2018 discharge: European Institute of Innovation and Technology (EIT)

2019/2095(DEC) - 13/05/2020 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Director of the European Institute of Innovation and Technology (EIT) for the financial year 2018 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 Institute's annual accounts for the financial year 2018 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 603 votes to 75 with 15 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:

Institute's financial statement

The final budget of the European Institute of Innovation and Technology for the financial year 2018 was EUR 458 057 031.54, representing an increase of 35.33 % compared to 2017, mainly due to the increasing importance of Knowledge and Innovation Communities (KICs), in particular those on EIT Health, EIT Raw Materials and EIT Food, in their education, innovation and business creation activities. The overall contribution of the Union to the Institute's budget for 2018 amounted to EUR 312 886 716.

Budget and financial management

Budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 92.05 %, representing an increase of 0.82 % compared to 2017. The payment appropriations execution rate was 97.80 %, representing a decrease of 1.72 % compared to 2017. This slight increase in the commitment implementation rate is mainly owing to an increase in commitment execution in operational expenditure and, in particular, grants to the Institute's KICs.

Other observations

Members also made a series of observations regarding performance, staff policy, procurement, conflicts of interest and internal controls.

In particular, they noted that:

- the Institute uses additional key performance indicators to enhance its budget management;

- it reached another major milestone in 2018, growing to eight KICs, as provided for in the EIT Strategic Innovation Agenda for 2014 to 2020, including the designation of EIT Manufacturing and EIT Urban Mobility in December 2018. The three first-wave KICs are a cause for concern due to their low financial sustainability indicators, displaying only modest growth, with a higher concern with regard to the Climate-KIC, which has the lowest score;

- on 31 December 2018, the establishment plan was 97.73 % executed, with 43 temporary agents appointed out of 44 temporary agents authorised under the Union budget;

- the new director was appointed by the Institute’s governing board decision of 19 August 2019;

- the EIT decided to adopt a manual for informal procedures for cases of harassment and that the decision of the director of the Institute on the appointment of confidential counsellors will be adopted by end of 2019;

- the Institute requested the Commission to grant it seven additional posts from 2020 onwards to address the structural understaffing of the Institute, and to be able to fully implement the Institute’s work programme planned for 2020. However, the Commission did not grant the requested additional posts;

- in 2018 several potential conflicts of interests cases were identified and assessed and adequate measures were taken, including exclusion from relevant activities where a conflict of interests was identified;

- the Institute actively engaged with key stakeholders, including in the context of the Union’s next Multiannual Financial Framework and its Framework Programme for Research and Innovation. The Commission proposed a budget of EUR 100 billion for Horizon Europe, including a EUR 3 billion budget for the Institute.