RESOLUTION (EU) 2021/1651 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 for the financial year 2019

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 2019,

— 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 (A9-0076/2021),

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 2019 was EUR 557 896 982,73, representing an increase of 21,80 % compared to 2018; whereas the overall contribution of the Union to the Institute's budget for 2019 amounted to EUR 378 562 704,82, representing an increase of 20,99 % compared to 2018;

B. whereas the Court of Auditors (the 'Court'), in its report on the Institute's annual accounts for the financial year 2019 (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 that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 97,04 %, representing an increase of 4,99 % compared to 2018; notes that the payment appropriations execution rate was 97,57 %, representing a decrease of 0,23 % compared to 2018;

2. Notes from the Court's report that the Institute control procedures generally worked as intended, with the exception of a payment of EUR 1 200 for the reimbursement of travel and subsistence expenses, which the service contract did not provide for; notes from the Institute's reply to the Court that the payment in question refers to the travel and subsistence expenses incurred by an interim member of staff, who carried out a mission in the interest of the service, nevertheless the Institute acknowledged its error and will make the necessary legal adjustments;

Performance

3. Acknowledges that the Institute uses key performance indicators at the level of the Institute and of the knowledge and innovation community (KIC); notes that regarding the KIC's key performance indicators the Institute measured its performance by traditional Horizon 2020 key performance indicators, such as time-to-grant and time-to-pay; notes that, as a follow-up to the Institute's mid-term evaluation by the Commission and the Institute Impact Study, the Institute is currently working on establishing an Impact Framework to measure the socio-economic impact of the KIC activities;

4. Notes that the Institute implemented 95 % of its work programme for 2019;

5. Notes that the Institute has outsourced accounting services to the Commission and introduced the Commission's IT tools, such as ARES for document management and SYSPER for human resources management;

6. Notes that the Institute identified and evaluated the possibility to cooperate and share resources with the Union Agency for Law Enforcement Training, and that it explores further possibilities; calls on the Institute to follow-up on the identified opportunities to share resources; calls on the Institute to continue to develop its synergies and increase cooperation and the exchange of good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);

([1]) OJ C 143, 30.4.2020, p. 22.

7. Stresses the importance of increasing the digitalisation of the Institute in terms of internal operations and management procedures; stresses the need for the Institute to continue to be proactive in that regard in order to avoid a digital gap between the Union 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;

Staff policy

8. Notes that, on 31 December 2019, the establishment plan was 97,73 % implemented, with 43 temporary agents appointed out of 44 temporary agents authorised under the Union budget (compared to 44 authorised posts in 2018); notes that, in addition, 22 contract agents and no seconded national experts worked for the Institute in 2019;

9. Notes with regard to gender balance on the governing board for 2019 that there are 4 men and 8 women; asks the Commission to take into account the importance of ensuring gender balance when nominating the members to the Institute's governing board; notes that in 2019 the Institute was fairly balanced as regards gender at staff level (46 % men and 54 % women);

10. Welcomes that the Institute put in place social policies, that include improved schooling and kindergarten packages and funding of social activities aimed at attracting and retaining a bigger number of expatriate staff;

11. Notes from the Court's report that the large increase in the Institute's budget and the growing number of KICs had not been accompanied by an increase in the number of posts; notes from the Court's report that the Institute's budget will increase by a further EUR 600 000 000, or 25 %, under the 2021-2027 Multiannual Financial Framework (MFF), compared to the current MFF, while the number of staff remains capped at 70; further notes from the Court's report that there is a risk that the Institute will not have sufficient capacity to deal with its increased workload in the future, and that this risk has increased further, instead of being mitigated;

12. 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 publish its vacancies on the website of the European Personnel Selection Office;

13. Encourages the Agency to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of persons with disabilities;

Sustainability

14. Regrets that the Institute has so far not set CO_2 reduction targets; welcomes however the efforts made by the Institute to create an environmentally friendly framework and all the measures taken by the Institute to reduce its carbon footprint, its energy consumption and to develop a paperless workflow;

Procurement

15. Notes that the Institute participated in a number of inter-institutional procurement procedures of the Commission and of other Union agencies; notes that the Institute has introduced e-tendering and e-submission in 2018 and has processed several calls for tender via e-procurement tools in 2019;

16. Notes that in 2019 the Institute launched a new monitoring activity on the procurement policies and procedures of the KIC legal entities and their co-location centres as follow up to the 2016-2017 expert assignment;

Prevention and management of conflicts of interest and transparency

17. 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; welcomes that the Institute published the declarations of conflicts of interest and CVs of its governing board and senior management on its website;

18. Notes that the Institute reported on one whistleblowing case in 2019 and that the internal rules were applied; calls on the Institute to report to the discharge authority on the development of that case;

19. Notes that the 2019 assessment on the KICs' implementation of good government principles could be further improved, as some KICs should improve their code of good conduct and policies on the prevention and management of conflicts of interest and monitoring mechanisms; notes that this aspect will be followed up by the Institute in 2020 through a horizontal monitoring activity; calls on the Institute to report on the results;

20. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and lack of consistency between existing provisions; highlights that those issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards for Union institutions and agencies;

21. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

Internal controls

22. Notes that the internal audit service finalised its audit on *ex ante* verification of payments to the KICs on 31 January 2019 and sent a note on follow-up actions of outstanding recommendations from the audit on monitoring of grant agreements; notes that one recommendation has been adequately implemented and two recommendations remain open;

23. Notes the number of outstanding issues and ongoing corrective measures in response to the Court's comments in 2014, 2017 and 2018 related in particular to funding conditions; notes the Institute's reply that out of the 19 comments only seven remained open; further, notes that three are beyond the Institute's control and another three require a longer timeframe to be fully completed;

Other comments

24. Commends the Institute's pro-active engagement with media to develop greater visibility in the media, internet, and social media in order to make its work known;

25. Welcomes the fact that the Institute has improved its presence on social media, increasing its overall engagement on various social media platforms; further, notes the Institute's efforts to achieve cost-effective and environmentally friendly working place; call on the Institute to continue to improve its social media presence and its strategy for sustainable development;

26. Welcomes the Institute's efforts to increase cybersecurity and data protection; notes the Institute's implementation process of the general information security policy, including information and communication technology aspects of cybersecurity; calls on the Institute to report on the outcome of that process;

27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([2]) on the performance, financial management and control of the agencies.

([2]) Texts adopted, P9_TA(2021)0215.