

# Procedure file

Basic information		
DEC - Discharge procedure	2011/2217(DEC)	Procedure completed
2010 discharge: European Environment Agency (EEA)		
Subject 8.70.03.07 Previous discharges		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>CONT</b> <a href="#">Budgetary Control</a>		03/03/2011
		PPE <a href="#">MACOVEI Monica</a>	
		Shadow rapporteur	
		S&D <a href="#">HERCZOG Edit</a>	
		ALDE <a href="#">GERBRANDY Gerben-Jan</a>	
		Verts/ALE <a href="#">STAES Bart</a>	
		ECR <a href="#">CZARNECKI Ryszard</a>	
	EFD <a href="#">ANDREASEN Marta</a>		
	NI <a href="#">EHRENHAUSER Martin</a>		
	NI <a href="#">HARTONG Lucas</a>		
	Former committee responsible		
	<b>CONT</b> Budgetary Control		03/03/2011
		PPE <a href="#">MACOVEI Monica</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ENVI</b> <a href="#">Environment, Public Health and Food Safety</a>		10/07/2012
		S&D <a href="#">HAUG Jutta</a>	
	Former committee for opinion		
	<b>ENVI</b> Environment, Public Health and Food Safety		05/10/2011
		S&D <a href="#">HAUG Jutta</a>	
European Commission	Commission DG <a href="#">Budget</a>	Commissioner ŠEMETA Algirdas	

Key events			
26/07/2011	Non-legislative basic document published	<a href="#">COM(2011)0473</a>	Summary
12/10/2011	Committee referral announced in Parliament		

27/03/2012	Vote in committee		
04/04/2012	Committee report tabled for plenary	<a href="#">A7-0105/2012</a>	Summary
10/05/2012	Results of vote in Parliament		
10/05/2012	Debate in Parliament		
10/05/2012	Decision by Parliament	<a href="#">T7-0172/2012</a>	Summary
10/05/2012	Report referred back to committee		
26/09/2012	Vote in committee		
09/10/2012	Committee report tabled for plenary	<a href="#">A7-0300/2012</a>	
23/10/2012	Decision by Parliament	<a href="#">T7-0373/2012</a>	Summary
23/10/2012	End of procedure in Parliament		
20/12/2012	Final act published in Official Journal		

### Technical information

Procedure reference	2011/2217(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/09686; CONT/7/07232

### Documentation gateway

Non-legislative basic document		<a href="#">COM(2011)0473</a>	26/07/2011	EC	Summary
Court of Auditors: opinion, report		N7-0015/2012 <a href="#">OJ C 366 15.12.2011, p. 0057</a>	06/09/2011	CofA	Summary
Committee opinion	<b>ENVI</b>	<a href="#">PE476.052</a>	24/01/2012	EP	
Committee draft report		<a href="#">PE473.990</a>	06/02/2012	EP	
Document attached to the procedure		<a href="#">06083/2012</a>	08/02/2012	CSL	Summary
Amendments tabled in committee		<a href="#">PE483.625</a>	07/03/2012	EP	
Committee report tabled for plenary, single reading		<a href="#">A7-0105/2012</a>	04/04/2012	EP	Summary
Text adopted by Parliament, single reading		<a href="#">T7-0172/2012</a>	10/05/2012	EP	Summary
Committee draft report		<a href="#">PE491.066</a>	20/06/2012	EP	
Amendments tabled in committee		<a href="#">PE494.822</a>	10/09/2012	EP	
Committee opinion	<b>ENVI</b>	<a href="#">PE494.536</a>	20/09/2012	EP	
Committee report tabled for plenary, single reading		<a href="#">A7-0300/2012</a>	09/10/2012	EP	Summary
Text adopted by Parliament, single reading		<a href="#">T7-0373/2012</a>	23/10/2012	EP	Summary

### Final act

## 2010 discharge: European Environment Agency (EEA)

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**PURPOSE:** presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2010, as part of the 2010 discharge procedure.

Analysis of the accounts of the European Environment Agency (EEA).

**CONTENT:** this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2010 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Environment Agency (EEA).

In 2010, the tasks and budget of this agency were as follows:

- description of the Agency's tasks: the European Environment Agency, which is located in Copenhagen, was established by [Council Regulation \(EEC\) No 1210/90](#). It is responsible for setting up an observation network to provide the Commission, the Parliament, the Member States and, more generally, the public with reliable information on the state of the environment. This information should, in particular, enable the European Union and the Member States to take action to safeguard the environment and assess the effectiveness of such action;
- the Agency's budget for the financial year 2010: the Agency's 2010 budget amounted to EUR 50.6 million, compared with EUR 39.9 million the previous year. The number of staff employed by the Agency at the end of the year was 125, compared with 133 the previous year.

The complete version of EEA's final accounts may be found at the following address:  
<http://www.eea.europa.eu/about-us/documents/eea-accounts-for-the-year-2010>

## 2010 discharge: European Environment Agency (EEA)

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**PURPOSE:** presentation of the EU Court of Auditors report on the annual accounts of the European Environment Agency, together with the Agency's reply.

**CONTENT:** in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Environment Agency (EEA).

In the Courts opinion, the Agency's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2010 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also considers that the transactions underlying the annual accounts of the Agency for the financial year ended 31 December 2010 are, in all material respects, legal and regular.

The report confirms that the Agency's 2010 budget amounted to EUR 50.6 million and that the number of staff employed by the Agency at the end of the year was 125.

It should be noted that the report makes no observations on the budgetary and financial management of the Agency.

Lastly, the Court of Auditors report contains a summary of the Agency's activities in 2010. This is focused on the following:

- organising and taking part in conferences on key environmental topics for the EU (e.g. biodiversity);
- contributing to Global Monitoring for Environment and Security (GMES);
- the development of version 3 of the Eye on Earth platform;
- contributing to the State of the Environment report (SOER) 2010.

## 2010 discharge: European Environment Agency (EEA)

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The Committee on Budgetary Control adopted the report by Monica Luisa MACOVEI (EPP, RO) on discharge to be granted in respect of the implementation of the budget of the European Environment Agency for the financial year 2010. The committee calls on the Parliament to postpone its decision on granting the Executive Director of the European Environment Agency discharge in respect of the implementation of the Agency's budget for the financial year 2010. However, they make a number of recommendations, in addition to the general recommendations that appear in the [draft resolution](#) on performance, financial management and control of EU agencies:

- Carryover appropriations: Members take note from the Agency's Final Accounts that EUR 12 809 551,05 of the 2010 appropriations have been carried forward to 2011 and that cancellation of unused payment appropriations carried over from the previous year amounted to EUR 585 282,87. They regret that the Court of Auditors did not consider the level of the Agency's appropriations carried forward and cancelled to be sufficiently high to warrant a mention in its report;
- Procurement Procedures: Members call on the Internal Audit Service (IAS) to audit the Agency's contracts in the area of canteen services, cleaning services, security services and furniture to establish whether the call preparation, publication, evaluation and contract management phases respect the two following principles: maximum competition and value-for-money, and to inform the

- discharge authority in due course of its findings;
- Human Resources: Members take note that, for the last five years, the Agency hosted 12 guest scientists working at its premises. For the sake of transparency, they call on the Agency to complete publishing the curriculum vitae including at least the educational and work background of the guest scientists, in order to increase transparency;
- Conflict of interest: Members note that, from June 2010 until April 2011, the Executive Director of the Agency was a trustee and a member of the International Advisory Board of Earthwatch - an international environmental charity engaging people in scientific field research and education - and was reported to be a member of the European Advisory Board of Worldwatch Europe. They are seriously concerned that in 2010, while the Executive Director was directly involved with Earthwatch, 29 staff members of the Agency, including the Executive Director, went for up to 10 days of research on different biodiversity projects in the Caribbean or Mediterranean managed by Earthwatch and that the Agency paid a total of EUR 33 791,28, to the NGO as stated by the Agency's Executive Director. Commending the cooperation between the Agency and NGOs working in the environmental area, Members recall that even the mere appearance of conflict of interest is damaging trust in the institutions and raises concerns of taxpayers. They call on the Agency to adopt immediately an action plan to publish on its website the declarations of interest and, when they are not available, the curriculum vitae including at least the educational and work background for the management staff, etc.
- Performance: Members acknowledge from comments in the Agency's Annual Management Plan, the Agency's efforts with various international and Union bodies, Eionet and the Scientific Committee to establish a networking structure in order to be able to maintain links to the research and scientific community, disseminate and utilise the results, particularly information and data, from research activities at European and national levels, in a more systematic way. They call on the Agency to inform in detail the budget authority, in particular the Budget Control Authority, of the evidence of the possible added value brought by the Agency's reports compared with other bodies reports on environmental matters. They encourage the Agency to continue its efforts to further develop its communication methods in order to attract more media coverage for its findings;
- Internal audit: Members call on the Agency to adopt without further delay measures to address the weaknesses found by the IAS in its previous audits on quality management and on grant management in order to assure supervision of quality controls and to realise on-the-spot controls and verification of grants.

## 2010 discharge: European Environment Agency (EEA)

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The European Parliament adopted by 329 votes to 291, with 20 abstentions, a decision to postpone the granting of the discharge to the Executive Director of the European Environment Agency (EEA) for the 2010 financial year. The decision also covers the postponement of the closure of the accounts of this EU agency.

The reasons for this postponement are provided in the resolution adopted the same day by 397 votes to 212, with 29 abstentions. They may be summarised as follows:

- Budget and Financial Management: Parliament notes that, for five months, from 22 May 2010 to October 2010, the Agency covered its building with a green façade which cost EUR 294 641 and that the contract was realised by the companies Ramboll, as general contractor, and Green Fortune. It is surprised that there has been no public tender; demands from the Agency's Director details on how the companies were chosen as contractors. It recalls that in December 2009 the Agency paid the rent for Q1 2010, thus avoiding reducing the amount to be repaid to the Commission. It therefore calls on the Agency to explain the discharge authority why it has extracted EUR 180 872 from the budget line Rent, while rent is a fixed sum by contract, and to provide information and written evidence on the procedures with regards to the budgetary transfers. It expects the Agency to complete all the requested actions by the end of August 2012. It notes that in December 2011 the Agency awarded a Framework Service Contract for the provision of media monitoring for 48 months, for a total value of EUR 250 000, which is much higher than the costs of similar services in the previous years. It observes that based upon this contract the Agency will spend on average EUR 62 500 per year for media monitoring and believes that these costs are excessive and contrary to the principle of efficient use of the taxpayers money;
- Carryover appropriations: Members take note from the Agency's Final Accounts that EUR 12 809 551,05 of the 2010 appropriations have been carried forward to 2011 and that cancellation of unused payment appropriations carried over from the previous year amounted to EUR 585 282,87. They regret that the Court of Auditors did not consider the level of the Agency's appropriations carried forward and cancelled to be sufficiently high to warrant a mention in its report;
- Procurement Procedures: in an amendment adopted in plenary, Parliament notes the Agency's statement that the Court of Auditors has carried out in October 2011 an audit on the procurement procedures concerning canteen services, cleaning services, security services and furniture. It calls on the Agency to provide the discharge authority with the findings of this audit and its replies and actions undertaken by the end of September 2012 ;
- Human Resources: Parliament takes note that, for the last five years, the Agency hosted 12 guest scientists working at its premises. For the sake of transparency, they call on the Agency to complete publishing the curriculum vitae including at least the educational and work background of the guest scientists, in order to increase transparency;
- Conflict of interest: Parliament notes that, from June 2010 until April 2011, the Executive Director of the Agency was a trustee and a member of the International Advisory Board of Earthwatch - an international environmental charity engaging people in scientific field research and education - and was reported to be a member of the European Advisory Board of Worldwatch Europe. It is seriously concerned that in 2010, while the Executive Director was directly involved with Earthwatch, 29 staff members of the Agency, including the Executive Director, went for up to 10 days of research on different biodiversity projects in the Caribbean or Mediterranean managed by Earthwatch and that the Agency paid a total of EUR 33 791,28 to the NGO. In an amendment adopted in plenary, Parliament is also surprised that Worldwatch Institute Europe, founded on 5 November 2010, indicated as its address that of the Agency and used its premises as its own without any rent to the Agency, thus using premises paid by the EU budget. It regrets that the Director's letter of 30 April 2012 refers only to Worldwatch Institute US based and not to the Worldwatch Institute Europe which used the Agency's premises without any rent. It takes further note that the executive director of Worldwatch Institute Europe was an Agency's guest scientist. It calls on the Agency to provide the discharge authority with concrete details and documentary evidence on this matter, including the person in the Agency who authorised this, the concrete date when Worldwatch Institute Europe ceased to use the Agency's premises. Commending the cooperation between the Agency and NGOs working in the environmental area,

Parliament recalls that even the mere appearance of conflict of interest is damaging trust in the institutions and raises concerns of taxpayers. It calls on the Agency to adopt immediately an action plan to publish on its website the declarations of interest and, when they are not available, the curriculum vitae including at least the educational and work background for the management staff, etc.

- Performance: Parliament acknowledges from comments in the Agency's Annual Management Plan, the Agency's efforts with various international and Union bodies, Eionet and the Scientific Committee to establish a networking structure in order to be able to maintain links to the research and scientific community, disseminate and utilise the results, particularly information and data, from research activities at European and national levels, in a more systematic way. It calls on the Agency to inform in detail the budget authority, in particular the Budget Control Authority, of the evidence of the possible added value brought by the Agency's reports compared with other bodies reports on environmental matters. It encourages the Agency to continue its efforts to further develop its communication methods in order to attract more media coverage for its findings;
- Internal audit: Parliament calls on the Agency to adopt without further delay measures to address the weaknesses found by the IAS in its previous audits on quality management and on grant management in order to assure supervision of quality controls and to realise on-the-spot controls and verification of grants.

Lastly, Parliament postpones its decision concerning the discharge on the implementation of the Agency's budget until it has received the responses and seen evidence of the practical steps taken in follow up to the criticisms and requests addressed to it.

## 2010 discharge: European Environment Agency (EEA)

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PURPOSE: to grant discharge to the European Environment Agency (EEA) for the financial year 2010.

NON-LEGISLATIVE ACT: Decision 2012/804/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2010.

CONTENT: with this Decision and in accordance with Article 319 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament gives discharge to the Executive Director of the European Environment Agency for the implementation of the Agency's budget for 2010.

The Decision is consistent with the European Parliament's resolution adopted on 23 October 2012 and includes a series of observations that form an integral part of the discharge decision (refer to the summary of the opinion of 23 October 2012).

Decision 2012/805/EU, adopted on the same day, approves the closure of the accounts for this Community agency for 2010.

## 2010 discharge: European Environment Agency (EEA)

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The European Parliament adopted a decision concerning the discharge to be granted to the Executive Director of the European Environment Agency (EEA) in respect of the implementation of the Agency's budget for the financial year 2010. The decision to grant the discharge shall also constitute the closure of the accounts for this Agency.

Parliament took this decision contrary to the position of the committee responsible which had called on Parliament to refuse the Agency discharge, and which referred to an earlier resolution adopted in plenary in May 2012 taking a similar stance, citing several problems on conflict of interests of some Agency personnel (please see the summary of 10/05/2012.) The plenary this time adopted by 374 votes 235 with 39 abstentions, a resolution granting the discharge but calling on the Agency to reform the way in which it manages human resources.

Other salient points in the resolution may be summarised as follows:

- selection of the Executive Director of the Agency: Parliament expects, without prejudice to the Agency's independence, an open and transparent selection procedure regarding the appointment of the Executive Director in June 2013 that guarantees a rigorous evaluation of candidates and a high level of independence. It suggests, that a hearing of the candidates by the competent committees in Parliament will be part of the appointment procedure to the position of Executive Director;
- budgetary and financial management: Parliament recalls that the Agency covered its building with a Green Façade at a cost of EUR 294 641, and that no public tender was issued. In order to cover the costs, a budget transfer has reinforced an Agency budget line. Parliament calls therefore for the establishment of clear internal rules and the implementation of ex ante controls on exceptional expenditures. It is firmly convinced that necessary steps have to be taken should cases of non-compliance with existing rules occur and that the Agency should draw up an action plan, accompanied by a precise timetable, aiming to remedy shortcomings. Implementation of the plan should be monitored by the European Parliament;
- human resources: Parliament begins by observing that the Agency hosted 12 guest scientists working at its premises without publishing, for 11 of them, the curriculum vitae, including at least their educational and work background. It acknowledges the Management Board's statement that rules for the selection and conduct of visiting scientists will be strengthened in order to ensure greater clarity and transparency. Parliament also recalls certain points already made in its aforementioned resolution of 10 May 2012 on conflict of interests of certain Agency personnel (particularly the position of the Executive Director of the Agency who was a trustee and a member of the International Advisory Board of Earthwatch, an international environmental charity, whose links with the Agency have given rise to a number of questions.) Parliament acknowledges the decision of the Management Board to implement ex ante controls on the membership of the Executive Director in external boards, but it notes several other problems particularly some unusual involvement of scientists from Worldwatch Institute Europe in the Agency's work. Generally, Parliament welcomes the measures taken by the Agency to improve the management of conflicts of interest but it asks the Agency to make these measures public and to foster a debate on the policy. Parliament raises the question of the curriculum vitae of management staff and of the members of the scientific committee, some of which are still not available on the Agency's website. It calls on the Agency to promote greater transparency in terms of preventing and combating conflict of interests. It also expects to receive information on ongoing administrative investigations related to the Agency.

Parliament stresses that the Agency is required to establish appropriate contacts with interested parties and to cooperate with stakeholders such as external organisations, but notes that those activities have not been accompanied by respective measures and rules for excluding

possible reputational risk. It welcomes the commitment by the Management Board and the Executive Director to take appropriate steps in order to eliminate those risks immediately.

Lastly, Parliament welcomes, in general, the Joint Statement and the Common Approach on decentralised agencies agreed in June 2012 by the European Parliament, the Council and the Commission, which addresses and takes up some elements important to the discharge procedure.