2014 discharge: European GNSS Agency (GSA)

2015/2182(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament decided to grant discharge to the Executive Director of the European GNSS Agency in respect of the implementation of the budget for the financial year 2014. The vote on the discharge decision covers the closure of the accounts (in accordance with Annex V, Article 5(1)(a) to its Rules of Procedure).

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2014, Parliament adopted by 515 votes to 109, with 10 abstentions, a resolution containing a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Agency's financial statements**: Parliament noted that the Union subsidy to the budget of the European GNSS Agency for the financial year 2014 was EUR 25 369 058, representing an increase of 81.55 % compared to 2013.
- **Commitments and carryovers**: Parliament acknowledged the efforts made by the Agency to reduce the level of carry-overs by committing the budget earlier in the year when possible and therefore enabling earlier payments. It noted, furthermore, that the Agency is developing a new budget management tool designed to aid implementation, monitoring and reporting on core and delegated budget with the aim of improving the management of both commitments and payment appropriations. It called on the Agency to inform the discharge authority of the improvements made by introducing that tool.
- **EGNOS**: Parliament noted that with regard to the exploitation of the European Geostationary Navigation Overlay Service ("EGNOS"), the Agency awarded an eight-year service provision contract ("ESP contract") with an initial contract value of EUR 436 million. In 2014, following a direct negotiated procedure, the Agency amended the service contract for an amount of EUR 6.3 million for the purchase and maintenance of 14 satellite signal receivers, 14 signal generators and other equipment relating to EGNOS. It noted with concern that an arrangement between the contractor and its two subcontractors was set up, as under the initial contract, which led to an accumulation of overheads and profits. Parliament noted that the ESP contract was awarded by means of a competitive tender and that it was chosen in order to secure service continuity requirement for "safety-of-life" ("SoL") service based on a qualified and certified system. It observed that the amendment of that contract must be considered to be an **intrinsic and non-separable part of the ESP contract** because it is necessary to secure the maintenance of the system as qualified and the delivery of the SoL service complying with the mandatory certification.

Parliament also made a series of observations regarding the financial and budgetary management of the Agency, in particular payment transfers, contract award, recruitment, control and internal audit procedures.

Parliament acknowledged that the Agency's Administrative Board adopted a policy on the **prevention and management of conflicts of interests** and encouraged the members of the Agency's administrative board to submit their declarations of interest for further publication on the Agency's website.

Lastly, Parliament noted that the Agency has **no insurance coverage** for fixed tangible assets with a net book value of EUR 1 million. It acknowledged that the Agency is currently analysing risks, value and criticality of each asset owned in order to assess the type of insurance which would suit its requirements. It asked the Agency to update the discharge authority on the progress made.