Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2016: performance, financial management and control

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The European Parliament adopted by 558 votes to 129, with 7 abstentions, a resolution concerning the discharge in relation to the implementation of the budget of the European Union agencies for the financial year 2016: performance, financial management and control.

Members recalled the importance of the agencies' tasks and their direct impact on the everyday lives of European citizens — health, safety, security, freedom and justice, research and industrial development, economic and monetary affairs, employment and social progress. However, they expressed their concern that in general the **visibility** of agencies for European citizens is **still limited**, whereas a high level of visibility is required for their accountability and independence.

On a **budgetary level**, Members noted that:

- the agencies' 2016 budget amounted to some **EUR 3.4 billion**, representing an increase of about 21.42 % compared to 2015 and about 2.4 % (compared to: 2 % in 2015) of the Union's general budget. This increase is mainly related to agencies working on matters related to industry, research and energy (additional EUR 358 million) and civil liberties, justice and home affairs (additional EUR 174 million);
- of the EUR 3.4 billion budget, **some EUR 2.4 billion were financed by the Union general budget**, some EUR 1 billion by fees and also by direct contributions from Member States, the European Free Trade Association countries and other sources.

Parliament called on the Commission to work in close cooperation with the agencies Network and the individual agencies when preparing its proposal for the **post-2020 Multiannual Financial Framework** and examining alternative sources of financing for the Union's decentralised agencies.

Parliament noted that the Court issued an **unqualified opinion** on the reliability of the accounts of all agencies. It noted in addition that the Court issued an unqualified opinion on the legality and regularity of the transactions underlying the accounts for all agencies, except for the European Asylum Support Office (EASO). Parliament called for the **discharge procedure to be streamlined and sped up**, proposing bringing forward the publication of the Court's annual reports on agencies for 1 July at the very latest, to permit the discharge procedure to be closed within the year following the accounting year in question

Common approach and Commission roadmap: Members recognised the implementation by the Union agencies of the Common Approach and its roadmap. They welcomed the **contribution provided by the Union Agency's Network** in coordinating, collecting and consolidating actions and information for the benefit of the Union Institutions, including the Parliament. Believing that the **network** provides for concrete added value in the relations between the Union Institutions and the decentralised agencies, Parliament suggested that it would be a benefit to support the management of the Network´s Shared Support Office in Brussels;

Budget and financial management: the report noted that despite a considerable decrease, a **high level of carry-overs** of committed appropriations remains the most frequent issue in budgetary and financial management, affecting 23 agencies, compared to 32 in 2015. Carry-overs may often be justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members pointed out that the tasks and budgets of the European Border and Coast Guard (Frontex) and the European Asylum Support Office (EASO) **increased significantly** in 2016. These agencies were confronted with administrative and operational challenges and high expectations without much **time to adapt their systems and procedures** and to hire the necessary staff. They faced problems in absorbing additional Union funds granted during the budgetary year, leading to considerable cancellations and carry-overs as well as difficulties in complying with budgetary and financial rules.

Parliament noted with concern that **public procurement** still remains an error-prone area. Members expressed their dissatisfaction with EASO, the European Monitoring Centre for Drugs and Drugs Addiction (EMCDDA), the European Agency for the operational management of large-scale IT Systems in the area of freedom, security and justice (eu-LISA), the European Medicines Agency (EMA) and the Body of European Regulators for Electronic Communications (BEREC), which did not fully comply with the public procurement principles and rules laid down in the Financial Regulation. These agencies should pay particular attention to the Court's comments on public procurement.

Cooperation among agencies and with other institutions – shared services and synergies: Parliament noted with satisfaction that some agencies already cooperate according to their thematic grouping, such as the justice and home affairs agencies and the European supervisory authorities. It urged other agencies to cooperate further.

It noted that some agencies continue to have **dual headquarters and multiple operational centres** and offices and it called for all dual and multiple seats which do not offer any operational added value to be done away with at the earliest opportunity. Parliament welcomed the results achieved in the field of savings and improved efficiency due to **the use of the joint services** through five large interagency joint procurements.

Human resources management: Members welcomed the fact that most agencies have already met or exceeded the **5 % reduction of staff**. However, they are concerned that with the additional staff reduction, fulfilment of the agencies' mandates and annual work programmes are proving increasingly difficult to deliver, particularly for the agencies classified by the Commission as "cruising speed agencies". The Commission and the budgetary authority are called on to look into other options in order not to hinder the agencies' ability to fulfil their mandate.

Parliament was also concerned about the fact that the **very low correction coefficient** applied in certain countries hinders the recruitment of qualified personnel at certain levels. It called on the Commission to work on the revision of the formula used to calculate the correction coefficient in order to find a more effective balance between a tempting salary and a low cost of living.

Conflicts of interest and transparency: Members expressed concern that only 22 agencies (71 %) have adopted internal rules and guidelines on **whistleblowing** and reporting irregularities. They regretted that internal whistleblowing procedures have not yet been implemented as justice and home affairs agencies were waiting for guidance or input from the Commission.

Other comments: Members noted the agreement reached at the General Affairs Council of 20 November 2017 to move EMA and the European Banking Authority (EBA) from London to Amsterdam and Paris respectively. They are aware of the **potential impact of the United Kingdom's departure from the Union** on them, in terms of future costs and loss of expertise, causing a risk to business continuity.