2014 discharge: EU general budget, European External Action Service (EEAS)

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The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) calling on the European Parliament to grant the High Representative of the Union for Foreign Affairs and Security Policy discharge in respect of the implementation of the budget of the European External Action Service for the financial year 2014.

Members welcomed the fact that the European External Action Service ('EEAS') has continued to implement its budget **without being affected by major errors** and that the overall level of error in the administrative budget has been estimated by the Court of Auditors at 0.5 %.

Budgetary and financial management: the report noted that the final budget for the year 2014 for EEAS Headquarters was EUR 518.6 million, representing a 1.9 % increase compared to the preceding financial year. The budget was split as follows: EUR 212.9 million for EEAS headquarters and EUR 305.7 million for Union delegations. It also noted that, in addition to the EEAS's own budget, the Commission contributed EUR 271 million in compensation for the management of Commission staff in the network of delegations.

Members noted that the EEAS is now **entirely responsible** for all administrative costs related to the functioning of the delegations except for the delegations located in African, Caribbean and Pacific (ACP) countries. They recall that an **adequate budgeting process** and in particular a simplification of the budget structure remains a core challenge in the short term in order to streamline financial circuits and to help the consolidation of the EEAS's functioning.

EEAS actions: Members made a series of observations on the daily management of the EEAS:

- Despite the new organisational chart and the subsequent rationalisation of a formerly top-heavy management structure in favour of fewer hierarchical layers, the **internal administrative and financial framework** of the EEAS is still **overly complex and rigid**.
- Continuing **imbalances in the staffing profile** of the EEAS as regards gender and nationality need to be addressed, as does the disproportionate number of high-grade posts.
- Current budget arrangements need to be less rigid, so as to allow flexible but effective use to be made of delegation staff in the interests of the Union.
- The **staffing formula** establishing the balance between staff drawn from Member States and from the Union institutions needs to be revised so that it applies to all levels of the hierarchy, in particular to heads of delegation where Member States' diplomats are strongly overrepresented.
- **Geographical balance** should still remain an important element of resources management particularly with respect to the Member States that have acceded to the Union since 2004.
- A clear policy is needed on **seconded national experts,** as is clarification on their entitlements, the financial costs for the EEAS budget and the potential issue of conflicts of interest.
- Eight delegations have issued a **declaration of assurance with a reservation** due to procurement issues, lack of human resources and/or extreme local security constraints. Heads of Union delegations should be provided with **clear guidance** in relation to the general operational guidelines on the definition of the reservation and its components, the elements to be considered for the issuance of a reservation such as the level of the financial and reputational risks at stake, the operational weaknesses, internal and external constraints identified and related impact on the management of funding and payments operations.

- Steps have been taken to better integrate the seven **EU special representatives** into the administrative structure and senior management of the EEAS.
- **Transparency and accountability** are essential requirements not only for democratic scrutiny but also for the adequate functioning and the credibility of missions carried out under the Union flag. Parliament attaches importance to exercising oversight over the different common security and defence policy (CSDP) missions and operations.
- The trend of **co-location projects** of Union delegations with Member States should continue.
- **Closer cooperation, coordination and synergies** of activities between the Union delegations and Member States' Embassies abroad should be established.
- The EEAS and EuropeAid need to ensure that the Union delegations **actively address the shortcomings identified** in the external assistance programmes and projects already during the implementation phase, so that ongoing programmes and projects meet their objectives and avoid delays.
- The EEAS and the Commission should **coordinate CSDP missions more thoroughly** in advance with other Union efforts, bilateral missions and international efforts with similar objectives.
- **Adequate tools** need to be provided to the heads of delegations to effectively manage and oversee the delegations without generating excessive administrative burden.
- A **detailed analysis** should be prepared of financial implications and cost savings that would be made from providing **consular services through Union delegations**.

Members welcome:

- the issuing of improved and more comprehensive guidelines reinforcing the supervision of the heads of delegations, covering both the accountability and reporting requirements;
- the signature of the administrative arrangement between the European Anti-Fraud Office (OLAF) and the EEAS in accordance with the new OLAF regulation;
- the effective implementation of ICS as the conclusion of the internal survey carried out in 2014 at EEAS headquarters and in delegations, with the exception of the issue of business continuity which still needs swift improvement in management procedures.