

**2012 discharge: European External Action Service**

**1. European Parliament decision of 3 April 2014 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section X – European External Action Service (COM(2013)0570 – C7-0282/2013 – 2013/2205(DEC))**

*The European Parliament,*

- having regard to the general budget of the European Union for the financial year 2012<sup>1</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013)0570 – C7-0282/2013)<sup>2</sup>,
  - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies<sup>3</sup>,
  - having regard to the statement of assurance<sup>4</sup> 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
  - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>5</sup>, and in particular Articles 50, 86, 145, 146 and 147 thereof,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>6</sup>, and in particular Articles 164, 165, 166 and 167 thereof,
  - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A7-0199/2014),
1. Grants the High Representative of the Union for Foreign Affairs and Security Policy discharge in respect of the implementation of the European External Action Service's budget for the financial year 2012;

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<sup>1</sup> OJ L 56, 29.2.2012.

<sup>2</sup> OJ C 334, 15.11.2013, p. 1.

<sup>3</sup> OJ C 331, 14.11.2013, p. 1.

<sup>4</sup> OJ C 334, 15.11.2013, p. 122.

<sup>5</sup> OJ L 248, 16.9.2002, p. 1.

<sup>6</sup> OJ L 298, 26.10.2012, p. 1.

2. Sets out its observations in the resolution below;
3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

**2. European Parliament resolution of 3 April 2014 with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section X – European External Action Service (COM(2013)0570 – C7-0282/2013 – 2013/2205(DEC))**

*The European Parliament,*

- having regard to the general budget of the European Union for the financial year 2012<sup>1</sup>,
  - having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013)0570 – C7-0282/2013)<sup>2</sup>,
  - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies<sup>3</sup>,
  - having regard to the statement of assurance<sup>4</sup> 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
  - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
  - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>5</sup>, and in particular Articles 50, 86, 145, 146 and 147 thereof,
  - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>6</sup>, and in particular Articles 164, 165, 166 and 167 thereof,
  - having regard to its previous discharge decisions and resolutions;
  - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A7-0199/2014),
1. Notes that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2012 for administrative and other expenditure of the institutions and bodies were free from material error;
  2. Welcomes that in its second financial year, the European External Action Service ('EEAS') has continued to implement its budget without material errors being identified by the Court

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<sup>1</sup> OJ L 56, 29.2.2012.

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<sup>3</sup> OJ C 331, 14.11.2013, p. 1.

<sup>4</sup> OJ C 334, 15.11.2013, p. 122.

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of Auditors and that most of the problems identified in the 2011 Annual Report of the Court of Auditors as result of the setting-up process have not reoccurred;

3. Points out that in the 2012 annual report, the Court of Auditors did not identify any significant weakness in respect of the topics audited for the EEAS'; takes note that some weaknesses persist in the management of social allowance and regrets that the same problems which occurred in 2011 were repeatedly reported in the 2012 Annual Report of the Court of Auditors; urges the EEAS to implement all recommendations made; welcomes the steps the EEAS has taken with regard to the issue so far and encourages it to speed up the roll-out of its new programme to resolve it;
4. Is concerned that in 2012, the PMO system was not yet fully operational, leading to the incorrect payment of social allowances to staff members;
5. Takes note of the replies given to the Court of Auditors' observations and regrets that they only describe actions taken in 2013;
6. Notes that at the end of 2012, the final budget for EEAS headquarters was EUR 184 100 000, with an execution of commitments rating of 99,35 % and was EUR 304 500 000 for the delegations, with a commitments rating of 99,45 %; takes note that the budget of the delegations had to be supplemented by the Commission for a total of EUR 268 000 000;
7. Is concerned with the carrying over of appropriations in 2012; suggests the development of key performance indicators to monitor the most critical areas in order to improve the budget execution over the coming years;
8. Recalls that the EEAS is a recently created institution, resulting from the consolidation of different services, and that 2011 was its first year of operation with numerous technical challenges to be overcome, particularly in procurement and recruitment; notes that the excessive administrative burden resulting from arrangements necessary for setting up the EEAS has been eased in 2012; is concerned, however, that the Chief Operating Officer of the EEAS has maintained his reservations concerning some of the security contracts of Union Delegations and several Union Delegations have issued reservations as well;
9. Appreciates the detailed response given to a wide range of written and oral questions made by the members of Parliament's Committee on Budgetary Control;
10. Notes the importance of the current discharge in establishing the framework for future discharge exercises and believes that it will reinforce the expectations of future developments and improvements in the effectiveness of the EEAS and its operations;
11. Takes note of the difficulties in implementing a budget with various sources that lack equilibrium, in particular the shared costs of delegations;
12. Believes that the current structure of the EEAS budget, with contributions from the Commission's 26 different budget lines and the European Development Fund makes it impossible to have a clear overview of the real costs and expenses of the work of the EEAS and its Delegations; supports the simplification proposal made by the EEAS in November 2013 and asks the Commission to implement the changes proposed and to examine the further simplification of the EEAS's current financing;

13. Considers positive the fact that the EEAS posts are now also open to Parliament's officials;
14. Endorses the target of reaching a one-third proportion of National Diplomats among all EEAS staff members by the mid-2013 deadline; takes note that EEAS is not static and that the selection of staff is based on applications and merit;
15. Regrets, however, that a better geographical balance has not yet been achieved as regards appointments to management posts; urges the EEAS to implement measures that contribute to a better and more balanced representation of all Member States;
16. Asks the EEAS to strengthen the geographical balance, in particular as regards the posts of Head of Union Delegations; reiterates the need for an enforced geographical balance of the Member States at all levels of the administration;
17. Welcomes the fact that since 2011 the number of women in Head of Delegation posts have more than doubled from 10 to 24 (17 % of the total) and that in Headquarters there are 22 women in management positions of head of divisions and above representing 18 % of the total; encourages the EEAS to continue improving the gender balance both in the Delegations and at the Headquarters;
18. Recognises that efforts have been made to reduce the top-heavy EEAS administration; welcomes the efforts to reduce the number of AD15 and AD16 posts and encourages the EEAS to continue improving this situation;
19. Is concerned, however, that the EEAS has the biggest proportion of high-graded staff out of all Union institutions, having 514 individuals employed in AD 12 or grades above (over 50 % of all EEAS AD staff), making it difficult to achieve significant reductions in the top-heavy administration; also points out that there are still directorates staffed by as few as 22, 27, or 30 persons and managing directorates with a staff complement of 44; considers that the reversion of this situation could be achieved in the coming years through efficient management policies;
20. Expresses concern at the excessive number of officials being promoted after two years in a grade, especially the quick promotions in the higher grades; invites the EEAS to establish stricter criteria for the quick promotion in higher grades, especially taking into account the high number of posts at high grades and additional costs that this entails in real terms, and to ensure that the promotions will be fully in line with the Staff Regulations;
21. Considers the responsibilities of the Union Special Representatives (EUSRs) to be very unclear; deeply regrets that information on the use of the budget they receive to implement their mandate continues to be obscure and is concerned that information is not forthcoming unless asked for; expresses concern that the EUSR budget was raised from EUR 15 million in 2011 to EUR 27 million in 2012, especially in light of the fact that the High Representative was planning to do away with EUSRs in 2010; notes that this is an increase of 80 % and that compared with 2011, the EUSR travel budget for 2012 was tripled; calls on the EEAS to provide adequate information on Union Special Representatives' responsibilities and on their use of the budget;
22. Calls for an end to the parallel foreign policy pursued through the EUSRs and, in terms of pay, insists that EUSRs should not be treated more favourably than Union ambassadors in post; points out that EUSRs are placed in the highest salary grade, in other words at

director-general level, but do not bear the same responsibility as directors-general; calls for EUSR positions to be fully integrated into the EEAS structure; recommends the transfer of the EUSR budget into the EEAS budget;

23. Notes with satisfaction the performance and management of the interviews conducted and the filling of vacancies; takes note of the overview provided on how often a candidate was invited to interview, as requested by Parliament in the last discharge exercise;
24. Appreciates the efforts of the EEAS to keep a balance between recruitments from Member States, other institutions and candidates of European Personnel Selection Office competitions; regrets that in the years 2012 and 2013, only one laureate was recruited by the EEAS, while altogether 291 individuals were appointed;
25. Expresses concern at the high number of posts at high grades, which is very cost-intensive; welcomes the information provided on new recruitments; requests, however, that the grades of newly recruited management and Head of delegations posts to be also indicated;
26. Welcomes the increase of external candidates applying for EEAS posts; believes that travel costs incurred relating to the training and selection procedure can be reduced; invites the EEAS to make use of videoconferencing facilities more regularly;
27. Calls on the EEAS to introduce a requirement that newly appointed EEAS staff give a declaration of honour stating that they have not worked for intelligence services in the past;
28. Emphasises that competence in the field of foreign affairs must remain the main criterion for hiring decisions; requests that the EEAS develop a coherent human resources strategy that can achieve these goals;
29. Reiterates the need to ensure that local agents in delegations are subject to a comprehensive security check prior to employment;
30. Understands that adjustments of staff in delegations are needed; expects that those arrangements do not impact upon the EEAS's performance and the credibility of the Union;
31. Notes with concern that in 2012, 49 % of Heads of Delegation (57 % in 2011) assessed the skills of their operational staff, finance staff, and the monitoring and auditing staff as inadequate to carry out their tasks; reiterates its call to the EEAS and the Commission to provide Parliament with the results of their discussions without delay;
32. Supports the efforts of the EEAS to increase the number of available trainings and to encourage attendance of its staff both in Delegations and in Headquarters; is concerned, however, that in 2013 there were about 1 000 fewer members of staff attending training courses than in 2012 and the strategic goal of 10 days of training per employee per year was not achieved, having only reached less than four day per employee per year;
33. Draws attention to the cost-intensive procedure of the annual salary adjustment method for local staff in Union delegations; invites the EEAS to consider an alternative calculation method which is more transparent and simple and to report to Parliament's appropriate committee on that subject;
34. Takes note of measures being brought forward to rationalise expenditure concerning staff

and staff matters;

35. Notes that in 2012, two senior managers at the EEAS were retired in the interests of the service (Article 50 of the Staff Regulations); notes further – with the proviso that the position at the Council cannot be ascertained – that no other Union institution invoked that provision in 2012; points out that officials to whom the above arrangement is applied are entitled to draw a full pension from age 55; calls on the EEAS to inform Parliament of the reasons, the age of the two officials concerned, and the annual costs to be incurred on their account;
36. Takes note that in 2012, the action plan for a better financial management of security contracts was initiated; acknowledges the results achieved as announced by the EEAS and asks to receive the text of the action plan and detailed information on the measures implemented in the next annual activity report;
37. Supports the action plan of the security directorate on the security contracts managed by the Headquarters; regrets nonetheless, that the deficiencies in the management of security contracts by the Delegations were not included in that action plan;
38. Notes with disquiet that security contracts in Rome, Tanzania, and Fiji have been extended by more than ten years without being put out to tender again during that period; calls on the EEAS to provide Parliament with details on its contractors in the above places, the value of their contracts, and the exact duration of those contracts;
39. Takes note that some Delegations needed assistance to retender their security contracts; urges the EEAS to implement information actions applicable to all the delegations on procurement matters;
40. Commends the EEAS for the method applicable in the evaluation missions;
41. Asks the EEAS to explain why it was necessary to create the post of Deputy Head of Delegation for Afghanistan;
42. In the context of the EU-Central America Association Agreement, emphasises the need for the Union to create a delegation in Panama, an important partner and the only country in the region without its own delegation, and calls on the EEAS to take action to this end as soon as possible as already requested last year;
43. Welcomes the fact that the number of one-person Union delegations has been reduced from 18 in the preceding year to the present 15; calls on the EEAS to continue that trend and to merge delegations where appropriate;
44. Recalls its demand for a human resources policy in Union Delegations that takes into account the Union's political priorities in a given region and the flexibility required for reacting to crises; urges the EEAS and Commission to find a common approach to delegation staff and to an allocation of tasks in accordance with these principles and to ensure appropriate coordination among the services to enhance the coherence of Union policy and contribute to budgetary synergies;
45. Strongly supports the EEAS's four main initiatives for smart savings; asks the EEAS to provide an implementing report which shows the financial results and how money saved

this way was reused; requests that the Commission also adopt these initiatives;

46. Reiterates the importance of continuing efforts to identify opportunities for long-term savings and synergies, both between EEAS and Commission and with Member States, to ensure the sustainability of the EEAS budget in a time of budgetary restraints;
47. Supports the EEAS in its efforts to prepare for the 2014-2020 Multiannual Financial Framework, when it will have a budget of EUR 96 000 million of Union External Assistance funds which it will implement in shared responsibility with the Commission;
48. Calls on the EEAS to make greater efforts to save costs by sharing buildings and facilities with the diplomatic services of Member States in delegations; calls on the EEAS to compile a summary – to be submitted to Parliament – showing how many embassies and consulates of Member States in countries with Union delegations have been closed since the EEAS was set up or specifying the countries where the establishment of the EEAS has served to create synergies; notes, however, that Member States should pay their fair share of the costs involved in such colocation and service provision;
49. Welcomes the collocation proposal to 14 Member States in 7 third countries since 2011; notes with satisfaction that synergies with the Commission's Directorate-General for Development and Cooperation – EuropeAid and the diplomatic services of the Member States are functioning well and welcomes the information provided in 2012; notes that there is still work to be done in relation to the consulate services; asks that Parliament's Committee on Foreign Affairs be engaged in this exercise;
50. Demands the EEAS intensify its efforts towards increasing savings with regard to housing policy of staff employed in the Union Delegations; considers that there is room for significant savings in this field as in year 2012 the housing costs paid for the accommodation of 675 officials in Union Delegations had a total cost of EUR 30 million;
51. Asks the EEAS to include in its next Annual Activity Report detailed information on how the new housing policy, which will be implemented in the next four years, will contribute to the Smart Savings Initiative set up in 2011;
52. Welcomes the fact that the EEAS could immediately impose savings of EUR 4 million in the 2014 budget with the new Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union entering into force; points out, however, the extremely high costs of employment in Union Delegations, as all entitlements, allowances, weightings coefficients, rest leaves and annual travel costs, moving and housing expenses add up to over EUR 8 000 per month per employee above the monthly salary of the individuals working in the Union Delegations;
53. Urges the Commission to come up with a solution for the management of administrative expenditure in Union Delegations, so as to ease the administrative burden of Heads of Delegation, in particular in smaller Delegations, by enabling sub-delegation also to Commission staff, in line with Parliament's report on the 2013 review of the organisation and the functioning of the EEAS;
54. Expresses concern at the fact that, contrary to the plan to make more selective use of, and shorten, leave for staff in third countries, as was announced in connection with the reform of the Staff Regulations, such leave, treated as rest leave, is now even being applied to more



countries than before; points out that, in addition to the leave, air tickets are provided for all the family; calls for an overview of the cost of this measure, which takes effect in 2014, whereas the leave cuts will not be implemented until 2015;

55. Welcomes the review of the Living Conditions Allowance and Rest Leave Scheme provided to staff in Delegations introducing a new calculation method of the annual journey contribution using economy class airfares, instead of business class, as the basis of the calculations, which alone led to a savings of EUR 3 million in budget 2014;
56. Notes that payments for annual leave entitlement outstanding at the time of termination of service amounted on average to EUR 8 526 per person in 2012 and fell to EUR 5 986 in 2013; calls on the EEAS to take the steps required to lower these costs further;
57. Strongly urges the EEAS, with regard to the travel arrangements from its delegations to its headquarters, to adopt practices similar to those applied by the diplomatic services of the Member States in comparable circumstances;
58. Welcomes the establishment of a 'Memorandum of Understanding' between the European Anti-Fraud Office (OLAF) and the EEAS; regrets the delay of its conclusion and asks the EEAS to report on the progress made regarding the new Anti-Fraud Strategy for Union Delegations which was planned to be finalised in 2013;
59. Calls on the EEAS to include in its Annual Activity Reports the results and consequences of closed OLAF cases, where the institution or any of the individuals working for it were the subject of the investigation;
60. Takes note that the head of administration of Union delegations and the staff responsible for the administration of Member States' embassies regularly meet to discuss and exchange experience in the relevant domains; expects this good practice to continue and be extended to other relevant areas of activity;
61. Points to the urgent need for strengthening the ability of the EEAS and of Union delegations to defend themselves against spying activities from third countries, including by strengthening the security of their IT networks and by building systems of secure communication, and insists that an assessment of related budgetary needs is made without delay;
62. Demands that the EEAS's building policy be attached to the annual activity report, especially given that it is important that such costs are properly rationalised and that such costs are not excessive;
63. Urges the EEAS to provide the discharge authority with the list of building contracts concluded in 2012, including the details of the contracts, the country where the contract is entered in and the length of the contract, as it was done in the 2011 EEAS Annual Activity Report and asks the EEAS to provide the same details of building contracts in its 2013 Annual Activity Report;
64. Takes the view that improvements can be made in the financial management to prevent interests accruing on late payments, in particular by reducing the period of delay; notes that the three highest amounts of late payment interest are EUR 3 714,84, EUR 4 395,71, and EUR 5 931,67;

65. Points to the need for parliamentary scrutiny to be brought to bear on INTCEN, EUMS INT, the Situation Room, and the Satellite Centre, which produce analyses for decision-makers, based on national intelligence service information and other sources, and foster cooperation between national intelligence services;
66. Calls for a separate EEAS budget heading for EU Intelligence Analysis Centre (INTCEN), EU Military Staff Intelligence Directorate (EUMS INT), and the Situation Room so as to ensure democratic oversight and transparency;
67. Calls on the High Representative to provide detailed information on the budgets and staffing of INTCEN, EUMS INT, and the Situation Room in the EEAS annual report;
68. Calls on the EEAS to publish information in its annual report specifying how many classified documents, broken down by level of classification, it has received from (or sent to) individual institutions, other bodies, Member States, and third parties;
69. Considers that budget support systems for third country governments are not properly audited and calls for a better scrutiny of the financial operations at an earlier stage;
70. Calls on the Court of Auditors to include in its next annual report a review of the follow-up by the EEAS of Parliament's recommendations in this resolution;