Basic information

2011/2226(DEC) DEC - Discharge procedure	Procedure completed
2010 discharge: European Food Safety Authority (EFSA) **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MACOVEI Monica (PPE)	03/03/2011
	Shadow rapporteur HERCZOG Edit (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) CZARNECKI Ryszard (ECR) SØNDERGAARD Søren Bo (GUE/NGL) ANDREASEN Marta (EFD) HARTONG Lucas (NI) EHRENHAUSER Martin (NI)	

Former committee responsible	Former rapporteur	Appointed
CONT Budgetary Control	MACOVEI Monica (PPE)	03/03/2011

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Climate and Food Safety	HAUG Jutta (S&D)	10/07/2012

Former committee for opinion	Former rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	HAUG Jutta (S&D)	05/10/2011

European Commission	Commission DG	Commissioner
	Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
26/07/2011	Non-legislative basic document published	COM(2011)0473	Summary
12/10/2011	Committee referral announced in Parliament		
27/03/2012	Vote in committee		
04/04/2012	Committee report tabled for plenary	A7-0106/2012	Summary
10/05/2012	Decision by Parliament	T7-0173/2012	Summary
10/05/2012	Results of vote in Parliament		
10/05/2012	Debate in Parliament		
10/05/2012	Report referred back to committee		
26/09/2012	Vote in committee		
02/10/2012	Committee report tabled for plenary	A7-0299/2012	Summary
23/10/2012	Decision by Parliament	T7-0365/2012	Summary
23/10/2012	End of procedure in Parliament		
20/12/2012	Final act published in Official Journal		

Technical information

Procedure reference	2011/2226(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/09687 CONT/7/07248

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	ENVI	PE476.053	24/01/2012	
Committee draft report		PE473.970	13/02/2012	
Amendments tabled in committee		PE483.626	07/03/2012	

Committee report tabled for plenary, single reading		A7-0106/2012	04/04/2012	Summary
Text adopted by Parliament, single reading		T7-0173/2012	10/05/2012	Summary
Committee draft report		PE491.067	20/06/2012	
Amendments tabled in committee		PE494.823	10/09/2012	
Committee opinion	ENVI	PE494.532	20/09/2012	
Committee report tabled for plenary, single reading		A7-0299/2012	02/10/2012	Summary
Text adopted by Parliament, single reading		T7-0365/2012	23/10/2012	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	06083/2012	08/02/2012	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0473	26/07/2011	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0017/2012 OJ C 366 15.12.2011, p. 0106	06/09/2011	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2012/0800
OJ L 350 20.12.2012, p. 0076 Summary

2010 discharge: European Food Safety Authority (EFSA)

2011/2226(DEC) - 06/09/2011 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Food Safety Authority (EFSA), together with the Authority's replies.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Food Safety Authority (EFSA).

In the Court's opinion, **the Authority's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2010** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also considers that the **transactions underlying the annual accounts** of the Authority for the financial year ended 31 December 2010 are, in all material respects, **legal and regular**.

The report confirms that the Agency's 2010 budget amounted to EUR 74.7 million and that the number of staff employed by the Agency at the end of the year was 433.

The report also makes a series of observations on the budgetary and financial management of the Agency, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- Declarations of Interest of the Members of the Management Board is carried out by the Chairperson with the assistance of Vice Chairpersons. The Court states that this review process is insufficiently rigorous and insufficiently detailed. There is scope to improve the completeness and transparency of this procedure;
- weaknesses were noted in some recruitment procedures.

The Authority's response:

- in order to reinforce the self assessment of its Members Declarations of Interest the Management Board adopted in June 2011 a code of conduct as well as a draft policy on Independence and Scientific Decision-Making processes for public consultation. This new draft policy foresees that for any matters linked to the independence of members of the Board, the Authority might consult the EU institutions that contributed to the appointment process (Council, Parliament, Commission);
- as regards recruitment, the Authority adapted its guidelines to adhere to the ECA best practices recommendations.

Lastly, the Court of Auditors' report contains a **summary of the Authority's activities** in 2010. This is focused on the following:

- scientific outputs and supporting publications: scientific opinions and advice, Evaluation of products, substances and claims subject to authorisation, Data Collection, scientific cooperation and networking;
- various publications: scientific outputs supported by communication activities: 34%, 78 public consultations, 3 million web visits, 16 press releases, 59 web news stories and 116 interviews.

2010 discharge: European Food Safety Authority (EFSA)

2011/2226(DEC) - 08/02/2012

Having examined the revenue and expenditure accounts for the financial year 2010 and the balance sheet at 31 December 2010 of the European Food Safety Authority, as well as the Court of Auditors' report on the annual accounts of the Authority for the financial year 2010, accompanied by the Authority's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Authority in respect of the implementation of the budget for the financial year 2010.

However, the Council considers that observations made in the Court of Auditor's report call for a certain number of remarks:

- the Council welcomes the Court's opinion that, in all material respects, the Authority's annual accounts fairly present the financial position as at 31 December 2010 and the results of operations and cash flows for the year then ended, in accordance with the provisions of the Authority's Financial Regulation, and that the underlying transactions for that financial year are legal and regular;
- as regards the review process of the Declarations of Interest of the Management Board's Members, the Councils shares the Court's opinion that a more rigorous methodology should be adopted in order to **improve the completeness and transparency of this procedure**;
- it also urges the Authority to correct the **weaknesses identified in its staff selection procedures**.

2010 discharge: European Food Safety Authority (EFSA)

2011/2226(DEC) - 04/04/2012 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Monica Luisa MACOVEI (EPP, RO) on granting discharge to the European Food Safety Authority. The committee **postpones its decision** on granting the Executive Director of the European Food Safety Authority discharge in respect of the implementation of the Authority's budget for the financial year 2010. It also postpones the closure of the accounts of the European Food Safety Authority for the financial year 2010 and makes a number of recommendations, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Budget and Financial Management**: Members recall that the Authority had a budget execution rate of only 83.5% in terms of payment appropriations in 2010 due to delays in contracting scientific cooperation activities. They urge the Authority to take further action to enable a satisfactory budget execution in terms of both commitment and payment appropriations and to inform the discharge authority of the progress achieved. They also find it unacceptable that while the Management Board of the Authority consists of only 15 members, each meeting costs on average EUR 92 630, which represents an amount of EUR 6 175 per member (this amount is nearly three times higher than the second most expensive Management Board of a decentralised agency);
- **Carryovers and contract management process**: Members acknowledge from the Authority that 6% of commitments for operational activities carried over from 2009 had to be cancelled. They urge, once more, the Authority to improve its budget management in order to reduce its high carryover amounts. They urge, in addition, the Authority to improve the reporting on contract implementation in order to guarantee effective supervision and management of its operational activities;
- **Human resources**: Members call on the Authority to address its weaknesses in recruitment procedures, which put at risk the transparency of the procedures. They acknowledge, in particular, from the Court of Auditors that the Authority did not ensure the anonymity of the written tests and decided pass marks for the various stages of the selection process after the evaluation process had already started;
- **Conflict of interest and 'revolving door' cases**: Members note that in September 2010 the Chair of the Management Board was reported to have direct links to the food industry, and to be a member of the Board of Directors of the International Life Science Institute (ILSI) – Europe. They consider that, while a dialogue with industry on product assessment methodologies is legitimate and necessary, this dialogue should not undermine the independence of the Authority nor the integrity of risk assessment procedures. Members ask therefore the Authority to consider as a conflict of interest the current or recent past participation of its Management Board, panel and working group members or staff in ILSI activities such as taskforces, scientific committees or chairs for conferences. They note that ILSI is financed by firms in the food, chemical and pharmaceutical sectors. They consider, therefore, that a thorough case-by-case analysis of these reports and of possible and actual conflicts of interest should be carried out ;
- Members note that in March 2010 a German NGO turned to the European Ombudsman, complaining that the Authority did not adequately address a potential conflict of interest concerning the move of its Head of Genetically Modified Organisms Unit to a biotechnology company in 2008 less than two months after the staff member in question left the Authority, without a ‘cooling off’ period. The Ombudsman concluded that the Authority had not carried out a thorough assessment of the alleged potential conflict of interest and called on the Authority to improve the way in which it applies its rules and procedures in future ‘revolving door’ cases. They once more, urge the Authority to take appropriate measures in cases of conflict of interests and 'revolving door' cases, including when cases occur within the Management Board, and to inform both the discharge authority and the public promptly of the measures taken. They call therefore on the Authority to inform the discharge authority in writing by 30 June 2012 of the steps undertaken to implement the new policy on independence and scientific decision-making processes and to conform to the OECD definition of conflict of interest when renewing its panels and its scientific committee;
- **Performance**: Members underline the need for the Authority to ensure that its advice is of a high quality and is independent, in order to guarantee compliance with Union safety standards, scientific excellence and independence on all matters with a direct or indirect impact on food and feed safety, and plant protection. They consider that the main tasks of the Authority are the provision of independent scientific advice on matters with a direct or indirect impact on food safety, the conduct of risk assessments to provide Union institutions, Member States and policy-making bodies with a sound scientific basis for defining policy-driven legislative or regulatory measures and the collection and analysis of scientific data;
- **Internal Audit**: Members acknowledge that six “very important” recommendations from the IAS still need to be implemented and that three of them have already been delayed for over 12 months. They call, therefore, on the Authority to rapidly address these deficiencies, and to inform the discharge authorities of the results achieved.

2010 discharge: European Food Safety Authority (EFSA)

2011/2226(DEC) - 10/05/2012 - Text adopted by Parliament, single reading

The European Parliament adopted by a small majority (321 votes to 306, with 14 abstentions) a decision aiming to **postpone** granting the Executive Director of the European Food Safety Authority discharge in respect of the implementation of the Authority's budget for the financial year 2010. It also postpones the closure of the accounts of this Agency.

The reasons for this postponement are set out in a resolution adopted on the same day by 481 votes to 128 and 31 abstentions. These may be summarised as follows:

- **Conflict of interest and 'revolving door' cases**: Parliament notes that in September 2010 the Chair of the Management Board was reported to have direct links to the food industry, and to be a member of the Board of Directors of the International Life Science Institute (ILSI) – Europe. It considers that, while a dialogue with industry on product assessment methodologies is legitimate and necessary, this dialogue should not undermine the independence of the Authority nor the integrity of risk assessment procedures. Parliament asks therefore the Authority to **consider as a conflict of interest the current or recent past participation of its Management Board, panel and working group members or staff in ILSI activities**. It notes that **ILSI is financed by firms in the food, chemical and pharmaceutical sectors**. It considers, therefore, that a thorough case-by-case analysis of these reports and of possible and actual conflicts of interest should be carried out;
- **Revolving door cases**: Members note that in March 2010 a German NGO turned to the European Ombudsman, complaining that the Authority did not adequately address a potential conflict of interest concerning the move of its Head of Genetically Modified Organisms Unit to a biotechnology company in 2008 less than two months after the staff member in question left the Authority, without a ‘cooling off’ period. The Ombudsman concluded that the Authority had not carried out a thorough assessment of the alleged potential conflict of interest and called on the Authority to improve the way in which it applies its rules and procedures in future ‘revolving door’ cases. They once more, urge the Authority to take appropriate measures in cases of conflict of interests and 'revolving door' cases, including when cases occur within the Management Board, and to inform both the discharge authority and the public promptly of the measures taken. They call therefore on the Authority to inform the discharge authority in writing by 30 June 2012 of the steps undertaken to implement the new policy on independence and scientific decision-making processes and to conform to the OECD definition of conflict of interest when renewing its panels and its

scientific committee. Parliament observes that the Authority is **repeatedly challenged over alleged cases of conflicts of interest** involving members of the experts' panels, especially in the case of the panels on 'Food additives and nutrient sources added to food' (ANS) and ' Genetically modified organisms' (GMOs);

- **Budget and Financial Management**: Parliament recalls that the Authority had a budget execution rate of **98.8%,** only 83.5% in terms of payment appropriations, which is **11% below the target set by the Authority**. Corrective action should be taken;

- **Management Board meetings costs are excessive**: Parliament finds it unacceptable that while the Management Board of the Authority consists of **only 15 members**, **each meeting costs on average EUR 92 630** (this amount is nearly three times higher than the second most expensive Management Board of a decentralised agency). This situation should be remedied immediately ;

- **Carryovers and contract management process**: Parliament acknowledges from the Authority that 6% of commitments for operational activities carried over from 2009 had to be cancelled. It urges once more, the Authority to improve its budget management in order to reduce its high carryover amounts. It urges, in addition, the Authority to improve the reporting on contract implementation in order to guarantee effective supervision and management of its operational activities;

- **Human resources**: Parliament calls on the Authority to address its weaknesses in recruitment procedures, which put at risk the transparency of the procedures. They acknowledge, in particular, from the Court of Auditors that the Authority did not ensure the anonymity of the written tests and decided pass marks for the various stages of the selection process after the evaluation process had already started;
- **Performance**: Parliament underlines the need for the Authority to ensure that its advice is of a high quality and is independent, in order to guarantee compliance with Union safety standards, scientific excellence and independence on all matters with a direct or indirect impact on food and feed safety, and plant protection;
- **Internal Audit**: Parliament acknowledges that six "very important" recommendations from the IAS still need to be implemented. It calls on the Authority to rapidly address these deficiencies.

2010 discharge: European Food Safety Authority (EFSA)

2011/2226(DEC) - 26/07/2011 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2010, as part of the 2010 discharge procedure.

Analysis of the accounts of the **European Food Safety Authority (EFSA).**

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2010 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Food Safety Authority (EFSA).

In 2010, the tasks and budget of this agency were as follows:

- **description of EFSA's tasks**: EFSA, which is located in Parma, was established by Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002. Its main tasks are to supply the scientific information needed for Union legislation to be drawn up, to collect and analyse data that allow risks to be identified and monitored and to provide independent information on these risks.
- **EFSA's budget for the 2010 financial year:** the Authority's 2010 budget amounted to EUR 74.7 million compared with EUR 71.4 million the previous year. The number of staff employed by the Authority at the end of the year was 433 as compared with 407 the previous year.

The complete version of EFSA's final accounts may be found at the following address: http://www.efsa.europa.eu/en/efsahow/funding.htm

2010 discharge: European Food Safety Authority (EFSA)

2011/2226(DEC) - 02/10/2012 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the second reading report of Monica Luisa MACOVEI (PPE, RO) on the discharge of the European Food Safety Authority (EFSA) which called on the European Parliament to **grant the Executive Director of the European Food Safety Agency discharge in respect of the implementation of the Authority's budget for the financial year 2010.**

To recall, in May 2012, Parliament postponed the discharge decision for the Authority chiefly because there was a problem of **conflict of interest** of some staff (please refer to the summary dated 10/05/2012).

Members approved the closure of the Authority's accounts for the 2010 financial year, and made a series of recommendations to be taken into account in the granting of the discharge:

- **conflicts of interest:** Members welcome the organisation of a mandatory session on **ethics and integrity** for all members of the Management Board in October 2012. However, they call on the Board to enforce effectively its Code of Conduct and adopt provisions preventing and sanctioning revolving door cases in order to avoid similar situations to the one of its former Chairperson in the future. Recalling the case of conflict of interest mentioned in its resolution to postpone the discharge (as reported in the summary of 10 May 2012), Members took careful note of all new policies, rules, implementing measures and actions which have been set up since 2007 to offset this problem. They

particularly welcome the code of conduct of the Authority's Management Board and its members' active approach in reviewing their declarations of interest, and the new rules for screening for conflicts of interest in force since July 2012. Members indicate that, in this regard, they will continue to invite the Executive Director for an exchange of views on a regular basis;

- **the Authority's full independence policy:** Members take note that the Authority's new policy on "independence and scientific decision-making processes" together with its implementing rules entered into force in July 2012 and that the Authority's new definition of conflicts of interests is compatible with the OECD guidelines. They note that the Authority scheduled an evaluation of its independence policy by the end of 2013 and committed to consider, inter alia, the possibility to publish the outcomes of the breach of trust procedures. They expect the Authority to inform the discharge authority on this matter by the start of the next discharge procedure. Overall, the Members encourage the Authority to further strengthen its independence policy and to consider adopting rules among others including sanctions in case of conflict of interest;

- **for steps to be taken in cases of non-compliance:** Members are firmly convinced that steps have to be taken should cases of non-compliance with existing rules occur and call on the Authority to draw up an action plan, accompanied by a precise timetable, aiming to remedy the shortcomings. Either the European Parliament or the European legislator has to address these problems by changing the existing rules and regulations to eliminate possible loopholes. Noting the package of measures taken by the Authority towards this end, Members welcome the Authority's initiative to screen by 31 October 2012 their declarations of interest against the newly adopted policy of the independence of the Authority. In this regard, they call on the Authority to introduce in its annual activity reports a special section describing the actions taken to prevent and manage conflict of interest;

- **transparency:** Members encourage the Authority to improve the openness and transparency of the risk assessment process, to better take into account independent peer-reviewed scientific literature and to provide detailed justification when it rejects diverging views. They especially encourage the Authority to increase dialogue and cooperation with external experts and national agencies, especially when they hold diverging views on a specific risk assessment process.

Overall, Members welcome the agreement on the Joint Statement and the Common Approach of the European Parliament, the Council and the Commission on decentralised agencies in which certain elements of importance to the discharge have been addressed and taken up.

2010 discharge: European Food Safety Authority (EFSA)

2011/2226(DEC) - 23/10/2012 - Text adopted by Parliament, single reading

Parliament adopted a decision concerning the discharge **to be granted to the Executive Director of the European Food Safety Authority (EFSA) in respect of the implementation of the Authority's budget for the financial year 2010**. The decision to grant the discharge shall also constitute the closure of the accounts for this Agency.

To recap, in May 2012, Parliament postponed the discharge decision for the Authority chiefly because there was a **problem of conflict of interest** of some staff (as reported in the summary dated 10/05/2012).

Parliament approved the closure of the Authority's accounts for the 2010 financial year and made a series of recommendations to take into account on the granting of the discharge:

- **conflicts of interest:** Parliament welcomes the organisation of **a mandatory session on ethics and integrity** for all members of the Management Board in October 2012. However, it calls on the Board to enforce effectively its Code of Conduct and adopt provisions preventing and sanctioning revolving door cases in order to avoid similar situations to the one of its former Chairperson in the future. Recalling the case of conflict of interest mentioned in its resolution to postpone the discharge (as reported in the summary of 10 May 2012), Parliament took careful note of all new policies, rules, implementing measures and actions which have been set up since 2007 to offset this problem. It particularly welcomes the code of conduct of the Authority's Management Board and its members' active approach in reviewing their declarations of interest, and the new rules for screening for conflicts of interest in force since July 2012. It indicates that, in this regard, they will continue to invite the Executive Director for an exchange of views on a regular basis;
- **the Authority's full independence policy:** Parliament takes note that the Authority's new policy on "independence and scientific decision-making processes" together with its implementing rules entered into force in July 2012 and that the Authority's new definition of conflicts of interests is compatible with the OECD guidelines. It notes from the Authority that its practical approach concerning an expert breaching the independence policy rules is exclusion for a 5-year period. It observes that the Authority scheduled an evaluation of its independence policy by the end of 2013 and committed to consider, inter alia, the possibility of publishing the outcomes of the breach of trust procedures. It expects the Authority to inform the discharge authority on this matter by the start of the next discharge procedure. Overall, Parliament encourages the Authority to further strengthen its independence policy and to consider adopting rules among others including **sanctions** in case of conflict of interest;
- **for steps to be taken in cases of non-compliance:** Parliament is firmly convinced that steps have to be taken should cases of non-compliance with existing rules occur and calls on the Authority to draw up an action plan, accompanied by a precise timetable, aiming to remedy the shortcomings. Noting the package of measures taken by the Authority towards this end, Parliament acknowledges that it scheduled for 1 October 2012 the launching of its first evaluation of a random sample of declarations of interest in order to verify their coherence with its newly adopted independence policy and implementing rules. It expects that the Authority will share the conclusions of that evaluation with the discharge authority by 1 March 2013 in order to reflect them in the next discharge procedure;
- **transparency:** Parliament encourages the Authority to improve the openness and transparency of the risk assessment process, to better take into account independent peer-reviewed scientific literature and to provide detailed justification when it rejects diverging views. It especially encourages it to increase dialogue and cooperation with external experts and national agencies, especially when they hold diverging views on a specific risk assessment process;

- **report on follow-up to the discharge:** Parliament calls on the Agency to introduce in its annual activity reports a special section describing the actions taken to prevent and manage conflict of interest, which should include, inter alia: i) the number of alleged cases of conflict of interest verified; ii) the number of revolving door cases; iii) the measures taken in each category of cases; iv) the number of breach of trust procedures launched and their outcomes; and v) the penalties applied.

Overall, Parliament welcomes the agreement on the Joint Statement and Common Approach adopted in June 2012 by the European Parliament, the Council and the Commission on decentralised agencies in which certain elements of importance to the discharge have been addressed and taken up.

2010 discharge: European Food Safety Authority (EFSA)

2011/2226(DEC) - 23/10/2012 - Final act

PURPOSE: to grant discharge to the European Food Safety Authority for the financial year 2010.

NON-LEGISLATIVE ACT: Decision 2012/800/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2010.

CONTENT: with this Decision and in accordance with Article 319 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament gives discharge to the Executive Director of the European Food Safety Authority for the implementation of the Authority's budget for 2010.

The Decision is consistent with the European Parliament's resolution adopted on 23 October 2012 and includes a series of observations that form an integral part of the discharge decision (refer to the summary of the opinion of 23 October 2012).

Decision 2012/801/EU, adopted on the same day, approves the closure of the accounts for this Community agency for 2010.