RESOLUTION (EU) 2020/1869 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0067/2020),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European GNSS Agency (the 'Agency') for the financial year 2018 was EUR 32 230 582, representing an increase of 13,22 % compared to 2017; whereas the increase related to titles 2 and 3; whereas the Agency's budget derives mainly from the Union budget ([2]);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2018 (the 'Court's report'), states that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 100 %, representing the same rate as in 2017; notes furthermore that the execution rate of payment appropriations was 83,72 %, representing a decrease of 2,48 % compared to 2017;

2. Notes that in addition to its core budget, the Agency continued to manage a large amount of delegated budget in 2018 for the European Geostationary Navigation Overlay Service (EGNOS), the Galileo Delegation Agreement, the Delegation Agreement for Public Regulated Service and the Horizon 2020 delegation agreement; notes that a total of EUR 1 173 219 279 was committed under a delegated budget in 2018 and EUR 796 500 300,84 made in payments;,

Cancellation of carry-overs

3. Welcomes the fact that the cancellation of carry-overs from 2017 to 2018 represents 3,25 % of the total amount carried over after a decrease of 2,05 % in comparison to 2017;

Performance

4. Notes that the Agency uses certain Key Performance Indicators to measure the added value provided by its activities and to enhance its budget management;

5. Notes that the Agency's Galileo and EGNOS programmes are now fully in their operational phase and that specifically with regard to Galileo, besides the successful launch in 2018 of the last four satellites before batch 3, the Agency completed the contract award activities;

6. Welcomes the fact that the Agency has outsourced its accounting services to the Commission since 2015 and that it shares the provision of the services related to business continuity management and the internal audit capability with other Agencies;

([1]) OJ C 116, 28.3.2018, p. 21.
([2]) OJ C 116, 28.3.2018, p. 22.

7. Notes that, in light of last year's comments and observations by the discharge authority, the mid-term evaluation of the Galileo and EGNOS programmes and of the Agency's performance was completed by the Commission and was presented to Parliament and the Council in October 2017;

8. Encourages the Agency to pursue the digitalisation of its services;

Staff policy

9. Notes that on 31 December 2018 the establishment plan was executed to 90,63 %, with 116 temporary agents appointed out of 128 that were authorised under the Union budget (compared to 116 authorised posts in 2017); notes that, in addition, 51 contract agents and 3 seconded national experts worked for the Agency in 2018; notes that 10 additional posts were allocated to the Agency for its 2018 establishment plan in addition to the 2 posts already provided for;

10. Notes with concern the lack of gender balance for 2018 among the senior managers (10 men and 2 women) and on the management board (44 men and 7 women);

11. Welcomes the fact that the Agency adopted the suggestion of the Court and finally published the vacancy notices on the website of EPSO in order to increase publicity; notes from the Agency's reply that it intends to publish all vacancy notices on the inter-agency portal, which is considered to be equivalent to EPSO from the Agencies' perspective, and that additionally, the Agency publishes its vacancy notices in specialised publications of the space sector;

Procurement

12. Notes that, according to the Court's report, the Agency signed a framework contact on the exploitation of the Galileo satellite system for 2017 to 2027 on 15 December 2016, amounting to EUR 1 500 000 000; notes moreover that the contract was awarded following a public procurement procedure; points out that one of the tenderers involved has launched legal proceedings, challenging the outcome of the procedure; notes that the judgement of the Court of Justice of the European Union (the Court of Justice) will rule on the legality and regularity of the procurement procedure for the framework contract and all related specific contracts and future payments; points out that the written procedure was closed in the first quarter of 2019, that the oral hearing was expected to take place during the second or third quarter of 2019, and that the judgement of the Court of Justice was expected to be delivered in the last quarter of 2019, but that, on 3 December 2019 the Court of Justice discontinued the proceedings (Case T-99/17) ([3]); notes, from the Agency's legal analysis on the consequences of a potential annulment of the award decision, that the Agency would likely not be required to terminate the contract but would, rather, be required to meet the plaintiff's legal costs of approximately EUR 300 000 as well as possible damages, which are mentioned in the Agency's annual accounts; calls on the Agency to report to the discharge authority on the developments in this regard;

13. Notes that following an internal assessment, in light of comments and observations by the discharge authority related to the use of e-procurement procedures, it was concluded that the e-submission module at its current stage of development did not address the Agency's complex procurement needs, and that for the time being it has been decided that tenders will not be carried out electronically; calls on the Agency to report to the discharge authority on the developments in this regard;

Prevention and management of conflicts of interests and transparency

14. Notes that one former high-level official occupies an advisory role under the active senior initiative, without financial emoluments;

15. Notes, in light of comments and observations by the discharge authority related to the declarations of interest and the publication of the CVs of the Agency's senior management, that for the chairperson and the deputy chairperson of the Agency's administrative board only declarations of interests are published on the Agency's website; notes that the Agency intends to proceed with the publication on its website of the CVs of the administrative board members after due consideration of the applicable rules on the protection of personal data;

([3]) ECLI:EU:T:2019:847.

16. Regrets that the CVs of the administrative board members have still not been published on the Agency's website; calls on the Agency to report to the discharge authority on the actions taken in that regard;

17. Notes that the Agency adopted an internal whistleblowing policy in June 2018;

18. Notes that, according to the Court's report, the Commission's internal audit service performed an audit on 'IT Governance in GSA' in 2018 and that the Agency drew up an action plan to address some potential areas for improvement; calls on the Agency to report to the discharge authority on the developments in this regard;

Other comments

19. Notes, in light of comments and observations by the discharge authority related to the Agency's commitment to minimise any negative impact from the United Kingdom's withdrawal from the Union, that the Agency sent letters to all contractors and beneficiaries of contracts and grants affected, requiring mitigating measures to be implemented by the end of October 2019, in particular to ensure that prime contractors and subcontractors are not entities established in the United Kingdom and that the back-up site of the Galileo Security Monitoring Centre has been relocated from the United Kingdom to Spain; calls on the Agency to keep the discharge authority informed of the outcome of those measures;

20. Calls on the Agency to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

21. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 [4] on the performance, financial management and control of the agencies.

[4] Texts adopted, P9_TA(2020)0121.