RESOLUTION (EU) 2024/2337 OF THE EUROPEAN PARLIAMENT

of 11 April 2024

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2022

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2022,

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

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0122/2024),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Foundation for the Improvement of Living and Working Conditions (the 'Foundation') for the financial year 2022 was EUR 22 438 000 representing an increase of 3,13 % compared to 2021; whereas the Foundation's budget derives mainly from the Union budget;

B. whereas the Court of Auditors (the 'Court') in its report on the annual accounts of the Foundation for the financial year 2022 (the 'Court's report'), states that it has obtained reasonable assurance that the Foundation's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2022 resulted in a budget implementation rate of current year appropriations of 100 %; takes note of the fact that the current year payment appropriations execution rate was 79,93 %, representing a decrease of 3,63 % compared to 2021;

2. Recognises the agility of the Foundation in the 2022 budget execution by conducting formal forecast reviews based on Eurostat reports, as well as by adjusting various budget lines and adopting amending budgets, in the context of the increase in the Irish country coefficient and the staff's basic salaries; notes that the budget of the Foundation has been either frozen or adjusted with less than 2 % on annual basis over a period of 20 years, which puts at risk the sustainable performance of the Foundation and its ability to deliver high quality, relevant and timely products; notes in this context that the Foundation has actively looked for savings in order to fund the increases in Title 1 of its budget, whereas such savings ranged from a reduction in the number of missions and in-person meetings to reductions in spending on various studies and research projects in 2022; calls on the budgetary authority to address the need of proper adjustment of the Foundation's budget within the next MFF;

Performance

3. Commends the Agency for the achievement of 97 % of its annual work programme, with 30 out of 31 outputs delivered in 2022;

4. Notes that the Foundation uses eight key performance indicators (KPIs), included in its performance monitoring system; observes that the KPIs are grouped into three types related to results, scientifically sound delivery and input and output; notes in particular for a third year in a row an improved performance with regard to the uptake of the Foundation's expertise in key Union-level policy documents, from 74 % in 2021 to 82 % in 2022; regrets however a decrease in the performance of several KPIs, such as with regard to the uptake of the Foundation's knowledge in the media (with 572 press articles in 2022 compared to 1 083 in 2021), the Agency's engagement with stakeholders in meetings and events (44 % in 2022 compared to 48 % in 2021) and the number of articles mentioning the Agency in academic journals (1 143 in 2022 compared to 1 220 in 2021);

([1]) OJ C 38, 31.1.2023, p. 112.

5. Notes that the difference in the uptake of the Foundation's knowledge in the media between 2021 and 2022 reflects the unprecedented increase in this indicator during 2021 due largely to the increased visibility and profile of the Foundation's work during the COVID period; observes that the results in 2022 represented a 'return to normal' for most indicators which now are largely on a par, or higher than pre-COVID results;

6. Observes some of the Foundation's most important achievements in 2022, such as the publication of the overview report of the sixth European Working Conditions Survey revealing a positive association of the job quality with work-life balance during the COVID-19 crisis, of the fifth round of the 'Living, working and COVID-19 e-survey: Living in a new era of uncertainty' providing data and analyses on the impact of the pandemic on workers, trust in government institutions and gender divide, as well as the publication of the annual review of minimum wages in 2022 showing, among other, the negative impact of the inflation on low-wage earners; notes with appreciation the review provided by the Foundation regarding the role and involvement of social partners in the just transition and in the implementation of recovery and resilience plans for strengthening social dialogue as foreseen in the Council recommendation as well as of green transition's and the Fit-for-55 climate package impact on employment;

7. Notes with appreciation that in 2022 the Foundation has attained its strategic objective in ample ways, e.g. by being active across a range of policy debates and legislative activities on platform work, care workers and care services, mental health, telework and the right to disconnect, by providing knowledge and support as input for various meetings organised by the French and Czech Presidencies of the Council, as well as through its research findings having been referenced in around 200 Union-level policy documents, such as the European Care Strategy, the Joint employment report 2022 and the European Parliament's 'European Semester for economic policy coordination: Employment and social aspects in the sustainable annual growth survey 2022' report, among other); reiterates the importance of high-quality data provided by the Foundation's ongoing monitoring tools for evidence-based policymaking, especially the Europe-wide surveys conducted by the Foundation;

8. Commends the Foundation for having reacted quickly to the Russian illegal and unprovoked invasion of Ukraine by providing up-to-date relevant information on topics related to its mandate; notes in this context that the Foundation, among several actions, published an overview of national measures to accommodate refugees from Ukraine and to counter inflation and supply problems and adapted the fifth round of the Foundation's e-survey to include questions on Ukraine and the record high inflation and sharp rises in the cost of living in the Europe; notes further that the Foundation continues to inform citizens through the 'Stand with Ukraine' online hub;

Efficiency and gains

9. Commends that the Foundation has a long-standing practice of sharing annual work programmes with six other agencies, including those partnering with the Commission's Directorate-General for Employment, social affairs and inclusion (DG EMPL), in order to improve efficiency, address interconnected issues, share synergies and significant risks and exchange best practices on risk management; further notes that thanks to the Foundation's contacts with the European Environmental Agency and the European Centre for Disease Control, areas of common interest and joint activity have been identified;

10. Appreciates the Foundation's close working relationships with international organisations, such as the International Labour Organization (ILO), with which a new Framework agreement for cooperation was signed in 2022, as well as the Organisation for Cooperation and Development (OECD); appreciates that the Foundation is further building on its relations with the European Commission Joint Research Centre (JRC) and close collaboration is taking place in the domains of digitalisation and new forms of work, as well as monitoring structural change in the labour market;

11. Observes that the Foundation carried out an exercise of zero-based budgeting in 2022, whereby each contract in place was scrutinised in order to identify potential efficiencies with a view to optimising the allocation of the Foundation's financial and human resources;

12. Notes the Foundation's efforts towards digitalisation through the use of *EU Signature* and *DocuSign* in case of procurement, contractual documents and internal documents;

13. Notes with satisfaction from the Court's report that the Foundation is among the 19 decentralised agencies that have a plan to improve energy efficiency and climate neutrality of their operations and issue an environmental statement as part of their annual activity reports and among the three agencies that planned to start issuing a sustainability report by 2024; commends the Agency for having received the Union's Eco-Management and Audit Scheme certification in 2022; notes moreover from the Foundation's replies to written questions that the Foundation is using green procurement criteria in case of tenders regarding canteen services and provision of electricity, among other; notes with satisfaction the Foundation reporting extraordinary cuts in its paper consumption, the latter being in 2022 30 % lower than in 2020 when the Foundation's premises were mostly closed due the COVID-19 crisis;

Staff policy

14. Notes that on 31 December 2022, the establishment plan was 92,3 % completed (compared to 89 % in 2021), with 9 officials and 75 temporary agents appointed out of 91 authorised under the Union budget (91 authorised posts in 2021); notes that, in addition, 11 contract agents were working for the Foundation in 2022; notes a staff turnover in 2022 of approx. 5 % (excluding retirements and invalidity pensions);

15. Notes the Foundation's gender breakdown reported for 2022 at the senior and middle management level with 5 men (56 %) and 4 women (44 %), the management board (MB) level with 90 men (58 %) and 64 women (42 %), and overall staff with 41 men (44 %) and 53 women (56 %); encourages the Foundation to ensure gender balance in the future at all levels of staff; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Foundation's management board; notes the high number of members of the Foundation's management board; notes further that the management board of the Foundation has a key role in its governance by providing strategic direction and overseeing its activities, and that the mandate of the Foundation and the specific composition of its board based on the tripartite principle, thus including representatives of the national authorities and social partners; recognises that trough its members the management board of the Foundation ensures the necessary alignment between the Foundation's work and stakeholder needs and priorities;

16. Notes the launch of the Human Resources Development Programme exercise for 2022 with as a basis an annual training plan, including external trainings related to ethics, legal topics and statistical software; welcomes the efforts in this context that the Foundation has provided its workers with physical and psychological well-being training to maintain their performance while working remotely due to the pandemic situation;

17. Commends the Foundation for its efforts in 2022 focused on increasing the transparency of managerial decisions as well as staff ownership regarding involvement and motivation measures through regular meetings and discussions on relevant issues; further commends that the Foundation has adopted the 'Charter on diversity and inclusion' which aims to promote equal treatment and opportunities, irrespective of any ground such as sex, race, colour, etc.;

18. Welcomes the Foundation's efforts in taking measures for the integration of persons with disabilities, by making sure that all office rooms are wheelchair accessible; welcomes from the Foundation's written replies its commitment to take specific measures on a case-by-case basis depending on the particular requirements of the affected staff member;

Procurement

19. Notes from the Court's report the observation that the Foundation used in a procurement procedure for networking services the professional and language skills of the team members as an award criteria instead of selection criteria, thus contravening Article 167 of the Financial Regulation; notes from the Foundation's reply that templates have been modified to underline the distinction between selection and award criteria more clearly;

20. Commends the Foundation for having implemented the eProcurement roadmap and that it uses the Public Procurement Management Tool (PPMT) to process all contracts with a value above EUR 15 000; invites the Foundation to implement all PPMT modules once they become available;

Prevention and management of conflicts of interest and transparency

21. Notes that the Foundation made further efforts on prevention and management of conflicts of interest and transparency; notes that declarations of conflicts of interest (COI) and CVs of staff in management function have been published on the Foundation's website; notes that in the framework of a new 4-year mandate starting 1 April 2023, new declarations of COI and CVs of the members of the Foundation's MB have been published;

22. Notes that the Foundation has in place a COI policy with a detailed procedure for situations of potential COI, including with regard to the members of the Foundation's MB and Advisory Committees; commends in this context that in the framework of its annual event 'Ethics Month', the Foundation launched in 2022 an updated version of the practical guide to staff ethics and conduct and organised obligatory thematic sessions on e.g. prevention of conflicts of interest, with an excellent staff attendance rate (91 %);

23. Notes that the Foundation's staff and management board members have the obligation to submit annually a declaration on the absence of conflict of interest; welcomes that staff are reminded annually of this obligation on the occasion of the 'Ethics Month' event which in 2022 led to an increase in the rate of compliance with reviewing the annual declaration; observes that during the year 2022 an investigation was concluded regarding a conflict of interest with a staff member, with regard to whom a disciplinary procedure was conducted and a written warning was given; notes that no whistleblowing cases were reported in 2022;

Internal control

24. Notes that all actions with regard to recommendations issued by the internal audit service (IAS) following an audit from 2020 on the Foundation's human resources management and ethics were implemented by the end of 2022; further notes that in 2022, the IAS completed an audit on procurement and contract management, with three recommendations classified as important which led the Foundation to set up a plan with 20 actions, of which 50 % were implemented by the end of 2022; invites the Foundation to implement all the outstanding actions, including with regard to the IAS recommendations on the appraisal and reclassification process, the recruitment process and the learning and development strategy of the Foundation;

25. Welcomes the efforts of the Foundation regarding the five components of the Foundation's internal control framework in 2022; notes in this context that the Foundation e.g. participated in a peer review of the draft corporate risks and its underlying process with the agencies related to DG EMPL, carried out a new assessment of sensitive posts, implemented the process improvement procedure of programme development in all its phases, simulated a cyber-attack, piloted a multifactor authentication solution to be rolled out in 2023 and organised the Cybersecurity Awareness Month;

26. Observes from the Court's report the observation on weaknesses regarding the Foundation's traineeship programme, firstly in relation to the publication of the rules governing the traineeship that have been published on the website without having been formally adopted, and secondly with regard to the trainees' remuneration; notes on the latter issue that the Foundation had failed to update the remuneration in line with the changes to the reference remuneration rates paid by the Commission and the Ireland correction coefficient, a situation which led to an underpayment of EUR 3 330 for 16 affected trainees; welcomes the Foundation's reply regarding measures that it has taken to address the Court's observation, namely by paying adjustments to the trainees from October 2022 onwards and by adopting new rules as of 2023 that set an absolute amount for the traineeship grant instead of linking it to the Commission trainees;

Other comments

27. Observes with appreciation the Foundation's prolific work on increasing its online presence and public visibility during 2022, which ensures delivery of timely data and information customised to the users' needs; notes in this context the launch of 36 publications on the Foundation's website, the increase in the use of data visualisation in blog posts, the promotion of the Foundation's work through partnerships with media (e.g. Irish Times, EurActiv, Politico Europe), email marketing, corporate monthly newsletters and paid advertisements on social media networks to disseminate some of the Foundation's products, the organisation of visits programmes and other events (Europe Day, Citizen's Dialogue, Foundation Forum) including in an online format, as well as the organisation of seven webinars with exchanges between the Foundation's experts and partner organisations, podcasts series (EurofoundTalks, focused on job quality, care, platform work, telework and minimum wages) and the presentation of some of the Foundation's products (e.g. summaries of research reports) in multiple languages;

28. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 11 April 2024 ([2]) on the performance, financial management and control of the agencies.

([2]) Texts adopted, P9_TA(2024)0280.