

RESOLUTION (EU) 2019/1498 OF THE EUROPEAN PARLIAMENT**of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Railway Agency (now European Union Agency for Railways) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Railway Agency (now European Union Agency for Railways) for the financial year 2017,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0158/2019),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Union Agency for Railways ('the Agency') for the financial year 2017 was EUR 30 732 000, representing an increase of 11,57 % compared to 2016; whereas the budget of the Agency derives mainly from the Union budget;
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Railway Agency for the financial year 2017 ('the Court's report'), states that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99,99 %, representing an increase of 0,79 % compared to 2016; notes that the payment appropriations execution rate was 87,30 %, representing a decrease of 4,27 % compared to 2016;
2. Notes that, in accordance with the provisions of the Agency's new founding Regulation that entered into force in June 2016, the Agency is authorised to charge fees for some of its new competences; notes that a charging regime for issuing certificates, authorisations and approvals was introduced, with the aim of being fully operational in 2019 and the requirement of implementing a new resources system and internal procedures within the Agency to ensure statutory and fee-based tasks are identified and tracked; calls on the Agency to report to the discharge authority on the implementation of this new system;

Cancellation of carry-overs

3. Notes that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 69 473, representing 3,40 % of the total amount carried over, showing a decrease of 1,12 % in comparison to 2016;

Performance

4. Notes with satisfaction that the Agency uses an extensive set of 24 Railway Indicators across four operational activities as Key Performance Indicators to assess the added value provided by its activities and other indicators to improve its budget management;
5. Highlights the Agency's role in ensuring the safety and interoperability of the European rail system and improving competitiveness of rail with other modes of transport, by reducing administrative and technical barriers, encouraging market entry and ensuring non-discrimination, spending public money more efficiently on public rail transport services and through better governance of the infrastructure; supports the Commission's vision of a European railway system that leads the world on safety performance;
6. Welcomes the Agency's role in the follow-up of the development, testing and implementation of European Railway Traffic Management System (ERTMS), as well as in evaluating the specific ERTMS projects; notes also that the 4th Railway Package comprises a technical pillar that enhances the role of Agency by introducing new tasks to ensure a uniform implementation of the EU framework; stresses that, as the Agency receives greater responsibilities, it will need to be given the necessary financial, material and human resources to perform its new and additional tasks effectively and efficiently;

⁽¹⁾ OJ C 84, 17.3.2017, p. 96.

7. Recalls that ERTMS is crucial for achieving a Single European Railway Area; stresses, therefore, that an optimised coordination of ERTMS development and deployment that ensures a single, transparent, stable, affordable, and interoperable ERTMS system throughout Europe is a key priority;
8. Acknowledges that the Agency met its target of 95 % achievement of timely delivery of issuing reports, advice and opinions; points out that the Agency did not achieve the goal of 90 % achievement of all outputs using financial and human resource planning, with only 67 % categorised as fully achieved and 18 % as partially achieved;
9. Welcomes the Agency's cooperation with the European Securities and Markets Authority, sharing accountancy services and having participated in a joint call for tenders;
10. Supports the progress of the Agency towards an increased cooperation with the European Maritime Safety Agency (EMSA) and the European Aviation Safety Agency (EASA) in order to develop a common safety culture;
11. Welcomes the certification, under ISO 9001, of the Agency's Integrated Management System (IMS), which is an independent acknowledgement of the continuous improvement of the Agency's performance;

Staff policy

12. Notes that, on 31 December 2017, the establishment plan was 92,09 % executed, with 128 temporary agents appointed out of 139 temporary agents authorised under the Union budget (compared with 135 authorised posts in 2016); notes that in addition 34 contract agents and 2 seconded national experts worked for the Agency in 2017;
13. Notes that the results of the annual benchmarking exercise regarding the staff are similar to those of 2016 with 18 % of the staff assigned to administrative tasks, 69,5 % assigned to operational task, i.e. a slight decrease (0,5 %) compared to 2016 (from 65 % to 70 %), while the staff assigned to control and financial tasks remained around 12 %;
14. Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment, that it provides awareness raising sessions for its staff and managers and that confidential counsellors are promoted; points out the relatively high number of alleged harassment cases in the Agency in 2017, with 12 reported but none investigated; urges the Agency to report to the discharge authority on the measures taken in order to address this issue;
15. Calls on the Agency to take into consideration and undertake all necessary actions concerning the recommendations of the Internal Audit Service for 2017 on Human Resources and competency management; welcomes the adoption of the Agency's code of good administrative behaviour in January 2018, containing in particular all measures preventing conflicts of interest;

Procurement

16. Notes with concern that 29 exceptions and 7 non-compliance events were registered in 2017, which represents an increase in comparison to 2016; acknowledges that the Agency identified the main areas of concern in this regard; calls on the Agency to report to the discharge authority on the measures taken to decrease their occurrences in the future;
17. Notes that, according to the Court's report, for one audited payment, the Agency purchased IT services, through the contractor, without any competitive procedure or prior market research; takes note of the Agency's reply that the contract was used according to the contractual provisions;

Prevention and management of conflicts of interest and transparency

18. Notes that the Agency has published the declarations of conflicts of interest and the CVs of its management board members on their website; regrets that the Agency expects its senior management staff to complete and sign a declaration of conflicts of interest only when they are involved in an evaluation committee; calls on the Agency to report to the discharge authority on any development made in order to address this issue;

19. Notes that, according to the Agency, it continued to implement the action plan defined in the Agency's Antifraud Strategy; notes that one case of suspicion of fraud was transmitted by the Agency to the European Anti-Fraud Office for investigation and that it formally decided to open an investigation; urges the Agency to report to the discharge authority on the outcome of this investigation;
20. Regrets that the Agency had still not set up rules on whistleblowing but that they were to be adopted by the end of 2018; asks the Agency to report to the discharge authority when its whistleblowing rules have been established and implemented;

Internal controls

21. Notes that in the light of the preliminary results of the assessment of the compliance and effectiveness of the internal control against the ERA management standards, it can be considered that the Agency's control system as a whole works as intended and adequately mitigates the main risks to the achievement of the Agency's objectives;
22. Supports the Court's view that the principle of segregation of duties between the Authorising Officer and the Accounting Officer implies that both functions are mutually exclusive; trusts the Agency that this concern will be tackled by its undergoing re-organisation; calls on the Agency to report to the discharge authority on the measures taken to respond to this observation;

Other comments

23. Notes that by the end of the transitional period (16 June 2019), the Agency will transform from a mere policy preparation and dissemination role into an authority working directly for the industry as regards authorisations for safety certifications and rolling stock; encourages the Agency management to continue its focus on the preparation of the new tasks under the Fourth Railway Package technical pillar, recommending to put high priority on human resource management; notes the progress regarding preparatory decisions for the adoption of a framework for auditing Notified Bodies and the One-Stop-Shop and the policy on monitoring the performance and decision making of National Safety Authorities; calls on the Agency to report to the discharge authority on the steps taken for this move to be successful and deliver benefits in terms of reduced costs;
24. Deplores that numerous contacts with French authorities have not resulted in the signature of the Agency's headquarter agreement according to Article 71 of the Agency Regulation; regrets further that the Management Board has been unable in 2017 to unanimously adopt implementing rules for the language arrangements for the Agency, leading to extra costs and delays, e.g. during recruitment; deplores that the agency continues to operate in two locations; calls for the agency to relocate all activities to its headquarters and operate only from that site;
25. Acknowledges from the Agency that, regarding the United Kingdom's decision to withdraw from the European Union and its potential effect on the Agency's staff, intensive exchange with the UK rail sector has confirmed their interest in staying in the 'European System';
26. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 ⁽²⁾ on the performance, financial management and control of the agencies.

⁽²⁾ Texts adopted, P8_TA(2019)0254. See page 361 of this Official Journal.