2022 discharge: General Budget of the European Union Agencies

2023/2182(DEC) - 11/04/2024 - Text adopted by Parliament, single reading

The European Parliament adopted by 520 votes to 69, with 4 abstentions, a resolution on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2022: performance, financial management and control.

The resolution contains, for each body, cross-cutting observations accompanying the discharge decisions.

Budget

The main findings are as follows:

- the cumulative total for the 2022 budget for the 33 decentralised Union agencies amounted to around **EUR 3 471 million** in commitment appropriations, representing an increase of 8.2 % compared to 2021, and amounted to EUR 3 035 million in payment appropriations, a decrease of 1.78 % compared to 2021;

- of the EUR 3 035 million in payment appropriations, approximately EUR 2 781 million were financed from the general budget of the Union, representing 74.85 % of the agencies' total financing in 2022 (compared to 77.27 % in 2021);

- approximately EUR 935 million were financed by fees and charges and by direct contributions from participating countries (an increase of 28.23 % compared to 2021).

The total final budget for 2022 (after amending budgets) of all decentralised Union agencies was **approximatively 16 % higher than that for 2021**, while the inflation rate in the Union reached up to 11.5 % in October 2022. Members noted, in this context, that the increase in the budget of some agencies from 2021 to 2022 has been significant, representing more than + 60 % (for ENISA, eu-LISA, EFCA), approximately 30 % or more (for ELA, EEA, Frontex) and more than +20 % (for EUSPA, EUAA).

Main risks identified by the Court

According to the Court's report, the overall risk to the reliability of agencies' accounts is low. The overall risk to the legality and regularity of revenue underlying the agencies' accounts to be low for most agencies, and to be medium for the partly self-financed agencies.

Members noted with concern that, for a fifth year in a row, the Court considers the risk to sound financial management to be medium, primarily associated with public procurement procedures.

The resolution stated that the Court considered the risk to budget management to be low, with the Court's audit showing high carryovers of committed appropriations, which were, however, justified according to the Court by the multiannual nature of operations or for reasons beyond the agencies' control. The Agencies are called on to strengthen their budget management and financial planning.

Budget and financial management

Members stated that the Court issued an **unqualified opinion** on the legality and regularity of the revenue underlying the accounts for all agencies; **except four**: the Translation Centre for the Bodies of the

European Union (CdT), the Agency for Law Enforcement Training (CEPOL), the European Centre for Disease Prevention and Control (ECDC) and the Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA). The qualified opinions were issued by the Court due to non-compliant expenditures of EUR 1.3 million (for CdT), EUR 4.26 million (for CEPOL), EUR 0.6 million (for ECDC) which led the Court to estimate a total amount of non-compliance expenditure representing 2.8 % of the total payment appropriations available in 2022 and EUR 17.8 million (for eu-LISA).

As regards the reliability of accounts, the Court issued an 'emphasis of matter' paragraph for the European Medicines Agency (EMA), the European Union Agency for Railways (ERA), the European Securities and Markets Authority (ESMA), the European Union Agency for Asylum (EUAA), the European Union Agency for Criminal Justice Cooperation (Eurojust), eu-LISA, the European Border and Coast Guard Agency (Frontex).

Members noted with concern the Court's observation regarding weaknesses related to various aspects of budgetary management such as excessive levels of carry-over of appropriations, high rates of late payments and fee/revenue related issues in the case of 16 agencies.

Performance

Members noted that all agencies use various systems of key performance indicators (KPIs), planned outputs or strategic targets set as part of their performance measurement. They noted the achievements and successes of all agencies in 2022, the first year of the unprovoked and unjustified Russian war of aggression against Ukraine, welcoming, in this context, the rapid measures taken by the agencies in various areas such as justice and home affairs (such as the EUA, Frontex, Europol or the FRA), the supervision of financial systems (such as ESMA), security and defence (such as EASA) or employment, social affairs and inclusion (such as Eurofound).

The resolution emphasised the importance of the role played by the Union's agencies responsible for justice and home affairs (JHA), insisting that the agencies be given sufficient financial and human resources.

Efficiency and gains

Member called on the agencies to continue developing synergies (in areas such as human resources, procurement, digitalisation, building management, IT services and cyber-security), as well as cooperation and exchange of good practices with other Union agencies with a view to improving efficiency, in particular given the impact of the war in Ukraine and inflationary strains. Parliament welcomed that 19 out of 33 decentralised Agencies have implemented corporate plans to improve energy efficiency and climate neutrality. The level of digitalisation of agencies needs to be improved.

Staff policy

In 2022, the 33 decentralised agencies reported that they employ a total of **10 146 members** of staff compared to 9 631 in 2021, representing an increase of 5.34 % compared to 2021. Concrete measures for geographical balance to be improved.

Despite a slight improvement, the gender balance reported for staff overall deteriorated, with 54.26 % men and 46.74 % women (50.3 % and 49.7 %, respectively in 2021). The Agencies are called on to work on improving further the gender balance in senior management. 17 agencies have already adopted the Charter on Diversity and Inclusion that had been endorsed by the Working Group dedicated to issues in the area of diversity and inclusion. The remaining agencies are invited to adopt that Charter without delay.

Conflicts of interest

The resolution noted that, with the exception of one agency, all the agencies have a policy for preventing and managing conflicts of interest. In this context, it pointed out that rules on transparency, incompatibilities, conflicts of interest and "revolving door" situations, illegal lobbying and strategies to combat fraud must be regularly updated. All the agencies request declarations of interest for their management board members and senior management and that they publish them on their website.

Public procurement

Members noted with great concern that the Court observed 48 weaknesses in public procurement in 2022 (compared to 34 in 2021 and 18 in 2020) and that the number of agencies concerned is increasing with 24 agencies concerned in 2022 (compared to 22 agencies in 2021 and 14 agencies in 2020). They are concerned that such weaknesses remain the largest source of irregular payments, stemming from irregular procurement procedures reported either in 2022 or in previous years.

They recalled the importance for all procurement procedures, to ensure fair competition between tenderers and to procure goods and services at the best price, respecting the principles of transparency, proportionality, equal treatment and non-discrimination. They invited all agencies to implement all the e-procurement IT tools developed by the Commission.