



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR MOBILITY AND TRANSPORT
DIRECTORATE-GENERAL FOR ENERGY
Shared Resource Directorate
Director

Agency for the Cooperation of Energy Regulators	
Received	19.05.2016

Brussels 17 MAI 2016
MOVE.SRD.DIR/AK/2638093

ACER-IN-2016-028

Mr Alberto Pototschnig
Executive Director
Agency for the Cooperation of
Energy Regulators
3, Trg republike
1000 Ljubljana
Slovenia

Subject: **Discharge of the Agency's budget for 2014**

Please find attached the European Parliament Decisions and Resolution of 28 April 2016 granting discharge to the Agency in respect of the implementation of the budget 2014 and on the closure of the accounts.

Moreover, I am enclosing the European Parliament Resolution of 28 April 2016 on the performance, financial management and control of the EU Agencies, which also features recommendations.

In line with Article 110 of the Agency's Financial Regulation¹, I kindly ask you to send us a copy of your correspondence with the European Parliament and the Council on the follow-up measures taken in the light of the observations and comments.

Yours sincerely,

Agnieszka Kazmierczak

Enclosure: EP Decisions and Resolutions of 28 April 2016

Copies: Ms M-Ch. Jalabert
Mr K.D. Borchardt and Mr F. Ermacora

¹ Financial Regulation of the Agency adopted by Decision n° 22/2013 of the Administrative Board on 12 December 2013



TEXTS ADOPTED

Provisional edition

P8_TA-PROV(2016)0160

Discharge 2014 : Agency for Cooperation of Energy Regulators (ACER)

1. European Parliament decision of 28 April 2016 on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2014 (2015/2191(DEC))

The European Parliament,

- having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2014, together with the Agency's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016– C8- 0089/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,

¹ OJ C 409, 9.12.2015, p. 18.

² OJ C 409, 9.12.2015, p. 18.

³ OJ L 298, 26.10.2012, p. 1.

- having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators¹, and in particular Article 24 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities²,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council³, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0087/2016),
1. Grants the Director of the Agency for the Cooperation of Energy Regulators discharge in respect of the implementation of the Agency's budget for the financial year 2014;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the Agency for the Cooperation of Energy Regulators, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

¹ OJ L 211, 14.8.2009, p. 1.

² OJ L 357, 31.12.2002, p. 72.

³ OJ L 328, 7.12.2013, p. 42.

2. European Parliament decision of 28 April 2016 on the closure of the accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2014 (2015/2191(DEC))

The European Parliament,

- having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2014, together with the Agency's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016– C8-0089/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators⁴, and in particular Article 24 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁵,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁶, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex V to its Rules of Procedure,

¹ OJ C 409, 9.12.2015, p. 18.

² OJ C 409, 9.12.2015, p. 18.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 211, 14.8.2009, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

- having regard to the report of the Committee on Budgetary Control (A8-0087/2016),
- 1. Notes that the final annual accounts of the Agency for the Cooperation of Energy Regulators are as annexed to the Court of Auditors' report;
- 2. Approves the closure of the accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2014;
- 3. Instructs its President to forward this decision to the Director of the Agency for the Cooperation of Energy Regulators, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

3. European Parliament resolution of 28 April 2016 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2014 (2015/2191(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2014,
 - having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0087/2016),
- A. whereas, according to its financial statements, the final budget of the Agency for the Cooperation of Energy Regulators (the “Agency”) for the financial year 2014 was EUR 10 880 000, representing a decrease of 8,80 % compared to 2013; whereas the entire budget of Agency derives from the Union budget,
- B. whereas the Court of Auditors (the “Court”), in its report on the Agency’s annual accounts for the financial year 2014 (the “Court’s report”), stated that it had obtained reasonable assurances that the Agency’s annual accounts were reliable and that the underlying transactions were legal and regular,

Follow-up of 2013 discharge

1. Notes that, according to the Court’s report, regarding two comments made in the Court’s 2012 report and marked as “ongoing” in the Court’s 2013 report, corrective actions have been taken and both recommendations are now marked in the Court’s report as “completed”; notes, furthermore, that, regarding the three comments made in the Court’s 2013 report, corrective actions have been taken and two comments are now marked as “completed” while one is marked as “not applicable”;
2. Acknowledges that, according to the Agency:
 - a high cash balance of EUR 5 500 000 at year end, resulting partly from the receipt of an amending budget relating to the implementation of Regulation (EU) No 1227/2011 of the European Parliament and of the Council¹ (“REMIT”), was balanced during 2014 and reduced to EUR 3 300 000 at the end of 2014; notes with satisfaction that the Court’s report indicates follow-up action as “completed”;
 - its revised policy on the prevention and management of conflicts of interests was adopted by the Agency’s Administrative Board on 31 January 2015; acknowledges furthermore that that new policy is applicable to the Agency’s staff, the members and alternates of all of the three Agency’s boards, as well as to Agency Working Group (“AWG”) Chairpersons, Vice-Chairpersons and Task Force Convenors, who are in a position to steer the work of the AWGs;

¹ Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 8.12.2011, p. 1).

- the CVs and declarations of interest of Agency’s management board members, AWG Chairpersons, Vice-Chairpersons and Task Force Convenors were mostly published on the Agency’s website; calls on the Agency to review and publish the remaining CVs and declarations of interest without delay, as provided for in its policy;

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 95 %, reaching the Agency’s planned target and representing a decrease of 2,53 % compared with 2013; notes furthermore that the payment appropriations execution rate was at 69,84 %, representing an increase of 14,84 % compared with 2013; finds that the payment appropriations execution rate is below the Agency’s target of 75 %, mainly due to the renewal or negotiation of the Agency’s annual contracts towards the end of the year as well as due to the multiannual nature of the implementation of REMIT;
4. Regrets that no agreement was reached for any contribution towards the Agency from the European Free Trade Association states, as the Third Energy Package has yet to be incorporated into the Agreement on the European Economic Area;

Commitments and carryovers

5. Acknowledges that the carry-overs relating to Title II administrative expenditure appropriations amounted to EUR 980 000, representing 41 % of appropriations for Title II administrative expenditure; notes furthermore that those carry-overs were mainly related to studies for the implementation of REMIT as well as to annual contracts renewed towards the year end;
6. Takes note of the fact that a total of EUR 1 570 000 from Title III committed appropriations was carried over into 2015, representing 62 % of committed appropriations for operational expenditure; notes, furthermore, that the rate of the Title III carry-overs was reduced by 29 % compared with the year 2013; emphasises that those carry-overs were mainly related to the complex multi-annual activity of the implementation of REMIT, for which Commission Implementing Regulation (EU) No 1348/2014¹ was adopted on 17 December 2014;
7. Acknowledges that, according to the Court’s report, the Agency made two pre-financing payments at the end of 2014 stemming from the appropriations received through an amending budget late in 2013 and amounting to EUR 1 560 000; notes that those payments were associated with contracts for the provision of REMIT-related services in the period 2015 to 2017; takes note of the fact that the Agency had to suspend part of the implementation of REMIT due to the adoption of the REMIT Regulation taking place later than originally expected; understands that those payments will allow the Agency to finance its future REMIT-related activities and awarded contracts as originally planned; stresses, however, that even though the implementation of REMIT has a complex and multiannual nature, high carry-overs and pre-financing payments are in contradiction with the budgetary principle of annuality; notes that the Agency should continue to improve the planning and implementation of its annual budget;

¹ Commission Implementing Regulation (EU) No 1348/2014 (OJ L 363, 18.12.2014, p. 121).

Procurement and recruitment procedures

8. Notes with satisfaction that the Agency adopted its revised policy on recruitment procedures and the work of the Selection Panels in April 2014; notes, furthermore, that this policy includes specific conditions for interviews and written tests, as well as strict provisions to ensure the anonymity of candidates; acknowledges the Agency's assertion that that policy ensures a step forward in its commitment to transparency and equal treatment of its staff;

Internal controls

9. Acknowledges that the Agency's status review of the implementation of the Internal Control Standards ("ICS") showed no significant weaknesses to have become evident in 2014; acknowledges, furthermore, that, following the status review, the Agency considers itself to be compliant with the minimum requirements underlying all ICS; calls on the Agency to continue strengthening its internal controls and to ensure that the introduced controls work effectively and contribute to the achievement of its objectives;

Internal audit

10. Notes that the Commission's Internal Audit Service ("IAS") conducted an audit on the Agency according to its Strategic Audit Plan for the Agency for 2013 to 2015 on the topic "Development of Framework Guidelines and Opinion on Network Codes"; takes note of the fact that, in the course of the audit, the IAS identified areas for improvement and provided one recommendation rated as "very important" as well as five recommendations rated as "important";
11. Ascertains that, in response to the recommendations made by the IAS, the Agency prepared an action plan to resolve the identified shortcomings; notes that the IAS endorsed the action plan as adequately addressing the identified risks;
12. Notes that 10 out of 11 recommendations issued by the IAS in its 2013 audit are closed while one recommendation marked as "important" in the 2013 audit is marked as "partially implemented" and to be completed during the year 2015;

Performance

13. Takes note of the fact that the Agency reviewed its system of Key Performance Indicators ("KPIs"), by which it introduced a distinction between performance indicators and KPIs intended to give management a clearer indication of whether the Agency's overall objectives were being met; notes that the new system was to be applied in 2015, within the new structure of the Agency's Work Programme;
14. Welcomes the fact that in order to record and keep track of the budgetary transactions, the Agency uses ABAC, the same financial system used by the Commission, with the SAP system integrated as back-end for the accounting part;

Prevention and management of conflicts of interests and transparency

15. States that the annual reports of the Agency could play an important role in compliance regarding transparency, accountability and integrity; calls on the Agency to include a standard chapter on those components in its annual report;

Other comments

16. Points out that, according to the Seat Agreement between the Agency and the host Member State, a European School is to be established in the host Member State; regrets that more than four years after the entry into force of that agreement, no European School has been set up; acknowledges the Agency's assertion that that the government of the host Member State is assessing the necessary legal amendments and arrangements in order to find the optimal solution; encourages the Agency and the host Member State to resolve that issue and calls on the Agency to inform the discharge authority of state of play of the negotiations;

17. Underlines the need to enhance integrity and improve the ethical framework through better implementation of codes of conduct and ethical principles, so as to reinforce a common and effective culture of integrity;

o

o o

18. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016¹ on the performance, financial management and control of the agencies.

¹ Texts adopted of that date, P8_TA-PROV(2016)0159.



TEXTS ADOPTED

Provisional edition

P8_TA-PROV(2016)0159

Discharge 2014: Performance, financial management and control of EU agencies

European Parliament resolution of 28 April 2016 on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2014: performance, financial management and control (2015/2205(DEC))

The European Parliament,

- having regard to its decisions on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2014,
- having regard to the Commission's report on the follow-up to the discharge for the 2013 financial year (COM(2015)0505), and to the accompanying Commission staff working documents (SWD(2015)0194, SWD(2015)0195),
- having regard to the Court of Auditors' specific annual reports¹ on the annual accounts of the decentralised agencies for the financial year 2014,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002², and in particular Article 208 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities³,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁴, and in particular Article 110 thereof,

¹ OJ C 409, 9.12.2015, p. 1.

² OJ L 298, 26.10.2012, p. 1.

³ OJ L 357, 31.12.2002, p. 72.

⁴ OJ L 328, 7.12.2013, p. 42.

- having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the Committee on Employment and Social Affairs and the Committee on Civil Liberties, Justice and Home Affairs (A8-0080/2016),
- A. whereas this resolution contains, for each body within the meaning of Article 208 of Regulation (EU, Euratom) No 966/2012, cross-cutting observations accompanying the discharge decisions in accordance with Article 110 of Commission Delegated Regulation (EU) No 1271/2013 and Article 3 of Annex V to Parliament's Rules of Procedure;
1. Reiterates the importance of the tasks performed by agencies and their direct impact on the daily lives of Union citizens; reiterates also the importance of the autonomy of the agencies, in particular of the regulatory agencies and those with the function of independent information collection; recalls that the main reason for establishing agencies was for the purpose of making independent technical or scientific assessments;
 2. Notes from the Court of Auditors' summary of results from the Court's 2014 annual audits of the Union agencies and other bodies ("the Court's summary") that the agencies' 2014 budget amounted to some EUR 1,9 billion, representing a decrease of about 5 % compared to 2013 and about 1,4 % of the Union's general budget; points out that approximately 63 % (EUR 1,2 billion) comes from Union funding, whereas the rest is income from fees or other sources;
 3. Takes note that the agencies employ 6 578 permanent and temporary officials representing an increase of 0,64 % compared with the previous year and 14 % of the total number of Union officials authorised under the general Union budget; notes furthermore that around 3 200 contract or seconded staff are working for the agencies; points out that the increase in staff is primarily concentrated in those agencies assigned with additional tasks, those with supervisory responsibility for the financial industry and the executive agencies with additional responsibilities under Horizon 2020 and other programmes;

Common approach and Commission's roadmap

4. Recalls that in July 2012, Parliament, the Council and the Commission adopted a common approach on decentralised agencies ("the Common Approach"), a political agreement concerning the future management and reform of the agencies; takes note that the Commission is responsible for the follow-up to this agreement;
5. Acknowledges the Commission's progress report on the implementation of the Common Approach as well as the efforts made jointly by the Commission and the decentralised agencies, which resulted in demonstrable progress; considers that this will ensure more balanced governance, improved efficiency and accountability and greater coherence; acknowledges furthermore from the Union agencies network ("the Network") that the agencies have advanced well in terms of implementation of the actions foreseen in the Common Approach, reaching a 99 % rate of completion of the agency-specific roadmap actions;
6. Welcomes in this regard the guidelines issued by the Commission in consultation with the agencies on performance indicators aiming to assess the results achieved by agencies' executive directors and the guidelines developed by the Commission for the adoption of the implementing rules of the agencies related to the employment of career staff; expects

that they will help the agencies to streamline processes and thereby save time and resources;

Budget and financial management

7. Recalls that the principle of annuality is one of the three basic accounting principles, together with unity and balance, which are indispensable to ensuring the efficient implementation of the Union budget; takes note from the Court's summary that an elevated level of carry-overs of committed appropriations remains the most frequent issue of the budgetary and financial management affecting 28 agencies; points out, however, that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes and do not necessarily indicate weaknesses in budget planning and implementation, nor are they always at odds with the budgetary principle of annuality; acknowledges the fact that the carry-overs resulting from these operational programmes are in many cases planned in advance by the agencies and communicated to the Court of Auditors, which facilitates the explicit distinction between planned and unplanned carry-overs;
8. Takes note that a high level of cancellations of carry-overs from previous years was noted by the Court of Auditors in eight cases; observes that such carry-overs indicate that the appropriations carried over were made on the basis of over-estimated needs or were otherwise not justified; urges these agencies to take action to avoid this issue in future; acknowledges from the Network that the level of cancellation is indicative of the extent to which the agencies have correctly anticipated their financial needs and is a better indicator of good budgetary planning than the level of carryovers; acknowledges from the Network that the agencies concerned have implemented various measures to improve their budgetary monitoring systems and address this issue;
9. Reminds the agencies that the Commission Delegated Regulation (EU) No 1271/2013 (framework financial regulation) provides for a consolidated annual activity report (CAAR) which combines information from the annual activity reports, internal and external audit reports and financial reports to be sent by 1 July each year to the Commission, the Court of Auditors and the discharge authority; calls on the agencies which have not already done so to include detailed information on internal and external audits in their CAAR;
10. Notes from the Network that the practical implementation of the framework financial regulation by agencies poses in many cases challenges to efficient and simplified budget spending, in particular in the areas of procurement, multiannual programming, indirect grant management and complicated documentation for the consolidation package of the accounts; calls on the Commission and the Network to further explore the possibility of simplifying the rules, taking into account the differing needs of the agencies;
11. Notes with satisfaction that the final accounts of all decentralised agencies present fairly, in all material respects, their financial position as at 31 December 2014 and the results of their operations and their cash flows for the year then ended, in accordance with the provisions of the applicable financial regulations and the accounting rules adopted by the Commission's accounting officer;
12. Notes with satisfaction that for all decentralised agencies, the transactions underlying the annual accounts for the year ended 31 December 2014 were legal and regular in all material respects;

13. Is concerned that certain agencies are partly financed by fees paid by industry, when these financial ties may affect their independence; calls upon all agencies to put in place measures to safeguard the independence of their internal and external activities;

Cooperation among agencies and with other institutions - shared services and synergies

14. Acknowledges from the Network that 93 % of the agencies stated that they share services with other agencies and institutions; notes that 75 % of the agencies have cooperation agreements, working arrangements and memoranda of understanding for cooperation with other agencies, institutions and Member States; takes note that general agreements are being implemented on an annual basis and with more concrete individual actions in the areas of administrative services and specific operational services; encourages agencies to pursue further shared services where this results in cost savings and increased efficiency; stresses that where services are shared, costs should be divided fairly between participating agencies or institutions in order to prevent one party being burdened by the entire service cost;
15. Suggests that Parliament, the Council and the Commission consider locating any new agencies that may become necessary in the future in close proximity to other agencies so that they may share services more easily;
16. Takes note of the Network's opinion regarding the merging of agencies; recalls the remit of the Inter-Institutional Working Group on decentralised agencies to consider efficiencies in this regard; encourages the Commission to initiate a long term impact analysis on the merging of decentralised agencies that operate in the same broad policy domain or perform similar tasks;
17. Welcomes the guidelines for inter-agency procurement procedures and for agencies' participation in Commission-led procurement procedures; acknowledges the benefits not only for agencies but also for the Commission to create synergies and pool procurement procedures within the framework of the Common Approach; regrets in this context that the Commission has plans to start charging administrative fees to the agencies for its services; reminds the Commission that the agencies are paid from the same Union budget and that these fees could result in lower participation in joint procurement procedures; calls on the Commission to reconsider the introduction of fees for agencies for procurement procedures led by the Commission;

Human resources management

18. Recalls that point 27 of the interinstitutional agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management¹ calls for a progressive reduction of staff by 5 % in all institutions, bodies and agencies to be effected between 2013 and 2017; takes note of the fact that most agencies have already met or exceeded the 5 % reduction based on their respective 2012 establishment plans; recalls that the Commission started to implement the 5 % reduction in its 2013 establishment plan, basing the calculation on the level of posts in 2012; states that the Commission applied an additional levy of 5 % of staff to the agencies in order to create a redeployment pool from which it would allocate the posts to the agencies with new tasks entrusted to them or in a start-up phase; calls upon the Commission to run a SWOT analysis on the

¹ OJ C 373, 20.12.2013, p. 1.

agencies' mandates and annual work programmes in order to come to an informed decision on which Agencies need more staff and which do not;

19. Reiterates the Parliament's position on the budgetary procedure that staff financed by fees paid by industry, and consequently not financed by the Union budget, should not be affected by the 1 % yearly cut applied by the Union; urges the Commission to treat the agencies financed primarily by the Union budget as a separate case and to put forward a specific framework for agencies financed mainly by industry, which should be in proportion to the services provided by the agency concerned;
20. Encourages all agencies to pursue gender balance in senior management positions; notes that in certain agencies the figures are particularly unsatisfactory; calls on the Network to provide the discharge authority with a detailed report on steps being taken to ensure gender balance in senior management across all decentralised agencies; in addition, urges Member States to pursue gender balance when appointing board members;

Conflicts of interest and transparency

21. Acknowledges from the Network that over 80 % of all decentralised agencies have an anti-fraud strategy in place; notes that of the four remaining agencies, three were set to develop and adopt an anti-fraud strategy during 2016 while the fourth, the European Police Office, applies the principles and standards defined in the Commission's anti-fraud strategy, together with a strong financial model entailing continuous *ex-ante* and *ex-post* verification activities; takes note that all adopted strategies take into account the European Anti-Fraud Office's methodology and guidance for anti-fraud strategies;
22. Acknowledges the agencies' view that the trust of Union citizens in Union institutions, agencies and bodies is of the highest importance; notes that the agencies have introduced a number of concrete measures and tools to address adequately the risks of actual and perceived conflicts of interest; calls on the agencies to consider a strategy on how to get closer to Union citizens; notes that all agencies have already adopted policies for the prevention and management of conflicts of interest, and that those policies are aligned with the Commission's guidelines on the prevention and management of conflicts of interest in EU decentralised agencies; notes that those policies include, inter alia, measures for detecting potential risks at an early stage, identification of best practice in other entities such as the Commission, other agencies and the European Anti-Fraud Office as well as conflicts of interest policies for staff and collaborators not covered by the Staff Regulations; invites the agencies to consider the advantages and disadvantages of having common regulations governing conflicts of interest;
23. Calls for an overall improvement in the prevention of, and the fight against, corruption in the public sector, and especially within the Union institutions and agencies, through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;
24. Notes with concern that some agencies are yet to adopt whistle-blowing guidelines; demands that all those Union institutions and agencies that have not yet done so urgently adopt internal rules on whistleblowing and take a common approach to their obligations, focusing on the protection of whistle-blowers; calls on the institutions and agencies to pay special attention to the protection of whistle-blowers in the context of the soon-to-be-

adopted Directive of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure; calls on the Commission to promote legislation on a minimum level of protection for whistle-blowers in the Union; calls on the institutions and agencies to ensure that they not only formally oblige officials to report irregularities of all kinds but also lay down adequate protection for whistle-blowers; calls on the institutions and agencies to implement Article 22c of the Staff Regulations without delay;

25. Takes note from the Network that 16 agencies (52 %) use expert groups, scientific panels and committees and almost all of them take into account concerns raised by the European Ombudsman's own-initiative inquiry (OI/6/2014/NF) opened on 12 May 2014 into their staffing policies for these groups; urges those that do not already take into account these factors to do so, without delay; calls on the agencies to apply the new rules which should be adopted by the Commission on expert groups;
26. Ascertains that 29 agencies (over 90 %) have policies in place on the publication of the CVs and declarations of interest of their management board members, management staff and external and in-house experts; notes furthermore that 23 agencies (74 %) publish their CVs and declarations of interest on their websites; notes with concern that some of the agencies have issues publishing the CVs or declarations of interest of their management board members, as there is no mechanism which would oblige the management board members to provide these documents; urges the agencies' management board members who have not yet provided documents confirming the absence of conflicts of interest to submit these documents for publication on the respective agencies' websites without delay in order to increase transparency;
27. Requests that all Union institutions and agencies implement Article 16 of the Staff Regulations by publishing information about senior officials who have left the service and a list of conflicts of interest on an annual basis; requests that all Union institutions and agencies assess the compatibility of post-EU employment or the situation whereby civil servants and former Members of the European Parliament move from the public to the private sector (the 'revolving door' issue) and the possibility of a conflict of interest, and define clear cooling-off periods, which should cover at least the period for which transitional allowances are granted;
28. Underlines the need to enhance integrity and improve the ethical framework through better implementation of codes of conduct and ethical principles, so as to reinforce a common and effective culture of integrity for all Union institutions and agencies;
29. Calls on those Union institutions and agencies which have introduced codes of conduct, including Parliament, to step up their implementation measures, such as checks on declarations of financial interests;
30. Calls upon all agencies to use the framework to be created by the new Inter Institutional Agreement on a Mandatory Transparency Register and use it to guide their interaction with organisations and self-employed individuals engaged in Union policy-making and policy implementation in order to create more transparency around lobbying activities;

Performance

31. Notes that the principle of "value for money" and "EU added value" also holds for agencies, which should ensure that citizens are well informed of the results of the

agencies' activities; notes that achieving results is important; emphasises that many agencies do not explicitly include in their annual reports information on the effectiveness and efficiency of their activities in an accountable manner; reiterates that it is important for the Network to become a member of the new Inter-institutional Working Group on Performance in order to reach a common understanding of performance-based and results-oriented budgeting principles, as well as to identify possible improvements to the performance models currently applied in the agencies; requests that the Court of Auditors provide an evaluation of the agencies' performance and results in time for the review of the 2016 Multiannual Financial Framework;

Communication and visibility

32. Takes note from the Network that nearly all agencies have included on their websites the statement that they are agencies of the Union, with the exception of the European Insurance and Occupational Pensions Authority, which states that it is an independent advisory body to the Parliament, the Council and the Commission; notes furthermore that 50 % of the agencies have published information on their website in all the Union languages, four agencies have offered information in 23 languages of the Union, 22 % offer information in at least two languages and 9 % of the agencies have websites available only in English, with some having plans to expand the availability to German; acknowledges furthermore that a full multilingual approach for all agencies is not currently feasible due to the need for additional resources; invites the agencies to consider using social media tools, surveys and focus groups to measure public awareness and assess ways to improve their communications strategy in future;
33. Acknowledges the Network's statement that the agencies are strongly committed to increasing their presence on social media; takes note that only a few agencies are not yet present on social media but that they are committed to engaging in such communication in the near future; observes that promotional activities through social media include reports, events, job opportunities and procurements; notes, moreover, that social media activities are integrated with other communication tools of the agencies;
34. Calls on the agencies to further strengthen their efforts and to improve their communication policies, to expand their visibility through different social media tools, in order to raise awareness of their activities and achievements and to ensure that citizens are well informed about their work;

Other comments

35. Notes that on the basis of the agencies' contributions, the Commission has elaborated guidelines with standard provisions for headquarter agreements between decentralised agencies and host Member States; notes that as of January 2016, four agencies are still in the negotiation process with their host Member State, compared with 10 agencies in the previous year; reiterates the importance of these agreements for agency operations and security; urges agencies and Member States which have not entered into a headquarters agreement to do so without further delay;
36. Draws attention to the importance of the social aspects of the agencies' headquarter agreement with their hosting country, such as the predictability of staff's social and living conditions (schooling fees, status questions, etc.);

37. Notes with concern that some agencies have dual seats, and regards it as essential that all dual seats which do not offer any operational added value should be done away with at the earliest opportunity;
38. Asks the Union institutions and bodies to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;
39. Reminds the Court of Auditors that the Parliament, the Council and the Commission agreed in paragraph 54 of the Common Approach that all aspects of outsourced external audits "remain under the full responsibility of the [Court], which manages all administrative and procurement procedures required"; asks the Commission to confirm urgently that the Common Approach still applies; deeply regrets that the new audit approach involving private sector auditors resulted in an 85 % increase in administrative burden on the agencies, equating to more than 13 000 additional hours or an average of 3,5 full time equivalents (FTEs) compared with the previous audit managed by the Court of Auditors; regrets that the time spent on the procurement and administration of audit contracts created more than 1 400 man hours of additional work for the decentralised agencies, and that the total additional expenditure on external private sector audits in 2014 amounted to EUR 550 000; calls on the Court of Auditors to provide better guidance to private auditors so as significantly to reduce the augmented administrative burden;
40. Calls on all the Union institutions and agencies to enhance their procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;
41. Suggests that Parliament, the Council and the Commission consider merging smaller agencies which perform similar or interlinked tasks; argues that this would provide efficiency savings in the long term;
42. States that the annual reports of the Union institutions and agencies could play an important role in compliance regarding transparency, accountability and integrity; calls on the Union institutions and agencies to include a standard chapter on these components in their annual reports;
43. Notes the simultaneous publication of the roadmaps initiating the revision of the regulations establishing the three tripartite agencies of the Union, CEDEFOP, EU-OSHA and Eurofound; emphasises that the revisions should preserve the key roles of these highly reputable agencies and their tripartite nature, ensuring active participation of national authorities, trade unions and employer representatives in their governance and functioning;
44. Reaffirms that the discussion of the draft annual work programmes and the multiannual strategies of the agencies in Parliament's competent committees helps to ensure that the programmes and strategies reflect actual political priorities but stresses the need to align the Union's budgetary cycle with the EU 2020 Strategy so as to be able to monitor fully and comprehensively report on the performance of each of the agencies in the context of their contribution to achieving EU 2020 objectives;

45. Acknowledges the good practice of collaboration among the agencies in the areas of living and working conditions, vocational training and occupational safety and health, which maximise synergies and cooperation and enhance complementarity; also welcomes and encourages the continuation of the exchange of good practices between the Commission and the agencies;

o

o o

46. Instructs its President to forward this resolution to the agencies subject to this discharge procedure, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).