2021 discharge: General budget of the EU - European Economic and Social Committee

2022/2086(DEC) - 24/03/2023 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Mikuláš PEKSA (Greens/EFA, CZ) on the discharge for implementation of the European Union general budget for the financial year 2021, Section IV - European Economic and Social Committee (EESC).

The committee responsible recommended that Parliament **give discharge** to the Secretary-General of the European Economic and Social Committee in respect of the implementation of the budget of the European Economic and Social Committee for the financial year 2021.

Budgetary and financial management

Members note that the Committee's final budget for 2021 amounted to **EUR 145 024 938**, which represents a slight increase of 1.7% compared to EUR 142 539 393 in 2020 and EUR 138 502 768 in 2019. The most important budget lines in 2021, accounting for about 80% of the overall budget, were allowances and grants, followed by members' travel and subsistence expenses, lease payments, interpreters and fitting out of premises.

The report notes with concern the **low budget implementation rate** of 90.8%, down from 91.8% in 2020 and far from the pre-pandemic levels in 2019 and 2018. It highlights the low payment rate as at 31 December 2021, at 78%, down from 83.2% and 92.5% in 2020 and 2019 respectively.

In 2021, the COVID-19 pandemic had an impact on the Committee's activities, reducing the use of funds for some lines (travel expenses and allowances for members, interpretations, staff missions and organisation of events and hearings), while for others, the health crisis required additional expenditure (technical assistance for remote or hybrid meetings, reinforcement of IT systems to cope with the increase in teleworking, and additional equipment required by the Committee's medical service).

Internal management, performance and control

The report notes the new management plan adopted by the Committee in 2021, which sets out the strategy of its Secretariat-General and the five core values and five key strategic objectives that will guide its work over the next five years.

Members welcome the integrated programme of analysis of the Committee's activities. However, they are concerned about the limited resources available to the Committee's Internal Audit Service (IAS).

In 2021, the Committee adopted **200 opinions** (compared with 131 in 2020 and 127 in 2019), of which 151 were based on referrals, 28 were own-initiative opinions and 12 were exploratory opinions (the number of opinions based on referrals having reached 65 and 59 in 2020 and 2019 respectively). Members welcome the decision to launch a pilot project on strengthening the follow-up to opinions issued.

Members note a doubling of the number of meetings with Parliament's counterparts in the preparation of the Committee's opinions compared to 2020, which confirms the Committee's role in the legislative cycle. They call on the Committee to ensure that its opinions are shared with members of Parliament's relevant committees, in accordance with the cooperation agreement between Parliament and the Committee of the Regions (CoR).

Human resources, equality and staff well-being

The report notes, in 2021, despite the limitations imposed as a result of the COVID-19 pandemic, the Committee managed to guarantee safe working conditions.

The Committee reports that there were **699 members of staff employed on 31 December 2021**, compared to 702 in both 2020 and 2019. In 2021, the number of posts in the Committee's establishment plan increased from 668 to 699, which was foreseen in 2020.

A large number of temporary and contract agents were employed in 2021. The Committee is invited to further deepen its administrative cooperation with the CoR via the joint services arrangement to enhance the synergic effects of pooling staff.

The majority of the Committee's staff is composed of women (448 out of 699), in both the assistant category and the administrator category. They welcome the well-balanced gender representation in middle and senior management functions. On the other hand, the Committee's geographical balance is not satisfactory given that Member States are not proportionally represented.

Ethical framework and transparency

Members welcome the update of the Committee's code of conduct in January 2021, with reinforced sanctions and a wider scope, and the adoption of a detailed ethics action plan in January 2021. They reiterate their call to also consider an external audit on ethics and transparency.

Members regret that the Committee continues to ignore Parliament's calls for an external and independent enquiry specifically aimed at examining the Committee's human resources procedures and their effectiveness, with a focus on identifying the responsibilities of the administrative hierarchy in **dealing with harassment complaints** and ensuring the well-being of staff. They call on the Committee to take all necessary measures to effectively prevent future cases of harassment.

The report welcomes the fact that the Committee's revised code of conduct, introduced in January 2021, contains specific provisions on the declaration of financial interests and on conflicts of interest. It notes with satisfaction that ethics training became mandatory for all staff in 2021.

The report makes the following observations, *inter alia*:

- the Committee has worked to support the recovery process after the COVID-19 pandemic, in particular to benefit more from the increased **digitalisation**. The Committee is invited to continue to give a high level of attention to cyber security issues;

- the leading component of the **building strategy** of geographical concentration was pursued with the exchange of the TR74 and B68 buildings for the VMA building. The building exchange carried out requires additional intervention to provide a fitting working environment for the new tenants;

- the current agreement on **administrative cooperation** between the Committee and the CoR, which entered into force on 1 November 2021 for a period of five years, has strengthened the governance of the cooperation and the control mechanisms and is further evidence of the willingness to share resources efficiently and create synergies.