



TEXTS ADOPTED

P9_TA(2021)0175

2019 discharge: European Foundation for the Improvement of Living and Working Conditions

1. European Parliament decision of 28 April 2021 on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) (before 20 February 2019: European Foundation for the improvement of living and working conditions) for the financial year 2019 (2020/2151(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2019,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies¹,
- 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 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0048/2021),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation

¹ OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.

² OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.

(EU, Euratom) No 966/2012¹, and in particular Article 70 thereof,

- having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions², and in particular Article 16 thereof,
 - having regard to Regulation (EU) 2019/127 of the European Parliament and of the Council of 16 January 2019 establishing the European Foundation for the improvement of living and working conditions (Eurofound), and repealing Council Regulation (EEC) No 1365/75³, and in particular Article 16 thereof,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁴, and in particular Article 105 thereof,
 - having regard to Articles 32 and 47 of 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 Council⁵,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0094/2021),
1. Grants the Acting Executive Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) discharge in respect of the implementation of the Foundation's budget for the financial year 2019;
 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 Acting Executive Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound), 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 193, 30.7.2018, p. 1.

² OJ L 139, 30.5.1975, p. 1.

³ OJ L 30, 31.1.2019, p. 74.

⁴ OJ L 122, 10.5.2019, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

2. European Parliament decision of 28 April 2021 on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) (before 20 February 2019: European Foundation for the improvement of living and working conditions) for the financial year 2019 (2020/2151(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2019,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies¹,
- 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 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0048/2021),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012³, and in particular Article 70 thereof,
- having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions⁴, and in particular Article 16 thereof,
- having regard to Regulation (EU) 2019/127 of the European Parliament and of the Council of 16 January 2019 establishing the European Foundation for the improvement of living and working conditions (Eurofound), and repealing Council Regulation (EEC) No 1365/75⁵, and in particular Article 16 thereof,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December

¹ OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.

² OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.

³ OJ L 193, 30.7.2018, p. 1.

⁴ OJ L 139, 30.5.1975, p. 1.

⁵ OJ L 30, 31.1.2019, p. 74.

2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council¹, and in particular Article 105 thereof,

- having regard to Articles 32 and 47 of 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 Council²,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0094/2021),
1. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2019;
 2. Instructs its President to forward this decision to the Acting Executive Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound), 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).

¹ OJ L 122, 10.5.2019, p. 1.

² OJ L 328, 7.12.2013, p. 42.

3. European Parliament resolution 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 Foundation for the Improvement of Living and Working Conditions (Eurofound) (before 20 February 2019: European Foundation for the Improvement of living and working conditions) for the financial year 2019 (2020/2151(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2019,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0094/2021),
- A. whereas, according to its statement of revenue and expenditure¹, the final budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) (the ‘Foundation’) for the financial year 2019 was EUR 21 489 160 representing an increase of 3,51 % compared to 2018; whereas the Foundation’s budget derives mainly from the Union budget;
- B. whereas the Court of Auditors (the ‘Court’) in its report on the Foundation’s annual accounts for the financial year 2019 (the ‘Court’s report’), states that it has obtained reasonable assurance that the Foundation’s annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,99 %, representing a slight increase of 0,41 %; takes note of the fact that the payment appropriations execution rate was 80,92 %, representing a decrease of 1,78 % compared to 2018;

Performance

2. Notes that the Foundation uses four key performance indicators (KPIs), included in its performance monitoring system, which in addition to the KPIs consists of metrics (other indicators for operational processes) and a qualitative assessment and evaluation, to assess the added value, including the outcome and impact, provided by its activities, and to improve its budget management;
3. Reminds the Foundation to regularly review and update its performance measurement system and KPIs to ensure its efficient contribution and expertise at Union level; encourages the Foundation to carefully analyse the outcomes and use them to improve their strategy and activity planning;

¹ OJ C 107, 31.3.2020, p. 193.

4. Acknowledges the fact that the delivery of work programme outputs planned for 2019 reached 91 % of achievement (51 of 56 outputs), and that the Foundation contributed to 212 policy development events (46 % of them at Union level);
5. Appreciates the Foundation's high-quality work enhancing and disseminating knowledge, and providing evidence-based support and expertise for policy development in the field of living and working conditions, labour market and industrial relations across the Union; considers it to be essential, in that regard, for the Foundation to continue to collaborate with various highly qualified external experts; stresses the Foundation's importance, autonomy and added value in its field of expertise; highlights the need of ensuring adequate human and financial resources allowing the Foundation to continue implementing its work programme with a very high activity completion rate;
6. Notes that the Foundation's new founding regulation entered into force on 20 February 2019;
7. Congratulates the Foundation on its common approach with the European Centre for the Development of Vocational Training (Cedefop), the European Agency for Safety and Health at Work (EU-OSHA) and the European Training Foundation (ETF), which ensures regular coordination and collaboration in their work; notes that the Foundation implemented actions agreed in annual plans with the EU-OSHA, the European Union Fundamental Rights Agency and the European Institute for Gender Equality; encourages the Foundation to continue to develop its synergies, to exchange information, to share knowledge and to exchange of good practices with other European agencies with a view to improving efficiency with regard to human resources, building management, IT services and security;
8. Welcomes in particular the Foundation's recent e-survey, 'Living, working and COVID-19', which aims to capture the far-reaching implications of the COVID-19 pandemic for the labour market, working conditions and quality of life across the Union; believes that the Foundation can play a crucial role in further analysing the increase in telework and related impacts on work-life balance and the quality of working conditions, the dissemination of best practices and the assessment of possible policy responses; believes that the Foundation, in its future work programmes, should analyse, in cooperation with the European Labour Authority, policy options to improve the working and living conditions of seasonal and other mobile workers;
9. Stresses that the Commission is scheduled to launch its action plan on the implementation of the European Pillar of Social Rights (Pillar) when the European Council endorses the Pillar at the Porto Summit in May 2021; notes that the Foundation research reveals the complexity of the social dimension of the Union and suggests complementing the Social Scoreboard accompanying the Pillar with additional indicators covering job quality, social justice and equal opportunities, robust social welfare systems and fair mobility; stresses that the Foundation should have the appropriate financial and human resources to further develop those indicators;
10. Recalls the importance of increasing the digitalisation of the Foundation in terms of internal operation and management but also for the purpose of speeding up digitalisation of procedures; stresses the need for the Foundation to continue to be proactive in that regard in order to avoid a digital gap between the agencies; 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;

11. Notes that an external evaluation of the Union agencies under the remit of the Commission's Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL), namely Eurofound, Cedefop, ETF and EU-OSHA, was carried out in 2018 on behalf of the Commission, with regard to their relevance, effectiveness, efficiency, coherence and added value at Union level; notes that the Commission published the main findings of the evaluation that it commissioned, together with the full evaluation report on the four Union agencies referred to, and that the Foundation is implementing actions in response to the recommendations from the Commission and will report on it in its 2020 annual activity report; reminds the Commission to monitor and evaluate that the technical expertise and other potential of agencies under the remit of DG EMPL are consistently used to support policy preparation and implementation;
12. Takes note of the fact that the cross-cutting evaluation of the Union agencies under the remit of DG EMPL suggested a number of recommendations for each of the agencies, but none of them would have required legislative changes or the merging or co-locating of agencies;
13. Congratulates the Foundation for updating its communications strategy; recalls that media and internet visibility is important to make the Foundation's work known;
14. Welcomes the efforts made by the Foundation to create an environmentally friendly working frame;
15. Stresses the importance of the Foundation remaining independent from the other Union agencies but working in close cooperation with them in order to continue to provide added value;
16. Encourages the Foundation to meet its objective to achieve certification by the EU Eco-Management and Audit Scheme by 2022;

Staff policy

17. Notes that on 31 December 2019 the establishment plan was 97,80 % implemented, with 11 officials and 78 temporary agents appointed out of 91 authorised under the Union budget (compared to 91 authorised posts in 2018); notes that, in addition, 11 contract agents and one seconded national expert were working for the Foundation in 2019;
18. Notes with satisfaction that gender balance was achieved for senior managers (1 man and 1 woman); is concerned, however that there is no gender balance at management board level (51 men and 33 women); asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating members to the Foundation's management board;
19. Notes that the Foundation has adopted the policy on protecting the dignity of the person and preventing harassment; notes that legal proceedings concerning the harassment case reported and investigated in 2018 were lodged in 2019 and are still pending;
20. Encourages the Foundation 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 people with disabilities;

Procurement

21. Notes from the Court's report that in June 2019 the Foundation concluded a framework contract for a maximum amount of EUR 170 000 for the supply of electricity on the basis of a negotiated procurement procedure with a single candidate, without the prior publication of a contract notice, and since the contractor is a retail supplier, the supply is not quoted and purchased on a commodity market and the exception of negotiated procurement procedure is not applicable, resulting in the related contracts and the associated payments of EUR 20 255 being irregular; notes from the Foundation's reply that it accepts the observation and that a new tender has already been planned for early 2021 and will be of a competitive nature; notes that internal guidelines were updated and the revised interpretation provides that such situations should be avoided;
22. Notes from the Court's report that in October 2019 the Foundation launched a negotiated procurement procedure, with an estimated budget of EUR 140 000, for a framework contract for the refurbishment of its toilet facilities and the only bidder was selected with a contract value EUR 176 800 (23 % above the threshold for an open procedure)¹ and while the exception of negotiated procurement procedure was authorised appropriately by the Foundation, it does not negate the fact that an open procedure should have been used; notes from the Foundation's reply that the award of the contract was based on the opinion that a repetition of the tender, using the open procedure, would not lead to a more economically advantageous tender, and that information about the awarded contract has been published in the Official Journal as well as the Foundation's website;
23. Notes that in Title 3 of the budget there were carry-overs in a total amount of EUR 574 000 more than initially planned, that mainly arose from unsuccessful or delayed procurement procedures, as well as delayed payments due to the shortcomings of a few contractors' performance, along with frontloading the European Working Conditions Survey 2020;

Prevention and management of conflicts of interest and transparency

24. Notes the Foundation's existing measures and ongoing efforts to secure transparency, prevent and manage conflicts of interest and protect whistleblowers; notes that not all of the CVs and declarations of interest of the members of the management board are published on the Foundation's website; calls on the Foundation to publish the CVs and declarations of interest of all the members of the management board and to report to the discharge authority on the measures taken in that regard;

Internal controls

25. Acknowledges that, based on a risk assessment carried out in February 2019, the

¹ Article 175 (1) of Regulation (EU, Euratom) 2018/1046 and Article 4 of the Directive 2014/24/EU of the European Parliament and of the Council on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65) setting the threshold of EUR 144 000 for public supply and service contracts.

Commission's internal audit service (IAS) issued a new strategic internal audit plan for 2019 to 2021 and that the Foundation accepted the proposal for future audit topics in the area of human resources, procurement and contract management;

26. Acknowledges that the *ex ante* evaluation of the Programming document for 2021 to 2024 was carried out by the Foundation and that accepted recommendations are addressed in an action plan;
27. Notes that the IAS finalised a performance audit on 'Prioritisation of the Foundation's activities and allocation of resources' in 2018 and that the Foundation has acted on all recommendations and expects a positive verification from the IAS in 2020; calls on the Foundation to keep the discharge authority informed of the final closure of the recommendations;

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28. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021¹ on the performance, financial management and control of the agencies.

¹ Texts adopted, P9_TA(2021)0215.