaction and to consult the Staff Committee on any further decisions to be taken on this matter;

40. Remarks that no case of burnout or harassment have been reported and that the number of long-term sick leave is very limited; welcomes the adoption of a structured procedure for reporting cases of harassment by the European Chief Prosecutor and by the European Prosecutors as well as its divulgation to all the staff;
41. Welcomes that staff well-being will represent a key dimension of the broader deployment of the HR Framework and the EPPO will devote increasing resources to staff well-being; strongly encourages the EPPO to harmonise its current and future policies on inclusion, harassment and equality and to periodically launch surveys among its staff, by promoting, where possible peer-review with other components of the anti-fraud architecture (Eurojust, OLAF, etc) and in general encouraging diversity to make the workplace more attractive to candidates with specific needs;
42. Observes that no trainees were recruited in 2022, but preparatory work to establish the conditions for future HR management components included traineeships; endorses the proposal and the execution of a traineeship pilot programme in early 2023, the results of which are currently being examined with a view to implementing a traineeship programme as from 2024; stresses that the challenges imposed by the cost of living in Luxembourg represent a significant obstacle for potential trainees; asserts that the traineeship should be remunerated in order to be aligned with the European Parliament's resolution of 14 June 2023 on Quality Traineeships in the Union (2020/2005 INL) which advocates that all interns in Europe should be paid;

### ***Ethical framework and transparency***

43. Notes that the EPPO's Code of Conduct outlines the expected standards of behaviour for employees at all levels and that, during 2022, the ethical decision-making processes were reinforced by implementing specific guidelines for addressing ethical dilemmas and making ethical decisions on outside activities and acceptance of gifts and hospitality;
44. Observes that regular training sessions (2 times per month) are organised for the EPPO's staff on the EPPO's ethical framework, Code of Good Administrative behaviour and the Anti-Fraud Strategy and that in 2022 a dedicated EPPO intranet section on the ethical framework was launched; remarks, in this regard, that the current participation of staff in awareness-raising courses appears limited (69 members of staff in total participated in training courses in 2022); asks the EPPO to explore viable options aiming to increase participation; regrets that a survey has not been launched yet in order to assess the awareness of staff regarding ethics and encourages the EPPO to intensify its dialogue with staff via surveys and fostering staff attendance at periodic general gatherings;

45. Notes that no effective cases of conflict of interest were detected in 2022; welcomes the conflict of interest policy currently under development; notes that dedicated conflict of interest rules have been established for the members of the EPPO College, the EDPs, and the members of staff of the operational unit; observes that a code of professional standards for EPPO staff responsible for budget implementation and the charter of tasks and responsibilities of authorising officers by delegation provide the rules applicable in situations of possible conflicts of interest; observes, however, that while the EPPO complies with the general provision under Article 16 of the Staff Regulations, it has not adopted a targeted policy on revolving doors; encourages the EPPO to adopt such policy;
46. Notes that, in 2022, the EPPO's Internal Control Officer performed a review of the EPPO Anti-Fraud Strategy 2021-2022 action plan following which an updated version (Anti-fraud Strategy 2023-2025) was adopted on 1 March 2023 targeting the shortcomings and the emerging risks identified during the first year of implementation;
47. Stresses that a dedicated whistleblowing and anti-retaliation procedure is not yet formalised but it is being developed during 2023 and that, currently, the EPPO's Financial Rules provide instructions on the measures to be followed by a member of staff or other servant, including national experts seconded to the EPPO; emphasises that the whistleblowing and anti-retaliation policy should be formalised as soon as possible to ensure a safe and protected workplace; urges such a mechanism to be planned and structured carefully to separate true whistleblowers from those making false accusations, asserts that protections should be built in for those falsely accused or defamed, encourages the development of standards similar to other Union institutions in this regard;

### ***Digitalisation, Cybersecurity and data protection***

48. Understands that the Commission, via its Directorate-General for Informatics (now renamed Digital Services) will not be able to provide the EPPO with digital workplace services after mid-2024, due to a change in the Commission's IT systems and an IT policy limiting the provision of digital workplace services to only Commission's services; notes that EPPO's initial approach has been to prioritise resources on the setting and working of essential digital services linked to its operational activities, such as its Case Management System, while acknowledging that the EPPO's digital services, which are at least in part diverging from the Commission's, would have needed, in the mid-term, a tailored approach; observes that the intended interruption of service by the Commission could create an additional problem to the EPPO's organisation in the crucial phase of consolidating its establishment; calls on the Commission to facilitate the EPPO's transition towards a satisfactory level of digital autonomy in its core services;
49. Strongly urges the Commission IT service not to be interrupted until the EPPO has a reliable IT system to avoid loss of data in particular on case files; emphasises that clear communication and operational coordination on this is necessary at the highest levels between the Commission and the EPPO; underscores that a smooth and continuous transition between systems is key to workflow continuity, reliability of data and functioning operational structures;

50. Notes that the EPPO is encountering obstacles related to the processing of non-digitalised documents collected by national authorities and private parties in the context of investigations; calls on Member States to digitalise their documents and procedures to allow the EPPO to be more cost-efficient;
51. Understands that the current challenge in digitalisation is enhancing automatised searches and tasks in order to increase the performance and usability of the EPPO's Case Management System, which is essential to give to the EPPO a "helicopter view" of the criminal networks and identify links between cases; observes that reducing outsourcing and strengthening security are material to an efficient response to increased physical and cyber threats to the EPPO's central and decentralised offices;
52. Notes the increased budget invested in IT projects in 2022 (EUR 11.3 million compared to EUR 6.1 million in 2021 in the period of financial autonomy); appreciates in particular the attention devoted to the setting up and implementation of the EPPO's Case Management System (CMS) which is expected to provide the capability of interoperability with 22 Member States; understands that the efficiency of the existing tools in terms of interoperability is suboptimal and that only the adoption of minimum common data exchange agreements and judicial interoperability tools will allow an effective exchange of information and cooperation via the different platforms used by the various Member States; encourages the EPPO to further pursue coordination with Member States and cooperation with the relevant IBOAs to design a common exchange model compared to the current situation where hit-no-hit is based on bilateral models;
53. Underlines the increased threat to the EPPO's IT structural integrity stemming from the aggressiveness of organised crime, combatted by the EPPO, and resulting in the need to step up physical and digital security; endorses the EPPO's intention to build on its own cybersecurity capacity to supplement and collaborate with the services of CERT-EU and DG DIGIT; supports the EPPO in its request for additional resources to be allocated to protecting its cybersecurity; encourages the EPPO staff to actively express the need for additional cybersecurity infrastructure or cybersecurity training both within the organisation itself and to Parliament and the Commission through the appropriate channels;
54. Appreciates the EPPO's development of its own Case Management Ecosystem the components of which are all hosted in the EPPO data centre and managed by the EPPO's staff, guaranteeing the EPPO control, retention and ownership of systems and data processed;
55. Acknowledges the EPPO's need for up-to-date equipment, cybersecurity and IT systems to deal with increasingly complicated crimes frequently involving digital elements; notes the EPPO's presentation during the Budgetary Control Mission to Luxembourg in October 2023 on the steady increase of crimes involving digital elements, including cyber currency fraud;
56. Calls on the Commission's Digital Services and the EPPO to establish easily identifiable email addresses for the EPPO that are not misleading, as currently the 'ext.ec' ending in the email addresses can be confusing for staff in other institutions and for outside communication as this is the ending usually only given to external consultants and undermines the legitimacy of the EPPO's staff using the email address;



57. Encourages the services of the EPPO and the EDPs to continue their work in a coordinated manner and to ensure the effective supervision of processing of the data they gather, at the same time guaranteeing respect for individuals' rights with regard to data protection;

### ***Buildings and security***

58. Welcomes the signature of the lease agreement with the Luxembourg authorities for the use of the building currently hosting the EPPO's headquarters (TOB building) and formalising the provision of the current EPPO offices rent free until 31 December 2029; understands that such agreement may be extended tacitly on an annual basis, unless terminated by either party with twelve months' notice; observes that the EPPO pays a service charge of EUR 716 724 per year and one-off costs for additional security and other additional facilities requested by the EPPO; points out that the refurbishment started in 2022 for two additional floors of the TOB to be used by the EPPO and to be adapted to the nature of the EPPO's work, which is not fully compatible with open spaces and hot desks;
59. Stresses that, in terms of physical security, the EPPO has implemented security measures, equipment and processes to address threats to its premises, assets and personnel; points out that a number of policies, procedures and guidelines also support the implementation of physical security measures; appreciates, in this regard, the carrying out, in 2022, of a physical security risk assessment to identify gaps and to address them; is aware that, in June 2023, the EPPO asked for 21 additional posts to enhance its security capability, reiterates that this need for security was further emphasised by the EPPO's staff in the Budgetary Control Mission to Luxembourg in October 2023 and that such a request was satisfied in November 2023 with an amending budget covering 8 posts, and the remaining 13 posts will be incorporated into the budget for 2024; underscores the need for the EPPO to continue to have an adequate part of the budget allocated to security measures and security staff to better protect all staff, in particular considering the confidential nature of investigations of high-level, high-stakes fraud cases; urges that prosecutors and staff should be amply protected in order to be able to do their work to the full extent without the threat of physical or psychological violence and without outside influence or pressure;

### ***Environment and sustainability***

60. Is aware that because the EPPO's headquarters are in Luxembourg and the relevant services are provided by the national authorities, who are also in charge of investments related to sustainability and energetic performance, the EPPO has not engaged in any specific action for renewable energy such as the installation of solar panels, EMAS rules and CO<sub>2</sub> offsetting;
61. Understands that the TOB building is located in the proximity of public transport and invites the EPPO to build on the current situation to adopt a strategy for the sustainable mobility of its staff;

### ***Interinstitutional cooperation***

62. Praises the efforts deployed by the EPPO to engage in intensive cooperation and coordination with partners and stakeholders and believes that the EPPO's role as the

major operational component of the Anti-Fraud Architecture implies a continuous effort of communication and coordination with the several partners, whose action has been designed to be reciprocally complementary;

63. Takes note that EPPO indicated that of the 3,318 crime reports received in 2022, 103 were from Union institutions and bodies (55 from the European Anti-Fraud office, 16 from the Commission, 9 from Eurojust, 8 from the Court of Auditors, 3 from the European Central Bank, and 1 from Parliament), appreciates the effective interinstitutional cooperation between the EPPO and the relevant institutions in this regard;
64. Points out the importance of the operational coordination and cooperation between the EPPO and OLAF, having specific regard to the opening of complementary OLAF investigations and administrative investigations in support of the EPPO; calls on the two Offices to further progress their dialogue to strengthen their cooperation in consideration of the benefits that would stem from it in terms of sound use of the available resources; further calls on the EPPO and OLAF to avoid overlaps and duplication of activities, and encourages sincere, mutual and synergistic collaboration in the exercise of their mandate, with a view to maximising the efficiency of their actions;
65. Underlines that the notifications from the EPPO to the Commission foreseen by Article 103(2) of Regulation (EU) 2017/1939 represent an innovative tool for the safeguard of the Union's budget; observes that in this specific regard no feedback has been yet provided by either party, preventing the legislators from gaining a comprehensive understanding of the underlying issues; welcomes the efforts of the EPPO and the Commission to improve the internal mechanism ensuring the transmission of such notifications and stresses that the working group recently established with the Commission should ensure that the EPPO notifications, for the purpose of administrative recovery as provided in Article 103(2)(c), duly and effectively enable the Commission to maximise recovery to the Union budget, while complying with the confidentiality and proper conduct of the investigative actions; insists that the annual meetings on the implementation of the Commission-EPPO Working Arrangement should focus on the coordination of adopting protective and corrective measures to safeguard the Union budget; calls on the EPPO to advise the Delegated Prosecutors in the Member States in their efforts that support the Commission's actions to safeguard the Union budget; once again asks both the EPPO and the Commission to report on this specific matter;
66. Remarks that working arrangements and working agreements have been signed between the EPPO and its main partners: Europol, Eurojust, OLAF, the Commission, the Court of Auditors and the EIB Group in the spheres of prevention, detection, analysis and intervention; understands that the EPPO is building an in-house capacity to support its work with case-by-case analysis; encourages the EPPO and its partners to enhance their cooperation in order to build on the set of competences and experiences already tested, to avoid duplication and loss of focus on the core of the mandate of each component of the Anti-Fraud Architecture and to optimise the use of the available resources;
67. Given the large number of active cases involving RRF funds, encourages the EPPO to notify the Commission of an increase in active RRF cases, encourages the EPPO to also notify the Commission, in particular the Recovery and Resilience Task Force, of possible oversight or control gaps or fraud patterns in active RRF cases so that the

Commission can update instruments and mechanisms in performance monitoring and in communicating gaps with member states in order to avoid future fraud; reminds all actors that RRF funds are European and not national funds and are under the jurisdiction of the EPPO;

68. Understands that negotiations with Parliament to update the working arrangements are still ongoing; believes that this situation could provide an opportunity to explore new opportunities for communication and cooperation between the EPPO and the competent Parliamentary Committees;
69. Regrets the insufficient appreciation shown by the EPPO in handling the waiver-of-immunity requests made to Parliament for waivers of immunity in 2022;
70. Points out that it was set up recently, but nonetheless invites it, in the official relations it is called upon to develop with national and Union institutions, to gain an insight into the various procedures they implement and to comply with them, taking care not to undermine its status and tasks;
71. Notes that, in 2022, the EPPO had signed 20 Service Level Agreements (SLAs) or Memorandums of Understanding (MOUs) with other Union institutions and bodies and that this allowed for the maximisation of budgetary savings from the contractual instruments in place, in line with the principles of sound financial management;
72. Emphasises the importance of engaging in productive dialogue with non-participating Member States with a view to reaching effective working arrangements with them; notes that, in 2022, the five non-participating Member States were involved in 86 EPPO investigations (compared to 48 investigations in 2021);
73. Observes that cooperation, based on the relevant Union acts on judicial cooperation in criminal matters, works smoothly with Denmark, Hungary and Sweden, even if at a different pace than with the participating countries; notes that, with Poland, the working arrangement has been finalised at technical level but it was not signed in 2022 because the amendments to the Polish Code of Criminal Procedure (recognising the EPPO as a competent authority for the relevant Union instruments on judicial cooperation in criminal matters) only came into force on 27 December 2022; remarks that this also resulted in the EPPO reporting to the Commission, in accordance with the Conditionality Regulation, about the systematic lack of cooperation by Poland during 2021 and 2022 and its direct negative impact on the EPPO's capacity to protect the Union budget by means of criminal investigations and prosecutions; strongly welcomes, therefore, the starting of the process of joining the EPPO following applications submitted by the new Polish Government in December 2023 and by Sweden, as announced in January 2024, and is convinced that Sweden and Poland joining the EPPO will strengthen the overall protection of the financial interests of the Union;
74. Regrets that, in 2022, the Irish authorities have refused to cooperate with the EPPO and to execute several requests for mutual legal assistance sent by the EDPs, invoking a lack of legal basis; remarks also that this resulted in the EPPO reporting the situation to the Commission in accordance with the Conditionality Regulation; welcomes, however, the recent decision of the Irish authorities to amend their domestic legislation providing the legal framework for mutual legal assistance to the EPPO;

75. Reiterates that the lack of cooperation with the EPPO by any of the Member States, either participating or not in the enhanced cooperation, runs the risk of creating niches of immunity and privilege that make the defence of the financial interests of the Union uneven and inefficient at best; calls on the Commission and the Member States concerned to make any possible effort to integrate the current scenario with the few but still very important missing components, promoting the extension of the participation in the EPPO by the other still non-participating Member States in such a way that strengthens the effectiveness of the protection of the Union and national budgets;
76. Welcomes the conclusion of several working arrangements with authorities from third countries notably the Ukraine, Albania, Moldova, Montenegro, Georgia and North Macedonia;

### ***Communication***

77. Praises the EPPO's efforts to enhance internal and external communication; is aware that internal communication has been improved to strengthen cooperation between units and facilitate the exchange of information and best practices; appreciates the intensive actions carried out via social network platforms and is monitoring trends in order to seize the opportunities offered by free open-source self-hosted social network platforms;
78. Believes that the EPPO's efforts in communicating its activities and raising awareness among taxpayers about the magnitude of its actions is very important; welcomes in this regard the increase of the number of public communications and the efforts to increase the visibility of the "Report A Crime" functionality on the EPPO's corporate website; calls on the EPPO to clearly communicate results and findings, striking an optimal balance between transparency and public interest, on the one hand, and confidentiality and proper conduct of the investigation on the other; calls on the EPPO to ensure neutral communication regarding its activities and to ensure that any issues previously observed are adequately addressed;

### ***Effect of Russia's war of aggression against Ukraine***

79. Understands that, in 2022, the increased inflation rate, a consequence of Russia's aggression against Ukraine, impacted the EPPO's general budget implementation, (resulting in a 6.9% indexation in staff remuneration and a general increase of prices in the acquisition of goods and services);
80. Underlines the importance of the EPPO's actions intended to maintain intensive communication and exchanges with the Ukrainian authorities, as well as with the other Union partners involved in expenditure and fraud detection activities in Ukraine, in order to protect the financial interests of the Union;
81. Appreciates the effort made by the EPPO to clarify that offences affecting Union funds allocated to third countries fall under its jurisdiction, even if committed in whole or in part outside the combined territories of the 22 participating Member States, whenever the offence is committed by a national of a participating Member State or by an Union official, or where a constituent element the offence takes place in Belgium or in Luxembourg -considered as the seats of the Union institutions, bodies, offices or

agencies involved in the expenditure of the Union budget- and even if the other constituent elements of the offence have occurred in Ukraine or other third country;

82. Observes that the EPPO signed two working arrangements with the Ukrainian Prosecutor-General's office and the National Anti-Corruption Bureau to facilitate cooperation in investigations on the basis of the 1959 Convention of the Council of Europe on mutual assistance in criminal matters; notes that training courses are organised in its premises for Ukrainian prosecutors and investigators to share their expertise in financial and complex investigations and that regular meetings at strategic and operational level have taken place since the signature of the working arrangements;
83. Welcomes the readiness of the EPPO's central office to activate a task force with Ukrainian authorities to coordinate investigations; believes that, in the context of the future Ukrainian Facility mechanisms, the existing framework and the partnership established with Ukrainian authorities would support investigation and prosecution and it would facilitate swift and reliable cooperation; calls on the authorities concerned to adopt a new agreement in mutual assistance in criminal matters between the Union and Ukraine to further strengthen cooperation in the specific context of the Facility mechanism, in particular for the seizure, confiscation and recovery of assets;
84. Takes note, nevertheless, of the high rate of corruption and fraud present in Ukraine, both before the current war and at present, cautions that extra precautions should be taken when cooperating on investigations, in order to protect staff and witnesses, notes, for example, that the EU Anti-Corruption Initiative financed by the Union which was founded in 2017 was found to be ineffective in fighting corruption by the Court of Auditors in 2021; recognises the efforts of the Ukrainian Parliament, the Verkhovna Rada, in cooperating with the European Union, and notes that further anti-corruption efforts are needed in order to successfully reach transparency goals;