RESOLUTION (EU) 2022/1762 OF THE EUROPEAN PARLIAMENT

of 4 May 2022

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology (EIT) for the financial year 2020

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2020,

— 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 (A9-0094/2022),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Institute of Innovation and Technology (the 'Institute') for the financial year 2020 was EUR 625 088 022,57, representing an increase of 12,04 % compared to 2019; whereas the overall contribution of the Union to the Institute's budget for 2020 amounted to EUR 546 629 182,74 representing an increase of 31,4 % compared to 2019; whereas the Union's inflation rate was 0,7 % in 2020;

B. whereas the Court of Auditors (the 'Court'), in its report on the Institute's annual accounts for the financial year 2020 (the 'Court's report'), states that the Court has obtained reasonable assurance that the Institute'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 2020 resulted in a budget implementation rate of 99,85 %, representing an increase of 2,81 % compared to 2019; notes that the payment appropriations execution rate was 99,13 %, representing an increase of 1,56 % compared to 2019;

2. Notes, with regard to the follow-up observation in relation to the reimbursement of travel and subsistence expenses of EUR 1 200 incurred by an interim member of staff of the Institute, that in order to ensure prudence and to prevent the risk of double-funding, the Institute's framework contract for interim staff services excludes the use of reimbursements for the representatives of contractors; notes that as a corrective measure, the Institute is in the process of adjusting its policies to cover the mission costs actually incurred by the interim agents; further notes the Institute's reply that no missions have been carried out by its interim staff in 2020; calls on the Institute to report to the discharge authority on the future developments in this area;

Performance

3. Notes that the Knowledge and Innovation Communities (KICs) did not fully use the grant amounts awarded by the Institute; notes that the increase in the Institute's budget and the growing number of KICs to oversee have not been accompanied by a respective increase in the number of posts;

4. Welcomes that, as a response to the challenges raised by the COVID-19 pandemic, the Institute successfully launched and managed the crisis response initiative, as part of its pandemic response projects that aimed to support the innovation cluster in Europe; notes that in 2020 the Institute's governing board decided to mobilise EUR 60 000 000 of additional funding for innovators powering high-impact solutions that tackle the unprecedented social and economic challenge brought about by the COVID-19 pandemic;

([1]) OJ C 114, 31.3.2021, p. 189.

5. Notes, regarding the follow-up observations from previous years, that the Institute has identified opportunities to share resources, develop its synergies and increase cooperation with other Union agencies with a view to improving efficiency; welcomes, in particular, the signature in 2020 of three memoranda of understanding concerning training services, procurement practices, content sharing and HR management, with the European Intellectual Property Office, the European Insurance and Occupational Pensions Authority and the European Union Agency for Law Enforcement Training; notes, furthermore, that the Institute is interested in participating in a project implemented by the Hungarian government which aims to provide shared office facilities for all international organisations based in Budapest; calls on the Institute to report to the discharge authority on the developments concerning these partnerships;

6. Notes that the Institute has taken actions to improve its online security and to increase its digitalisation in terms of internal operations and management procedures; calls on the Institute to report to the discharge authority on the implementation of these measures;

Staff policy

7. Notes that, on 31 December 2020, the establishment plan was 95,56 % implemented, with 43 temporary agents appointed out of 45 temporary agents authorised under the Union budget (compared with 44 authorised posts in 2019); notes that, in addition, 22 contract agents and one seconded national expert worked for the Institute in 2020;

8. Notes with concern the lack of gender balance within the Institute's senior and middle management positions, namely five out of six (83 %) men; welcomes the gender balance within the Institute's management board, namely six out of 12 (50 %) of each gender, as well as among the Institute's staff overall, namely 37 out of 64 (57,81 %) women;

9. Notes that three of the Institute's governing board members still receive money from the budget as advisors, contracts agents or other functions within the Institute specifically, two former Members of European Parliament and a former Commissioner; notes, furthermore, that another former Member of Parliament received EUR 15 000 in 2020-2021 under a service contract with the Institute for the provision of advisory services on synergies with the European Structural and Investment Funds;

10. Notes that in 2020 there was an increase in the workload and additional tasks, due to the transition period from Horizon 2020 to Horizon Europe; notes that an increased financial contribution of EUR 600 million was allocated in 2020 to the Institute's eight Knowledge and Innovation Communities for the implementation of their 2020 business plans; notes, furthermore, that due to the COVID-19 pandemic, the Institute launched the Crisis Response Initiative to support the Institute's Community and the European innovation family;

11. Notes from the Court's report that the implementation of an observation stemming from 2017 regarding the publication of vacancy notices is still ongoing, since the Institute does not consistently post its vacancies on the website of the European Personnel Selection Office;

12. Welcomes the efforts made in staff policy to promote teleworking and healthy life and continues to encourage the agency to pursue the development of a long-term human resources policy framework that addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of people with disabilities;

Procurement

13. Notes that new procedures were added to the Institute's 2020 procurement plan during the year; notes that the Institute completed 95 % of procurement procedures in accordance with its plan; notes that the Institute reported that all its priority procedures were completed except for the new framework contract for communication services and event management; further notes that there were no formal complaints and no court cases in relation to procurement procedures in 2020;

Prevention and management of conflicts of interest and transparency

14. Acknowledges the Institute's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and to ensure the protection of whistleblowers; notes that the Institute published the declarations of conflicts of interest and CVs of its governing board and senior management on its website;

15. Notes that the Institute reported on one whistleblowing case in 2019 and that the internal rules were applied; notes that the Institute's whistleblower policy is not yet aligned with the Directive (EU) 2019/1937 of the European Parliament and of the Council ([2]); calls on the Institute to ensure full alignment when the policy is next revised;

16. Notes, with respect to the follow-up of the 2019 discharge, that in 2020 the Institute initiated the process of reviewing the application of the good governance principles ('GGP') by the Institute's KICs;

Internal control

17. Notes that, according to the Institute's internal audit capability report, out of 69 recommendations in the scope of the follow-up audit, 28 open recommendations have been closed, seven open recommendations have been downgraded, and one open recommendation concerning IT access management following the 2016 IT Audit has been upgraded to critical; calls on the Institute to consider this critical risk in its assessment of the internal control system as a potential weakness in principle 11;

18. Notes that no major weaknesses were found in any of the Institute's internal control system components that could jeopardise the achievement of operational, financial or control objectives and prevent the director from signing his declaration of assurance; notes, however, that some further improvements are needed, regarding principles 12 and 17 which fall under category 2, notably by reducing the delay in the planned pace of the open recommendations' implementation and by decreasing communication time of the corrective measures taken in 2020;

COVID-19 response and business continuity

19. Notes that the Institute's governing board decided in May 2020 to mobilise EUR 60 million of unallocated Institute's funds to further support students, entrepreneurs and innovators affected by the global spread of COVID-19; notes that the Institute's crisis response initiative (CRI) supported new projects and ventures responding to the COVID-19 pandemic via the venture support instruments, which provided targeted support to high impact and growth potential ventures, scale-ups and small and medium-sized enterprises, and pandemic response projects, which generated and implemented short-term innovation response projects directly addressing the COVID-19 pandemic;

Other comments

20. Welcomes the efforts taken by the Institute to continue improving its social media presence and its strategy for sustainable development in 2020;

21. Notes the Institute's implementation process for the general information security policy, including the information and communication technology aspects of cyber security; notes that the principal outcome of the guidance and implementation of this program so far is that the Institute has not reported any cyber-security incidents;

22. Recalls the importance of increasing the digitalisation of the Institute in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Institute to continue to be proactive in this regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed; calls on the Institute to speed up the development of its cybersecurity policy and to inform the discharge authority once it has been completed;

([2]) Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L 305, 26.11.2019, p. 17).

23. Regrets that the Institute has so far not set CO_2 reduction targets; welcomes however the efforts made by the Institute to create an environment-friendly working frame and all the measures taken by the Institute to reduce its carbon footprint, its energy consumption and to develop a paperless workflow; also welcomes the phase-out of the use of plastic water bottles;

24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 4 May 2022 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2022)0196.