



Plenary sitting

A9-0238/2022

7.10.2022

SECOND REPORT

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2020, Section VI – European Economic and Social Committee
(2021/2111(DEC))

Committee on Budgetary Control

Rapporteur: Isabel García Muñoz

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on discharge in respect of the implementation of the general budget of the European Union for the financial year 2020, Section VI – European Economic and Social Committee
(2021/2111(DEC))**

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2020¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2020 (COMCOM(2021)0381 – C9-0263/2021)²,
- having regard to the European Economic and Social Committee’s annual report to the discharge authority on internal audits carried out in 2020,
- having regard to the Court of Auditors’ annual report on the implementation of the budget concerning the financial year 2020, 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 2020, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to its decision of 4 May 2022⁵ postponing the discharge decision for the financial year 2020, and the accompanying resolution,
- 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁶, and in particular Articles 59, 118, 260, 261 and 262 thereof,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the second report of the Committee on Budgetary Control (A9-

¹ OJ L 57, 27.2.2020.

² OJ C 436, 28.10.2021, p. 1..

³ OJ C 430, 25.10.2021, p. 7.

⁴ OJ C 436, 28.10.2021, p. 207..

⁵ OJ L 258, 5.10.2022, p. 108.

⁶ OJ L 193, 30.7.2018, p. 1.

0238/2022),

1. Grants the Secretary-General of the European Economic and Social Committee discharge in respect of the implementation of the budget of the European Economic and Social Committee for the financial year 2020;
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 Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

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 2020, Section VI – European Economic and Social Committee (2021/2111(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 2020, Section VI – European Economic and Social Committee,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the second report of the Committee on Budgetary Control (A9-0238/2022),
- A. Whereas, pursuant to Article 13 of the Treaty on European Union (TEU), each institution shall act within the limits of the powers conferred on it in the Treaties and in conformity with the procedures, conditions and objectives set out therein, and whereas the institutions are to practice mutual sincere cooperation;
- B. Whereas all Union institutions ought to be an example of integrity, transparency and full accountability to the citizens of the Union in respect of the funds entrusted to them as Union institutions;

Budgetary and financial management

1. Reiterates its observations with regard to the ‘IT co-financing allowance for members’ that provides a yearly IT allowance of EUR 3 000 to each member (EUR 5 000 in 2020 under the one time increase related to the measures introduced as a result of the COVID-19 pandemic); asks the European Economic and Social Committee (the ‘Committee’) to reconsider the amount of the IT allowance as well as its nature, with the aim of switching from a flat-rate allowance to a payment based on actual and justified costs;
2. Recalls that, due to the COVID-19 pandemic, the Committee’s Bureau adopted a temporary decision allowing members to claim the usual subsistence allowance for having participated in Committee meetings remotely in order to compensate members for the time spent in the performance of their duties and for the related administrative costs in cases where the member was prevented from travelling to Brussels; is aware that a structural proposal for a specific allowance for remote attendance of meetings was later submitted to and adopted by the Council in June 2021; acknowledges that any new remuneration practices require approval by means of a decision from the Council and, thus, reiterates the call on the Committee to propose fair and proportionate remuneration for members to which the Council can agree;

Internal management, performance, internal control

3. Understands the impact that the COVID-19 pandemic had on the activity of the Union institutions, including the tight deadlines for adopting new legislation and, thus, for the consultative committees to deliver their opinions; recalls that the Committee adopted, prior to the approval of its amended procedure, 13 position papers in response to referrals to ensure an effective and timely contribution to the Union response to the COVID-19 pandemic; is aware that the Committee monitors its compliance with the institutional deadlines set for its opinions and that ad hoc measures have been adopted following an internal audit report from 2019; urges the Committee to report on those measures and other possible actions in that regard; recalls its recommendations made in previous discharge resolutions to enhance the interinstitutional cooperation and consequently the impact of the Committee's work; further recalls its recommendation for the Committee to carry out a qualitative impact assessment of its opinions; acknowledges the importance of maintaining the Committee as a strong consultative body, enabling dialogue between social partners, in particular employers, employees and representatives of various other interests;
4. Reiterates its concern regarding the fact that the Committee's Decision No 078/21 does not provide guidance regarding situations in which the Committee's legal service should be consulted and calls on the Committee to make such consultation compulsory for at least all decisions which entail legal risk for the Committee; recalls that its legal service must be provided with sufficient resources and the requisite mandate to perform its tasks successfully in the interest of the Committee, bearing in mind its cross-cutting role and insufficient size;

Human resources, equality and staff well-being

5. Welcomes the action plan for recruitment and retention of staff devised by the Committee's directorate for human resources and finances, approved in October 2021, and the future revision of the Committee's mobility policy; calls on the Committee to ensure the necessary involvement of staff representatives in the implementation of the action plan and in the review of the mobility policy respectively; welcomes the Committee's participation in the interinstitutional working group established to tackle the problems arising from a limited pool of candidates and the lack of reserve lists of laureates from open competitions;
6. Takes note that the Committee's establishment plan has suffered a reduction of 7,98 % compared to 2013 figures (exceeding the 5 % target established by the Commission), which has an evident negative impact on the workload/resources ratio and therefore on the well-being of staff; welcomes the decision to request an external audit to compare the human resources available relative to the workload, including the Committee's attractiveness as an employer and the alignment between the evolution of activities and the resources available; asks the Committee to ensure consistency between that audit and the action plan for recruitment and retention of staff; believes that that audit should include a specific analysis of the situations that Parliament has previously signalled (such as managers in ad interim or double posts 'in the interest of the service' and positions occupied after the expiration of the mobility deadline) and any other human resource decision affecting the allocation of staff; calls on the Committee to be informed about the outcome and the measures adopted to follow up the

recommendations to be drawn from that audit;

7. Notes that a new decision on teleworking and flexitime, adopted in April 2022, has been prepared jointly with the Committee of the Regions to establish modern, flexible and output-driven working conditions for staff; welcomes the preparation of the new diversity and inclusion strategy and action plan; supports that both actions included the involvement of the Committee's equal opportunities officer and built on the lessons learnt and improvements introduced during the COVID-19 crisis;
8. Notes the ongoing consideration on new measures to promote women's access to management posts, such as intermediate management responsibilities below head of unit level and the practical implementation of gender budgeting; encourages the Committee to continue to endeavour to implement Parliament's recommendations in order to enhance gender mainstreaming internally;
9. Welcomes the decision to revise the rules on short-term traineeships (that are compulsory for the completion of studies) and to offer adequate remuneration and further allowances for expenses such as travel and mobility;
10. Takes note of the judgment of the General Court of 23 February 2022¹ on the case of possible harassment reported in 2018 by which the General Court annuls Decision No 293/19 of the Committee of 5 December 2019 that imposed the minimal possible penalty consisting of a written warning, dismisses the action as to the remainder, and orders the Committee to pay the costs; expects an internal reflection following that judgment, in particular on the procedural violations found by the General Court in relation to the internal inquiry, such as the one related to the right of defence;
11. Points out that out of the six requests for assistance related to possible cases of harassment that were received in 2020, one is still open; notes that for that request for assistance, the internal administrative inquiry was completed in December 2021, that preliminary hearings were held with the person concerned and with the victim in February and March 2022 respectively, and that an additional administrative inquiry was requested by the appointing authority in May 2022 to better clarify the situation before taking its final decision; notes that a decision has not yet been taken; reiterates that the lapse of time has a negative impact on both the victims and on the reputation of the institution involved and, thus, urges the Committee to address that request without further delay and to report to the budgetary authority on the handling of that case;
12. Notes the conclusion of the settlement agreements with the two victims of moral harassment in December 2020 and March 2021 respectively; takes note that the last pending point for the full implementation of both settlement agreements depends on an upcoming change to the organisation chart in agreement with the Committee of the Regions and planned for implementation on 1 October 2022; calls on the Committee to apply specific procedures when dealing with harassment cases so that all victims are treated equally; urges the Committee to promptly report to the budgetary authority on the effective enforcement of this point; once again expresses its regret with regard to the long lapse of time with respect to the Committee's enforcement of those settlement

¹ Judgment of the General Court (Fourth Chamber) of 23 February 2022, *OA v European Economic and Social Committee*, T-671/20, ECLI:EU:T:2022:82

agreements as legally required;

13. Regrets that the conclusion of the settlement agreement with one of the victims of serious misconduct only took place in April 2022; also regrets that the implementation of the measures agreed in March 2021 between the other victim of serious misconduct, a former Committee member, and the Committee president was delayed until after the decision by Parliament to postpone the discharge; welcomes nevertheless the public statement by the Committee president, published on the Committee's website, reiterating her sincere apologies to all those concerned for the true suffering caused by those wrongdoings; reiterates its concern that the Committee's secretary-general still refuses to admit the internal shortcomings and responsibilities, leading to a breach of duty of care towards the staff of the Committee;
14. Notes the Committee's monthly updates and the follow-up to the observations made by Parliament in the first 2020 discharge resolution²; recalls that the OLAF report on case OC/2018/0666/A.1 only concerns the behaviour of the perpetrator towards the victims and that the judgment delivered by the General Court on 1 September 2022³ simply examines the validity of the Bureau decision of 9 June 2020, disproving the Committee's statements in the follow-up to the first 2020 discharge resolution that complaints have been handled with due regard for the welfare of officials; points out that the slow handling of the case by the Committee's administration and particularly the shortcomings in the implementation of internal procedures have therefore in no way been examined or validated; observes with concern that a serious breach of the Committee's duty of care towards the members of its staff persisted for too long; is deeply concerned that its unambiguous calls for accountability have been consistently ignored for many years and reiterates, therefore, its call for an external investigation specifically on the action, or lack thereof, of the administrative hierarchy of the Committee with a focus on the responsibility of the administrative hierarchy in the handling of harassment complaints and ensuring the well-being of staff;
15. Reiterates its concern that it is not yet possible to quantify the total final cost of that case, estimated at approximately EUR 150 000 for the time being, because it depends on the outcome of the legal procedure currently ongoing before the Belgium criminal court, in which the Committee is also a civil party; asks the Committee to promptly report the conclusion of the legal procedure and the total final cost to the budgetary authority; reiterates its request that the Committee claims from the perpetrator the amounts compensated to the victims by the Committee;

Ethical framework and transparency

16. Notes that the measures delivered by the joint working group entrusted with the revision of the Committee's ethical framework resulted in an ethics action plan adopted in January 2021; welcomes that a number of actions have been fully implemented such as, inter alia, the revision of the decisions on whistleblowing and on harassment (adopted in December 2021 and March 2022 respectively), the service-level agreement with the Investigation and Disciplinary Office of the Commission to professionalise

² OJ L 258, 5.10.2022, p. 109.

³ Judgment of the General Court (Eight Chamber) of 1 September 2021, *KN v European Economic and Social Committee*, T-377/20, ECLI:EU:T:2021:528

administrative inquiries, the mandatory training on ethics for all staff, the setting up and training of a new team of ethics counsellors, the ongoing renewal of the network of confidential counsellors, and the new guide for staff 'Respect at work at the EESC' (published in May 2022); notes that the joint working group also conducted preparatory work for the ongoing revision of the decision on disciplinary procedures and administrative inquiries; asks the Committee to regularly monitor, by means of ad hoc surveys, that staff have adequate awareness of the ethics framework;

17. Notes the entry into force in January 2021 of the strengthened code of conduct for members which provides greater clarity and imposes more severe sanctions in the event of any breach of the rules; welcomes that the action plan on ethics includes measures targeting Committee members, including the publication of the information brochure 'Respect and dignity at the EESC' and the revision of the training on ethics for members to be aligned with the new code of conduct; notes that the Committee will analyse Parliament's request for this training to be made mandatory within the upcoming revision of the members' statute by the Committee's quaestors; welcomes that the revised version of the Committee's rules of procedure aligns with the new code of conduct and includes the possibility for individual membership to exceptionally cease by expulsion in case of breach of ethical standards, duties and obligations;
18. Notes that the Committee's internal audit service issued an internal audit report on ethics and integrity in early 2020; asks the Committee for a summary of the recommendations made by the internal auditor and the actions to implement them;
19. Objects to the rejection by the Committee of the use of the Transparency Register on the grounds that the Committee is a consultative body; urges the Committee to join the Transparency Register with a view to improving the transparency of its interactions with external interest representatives;
20. Requests that all internal procedures and decisions, including the ones on ethics, be published in a specific column of the Committee's website;
21. Notes that, in response to Parliament's request, the Committee has taken into account the recommendations of the European Ombudsman in her report in the case SI/2/2017/NF 'Revolving doors – Implementation of Article 16 of the EU Staff Regulations in a range of EU institutions, bodies and agencies' to revise its decision on outside activities and assignments; calls on the Committee to report on the adoption of the final decision;

Inter-institutional cooperation

22. Takes note of the ongoing negotiations with the Commission and the Council aiming to strengthen institutional and administrative relations; supports the Committee in its commitment to implement the recommendation from the Conference on the Future of Europe to enhance the institutional role of the Committee and empower it as facilitator and guarantor of participatory democracy activities such as structured dialogue with civil society organisations and citizens' panels;
23. Stresses the Committee's crucial role in representing and engaging with social partners and civil society organisations from the Member States in the Union decision-making

process; takes note of the Committee's efforts to disseminate its opinions and activities as part of the fulfilment of its mission and recalls Parliament's recommendations in previous discharge resolutions on the subject; calls for the cooperation agreement between the Committee and the Parliament to be made binding, in particular calling for close and timely cooperation between the respective rapporteurs of the two institutions, for the Committee's opinions to be shared with the relevant committees of the Parliament during the report drafting phase and for the Committee's rapporteurs to be systematically invited to the presentation of those reports; recommends that the Committee carries out a more quantitative and qualitative impact analysis of its opinions; urges, therefore, the Committee to reinforce the staff working in the areas of legislative work and interinstitutional relations;

COVID-19 pandemic

24. Observes that, in order to benefit from the lessons learnt in the pandemic, an recovery action plan for the Committee was set-up in 2021 aiming to help staff members to move forward towards a post-pandemic way of working; asks the Committee to report to the budgetary authority on the key steps of the recovery action plan and its implementation.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	6.10.2022
Result of final vote	+ : 17 - : 6 0 : 3
Members present for the final vote	Matteo Adinolfi, Gilles Boyer, Olivier Chastel, Caterina Chinnici, Lefteris Christoforou, José Manuel Fernandes, Luke Ming Flanagan, Daniel Freund, Isabel García Muñoz, Monika Hohlmeier, Pierre Karleskind, Mislav Kolakušić, Jan Olbrycht, Sándor Rónai, Petri Sarvamaa, Angelika Winzig, Lara Wolters, Tomáš Zdechovský
Substitutes present for the final vote	Bas Eickhout, Maria Grapini, Niclas Herbst, Mikuláš Peksa, Elżbieta Rafalska, Ramona Strugariu
Substitutes under Rule 209(7) present for the final vote	Malin Björk, Andżelika Anna Mozdżanowska, Andrey Slabakov

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

17	+
PPE	Lefteris Christoforou, José Manuel Fernandes, Niclas Herbst, Monika Hohlmeier, Jan Olbrycht, Petri Sarvamaa, Angelika Winzig, Tomáš Zdechovský
RENEW	Gilles Boyer, Olivier Chastel, Pierre Karleskind, Ramona Strugariu
S&D	Caterina Chinnici, Isabel García Muñoz, Maria Grapini, Sándor Rónai, Lara Wolters

6	-
ID	Matteo Adinolfi
NI	Mislav Kolakušić
THE LEFT	Malin Björk, Luke Ming Flanagan
VERTS/ALE	Bas Eickhout, Daniel Freund

3	0
ECR	Andżelika Anna Mozdżanowska, Elżbieta Rafalska, Andrey Slabakov

Key to symbols:

+ : in favour

- : against

0 : abstention