

RESOLUTION (EU) 2021/1561 OF THE EUROPEAN PARLIAMENT**of 29 April 2021****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 2019, Section X – European External Action Service**

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 2019, Section X – European External Action Service,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Foreign Affairs,
 - having regard to the report of the Committee on Budgetary Control (A9-0063/2021),
- A. whereas all Union institutions are accountable to European citizens for the use of public funds while ensuring the greatest transparency in order to ensure effective democratic control;
- B. whereas Union strategic communication is becoming a high priority on the European agenda, requiring the Union to provide objective and robust narratives to fight disinformation and to ensure greater resilience of the Union;
- C. whereas gender mainstreaming and gender equality need to be reflected in all Union institutions' internal organisational and management systems, as well as in the designing and implementation of the policies in their remit;

European Court of Auditors' observations

1. Notes with satisfaction that, according to the observations of the Court of Auditor's (the 'Court's') annual report related to Chapter 9 'Administration - MFF heading 5', no specific issues were identified in the sample of transactions concerning the European External Action Service (EEAS) for the third consecutive year and no material level of error was identified in the EEAS's annual activity report;
2. Notes the Court's general observations on the increase in the number of contract staff and the related budget appropriations from 2012 to 2018; observes that for the EEAS, this increase was due to tasks reflecting the placing of new operational and political responsibilities on the EEAS, in particular in the areas of the common security and defence policy, the implementation of the action plan against disinformation as well as the urgent priority of reinforcing physical and IT security in Union Delegations; observes in respect of the EEAS an overall increase in contract staff from 322 to 444 (a growth of 38 %); supports the efforts of the EEAS to strengthen its administration and asks EEAS to report back to Parliament's Committee on Budgetary Control on the results and the impact of the increased contract staff numbers; encourages EEAS to create and share guidelines on best practices on the conducting of recruitment procedures in order to ensure openness, fairness and transparency;
3. Calls on the Court to explore ways of providing more information on the administrative expenditure of other Union institutions in the context of the discharge;
4. Reiterates that the overall audit approach deserves further auditing work and more targeted assessment; repeats its call for a more dedicated review of the administrative expenditure and support activities of the EEAS and specifically on topics that are becoming of higher or even critical relevance for the EEAS, such as strategic communication capacity and information technology (e.g. cybersecurity), the performance of the global security package for Delegations, infrastructures or the financial management and administrative support of mission support platform to the civilian common security and defence policy;

Human Resources

5. Notes the growing instability and rise of unprecedented challenges in the international environment, which has increased demands on the Union to act as a global player; highlights the EEAS's central role in conducting the external policy of the Union; notes that the EEAS's enhanced role has not been underpinned by a corresponding staff increase; calls for sufficient human resources to be made available in order to not put at risk the Union's effectiveness on the international scene;
6. Notes that the EEAS plays a vital role in ensuring the coherence of the Union's foreign policy; highlights also the need to provide the necessary resources for a successful implementation of an efficient common security and defence policy for the Union;
7. Calls on the EEAS to strengthen the Union Delegations in the Eastern Partnership and Western Balkan countries and to create posts for local agents responsible for reporting on legislative work, in order to increase the Union's understanding of the neighbourhood and its approximation to the Union *acquis*; underlines the need to assist those countries in completing reforms and to communicate Union policies more effectively to their citizens; stresses the necessity of developing more horizontal links and fostering cooperation among the Union Delegations in the Eastern Partnership and Western Balkans regions, particularly by establishing regular exchanges of information and expertise and other successful working approaches, in order to provide the best possible assistance to neighbouring countries engaged in pro-democratic and pro-European reforms; calls on the EEAS to take action to resolve the problems leading to the procurement errors identified and to prevent future infringements of relevant rules;
8. Is concerned about the geographical imbalances in the composition of the EEAS staff as it is a recurrent issue and particularly concerns the positions of Heads of Delegations and in middle and senior management; notes considerable disparities in the representation of countries with comparable population sizes and between western and eastern European countries; stresses that the EEAS, like all European institutions, must ensure that all Member States are proportionally represented while at the same time respecting the competences and merits of the candidates; urges the EEAS to enhance the geographical balance in order to have an appropriate representation of nationals from all Member States, reflecting their diversity, as indicated in Article 27 of the Staff Regulations of Officials; welcomes the efforts made by the EEAS to keep the Human Resources Network of EU Member States informed about the composition of staff, to publish vacancies and to promote national efforts to increase the number of candidates; calls on the EEAS to report on the distribution of nationalities in the selection committee responsible for hiring; asks the EEAS to provide statistics on staff members according to nationality for the year 2019;
9. Observes that the number of seconded national experts ('SNEs') from Member States started to slightly increase after two years of stabilisation, from 449 in 2017-2018 to 461 in 2019, while noting an evolution towards more specialised profiles for civilian SNEs; notes with satisfaction the new internal policy on SNEs adopted in 2019 and several measures taken to rebalance the share of the SNE, in addition to limiting the creation of new SNE posts to specialists in specific areas;
10. Welcomes the efforts made by the EEAS in working on a Disability Roadmap and the development of the EEAS Disability Policy, asks the EEAS to inform the discharge authority on the development and execution of these policies, stresses the importance of promoting a more inclusive working environment through these policies;
11. Encourages the EEAS to complete the existing flexible working arrangements with a protection of the staff members' right to disconnect;

Gender policy

12. Notes with satisfaction the upward trend with regard to the proportion of women reaching management positions with 30,3 % (or 81 positions) compared to 27,1 % in 2018 and 24,5 % in 2017; takes also note of the increasing proportion of women posted as Heads of Delegation from 19,5 % in 2015 to 27,7 % in 2019 (or 38 postings out of 137); reiterates its support for the EEAS in the continuing of its efforts with Member States to introduce more women candidates; notes that overall women represented 47,7 % of EEAS staff; recalls that gender balance should also be considered with regard to EU special representatives, in view of the fact that only two out of eight EU special representatives are women;
13. Calls on the EEAS to work swiftly towards the goal of 50 % of women in senior and middle management positions, as set out in the Gender Action Plan III, including through a clear timeline and measures that set out how and when that objective shall be achieved; calls on the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy to implement his stated commitments to gender equality and women's representation in his own service;

Budgetary and financial management

14. Acknowledges the operational difficulties encountered by the EEAS in the financial management of the EU Network of Delegations due to various crisis situations; recognises that those situations can have a significant budgetary impact, namely in the management of certain administrative expenditure and costs such as security and evacuation costs, and the additional logistical costs linked to the COVID 19 pandemic; asks the EEAS to inform Parliament's Committee on Budgetary Control promptly on the budgetary impacts and expenses incurred because of the pandemic;
15. Notes that the total budget of the EEAS for 2019 amounted to EUR 694,8 million (an increase of 2,4 % compared to 2018) split as follows: EUR 249,7 million for EEAS headquarters and EUR 445,1 million for the Delegations;
16. Observes that, for the 2019 EEAS budgetary exercise, the main budgetary trends concern reinforcement to deal with the impact of the UK's withdrawal from the Union, the strengthening of the Regional Security Officer and Delegations networks, additional staff for the European Union Military Staff (EUMS) and Crisis Management and Planning Directorate (CMPD), IT capacity information and secure communications;
17. Observes that the headquarters' budget amounted to approximately EUR 250 million, of which EUR 161,8 million (64,8 %) concerned the payment of salaries and other entitlements of statutory and external staff, EUR 32 million (3 %) were for buildings and associated costs, and EUR 35,3 million (14 %) related to IT computer systems including classified information systems, equipment and furniture;
18. Notes that the Delegations' budget of EUR 445,1 million was divided between EUR 129,2 million (29 %) for the remuneration of statutory staff, EUR 161,7 million (36,3 %) for buildings and associated costs, EUR 71,6 million (16,1 %) for external staff and outside services, EUR 37,8 million (8,5 %) for other expenditure related to staff and EUR 44,7 million (10 %) for other administrative expenditure;
19. Calls on the EEAS to ensure that the Union Delegation to the United Kingdom has a permanent and stable status consistent with the Treaties and that it is provided with the human and material resources to carry out its tasks, in particular with regard to monitoring of compliance;
20. Notes also that a contribution of EUR 215,8 million (compared to EUR 196,4 million in 2018) was transferred by the Commission to cover the administrative costs of the Commission's staff working in the Union's delegations and was split between the Commission's Heading V with EUR 49,6 million (similar to 2018), the administrative lines of operational programmes with EUR 103,1 million (compared to EUR 91,8 million in 2018), and the European Development Fund (EDF) and trust funds with EUR 63,1 million (compared to 55 million in 2018);

21. Observes that in 2019, the common overhead costs relating to all delegations' offices (rent, security, cleaning and other overheads), including EDF delegations, were financed entirely from the budget lines of the EEAS for the fourth consecutive year;
22. Notes with appreciation the overall improvement in the implementation of the 2019 EEAS budget with an implementation rate of 99,94 % in commitments (compared to 99,9 % in 2018) and 87,9 % in payments (compared to 84,8 % in 2018);
23. Notes that the value of all transfers made within the EEAS administrative budget amounted to EUR 20,8 million (30,8 in 2018), reducing the EEAS Delegations' budget by EUR 1,6 million and increasing the Headquarters' budget by a corresponding amount;
24. Acknowledges that the number of budget lines used to finance the operations related to Commission staff in the Delegations (34 different lines originating in various Headings of the Commission budget, plus the EDF) increases the complexity of budget management; invites the EEAS to consider improving the structure of its budgetary reporting in order to reduce the complexity;
25. Encourages the EEAS therefore to continue discussing with the Commission ways to streamline the budget nomenclature and lines when possible in order to facilitate the overall EEAS budget management; is of the opinion that the upcoming multiannual financial framework (the 'MFF') and the related evolution in the design and structure of the budget nomenclature and lines should speed up this process of budgetary simplification and rationalisation; considers that such an evolution is likely to improve budgetary costs control and minimise the risk of error; acknowledges the proposal made by the EEAS in early 2020 for a far-reaching simplification; acknowledges that this proposal has been postponed to 2022 due to the ongoing COVID-19 pandemic but that the EEAS has submitted another simplifying proposal to the Commission in September 2020;
26. Notes with appreciation all the initiatives taken to progressively improve the management of various EEAS administrative processes, which is also reflected in the adaptation of the EEAS organisational chart; reiterates its support for the 'Innovative 2019' initiative and encourages the EEAS also to continue refining its various risk mapping exercises and the related mitigating actions, as well as the mapping of all existing legal bases with the aim of ensuring more efficient corporate decision-making;
27. Calls on the EEAS to better illustrate its results-based management framework in the next annual activity report, based on a set of adequate key performance indicators for its different administrative areas, including the related number of human resources, in order to better assess the achievement of EEAS policy objectives;
28. Observes that the EEAS decided to recentralise the management of certain processes for the purpose of uniformity of application among Delegations and to mitigate recurrent operational weaknesses and optimise the management of financial transactions; welcomes these efforts and the pragmatic initiatives and reactions of the EEAS in response to former concerns previously expressed by the budgetary authority;
29. Considers that, above all, the setting-up of a central entity dealing with high value procurement procedures and the use of global procurement for Delegations are appropriate management patterns and responses, considering the high workload in certain Delegations with limited staffing available and considering the need to focus on political work;
30. Believes that digitalisation of procurement and budget management is of key importance; recalls that 'Document management', one of the weakest components identified in the previous internal control survey, deserves regular attention from all EEAS stakeholders for the benefit of institutional memory and the traceability of management operations; calls, therefore, on the EEAS to improve its digital systems and document management, introducing advanced management and archiving tools, as well as paperless document management processes where possible;

31. Welcomes that the EEAS uses free and open-source software whenever possible;
32. Encourages the EEAS to follow the EDPS recommendations to renegotiate the Inter-Institutional Licensing Agreement and implementation contract, signed between the Union institutions and Microsoft in 2018, with the objective of achieving digital sovereignty, avoiding vendor lock-in and lack of control and ensuring the protection of personal data;
33. Supports the efforts of the EEAS to optimise its financial management within the framework of the Financial Regulation; understands the need for certain operational flexibilities in relation to the management of Delegations in order to avoid any discontinuity in the running of Delegations; recalls, however, that any operational temporary arrangements, namely the possibility for deputy heads of Delegation to act as sub-delegated authorising officers in order to ensure an effective business continuity in Delegations and the implementation of the operational budget of the Commission, shall however remain strictly supervised by Headquarters;
34. Stresses the importance of continuing to improve the rationalisation and modernisation of the financial and administrative management; welcomes the ongoing discussions on EEAS budget simplification; points out in this regard the need for the EEAS to continue its efforts in order to achieve the simplification of budget lines; calls for the modernising and simplifying of the EEAS administration, including through full implementation of the 'Innovative 2019' project;

Control effectiveness as regards legality and regularity

35. Notes the rate of anomalies detected in *ex ante* verifications of commitments and payments (respectively, 308 errors out of 1 193, and 394 out of 2 119); is concerned that in both cases the errors are of an administrative nature i.e. incorrect amounts for commitments or a lack of supporting documents for payments presented for *ex-ante* financial verification; acknowledges the implementation, from January 2020, of a revised list of anomaly codes aiming at better defining the typology of errors; calls on the EEAS to investigate and resolve cases of administrative errors and report back to the Parliament on its achievements; calls for the implementation of measures that would contribute to a reduction of the level of errors in general terms;
36. Acknowledges the progress and ongoing refinement of the EEAS *ex-post* methodology developed since 2018 based on internal random sampling, and also the provision of error rates by main domain of running costs related to staff expenditure, i.e. infrastructure and other operating expenditure, security, IT and telecommunications;
37. Notes that there is still a variation of interpretation between the EEAS and the Court on the quantification of procedural errors in procurement; considers that it should be followed-up further in the next financial year in order to refine the assessment of the financial materiality of errors which occurred in the management of the EEAS administrative budget;
38. Asks the EEAS to continue providing for a follow-up report for the financial year 2019 in compliance with Article 262 of the Financial Regulation;

Strategic communication activities

39. Notes with appreciation the reinforcement of the EEAS's strategic communication capacity and toolkit in order to tackle disinformation threats and hybrid threats, with the setting-up of three task forces for the East, Western Balkans and South and the EEAS's participation in the rapid alert system established among the Union institutions and Member States; invites the EEAS to pursue the development of such a policy with Parliament's new special committee on foreign interference in order to refine its capacity response; recognises and welcomes the cooperation between the EEAS and numerous European Parliament Liaison Offices to combat disinformation during the European election campaign;

40. Underlines the fact that the spread of deliberate, large-scale systematic disinformation is an acute strategic challenge for the Union's public diplomacy for which adequate financial, IT and human resources should be devoted in the short term; supports the reinforcement of the linkage between policy making, public diplomacy and strategic communication;
41. Stresses the need to communicate strategically in order to fight malicious interference including foreign propaganda and disinformation; underlines the importance of the EEAS Strategic Communication Task Force and calls for the creation of dedicated Strategic Communication Task Forces on interference emanating from China and the Middle East, in particular from Iran, and for providing them with further necessary financial and human resources; stresses that strategic communication must include fighting disinformation about the COVID-19 pandemic;
42. Stresses the significance of the culture of security and safety across all entities by ensuring that the EEAS has adequate personnel, procedures, infrastructure, tools (including IT) and budget to perform its critical and essential functions in the event of unexpected or crisis situations; calls for the reducing of security risks, especially related to cybersecurity, through increasing safety measures protecting the EEAS's digital infrastructure from external threats and attacks;

Management assurance

43. Notes that only two Delegations provided motivated reservations, i.e. the Delegation to Syria (since 2017) and the Delegation in Djibouti in relation to the management of their administrative expenditure, in particular linked to procurement issues; calls on EEAS to undertake the necessary steps to examine these issues;
44. Calls on the EEAS to provide further information in the EEAS annual activity report on the Inspections Programme in order to get an overview of the performance and the functioning of the Union Delegations; considers also that it will be useful to better illustrate the articulation of inspections of Delegations with the EEAS assurance framework and to show how the use of the outcomes and recommendations of inspections contributed to greater coherence, homogeneity and efficiency in the Delegations' working methods; highlights the importance of analysing the effectiveness and correctness of financial management in the respective Delegations;

Fraud prevention and detection

45. Welcomes the fact that the EEAS is continuously adapting its anti-fraud strategy in conjunction with all the RELEX directorates general and through a dedicated format with OLAF; stresses that all necessary efforts must be made to share and exchange information on their operational challenges to better identify risky areas in their activities and programmes; calls on the EEAS to identify any possible specific policy fields where tighter collaboration with OLAF might be needed to ensure an effective fraud prevention;
46. Notes with appreciation the definition of common guidelines which were formalised in a specific anti-fraud strategy for external relations, which constitutes an important improvement; recalls that these guidelines have to be disseminated to all Heads of Delegations and regularly assessed within the survey on the state of play of the internal control framework and in-depth risk mapping; notes that in 2019 there was no reported case of alleged whistleblowing;
47. Observes that the EEAS has notified two cases to OLAF and has been informed of the results of five OLAF's investigations in 2019; invites the EEAS to clearly identify the policy fields at risk and the possibility of conflicts of interests and to raise the Head of Delegations' awareness in relation to them; notes that 12 % of Delegations reported having detected changes with regard to fraud risk and that there was a growing demand for training on fraud detection (46 % of the Delegations and 35 % of Headquarters' divisions);

48. Invites the EEAS to start building its future bilateral cooperation with EPPO and to integrate it as a component of its general anti-fraud strategy; recalls that article 123 of the Financial Regulation provides for the establishment of an internal audit progress committee to ensure the independence of the EEAS internal auditor, the monitoring of the internal audit function as well as the effective follow-up of recommendations issued;

Ethical framework

49. Invites the EEAS to improve the staff's awareness and perception of its ethical framework and culture through adequate communication on ethics matters; considers that particular attention should be paid to whether members of staff know how to report issues related to unethical behaviour, as well as to increasing their sense of security; highlights the importance of identifying, assessing and managing risks related to ethics in its annual risk management exercise;
50. Encourages the EEAS to urgently devote efforts to organising systematic training and awareness sessions in the area of proper conduct (in terms of ethics, anti-fraud, anti-corruption, anti-harassment and levels of confidentiality) to its staff; believes such session should be part of compulsory on-boarding training for newly recruited staff;
51. Considers also that ethical standards have to be taken into account to avoid potential conflicts of interests and leakage of internal sensitive working information; supports the EEAS' definition of ethics guidelines, taking into account the specificities of work in Delegation to mitigate reputational risk for the Union and the EEAS, particularly for Heads of Delegation;
52. Strongly recommends that the EEAS join the EU Transparency Register, on the basis of a service level agreement;
53. Emphasises the necessity for the EEAS to comply fully with the Commission's Guidelines on Whistleblowing, in particular to protect whistleblowers in good faith against any form of prejudice;

Conflict of interests

54. Underlines that post-public employment and 'revolving door' conflict of interests situations is a recurring issue in the Union institutions; calls for the EEAS for the effective and consistent application of the Staff Regulations, in particular Article 16 and other applicable rules thereof, in order to prevent conflicts of interests, in particular – but not only – concerning senior officials and SNEs; is concerned about the recent revolving door cases and calls on the EEAS to systematically review potentially problematic transitions to the private sector or to third countries organisations and to continue to monitor the occupation of the former senior official until the end of the mandatory cooling-off period;
55. Deeply regrets that the EEAS has not published any of its decisions on occupational activities of former senior officials for six years, including 2019, in breach of its obligations under Article 16 of the Staff Regulation; welcomes the fact that it has started to publish them in 2020, including the retrospective publishing of decisions from previous years; insists in this regard that the EEAS from now on publishes its decisions on occupational activities of former senior officials on an annual basis and that it monitors on a constant basis whether they adhere to the conditions imposed on them and, if appropriate, take decisive action to enforce compliance with these conditions;
56. Notes that the EEAS applies a ban for the first twelve months of the two-years cooling-off period for senior management after their termination of office; recalls that the obligation of confidentiality is a key principle to be respected by former staff;
57. Underlines that Article 16 enables Union institutions to turn down a former official's request to take a specific job if restrictions are not sufficient to protect the legitimate interests of the institutions; fears that it is often not possible to enforce conditions imposed upon post-public employment activities; encourages Union institutions and agencies, therefore, to consider the full range of tools made available under Article 16 of the Staff Regulation;

Building policy

58. Welcomes the positive trend in relation to co-location, reaching 7 % of the Delegations' total office surface; notes with appreciation the fact that the EEAS has established 22 new co-location projects in 2019 concerning 68 Delegations (resulting in a total of 115 colocation agreements); notes that currently co-locations mainly concern Member States and partner countries (43), DG ECHO (20), other Union agencies, e.g. EUIPO, EASA and Frontex (17), the EIB (15), EUSRs (10) and CSDP missions -EUBAM and EUCAP- (10);
59. Encourages the EEAS to continue in the direction of pooling of means with Member States in the management of buildings and to further developing local co-operation, with specific attention to be devoted to best value for money, security issues and the Union's image and visibility, as well as budget optimisation;
60. Notes with appreciation that this increase in co-locations has been coupled with a consolidation and standardisation of the system of recovery of costs through further centralisation of colocations' revenues and the application of administrative fees in the agreed service level agreements; observes that approximately EUR 10 million of revenues were generated in 2019; calls on the EEAS to present an overview of the allocation of this revenue in order to ensure transparency;
61. Regrets the findings of the Court, that only a small number of Union Delegations are fully accessible to disabled people, asks the EEAS to consider where technically and financially possible and where required by local legislation the adaption of their offices to improve accessibility for people with reduced mobility;
62. Notes that the EEAS share of owned offices remained stable at 19 % of its Delegations' offices with further prospects of purchasing in Argentina and Democratic Republic of Congo; notes that EUR 72,8 million are spent in renting office buildings and residences in the Delegations' network and EUR 19,1 million on renting offices in Headquarters;
63. Welcomes the review of the housing policy and requests that Parliament be informed in due course on its main outcome in terms of renewed benchmarking compared to Member States' existing ones and other international organisations;
64. Notes with appreciation that the action plan established by the EEAS to follow-up the recommendations issued in the Court's special report of 2016 on the Real Estate policy of the EEAS enabled progress to be made, such progress being acknowledged by the Court;
65. Invites the EEAS to make further progress in relation to the remaining open recommendations concerning the need to obtain a portfolio overview by monitoring market rates for offices and residences and to start designing a medium-long-term plan in addition to its current Annual Working Document; reiterates that the 35 m² office space per member of staff should remain and serve as a recurrent benchmark and that access for those with disabilities should be systematically assessed in upcoming building planning or relocations; calls on the EEAS to keep Parliament informed about any further improvements;
66. Regrets that only one out of eight recommendations from the Court's 2016 report on the EEAS' management of its buildings around the world has been fully implemented and three have been implemented in most respects; calls for the swift full implementation of all the remaining recommendations;

Working environment

67. Notes the fact that there is an increase in cases reported to the mediation service concerning either unsolved disagreements around rights and obligations or different kinds of conflict at work, reaching 183 cases in 2019 (compared to 135 cases in 2018); understands that the increase of the cases brought to the mediation service indicates proper functioning; acknowledges the adoption of a new Decision on the EEAS Mediation Service in 2020 in order to strengthen the mechanisms in place;

68. Regrets the fact that there are still unpaid trainees in Union Delegations; encourages the EEAS to take step to assure that trainees have the means to support themselves; urges the EEAS to follow the recommendation of the European Ombudsman to pay all trainees an appropriate allowance covering at least the living costs; recommends that more money be allocated to pay trainees;

Environmental dimension

69. Notes with appreciation that in 2019 the EEAS adopted a mandate to set up an environmental management system for EEAS headquarters with the intention of extending it to the network of Delegations; urges the EEAS to take all necessary measures to reduce the carbon footprint of the Headquarters and of the Union Delegations by implementing paperless processes and with emphasis on energy mix and on promoting renewable sources of energy.
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