2016 discharge: European Institute of Innovation and Technology (EIT)

2017/2176(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the interim Director of the European Institute of Innovation and Technology (EIT) in respect of the implementation of the Institute's budget for the financial year 2016, and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the agency's annual accounts for the financial year 2016 are reliable and that the underlying transactions are **legal and regular**, Parliament adopted by 563 votes to 128 with 6 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies:

- **Budget and financial management**: Members noted that from the Institute's final accounts that its budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 95 %, representing a significant increase compared to the previous year (compared to 90.58% in 2015). They noted that the payment appropriations execution rate was high at 99 %, representing an increase of 3.41 % compared to 2015.
- **Commitments and carry-overs**: the level of carry-overs for committed appropriations for operational expenditure was high, at 40 % (EUR 400 000), compared to 44 % in 2015. Those carry-overs relate mainly to contracts for IT services going beyond year-end and for meetings for which invoices had not yet been received. Carry-overs may often be justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding procurement and staff policy, the prevention and management of conflicts of interests and internal audits and controls.

Parliament acknowledged that the **structural understaffing** of the Institute affected its main activities and that delays in grant decisions and signing of grant agreements were a source of uncertainty.

Members regretted that knowledge and innovation communities (KIC) legal entities' procurements of up to EUR 2 200 000 were considered **irregular** in 2016 and proved significant shortcomings in their procurement procedures. They also regretted that the Institute had **four directors from its creation in 2008** until July 2014. Since August 2014, the position of director, and, since February 2013, another managerial position, have been filled on an ad interim basis. They acknowledged the Institute's reply that it is not in a position to comment on the recruitment procedure for the Institute's director, as the Commission manages that. However, Members strongly urged the Commission to finalise this outstanding procedure.

Parliament considered that the role of the Institute as regards the **concept of 'Open Innovation'** introduced in 2015 as the key policy concept to frame innovation policy at Union level, does not provide a clear framework for the development of a coherent and coordinated action by the Commission, given the number of policies and instruments in the mix and number of Directorate-Generals involved in supporting the innovation. The Commission was asked to pursue a coordinated and effective innovation policy.