

**11. Appendix K:
FOLLOW-UP TO OBSERVATIONS IN THE PARLIAMENT'S 2015
DISCHARGE RESOLUTION**

Financial Regulation, Art. 166: Follow-up measures

1. *In accordance with Article 319 TFEU and Article 106a of the Euratom Treaty, the Commission and the other institutions shall take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision and on the comments accompanying the recommendation for discharge adopted by the Council.*
2. *At the request of the European Parliament or the Council, the institutions shall report on the measures taken in the light of those observations and comments, and, in particular, on the instructions they have given to any of their departments which are responsible for the implementation of the budget. The Member States shall cooperate with the Commission by informing it of the measures they have taken to act on those observations so that the Commission may take them into account when drawing up its own report. The reports from the institutions shall also be transmitted to the Court of Auditors.*

**11.1 EUROPEAN PARLIAMENT RESOLUTION OF 27 APRIL 2017 WITH
OBSERVATIONS FORMING AN INTEGRAL PART OF THE DECISION ON
DISCHARGE IN RESPECT OF THE IMPLEMENTATION OF THE GENERAL
BUDGET OF THE EUROPEAN UNION FOR THE FINANCIAL YEAR 2015,
SECTION VI – EUROPEAN ECONOMIC AND SOCIAL COMMITTEE
(2016/2156(DEC))**

The European Parliament,

1. *Welcomes the conclusion of the Court of Auditors (the “Court”), according to which the payments as a whole for the year ended on 31 December 2015 for administrative and other expenditure of the European Economic and Social Committee (the “Committee”) were free from material error;*

No follow-up required.

2. *Notes with satisfaction that, in its annual report for 2015, the Court identified no significant weaknesses in respect of the audited topics relating to human resources and procurement for the Committee;*

No follow-up required.

3. *Notes that in 2015 the Committee's budget amounted to EUR 129 100 000 (compared to EUR 128 559 380 in 2014), with a utilisation rate of 95,9 %; points out that there was a slight increase of the utilisation rate in 2015, when compared to 2014;*

No follow-up required.

4. *Notes that the Committee's budget is mostly administrative, with a large amount being used for expenditure concerning persons working within the institution and the remaining amount relating to buildings, furniture, equipment and miscellaneous running costs; stresses, however, that introducing PBB should not apply only to the Committee's budget as a whole but should also include the setting of specific, measurable, attainable, realistic and time-based (SMART) targets to individual departments, units and the annual plans of members of staff; in this respect, calls on the Committee to introduce the PBB principle more widely in its daily operations;*

The Committee fully agrees that PBB has a crucial role to play in public administration, and PBB principles are already broadly applied at the EESC. It must be stressed that for an advisory body such as the EESC, whose activities are primarily based on requests from the outside, overall goals and objectives are largely predefined.

Efficiency and effectiveness of spending are strong guiding principles for the EESC in its preparation and execution of the budget. This is clearly reflected in the fact that since 2011, the Committee has kept its activities at a consistent level, despite a budget reduction of around 5% in real terms.

In the framework of the administration's annual work programme, SMART targets are established for each entity and are translated into individual objectives for staff members. A thorough update of the key activity performance indicators (KAPIs) currently in use is planned for 2017, to ensure that they continue to allow for the best possible measurement of progress on achieving the set targets.

5. *Notes the Committee's follow-up observations to Parliament's 2014 discharge resolution, attached to its annual activity report; welcomes the setting up of a support service for public procurement in 2015;*

No follow-up required.

6. *Notes that 2015 was the starting year of a new term in office of the Committee, which may have affected the achievements, particularly of the legislative directorates, including interpretation and the communication and human resources directorates;*

No follow-up required.

7. *Notes that the report on the implementation of the Cooperation Agreement between Parliament and the Committee (the “Agreement”) assesses the cooperation between both institutions in a timely and positive manner;*

No follow-up required.

8. *Notes that, according to the Committee, the nature of the ‘intensified’ cooperation referred to in the Agreement needs to be better clarified and that some elements remain to be fully implemented and require sustained engagement from both institutions; is convinced that further efforts for full implementation of the Agreement and the development of synergies will bring positive results to both parties;*

This observation is a reference to the EESC's report from December 2016 on the implementation of the Cooperation Agreement. See comment to observation 10.

9. *Reiterates its request for a joint assessment of the budgetary savings resulting from the Agreement to be included in its mid-term review or in the next follow-up report of the Agreement;*

The EESC is ready to fully cooperate with the EP in such an exercise.

10. *Notes that the opinions of the Committee are not well integrated in Parliament's work and calls on the Committee to develop proposals together with Parliament's Secretary-General to streamline the procedures of the Committee and Parliament in this respect;*

The Committee will further develop actions started in 2016, with the aim of ensuring that its opinions are more consistently reflected in Parliament's work. An important element is a strong engagement among members, with direct contacts and invitations to key MEPs to take part in EESC activities in their main areas of interest. At the same time, through close contacts at the administrative level, EP committee staff are encouraged to ensure that relevant EESC opinions are always brought to the attention of EP rapporteurs and that EESC rapporteurs are invited to present the views of the EESC in EP Committee hearings and other relevant forums in the EP.

The Committee would like to see a further strengthening of the formal contacts between the EESC and the EP, as set out in the cooperation agreement. More regular exchange of views between the EESC President and both the Chair of the Conference of Committee Chairs (CCC) and the CCC as such, would enable the two parties to identify joint priority topics and establish where the EP could make best use of active input from the EESC.

See also comment to observation 29.

- 11. Notes the conclusion of a new administrative bilateral cooperation agreement between the Committee and the Committee of the Regions, signed in 2015; trusts that that agreement ensures further efficiency in the performance of both committees; takes the view that similar administrative functions should be merged in order to avoid a pointless duplication of activities;**

The current cooperation agreement between EESC and CoR entered into force on 1 January 2016 and runs for a period of four years. It is the closest interinstitutional cooperation presently in place and is often quoted as an example of good administration.

In the current budgetary context, the EESC is very much determined to continue and even extend this cooperation, both within the joint services and between the own services of the two Committees. Cooperation must be developed where the mid-term assessment, which will be carried out by the beginning of 2018, identifies scope for further rationalisation and new synergies.

- 12. Notes that the direct access between the RMD and the REM buildings was closed by Parliament due to security concerns after the November 2015 Paris terrorist attacks; trusts that Parliament will re-assess the security concerns, as reopening of the passage would be beneficial to the three institutions;**

No follow-up required.

- 13. Welcomes the administrative changes applied in 2015, in particular the full implementation of a cost-based system for reimbursement of members' travel expenses and the full revamp of the members' portal; calls on the Committee to provide a comparative annual overview of members' travel expenses for 2014, 2015 and 2016;**

A cost-based system for reimbursement of members' travel expenses, inspired by the EP's system, was indeed fully implemented in October 2015. Up until then, members could choose a flat-rate reimbursement. The new system is a clear improvement in terms of transparency but has implied an increase in travel costs in its initial phase of implementation. In 2016, the first year with cost-based reimbursement only, the increase in expenditure was 8.9% compared to 2015.

Total travel expenses and allowances of EESC members in 2014, 2015 and 2016

Year	Budget after transfers* (EUR)	Total expenditure (EUR)	Take-up rate
2014	18 834 194	17 550 674	93.19%
2015	19 381 194	17 835 003	92.02%
2016	19 561 194	19 422 272	99.29%

* Transfers in 2014 and 2015 to item 1008 (CCMI delegates) of EUR 67 000 and EUR 70 000 respectively.

Each year by 30 April, the Committee submits to the EP and the Council a detailed report on the reimbursement of travel expenses and allowances paid in the preceding year.

The situation is being closely monitored and analysed with a view to making savings over time. In 2016, the increase in ticket costs was to a certain extent mitigated by the use of an interinstitutional framework contract with the EP for travel agency services.

14. Notes that, according to the Committee's rules of procedure, its members are completely independent in the performance of their duties, in the general interest of the Union; notes that the declarations of interests of the members are available on the Committee's website; calls on the Committee to join the future Inter-Institutional Agreement on a Mandatory Transparency Register;

According to Article 300(2) TFEU, the Economic and Social Committee consists of "representatives of organisations of employers, of the employed, and of other parties representative of civil society, notably in the socio-economic, civic, professional and cultural areas". EESC members are therefore by definition representatives of certain interests, acting in an advisory capacity, based on their experience and expertise. Moreover, each member is required to make an individual declaration of interests, which is then made available to the general public on the Committee's website.

It is essential that, in the performance of their duties, EESC members interact with a variety of stakeholders at both national and European levels, in particular those not represented in the Committee, in order to ensure the best possible representativeness and validity of the EESC's work, not least its opinions. Also, as the institutional representative of organised civil society at EU level, the EESC as such has a particular responsibility for the development of participatory democracy and civil dialogue. Interacting with civil society organisations, i.e. interest groups, is part and parcel of the EESC's mission.

The Committee closely follows developments on the interinstitutional agreement on a mandatory Transparency Register.

15. Is concerned about the high number of vacant permanent posts in 2015 and encourages the Committee to implement the necessary measures to improve its recruitment procedures;

The high number of vacant posts by the end of 2015 was a reflection of a deliberate policy aimed at enabling the Committee to meet the following two obligations:

- A cut of 7 posts on 1 January 2016 in the framework of the interinstitutional agreement on a 1% annual reduction of staff for 2013-2017.
- The transfer of 36 EESC posts to Parliament on 1 January 2016 in the context of the cooperation agreements between the EP and EESC/CoR. Translation staff volunteering for a possible transfer were first seconded to the EP for a period of six months, with a

right to return to their post before making a final decision on whether or not to move. In the meantime, these posts had to be kept vacant in the EESC establishment plan. Also, as fewer than 36 staff members volunteered for a transfer, additional posts had to be kept vacant in case it became necessary to transfer vacant posts (in the end, 11 vacant posts were transferred).

- 16. Notes with concern the continued gender imbalance in senior and middle management posts (30 % / 70 % in the case of senior management); regrets also the geographic imbalance in senior and middle management posts, in particular the shortage of staff from the Eastern countries; calls on the Committee to take action to correct those imbalances and to report back to the discharge authority on the measures taken and on the results achieved;***

The Committee currently has one of the highest percentages of female managers in the EU institutions. The proportion of women in management positions has increased considerably over the last years, from 28% in 2010 to 43% in May 2017. A 40% representation of the underrepresented gender is commonly seen as the minimum target.

The EESC recently introduced an action plan for equal opportunities and diversity (2017-2020) aimed in particular at further improving gender and geographical balance in management posts. The explicit aim of the plan is to create an inclusive working environment that harnesses the many benefits that derive from the coming-together of different experiences, opinions and cultural origins. It includes 25 concrete measures in the main HR areas such as recruitment, training, career development and working conditions, with a particular focus on communication and awareness-raising.

Reaching an acceptable geographical and gender balance is a process that takes time. Only vacant posts can be used to correct imbalances. Both the Staff Regulations and the jurisprudence of the Court of Justice must be fully respected.

- 17. Notes the Committee's plan to comply with the inter-institutional agreement to reduce staff by 5 % over a period of five years; asks to be informed as to how this reduction matches the situation in 2016 that includes three new posts; suggests that the Committee report back to Parliament on any alternative savings achieved to compensate the possible delay in the reduction of staff;***

The EESC did not receive additional posts in 2016. In accordance with the interinstitutional agreement on a 5% reduction in staff for 2013-2017, the Committee returned 7 posts to the budgetary authority on 1 January 2016 and another 6 posts on 1 January 2017, thereby fully complying with the 5% target.

In the context of developing Irish language capacity in the joint services of the two Committees, the EESC received 1 AD post in the 2017 establishment plan (the CoR received 1 AD and 1 AST post for the same purpose). The intention is to recruit an Irish

translator on this post as soon as the EPSO reserve list has been published. For 2018, the EESC has requested three additional posts (2 ADs and 1 AST) to further develop Irish language capacity.

18. Welcomes the fact that the internal whistleblowing rules entered into force in early 2016;

No follow-up required.

19. Fully supports the creation of ethics counsellors' posts to help with possible harassment-related situations and specific training for the hierarchy to improve the knowledge and management of whistleblowing cases; regrets that three cases linked to harassment had to go through legal action;

The EESC has developed a new approach to combat harassment, which has already proved to be effective. Since new anti-harassment measures were put in place in 2014, the EESC has not been found to fail to address any claim of harassment.

The three legal actions with a component of harassment in 2015 had the following outcomes:

- in the first case, the EESC agreed that moral harassment may have taken place and came to an agreement with the complainant about compensatory measures to be taken;
- in the second case, the EESC reached a friendly settlement with the two parties concerned aiming at establishing a functional relation between the two;
- in the third case, lodged in 2015 with ruling in 2016, the Civil Service Tribunal dismissed the complainant's claim of being morally harassed by their superior.

The purpose of the new approach is to create a culture of awareness and prevention. Notwithstanding, legal action before the Court remains one of the means available to members of staff who feel they have been subject to harassment.

20. Is unable to opine on the level of the staff absenteeism due to sick-leave because of the poor report provided by the Committee on that matter; calls on the Committee to report on its staff's sick leave divided by the number of working days on sick leave per individual member of staff;

The method used by the EESC to measure staff's absence on grounds of sickness is established in an interinstitutional agreement of 31 May 2001 and utilised by most European Institutions.

This method calculates the absence rate based on the total number of staff and calendar days, and generates the following result for the EESC in 2015:

$$\frac{10.386,50 \text{ (total absence in calendar days)}}{365 \text{ (days in a year)} \times 704 \text{ (total staff)}} \times 100 = 4,04\%$$

In 2015, 143 persons or 20% of staff had no sick leave at all. The average number of days on sick leave per staff member was 14.8 days.

- 21. Notes that the Committee decreased the average costs of its ‘away days’ for 35 % per participant compared to 2014 and that only 218 staff took part in the event, compared to 415 in 2014; calls on the Committee to target its well-being activities to include as many members of staff as possible to help further improve its staff’s well-being;**

The EESC very much agrees with this observation. The importance of an open, friendly and inclusive working environment cannot be overestimated.

Well-being activities are normally open to all staff and cross-sectoral, also involving the socio-medical service and the EMAS¹ team. As a general rule, well-being activities rely on internal resources only but activities of a larger scale are often organised in cooperation with the CoR.

Thematically, there has been a tendency to link well-being activities to "The European Week for Safety and Health at Work" organised each year in October by EU-OSHA. A staff survey was carried out recently to identify psycho-social risk factors, and the results of this survey will also be used to plan targeted actions in the near future.

In 2016, the Committee organised 12 away-days, involving a total of 255 staff members. All away-days are designed to serve specific organisational needs.

- 22. Notes with satisfaction the downward trend of the unused rate of interpretation services requested from 4,3 % in 2014 to 3,5 % in 2015;**

No follow-up required.

- 23. Welcomes the provision of translation data according to the harmonised methodology settled by the inter-institutional committee for translation and interpretation; notes f the undergoing revision of the Code of Conduct for Translation to be made jointly with the Committee of the Regions;**

No follow-up required.

¹ Eco-Management and Audit Scheme.

- 24. Notes that the outsourcing rate for translation increased to nearly 10 % in 2015 due to the transfer of staff to Parliament under the Agreement; calls on the Committee for an assessment of the cost-effectiveness of the arrangement now in practice;**

From 2015 to 2016, the share of the total translation output that was outsourced went up from 9.7% to 16.6%. The EESC-CoR cooperation agreement sets a target of 20%, which is expected to be reached in 2017. In 2016, translation staff-numbers were reduced by 9.4%. A calculation of costs based on the Key Interinstitutional Activity and Performance Indicators (KIAPIs) shows that the average cost per page for in-house translations went down by 17% from 2015 to 2016 (from EUR 200 to EUR 166), whilst the average cost per page for outsourced translations went down by 24% (from EUR 128 to EUR 97). As both quality and other indicators, such as deadline compliance, have remained at the same level, the increase in cost-effectiveness has demonstrably been very significant over the last few years.

- 25. Welcomes the Committee's strategic framework for learning and development, in particular the new focus on learning from colleague to colleague; asks the Committee to provide a follow up of that particular method in its next annual activity report;**

The main element in the EESC's learning from colleague to colleague is the much-appreciated job-shadowing, which took place twice in 2016 and will be repeated in 2017.

This exercise aims to break down barriers and create a more open working environment. A person job-shadowing spends a few days following and observing one or more colleagues working in another service. While improving their overall understanding of the institution, participants also extend their professional network for the benefit of better collaboration between services and perhaps pick up new ideas and working methods. Job-shadowing gives staff members an opportunity to explore new areas of activity and, very importantly, allows them to get a flavour of a different function before deciding whether or not to make a career move.

- 26. Notes with great satisfaction the efforts and the results so far achieved in improving the environmental footprint of the Committee and the renewal of the Eco-Management and Audit Scheme (EMAS) certification;**

No follow-up required.

- 27. Notes the administrative arrangements between the Committee and the European Anti-Fraud Office with a view to establishing a structured framework for cooperation and facilitating the rapid exchange of information;**

No follow-up required.

- 28. Welcomes the information on the Committee's building policy in its annual activity report, especially given that it is important that the costs of such policy are properly rationalised and are not excessive;*

No follow-up required.

- 29. Notes the Committee's efforts and achievements in stepping up its information and communication policy; stresses, however, that it is more important that the effectiveness of its opinions on Union decision-making be improved than its general publicity.*

As the representative of organised civil society in European decision-making, the EESC has a particular obligation to carry out its work in a transparent manner. The EESC's information and communication activities give European citizens a direct insight into how the Committee fulfils its institutional role.

Concerning the effectiveness of the Committee's opinions, this depends to a large extent on the good will and cooperation of the EU institutions. There is, for instance, no automatic inclusion of EESC opinions in the preparatory work of the EP, even when these are based on an obligatory referral from the EP itself. As a result, there is a risk that the views of European organised civil society are not fully integrated in the legislative process. The Committee sees it as a priority to improve this situation.

See also comment to observation 10.