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A7-0122/2011

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REPORT

on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2009
(C7-0230/2010 – 2010/2170(DEC))

Committee on Budgetary Control

Rapporteur: Georgios Stavrakakis

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2009
(C7-0230/2010 – 2010/2170(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2009,
- having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2009, together with the Agency's replies¹,
- having regard to the Council's recommendation of 15 February 2011 (5892/2011 – C7-0052/2011),
- having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
- having regard to Council Regulation (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation Network³, and in particular Article 13 thereof,
- having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network (codified version)⁴, and in particular Article 13 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002⁵ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0122/2011),

1. Grants the Executive Director of the European Environment Agency discharge in respect

¹ OJ C 338, 14.12.2010, p.58.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 120, 11.5.1990, p. 1.

⁴ OJ L 126, 21.5.2009, p. 13.

⁵ OJ L 357, 31.12.2002, p. 72.

of the implementation of the Agency's budget for the financial year 2009;

2. Sets out its observations in the resolution below;
3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Environment Agency, 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).

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Environment Agency for the financial year 2009
(C7-0230/2010 – 2010/2170(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2009,
- having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2009, together with the Agency's replies¹,
- having regard to the Council's recommendation of 15 February 2011 (5892/2011 – C7-0052/2011),
- having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
- having regard to Council Regulation (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation Network³, and in particular Article 13 thereof,
- having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network (codified version)⁴, and in particular Article 13 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002⁵ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0122/2011),

1. Approves the closure of the accounts of the European Environment Agency for the

¹ OJ C 338, 14.12.2010, p.58.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 120, 11.5.1990, p. 1.

⁴ OJ L 126, 21.5.2009, p. 13.

⁵ OJ L 357, 31.12.2002, p. 72.

financial year 2009;

2. Instructs its President to forward this Decision to the Executive Director of the European Environment Agency, 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. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2009

(C7-0230/2010 – 2010/2170(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2009,
- having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2009, together with the Agency's replies¹,
- having regard to the Council's recommendation of 15 February 2011 (5892/2011 – C7-0052/2011),
- having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
- having regard to Council Regulation (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation Network³, and in particular Article 13 thereof,
- having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network (codified version)⁴, and in particular Article 13 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002⁵ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0122/2011),

¹ OJ C 338, 14.12.2010, p. 58.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 120, 11.5.1990, p. 1.

⁴ OJ L 126, 21.5.2009, p. 13.

⁵ OJ L 357, 31.12.2002, p. 72.

- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010, Parliament granted the Executive Director of the European Environment Agency discharge in respect of the implementation of the Agency's budget for the financial year 2008¹ and in its resolution accompanying the discharge decision, *inter alia*,
- called on the Agency to continue providing on a regular basis (i.e. every five years) an independent external evaluation on the basis of its founding regulation (EEC) No 1210/90 and the work programmes adopted by the Management Board,
 - noted the Court of Auditors' observation that a tendering procedure should have been issued for the contract for refitting the premises rented by the Agency, instead of paying a firm chosen by the building's owners,
 - acknowledged that the Agency has implemented 9 of the 27 recommendations made by the Internal Audit Service (IAS) since 2006,
- C. whereas the budget of the Agency for the year 2009 was EUR 39 900 000 which is an increase of 7,1 % from the financial year 2008;
1. Notes that the total financial resources available in 2009 for the Agency amount to EUR 39 900 000, of which EUR 34 560 000 stem from Union subsidies;
 2. Notes that the increase of EUR 2 800 000 compared to the Agency's budget in 2008 was dedicated to develop four key areas namely climate change adaptation, ecosystem assessment, sustainable consumption and production, and disaster prevention and management as identified in the multiannual strategy for 2009-2013;

Performance

3. Welcomes the Agency's initiative to continue providing on a regular basis an independent external evaluation on the basis of its founding regulation (EEC) No 1210/90 and the work programmes adopted by the Management Board; notes in particular that the next evaluation will be undertaken in 2012-2013;
4. Calls once more on the Agency to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year, so as to enable the discharge authority to assess the Agency's performance from one year to the next more effectively;

¹ OJ L 205, 25.9.2010, p. 151.

5. Calls on the Agency to deal with these four areas as a matter of priority and to do more to advance their further development;
6. Welcomes specifically the Agency as reliable provider of independent and assured environmental information for all Union institutions, the Member States and policy-making bodies;
7. Encourages the Agency, once again, to continue its efforts to further develop its communication methods in order to attract more media coverage for its findings and thus feed public debate on important environmental issues, such as climate change, biodiversity and the management of natural resources; considers that such measures may lead to a more transparent working method and greater public interest in the Agency's work;
8. Requests the Court of Auditors to undertake performance audits on the Agency;

Budgetary procedures

9. Encourages the Agency to strengthen the link between the budget and the work programme; acknowledges, in fact, that the Court of Auditors reported insufficiently rigorous procedures for drawing up the budget leading to a considerable number of budgetary transfers affecting most of the budget lines (equivalent to 8 % of the Agency's budget); notes, in particular, that some of these transfers led to successive increases and decreases in the same budget headings whereas some appropriations were not used and were transferred to other lines during the year;
10. Is concerned about the Agency's practice of making transfers to increase a budget line in order to pay (on 30 December 2009) the rent for the Agency's premises for the first quarter of 2010 and charge it to the 2009 budget; stresses that this practice by the Agency is at odds with the principle of annuality and that it reduced the amount to be repaid to the Commission;
11. Calls on the Agency to improve, by the end of the year, the accuracy of the information provided by the operational departments on the estimation of accrued operational expenditure;

Human resources

12. Calls on the Agency to redress its deficiencies in the recruitment procedures which put at risk the transparency of these procedures; notes, in particular, that the Court of Auditors reported the following weaknesses: the vacancy notices did not specify a maximum number of candidates to be put on the reserve lists, questions used during written tests and interviews were not decided on before the examination of the applications, the decisions of the selection boards were insufficiently documented, thresholds for being invited to interview or put on the reserve list were not set in advance, and minutes were not complete;
13. Notes that 10 additional posts had been necessary in 2009 to reinforce capacities in the areas of ecosystem assessment, sustainable consumption and production, development of

a Shared Environmental Information System as well as to establish capacities to develop new areas of work in climate change adaptation and disaster prevention and management; encourages, in this regard, further improvements in the recruitment procedure in terms of transparency, as indicated by the Court of Auditors;

Internal audit

14. Acknowledges from the Agency that three recommendations from the Internal Audit Service's (IAS) follow up of past audit recommendations still need to be implemented; notes, in particular, that these mainly concern sensitive posts, on-the-spot controls/verifications of grants and financial circuits and are considered "very important";
15. Welcomes the fact that the Agency included in its Annual Activity Report the IAS' general assessment of the Agency; considers this as a best practice to be followed by other agencies;

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16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of ... May 2011¹ on the performance, financial management and control of the agencies.

¹ Texts adopted, P7_TA-PROV(2011).

16.3.2011

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European
Environment Agency for the financial year 2009
(C7-0230/2010 - 2010/2170(DEC))

Rapporteur: Jutta Haug

SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes that the total financial resources available in 2009 for the European Environment Agency (EEA) amount to EUR 39 900 000, of which EUR 34 560 000 stem from Union subsidies;
2. Notes that the increase of EUR 2 800 000 compared to the EEA budget in 2008 was dedicated to develop four key areas namely climate change adaptation, ecosystem assessment, sustainable consumption and production, and disaster prevention and management as identified in the multi-annual strategy for 2009-2013;
3. Calls on the EEA to deal with these four areas as a matter of priority and to do more to advance their further development;
4. Takes note of the observations by the Court of Auditors on the considerable number of budgetary transfers in 2009; is of the opinion that the explanation given by the EEA on this phenomenon should be respected, i.e. the implementation of the new five-year strategic plan with a new nomenclature;
5. Welcomes specifically the EEA as reliable provider of independent and assured environmental information for all Union institutions, the Member States and policy-

making bodies;

6. Notes that 10 additional posts had been necessary in 2009 to reinforce capacities in the areas of ecosystem assessment, sustainable consumption and production, development of a Shared Environmental Information System as well as to establish capacities to develop new areas of work in climate change adaptation and disaster prevention and management; encourages, in this regard, further improvements in the recruitment procedure in terms of transparency, as indicated by the Court of Auditors;
7. Encourages the EEA, once again, to continue its efforts to further develop its communication methods in order to attract more media coverage for its findings and thus feed public debate on important environmental issues, such as climate change, biodiversity and the management of natural resources; considers that such measures may lead to a more transparent working method and greater public interest in the EEA's work;
8. Requests the Court of Auditors to undertake performance audits on the EEA;
9. Is of the opinion, on the basis of the data available, that discharge can be granted to the Executive Director of the EEA in respect of the implementation of the budget of the EEA for the financial year 2009.

RESULT OF FINAL VOTE IN COMMITTEE

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| Date adopted | 16.3.2011 |
| Result of final vote | +: 51 -: 0 0: 6 |
| Members present for the final vote | János Áder, Kriton Arsenis, Pilar Ayuso, Paolo Bartolozzi, Sandrine Bélier, Sergio Berlato, Martin Callanan, Nessa Childers, Chris Davies, Bairbre de Brún, Bas Eickhout, Edite Estrela, Karl-Heinz Florenz, Elisabetta Gardini, Julie Girling, Cristina Gutiérrez-Cortines, Satu Hassi, Jolanta Emilia Hibner, Dan Jørgensen, Karin Kadenbach, Christa Klač, Holger Krahmer, Jo Leinen, Corinne Lepage, Linda McAvan, Radvilė Morkūnaitė-Mikulėnienė, Miroslav Ouzký, Vladko Todorov Panayotov, Gilles Pargneaux, Antonia Parvanova, Andres Perello Rodriguez, Sirpa Pietikäinen, Mario Pirillo, Pavel Poc, Vittorio Prodi, Frédérique Ries, Anna Rosbach, Oreste Rossi, Dagmar Roth-Behrendt, Daciana Octavia Sărbu, Carl Schlyter, Horst Schnellhardt, Richard Seeber, Theodoros Skylakakis, Bogusław Sonik, Salvatore Tatarella, Åsa Westlund, Glenis Willmott, Sabine Wils, Marina Yannakoudakis |
| Substitute(s) present for the final vote | Jutta Haug, Marisa Matias, Bill Newton Dunn, Bart Staes, Eleni Theocharous, Thomas Ulmer, Anna Záborská |

RESULT OF FINAL VOTE IN COMMITTEE

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| Date adopted | 21.3.2011 |
| Result of final vote | + : 17 - : 0 0 : 2 |
| Members present for the final vote | Marta Andreasen, Jean-Pierre Audy, Inés Ayala Sender, Jorgo Chatzimarkakis, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Ingeborg Gräble, Iliana Ivanova, Elisabeth Köstinger, Monica Luisa Macovei, Aldo Patriciello, Crescenzo Rivellini, Bart Staes, Georgios Stavrakakis, Søren Bo Søndergaard |
| Substitute(s) present for the final vote | Thijs Berman, Zuzana Brzobohatá, Derk Jan Eppink, Marian-Jean Marinescu, Véronique Mathieu |