



TEXTS ADOPTED

Provisional edition

P8_TA-PROV(2018)0130

Discharge 2016: EU general budget - European External Action Service

1. European Parliament decision of 18 April 2018 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section X – European External Action Service (2017/2145(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2016¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017)0365 – C8-0256/2017)²,
- having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' replies³,
- having regard to the statement of assurance⁴ 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 2016, 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 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 1605/2002⁵, and in particular Articles 55, 99 and 164 to 167 thereof,
- having regard to the Court of Auditors' special report No 07/2016 on 'The European External Action Service's management of its buildings around the world';
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,

¹ OJ L 48, 24.2.2016.

² OJ C 323, 28.9.2017, p. 1.

³ OJ C 322, 28.9.2017, p. 1.

⁴ OJ C 322, 28.9.2017, p. 10.

⁵ OJ L 298, 26.10.2012, p. 1.

- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A8-0128/2018),
- 1. Grants 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 2016;
- 2. Sets out its observations in the resolution below;
- 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European External Action Service, the European Council, 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 18 April 2018 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 2016, Section X – European External Action Service (2017/2145(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section X – European External Action Service,
 - 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 Foreign Affairs (A8-0128/2018),
1. Notes that the European External Action Service (EEAS) has continued to implement its administrative budget without being affected by major errors and that the overall level of error in the spending related to the ‘Administration’ budget has been estimated by the Court of Auditors (the ‘Court’) at 0,2 %;
 2. Regrets that the Court found again, as in 2015, weaknesses in procurement procedures organised by Union delegations for contracts worth less than EUR 60 000;
 3. Acknowledges that the EEAS undertook a series of initiatives aiming at reducing errors in procurement procedures by improving the training, support and advice provided to the delegation staff responsible for procurement; asks, however, the EEAS to continue its efforts to actively support and monitor the implementation of procurement rules and procedures in the delegations in order to improve the overall compliance and effectiveness of their tendering procedures and contract management; encourages the EEAS to consider the possibility of introducing global or regional procurement procedures covering several Union delegations to replace individual low value contracts; asks the EEAS to evaluate to what extent such an arrangement could reduce weaknesses in procurement procedures and to inform the Parliament’s Committee on Budgetary Control of the result of this analysis;
 4. Notes that previous recommendations regarding the updating of staff members’ personal situation and related supporting documentation and the management of their family allowances has been implemented in most respects;
 5. Observes that 15 out of the 20 commitments reviewed by the Court were prepared before the end of the year, with related services, goods and corresponding payments to be provided partly or entirely in 2017; recalls that this practice of carry-over is against the principle of budget annuality and should remain an exception rather than a way to maximise the percentage consumption of appropriations at year-end;
 6. Takes note of a high rate of anomalies detected in ex ante verifications of financial transactions while noting the nature of the errors and irregularities such as the unavailability of supporting documents or ineligibility of expenditures; welcomes the extensive internal reporting system of the EEAS which allows for the anticipation of potential errors and hence contributes to the low level of error rate found by the Court;

encourages the EEAS to take measures to reduce this high rate of anomalies; stresses, however, that a reduction of anomalies detected in ex ante verifications should not be achieved to the detriment of maintaining a low error rate;

7. Regrets the persistence of the same weaknesses throughout the years with regard to 'business continuity' and 'document management' internal control standards which carry with them the risk of hindering the availability and reliability of key management information used for the monitoring and reporting of activities and projects by the delegations; recalls that transparency of documentation would be useful not only to improve the quality of monitoring and control, but also as an efficient instrument to prevent fraud and corruption;
8. Notes that only one delegation, which falls within the remit of the Regional Centre Europe, has issued and renewed a reservation in its statement of assurance related to procurement management; calls on the EEAS to pay attention and reflect on the coherence between the effective, or only formal, implementation of internal control standards and the management assurance of the Union's delegations;
9. Expresses its support for analysing and refining the cost-effectiveness of ex post control by comparing the cost of ex post control activities with the value of detected errors; notes that the unit cost of detecting errors (cost per euro) amounted to 23 cents in 2016; acknowledges that this unit cost is related to the low error rate and hence would be lower if the sum affected by error were higher;
10. Welcomes the introduction of new guidelines for the cycle of inspection visits in 2016, including the following criteria for prioritising the inspections of delegations, such as first-time Union ambassadors, delegations facing particular challenges, the period expired since the previous inspection and the size of delegations, with larger delegations to be inspected every five years; encourages the EEAS to continue defining its inspection cycles on such risk-based grounds, and calls on the EEAS to inform the discharge authority of its experiences and results of using the new guidelines;
11. Notes that the initial budget for 2016 was EUR 633,6 million, i.e. an increase of 5,1 % compared to the preceding financial year, including EUR 18,9 million to compensate for the loss in value of the euro and appropriations for the opening of a delegation in Iran, the transfer of the Somalia delegation from Nairobi to Mogadishu and the end of year salary adjustments; notes that EUR 2,5 million of supplementary appropriations were approved for implementing the security package throughout the network of the Union's delegations, particularly for the recruitment of regional security officers, security works or dedicated training of the EEAS staff, with the final amount of the EEAS budget reaching EUR 636,1 million;
12. Observes that the final EEAS budget of EUR 636,1 million for 2016 was executed at 99,7 % in commitments and 87,5 % in payments as at the year-end;
13. Takes note of the current budget breakdown, namely EUR 222,7 million for EEAS headquarters and EUR 413,4 million for the delegations;
14. Observes that, at the EEAS headquarters, 65,1 % of the budget or EUR 144,2 million was allocated to the payment of salaries and other entitlements of statutory and external staff, 13 % or EUR 30 million for the management of buildings and associated costs,

and 14 % or EUR 30,8 million for IT systems (including classified information systems) and equipment;

15. Notes that the Union delegations' budget of EUR 413,4 million was divided between EUR 109,1 million (26,4 %) for remuneration and entitlements of statutory staff, EUR 64,3 million (15,6 %) for external staff and outside services, EUR 25,2 million (6,1 %) for other expenditure related to staff, EUR 169 million (40,9 %) for buildings and associated costs, and EUR 45,7 million (11,1 %) for other administrative expenditure; notes that to cover the administrative cost of Commission staff working in delegations, the EEAS received from the Commission a contribution of EUR 185,6 million (excluding assigned revenues), the latter being split between the Commission's Heading V with EUR 50,4 million, the administrative lines of operational programmes with EUR 89,9 million, and the European Development Fund (EDF) with EUR 45,4 million; notes that in 2016, the EDF paid for the first time a standard amount per person in respect of delegations' overhead costs for those Commission members of staff financed by the EDF;
16. Stresses the importance of having a transparent and effective overview of the EEAS budget; regrets that the fragmentation of its instruments makes it difficult to access the information; calls on the Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy to provide access to the data related to the costs of her missions;
17. Underlines that the execution of the EEAS administrative budget, particularly for the delegations, should improve in efficiency, since certain delegations have been receiving separate contributions from the Commission from 33 different budget lines regarding the administrative costs of Commission staff in delegations; calls on the Commission to work in cooperation with the Council and the Parliament towards a budgetary simplification in order to improve budget management and provide a transparent overview to Union citizens of the costs;
18. Reminds the EEAS that there is a silver lining between economic diplomacy and lobbying, calls on the EEAS to therefore set up rules on lobbying in order to distinguish between the two and to secure transparency for lobbying both in the headquarters and in the delegations;
19. Notes with appreciation that as of 2016, the common overhead costs of all delegation offices (rent, security and other overheads), including EDF delegations, were financed entirely from the budget lines of the EEAS, which represents a significant step forward in the budget rationalisation; invites the EEAS to further advance towards such simplification of budget sources and arrangements;
20. Supports the EEAS' continuous efforts during the last two years to streamline and rationalise the overall organisation and governance arrangements by looking for deepened services integration and enhanced reporting and communication flows; considers that reinforcing the EEAS culture of service would benefit the performance of the EEAS; notes that in 2016, as a result of efforts over the two last years to reduce a top-heavy organisation, the staff in managerial positions represents 6,4 % of total staff rather than 7,5 % in 2014;
21. Welcomes the priorities set by the Vice-President of the Commission and High

Representative of the Union for Foreign Affairs and Security Policy and the EEAS in line with the Union Global Strategy to address global challenges, including the attention dedicated to migration issues, drugs and human trafficking, and the implementation of human rights diplomacy to better address emerging international challenges and political priorities with coordinated responses; highlights, moreover, the increasingly important role of the EEAS in international cooperation regarding peace, security and human development, as shown, among others, by its role as mediator and representative in international organisations such as the UN, the negotiation and preservation of the nuclear deal with Iran, its role as mediator in the Israel-Palestine conflict and the Brussels process for Syria;

22. Emphasises that geographical balance, meaning a proportional relationship between the members of staff of a particular nationality and the size of the relevant Member State, should remain one of the guiding principles of resources management, particularly with respect to the Member States that acceded to the Union in or after 2004; recalls also the commitment that the Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy made to the Parliament to address the existing overrepresentation of national diplomats in the position of head of delegation;
23. Regrets that out of 136 heads of Union delegations, only 21 come from the 13 Member States that joined the Union after 2004; calls on EEAS to undertake an in-depth assessment of its recruitment policy to allow for better implementation of the geographical balance policy pursued by the EEAS;
24. Remains concerned at continuing imbalances in the staffing profile of the EEAS as regards nationality; notes that at the end of 2016, 31,7 % of the staff of the EEAS came from the Member States compared to 32,9 % in 2015 (25,3 % at the headquarters and 40,8 % in delegations); calls for a more balanced distribution of staff, in line with Council Decision 2010/427/EU¹; welcomes the commitment of the Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy to the Parliament to address the existing overrepresentation of national diplomats in the position of head of delegation;
25. Notes that the 13 Member States that joined the Union since 2004 account for 19,6 % of overall EEAS staff with the status of administrator, approaching their share of Union population (20,6 %); draws attention, nevertheless, to the fact that they only account for 13,28 % of staff in managerial positions and emphasises that, while respecting a merit-based recruitment policy, this imbalance could be taken better into account in future recruitment procedures; notes with concern that the Member States in question are especially underrepresented at the higher levels of administration; and remarks that a progress in this matter is recommended;
26. Asks the EEAS to provide by 30 June 2018 further explanation of the increasing number of seconded national experts, which reached 445 in 2016 (85 % of them located in Brussels) compared to 434 in 2015 and 407 in 2014;
27. Reiterates its concern regarding the gender imbalances in EEAS staff at the higher levels of administration; takes note of the slight increase of women in managerial posts

¹ Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).

and emphasises that there is still room for improvement in order to raise the current rate (22,7 % of which 14 % in senior management, i.e. 6 posts out of a total of 44, and 25 % in middle management, i.e. 53 posts out of 215); calls on the Member States to encourage more actively female candidates to apply for EEAS posts at management level;

28. Welcomes, in that context, the creation of the task forces on ‘Career Development Gender and Equal Opportunities’, ‘Learning and Development Framework’ (LEAD) as well as the creation of the network ‘Women and the EEAS’ (WEEAS) as important milestones for improving the functioning of the EEAS; believes that these initiatives define more attractive careers paths, streamline recruitment and ensure the appointment of competent individuals, adequacy of competences as well as gender and equal opportunities from the point of view of both gender and ethnic background; calls on Member States to do more to promote qualified female candidates for managerial positions in order to reduce gender imbalances; welcomes the intention of the Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy to ensure that the frequency of rotation of staff does not undermine the continuity of specific knowledge and competences available both at EEAS headquarters and in the delegations;
29. Regrets that the EEAS Mediation Service was notified of 75 cases of conflict, harassment or poor work environment in 2016 and that 23 cases remained open at year end; notes that 36 out of 65 cases remained open at the end of 2015 and hence that the relative number of open cases at the end of the year decreased in 2016; welcomes the alert system put in place by the EEAS which allows for a systematic follow-up of complaints and acknowledges with satisfaction the actions undertaken to tackle this phenomenon by developing support services such as a mediator, confidential counsellors, medical and psychological support, awareness raising and appropriate disciplinary measures; calls on the EEAS to continue improving its policy in this regard in order to prevent any form of psychological and sexual harassment as well as cases of conflict, and to inform the discharge authority on the developments made;
30. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;
31. Observes that the EEAS has so far complied with the inter-institutional agreement to reduce staff by 5 % over a period of five years with seventeen posts being removed in 2016, the applied reduction of posts so far being 68, 16 more posts having to be identified for 2017 to reach an overall contribution of 84 posts for the EEAS over the five years period ending in 2017; draws attention to the fact that the effectiveness of the Union action on the ground should not be hampered by an overwhelming workload for staff, especially in small sized delegations or when a delegation is in charge of more than one country; calls on the budgetary authorities to be mindful of the long-term impact of staff cuts when planning the future allocation of financial resources for personnel;
32. Recalls the Ombudsman’s recommendation concerning the EEAS’ practice of offering unpaid traineeships in Union delegations and underlines the importance of an

appropriate allowance being paid to all EEAS trainees in order to provide sufficient reimbursement for the trainees' efforts and not to reinforce discrimination on economical grounds; welcomes therefore the measures taken by the EEAS to restructure its traineeship programme, including by offering scholarships for traineeships in Union delegations; is concerned, however, that the number of scholarships offered is significantly lower than the number of traineeships in delegations offered in 2016; calls on the EEAS to find other ways of offering paid traineeships with a view to ensuring equal opportunities, for instance in cooperation with universities or other public institutions;

33. Is concerned that shortcomings in procurement procedures in Union delegations (calls for tender, proposals and others) affected 87 projects in 2015 and 2016 with a total value of EUR 873 197 910; considers it essential that the heads of delegation continue to be regularly trained and reminded, during pre-posting briefings, ad hoc seminars or the annual conference of the ambassadors, of their key role in the consolidation of the EEAS assurance chain and their overall accountability, both for managing administrative expenditure and portfolios of projects requiring an adequate assessment and for weighing various components likely to trigger the issuance of a reservation, in addition to their political duties;
34. Underlines that 'substantial flaws in the intervention logic, in assumptions or in risk assessment' were the main problems reported in 2015 and 2016 by the heads of delegation, affecting 293 projects with a total amount of EUR 2 574 730 715; calls on the Commission and the EEAS to undertake an in-depth analysis to improve the management of projects, i.e. by properly assessing risks, geographical priorities, the capacity of Union delegations to cope with the workload, and to keep focusing on the areas of support in order to increase the impact of aid;
35. Notes that the annual budget for the EEAS' 185 office buildings and 144 official residences amounts to about EUR 160 million, representing 20 % of the EEAS budget; acknowledges the efforts undertaken by the EEAS since the last discharge procedure to adapt and correct various components of its building policies; reaffirms, however, that the monitoring and recovery of full costs and the selection procedure have to be deepened; stresses the importance to find a balance between security issues, the environmental policy and access for disabled people and the necessity to provide more savings relating to the buildings; stresses the importance of negotiating contracts in order to offer savings and continuity in the building policy; suggests that the EEAS carry out a comprehensive analysis of all Union delegations to determine in which countries it would be more cost-effective for the delegations to buy office or residence buildings instead of renting them;
36. Welcomes the efforts to increase coordinated support to Union delegations regarding the building management provided from headquarters, including inter alia the launch of an updated version of the IT tool for Building Management (IMMOGEST) or the increase of specialised contractual staff at the EEAS headquarters; calls on the EEAS to continue implementing the recommendations of the Court in its special report on the EEAS' management of its buildings around the world; asks the EEAS to carry out a

review of the new measures and to keep the Parliament informed about the results¹;

37. Is convinced of the importance of a consistent network of regional security officers for the security of staff;
38. Considers that a thorough verification of the rental conditions or purchase options of office buildings and residences have to be ensured in any new building files or transactions to be agreed at the EEAS headquarters; acknowledges that since 2016, the EEAS has improved the system for verifying the purchase of real estate by implementing external financial evaluations and technical audits executed by recognised experts and calls on the EEAS to present the results of those actions; calls on the EEAS to continue monitoring office space to achieve the benchmarks foreseen; welcomes that the average size of delegation buildings was slightly reduced in 2016 but regrets that the fact that the EEAS exceeded the ceiling of 35 m² per person for office buildings resulted in additional costs of EUR 7,4 million; acknowledges that the delegations are constrained in their ability to decrease the size of buildings when, for instance, they are bound by existing lease contracts;
39. Invites also the EEAS to identify best practices in real estate management among Member States that could contribute to the reinforcement of its building policy in a cost-effective manner; notes that since 2016, the EEAS has contracted a service provider to systematically monitor market information and to calculate returns on investment against the existing renting options;
40. Welcomes the taskforce with Member States dedicated to the key political issue of co-locating diplomatic premises and its potential extension; notes that 11 new co-locations have been agreed upon during 2016, the total number now standing at 91 such arrangements;
41. Notes with appreciation the inter-institutional arrangements with DG European Civil Protection and Humanitarian Aid Operations (ECHO) and the arrangement with the European Investment Bank (EIB) under preparation for the sharing of buildings and reduction of costs; invites the EEAS as part of the monitoring of costs to expand such memoranda of understanding to other Union entities;
42. Emphasises the need for exposing disinformation, especially in the Eastern Neighbourhood, the Western Balkans and the South, and notes the work of the East Stratcom Task Force in this respect;
43. Welcomes the establishment of the mission support platform to provide centralised administrative support to Common Security and Defence Policy (CSDP) missions; draws attention to the importance of addressing the financing of the platform, with a clear and transparent framework for the allocation and utilisation of its funding, maximising the effect of pre-existing levels of expenditure, in order to ensure a strong and observable effect where it is deployed;
44. Calls on the Council and the EEAS to fulfil their legal obligation to send to the Parliament without delay and without requiring requests all relevant documents related

¹ Court of Auditors: Special Report no 07/2016: The European External Action Service's management of its buildings around the world

to negotiations on international agreements, including negotiating directives, agreed texts and minutes of each negotiation round in line with Article 218(10) TFEU, according to which the 'European Parliament shall be immediately and fully informed at all stages of the procedure'; reminds the Council and the EEAS that, due to the infringement of Article 218(10) in the past, the Court of Justice of the European Union has already annulled the Council decisions on the signing and conclusion of several agreements and emphasises that the Parliament's consent on new agreements, such as the Comprehensive and Enhanced Partnership Agreement with Armenia, may also be withheld in the future, until the Council and the EEAS fulfil their legal obligation;

45. Notes that the EEAS has not yet followed up on the recommendation made in the Court's Special Report 14/2013 which calls for the preparation of a detailed action plan in order to enhance effectiveness of Union support to Palestine; encourages the EEAS to fully implement this recommendation in cooperation with the Commission;
46. Notes that, according to the current discharge procedure, the EEAS submits annual activity reports to the Court in June, the Court then submits its report to the Parliament in October, and the discharge is voted by Parliament in plenary by May; notes that, unless the discharge is postponed, at least 17 months pass between the closing of annual accounts and the closing of the discharge procedure; points out that auditing in the private sector follows a much shorter timeline; stresses that the discharge procedure needs to be streamlined and sped up; requests that the EEAS and the Court follow best practice in the private sector; proposes in this regard to set a deadline for the submission of annual activity reports of 31 March of the year following the accounting year and a deadline for the submission of the Court's reports of 1 July; proposes also to review the timetable for the discharge procedure as set down in Article 5 of Annex IV to Parliament's Rules of Procedure so that the vote on the discharge would take place in Parliament's plenary part-session of November, thereby closing the discharge procedure within the year following the accounting year in question.