



*European Economic and Social Committee*

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# **ANNUAL ACTIVITY REPORT 2018**

**Section VI of the EU-budget**

June 2019

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*European Economic and Social Committee*

**Statement of Assurance  
by the  
Authorising Officer by Delegation**

Brussels, June 2019

I, the undersigned, Gianluca Brunetti,

Secretary-General of the European Economic and Social Committee (EESC),

In my capacity as authorising officer by delegation,

Declare that the information contained in this report gives a true and fair view:

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions;

This reasonable assurance is based on my own judgement and the information at my disposal, the rigorous verification procedures applied at the EESC in accordance with the internal financial rules, the result of ex-post controls, the observations of the Internal Audit service and the findings of the reports of the Court of Auditors for years prior to the year of this declaration;

I confirm that I am not aware of anything not declared here which could harm the interests of the institution.

Gianluca Brunetti  
Secretary-General



# PART I

## Presentation and main achievements 2018





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## 1 PRESENTATION

### 1.1 WHAT IS THE EESC?

**The European Economic and Social Committee (EESC)** is an advisory body of the European Union based in Brussels. Since its establishment in 1957, the EESC has provided a unique forum for consultation, dialogue and consensus among representatives of the various economic, social and civil components of organised civil society. The EESC has a distinct place in the EU's decision-making process as a consultative body that acts as an intermediary between the "legislative" (the European Parliament and the Council) and "executive" (the Commission) arms of the EU. The EESC ensures that civil society organisations have a say in Europe's development.

### 1.2 WHAT ARE THE EESC'S OBJECTIVES?

The EESC is committed to European integration. It strengthens the European Union's democratic legitimacy by enabling national civil society organisations to express their views at European level.

#### **The EESC's mission statement**

The Committee fulfils three key missions:

- ✓ Helping to ensure that European policies and legislation tie in better with economic, social and civic circumstances on the ground, by assisting the European Parliament, the Council and the European Commission, making use of EESC members' experience and representativeness, and stimulating dialogue and efforts to secure consensus which serves the general interest of the EU;
- ✓ Promoting the development of a more participatory European Union which is more in touch with public opinion, by acting as an institutional forum representing, informing, expressing the views of and securing dialogue with organised civil society;
- ✓ Promoting the values on which European integration is founded and advancing the cause of democracy and in particular participatory democracy, as well as the role of civil society organisations, in Europe and across the world.

### 1.3 WHAT IS ORGANISED CIVIL SOCIETY?

Organised civil society is a wide range of organisations, networks, associations, groups and movements that are independent from government and sometimes come together to take forward their common interests through collective action. These groups often act as intermediaries between decision-makers and the public, and enable people to get involved in society in a wide range of different ways, such as by playing an active role in their workplace, taking part in a political organisation, or supporting a good cause.

### 1.4 HOW IS CIVIL SOCIETY REPRESENTED?

The EESC is made up of 350 members from all 28 Member States. These members are not politicians, but employers, trade unionists and representatives of groups such as professional and community associations, farmers, youth organisations, women's groups, consumers, environmental campaigners and many more. They come from all social and professional backgrounds and have a vast range of knowledge and experience. They are not based full-time in Brussels, but rather have their own jobs in their home countries, ensuring that they maintain direct contact with their grassroots. Nominated by their governments, they are appointed by the Council for a period of five years. They then work independently in the interests of all EU citizens. By debating issues that involve and affect civil society, and adopting opinions, the Committee members play an integral part in the process of policy formation and the preparation of decisions at EU level. The EESC also acts as a bridge with European civil society organisations and networks thanks to the EESC Liaison Group.

#### MEMBERS PER COUNTRY



### 1.5 NATIONAL ALLOCATION OF SEATS

Members are proposed by the Member States and appointed by the Council of the European Union for a renewable five-year term of office. The current term of office runs until 2020. The national allocation of seats is as shown in the infographics on the left.

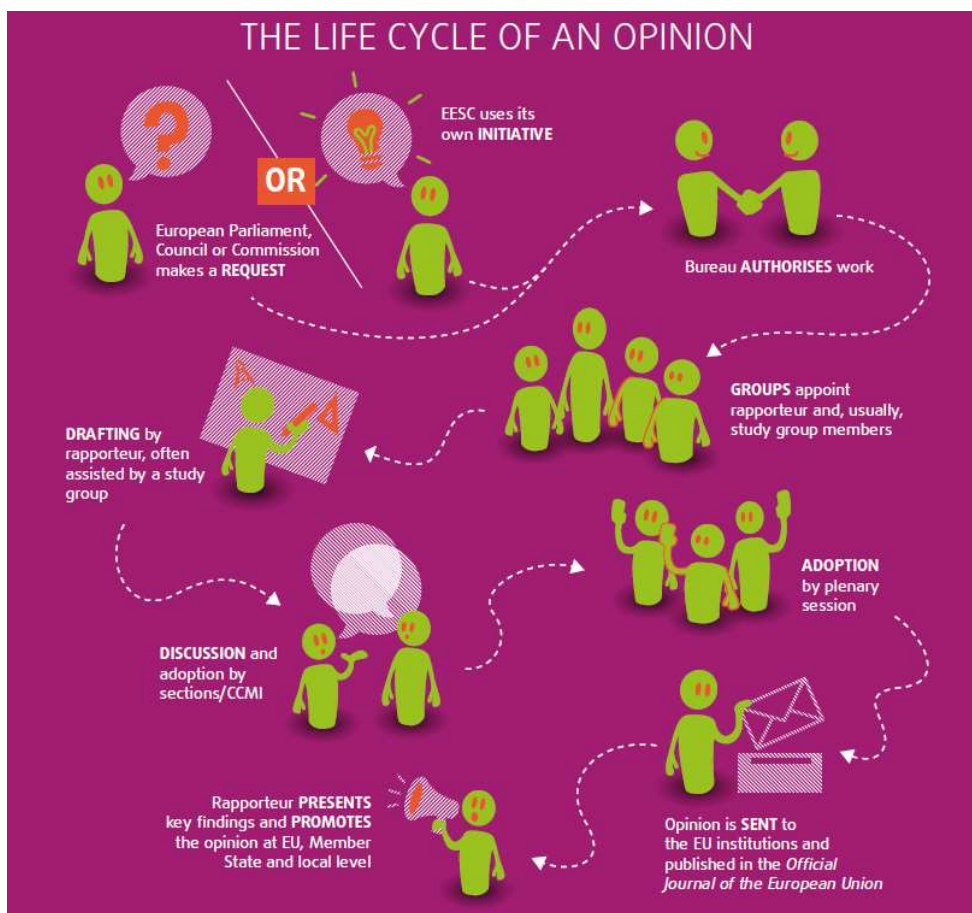
### 1.6 WHAT ARE OPINIONS?

The European Parliament, European Commission and Council of the European Union are obliged, under the European treaties, to consult the EESC on a wide range of policy issues before passing new laws. The EESC examines proposals and draws up and adopts opinions based on a consensus reached between its members. After they are adopted in plenary session, the opinions are sent to the European institutions and published in the EU's Official Journal.

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Furthermore, the EESC also adopts own-initiative opinions on any question pertaining to the European Union, its policies and how these might evolve. Exploratory opinions, drawn up at the request of other institutions before the Commission has even drafted its proposals, enable the various components of organised civil society to express their expectations, concerns and needs. The EESC may also publish information reports examining any aspect relevant to EU policies.

An opinion is prepared as follows:



EESC opinions are published in the EU's Official Journal in the 24 official languages of the EU.

### 1.7 HOW IS THE EESC STRUCTURED?



EESC members work in three groups: Employers (Group I), Workers (Group II) and Diversity Europe (Group III). The aim is to build dialogue and consensus between all three so that EESC opinions reflect the economic and social interests of citizens. Jacek Krawczyk from Poland is president of the Employers' Group, Oliver Röpke from Austria is president of the Workers' Group, while Arno Metzler from Germany is president of the Diversity Europe Group. (Oliver Röpke was elected the new president of Group II in 2019, taking over from Gabriele Bischoff.)

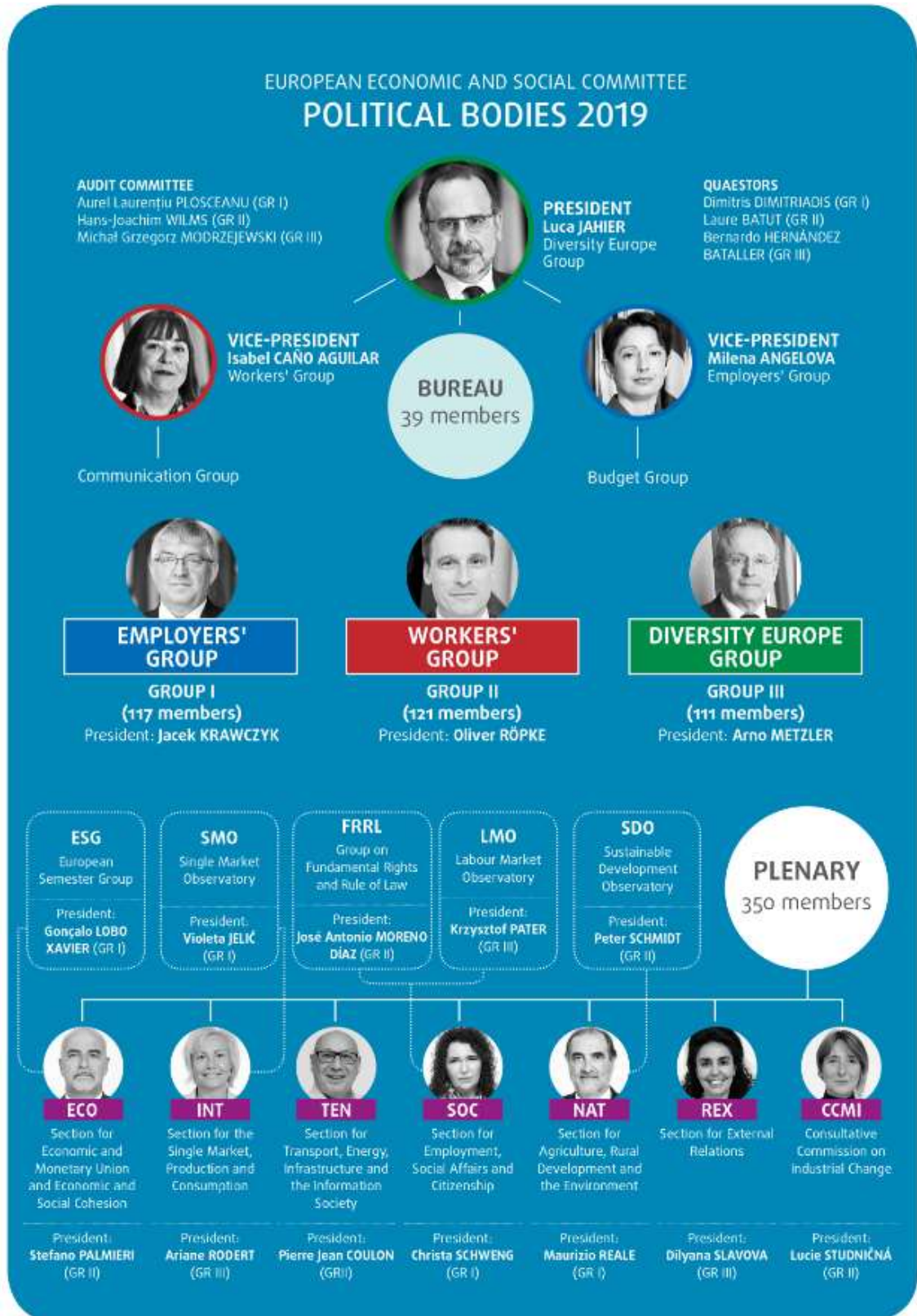
The EESC has six sections covering different aspects of the EU's work, ranging from the economy to social affairs. Members participate in one or more of these sections depending on their areas of expertise, and it is here that most of the preparatory work on opinions is carried out. The EESC also has a Consultative Commission on Industrial Change (CCMI), which helps EU industry anticipate and adapt to the impact of globalisation. The EESC has also set up three observatories – on the single market, the labour market and sustainable development, plus two cross-cutting groups – the European Semester Group and the Group on Fundamental Rights and the Rule of Law. A Policy Assessment unit was established in 2015 in the EESC's legislative work directorate to support the members in systematic policy analysis and evaluation.

## Working bodies



Every two-and-a-half years, the EESC elects a Bureau, currently made up of 39 members, including a president and two vice-presidents chosen from each of the three groups, in rotation. The current president is Luca Jahier (Group III) from Italy. He is responsible for the smooth running of the Committee's business and represents the EESC in its relations with other institutions and bodies. The two vice-presidents – currently Milena Angelova (Group I) from Bulgaria and Isabel Caño Aguilar (Group II) from Spain – are responsible for the budget and communication, respectively. The Bureau's main task is to organise and coordinate the work of the EESC's various bodies and to lay down policy guidelines for this work.

The Committee is served by a general secretariat, headed by a secretary-general who reports to the president, representing the Bureau. Some 702 staff members work at the EESC, assisting members in carrying out their duties.

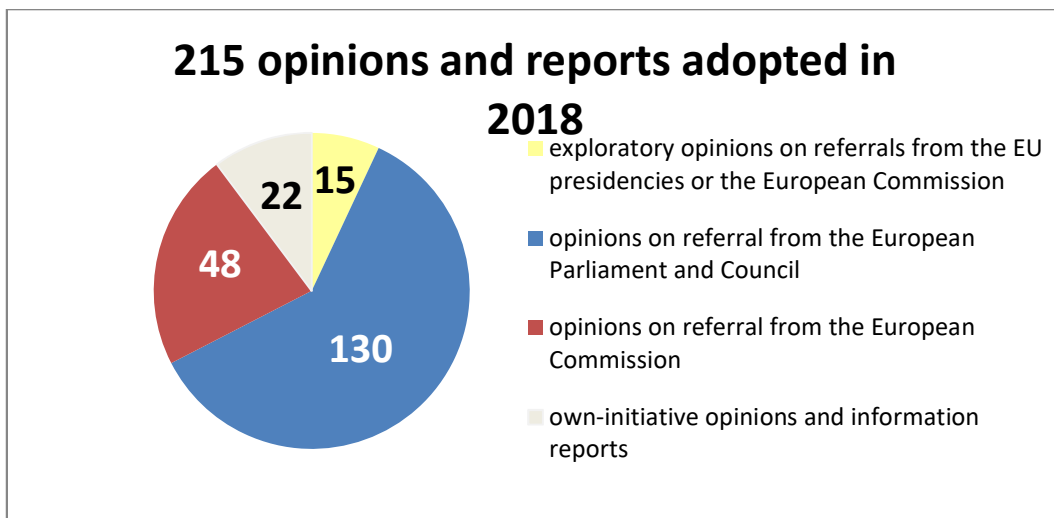




## 2 MAIN ACHIEVEMENTS 2018

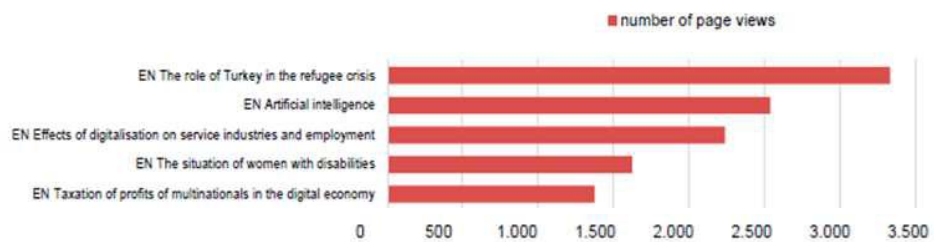
### 2.1 LEGISLATIVE AND RELATED WORK

In 2018, the EESC adopted a total of 215 opinions and reports.



Members and delegates actively participated in 307 high-level national, EU and international meetings and conferences.

### 20 most consulted opinion pages (EESC main website) 2018



#### 2.1.1 Plenary sessions

As part of its plenary sessions, the Committee held many debates with high-level speakers.

##### 531st plenary session | January 2018

- Debate on the climate finance pact, with **Miguel Arias Cañete**, Commissioner for Climate Action and Energy, and **Pierre Larrouturou**, agricultural engineer and economist and **Jean Jouzel**, climatologist and member of the French Economic, Social and Environmental Council (co-authors of *To avoid climate and financial chaos*).
- Presentation of the priorities of the Bulgarian presidency of the Council of the EU, with **Zornitsa Roussinova**, Bulgaria's Deputy Minister for Labour and Social Policy.

##### 532nd plenary session | February 2018

- Debate on the future of Europe with **Nathalie Loiseau**, French Minister for European Affairs.

##### 533rd plenary session | March 2018

- Debate on the Digital Single Market and artificial intelligence, with **Andrus Ansip**, European Commissioner for the Digital Single Market.
- Statement by **Marcos Peña**, president of the Spanish Economic and Social Council.

##### 534th plenary Session | April 2018



- Mid-term renewal of the 15th (five-year) term of office

# I.

## Presentation and main achievements 2018

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The EESC hosted its 534th plenary session on 18-19 April to mark the end of the presidency headed by Georges Dassis and usher in a new presidency for 2018-2020.

### 535th plenary session | May 2018



### **European Economic and Social Committee**



- Commemorative session marking the 60th anniversary of the EESC with the participation of **Ramón Valcarcel Siso**, vice-president of the European Parliament, **Jean-Claude Juncker**, president of the European Commission, **Karl-Heinz Lambertz**, president of the European Committee of the Regions, and

**Roger Briesch**, former Committee president, president of the Association of Former Members, on behalf of former presidents and members

### 536th plenary session | July 2018

- Debate on the modernisation of the European economy: decentralised energy provision, sustainable transport and regional economic development, with **Maroš Šefčovič**, Vice-President of the European Commission, responsible for the Energy Union
- Presentation of the priorities of the Austrian presidency, with **Gernot Blümel**, Austria's Federal Minister for the EU, Arts, Culture and the Media

### 537th plenary session | September 2018

- Debate with **Günther Oettinger**, European Commissioner for the Budget and Human Resources, on the new multiannual financial framework
- Debate with **Violeta Bulc**, European Commissioner for Transport
- Debate on the European Citizens' Initiative "Minority SafePack"

**538th plenary session | October 2018**

- Debate on External threats and challenges facing the European Union with **Federica Mogherini**, EU High Representative for Foreign Affairs and Security Policy and Vice-President of the European Commission
- Debate with **Christos Stylianides**, European Commissioner for Humanitarian Aid and Crisis Management, in conjunction with the NAT/750 opinion

**539th plenary session | December 2018**

- Presentation of the conclusions of the European Commission's high-level multi-stakeholder platform and debate on Towards a Sustainable Europe by 2030 with **Frans Timmermans**, First Vice-President of the European Commission
- Award ceremony for the Civil Society Prize

**2.1.2 Cooperation with other institutions*****Cooperation with the European Parliament: legislative work***

In 2018, EESC members and delegates had 43 meetings with EP committee presidents, rapporteurs and shadow rapporteurs, as well as with other MEPs, and actively participated in over 96 events at the Parliament (committee meetings, hearings, intergroup events and events initiated by individual MEPs). In parallel, MEPs actively participated in 39 EESC legislative work meetings. In addition, numerous informal meetings took place at EESC member and staff level and representatives of the EESC were regularly present at EP committee meetings.

As 2018 was marked by changes in the EESC leadership, the new leaders held meetings with their EP counterparts, while the EP vice-president Ramón Luis Valcárcel took the floor during the 60th<sup>h</sup> anniversary plenary session of the Committee.

EESC president Luca Jahier met with the EP's CCC chair, Cecilia Wikström, on 11 December, and confirmed his participation in the March 2019 CCC meeting in Strasbourg and her participation in the March 2019 EESC Bureau meeting, as well as the continuation of good bilateral relations beyond the May 2019 European elections.

The EP continued to provide a list of planned EP committee hearings, and this was reflected in increased participation by EESC members in the EP's committee activities over the course of the year. The Parliament also followed up on the list of possible topics presented by the

EESC president to the CCC in December 2017 with several exploratory opinion requests, notably by the Committee on Women's Rights.

## this time i'm voting

The EESC also began preparations to support the EP in its communication and promotion campaign for the May 2019 European elections. In September 2018, the EESC adopted an action plan to promote the EP elections, giving a high profile to the members and focusing particularly on young voters throughout the EU. In November 2018, the EP vice-president in charge of outreach to citizens, Ms Guillaume, met the EESC Liaison Group members as part of the "This time I'm voting" campaign. On 5 December, the EESC president and Antonio Tajani, president of the EP, signed a joint declaration on the European elections.

### *Cooperation with the European Commission*



The cooperation between the Committee and the European Commission is enshrined in the 2012 Protocol, a substantial and comprehensive instrument providing a solid foundation on which to work.

A highlight of 2018 was the European Citizens' Panel on organised by the the off the process of Citizens' EU. Hosting 80 delegates EESC was the venue for on 5-6 May 2018, which led to the launch of an online consultative pan-European platform by the European Commission. The Citizens' Consultation, initiated by the French president Emmanuel Macron, is the first exercise of its kind in the history of the EU.



Committee hosting the the future of Europe, an event Commission designed to kick Consultations throughout the from all Member States, the two days of important debates

Regular high-level meetings were held throughout 2018, including the participation of the Commission president, vice-presidents Timmermans, Mogherini and Šefčovič, and other Commissioners at seven EESC plenary sessions. Jean-Claude Juncker, president of the European Commission, attended the Commemorative Session marking the 60th anniversary of the EESC in May 2018. The first vice-president of the European Commission, Frans Timmermans, met with EESC president Luca Jahier on 12 July 2018 and attended the EESC plenary session in December 2018.

EESC members and delegates held 44 high-level legislative work meetings with Commissioners, and European Commission and EEAS directors-general and directors. Some 154 EESC delegations participated in high-level conferences organised by the Commission.

### **Cooperation with the European External Action Service**



The year saw ongoing dialogue with the EEAS on a number of regions and countries with which the EESC is developing its external relations (Africa, Latin America, China and Russia). Inter-institutional cooperation has been especially close regarding civil society participation in EU policies towards the southern Mediterranean countries, the Eastern Neighbours and the Western Balkans.

#### ***Active participation in the ESPAS project***

The European Strategy and Policy Analysis System, ESPAS, is an important inter-institutional project set up to enhance the forward planning ability of the EU. It brings together the European Parliament, the European Commission, the general secretariat of the Council of the European Union and the European External Action Service in order to make use of the EU's collective administrative capacity to better identify and analyse key trends and challenges, and the resulting policy choices of the EU.

The Committee contributed to the organisation of its annual conference and organised a breakout dinner on a theme of specific interest to the EESC ("Civil society in the age of populism: a new blueprint for a thriving democracy in the 21st century"), on 28 November 2018. Furthermore, the Committee produced a paper entitled "New ways out of poverty and exclusion", later published on Orbis, the online inter-institutional foresight database, as part of the ESPAS cycle "Ideas meetings".

### ***Cooperation with the European Council and the Council of the European Union***



The EESC participated in eight formal and informal EU ministerial meetings and actively participated in 20 EU presidency conferences and major events. In parallel, EU presidency representatives participated in various plenaries and in eight other legislative work events organised by the EESC. Some 90 meetings with Permanent Representatives and ministries took place, and they also formally participated in EESC legislative work events.



Bulgaria held the presidency of the Council of the European Union in the first half of 2018, followed by Austria in the second half, both demonstrating an outstanding capacity for cooperation. Zornitsa Roussinova, Bulgaria's Deputy Minister for Labour and Social Policy, and Gernot Blümel, Austria's Federal Minister for the EU, Arts, Culture and the Media, came to present their priorities at the plenary sessions in January and July 2018 respectively. The Bulgarian and Austrian EU presidencies formally requested a total of nine exploratory opinions, which were adopted at EESC plenary sessions. Extraordinary Bureau meetings were held in Vienna in June 2018 and in Bucharest in November 2018 in preparation for the respective upcoming EU presidencies.

### ***Cooperation with the European Committee of the Regions***



The cooperation agreement between the EESC and the European Committee of the Regions, signed in 2016, established a firm legal framework for long-term, efficient and effective cooperation, and also demonstrates that the two Committees are acting in partnership, respecting each other's powers and prerogatives.

The EESC was involved in the 16th European Week of Regions and Cities (8-11 October 2018) with a workshop organised by ECO focusing on the challenges of cohesion policy within the new MFF.

The EESC president, Mr Jahier, was invited to the CoR's May plenary session and numerous conferences. The CoR president, Karl-Heinz Lambertz, attended the Commemorative Session marking the 60th Anniversary of the EESC in May 2018 and a number of EESC events. The prospect of creating a platform for permanent dialogue with the citizens opens new possibilities for strengthening the cooperation between the two committees.

Some 36 legislative work meetings and synergies took place with the CoR.

### ***Cooperation with national economic and social councils***

In 2018, the EESC managed to sustain a high level of activities involving national economic and social councils and similar institutions (ESCs), on a bilateral basis or within the network of national ESCs of the EU. This cooperation included joint action in the framework of the European semester and support for the network's meeting of presidents and secretaries-general in Bratislava which was dedicated to "The Future of Europe". The EESC also joined forces with

the Bulgarian ESC to host the European Consumer Day with its focus on "the impact of the digital economy on European consumers".

### ***Brexit follow-up***

A Brexit Follow-up Group was created by decision of the Extraordinary Bureau in Tallinn on 16 June 2017 in order to monitor developments in the UK's withdrawal from the EU and assess the potential need for EESC reactions or positions. The Brexit Follow-up Group was chaired by Mr Mallia and reported periodically to the Bureau on new developments.

### ***Following the Future of Europe process***

Starting at its Enlarged Presidency meeting in Krakow in June 2018, the EESC decided to follow the Future of Europe process in the EU. This was done by closely monitoring the extensive series of events, debates and consultations organised by other EU institutions, NGOs and national governments but also by the creation of a "Sibiu Roadmap" process. The Roadmap was discussed in several Bureau meetings in July, September and October and led to the launch of a study group, which drafted an opinion to be presented to European leaders gathering at the Extraordinary Sibiu Summit of 9 May 2019 on the future of Europe.

### ***Future of the Committee***

The Ad hoc group on the Future of the Committee presented its final report to the Bureau in July 2017. After considering this report, the Bureau decided that the reflection exercise should be continued under another ad hoc group, which was instructed to look into how to rationalise the Committee's bodies.

This group reported back to the Bureau in October 2017 and was instructed to press ahead with discussions, this time bringing in the presidents of the sections and the CCMI. A follow-up report was submitted to the Bureau in December 2017, whereupon the Bureau was in a position to take a formal decision on streamlining its structures in January 2018.

Under this decision, the Europe 2020 Steering Committee was replaced by a body focusing on the European Semester. An ad hoc group on fundamental rights and the rule of law was also set up. The Bureau addressed all the Committee's other internal structures (with the sole exception of the sections themselves): observatories, joint consultative committees and domestic advisory groups with various non-EU countries, civil society platforms; section-based bodies dealing with a wide range of issues, etc. Each body was considered in turn. In many cases, cuts were made in the number of members of the bodies and in the number of annual meetings each one could have. A degree of flexibility was introduced, allowing some of the bodies the option of an



extra meeting should this prove necessary for urgent policy reasons, thus making the bodies more reactive to ongoing developments.

The Bureau also reviewed the membership of the Committee's cross-cutting structures, such as the Liaison Group with European civil society organisations and networks and the Brexit follow-up group. This decision was taken in good time to allow members to be appointed to each body during the Committee's mid-term renewal in April 2018 and to start work without delay.

### 2.1.3 Structured dialogue with European citizens

#### *Civil Society Days 2018 – Citizenship, Democracy and Culture in a digitalised Europe*



The Civil Society Days (CivSocDays) are an annual event organised by the EESC and the EESC Liaison Group with European civil society organisations and networks. Its main purpose is to enhance political dialogue between the Committee and European civil society organisations, and to establish a genuine structured civil dialogue with the European institutions. Citizenship, Democracy and Culture in a digitalised Europe was the slogan for the 2018 Civil Society Days, organised by the Liaison Group at the European Economic and Social Committee (EESC) on 24 and 25 May in Brussels. In six workshops, participants discussed living together in a future digital Europe and adopted seven key recommendations.

#### *European Citizens Initiative (ECI) Day 2018: Working together!*



The ECI DAY is an annual EESC conference co-organised with civil society partners with a focus on the European Citizens' Initiative (ECI) and the development of participatory rights.

ECI Day 2018 was an excellent opportunity to discuss priorities, and the 2018 theme, *Working Together*, was intended to underline the value of cooperation and the shared responsibility for promoting active citizenship.

#### *European Consumer Day*



Organised every year since 1999, this annual event brings together experts, consumers and policy-makers to debate issues affecting consumers at European level.

# I.

## Presentation and main achievements 2018

Last year, adding sustainable consumption and digital finance specialists into the mix, not only did speakers and participants have the chance to weigh in on the issues affecting digital consumers, but also to shape Europe's dialogue about the Digital Economy.

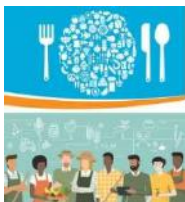
The EESC joined forces with the Bulgarian Economic and Social Council to host the 20th edition of European Consumer Day in Sofia on 20 March 2018.

### 2.1.4 Conferences, debates and key topics in the spotlight 2018



The EESC has been instrumental in organising numerous high-level conferences designed to promote a more participatory EU that is in touch with public opinion.

### Food, agriculture and rural development



In the run-up to the reform of the Common Agricultural Policy for the next programming period 2021-2027, the EESC successfully sought to be the first EU body to officially respond to the Commission proposals. The EESC opinion cautiously welcomed the increased emphasis on subsidiarity with more flexibility and responsibility for Member States through the new CAP Strategic Plans. The EESC continued to promote a transition to sustainable, healthy and fair food systems, notably by calling for a prohibition of all unfair trading practices across the food supply chain. The EESC made practical recommendations to match the aspirations of citizens to protect, promote and learn from our rural cultural heritage.

## Circular economy



The EESC continued to work with the European Commission to foster the European Circular Economy Stakeholder Platform (ECESP), focusing its efforts on the organisation of, and participation in, conferences and events, further developing the Platform website, and consolidating the role of the EESC in the transition to a circular economic model. The 2018 conference drew in more than 650 participants on Day 1 and 350 on Day 2. On the platform website, there were a number of developments designed to enable more (inter)active engagement from/between the ECESP stakeholders. This included the launch of an interactive forum in October 2018. Finally, there were a number of circular economy related opinions, for example on the Plastics Strategy, the Monitoring Framework of the Circular Economy and Single-Use Plastics.

## Involving civil society in climate measures and boosting climate finance

*"There will be no jobs and no entrepreneurship on a dead planet". It is up to us to avoid this nightmare scenario and we need to act now, says the EESC in its own-initiative opinion on European Finance-Climate Pact adopted on 17 October*



The EESC has called for a "European Dialogue on Non-State Climate Action" to strengthen the scope and scale of European-based climate action by bottom-up initiatives led by civil society and sub-national authorities. One of the obstacles faced by bottom-up action being the lack of finance, the EESC proposed a finance-climate pact that aims to redirect both public and private funds towards the fight against climate change and the real economy. The EESC tabled the most ambitious proposal among the EU institutions, that 40% of the EU budget should be devoted to the fight against climate change and its consequences. The EESC also urged that access to finance be improved for civil society stakeholders at the forefront of climate action. Two side events on these topics were organised at the UNFCCC COP24 in Katowice, Poland.

## The 2030 Agenda for Sustainable Development as a milestone towards a longer term approach



The EESC was particularly vocal on the need for an ambitious European Sustainable Development Strategy with specific objectives, targets and measures in order to achieve the 17 Sustainable Development Goals (SDGs). The 2030 Agenda was addressed in several public debates on the role of civil

society in the SD strategies from design to monitoring at European, national and sub-national levels. The EESC continued its active participation in the Multi-stakeholder Platform on SDGs led by the Commission's secretariat-general. Moreover, the EESC joined forces with the European network for community-led initiatives on climate change and sustainability (ECOLISE) and the European Committee of the Regions to boost sustainability measures by all components of civil society as well as local and regional authorities via the second European Day of Sustainable Communities.

### **Environmental protection by better enforcement of environmental legislation**

The EU efforts to improve air, water and soil quality, limit loss of biodiversity and the unsustainable extraction of natural resources, have proved to be insufficient, mainly due to a lack of proper implementation of environmental legislation. The EESC has called for existing environmental legislation to be considerably bolstered in terms of capacity and powers of enforcement, specifically in an exploratory opinion at the request of the Parliament. In co-hosting the 7th European Environment Evaluators Network Forum together with the European Environmental Agency, the EESC showed its willingness to contribute to better enforcement of EU environmental legislation.

### **Focus on migrant integration**

*"Without migrants, Europe's economic and social model is in danger", says the EESC*



In 2018, many EESC activities in its priority area of migration focused on integration efforts, e.g. by looking at how social economy enterprises contribute to migrant integration. During the 2018 meeting of the European Migration Forum, which the EESC co-organises with the European Commission, civil society organisations and practitioners in the field discussed migrants' labour market integration with representatives of the EU institutions and the Member States. The main conclusion was that the successful inclusion of migrants in the EU's job markets requires more funds, more support and a change in attitudes. Recognising that integration projects often experience difficulties obtaining sufficient funding, the EESC hosted an event to launch the Commission *Toolkit on the use of EU Funds for the integration of people with a migrant background*. In an own-initiative opinion adopted in December, the EESC explored what Europe would look like in the case of non-immigration and in the case of non-integration of migrants.

## Fundamental rights and the rule of law

*"A strong democracy must allow criticism", says EESC*



The EESC set up a new body on fundamental rights and the rule of law in January 2018, chaired by José Antonio Moreno Díaz (Group II, ES), as a response to the challenges to these values that Europe has witnessed in several EU Member States. Civil society organisations are particularly hard hit when fundamental rights and the rule of law deteriorate and therefore the EESC has a special responsibility to promote the values listed in Article 2 TEU. The EESC carried out fact-finding missions on fundamental rights with a focus on economic and social rights and held a hearing on *Freedom of assembly and association: challenges, risks and solutions*. Furthermore, the EESC supported the European Commission's efforts to create a new tool to protect the EU's budget in cases of serious and persistent violations of the values listed in Article 2 TEU. The EESC also supported the Commission's proposal for a new Values, Rights, and Justice Fund, albeit calling for a considerably increased budget, to strengthen the fundamental values upon which the EU is built.

## Gender equality in the European Union

In the course of 2018, the EESC produced four exploratory opinions requested by the European Parliament, which shed light on **gender equality in the European labour markets, the gender digital gap**, and the particularly vulnerable situation of **women with disabilities** and **Roma women**. In its opinions, the EESC strongly recommends drawing up an integrated and ambitious European strategy to tackle systemic and structural obstacles to gender equality, to design appropriate policies for improving equality between women and men and to implement the European Pillar of Social Rights. The EESC also strengthened its ties with the EU agency in charge of the promotion of gender equality – the European Institute for Gender Equality.

## New economic models

Europe is facing complex challenges calling for renewed social and economic models. As new economic models develop, so does their impact on businesses, consumers and workers. The EESC has recognised both the potential of these new models for Europe's sustainability and the uncharted legal territory they entail. Starting with the 2013 opinion on collaborative or participative consumption and the theme of the 2015 European Consumer Day, the EESC has been at the forefront of monitoring these new economic models. The EESC's *Single Market Observatory* (SMO) focuses on this topic. It will issue a report at the end of the current term.



On the subject of the functional economy, in November 2018, the EESC marked the 5th anniversary of the seminal opinion on Premature Obsolescence by rapporteur Thierry Libaert, with an event to debate how Europe is tackling this issue.

### **Entrepreneurship and social economy enterprises**

In 2018, the EESC organised public hearings in six Member States as part of the follow-up work related to its opinion on Improving the effectiveness of EU policies for SMEs. The main objective of the hearings was to debate the effectiveness and efficiency of EU policies for SMEs and to find ways in which they can be improved.

Regarding the social economy, the EESC cooperated closely with the European Parliament's Social Economy Intergroup, with the European Commission's DG GROW, DG EMPL and DG FISMA and also contributed to the work of the Bulgarian and Austrian presidencies.

It organised, as every year, the European Day of Social Economy Enterprises, a participatory event that provides an opportunity to listen to the concerns of social entrepreneurs and to take stock of the measures that still need to be taken. For the EESC, it is vital to define new objectives for inclusion in the work programmes of the EU institutions.

### **Innovation and artificial intelligence**

*"Artificial intelligence is a technology which does not have to overcome and overwhelm us."*



18/06/2018 | EESC - JDE 62 | 9.30 - 16.30

Research and innovation are essential to improve competitiveness, promote growth, create jobs and address societal challenges. Responsible research and innovation (RRI) is an area in which the EESC has played an important role as a representative of civil society. Innovation is also closely linked to artificial intelligence (AI), which has been discussed in several opinions. In the EESC's view, the EU should adopt policies that enable artificial intelligence to grow while ensuring that it operates to the benefit of society and social well-being.

In 2018, the EESC also organised the first annual stakeholder summit on AI, which gathered around 200 participants from the public and private sectors. The EESC is represented by one of its members in the European Commission's high-level expert group on AI.

### EESC's policy assessment capacity and Better Regulation agenda

*The EESC notes that the REFIT programme should contribute to making European legislation simple, understandable and coherent, without being detrimental to the protection of citizens, consumers, workers, social dialogue or the environment.*

The EESC contributes to inter-institutional cooperation on assessing EU policies and legislation in the framework of Better Law-Making and the REFIT programme (Better Regulation Agenda). Internally, the EESC's Policy Assessment Unit (PAS) coordinates the EESC's contribution to these initiatives in close cooperation with the EESC's sections and observatories. The European Commission requested the EESC's views regarding the ongoing stocktaking exercise on Better Regulation. The Bureau authorised the participation of EESC members in that work.

The REFIT programme was set up by the Commission in May 2015. It aims to make EU law simpler, to reduce costs that stem from regulation and to keep EU rules fit for the purpose for which they were designed. The EESC participates in the programme through the REFIT platform, which includes one member from the EESC. The platform members review suggestions for reducing the regulatory burden and draw up recommendations. The opinions of the platform are taken into account by the Commission in its work programme. The EESC members are supported by the EESC secretariat, which provides background information on the files to be discussed by the REFIT platform. The secretariat also ensures that EESC positions, as agreed by the three members, are based on adopted EESC opinions.

### Economic and Monetary Union (EMU)



Throughout 2018, the EESC continued its active involvement in the debate on the European economy and the way ahead for the euro and Economic and Monetary Union (EMU). In particular, the Committee delivered two opinions on the economic policy of the euro area, two opinions on the Commission's EMU package from December 2017 and two opinions on the proposed EMU

spending programmes within the new Multiannual Financial Framework (2021-2027) – the Reform Support Programme and the European Investment Stabilisation Function. In addition, the Committee held a public hearing on *A roadmap for completing EMU – Key steps to address the challenges ahead*.

### Towards more stable and sustainable financial markets

The EESC adopted eight opinions on policy proposals related to the Capital Markets Union and organised a hearing on *Sustainable Finance – Ways forward after the Commission Action Plan* on 5 June 2018. Complementing the work done in relation to the CMU, the EESC also advocated the completion of the Banking Union and adopted an opinion on a communication on completing the Banking Union as well as two other opinions on a package of proposals aimed at addressing the high level of non-performing loans and on a proposal to enable the development of sovereign bond-backed securities. The EESC also adopted an opinion on the InvestEU programme.

### Cohesion policy – towards the period 2021-2027



The EESC was the first European institution to contribute to the development of the new programming period by adopting four opinions on the cohesion policy package presented by the Commission on 29 May. On 6 September 2018, the EESC hosted a high-level conference on *European regional development and cohesion policy*, featuring an EP vice-president (Mr Papadimoulis), the head of the private office of Ms Crețu (Mr De Michelis), representatives of the Commission, think tanks and organised civil society.

### The Multiannual financial framework



To feed into the political debate on the Multiannual Financial Framework (MFF) 2021-2027 right from the outset, on 15 May 2018, the EESC held a high-level conference. The EESC opinion on the MFF package was adopted in the October 2018 EESC plenary. This opinion was complemented by 36 further EESC opinions on the sectoral legislative proposals for the different MFF spending programmes. The EESC rapporteur spoke at the EP's Committee on Budgets.

### Taxation

In 2018, the EESC continued to work on the major VAT reform launched in 2016 and adopted an opinion on the second reform package. In May 2018, the European Commission issued a proposal and, in response to the proposal, the EESC opinion on a **Digital Services Tax (DST)**



was adopted in July 2018. The EESC rapporteur was invited to present the EESC opinion to the EP ECON committee.

### The European Semester

The European Semester Group (ESG) coordinates, strengthens and supports the work carried out in the EESC sections/CCMI in relation to the European Semester, and is chaired by Gonçalo Lobo Xavier (Group I, PT). The European Semester is an annual cycle of economic policy coordination and, since 2018, has been complemented by measures building on the European Pillar of Social Rights. The EESC has acknowledged its growing importance and, in a Bureau decision dated 5 December 2017, decided to replace its Europe 2020 Steering Committee with this body. The European Semester Group organises country visits in the Member States, examining the policy contributions of organised civil society to the Semester process. In 2018, four country visits were undertaken, and more are being planned for the coming years, as they are an efficient and effective way for the EESC to bridge the European and national level within the Semester process. The ESG also prepares opinions and organises hearings, and its meetings are attended by the EP, the Commission and national economic and social councils.

### Cybersecurity

*"The EESC throws its support behind the creation of a European competence centre".*



Over the last few years, the world has witnessed an increasing number of worrying cyber-attacks and cases of the misuse of personal data, not only for economic benefits but also for influencing political developments around the world. On 9 January 2018, the EESC held a public hearing on the Cybersecurity Act, where European civil society discussed cybersecurity issues with EU high-level policy officials and experts. The EESC urged the EU and its Member States to adopt a cybersecurity model at European level, to strengthen the mandate of the European cybersecurity agency and, finally, to create an effective European certification scheme for online services and products. Moreover, the EESC called for comprehensive action and more measures and resources for European bodies entrusted with the task of fighting disinformation and cyber-attacks and straightening the EU's cyber resilience.

### An Energy Union for Europe's citizens



In 2018, the EESC continued its work on the Energy Union initiative launched in 2015 by the European Commission. In its opinions, it promoted its unique citizen-centred

perspective on a diverse set of energy policy issues, including gas pipelines, energy networks and infrastructure investments, fusion energy, nuclear decommissioning and radioactive waste management. A synthesis of this perspective was drawn up for the Committee's third annual opinion on the European Commission's report on the State of the Energy Union, which the EESC members discussed with the Commission vice-president. One very clear and direct positive result of the EESC's vision for an Energy Union for all of Europe's citizens is the EU Energy Poverty Observatory launched by the European Commission in early 2018, an initiative inspired by an EESC proposal.

### **Europe on the Move**

With its three "mobility packages" published under a far-reaching *Europe on the Move* initiative, the European Commission aims to develop a clean, competitive and well-connected



mobility system, which integrates all means of transport, spans the entire EU and connects it both with its immediate

neighbours and the wider world. In close cooperation with other EU institutions, notably the Commission, EP and CoR, the EESC issued about 20 opinions on this major political initiative, highlighting the social challenges in transport and the clear case for decarbonising the sector. It noted that automated mobility can provide new services for the mobility of people, with more possibilities for the shared economy, potential for optimisation of traffic with environmental advantages, and mobility for citizens. At the same time, digitalisation, connectivity and automation are considered to be the main tools for developing the Safe System method and moving towards the "Vision Zero" target (zero road fatalities by 2050).

### **Open dialogue on clean mobility**

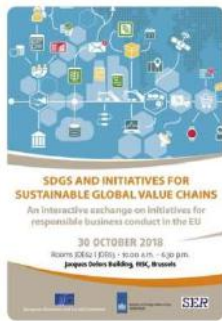
In order to highlight recent developments in the transport sector and stimulate an open dialogue on this subject, the EESC jointly hosted a high-level conference on *Clean Mobility* (Vienna, 15-16/11/2018) with Austrian Federal Railways (ÖBB), during the Austrian EU presidency. The event saw keynote speeches from Austrian federal ministers and the EU Commissioner for Transport, followed by in-depth discussions in three sessions.

### **Provision of services of general interest in light of the European pillar of social rights**

In October 2018, the EESC held a public hearing to explore the "Delivery of essential services in conjunction with the European Pillar of Social Rights (EPSR)". The 20th and final principle

of the EPSR deals with "access to essential services": this concept raises more questions than it provides answers to the challenges in the field of services of general interest.

### Sustainable Development Goals in global value chains



In cooperation with the Commission vice-president Mr Timmermans, the Dutch Economic and Social Council, and the Dutch Ministry of Trade and Development Cooperation, the EESC held a high-level conference on achieving the SDGs through proper monitoring of responsible business conduct in global value chains. Specific attention was paid to GVC in banking, the extractive industries, and the food and textile sectors. Experiences were shared of initiatives and instruments at national level, and discussions explored the coherence between internal and external EU policies and the best way to feed into the Multi-stakeholder Platform on SDG implementation. The conclusions of the conference were fed into the UN Forum for Business & Human Rights on 26-28 November. This conference was a good example of the way in which the specialised work done by different EESC sections can feed into issues that need to be tackled at multilateral or global level.

### Industry 5.0

The EESC organised a conference on the topic "Industry 5.0" underlining a new paradigm based on the cooperation and interaction between humans and machines. With an increasing focus on customisation, combining human skills, such as creativity and craftsmanship, with robots' strength and productivity can unlock the huge economic potential in AI and robotics. To have a leading stake in the game, the EU needs to promote entrepreneurship and produce creative products with high value added that are closer to the markets and the customers.

### EU aerospace sector

The EESC acknowledged the need to develop an EU industrial policy for the aeronautical sector to allow the EU aeronautical industry to compete on a level playing field in the context of strong competition from established players (the USA in particular) as well as growing competition from emerging players (China in particular). Fair competition, including respect for consumers' and workers' right, as well as environmental standards, was also at the heart of the EESC's work in early 2018 with regard to airline competition within the EU and with non-EU competitors.

### Bioeconomy

A long-term, coherent and transparent policy and incentive framework has to be introduced to promote the bioeconomy. The role of farmers, forest owners and their cooperatives is crucial to

ensure an efficient use of natural resources and contribute to a circular bioeconomy. We need to support market creation and help consumers and the public to make informed choices about the products and industries they support through their daily purchases.

### **Creative Europe**



The EESC welcomes the new Creative Europe programme (2021-2027); however it considers that the planned budget of EUR 1.8 billion is not sufficient to meet the ambitious goals, and therefore calls for a larger budget. This significant investment in the creativity of Europe will help the EU to

compete successfully with large countries having deliberate "soft power" strategies (like US, Japan, South Korea) at national level and in international organisations.

### **Organised civil society outside the EU**



In 2018, as a continuation of the work done in recent years, the EESC established new links with organised civil society worldwide. This included the setting up of a new civil society body for the monitoring of the EU-Canada CETA. A mandate from the European Commission and the EEAS to set up a Civil Society Platform, starting in 2019, within the EU-Armenia Association Agreement, was also

received. Closer links were established with Japanese civil society organisations in view of the entry into force of the EU-Japan EPA in 2019. All these activities involved bringing together civil society organisations from those countries so that, for the first time, they find common ground for cooperation. The EESC has thus provided an institutional channel and a working method for civil society from the EU and third countries to exchange views on key issues, and fostered recognition by political authorities in partner countries of civil society organisations as important interlocutors when it comes to the monitoring of their international commitments.

### ***Partnerships***

In its role as the institutional representative of civil society and as part of its policy entitled "The EESC, home of civil society", the EESC effectively hosted 72 partnership events. These are conferences organised by external organisations in cooperation with the EESC on topics that are relevant and of interest to the Committee within the framework of European and civil society issues.

2.1.5 Communication activities

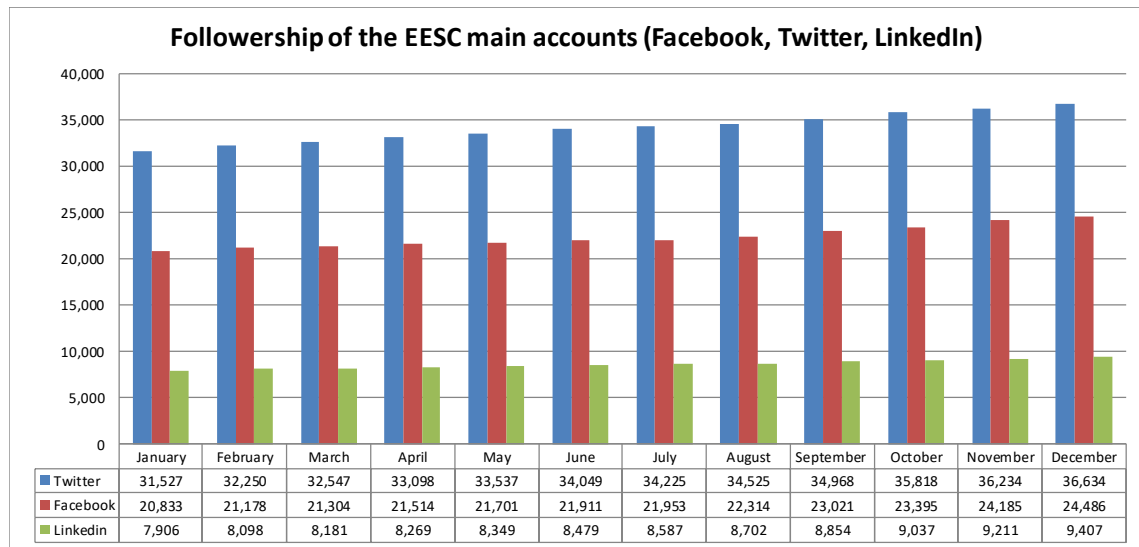


With the aim of increasing its visibility, the EESC in 2018 both strengthened its relations with the media and put a focus on online communication. As regards themes, the focus was on:

- the EESC mid-term renewal,
- the 60th anniversary of the EESC
- and the European Year of Cultural Heritage.

Moreover, in the second half of 2018 the EESC adopted a communication action plan in the run-up to the European elections and started its implementation.

Going Digital



Total community size per year

A special effort was put into strengthening social media communication. This was accompanied by a consistent training policy and on-demand tailored coaching sessions both for EESC members and staff. EESC plenaries, which were also web-streamed, had a potential reach of

# I.

## Presentation and main achievements 2018

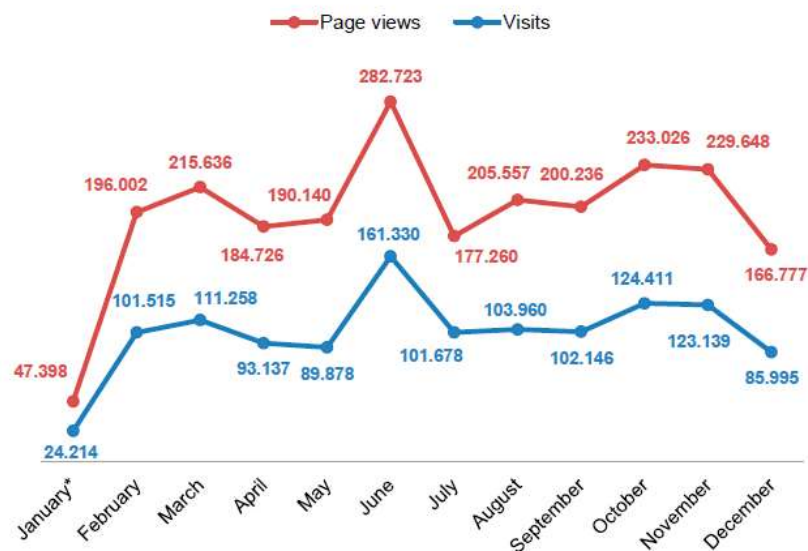
between 3 and 8 million. The more important reference however is overall engagement (retweets, likes, replies, etc.), which has been increasing, too, and reached between 680 and 1 840 mentions per plenary.

In December 2018, the EESC Twitter corporate account had 36 600 followers, while at the same time the main Facebook account had around 24 500 followers. Also noteworthy is the good growth in follower numbers on LinkedIn, on which the social media team has been focusing since May 2018, and which has now reached 9 400 followers.

Nine regular issues and three special editions of the EESC newsletter *EESCInfo* were published in 2018 in digital format as a web-first newsletter with print available on demand and a mini-site on the EESC website.

Other web projects included the development of a dedicated web presence for the new EESC president, the launch of a framework contract with a view to improving accessibility of the website, the ongoing addition of the Irish language to all static information pages, preparatory work for introducing a comprehensive and automated opinion timeline to the opinion pages, the development of interactive features for the European Circular Economy Stakeholder Platform and the upgrading to the https protocol for a secure communication between users and the website.

Page views and visits (EESC main website)  
2018



\* January data is incomplete due to missing log files

**Total:**  
2,329,129 page views  
1,222,661 visits

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## Presentation and main achievements 2018

### Events

Four communication events are particularly noteworthy for 2018, in addition to other major EESC events in Brussels and abroad to which the Communication Department provided support.

	<p>The 9th edition of "Your Europe, Your Say!" (YEYS) was linked to the European Year of Cultural Heritage. It took place on 15-16 March 2018 under the title "United in diversity: a younger future for European culture – Can European youth take European culture to heart?". A total of 99 pupils accompanied by 33 teachers from all EU Member States and candidate countries came up with the following recommendations on how we can benefit more from our cultural heritage: language trips as an opportunity to discover other cultures; preserve culture, learn from the past and use it to build the future; experiment with culture.</p>
	<p>Under the title "Identities, European Values and Cultural Heritage in Europe", the 10th edition of the Civil Society Prize rewarded initiatives carried out by civil society organisations aimed at raising awareness of the multiple layers and richness of European identities, exploiting the full potential of Europe's cultural wealth, facilitating access to European cultural heritage and promoting European values. The EESC received 150 applications from 27 Member States. The prize was awarded to five winners during the EESC December plenary session.</p>
	<p>The 12th Civil Society Media Seminar took place in Athens on 22-23 November 2018 on the theme "Reaffirming European values". It was linked to the upcoming European elections in 2019 and focused on the values of respect for human dignity, freedom, democracy, equality, the rule of law, freedom of the press and what civil society can do to defend and promote European values. It gathered some 150 participants, including journalists and communication/press officers from European civil society organisations.</p>

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## Presentation and main achievements 2018



For the 4th year in a row, the EESC took part in the Deutsche Welle Global Media Forum (Bonn, 11-13 June 2018), which focused on "Global Inequalities". The EESC participated as a partner, was represented by 12 EESC members and organised a panel with live web-streaming on "Digitalisation and industrial revolution – a chance to reduce inequality and poverty?"

### ***Communication towards media and journalists***

In 2018, the EESC increased the use of social media and other platforms and tools (e.g. web stories) to reach journalists, while also issuing 60 press releases (70 in 2017) which went out to over 1 300 journalists in Brussels and to an increasing number of targeted national and specialised journalists across Europe. A total of around 3 364 press cuttings were gathered during 2018.

In addition to the around 50 journalists invited by the EESC to events in Brussels throughout the year, on 12-13 December 2018 the EESC held its second information seminar for journalists on the topic *The European Economic and Social Committee as the voice of civil society in the EU and its 2018 Civil Society Prize*. Thirty journalists from 19 countries were invited to the EESC to learn about the Committee, its members and its political achievements.

Three press breakfasts with EESC members were held to brief journalists on EESC opinions on topics such as the Multiannual Financial Framework (MFF), artificial intelligence and climate change. Several articles written by EESC members were published in the European media, both on paper and online. Video clips were produced to promote a range of events and opinions, including the European Citizens' Panel on the Future of Europe, the EESC Open Day, the opinion on the EU Civil Protection Mechanism, the 60th anniversary of the EESC, the opinion on the new MFF, the own-initiative opinion on the European Climate-Finance Pact, the EESC civil society prize, the civil society media seminar and the journalists' seminar.

### ***The wider public: from visiting schools to hosting visitors***

Around 35 EESC members and some members of EESC staff visited a school in their country of origin either in the framework of YEYS (33 visits) or under the *Back to school initiative* (12 visits).

In 2018, the EESC received 9 419 visitors (2017: 7 820) in more than 400 groups. In addition to this, the traditional Open Day on 5 May attracted some 2 888 visitors (2 700 in 2017) and saw the active participation of 22 EESC members and 70 members of staff. On the same weekend of



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## Presentation and main achievements 2018

5-6 May, a panel of 99 European citizens gathered at the EESC and drew up 12 questions for the online public consultation on the Future of Europe launched by the European Commission on 9 May. In May 2018, EESC members also participated in the Schuman Day celebrations in Budapest and Paris. Furthermore, 127 out of the 350 EESC members took part in Going Local activities, with a total of 239 events: 62 on general communication and 177 linked to a specific policy/EESC opinion.

### *Publications and graphic products*



Over 100 publications were produced and made available online. A digital publication was also issued for the 60th<sup>h</sup> anniversary of the EESC. In addition to the usual graphic products designed for events and meetings (posters, banners, etc.), the visual refurbishment of the JDE entrance was carried out in 2018.

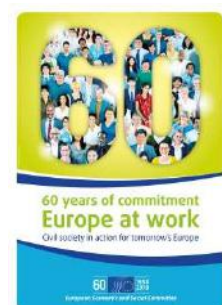
### *Culture*

The EESC organised around 15 cultural events in 2018, 10 of which were linked to the European Year of Cultural Heritage and labelled #EYCH2018. Activities ranged from photo and painting exhibitions to music performances, film screenings, study presentations etc., bringing together up to 400 people in some cases. Some events were linked to the Bulgarian and Austrian presidencies, and some were jointly organised with EMAS, hosting side activities to further promote and highlight its work in the fields of environmental protection and sustainable development (EC Plastics Strategy), as well as food waste, food sustainability and food donation.

### *The 60th anniversary of the EESC*



The EESC implemented a whole range of communication activities to mark its 60th anniversary in May 2018. Particularly noteworthy in this respect are a video featuring six stories of *Europe at Work* and the digital publication



*Civil Society in action for tomorrow's Europe* tracing the 60 years of the Committee's commitment to involving civil society, in all its diversity, in the building of Europe, highlighting its achievements, its added value and its vision for the future of Europe. The celebrations culminated in the commemorative plenary session on 24 May 2018 and its closing cultural event *Songs of Longing* organised by the EESC in association with La Monnaie at the Albert Hall theatre complex and attended by around 350 people. Some local events organised by EESC members at local level made European citizens aware of the 60th anniversary of the EESC. An example is the joint event which took place in Sofia on 30 November to celebrate the 60th anniversary of the EESC and the 15th anniversary of the Bulgarian Economic and Social Council.

### ***Protocol and meetings***

The Conferences and Internal Services unit of the Committee handled 1 086 meetings held in Brussels and 71 outside Brussels. Its protocol service also took care of 135 official visitors.

## **2.2 ADMINISTRATION**

The Committee is served by a general secretariat, headed by a secretary-general who reports to the president, representing the Bureau. A total of 702 staff members work at the EESC.

The EESC seeks to attract, train and retain skilled staff, optimise its organisational structure and promote an environment that encourages a work/life balance and is conducive to personal and professional development. Great efforts have also been made to adapt budgets to the constraints of the current financial and economic situation.

Highlights of the year 2018 in the EESC are outlined below:

### **2.2.1 Interinstitutional perspective**

- **Closer cooperation with the Committee of the Regions:** the mid-term evaluation of the implementation of the Cooperation Agreement between the EESC and the CoR took place at the end of 2017. The evaluation concluded that several measures had been successfully implemented, namely the pilot project on the common management of certain translation units and redeployment.

### 2.2.2 The EESC perspective

#### ➤ **Ethics and integrity**

As part of measures to implement the whistleblowing decision of 2016, the EESC adopted an Internal Directive on ethics counsellors in 2018. The role of the ethics counsellors is to advise and assist staff members in order to help them fulfil their statutory obligations in the best way possible regarding the reporting of serious misconduct ("whistleblowing"), in accordance with Article 22a of the Staff Regulations of Officials of the European Union.

The EESC appointed a team of four ethics counsellors in July 2018. They have undergone a series of training sessions in order to familiarise themselves with their new functions and in view of becoming fully operational as of 2019.

As regards anti-harassment policies, the EESC continues to demonstrate a firm commitment to preventing and combating harassment and condemning such behaviour. The existing network of confidential counsellors whose role is to listen to and assist colleagues with difficulties in workplace relations and undertake awareness raising measures, is being reinforced by additional colleagues taking on this role. In order to promote respectful workplace relations, the EESC plans a series of conferences and participatory events on the topic of a fair, inclusive and ethical work environment throughout the year 2019.

#### ➤ **Qualitative working conditions**

As part of the follow-up to the staff survey on psychosocial risks at work, several initiatives took place to tackle the identified risks (in particular conflict management, underperformance, absence management). A mentoring system for new colleagues was designed, to be launched in early 2019. In order to reduce work-related stress, a package of different measures was implemented; the EESC is keen to increase staff engagement and has therefore started to develop initiatives in which staff can actively participate, through presentations by staff for staff, communities of practice and participatory events.

#### ➤ **EVA (electronic workflow for staff appraisal)**

Significant efforts were made to modernise the entire appraisal process. An electronic workflow for the annual appraisal procedure called EVA has been developed with a view to replacing the former paper and manual process. This project has contributed to the EESC's EMAS objectives by substantially reducing the number of pages printed (650 reports of seven pages each that were sometimes printed more than once: the estimated saving is around 10 .000 pages). The electronic workflow was evaluated by the different stakeholders in late 2018 and, based on their feedback, some adaptations will be implemented for the next exercise to be launched early in 2019.

➤ **Geographical and gender balance**

Early 2019, 17.4% of EESC managers were from EU13 countries (including acting managers), thus showing continuous progress in recent years. In terms of gender balance, the EESC now has a higher proportion of female managers than male managers (52% versus 48%) due to the retirement of several male managers, who were predominantly replaced by female colleagues. Compared to other EU institutions, the EESC has one of the highest proportions of female managers.

➤ **New travel agency**

During 2018, the EESC participated in an inter-institutional call for tenders for the provision of travel services. After several months of intense and fruitful collaboration between the EESC, the European Parliament, the Court of Auditors and the Committee of the Regions, the tender was awarded to the company Carlson Wagonlit Travel (CWT), which began operating from the EESC's premises on 3 January 2019.

➤ **New Financial Regulation and internal financial rules**

In July 2018, the EESC Bureau approved a new set of internal financial rules, updating the previous text dating from 2003. The new rules entered into force on 1 January 2019 in perfect synchronicity with the provisions of the Financial Regulation 2018/1046 regarding administrative appropriations.

➤ **Internal Control Standards**

Following the appointment of the internal control coordinator, in mid-2018, an Internal Control Environment based on 16 standards was put on a formal footing and signed in July 2018. The 2018 compliance procedure involving all directorates was launched in December 2018.

➤ **Electronic invoicing**

After a complex set-up phase involving DIGIT, the EESC's IT service, DG Budget and one external service provider, on 1 March 2018 the EESC started receiving electronic invoices from the travel agency BCD. Between the launch date and the end of the year, the EESC received 8 524 invoices and 1 086 credit notes in electronic form. The adoption of electronic invoices has eliminated the manual encoding of invoice data and travel details, leading to a significant streamlining of invoice processing. Moreover, measures were taken at the end of the year to implement a uniform IT platform, enabling the receipt of electronic invoices from the new travel agency CWT. With these two projects, the EESC is at the forefront in the implementation of Directive 2014/55/EU on electronic invoicing.

➤ **Reimbursement of members' travel and subsistence costs**

During 2018, the vast majority of members' reimbursement requests were paid within one week from the date of their submission. Improvements to the current framework of reimbursement of members' travel and subsistence costs were proposed and discussed with relevant stakeholders and eventually led to the EESC Bureau deciding to substantially shorten the deadline for submitting reimbursement requests, with a view to improving budget estimations and the planning of EESC activities

➤ **The Legal Service** continued to

- provide legal advice on institutional and administrative issues (Rules of Procedure, public procurement, contracts, building projects, security, taxation, staff matters, personal data protection, procedures related to access to documents, etc.); and
- assist with drafting (by offering suggestions for the drafting of provisions or improving the quality of drafting).

The Legal Service issued 89 legal opinions, and replied to 66 consultations. It also took part in a number of meetings with other EESC departments and with the legal services of other institutions. As far as litigation is concerned, the EESC obtained six favourable rulings before the courts of the European Union.

➤ **Data Protection Officer - 2018 Activity Report**

In December 2018, a new Data Protection Regulation applicable to EU institutions, bodies and agencies (Regulation (EU) 2018/1725) entered into force. Throughout 2018, the Data Protection Officer (DPO) focused on the transition to the new rules. In order to raise awareness of the new legal provisions, a comprehensive communication campaign took place.

In 2018, 21 notifications were submitted to the DPO, which represents an increase of more than 160% compared with 2017 and 2016. In addition, 37 records were drafted (625% percentage increase, if notifications and records counted together). Also, in 2018, the DPO provided advice on 265 cases (an increase of 69% compared with 2017) of which 208 were closed (an increase of 86% compared with 2017) and 57 are ongoing.

A procedure regarding personal data breaches was put in place in December 2018 in order to ensure timely notification, if required, to the European Data Protection Supervisor (EDPS) and/or inform the affected persons. Follow-up to the EDPS inspection (started in 2017) was completed in 2018. Following the EESC's response, in February 2019 the EDPS acknowledged the successful implementation of the recommended actions and closed the case.

➤ **Business Continuity Management**

Following the events of 22 March 2016, a Bureau decision changed the functioning and composition of the Crisis Management Team. In cooperation with the secretariat of the secretary-general and DL, the Business Continuity Plan has been fully adapted to the new context. The communication tools necessary for the deployment of the new evacuation procedure were put in place and the first meeting of the Crisis Management Team in its new composition was held in January 2018.

➤ **Buildings strategy**

A long-term building strategy was established and approved by the Bureau in October 2017. In 2018, the Committees and the European Commission launched negotiations for the exchange of the B68 and TR 74 buildings for the VMA building. The Commission's main condition is that a future office project of 15 500 m<sup>2</sup> can be developed on the B68 and TR 74 site. Therefore, the Committees launched an architectural study for developing a possible project. Several proposals were presented and the final one, put forward in late 2018, met with no objection from the Brussels local and regional urban planning departments. As a consequence, an agreement in principle has been reached with the Commission. The goal for 2019 is to sign an administrative agreement with the Commission for the exchange of the B68 and TR 74 buildings for the VMA.

A notarial deed related to the exercise of the option to purchase the JDE building was signed in November 2018. The notary has been tasked with establishing the deeds related to the exercise of the options to purchase the BvS and REM buildings.

The works aimed at renovating the entrance hall of the JDE building, in order to increase the security level and the quality of the service to members, staff and visitors were completed in October 2018.

- **IT** supports the Committees' activities in four areas: **political** work, document management, communication and HR/finance. Important developments during the year included a new translation request system, improved search engines, new contact management applications and a staff assessment tool. The main achievements for **IT infrastructure** were the commissioning of new open source database servers, a new storage system and new network core switches. For **IT security**, of note was the successful participation in a major cyber exercise and the organisation of a false-phishing exercise for staff. The principle indicators for **IT User Support Services** in terms of activity (some 3 500 support requests per month) and performance (some 60% of incidents closed within one hour and an ongoing satisfaction ratio of 96%) remained stable.

➤ **IT strategy** – A digital strategy and a multiannual IT expenditure plan are currently in the process of approval. The documents have been adopted at the level of the Members IT Group and the Quaestors. An online survey of members' IT needs has been launched and will close on 23 April 2019. The results of the survey will be added to the digital strategy. After that, the documents will be adopted by the CAF and the Bureau. They will be sent to the European Parliament once they are adopted by the Bureau. The digital strategy covers the general framework (principles, digital workplace & cybersecurity), strategic projects (focus on filling gaps in the political domain) and enablers (governance, budget & digital skills). The IT expenditure plan foresees that the Committee would devote 4.5% of its total budget to IT within 3 years.

➤ **Security**

In 2018, the security team followed a special training programme for dealing with developments in criminal and terrorism threats. With the new equipment for access controls and the renewal of badges, the security standards for access control and badging have reached the same level as those in the EP and Commission. To ensure better security in the JDE garage and to complement the refurbishment of the JDE entrance hall, a roadblock at the entrance of the garage was installed during summer 2018 and a speed gate was installed at the exit of the JDE garage at rue Remorqueur. The installation of the new CCTV system equipment started at the beginning of 2018 and was completed for JDE.

➤ **Translation**

**Providing translation and other language services of the highest possible quality by deepening resource-efficient multilingualism:**



To mark the 60th anniversary of Regulation No 1/58A, a campaign on the importance of multilingualism was launched in cooperation with the vice-president Isabel Caño and the communication department, with an exhibition entitled *The EU speaks your language*.

- Translation output in 2018 was up 5% on 2017. Owing to a high concentration of legislative work, the workload for H2 2018 was 10% higher than H2 2016 and 21% higher than H2 2017. This situation was dealt with efficiently due to the preventive measures put in place.
- The outsourcing rate for 2018 was 20.1%, slightly exceeding the target set in the EESC-CoR Cooperation Agreement.

- Based on the annual monitoring, it was concluded that non-pivot units should keep at least nine translators (or ten translators for units with a structurally higher workload) for the time being, subject to further annual monitoring exercises.
- The pilot project on the common management of certain translation units ended in March 2018. The results were submitted in May 2018 to the political authorities of both Committees for a decision on the follow-up to be given.
- In September 2018, the EESC held a conference for staff on "Translating: Past, Present, Future", with speakers from academia and the public and private sectors. In November, it hosted a successful participatory event for over 150 middle managers from ten EU institutions.
- The EESC actively participated in drafting the specifications for the inter-institutional call for tenders for a new computer-aided translation environment, and worked with the European Parliament on launching pilot calls for tenders with a view to increasing translation outsourcing quality.

### **2.2.3 Efficient environmental management**

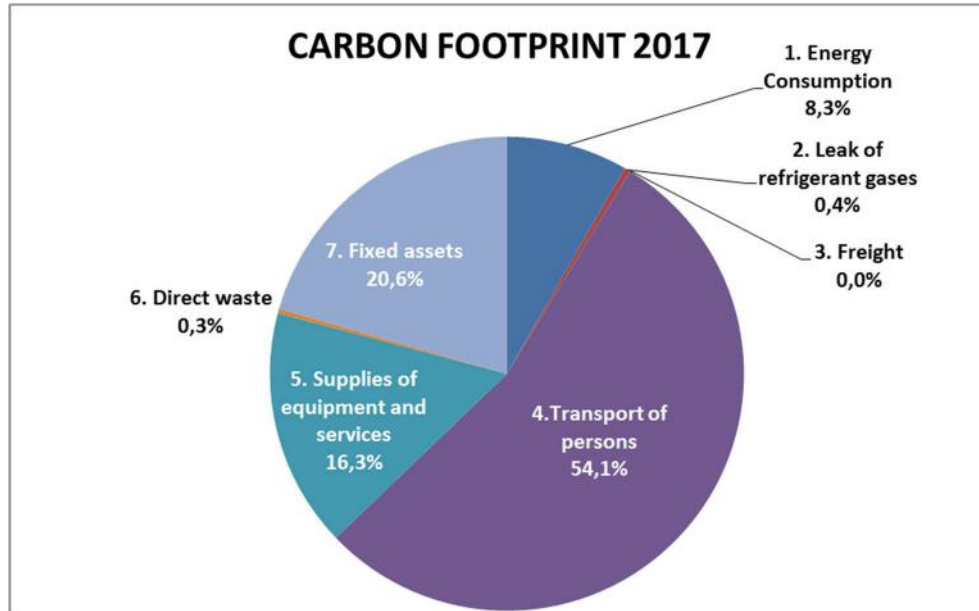
The European Union is combating climate change and this commitment thus extends to the European administrations, which are gradually reducing their environmental impact thanks to the Eco-Management and Audit Scheme (EMAS). The EESC, in cooperation with the European Committee of the Regions within the framework of the Joint Services, has set up an environmental management system as part of a process of continuous improvement in this sphere. These efforts have borne remarkable results over the last few years and earned the Committees the Brussels Ecodynamic Enterprise label in 2009. In 2011, the Committees were awarded EMAS and ISO 14 001 certification. The Committees continue to successfully renew these certifications.

A call for tenders was launched to renovate and transform the roof of the JDE restaurant into a green roof with the aim of increasing the building's environmental performance in terms of energy and other aspects.

The calculation done in 2018 – related to the 2017 emissions – shows that the EESC and CoR produced 10 181 tonnes of CO<sub>2</sub> equivalent, compared to 10 005 tonnes in 2016 (the value has increased in comparison to the results presented last year due to a more precise version of the appraisal related to carbon emission factors being introduced in 2018). The 2019 calculation of the 2018 data is currently being audited in order to be validated by an external auditor. The main sources of CO<sub>2</sub> for 2017 are shown in the following graphic:



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In 2017, the canteen was awarded the "Good Food" label, recognising the efforts of the Committees in offering sustainable food and combating food waste. In 2018, the audit of the Good Food label was successful and the renewal of the certification is planned in 2020, with the new catering contract. The aim is to obtain three forks on the rating scale instead of the current two.

By choosing to operate as sustainably as possible, the Committees have already made significant savings in several fields (see table below). Here are some examples of the two Committees' environmental results in 2018:

2018 Vs 2009	2018 Vs 2017
Electricity - 30 %	Electricity - 3 %
Gas - 49 %	Gas + 5 %
Water - 29 %	Water + 10 %
Paper - 54 %	Paper - 17 %
Waste - 55 % <small>(since 2010)</small>	Waste + 3 %

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These efforts bring not only environmental benefits but also financial savings and improvements to management processes. Indeed, reducing gas, electricity and water consumption since 2009 has generated significant financial gains. Moreover, the discussions held regarding our use of paper have opened the way for an in-depth reflection on making our administrative processes more modern and more efficient.

### Useful links

EESC website: [www.eesc.europa.eu](http://www.eesc.europa.eu)

Facebook: [www.eesc.europa.eu/facebook](http://www.eesc.europa.eu/facebook)

Twitter: [www.eesc.europa.eu/twitter](http://www.eesc.europa.eu/twitter)

YouTube: [www.eesc.europa.eu/youtube](http://www.eesc.europa.eu/youtube)

LinkedIn: [www.linkedin.com/company/european-economic-and-social-committee](http://www.linkedin.com/company/european-economic-and-social-committee)

EESC president: [www.eesc.europa.eu/president](http://www.eesc.europa.eu/president)

EESC president on Twitter: @EESC\_President

Your Europe, Your Say!: [www.eesc.europa.eu/YourEuropeYourSay](http://www.eesc.europa.eu/YourEuropeYourSay)

## 3 ANNEX: LIST OF OPINIONS ADOPTED IN 2018

File	Short title	Rapporteur	Legal basis	OJ reference
CCMI/152	LeaderSHIP strategy	KRZAKLEWSKI Marian PESCI Patrizio	Initiative	OJ C 262, 25.7.2018, p. 8
CCMI/153	Industrial change in the health sector	VAN IERSEL Joost GIBELLIERI Enrico	Initiative	OJ C 227, 28.6.2018, p. 11
CCMI/157	Investing in a smart, innovative and sustainable industry	DANEV Bojidar SITAROVÁ HRUŠECKÁ Monika	Optional	OJ C 227, 28.6.2018, p. 70
CCMI/158	Challenges and Industrial Change in the EU Aerospace Sector	KROPP Thomas GIBELLIERI Enrico	Initiative	
CCMI/159	Europe's woodworking competitiveness factors	KRZAKLEWSKI Marian PESCI Patrizio	Information report	
CCMI/160	Opportunities for sustainable EU bio-economy	MACIULEVICIUS Mindaugas BRETNALL Estelle	Initiative	
CCMI/161	Industrial policy towards 2030	TRIAS PINTÓ Carlos KREUZER Gerald	Exploratory (Presidency)	
CCMI/162	European Defence Fund	PLOSCEANU Aurel Laurentiu BRUNE Eric	Mandatory	
CCMI/163	European Globalisation Adjustment Fund	NOVOTNY Vladimír GENDRE Pierre	Mandatory	
CCMI/164	Creative Europe	BUTAUD-STUBBS Emmanuelle KOTOWSKI Zbigniew	Mandatory	
ECO/401	Lessons learned for avoiding the severity of austerity policies in the EU	CEDRONE Carmelo LEIRIÃO José Custódio	Initiative	C 227, 28.6.2018, p. 1
ECO/436	Disincentives to tax avoidance or evasion	ALISTAR Victor DANDEA Petru Sorin	Mandatory	C 197, 8.6.2018, p. 29
ECO/441	European System of Financial Supervision (ESFS) - reforms	MAREELS Daniel	Mandatory	C 227, 28.6.2018, p. 63
ECO/442	VAT reform package (I)	GUERINI Giuseppe ANDERSSON Krister	Mandatory	C 237, 6.7.2018, p. 40
ECO/443	Completing the Banking Union (communication)	TRIAS PINTÓ Carlos MAREELS Daniel	Optional	C 237, 6.7.2018, p. 46
ECO/444	Euro area economic policy 2018	DOZ ORRIT Javier	Optional	C 197, 8.6.2018, p. 33
ECO/445	VAT reform package (II)	DANDEA Petru Sorin	Mandatory	C 283, 10.8.2018, p. 35
ECO/446	Economic and Monetary Union Package	IVAȘCU Mihai PALMIERI Stefano	Optional	C 262, 25.7.2018, p. 28

File	Short title	Rapporteur	Legal basis	OJ reference
ECO/447	Review of the prudential rules for investment firms	MULEWICZ Jarosław	Mandatory	C 262, 25.7.2018, p. 35
ECO/449	Location of the European Banking Authority (EBA)		Mandatory	C 197, 8.6.2018, p. 72
ECO/450	Support to structural reforms in the Member States	IVAȘCU Mihai PALMIERI Stefano	Mandatory	C 237, 6.7.2018, p. 53
ECO/451	Non-performing loans package	MENDOZA CASTRO Juan	Mandatory	C 367, 10.10.2018, p. 43
ECO/452	Reducing barriers to cross-border distribution of investment funds	ZAHRADNÍK Petr	Mandatory	C 367, 10.10.2018, p. 50
ECO/453	Covered bonds framework	MAREELS Daniel	Mandatory	C 367, 10.10.2018, p. 56
ECO/454	Financial Technology (Fin Tech)	DANDEA Petru Sorin	Optional	C 367, 10.10.2018, p. 61
ECO/455	Crowd and peer to peer finance	MAREELS Daniel	Mandatory	C 367, 10.10.2018, p. 65
ECO/456	Action Plan on Sustainable Finance	TRIAS PINTÓ Carlos	Optional	
ECO/457	Funding the European Pillar of Social Rights	DEMELENNE Anne	Initiative	C 262, 25.7.2018, p. 1
ECO/459	Taxation of profits of multinationals in the digital economy	ANDERSSON Krister DANDEA Petru Sorin	Mandatory	C 367, 10.10.2018, p. 73
ECO/460	Multiannual Financial Framework post-2020	DOZ ORRIT Javier	Optional	C 440, 6.12.2018, p. 106
ECO/461	Common Provisions Regulation 2021-2027	MALLIA Stefano	Optional	
ECO/462	Regulation on the ERDF and Cohesion Fund	VARDAKASTANIS Ioannis VITALE Ester	Optional	
ECO/464	Regulation on European Territorial Cooperation 2021-2027	MALOSSE Henri	Optional	C 440, 6.12.2018, p. 116
ECO/465	Regulation on cross-border mechanism 2021-2027	BARÁTH Etele	Mandatory	C 440, 6.12.2018, p. 124
ECO/466	Institutional investors' and asset managers' duties regarding sustainability	TRIAS PINTÓ Carlos	Mandatory	
ECO/467	Sustainable finance: taxonomy and benchmarks	MAREELS Daniel	Mandatory	
ECO/468	Review of EU excise duties	O'CONNOR Jack	Mandatory	

File	Short title	Rapporteur	Legal basis	OJ reference
ECO/470	Fiscalis for 2021-2027	ANDERSSON Krister	Mandatory	
ECO/471	EU sovereign bond-backed securities (SBBS)	MAREELS Daniel	Mandatory	
ECO/472	Reform Support Programme	ZAHRADNÍK Petr	Mandatory	
ECO/473	European Investment Stabilisation Function	VON BROCKDORFF Philip SMYTH Michael	Mandatory	
ECO/474	InvestEU	ZAHRADNÍK Petr	Mandatory	
ECO/475	Euro area economic policy 2018	DOZ ORRIT Javier	Add. opinion	
ECO/476	EU customs territory - modification		Mandatory	C 367, 10.10.2018, p. 117
ECO/477	VAT – extension of the optional reverse charge mechanism and the quick reaction mechanism		Mandatory	C 367, 10.10.2018, p. 118
ECO/478	Pericles IV programme		Optional	C 440, 6.12.2018, p. 199
ECO/480	Frontloading of resources for YEI (Youth Employment Initiative)		Mandatory	
ECO/483	European System of Financial Supervision (ESFS) – Amended proposal to fight money laundering	ZAHRADNÍK Petr	Mandatory	
INT/785	Social economy enterprises/migrants	GUERINI Giuseppe	Initiative	OJ C 283, 10.8.2018, p. 1
INT/826	Goods package	PEGADO LIZ Jorge	Mandatory	OJ C 283, 10.8.2018, p. 19
INT/830	European standardisation 2018	MENDOZA CASTRO Juan	Optional	C 197, 8.6.2018, p. 17
INT/831	Fraud and counterfeiting / non-cash means of payment	ALISTAR Victor	Optional	C 197, 8.6.2018, p. 24
INT/832	SME "think small first"	ANGELOVA Milena GKOFAS Panagiotis	Exploratory (Presidency)	C 197, 8.6.2018, p. 1
INT/833	A comprehensive approach to industrial policy	LOBO XAVIER Gonçalo BERGRATH Dirk	Exploratory (Presidency)	C 197, 8.6.2018, p. 10
INT/834	Public procurement package	PEZZINI Antonello	Optional	C 227, 28.6.2018, p. 45
INT/835	CO2 emissions from passenger cars and commercial vehicles	BERGRATH Dirk	Mandatory	C 227, 28.6.2018, p. 52
INT/836	Illegal content/online platforms	HERNÁNDEZ BATALLER Bernardo	Optional	C 237, 6.7.2018, p. 19

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File	Short title	Rapporteur	Legal basis	OJ reference
INT/837	Mid-term review/Copernicus (2014-2020)	MACIULEVIČIUS Mindaugas	Optional	C 237, 6.7.2018, p. 26
INT/838	Better Regulation/State of play	DITTMANN Bernd	Initiative	OJ C 262, 25.7.2018, p. 22
INT/839	Contracts for the sale of goods/amendment	LEFÈVRE Christophe PEGADO LIZ Jorge PILAWSKI Lech	Mandatory	C 227, 28.6.2018, p. 58
INT/840	Intellectual property package	SALIS-MADINIER Franca	Optional	C 237, 6.7.2018, p. 32
INT/841	European Company Law	DIMITRIADIS Dimitris KLUGE Norbert	Mandatory	
INT/842	EAEC Research and Training Programme	LEMERCIER Jacques	Optional	C 237, 6.7.2018, p. 38
INT/843	Location of the European Medicines Agency		Mandatory	C 197, 8.6.2018, p. 71
INT/844	Health technology assessment	DIMITRIADIS Dimitris	Mandatory	OJ C 283, 10.8.2018, p. 28
INT/845	Artificial intelligence/impact on work	SALIS-MADINIER Franca	Initiative	OJ C 440, 06.12.2018, p. 1
INT/846	Trust, privacy and security / Internet of Things	TRIAS PINTÓ Carlos DIMITRIADIS Dimitris	Initiative	OJ C 440, 06.12.2018, p. 8
INT/847	SEPA/Extension	MAREELS Daniel	Mandatory	OJ C 367, 10.10.2018, p. 28
INT/848	Subsidiarity and gold plating	DIMITRIADIS Dimitris GREIF Wolfgang	Exploratory (Presidency)	OJ C 440, 06.12.2018, p. 28
INT/849	Euro 5/type-approval of vehicles	LARGHI Gerardo	Mandatory	OJ C 367, 10.10.2018, p. 32
INT/850	Explosives precursors	SEARS David	Mandatory	OJ C 367, 10.10.2018, p. 35
INT/851	Artificial Intelligence for Europe	LOBO XAVIER Gonçalo GUERINI Giuseppe	Optional	OJ C 440, 6.12.2018, p. 51
INT/852	Digital transformation/health and care	DUTTO Diego KATTNIG Thomas	Optional	OJ C 440, 6.12.2018, p. 57
INT/853	New deal for consumers	MULEWICZ Jarosław LONGO Antonio	Mandatory	OJ C 440, 6.12.2018, p. 66
INT/854	Retail sector	LANNOO Ronny LARGHI Gerardo	Optional	

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File	Short title	Rapporteur	Legal basis	OJ reference
INT/855	R&I: A renewed European agenda	SAMM Ulrich PALMIERI Stefano	Optional	OJ C 440, 6.12.2018, p. 73
INT/856	Small listed companies	IVAȘCU Mihai	Mandatory	OJ C 440, 6.12.2018, p. 79
INT/857	Insurance against civil liability/motor vehicles	LEFÈVRE Christophe	Mandatory	OJ C 440, 6.12.2018, p. 85
INT/858	Horizon Europe	LOBO XAVIER Gonçalo	Mandatory	
INT/859	single market programme	RÖPKE Oliver JELIĆ Violeta	Mandatory	
INT/860	Customs Programme	BATUT Laure	Mandatory	
INT/861	European Space Programme	HENCKS Raymond	Optional	
INT/862	Customs code	PEZZINI Antonello	Mandatory	OJ C 367, 10.10.2018, p. 39
INT/863	Vehicle safety / protection of vulnerable road users	HENCKS Raymond	Mandatory	OJ C 440, 6.12.2018, p. 90
INT/864	EU type-approval legislation with regard to the withdrawal of the United Kingdom from the Union	BOLAND Séamus	Mandatory	OJ C 440, 6.12.2018, p. 95
INT/865	Supplementary protection certificate for medicinal products	WELTNER János	Mandatory	OJ C 440, 6.12.2018, p. 100
INT/866	Approval and market surveillance of agricultural and forestry vehicles	MACIULEVIČIUS Mindaugas	Mandatory	OJ C 440, 6.12.2018, p. 104
INT/867	Judicial and extrajudicial documents in civil or commercial matters	HERNÁNDEZ BATALER Bernardo	Optional	
INT/868	Report on Competition Policy 2017	MILTOVIČA Baiba	Optional	
INT/869	EU Anti-Fraud Programme	GUERINI Giuseppe	Optional	
INT/870	Financial support for customs control equipment	PEZZINI Antonello	Mandatory	
INT/872	Application of Articles 107 and 108 TFEU to certain categories of horizontal State aid	PEGADO LIZ Jorge	Optional	
INT/873	Action of the Union following its accession to the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications	PUECH D'ALISSAC Arnold	Optional	
NAT/718	Boosting climate actions by non-state actors	MACIULEVIČIUS Mindaugas PUXEU ROCAMORA Josep	Exploratory (Commission)	C 227, 28.6.2018, p. 35

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File	Short title	Rapporteur	Legal basis	OJ reference
NAT/719	Recast of Persistent Organic Pollutants (POPs) Regulation 850/2004	CURTIS Brian	Mandatory	OJ C 367, 10.10.2018, p. 93
NAT/720	Interface between chemicals, products and waste legislation	CURTIS Brian	Optional	OJ C 283, 10.8.2018, p. 56
NAT/721	Strategy for Plastics in a Circular Economy	PEZZINI Antonello	Mandatory	OJ C 283, 10.8.2018, p. 61
NAT/722	Monitoring framework for the circular economy (communication) (rolling programme)	KYLÄ-HARAKKA-RUONALA Tellervo	Optional	OJ C 367, 10.10.2018, p. 97
NAT/723	Water reuse	MACIULEVIČIUS Mindaugas	Mandatory	
NAT/726	Equivalence of inspections – seed from Brazil and Moldova	FATOVIC Emilio	Mandatory	C 227, 28.6.2018, p. 76
NAT/727	The future of food and farming	DUBRAVSKÁ Jarmila BRYAN John	Optional	OJ C 283, 10.8.2018, p. 69
NAT/728	Combating Newcastle Disease		Mandatory	C 277, 28.6.2018, p. 101
NAT/729	Herring stocks in the Baltic Sea		Mandatory	C 277, 28.6.2018, p. 102
NAT/730	EU actions to improve environmental compliance and governance	SCHWARTZ Arnaud	Optional	OJ C 283, 10.8.2018, p. 83
NAT/731	Multi-annual plan for the fisheries exploiting demersal stocks in the western Mediterranean Sea	SARRÓ IPARRAGUIRRE Gabriel	Mandatory	OJ C 367, 10/10.2018, p. 103
NAT/732	Transparency in scientific assessments and governance of EFSA	PEZZINI Antonello VITALE Ester	Mandatory	OJ C 440, 6.12.2018, p.158.
NAT/733	Drinking water directive	LARGHI Gerardo	Mandatory	OJ C 367, 10.10.2018, p. 107
NAT/734	Improving the food supply chain	SCHMIDT Peter	Optional	OJ C 440, 6.12.2018, p.165.
NAT/735	European Finance-Climate Pact (own-initiative opinion)	DE LEEUW Rudy	Initiative	
NAT/736	Facilitating access to climate finance for non-state actors	LOHAN Cillian	Initiative	
NAT/737	Indicators better suited to evaluate the SDGs	KING Brenda LIBAERT Thierry	Initiative	OJ C 440, 6.12.2018, p.14
NAT/738	Contribution of Europe's Rural Areas to the 2018 Year of Cultural Heritage	JONES Tom	Initiative	OJ C 440, 6.12.2018, p.22



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File	Short title	Rapporteur	Legal basis	OJ reference
NAT/739	Bioeconomy	KYLÄ-HARAKKA-RUONALA Tellervo THURNER Andreas	Exploratory (Presidency)	OJ C 440, 6.12.2018, p. 45
NAT/740	Multiannual plan for fish stocks in the Western Waters	SARRÓ IPARRAGUIRRE Gabriel	Mandatory	OJ C 440, 6.12.2018, p. 171
NAT/741	Provisions for fishing in the GFCM		Mandatory	C 283, 10.8.2018, p. 95
NAT/742	Single-use plastics	NIKOLOPOULOU Maria	Mandatory	
NAT/743	Alignment of environmental reporting obligations	NOVOTNÝ Vladimír	Mandatory	
NAT/744	Implementation of EU environmental legislation: air quality, water and waste	SCHWARTZ Arnaud	Exploratory (Parliament)	
NAT/745	Multiannual recovery plan for Mediterranean swordfish	SARRÓ IPARRAGUIRRE Gabriel	Mandatory	OJ C 440, 6.12.2018, p. 171
NAT/746	Nominal quantities for the placing on the Union market of shochu		Mandatory	C 367, 10.10.2018, p. 119
NAT/747	CAP - Legislative proposals	BRYAN John	Mandatory	
NAT/748	LIFE Programme for the Environment and Climate Action	RIBBE Lutz	Mandatory	
NAT/749	European Maritime and Fisheries Fund	CURTIS Brian	Mandatory	
NAT/750	Committee opinion - Strengthen EU's civil protection response - rescEU	DIMITRIADIS Dimitris	Optional	
NAT/751	Clean air for all	ALBU Octavian Cătălin	Optional	
NAT/752	Fisheries control	FATOVIC Emilio	Mandatory	
NAT/753	Equivalence of inspections – seed produced in Brazil and Moldova		Optional	C 367, 10.10.2018, p. 120
NAT/756	European Fisheries Control Agency		Mandatory	
REX/476	The role of Turkey in the refugee crisis (Own-initiative opinion)	DIMITRIADIS Dimitris	Initiative	C 227, 28.6.2018, p. 20
REX/495	A renewed impetus of the Africa-EU Partnership	MANOLIU Mihai	Optional	C 237, 6.7.2018, p. 66
REX/497	Economic and social cohesion and European integration of the Western Balkans – challenges and priorities	ZORKO Andrej DIMITRIADIS Dimitris	Exploratory (Presidency)	OJ C 262, 25.7.2018, p. 15
REX/498	Screening of foreign direct investments into the European Union	BÄUMLER Christian MORKIS Gintaras	Optional	OJ C 262, 25.7.2018, p. 94

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File	Short title	Rapporteur	Legal basis	OJ reference
REX/500	TSD Chapters in the EU FTAs	BUZEK Tanja	Initiative	C 227, 28.6.2018, p. 27
REX/501	Multilateral Investment Court	Philippe DE BUCK Tanja BUZEK	Optional	
REX/503	EU-Mercosur Association Agreement	PUXEU ROCAMORA Josep SOARES Mário	Initiative	OJ C 283, 10.8.2018, p. 9
REX/507	Instrument for Pre-accession Assistance (IPA III)	Dimitris DIMITRIADIS	Optional	
REX/508	Neighbourhood, Development and Cooperation Instrument and Nuclear Safety Cooperation Instrument	Cristian PÎRVULESCU	Optional	
REX/515	Overseas Association Decision		Optional	Still to be published
SC/049	The European citizens' initiative	JOÓ Kinga	Optional	C 237, 6.7.2018, p. 74
SC/050	Annual Growth Survey 2018	DIMITRIADIS Dimitris	Optional	C 227, 28.6.2018, p. 95
SOC/558	Employment guidelines (rolling programme)	MCLOUGHLIN Michael	Mandatory	C 237, 6.7.2018, p. 57
SOC/568	A socially sustainable concept for the digital era	BARBUCCI Giulia	Exploratory (Presidency)	C 237, 6.7.2018, p. 1
SOC/569	EU Framework for Quality and Effective Apprenticeships	SPRAGG NILSSON Imse DRBALOVÁ Vladimíra	Optional	OJ C 262, 25.7.2018, p. 41
SOC/570	Future of work/skills	DEL RIO Cinzia ANGELOVA Milena	Exploratory (Presidency)	C 237, 6.7.2018, p. 8
SOC/571	EU Action Plan 2017-2019 – Tackling the gender pay gap	DEMELENNE Anne DRBALOVÁ Vladimíra	Optional	OJ C 262, 25.7.2018, p. 101
SOC/572	Working conditions directive	BÄUMLER Christian DRBALOVÁ Vladimíra	Mandatory	OJ C 283, 10.8.2018, p. 39
SOC/573	Interoperability package	BATUT Laure	Optional	OJ C 283, 10.8.2018, p. 48
SOC/574	The costs of non-immigration (and non-integration)	TRANTINA Pavel MORENO DÍAZ José Antonio	Initiative	
SOC/578	EU concepts for transition management in a digitalised world of work – key input for an EU White Paper on the future of work	SALIS-MADINIER Franca SAMM Ulrich	Exploratory (Presidency)	OJ C 367, 10.10.2018, p. 15

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File	Short title	Rapporteur	Legal basis	OJ reference
SOC/579	The situation of women with disabilities (exploratory opinion requested by the European Parliament)	ANČA Gunta	Exploratory (Parliament)	OJ C 367, 10.10.2018, p. 20
SOC/580	European Labour Authority	TRINDADE Carlos Manuel	Mandatory	OJ C 440, 6.12.2018, p. 128
SOC/581	Access to social protection	BARBUCCI Giulia	Optional	OJ C 440, 6.12.2018, p. 135
SOC/582	Visa code revision	SIBIAN Ionuț	Optional	OJ C 440, 6.12.2018, p. 135
SOC/585	The situation of Roma women	TOPOLÁNSZKY Ákos	Exploratory (Parliament)	
SOC/586	Gender equality in European labour markets	DE FELIPE LEHTONEN Helena	Exploratory (Parliament)	
SOC/587	Gender digital gap (Exploratory opinion from the European Parliament)	BARBUCCI Giulia	Exploratory (Parliament)	OJ C 440, 6.12.2018, p. 37
SOC/588	Education package	BABRAUSKIENĖ Tatjana	Optional	
SOC/589	Next EU youth strategy	MCLOUGHLIN Michael ROGALEWSKI Adam	Optional	
SOC/590	New Agenda for culture	PEZZINI Antonello	Optional	
SOC/591	Protection from carcinogens or mutagens at work	WELTNER János	Mandatory	OJ C 440, 6.12.2018, p. 145
SOC/592	Strengthened cooperation against vaccine preventable diseases	HEINISCH Renate	Optional	OJ C 440, 6.12.2018, p. 150
SOC/593	Strengthening whistleblower protection at EU level	SALIS-MADINIER Franca	Mandatory	
SOC/594	Security of identity cards of Union citizens and of residence documents	PEGADO LIZ Jorge	Optional	OJ C 367, 10.10.2018, p. 78
SOC/595	Rules facilitating the use of financial and other information in criminal cases	ALISTAR Victor	Optional	OJ C 367, 10.10.2018, p. 84
SOC/596	Evidence in criminal proceedings	BÄUMLER Christian	Optional	OJ C 367, 10.10.2018, p. 88
SOC/597	European Social Fund +	BALON Krzysztof Stanislaw DEL RIO Cinzia	Optional	
SOC/598	The Union's budget and the rule of law	AHTELA Jukka	Optional	
SOC/599	Justice Rights & Values Fund	ROIRANT Jean-Marc	Optional	
SOC/600	Asylum and Migration Fund (AMF) and Integrated Border Management Fund	IULIANO Giuseppe	Optional	

# I.

## Presentation and main achievements 2018

File	Short title	Rapporteur	Legal basis	OJ reference
SOC/601	Internal Security Fund	MORENO DÍAZ José Antonio	Optional	
SOC/602	Erasmus+	BABRAUSKIENĖ Tatjana SPRAGG NILSSON Imse	Mandatory	
SOC/603	European Solidarity Corps	MCLOUGHLIN Michael	Mandatory	
SOC/604	Visa Information System (VIS)	SIBIAN Ionuț	Optional	C 440, 6.12.2018, p. 154
SOC/606	Framework for interoperability		Optional	
SOC/607	European Border and Coast Guard	PEZZINI Antonello	Optional	
SOC/609	Preventing the dissemination of terrorist content online	MORENO DÍAZ José Antonio	Mandatory	
SOC/613	Protection of personal data in the context of EP elections	YANNAKOUDAKIS Marina	Optional	
TEN/636	Access to the international road haulage market and the occupation of road transport operator (revision)	BACK Stefan MOISIO Pasi	Mandatory	C 197, 8.6.2018, p. 38
TEN/637	Driving and rest time periods, working time and posting of workers	BUZEK Tanja	Mandatory	C 197, 8.6.2018, p. 45
TEN/641	Aviation: Open and Connected Europe	KRAWCZYK Jacek	Mandatory	C 197, 8.6.2018, p. 58
TEN/645	Free flow of non-personal data in EU	PEGADO LIZ Jorge	Mandatory	C 227, 28.6.2018, p. 78
TEN/646	Cybersecurity Act	MAZZOLA Alberto LONGO Antonio	Mandatory	C 227, 28.6.2018, p. 86
TEN/648	Rail passengers' rights and obligations	SIMONS Jan	Mandatory	C 197, 8.6.2018, p. 66
TEN/650	Access to the international market for coach and bus services	HENCKS Raymond	Mandatory	OJ C 262, 25.7.2018, p. 47
TEN/651	Combined transport of goods	BACK Stefan	Mandatory	OJ C 262, 25.7.2018, p. 52
TEN/652	Clean and energy-efficient vehicles	SAMM Ulrich	Mandatory	OJ C 262, 25.7.2018, p. 58
TEN/653	Common rules for the internal market in natural gas (amendment)	MILTOVIČA Baiba	Mandatory	OJ C 262, 25.7.2018, p. 64
TEN/654	Action Plan on Alternative Fuels Infrastructure (communication)	BOLAND Séamus	Optional	OJ C 262, 25.7.2018, p. 69
TEN/655	Achieving low emission mobility targets	SAMM Ulrich	Optional	OJ C 262, 25.7.2018, p. 75

# I.

## Presentation and main achievements 2018

File	Short title	Rapporteur	Legal basis	OJ reference
TEN/656	Strengthening Europe's energy networks	BARCELÓ DELGADO Andrés	Optional	OJ C 262, 25.7.2018, p. 80
TEN/657	Third report on the State of the Energy Union	VIDAN Toni QUAREZ Christophe	Optional	OJ C 262, 25.7.2018, p. 86
TEN/658	Notification of investment projects in energy infrastructure within EU	C Category	Mandatory	C227, 28.06.2018 p.103
TEN/659	High Performance Computing	SAMM Ulrich LONGO Antonio	Mandatory	OJ C 283, 10.8.2018, p. 89
TEN/660	The effects of a new carbon-free, decentralised and digitalised energy supply structure on jobs and regional economies	RIBBE Lutz	Initiative	OJ C 367, 10.10.2018, p. 1
TEN/661	Role of transport in realising the sustainable development goals, and consequent implications for EU policy-making	KYLÄ-HARAKKA-RUONALA Tellervo	Initiative	OJ C 367, 10.10.2018, p. 9
TEN/662	Fairness and transparency for users of online intermediation services and search engines	VEZZANI Marco	Mandatory	OJ C 440, 6.12.2018, p. 177
TEN/663	Modernisation of the regulations establishing a .eu top-level domain name	DE BUCK Philippe	Mandatory	OJ C 367, 10.10.2018, p. 112
TEN/664	Initiative addressing online platform challenges as regards the spreading of fake information	SIECKER Martin	Optional	OJ C 440, 6.12.2018, p. 183
TEN/665	Accessibility and re-use of public and publicly funded data	MILTOVIČA Baiba	Mandatory	
TEN/666	Sustainable mobility for Europe	BARBUCCI Giulia	Optional	
TEN/667	Road infrastructure safety management	CURTIS Brian	Mandatory	
TEN/668	European Maritime Single Window environment + Electronic freight transport information	BACK Stefan	Mandatory	
TEN/669	Implementation of the TEN-T projects	FORNEA Dumitru	Mandatory	
TEN/672	Connecting Europe Facility (2018)	PLOSCEANU Aurel Laurențiu WATSON Graham	Mandatory	OJ C 440, 6.12.2018, p. 191
TEN/673	Connected and automated mobility	SAMM Ulrich	Optional	
TEN/674	Tyre labelling	EDELÉNYI András	Mandatory	
TEN/675	CO2 standards for lorries + Weights and dimensions of road vehicles	BACK Stefan	Mandatory	

**I.****Presentation and main achievements 2018**

File	Short title	Rapporteur	Legal basis	OJ reference
TEN/676	Training of seafarers	Tanja BUZEK	Mandatory	
TEN/677	Digital Europe programme	KLUGE Norbert SAMM Ulrich	Mandatory	
TEN/678	EURATOM Research and Training Programme 2021-2025	Giulia BARBUCCI	Mandatory	
TEN/680	MFF and ITER	Ulrich SAMM	Mandatory	
TEN/681	MFF and nuclear decommission and radioactive waste	Rudy DE LEEUW	Mandatory	
TEN/682	Ship inspection and survey organisations with regard to the United Kingdom's withdrawal proposal	BOLAND Séamus	Mandatory	
TEN/683	Proposal on adjusting TEN-T in the light of Brexit	BACK Stefan	Mandatory	
TEN/685	Discontinuing seasonal changes of time	NIKOLOPOULOU Maria	Mandatory	

## **PART II**

### **Annual General Accounts 2018 (Accrual Accounting Principle)**





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**1. CERTIFICATION BY THE ACCOUNTING OFFICER**

Brussels, June 2019

The annual accounts of the European Economic and Social Committee for the year 2018 have been prepared in accordance with the Title IV Chapter 4 Section 3 and Title XIII of the Financial Regulation applicable to the general budget of the European Union, the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Economic and Social Committee in accordance with Article 77 of the Financial Regulation.

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show the European Economic and Social Committee's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the European Economic and Social Committee.

Stavros Giaprakis  
Accounting Officer

## 2. ACCOUNTING POLICIES

This chapter provides a description of the policies, principles, methods and assumptions underpinning the annual general accounts.

The accounting policies remain unchanged from last year (2017).

### 2.1 LEGAL PROVISIONS AND THE FINANCIAL REGULATION

The main source of principles is the Financial Regulation (FR) and its Rules of Application (RAP). Over and above this, the Accounting Officer of the Commission has issued rules regarding the Harmonised Chart of Accounts and, in addition, 20 accounting rules covering important accounting topics. The Commission also provides a Consolidation Manual.

From 2005 the accounting rules have been based on the Accrual Accounting Principle as well as drawing on International Public Sector Accounting Standards (IPSAS) or by default International Financial Reporting Standards (IFRS).

### 2.2 ACCOUNTING PRINCIPLES

The objectives of financial statements are to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users. For a public sector entity such as the EESC, the objectives are more specifically to provide information useful for decision-making and to demonstrate the accountability of the entity for the resources entrusted to it.

If they are to present a true and fair view, financial statements must not only supply relevant information to describe the nature and range of an institution's activities, explain how it is financed and supply definitive information on its operations, but must do so in a clear and comprehensible manner which allows for comparisons to be made between financial years.

The accounting system of the European Institutions comprises general accounts and budget accounts. These accounts are kept in euros on the basis of the calendar year. The budget accounts (Part III of this report) give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle<sup>1</sup>. The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

---

<sup>1</sup> This differs from cash-based accounting because of elements such as carry-overs.

The accounting policies described in this document are the basis of the general accounts (accrual accounting).

### **2.3 CURRENCY AND BASIS FOR CONVERSION**

The financial statements are presented in euros, which is the EESC's functional and reporting currency.

Foreign currency transactions are translated into euros using the exchange rates prevailing on the dates of the transactions.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are converted into euros on the basis of the exchange rates applying on 31 December of the reporting year.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the economic outturn account.

### **2.4 THE ECONOMIC OUTTURN ACCOUNT**

#### **2.4.1 Revenue**

Revenue consists for the most part of funds transferred from the Commission. All transfers received in the bank account of the EESC within the reporting year are recognised as revenue.

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser.

Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

#### **2.4.2 Expenditure**

Exchange expenses arising from the purchase of goods are recognised when the supplies are delivered and accepted by the EESC. They are valued at original invoice cost.

When any request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses already due to the beneficiaries but not yet reported are estimated and recorded as accrued expenses.

## 2.5 BALANCE SHEET

### 2.5.1 Intangible fixed assets

Intangible fixed assets are valued at their acquisition price, with the exception of assets acquired free of charge, which are valued at their market value. Tangible and intangible fixed assets are valued at their historic value converted into euros at the rate applying when they were purchased. The book value of a fixed asset is equal to its acquisition price or production cost, plus or minus revaluations, depreciation and other amounts written off. See depreciation rates below.

### 2.5.2 Tangible fixed assets

All property, plant and equipment are stated at historical cost minus depreciation (excluding land), and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the EESC and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the economic outturn account during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

### 2.5.3 Depreciation rates

Type of asset	Straight-line depreciation rate
Intangible assets	25%
Buildings	4%
Plant, machinery and equipment	12.5% to 25%
Furniture	10%, 12.5% to 25%
Fixtures and fittings	12.5% to 25%
Computer hardware	25%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the economic outturn account.

#### **2.5.4 Leases**

Leases of tangible assets, where the EESC in substance has all the risks and rewards of ownership, are classified as financial leases. Financial leases are classified at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The rental obligations, net of finance charges, are included in other long-term liabilities. The interest element of the finance cost is charged to the economic outturn account over the lease period so as to produce a constant periodic interest rate on the remaining balance of the liability for each period. The assets acquired under financial leases are depreciated over the shorter of the assets' useful life and the lease term.

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the economic outturn account on a straight-line basis over the period of the lease.

#### **2.5.5 Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

#### **2.5.6 Receivables**

Receivables are carried at original invoice amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the EESC will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is recognised in the economic outturn account statement.

### **2.5.7 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. They include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

## **2.6 THE CASH FLOW STATEMENT**

Cash flow information is used to provide a basis for assessing the ability of the European Union to generate cash and cash equivalents, and its need to utilise those cash flows.

The cash flow statement is prepared using the indirect method. This means that the net surplus or deficit for the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals and accruals of past or future operating cash receipts or payments, and items of revenue or expenses associated with investing cash flows.

## **2.7 USE OF ESTIMATES**

In accordance with generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management. Significant estimates include, but are not limited to, amounts for employment benefits, provisions for future charges, financial risk on accounts receivables, accrued income and charges, contingent assets and liabilities, and degree of impairment of fixed assets. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.



## 3. THE ECONOMIC OUTTURN ACCOUNT

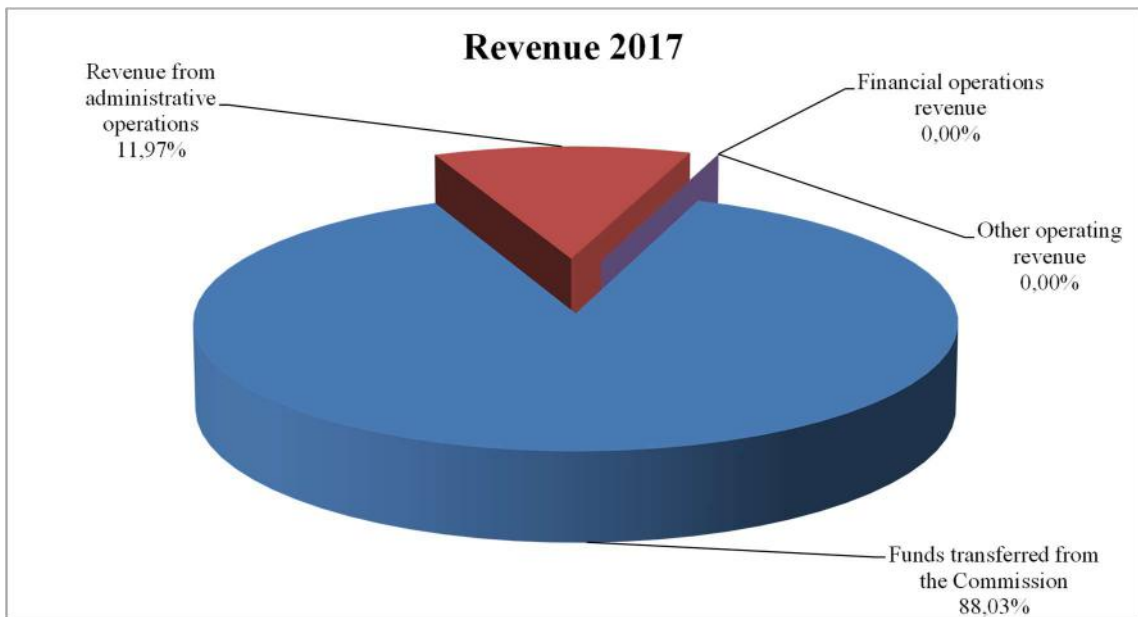
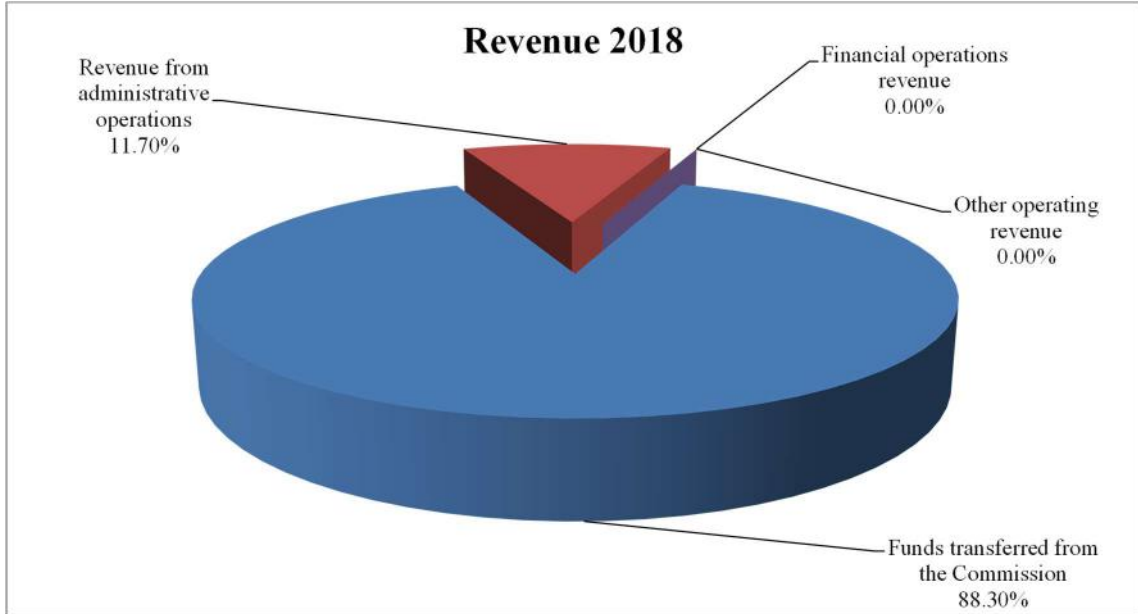
	Note	2018	2017
<b>From ordinary activities</b>		<b>8,785,829</b>	<b>7,486,496</b>
<b><u>Revenue</u></b>			
Funds transferred from the Commission		121,000,000	116,000,000
Revenue from administrative operations		16,031,015	15,775,907
Other operating revenue		1,797	2,529
	<b>1</b>	<b><u>137,032,812</u></b>	<b><u>131,778,436</u></b>
<b><u>Expenses</u></b>			
Staff expenses and members' expenses		-93,918,750	-90,577,888
Depreciation, amounts written off, provisions and accruals		-4,639,691	-4,876,956
Land and building related expenses		-8,099,732	-7,012,416
Other expenses		-21,588,810	-21,824,680
		<b><u>-128,246,983</u></b>	<b><u>-124,291,940</u></b>
<b>From financial activities</b>		<b>-7,102,641</b>	<b>-6,965,859</b>
Financial operations revenue		0	2
Financial operations expenses	<b>2</b>	-7,102,641	-6,965,861
<b>Economic result of the year</b>		<b>1,683,188</b>	<b>520,637</b>

As the EESC is not a profit-making organisation, the economic result of the year should be interpreted with care, and no direct management conclusions should be derived from it. The revenue side is inherently difficult to predict. The funds transferred from the Commission are not based on accruals.

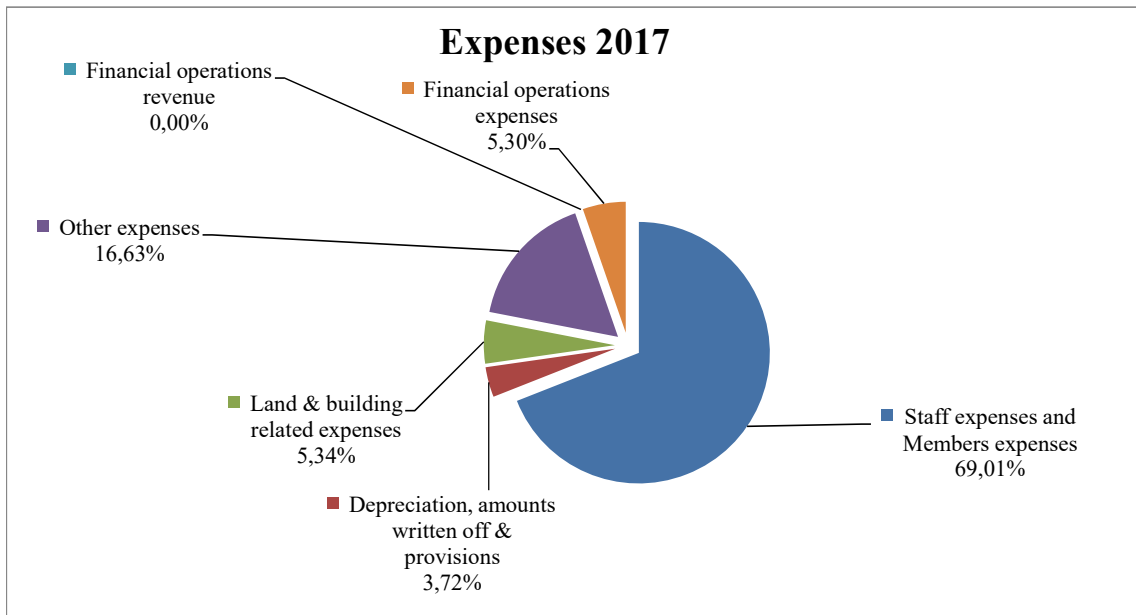
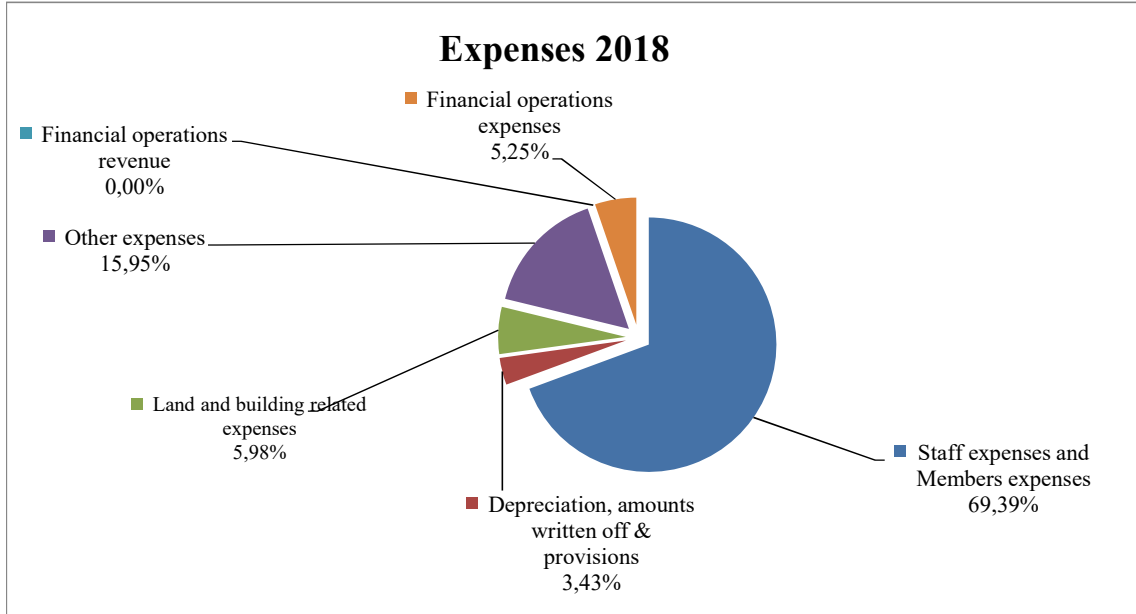
The revenue increase of 4% compared to last year is mainly explained by the higher replenishment amounts received from the European Commission. This increase represented a total amount of about EUR 5 million.

The overall expenses increased by 3% compared to last year. In line with the previous explanation on the treasury position, this variation can be explained by the increase of expenses in two main areas: on one hand, the additional staff expenses of around EUR 1.8 million and on the other hand, the additional members' expenses of around EUR 1.3 million.

II.



II.

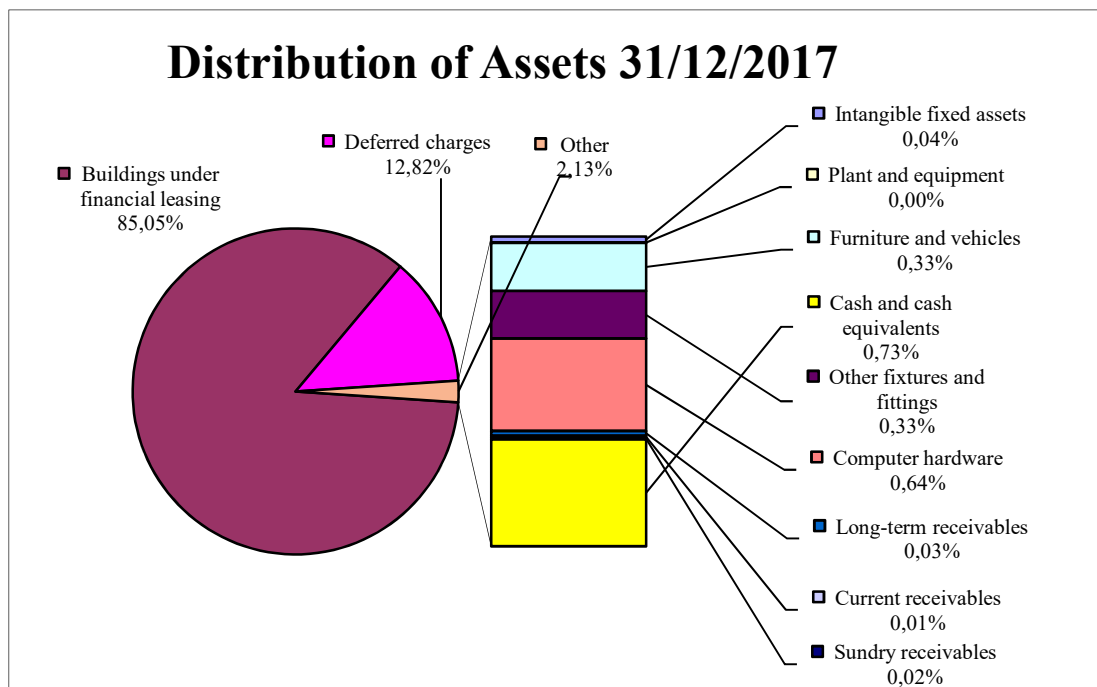
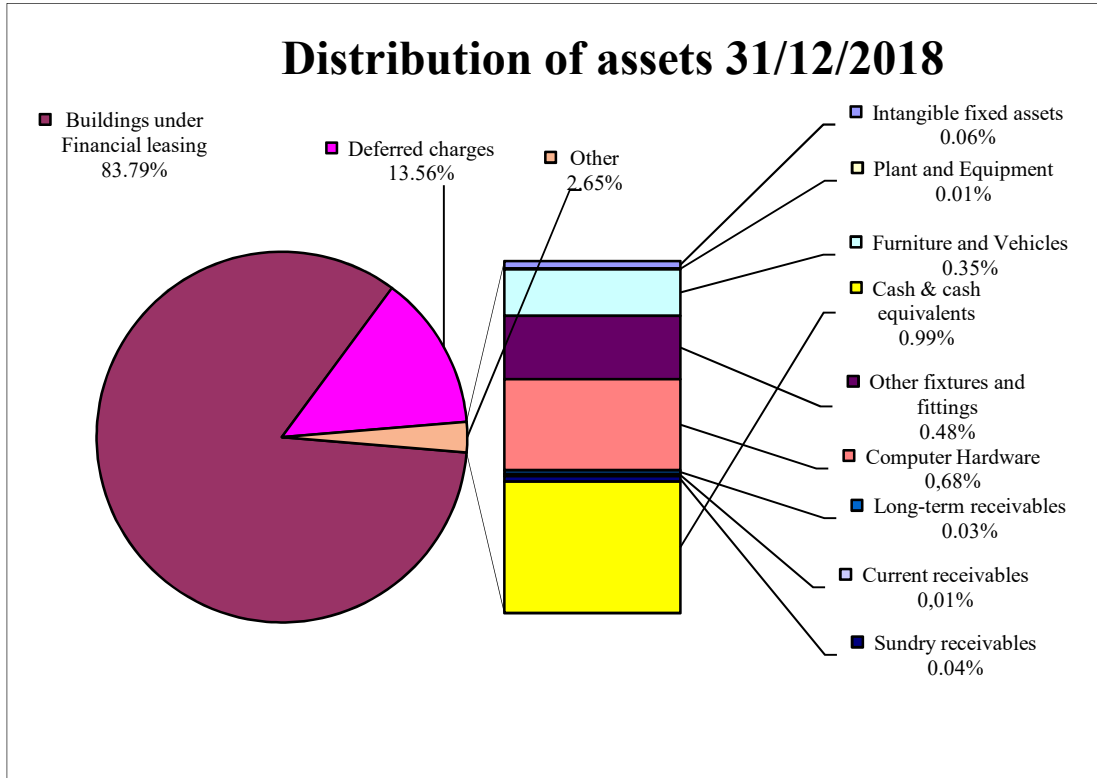


## II.

## 4. THE BALANCE SHEET

	Note	31/12/2018	31/12/2017
<b><u>I. Non-current assets</u></b>			
Intangible fixed assets	3	<u>64,375</u>	<u>48,710</u>
<b><u>Tangible fixed assets</u></b>			
Lands and buildings under financial leasing	4	39,160,638	98,734,212
Land	4	26,073,586	0
Building	4	28,878,375	0
Plant and equipment	5	6,438	1,555
Other fixtures and fittings	5	535,446	377,716
Furniture and vehicles	6	392,435	384,188
Computer hardware	7	<u>770,121</u>	<u>737,153</u>
		<u>95,817,039</u>	<u>100,234,824</u>
Long-term receivables	8	<u>31,027</u>	<u>36,791</u>
		<b><u>95,912,441</u></b>	<b><u>100,320,325</u></b>
<b><u>II. Current assets</u></b>			
<b><u>Short-term receivables</u></b>			
Current receivables	9	18,118	14,604
Sundry receivables		46,056	15,912
Deferred charges		<u>15,229,274</u>	<u>14,884,601</u>
		<u>15,293,448</u>	<u>14,915,117</u>
Cash and cash equivalents		<u>1,111,231</u>	<u>849,702</u>
		<b><u>16,404,679</u></b>	<b><u>15,764,819</u></b>
<b>Total assets</b>		<b>112,317,120</b>	<b>116,085,144</b>
<b><u>III. Non-current liabilities</u></b>			
Other long-term liabilities	10	<u>76,188,990</u>	<u>81,553,764</u>
		<b><u>76,188,990</u></b>	<b><u>81,553,764</u></b>
<b><u>IV. Current liabilities</u></b>			
Provisions for risk and charges	11	<u>25,000</u>	<u>63,000</u>
		<b><u>25,000</u></b>	<b><u>63,000</u></b>
<b><u>Accounts payable</u></b>			
Current payables	12	3,402,118	3,267,185
Long-term liabilities falling due within the year	13	5,364,774	5,056,020
Sundry payables		62,123	24,248
Accrued charges		<u>8,330,000</u>	<u>8,860,000</u>
		<b><u>17,159,015</u></b>	<b><u>17,207,453</u></b>
<b>Total liabilities</b>		<b>93,373,005</b>	<b>98,824,217</b>
<b>Net assets</b>		<b>18,944,115</b>	<b>17,260,927</b>
Contingent assets	14		
Contingent liabilities and commitments for future funding	15		

II.



## 5. STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus(/deficit)	Economic outturn of the year	Total net assets
<b><u>Balance as of 31 December 2017</u></b>	<b>16,740,290</b>	<b>520,637</b>	<b>17,260,927</b>
Allocation of the economic outturn 2017	520,637	-520,637	0
Economic outturn 2018	0	1,683,188	1,683,188
<b><u>Balance as of 31 December 2018</u></b>	<b><u>17,260,927</u></b>	<b><u>1,683,188</u></b>	<b><u>18,944,115</u></b>

**Note:** The EESC has no share capital or previously injected capital. The net assets are exactly that – the difference between the valuation of the assets and the valuation of the liabilities. The main differences are between the principles for depreciation on buildings and the payment profile on the liabilities regarding buildings held under long leases.

## 6. THE CASH FLOW STATEMENT

	31/12/2018	31/12/2017
<b><u>Cashflows from ordinary activities</u></b>		
Surplus/(deficit) from ordinary activities	1,683,188	520,637
<b><u>Operating Activities</u></b>		
Amortisation (intangible fixed assets)	30,676	36,348
Depreciation (tangible fixed assets)	5,309,015	5,240,607
Increase/(decrease) in provision for risks and liabilities	-38,000	30,800
(Increase)/decrease in long-term receivables	5,763	1,712
(Increase)/decrease in short-term receivables	-378,331	-1,413,813
Increase/(decrease) in other long-term liabilities	-5,364,774	-5,056,021
Increase/(decrease) in accounts payable	-48,438	-16,285
Other non-cash movements		
<b>Net cash flow from operating activities</b>	<b><u>1,199,099</u></b>	<b><u>-656,015</u></b>
<b><u>Investing activities</u></b>		
Increase in intangible and tangible fixed assets (-)	<u>-937,570</u>	<u>-727,071</u>
<b>Net cash flow from investing activities</b>	<b><u>-937,570</u></b>	<b><u>-727,071</u></b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b><u>261,529</u></b>	<b><u>-1,383,086</u></b>
Net increase/(decrease) in cash and cash equivalents	261,529	-1,383,086
Cash and cash equivalents at the beginning of 2017	<u>849,702</u>	<u>2,232,788</u>
<b>Cash and cash equivalents at the end of 2018</b>	<b><u>1,111,231</u></b>	<b><u>849,702</u></b>

## 7. NOTES

## NOTE 1

## Operating revenue

	2018	2017
Funds transferred from the Commission	<u>121,000,000</u>	<u>116,000,000</u>
Revenue from staff	12,291,352	11,971,812
Other administrative revenue	<u>3,739,663</u>	<u>3,804,095</u>
Revenue from administrative operations	<u>16,031,015</u>	<u>15,775,907</u>
Other operating revenue	0	0
Exchange rate gains	<u>1,797</u>	<u>2,529</u>
Other operating revenue	<u>1,797</u>	<u>2,529</u>
	<b>137,032,812</b>	<b>131,778,436</b>
Non-exchange revenue	133,396,566	129,645,665
Exchange revenue	3,636,246	2,132,771
	<b>137,032,812</b>	<b>131,778,436</b>

The increase of 4% is mainly explained by the higher replenishment amounts received from the European Commission. This increase represented a total amount of about EUR 5 million required to cover the overall increase in expenses, in particular in two main areas: on the one hand, the additional staff expenses of around EUR 1.8 million and on the other hand, the additional members' expenses of around EUR 1.3 million.

According to the EU Accounting Rules, all revenue needs to be split into revenue from exchange transactions and revenue from non-exchange transactions.

In a non-exchange transaction, an entity receives (gives) value from (to) another entity without directly giving (receiving) an approximately equal value in exchange.

Non-exchange revenue includes mainly the treasury replenishment and revenue from staff (miscellaneous taxes).



II.

**NOTE 2**

**Financial operations expenses**

	<b>2018</b>	<b>2017</b>
Other interest expenses	-7,374,712	-6,958,629
Other financial expenses (bank charges)	272,071	-7,232
	<b>-7,102,641</b>	<b>-6,965,861</b>

## NOTE 3

## Intangible fixed assets

	31/12/2018	31/12/2017
<b><u>Computer software</u></b>		
Gross carrying amount 1 January	1,243,634	1,223,209
Additions	46,341	20,424
Disposals	0	0
Transfers between headings	0	0
Other changes	0	0
Gross carrying amount 31 December	<b><u>1,289,975</u></b>	<b><u>1,243,634</u></b>
Accumulated amortisation 1 January	-1,194,924	-1,158,575
Amortisation	-30,676	-36,348
Disposals	0	0
Transfers between headings	0	0
Other changes	0	0
Accumulated amortisation 31 December	<b><u>-1,225,600</u></b>	<b><u>-1,194,924</u></b>
<b>Net carrying amount 31 December</b>	<b>64,375</b>	<b>48,710</b>
Non-capitalised research costs	0	0
Non-capitalised development costs	38,923	113,756
	<b>38,923</b>	<b>113,756</b>

At 31 December 2018, the EESC and the European Committee of the Regions (CoR) had external research and development costs for a total amount of EUR 64,872. This amount was split according to an agreed division between the two Committees as follows:

60% EESC: EUR 38,923

40% CoR: EUR 25,949

The common threshold for joint projects for capitalisation of research and development costs has been established according to the standards of the European Commission and the CoR at EUR 1 million.

## NOTE 4

## Lands and buildings (owned and under financial leasing)

	31/12/2018	31/12/2017
Gross carrying amount, 1 January	163,684,283	163,684,283
Additions	0	0
Gross carrying amount, 31 December	<b>163,684,283</b>	<b>163,684,283</b>
Accumulated amortisation, 1 January	-64,950,071	-60,325,980
Depreciation	-4,621,613	-4,624,091
Accumulated amortisation, 31 December	<b>-69,571,684</b>	<b>-64,950,071</b>
<b>Net carrying amount, 31 December</b>	<b>94,112,599</b>	<b>98,734,212</b>

	Capital	Interest
<b>Distribution of charges</b>		
Cumulative charges paid	<b>81,531,595</b>	<b>114,108,855</b>
<u>Charges to be paid</u>		
< 1 year	5,364,774	4,198,835
1-5 years	24,928,804	13,445,892
> 5 years	51,260,186	8,226,777
	<b>81,553,764</b>	<b>25,871,504</b>
<b>Gross carrying amount 31 December</b>	<b>163,085,359</b>	<b>139,980,359</b>

At 31 December 2018, the EESC and the CoR jointly held four buildings<sup>2</sup> under long-term leases and one owned shared building:

	Total net asset value	Total debt
Bertha von Suttner building (BvS), Rue Montoyer 92-102	34,208,202	32,207,829
Remorqueur building (REM), Rue Belliard 93	7,134,564	0
Rue de Trèves 74 building (TR74)	14,959,675	17,830,662
Rue Belliard 68-72 building (B68-72)	16,493,777	15,633,157
Jacques Delors building (JDE), Rue Belliard 103-113	82,017,852	69,535,806
<b>TOTAL</b>	<b>154,814,071</b>	<b>135,207,454</b>

Since 19 November 2018, both Committees acquired the JDE building by exercising the purchase option. Consequently, both institutions became owners of this building

<sup>2</sup> For the sake of completeness, it should be mentioned that part of the Van Maerlant II building has been rented from the European Commission since 1 April 2007. This contract is not defined as a financial lease.

II.

These long-term leases of the first four buildings are defined as finance leases and are thus recognised and accounted for as assets, and their associated lease obligations as liabilities.

The EESC's part of the total net asset value is EUR 94,112,599. On the liability side, the EESC's part of the total debt is EUR 81,553,764 (other long-term liabilities amount to EUR 76,188,990 and long-term liabilities falling due within one year amount to EUR 5,364,774).

Land is included in the total net asset value. The acquisition values of the corresponding land for both Committees are as follows:

BvS	EUR 22,059,400
JDE	EUR 38,915,800
REM	EUR 3,580,000
B68-72	EUR 8,840,000
TR74	EUR 7,670,000

In 2016, the EESC and the CoR introduced a new administrative cooperation agreement. In accordance with practice in previous years, each Committee's share in the net asset values and the liabilities of the five buildings is fixed as follows:

	EESC	CoR
BvS	67%	33%
JDE	67%	33%
REM	50%	50%
B68-72	40%	60%
TR74	40%	60%

Each Committee's contribution to the lease payments is defined in the cooperation agreement between the two Committees. The payments depend on the proportion of staff of each Committee according to the respective establishment plans, adopted by the budgetary authority, on 1 January of the previous financial year and may differ from the shares as defined in the table above.

## NOTE 5

## Plant and equipment

	31/12/2018	31/12/2017
Gross carrying amount, 1 January	80,382	80,382
Additions	6,063	0
Disposals	0	0
Transfers between headings	0	0
Other changes	0	0
Gross carrying amount, 31 December	<b>86,445</b>	<b>80,382</b>
Accumulated amortisation, 1 January	-78,827	-78,257
Depreciation	-1,180	-570
Disposals	0	0
Transfers between headings	0	0
Other changes	0	0
Accumulated amortisation, 31 December	<b>-80,007</b>	<b>-78,827</b>
<b>Net carrying amount, 31 December</b>	<b>6,438</b>	<b>1,555</b>

## Other fixtures and fittings

	31/12/2018	31/12/2017
Gross carrying amount, 1 January	2,150,433	2,050,847
Additions	400,554	100,034
Disposals		-448
Transfers between headings		
Other changes	0	0
Gross carrying amount, 31 December	<b>2,550,987</b>	<b>2,150,433</b>
Accumulated amortisation, 1 January	-1,772,717	-1,555,846
Depreciation	-242,824	-217,225
Disposals	0	354
Transfers between headings	0	0
Other changes	0	0
Accumulated amortisation, 31 December	<b>-2,015,541</b>	<b>-1,772,717</b>
<b>Net carrying amount, 31 December</b>	<b>535,446</b>	<b>377,716</b>

**NOTE 6**

**Furniture and vehicles**

	<b>31/12/2018</b>	<b>31/12/2017</b>
Gross carrying amount, 1 January	3,360,797	3,365,268
Additions	108,751	32,746
Disposals	-19,572	-37,217
Transfers between headings	0	0
Other changes	<u>0</u>	<u>0</u>
Gross carrying amount, 31 December	<b><u>3,449,976</u></b>	<b><u>3,360,797</u></b>
Accumulated amortisation, 1 January	-2,976,609	-2,917,287
Depreciation	-100,488	-96,389
Disposals	19,556	37,067
Transfers between headings	0	0
Other changes	0	0
Accumulated amortisation, 31 December	<b><u>-3,057,541</u></b>	<b><u>-2,976,609</u></b>
<b>Net carrying amount, 31 December</b>	<b>392,435</b>	<b>384,188</b>

**NOTE 7**

**Computer hardware**

	<b>31/12/2018</b>	<b>31/12/2017</b>
Gross carrying amount, 1 January	4,210,645	3,845,832
Additions	375,861	573,865
Disposals	-226,205	-209,052
Transfers between headings	0	0
Other changes	0	0
 Gross carrying amount, 31 December	 <b><u>4,360,301</u></b>	 <b><u>4,210,645</u></b>
Accumulated amortisation, 1 January	-3,473,492	-3,380,457
Depreciation	-332,733	-301,099
Disposals	216,045	208,064
Transfers between headings	0	0
Other changes	0	0
 Accumulated amortisation, 31 December	 <b><u>-3,590,180</u></b>	 <b><u>-3,473,492</u></b>
<b>Net carrying amount, 31 December</b>	<b>770,121</b>	<b>737,153</b>

II.

**NOTE 8**

**Long-term receivables**

	31/12/2018	31/12/2017
Other (advances to members)	31,027	36,791
	<b>31,027</b>	<b>36,791</b>



NOTE 9

Current receivables

	31/12/2018	31/12/2017
<b><u>Customers</u></b>		
Gross total	4,410	779
Amounts written down	0	0
Net value	<b><u>4,410</u></b>	<b><u>779</u></b>
<b><u>Member States</u></b>		
Gross total	13,708	13,825
Amounts written down	0	0
Net value, VAT to be recovered	<b><u>13,708</u></b>	<b><u>13,825</u></b>
<b><u>Other institutions</u></b>		
Gross total	0	0
Amounts written down	0	0
Net value	<b><u>0</u></b>	<b><u>0</u></b>
	<b>18,118</b>	<b>14,604</b>

**NOTE 10**

**Other long-term liabilities**

	31/12/2018	31/12/2017
Building and buildings under financial leasing*	76,188,990	81,553,764
	<b>76,188,990</b>	<b>81,553,764</b>

\* Part of the charges (capital) that has to be paid after one year. See also note 4.

**NOTE 11**

**Provisions for risks and charges**

	<b>31/12/2018</b>	<b>31/12/2017</b>
Possible outcome of pending court case	25,000	63,000
	<b>25,000</b>	<b>63,000</b>

**NOTE 12**

**Current payables**

	31/12/2018	31/12/2017
<b><u>Vendors</u></b>		
Gross total	<u>147,710</u>	<u>225,960</u>
<b><u>Other institutions</u></b>		
European Commission	3,241,720	3,041,225
European Parliament	12,688	0
European Committee of the Regions	0	0
Gross total	<u>3,254,408</u>	<u>3,041,225</u>
	<b>3,402,118</b>	<b>3,267,185</b>

**NOTE 13**

**Long-term liabilities falling due within the year**

	<b>31/12/2018</b>	<b>31/12/2017</b>
Buildings under financial leasing*	5,364,774	5,056,020
	<b>5,364,774</b>	<b>5,056,020</b>

\* Part of the charges (capital) that has to be paid within one year. See also note 4.

**NOTE 14**

**Contingent assets**

	31/12/2018	31/12/2017
Performance guarantees*	0	0
	<b>0</b>	<b>0</b>

\* The sum of performance guarantees in supplier contracts was EUR 279,354 at 31 December 2018. As the probability of inflow of economic benefits is low (estimated by management to be less than 5%) the value is insignificant.

**NOTE 15**

**Contingent liabilities and commitments for future funding**

	31/12/2018	31/12/2017
<b><u>Commitments for future funding</u></b>		
Commitments against appropriations not yet consumed (RAL)	284,945	2,138,902
Operating leases	7,640,400	9,609,368
Contractual commitments	19,686,154	2,810,815
Other	0	0
	<b>27,611,499</b>	<b>14,559,085</b>





# **PART III**

## **Annual Budgetary Accounts 2018 (Modified Cash Accounting Principle) and Report on Budgetary and Financial Management**



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## **1. GENERAL REMARKS ON THE BUDGET**

### **1.1 BUDGET OUTTURN 2018**

The total 2018 budget was EUR 135.6 million, of which EUR 133.8 million was spent or carried forward to 2019 as commitments<sup>1</sup>. This equals a take-up rate of 98.7%, compared to 96.5% in 2017. On the other hand, the take-up of appropriations carried forward from 2017 to 2018 was lower than in 2018: 77.5% (EUR 7.6 million), as compared to 84.9% in 2017 (EUR 7.4 million)<sup>2</sup>.

### **1.2 ESTABLISHING THE BUDGET 2018**

In its guidelines on the establishment of estimates of administrative expenditure for the 2018 draft budget, the European Commission called on all institutions to follow its own approach, i.e. to aim for a nominal freeze at the 2017 level of all non-salary related expenditure. The EESC's 2018 budget estimates submitted to the Commission totalled EUR 143 093 767, an increase of 6.94% on the 2017 budget. Expenditure for replacing the VM-2 building alone accounted for EUR 6 475 190, representing an overall increase of 4.84% compared to the 2017 budget. With regard to salary-related expenditure, the estimates included a request for three new posts to further develop Irish translation capacity in 2018. Cost-saving measures resulting from the new Staff Regulations (such as the restriction on promotions beyond a certain grade) were also included, along with the impact of actual or expected salary adjustments, based on the parameters provided by the Commission.

The Commission adjusted the EESC's budget request, deducting indirect costs of EUR 134 214 for the Official Journal and cutting a further EUR 570 997 from 11 budget items in the original 2018 estimates in order to reach the nominal freeze requested. Furthermore, the Commission asked the EESC to find a common approach with the CoR to replacing the VM-2 building. As the post-VM-2 situation had not changed since March 2017, there was no basis for a new common approach, and the EESC therefore acknowledged, with reference to Article 314 TFEU, "that it is the prerogative of the Commission to consolidate the estimates of the institutions as it sees fit". The Commission considered that the budget request relating to the replacement of the VM-2 building should be submitted by means of an amending letter once the estimates had been finalised, and applied a reduction of EUR 6 475 190, equivalent to the amount requested with respect to that building file. The EESC budget finally submitted to the Budgetary Authority showed a total of EUR 135 913 366 in appropriations (+1.57% on 2017) and 668 establishment plan posts.

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<sup>1</sup> See table "Use of final appropriations (C1) in 2018", page 50.

<sup>2</sup> See table "Use of appropriations automatically carried forward from 2017 to 2018 (C8)", page 58.

In its reading, the Council maintained the 2018 standard abatement rate at 4.5%, but introduced specific reductions to ten different budget items, which curtailed the EESC draft budget by another EUR 864 405 to EUR 135 048 961, an increase of 0.93% on the 2017 budget.

The European Parliament subsequently restored the EUR 864 405 of appropriations cut by the Council, and added a further EUR 324 000 for Domestic Advisory Groups to the items "Travel and subsistence allowances" and "Remuneration and allowances". Consequently, the budget estimates were increased to a total of EUR 136 237 366 (+1.82% on 2017).

The two branches of the Budgetary Authority reached an agreement in the negotiations in the Conciliation Committee on 18 November 2017. The final 2018 budget was separately adopted by the Council and the European Parliament on 30 November 2017. The result of the conciliation for the EESC reversed the Parliament's increases of EUR 324 000 for Domestic Advisory Groups, and imposed an additional reduction for expenditure related to buildings (a cut of EUR 89 461). The conciliation led also to an adjustment of appropriations related to remuneration (a reduction of EUR 193 000), as the automatic salary update rate for 2017 was lower than the one used to establish the budget estimates for 2018.

The conciliation resulted in a total budget of EUR 135 630 905 for 2018, corresponding to an increase of 1.36% on 2017. The establishment plan approved by the Budgetary Authority confirmed the staff increase from 665 posts in 2017 to 668 in 2018.

### **1.3 BUDGET GOVERNANCE 2018**

The Budget Group, the EESC's supervisory body for financial and budgetary affairs, has nine members and prepares all decisions of a financial or budgetary nature for the EESC Bureau. The Budget Group meets before each EESC Bureau meeting, normally 11 times per year.

The Budget Group supervises all budgetary procedures, in particular the establishment of the budget estimates and the budget implementation, the annual activity report, the discharge and the response to the Court of Auditors' annual report.

Each year, in preparation for the next budget, a three-member subgroup is set up within the Budget Group to analyse the draft estimates prepared by the secretary-general. After deliberation, the Budget Group then submits the proposed draft estimates to the Bureau for approval and submission to the Budgetary Authority.

The EESC consistently respects the budgetary guidelines issued by the Commission and the Budgetary Authority. From 2015 to 2019, the nominal increase in the EESC's budget was EUR 9.5 million or 7.3% – a reduction in real terms of 1.3%.

In 2018, a three-member subgroup within the Budget Group was set up to supervise the discharge procedure for 2017, in particular related to questions of how to reply to discharge remarks from the European Parliament and how to address the Parliament's concerns.

Over recent years, the Budget Group has analysed the spending plans of the Directorate for Logistics, in particular regarding buildings and IT, on a regular basis. To improve the transparency and consistency of these spending plans, Logistics was encouraged to link its multiannual spending to a broader guiding framework. Once a long-term buildings strategy had been devised and adopted by the EESC Bureau, in October 2017, the Budget Group focused its attention on IT in 2018, to encourage the establishment of a long-term strategy.

In this context, and in order to further develop their working methods and cooperation with other EESC bodies, the Budget Group invited the chair and members of the Members' IT Group to attend Budget Group meetings in March, July and September for discussions on the IT strategy. For issues directly related to members, the Budget Group also involves the quaestors on a regular basis.

Following the close monitoring of spending on buildings and IT, the Budget Group also backed a mopping-up transfer at the end of 2018. The aim of this transfer was to address the significant backlog that had been developing in the two Committees – in particular as regards buildings (including security) and IT – as a consequence of the budgetary constraints applied over the whole of the last decade.

Additionally, the Budget Group focused in particular on assessing how to control spending and improve forecasting for the budget item covering members' travel and subsistence allowances, which is at the core of the EESC's main political activity. As a result, a call for tender on "Analysis and proposal for improvements of the current projection system concerning cost reimbursement of EESC members, delegates and experts" was launched in October 2018.





## 2. REVENUE

		2018	2017
<b>Total</b>		<b>16,175,906</b>	<b>15,859,420</b>
<b>4</b>	<b>Revenue accruing from persons working with the institutions and other union bodies</b>	<b>12,284,291</b>	<b>11,971,812</b>
40	Miscellaneous taxes and deductions	6,409,753	6,264,950
400	Proceeds from taxation of the salaries, wages and allowances of Members of the institution, officials, other servants and persons in receipt of a pension	5,352,615	5,241,878
404	Proceeds from the special levy and the solidarity levy on the salaries of Members of the institution, officials and other servants in active employment	1,057,138	1,023,072
41	Contributions to the pension scheme	5,874,538	5,706,862
410	Staff contributions to the pension scheme	5,624,430	5,432,944
411	Transfer or purchase of pension rights by staff	250,108	273,918
<b>5</b>	<b>Revenue accruing from the administrative operation of the institution</b>	<b>3,891,615</b>	<b>3,887,608</b>
50	Proceeds from the sale of movable property (supply of goods) and immovable property	22	485
500	Proceeds from the sale of movable property (supply of goods)	22	485
5001	Proceeds from the sale of other movable property — Assigned revenue	22	485
51	Proceeds from letting and hiring	1,550,061	1,524,105
511	Proceeds from letting and subletting immovable property and reimbursement of charges connected with lettings	1,550,061	1,524,105
5110	Proceeds from letting and subletting immovable property — Assigned revenue	1,550,061	1,524,105
52	Revenue from investments or loans granted, bank and other interest	1	0
520	Revenue from investments or loans granted, bank and other interest on the institution's accounts	1	0
55	Revenue from the supply of services and work	2,077,000	2,219,134
550	Revenue from the supply of services and work to other institutions or bodies, including refunds by other institutions or bodies of mission allowances paid on their behalf — Assigned revenue	2,077,000	2,219,134
57	Other contributions and refunds in connection with the administrative operation of the institution	257,143	143,383
570	Revenue arising from the repayment of amounts wrongly paid — Assigned revenue	69,696	51,984
573	Other contributions and refunds in connection with the administrative operation of the institution — Assigned revenue	187,447	91,399
58	Miscellaneous compensation	0	501
581	Revenue from insurance payments received — Assigned revenue	0	501
59	Other revenue from administrative operations	7,388	0
590	Other revenue from administrative operations	7,388	0

### 3. FINAL APPROPRIATIONS

Total	
<b>1</b>	<b>Persons working with the institution</b>
10	Members of the institution and delegates
<b>100</b>	<b>Specific allowances and payments</b>
1000	Specific allowances and payments
1004	Travel and subsistence allowances, attendance at meetings and associated expenditure
1008	Travel and subsistence allowances, attendance at meetings and associated expenditure of delegates of the CCMI
<b>105</b>	<b>Further training, language courses and other training</b>
12	Officials and temporary staff
<b>120</b>	<b>Remuneration and other entitlements</b>
1200	Remuneration and allowances
1202	Paid overtime
1204	Entitlements on entering the service, transfer and leaving the service
<b>122</b>	<b>Allowances upon early termination of service</b>
1220	Allowances for staff retired or placed on leave in the interests of the service
14	Other staff and external services
<b>140</b>	<b>Other staff and external persons</b>
1400	Other staff
1404	Graduate traineeships, grants and exchanges of officials
1408	Entitlements on entering the service, transfer and leaving the service
<b>142</b>	<b>External services</b>
1420	Supplementary services for the translation service
1422	Expert advice connected with legislative work
1424	Interinstitutional cooperation and external services in the field of personal management
16	Other expenditure relating to persons working with the institution
<b>161</b>	<b>Expenditure relating to staff management</b>
1610	Expenditure on recruitment
1612	Further training
<b>162</b>	<b>Missions</b>
<b>163</b>	<b>Activities relating to all persons working with the institution</b>
1630	Social welfare
1632	Social contacts between members of staff and other social measures
1634	Medical service
1638	Early childhood centre and approved day nurseries

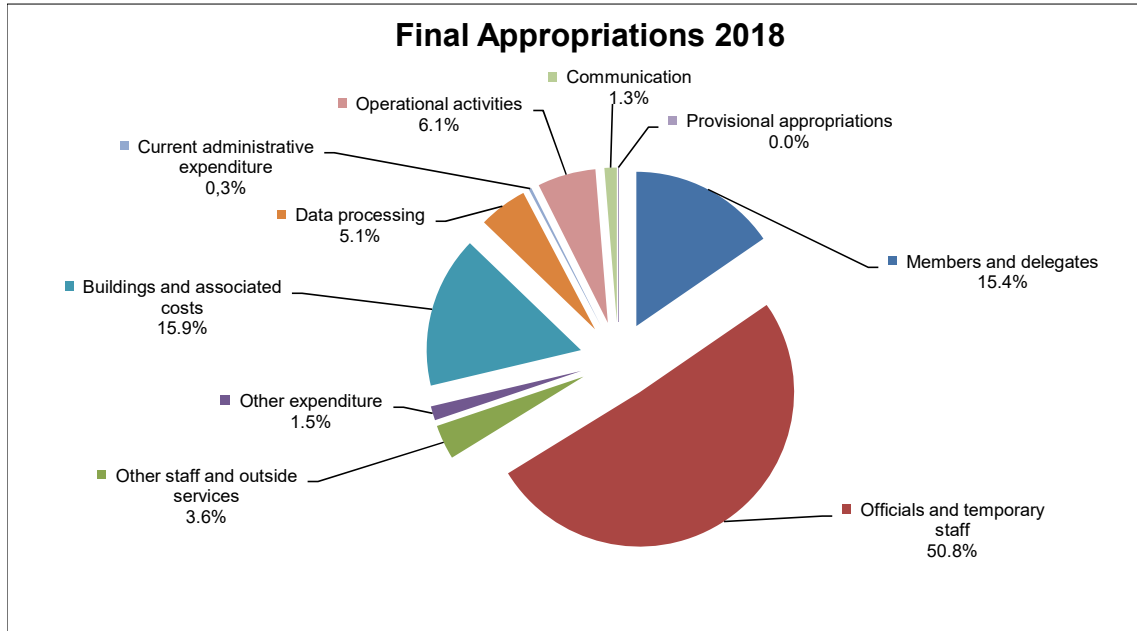
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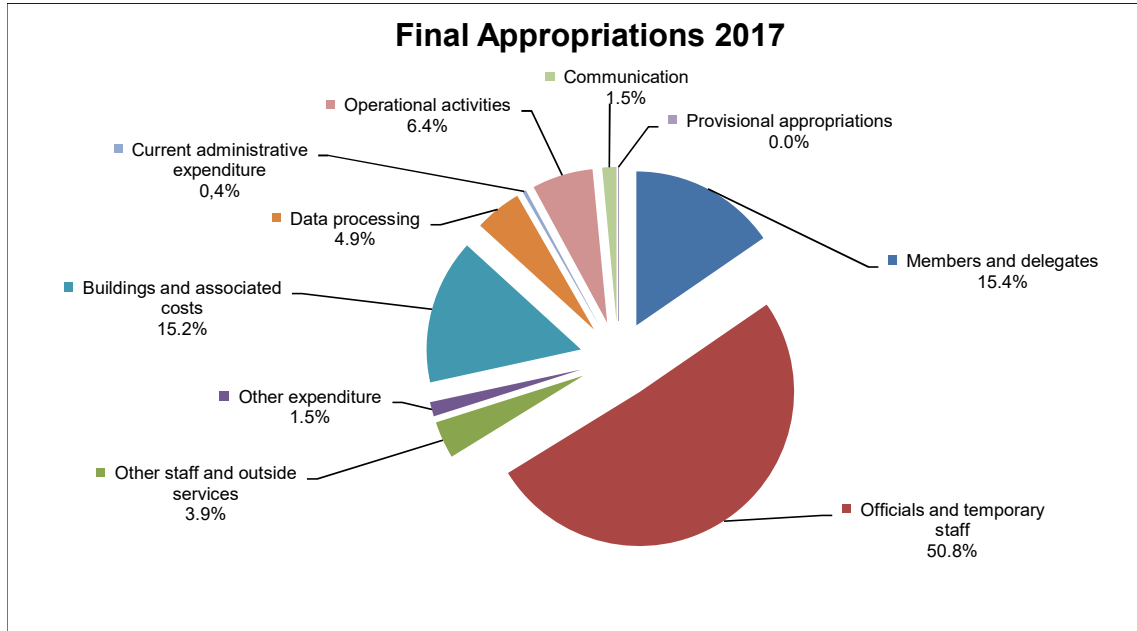
2018			2017
Initial	Transfers	Final	Final
135,630,905	0	135,630,905	133,807,338
98,065,265	-1,336,000	96,729,265	95,743,217
20,898,223	0	20,898,223	20,530,405
<b>20,831,803</b>	<b>0</b>	<b>20,831,803</b>	<b>20,465,160</b>
96,080	0	96,080	96,080
20,247,625	0	20,247,625	19,819,612
488,098	0	488,098	549,468
<b>66,420</b>	<b>0</b>	<b>66,420</b>	<b>65,245</b>
69,699,962	-745,000	68,954,962	67,942,054
<b>69,400,962</b>	<b>-700,000</b>	<b>68,700,962</b>	<b>67,755,213</b>
68,987,962	-760,000	68,227,962	67,296,213
35,000	-25,000	10,000	34,000
378,000	85,000	463,000	425,000
<b>299,000</b>	<b>-45,000</b>	<b>254,000</b>	<b>186,841</b>
299,000	-45,000	254,000	186,841
5,487,289	-591,000	4,896,289	5,263,510
<b>3,269,506</b>	<b>-311,000</b>	<b>2,958,506</b>	<b>3,173,001</b>
2,378,121	-61,000	2,317,121	2,451,081
826,385	-220,000	606,385	655,920
65,000	-30,000	35,000	66,000
<b>2,217,783</b>	<b>-280,000</b>	<b>1,937,783</b>	<b>2,090,509</b>
1,411,075	-280,000	1,131,075	1,272,658
731,708	0	731,708	742,851
75,000	0	75,000	75,000
1,979,791	0	1,979,791	2,007,248
<b>621,700</b>	<b>0</b>	<b>621,700</b>	<b>630,000</b>
43,500	0	43,500	65,000
578,200	0	578,200	565,000
<b>398,191</b>	<b>0</b>	<b>398,191</b>	<b>438,988</b>
<b>959,900</b>	<b>0</b>	<b>959,900</b>	<b>938,260</b>
50,000	0	50,000	104,000
164,900	-10,000	154,900	146,535
120,000	0	120,000	71,725
625,000	10,000	635,000	616,000

<b>2</b>	<b>Buildings, furniture, equipment and miscellaneous operating expenditure</b>
<b>20</b>	<b>Buildings and associated costs</b>
<b>200</b>	<b>Buildings</b>
2000	Rent
2001	Annual lease payments and similar expenditure
2003	Purchase of premises
2007	Fitting-out of premises
2008	Other expenditure on buildings
<b>202</b>	<b>Other expenditure on buildings</b>
2022	Cleaning and maintenance
2024	Energy consumption
2026	Security and surveillance
2028	Insurance
<b>21</b>	<b>Data processing, equipment and furniture: purchase, hire and maintenance</b>
<b>210</b>	<b>Equipment, operating costs and services relating to data-processing and telecommunications</b>
2100	Purchase, servicing and maintenance of equipment and software, and related work
2102	Outside assistance for the operation, development and maintenance of software systems
2103	Telecommunications
<b>212</b>	<b>Furniture</b>
<b>214</b>	<b>Technical equipment and installations</b>
<b>216</b>	<b>Vehicles</b>
<b>23</b>	<b>Current administrative expenditure</b>
<b>230</b>	<b>Stationery, office supplies and miscellaneous consumables</b>
<b>231</b>	<b>Financial charges</b>
<b>232</b>	<b>Legal costs and damages</b>
<b>236</b>	<b>Postage on correspondence and delivery charges</b>
<b>238</b>	<b>Removals and other administrative expenditure</b>
<b>25</b>	<b>Operational activities</b>
<b>254</b>	<b>Meetings, conferences, congresses, seminars and other events</b>
2540	Miscellaneous expenditure on internal meetings
2542	Expenditure on the organisation of and participation in hearings and other events
2544	Costs of organising the CCMI
2546	Representation expenses
2548	Interpreting
<b>26</b>	<b>Communication, publications and acquisition of documentation</b>
<b>260</b>	<b>Communication, information and publications</b>
2600	Communication
2602	Publishing and promotion of publications
2604	Official Journal
<b>262</b>	<b>Acquisition of information, documentation and archiving</b>
2620	Studies, research and hearings
2622	Documentation and library expenditure
2624	Archiving and related work

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37,565,640	1,336,000	38,901,640	38,064,121
20,566,028	1,011,891	21,577,919	20,348,390
<b>14,844,773</b>	<b>1,011,891</b>	<b>15,856,664</b>	<b>14,672,640</b>
2,176,467	-20,000	2,156,467	2,169,393
12,212,997	0	12,212,997	10,737,161
0	23,052	23,052	48,000
398,289	824,423	1,222,712	1,661,234
57,020	184,416	241,436	56,852
<b>5,721,255</b>	<b>0</b>	<b>5,721,255</b>	<b>5,675,750</b>
2,670,606	0	2,670,606	2,904,100
790,311	0	790,311	566,549
2,173,362	0	2,173,362	2,125,372
86,976	0	86,976	79,729
6,174,228	701,833	6,876,061	6,595,252
<b>4,873,512</b>	<b>518,188</b>	<b>5,391,700</b>	<b>5,012,683</b>
1,590,905	397,558	1,988,463	1,830,754
1,907,138	249,137	2,156,275	1,901,512
1,375,469	-128,507	1,246,962	1,280,417
<b>145,073</b>	<b>0</b>	<b>145,073</b>	<b>144,819</b>
<b>1,067,343</b>	<b>183,645</b>	<b>1,250,988</b>	<b>1,346,865</b>
<b>88,300</b>	<b>0</b>	<b>88,300</b>	<b>90,885</b>
580,001	-127,724	452,277	513,359
<b>169,683</b>	<b>-17,504</b>	<b>152,179</b>	<b>177,359</b>
<b>6,000</b>	<b>0</b>	<b>6,000</b>	<b>6,000</b>
<b>150,000</b>	<b>-87,000</b>	<b>63,000</b>	<b>95,000</b>
<b>91,350</b>	<b>-19,600</b>	<b>71,750</b>	<b>90,000</b>
<b>162,968</b>	<b>-3,620</b>	<b>159,348</b>	<b>145,000</b>
8,382,339	-175,000	8,207,339	8,587,420
<b>8,382,339</b>	<b>-175,000</b>	<b>8,207,339</b>	<b>8,587,420</b>
238,800	15,000	253,800	255,000
604,789	9,500	614,289	652,132
50,000	0	50,000	50,000
90,000	-15,000	75,000	99,000
7,398,750	-184,500	7,214,250	7,531,288
1,863,044	-75,000	1,788,044	2,019,700
<b>1,363,326</b>	<b>-75,000</b>	<b>1,288,326</b>	<b>1,563,000</b>
789,880	0	789,880	831,000
457,660	-20,000	437,660	482,000
115,786	-55,000	60,786	250,000
<b>499,718</b>	<b>0</b>	<b>499,718</b>	<b>456,700</b>
250,000	0	250,000	189,000
157,700	0	157,700	174,700
92,018	0	92,018	93,000





#### 4. USE OF FINAL APPROPRIATIONS (C1) IN 2018

		Final Appropriations
<b>Total</b>		<b>135,630,905</b>
<b>1</b>	<b>Persons working with the institution</b>	<b>96,729,265</b>
10	Members of the institution and delegates	20,898,223
<b>100</b>	<b>Specific allowances and payments</b>	<b>20,831,803</b>
1000	Specific allowances and payments	96,080
1004	Travel and subsistence allowances, attendance at meetings and associated expenditure	20,247,625
1008	Travel and subsistence allowances, attendance at meetings and associated expenditure of delegates of the CCMI	488,098
<b>105</b>	<b>Further training, language courses and other training</b>	<b>66,420</b>
12	Officials and temporary staff	68,954,962
<b>120</b>	<b>Remuneration and other entitlements</b>	<b>68,700,962</b>
1200	Remuneration and allowances	68,227,962
1202	Paid overtime	10,000
1204	Entitlements on entering the service, transfer and leaving the service	463,000
<b>122</b>	<b>Allowances upon early termination of service</b>	<b>254,000</b>
1220	Allowances for staff retired or placed on leave in the interests of the service	254,000
14	Other staff and external services	4,896,289
<b>140</b>	<b>Other staff and external persons</b>	<b>2,958,506</b>
1400	Other staff	2,317,121
1404	Graduate traineeships, grants and exchanges of officials	606,385
1408	Entitlements on entering the service, transfer and leaving the service	35,000
<b>142</b>	<b>External services</b>	<b>1,937,783</b>
1420	Supplementary services for the translation service	1,131,075
1422	Expert advice connected with legislative work	731,708
1424	Interinstitutional cooperation and external services in the field of personal management	75,000
16	Other expenditure relating to persons working with the institution	1,979,791
<b>161</b>	<b>Expenditure relating to staff management</b>	<b>621,700</b>
1610	Expenditure on recruitment	43,500
1612	Further training	578,200
<b>162</b>	<b>Missions</b>	<b>398,191</b>
<b>163</b>	<b>Activities relating to all persons working with the institution</b>	<b>959,900</b>
1630	Social welfare	50,000
1632	Social contacts between members of staff and other social measures	154,900
1634	Medical service	120,000
1638	Early childhood centre and approved day nurseries	635,000



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Committed	Committed (%)	Payments	Appropriations carried forward to 2019	Unused appropriations	Unused Appropriations (%)
133.811.443	98,66%	125.606.647	8.204.796	1.819.462	1,34%
95.701.036	98,94%	93.613.847	2.087.189	1.028.229	1,06%
20.663.508	98,88%	19.296.036	1.367.472	234.715	1,12%
<b>20.613.857</b>	<b>98,95%</b>	<b>19.273.347</b>	<b>1.340.510</b>	<b>217.946</b>	<b>1,05%</b>
81.500	84,83%	69.891	11.609	14.580	15,17%
20.074.259	99,14%	18.812.102	1.262.157	173.366	0,86%
458.098	93,85%	391.354	66.744	30.000	6,15%
<b>49.651</b>	<b>74,75%</b>	<b>22.689</b>	<b>26.962</b>	<b>16.769</b>	<b>25,25%</b>
68.531.824	99,39%	68.451.239	80.586	423.138	0,61%
<b>68.289.214</b>	<b>99,40%</b>	<b>68.208.628</b>	<b>80.586</b>	<b>411.748</b>	<b>0,60%</b>
67.820.364	99,40%	67.780.183	40.182	407.598	0,60%
7.494	74,94%	7.494	0	2.506	25,06%
461.355	99,64%	420.951	40.404	1.645	0,36%
<b>242.610</b>	<b>95,52%</b>	<b>242.610</b>	<b>0</b>	<b>11.390</b>	<b>4,48%</b>
242.610	95,52%	242.610	0	11.390	4,48%
4.645.472	94,88%	4.332.379	313.093	250.817	5,12%
<b>2.864.854</b>	<b>96,83%</b>	<b>2.760.140</b>	<b>104.713</b>	<b>93.652</b>	<b>3,17%</b>
2.239.640	96,66%	2.203.418	36.222	77.481	3,34%
599.647	98,89%	540.923	58.725	6.738	1,11%
25.567	73,05%	15.800	9.767	9.433	26,95%
<b>1.780.618</b>	<b>91,89%</b>	<b>1.572.238</b>	<b>208.380</b>	<b>157.165</b>	<b>8,11%</b>
1.073.910	94,95%	937.802	136.108	57.165	5,05%
631.708	86,33%	570.198	61.510	100.000	13,67%
75.000	100,00%	64.239	10.761	0	0,00%
1.860.232	93,96%	1.534.194	326.038	119.559	6,04%
<b>591.824</b>	<b>95,19%</b>	<b>435.226</b>	<b>156.598</b>	<b>29.876</b>	<b>4,81%</b>
36.458	83,81%	31.234	5.224	7.042	16,19%
555.366	96,05%	403.992	151.374	22.834	3,95%
<b>364.046</b>	<b>91,42%</b>	<b>305.897</b>	<b>58.149</b>	<b>34.145</b>	<b>8,58%</b>
<b>904.361</b>	<b>94,21%</b>	<b>793.071</b>	<b>111.290</b>	<b>55.539</b>	<b>5,79%</b>
19.500	39,00%	10.103	9.397	30.500	61,00%
139.861	90,29%	107.509	32.352	15.039	9,71%
110.000	91,67%	41.223	68.777	10.000	8,33%
635.000	100,00%	634.235	765	0	0,00%

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		Final Appropriations
<b>2</b>	<b>Buildings, furniture, equipment and miscellaneous operating expenditure</b>	<b>38,901,640</b>
<b>20</b>	<b>Buildings and associated costs</b>	<b>21,577,919</b>
<b>200</b>	<b>Buildings</b>	<b>15,856,664</b>
2000	Rent	2,156,467
2001	Annual lease payments and similar expenditure	12,212,997
2003	Purchase of premises	23,052
2007	Fitting-out of premises	1,222,712
2008	Other expenditure on buildings	241,436
<b>202</b>	<b>Other expenditure on buildings</b>	<b>5,721,255</b>
2022	Cleaning and maintenance	2,670,606
2024	Energy consumption	790,311
2026	Security and surveillance	2,173,362
2028	Insurance	86,976
<b>21</b>	<b>Data processing, equipment and furniture: purchase, hire and maintenance</b>	<b>6,876,061</b>
<b>210</b>	<b>Equipment, operating costs and services relating to data-processing and telecommunications</b>	<b>5,391,700</b>
2100	Purchase, servicing and maintenance of equipment and software, and related work	1,988,463
2102	Outside assistance for the operation, development and maintenance of software systems	2,156,275
2103	Telecommunications	1,246,962
<b>212</b>	<b>Furniture</b>	<b>145,073</b>
<b>214</b>	<b>Technical equipment and installations</b>	<b>1,250,988</b>
<b>216</b>	<b>Vehicles</b>	<b>88,300</b>
<b>23</b>	<b>Current administrative expenditure</b>	<b>452,277</b>
<b>230</b>	<b>Stationery, office supplies and miscellaneous consumables</b>	<b>152,179</b>
<b>231</b>	<b>Financial charges</b>	<b>6,000</b>
<b>232</b>	<b>Legal costs and damages</b>	<b>63,000</b>
<b>236</b>	<b>Postage on correspondence and delivery charges</b>	<b>71,750</b>
<b>238</b>	<b>Removals and other administrative expenditure</b>	<b>159,348</b>
<b>25</b>	<b>Operational activities</b>	<b>8,207,339</b>
<b>254</b>	<b>Meetings, conferences, congresses, seminars and other events</b>	<b>8,207,339</b>
2540	Miscellaneous expenditure on internal meetings	253,800
2542	Expenditure on the organisation of and participation in hearings and other events	614,289
2544	Costs of organising the CCMI	50,000
2546	Representation expenses	75,000
2548	Interpreting	7,214,250
<b>26</b>	<b>Communication, publications and acquisition of documentation</b>	<b>1,788,044</b>
<b>260</b>	<b>Communication, information and publications</b>	<b>1,288,326</b>
2600	Communication	789,880
2602	Publishing and promotion of publications	437,660
2604	Official Journal	60,786
<b>262</b>	<b>Acquisition of information, documentation and archiving</b>	<b>499,718</b>
2620	Studies, research and hearings	250,000
2622	Documentation and library expenditure	157,700
2624	Archiving and related work	92,018

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Committed	Committed (%)	Payments	Appropriations carried forward to 2019	Unused appropriations	Unused Appropriations (%)
38.110.408	97,97%	31.992.800	6.117.608	791.232	2,03%
21.475.411	99,52%	18.939.919	2.535.492	102.508	0,48%
<b>15.804.821</b>	<b>99,67%</b>	<b>14.797.160</b>	<b>1.007.660</b>	<b>51.843</b>	<b>0,33%</b>
2.149.624	99,68%	1.714.138	435.486	6.843	0,32%
12.167.997	99,63%	12.152.615	15.382	45.000	0,37%
23.052	100,00%	23.052	0	0	0,00%
1.222.712	100,00%	899.930	322.782	0	0,00%
241.436	100,00%	7.425	234.011	0	0,00%
<b>5.670.591</b>	<b>99,11%</b>	<b>4.142.759</b>	<b>1.527.831</b>	<b>50.664</b>	<b>0,89%</b>
2.670.606	100,00%	1.445.161	1.225.445	0	0,00%
790.311	100,00%	790.311	0	0	0,00%
2.168.364	99,77%	1.867.141	301.223	4.998	0,23%
41.310	47,50%	40.146	1.164	45.666	52,50%
6.782.712	98,64%	4.691.725	2.090.987	93.349	1,36%
<b>5.350.591</b>	<b>99,24%</b>	<b>3.856.975</b>	<b>1.493.616</b>	<b>41.109</b>	<b>0,76%</b>
1.987.332	99,94%	1.328.933	658.400	1.130	0,06%
2.155.596	99,97%	1.419.226	736.370	679	0,03%
1.207.662	96,85%	1.108.816	98.846	39.300	3,15%
<b>143.526</b>	<b>98,93%</b>	<b>11.477</b>	<b>132.049</b>	<b>1.547</b>	<b>1,07%</b>
<b>1.224.434</b>	<b>97,88%</b>	<b>770.674</b>	<b>453.760</b>	<b>26.554</b>	<b>2,12%</b>
<b>64.161</b>	<b>72,66%</b>	<b>52.598</b>	<b>11.562</b>	<b>24.139</b>	<b>27,34%</b>
387.048	85,58%	237.167	149.882	65.229	14,42%
<b>139.636</b>	<b>91,76%</b>	<b>108.557</b>	<b>31.079</b>	<b>12.543</b>	<b>8,24%</b>
<b>6.000</b>	<b>100,00%</b>	<b>594</b>	<b>5.406</b>	<b>0</b>	<b>0,00%</b>
<b>42.500</b>	<b>67,46%</b>	<b>7.000</b>	<b>35.500</b>	<b>20.500</b>	<b>32,54%</b>
<b>59.595</b>	<b>83,06%</b>	<b>27.595</b>	<b>32.000</b>	<b>12.155</b>	<b>16,94%</b>
<b>139.317</b>	<b>87,43%</b>	<b>93.421</b>	<b>45.896</b>	<b>20.031</b>	<b>12,57%</b>
7.839.069	95,51%	7.268.184	570.885	368.270	4,49%
<b>7.839.069</b>	<b>95,51%</b>	<b>7.268.184</b>	<b>570.885</b>	<b>368.270</b>	<b>4,49%</b>
239.414	94,33%	186.120	53.294	14.386	5,67%
452.809	73,71%	381.246	71.563	161.480	26,29%
12.596	25,19%	8.755	3.841	37.404	74,81%
50.000	66,67%	31.253	18.747	25.000	33,33%
7.084.250	98,20%	6.660.810	423.440	130.000	1,80%
1.626.167	90,95%	855.805	770.362	161.877	9,05%
<b>1.200.645</b>	<b>93,19%</b>	<b>644.106</b>	<b>556.539</b>	<b>87.681</b>	<b>6,81%</b>
771.549	97,68%	457.797	313.752	18.331	2,32%
382.551	87,41%	139.764	242.787	55.109	12,59%
46.545	76,57%	46.545	0	14.241	23,43%
<b>425.522</b>	<b>85,15%</b>	<b>211.699</b>	<b>213.823</b>	<b>74.196</b>	<b>14,85%</b>
192.817	77,13%	0	192.817	57.183	22,87%
150.182	95,23%	145.886	4.296	7.518	4,77%
82.524	89,68%	65.814	16.710	9.494	10,32%

#### **4.1 COMMENTS ON USE OF FINAL APPROPRIATIONS (C1) IN 2018**

For all budget headings with non-committed appropriations of more than EUR 25 000, representing more than 5% of the final appropriations, more detailed information is provided below.

##### **1008: Travel and subsistence allowances, attendance at meetings and associated expenditure of delegates of the Consultative Commission on Industrial Change**

❖ Amount not committed: EUR 30 000 (6.15%)

These appropriations are intended to cover the travel costs and allowances of delegates of the Consultative Committee on Industrial Change. Fewer referrals were received in 2018 and the number of CCMI own-initiative opinions was relatively limited. Due to the reduction in activity, a CCMI meeting representing 9.5% of the initial budget had to be cancelled.

##### **1420: Supplementary services for the translation service**

❖ Amount not committed: EUR 57 165 (5.05%)

This budget heading mainly covers translation outsourcing. Appropriations under this budget heading were increased in the context of the cooperation agreement signed with the EP and the resulting reduction in translation staff. In 2018, translation outsourcing reached 20.2%, slightly above the 20% target, compared to 17.1% in 2017. Despite the fact that workload was higher in 2018 than in 2017 (especially from September to December), good planning and the implementation of preventive measures in agreement with requesting services throughout this period meant that outsourcing could be kept at the anticipated level. As prices have gone down since the initial budget requests, the resulting amount needed for this outsourcing was lower. Prices are expected to increase in 2020 following a project in the European Parliament to accredit freelance translators, in which the EESC will be included under a new framework contract.

##### **1422: Expert advice connected with legislative work**

❖ Amount not committed: EUR 100 000 (13.67%)

The need for expert advice depends entirely on the type and number of opinions that the Committee has to produce. Close monitoring of costs and a reduced need for expert advice helped to limit spending.

**162: Missions**

- ❖ Amount not committed: EUR 34 145 (8.58%)

The average cost of missions cannot be predicted with a high level of accuracy, as it depends on the destination and the duration of the mission. Therefore, estimates for 2018 were based on the implementation in previous years, corrected for expected inflation, and included a safety margin in order to address the variable nature of this expenditure.

**1630: Social welfare**

- ❖ Amount not committed: EUR 30 500 (61.00%)

This appropriation is intended to assist staff and family members with disabilities and staff in particularly difficult situations. Due to the nature of this expense, the number of potential requests and the corresponding amount is difficult to forecast. The lower use of appropriations is explained by fewer requests for assistance from people with disabilities in 2018, and by the fact that a significant financial assistance case ended in 2017. However, as a single case can entail considerable costs, a sufficient safety margin must be kept.

**2028: Insurance**

- ❖ Amount not committed: EUR 45 666 (52.50%)

The ongoing property insurance contract has a deductible clause in the event of damage. An amount is kept in reserve to cover the deductible. Since there were no claims, this reserve was not spent.

**2542: Expenditure on the organisation of and participation in hearings and other events**

- ❖ Amount not committed: EUR 161 480 (26.29%)

Travel costs for external participants in hearings and other events are often covered by their own organisations and, when this is not the case, costs vary considerably depending on the country of origin and the venue of the event. Costs are therefore difficult to predict. In 2018, several participants' attendance was less costly than estimated. One planned event did not take place and others have been postponed to 2019, partly due to the large number of referrals that the Committee received in the second half of the year, to which it gave priority. As in previous years the EESC continued to reduce expenses for receptions.

**2544: Costs of organising the work of the Consultative Commission on Industrial Change (CCMI)**

- ❖ Amount not committed: EUR 37 404 (74.81%)

This budget item covers expenses similar to those on budget item 2542 but specifically for the Consultative Commission on Industrial Change (CCMI). In 2018, the CCMI dealt with fewer opinions that required major conferences with multiple speakers, and also held fewer meetings abroad. In the case of the three major events held abroad in connection with the "coal" round tables, the speakers and catering costs were paid for by the host organisations. Some debates initially scheduled, such as one on customs barriers to steel, were postponed.

**2602: Publishing and promotion of publications**

- ❖ Amount not committed: EUR 55 109 (12.59%)

The main reason for the low consumption is the ongoing transition from printed publications to digital formats. Furthermore, updates to existing digital publications and the production of new digital publications were cheaper than originally forecast due to a political decision to limit publications to the main languages (EN, FR, DE and others according to the context).

**2620: Studies, research and hearings**

- ❖ Amount not committed: EUR 57 183 (22.87%)

This appropriation is intended to cover the cost of hearings of experts in specific fields and studies contracted out to experts and research institutes. The lower consumption is partially linked to the change in the Committee presidency and the presidency of most of the Committee's sections. The need to establish new priorities for the EESC and for the sections led to fewer requests from the requesting services. The underutilisation is also attributable to the fact that a number of tenders could be awarded at a lower price than planned and that one planned study was cancelled.



5. USE OF APPROPRIATIONS AUTOMATICALLY CARRIED FORWARD FROM 2017 TO 2018 (C8)

Total	
<b>1</b>	<b>Persons working with the institution</b>
10	Members of the institution and delegates
<b>100</b>	<b>Specific allowances and payments</b>
1000	Specific allowances and payments
1004	Travel and subsistence allowances, attendance at meetings and associated expenditure
1008	Travel and subsistence allowances, attendance at meetings and associated expenditure of delegates of the CCMI
<b>105</b>	<b>Further training, language courses and other training</b>
12	Officials and temporary staff
<b>120</b>	<b>Remuneration and other entitlements</b>
1200	Remuneration and allowances
1204	Entitlements on entering the service, transfer and leaving the service
14	Other staff and external services
<b>140</b>	<b>Other staff and external persons</b>
1400	Other staff
1404	Graduate traineeships, grants and exchanges of officials
<b>142</b>	<b>External services</b>
1420	Supplementary services for the translation service
1422	Expert advice connected with legislative work
1424	Interinstitutional cooperation and external services in the field of personal management
16	Other expenditure relating to persons working with the institution
<b>161</b>	<b>Expenditure relating to staff management</b>
1610	Expenditure on recruitment
1612	Further training
<b>162</b>	<b>Missions</b>
<b>163</b>	<b>Activities relating to all persons working with the institution</b>
1630	Social welfare
1632	Social contacts between members of staff and other social measures
1634	Medical service
1638	Early childhood centre and approved day nurseries



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Appropriations	Payments	Payments (%)	Unused	Unused (%)
9,838,902	7,627,504	77.52%	2,211,398	22.48%
2,629,110	1,262,764	48.03%	1,366,345	51.97%
1,894,554	775,947	40.96%	1,118,606	59.04%
<b>1,876,030</b>	<b>762,570</b>	<b>40.65%</b>	<b>1,113,459</b>	<b>59.35%</b>
3,048	0	0.00%	3,048	100.00%
1,788,288	752,324	42.07%	1,035,964	57.93%
84,693	10,246	12.10%	74,447	87.90%
<b>18,524</b>	<b>13,377</b>	<b>72.22%</b>	<b>5,147</b>	<b>27.78%</b>
15,351	3,178	20.70%	12,173	79.30%
<b>15,351</b>	<b>3,178</b>	<b>20.70%</b>	<b>12,173</b>	<b>79.30%</b>
13,726	1,553	11.31%	12,173	88.69%
1,625	1,625	100.00%	0	0.00%
255,272	206,817	81.02%	48,456	18.98%
<b>76,155</b>	<b>65,514</b>	<b>86.03%</b>	<b>10,641</b>	<b>13.97%</b>
19,163	16,411	85.64%	2,752	14.36%
56,992	49,103	86.16%	7,889	13.84%
<b>179,117</b>	<b>141,303</b>	<b>78.89%</b>	<b>37,815</b>	<b>21.11%</b>
115,405	106,501	92.28%	8,904	7.72%
43,961	25,232	57.40%	18,729	42.60%
19,752	9,570	48.45%	10,182	51.55%
463,932	276,822	59.67%	187,110	40.33%
<b>170,604</b>	<b>127,455</b>	<b>74.71%</b>	<b>43,148</b>	<b>25.29%</b>
1,363	61	4.48%	1,302	95.52%
169,241	127,394	75.27%	41,846	24.73%
<b>76,887</b>	<b>43,668</b>	<b>56.79%</b>	<b>33,220</b>	<b>43.21%</b>
<b>216,441</b>	<b>105,699</b>	<b>48.83%</b>	<b>110,742</b>	<b>51.17%</b>
24,907	14,153	56.82%	10,754	43.18%
37,099	17,718	47.76%	19,381	52.24%
33,116	22,626	68.32%	10,489	31.68%
121,319	51,201	42.20%	70,118	57.80%

<b>2</b>	<b>Buildings, furniture, equipment and miscellaneous operating expenditure</b>
<b>20</b>	<b>Buildings and associated costs</b>
<b>200</b>	<b>Buildings</b>
2000	Rent
2001	Annual lease payments and similar expenditure
2003	Purchase of premises
2007	Fitting-out of premises
2008	Other expenditure on buildings
<b>202</b>	<b>Other expenditure on buildings</b>
2022	Cleaning and maintenance
2026	Security and surveillance
2028	Insurance
<b>21</b>	<b>Data processing, equipment and furniture: purchase, hire and maintenance</b>
<b>210</b>	<b>Equipment, operating costs and services relating to data-processing and telecommunications</b>
2100	Purchase, servicing and maintenance of equipment and software, and related work
2102	Outside assistance for the operation, development and maintenance of software systems
2103	Telecommunications
<b>212</b>	<b>Furniture</b>
<b>214</b>	<b>Technical equipment and installations</b>
<b>216</b>	<b>Vehicles</b>
<b>23</b>	<b>Current administrative expenditure</b>
<b>230</b>	<b>Stationery, office supplies and miscellaneous consumables</b>
<b>231</b>	<b>Financial charges</b>
<b>232</b>	<b>Legal costs and damages</b>
<b>236</b>	<b>Postage on correspondence and delivery charges</b>
<b>238</b>	<b>Removals and other administrative expenditure</b>
<b>25</b>	<b>Operational activities</b>
<b>254</b>	<b>Meetings, conferences, congresses, seminars and other events</b>
2540	Miscellaneous expenditure on internal meetings
2542	Expenditure on the organisation of and participation in hearings and other events
2544	Costs of organising the CCMI
2546	Representation expenses
2548	Interpreting
<b>26</b>	<b>Communication, publications and acquisition of documentation</b>
<b>260</b>	<b>Communication, information and publications</b>
2600	Communication
2602	Publishing and promotion of publications
<b>262</b>	<b>Acquisition of information, documentation and archiving</b>
2620	Studies, research and hearings
2622	Documentation and library expenditure

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Appropriations	Payments	Payments (%)	Unused	Unused (%)
7,209,792	6,364,740	88.28%	845,052	11.72%
3,350,829	3,027,968	90.36%	322,861	9.64%
<b>1,276,811</b>	<b>1,117,663</b>	<b>87.54%</b>	<b>159,147</b>	<b>12.46%</b>
578,162	428,952	74.19%	149,210	25.81%
278,117	278,117	100.00%	0	0.00%
45,001	36,331	80.73%	8,670	19.27%
362,875	362,047	99.77%	828	0.23%
12,655	12,216	96.53%	439	3.47%
<b>2,074,019</b>	<b>1,910,305</b>	<b>92.11%</b>	<b>163,714</b>	<b>7.89%</b>
1,610,855	1,484,188	92.14%	126,666	7.86%
462,378	425,974	92.13%	36,404	7.87%
786	143	18.14%	644	81.86%
2,146,588	2,064,528	96.18%	82,060	3.82%
<b>1,010,340</b>	<b>967,071</b>	<b>95.72%</b>	<b>43,269</b>	<b>4.28%</b>
476,163	475,839	99.93%	324	0.07%
414,938	411,927	99.27%	3,011	0.73%
119,239	79,305	66.51%	39,933	33.49%
52,412	51,599	98.45%	813	1.55%
<b>1,071,829</b>	<b>1,042,518</b>	<b>97.27%</b>	<b>29,311</b>	<b>2.73%</b>
12,007	3,340	27.81%	8,667	72.19%
216,211	135,264	62.56%	80,948	37.44%
<b>91,616</b>	<b>82,649</b>	<b>90.21%</b>	<b>8,967</b>	<b>9.79%</b>
3,985	1,881	47.21%	2,104	52.79%
30,500	19,500	63.93%	11,000	36.07%
47,453	14,548	30.66%	32,905	69.34%
42,657	16,685	39.11%	25,972	60.89%
608,669	435,700	71.58%	172,969	28.42%
<b>608,669</b>	<b>435,700</b>	<b>71.58%</b>	<b>172,969</b>	<b>28.42%</b>
63,795	49,356	77.37%	14,439	22.63%
93,451	58,049	62.12%	35,402	37.88%
232	0	0.00%	232	100.00%
16,941	5,780	34.12%	11,161	65.88%
434,250	322,515	74.27%	111,735	25.73%
887,495	701,280	79.02%	186,215	20.98%
<b>636,126</b>	<b>465,650</b>	<b>73.20%</b>	<b>170,477</b>	<b>26.80%</b>
318,620	190,010	59.64%	128,610	40.36%
317,507	275,640	86.81%	41,866	13.19%
<b>251,368</b>	<b>235,630</b>	<b>93.74%</b>	<b>15,738</b>	<b>6.26%</b>
167,460	152,460	91.04%	15,000	8.96%
83,909	83,171	99.12%	738	0.88%

**5.1 COMMENTS ON USE OF APPROPRIATIONS AUTOMATICALLY CARRIED FORWARD FROM 2017 TO 2018 (C8)**

For all budget headings with appropriations carried forward from 2017 to 2018 of which more than EUR 25 000 remained unused, representing more than 5% of the amount carried forward, more detailed information is provided below.

**1004: Travel and subsistence allowances, attendance at meetings and associated expenditure**

❖ Unused amount: EUR 1 035 964 (57.93%)

This budget heading covers travel expenses and allowances for members. Reimbursement claims for meetings in 2017 could be submitted until 30 October 2018, and a certain amount therefore had to be carried forward to cover any remaining expenditure for 2017; however, the carry forward was overestimated.

**1008: Travel and subsistence allowances, attendance at meetings and associated expenditure of delegates of the Consultative Commission on Industrial Change**

❖ Unused amount: EUR 74 447 (87.90%)

This budget heading covers travel expenses and allowances of delegates of the Consultative Commission on Industrial Change. Reimbursement claims for meetings in 2017 could be submitted until 30 October 2018, and a certain amount therefore had to be carried forward to cover any remaining expenditure for 2017; however, the carry forward was overestimated.

**1612: Further training**

❖ Unused amount: EUR 41 846 (24.73%)

The amount carried forward from 2017 to 2018 was overestimated, especially in the fields of inter-institutional language training and inter-institutional IT training. Inter-institutional training costs in particular for the last two quarters of 2017 were affected by inaccurate indicative prices, and led to under-consumption of the appropriations carried forward. A new service level agreement with the Commission in this area entered into force on 1 January 2018, which will prevent this uncertainty in the future by operating with one global amount for all training.

**162: Mission expenses**

- ❖ Unused amount: EUR 33 220 (43.21%)

The amount carried forward from 2017 to 2018 was overestimated due to imprecision in the estimations. For 2018, corrective actions have been taken to reduce the amount carried forward.

**1638: Early Childhood Centre and approved day nurseries**

- ❖ Unused amount: EUR 70 118 (57.80%)

The appropriations are based on the estimated annual cost provided by the Commission, and the final amount for each year is not known until the following year. The whole budget for 2017 was committed based on an upward-revised Commission estimation from October 2017, which followed a lower initial estimation received in March 2017. The final debit note from the Commission arrived in September 2018 and the amount to be paid was far lower than indicated in the estimates.

**2000: Rent**

- ❖ Unused amount: EUR 149 210 (25.81%)

The final amount to be paid for energy and water consumption in the rented VM-2 building was only confirmed when the invoices were received in 2018. Indexation and actual consumption were lower than expected.

**2022: Cleaning and maintenance**

- ❖ Unused amount: EUR 126 666 (7.86%)

The underutilisation is explained by the discrepancy between the estimated costs for various building maintenance, technical assistance and possible other activities and the final invoices received for these services. This difference is linked to a certain safety margin included in the estimation to cover any unforeseen events and any activities at year-end. The exact amount to be paid was only known upon receipt of the final invoices in November 2018.

**2026: Security and surveillance**

- ❖ Unused amount: EUR 36 404 (7.87%)

Commitments for services related in particular to security staff in the VM-2 building had to be made in 2017 based on estimates. The final amount invoiced by the Commission at the beginning of 2018 was much lower than planned.

**2103: Telecommunications**

- ❖ Unused amount: EUR 39 933 (33.49%)

EESC members are entitled to receive a contribution towards their IT, telecommunications and electronic office equipment expenses during their term of office, provided that they attend at least 50% of the plenary sessions and their section meetings. This also applies to CCMI delegates who attend at least 50% of CCMI meetings. The period for which the attendance is calculated extends into the following year, and the corresponding appropriations are carried forward in order to ensure that legitimate requests from all members can be met. Some of the appropriations carried forward therefore remained unused, as several beneficiaries did not meet the conditions necessary to obtain the allowance.

For telecommunications expenses managed by the joint services, the definitive amount due is known only in the following year. Therefore, commitments have to be based on estimates containing a safety reserve, as changes in communications consumption and prices are uncertain. This margin turned out to be too high.

**236: Postage on correspondence and delivery charges**

- ❖ Unused amount: EUR 32 905 (69.34%)

Costs for mail and parcel delivery covered by this budget item are subject to variability depending on how much mail the requesting services send. Due to a delay in the invoicing, a reserve has to be provided to be able to meet all obligations incurred by the end of the year.

**238: Removal costs and other administrative expenditure**

- ❖ Unused amount: EUR 25 972 (60.89%)

The number of movers needed for the plenary session and events in December as well as for internal removals at the end of the year was partly overestimated. Furthermore, a change in

contractor at the end of 2017 made it more difficult to estimate spending. Invoices for other administrative expenditure were also lower than anticipated due to a safety margin for unexpected events.

**2542: Expenditure on the organisation of and participation in hearings and other events**

❖ Unused amount: EUR 35 402 (37.88%)

Appropriations were carried forward to cover the expenditure that could not be settled in 2017. Most of the commitments carried forward were linked to hearings in December 2017 and to speakers' reimbursements, for which participants ultimately did not fill in the necessary request forms.

**2548: Interpreting**

❖ Unused amount: EUR 111 735 (25.73%)

Appropriations carried forward cover the expenditure that could not be paid in 2017, with a certain safety margin. The safety margin allows for the possibility of additional hours when meetings take longer than anticipated, and is also kept in order to be able to arrange meetings at the last minute, in Brussels or abroad. The forecast is based on a scenario where all languages requested are obtained. Actual consumption cannot be predicted with 100% accuracy as changes in agendas, participants and the availability of languages have an impact on the calculation. The exact amount is only known when invoices are received.

**2600: Communication**

❖ Unused amount: EUR 128 610 (40.36%)

The unused amount is due to the fact that a relatively high reserve was kept for communication activities to be concluded based on framework contracts. Some of the projects that were planned in this context at the end of 2017 did not ultimately take place. Additionally, some communication activities on environmental projects for which an amount was reserved did not materialise at the frequency initially planned.

**2602: Publishing and promotion of publications**

- ❖ Unused amount: EUR 41 866 (13.19%)

The contribution to the EU Publications Office for general publications was lower than expected, and the invoicing for the "Official Directory" was discontinued. Furthermore, there was less usage of article writing than expected. For these reasons, the final invoicing was less than initially estimated.





6. USE OF ASSIGNED REVENUE IN 2018 (C4)

		Final Appropriations
<b>Total</b>		<b>3,738,126</b>
<b>1</b>	<b>Persons working with the institution</b>	<b>70,014</b>
10	Members of the institution and delegates	69,627
<b>100</b>	<b>Specific allowances and payments</b>	<b>69,627</b>
1004	Travel and subsistence allowances, attendance at meetings and associated expenditure	69,627
12	Officials and temporary staff	387
<b>120</b>	<b>Remuneration and other entitlements</b>	<b>387</b>
1200	Remuneration and allowances	387
<b>2</b>	<b>Buildings, furniture, equipment and miscellaneous operating expenditure</b>	<b>3,668,112</b>
20	Buildings and associated costs	3,127,690
<b>200</b>	<b>Buildings</b>	<b>1,545,339</b>
2000	Rent	1,545,339
<b>202</b>	<b>Other expenditure on buildings</b>	<b>1,582,351</b>
2022	Cleaning and maintenance	4,722
2026	Security and surveillance	1,577,629
21	Data processing, equipment and furniture: purchase, hire and maintenance	481,614
<b>210</b>	<b>Equipment, operating costs and services relating to data-processing and telecommunications</b>	<b>168,797</b>
2103	Telecommunications	168,797
<b>214</b>	<b>Technical equipment and installations</b>	<b>284,460</b>
<b>216</b>	<b>Vehicles</b>	<b>28,356</b>
23	Current administrative expenditure	43,015
<b>230</b>	<b>Stationery, office supplies and miscellaneous consumables</b>	<b>36,014</b>
<b>232</b>	<b>Legal costs and damages</b>	<b>7,001</b>
25	Operational activities	3,029
<b>254</b>	<b>Meetings, conferences, congresses, seminars and other events</b>	<b>3,029</b>
2542	Expenditure on the organisation of and participation in hearings and other events	170
2546	Representation expenses	70
2548	Interpreting	2,790
26	Communication, publications and acquisition of documentation	12,764
<b>260</b>	<b>Communication, information and publications</b>	<b>375</b>
2600	Communication	375
<b>262</b>	<b>Acquisition of information, documentation and archiving</b>	<b>12,389</b>
2622	Documentation and library expenditure	12,389

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Committed	Committed (%)	Payments	Payments (%)	Outstanding commitments	Available credits	Available percentage
3,700,396	98.99%	3,311,815	89.50%	388,581	37,729	1.01%
70,014	100.00%	70,014	100.00%	0	0	0.00%
69,627	100.00%	69,627	100.00%	0	0	0.00%
69,627	100.00%	69,627	100.00%	0	0	0.00%
69,627	100.00%	69,627	100.00%	0	0	0.00%
387	100.00%	387	100.00%	0	0	0.00%
387	100.00%	387	100.00%	0	0	0.00%
387	100.00%	387	100.00%	0	0	0.00%
3,630,382	98.97%	3,241,801	89.30%	388,581	37,729	1.03%
3,127,677	100.00%	3,011,245	96.28%	116,432	13	0.00%
1,545,339	100.00%	1,545,339	100.00%	0	0	0.00%
1,545,339	100.00%	1,545,339	100.00%	0	0	0.00%
1,582,338	100.00%	1,465,906	92.64%	116,432	13	0.00%
4,722	100.00%	0	0.00%	4,722	0	0.00%
1,577,617	100.00%	1,465,906	92.92%	111,710	13	0.00%
450,968	93.64%	193,012	42.80%	257,955	30,646	6.36%
166,507	98.64%	150,710	90.51%	15,797	2,290	1.36%
166,507	98.64%	150,710	90.51%	15,797	2,290	1.36%
284,460	100.00%	42,302	14.87%	242,158	0	0.00%
0	0.00%	0		0	28,356	100.00%
36,014	83.72%	21,990	61.06%	14,024	7,001	16.28%
36,014	100.00%	21,990	61.06%	14,024	0	0.00%
0	0.00%	0		0	7,001	100.00%
2,960	97.70%	2,790	94.27%	170	70	2.30%
2,960	97.70%	2,790	94.27%	170	70	2.30%
170	100.00%	0	0.00%	170	0	0.00%
0	0.00%	0		0	70	100.00%
2,790	100.00%	2,790	100.00%	0	0	0.00%
12,764	100.00%	12,764	100.00%	0	0	0.00%
375	100.00%	375	100.00%	0	0	0.00%
375	100.00%	375	100.00%	0	0	0.00%
12,389	100.00%	12,389	100.00%	0	0	0.00%
12,389	100.00%	12,389	100.00%	0	0	0.00%

7. RE-USED ASSIGNED REVENUE FROM 2017 (C5)

		Final Appropriations
<b>Total</b>		<b>56,154</b>
<b>1</b>	<b>Persons working with the institution</b>	<b>21,411</b>
10	Members of the institution and delegates	21,411
<b>100</b>	<b>Specific allowances and payments</b>	<b>21,411</b>
1004	Travel and subsistence allowances, attendance at meetings and associated expenditure	21,411
<b>2</b>	<b>Buildings, furniture, equipment and miscellaneous operating expenditure</b>	<b>34,743</b>
20	Buildings and associated costs	4,200
<b>202</b>	<b>Other expenditure on buildings</b>	<b>4,200</b>
2026	Security and surveillance	4,200
21	Data processing, equipment and furniture: purchase, hire and maintenance	29,012
<b>210</b>	<b>Equipment, operating costs and services relating to data-processing and telecommunications</b>	<b>7,045</b>
2100	Purchase, servicing and maintenance of equipment and software, and related work	3,579
2103	Telecommunications	3,466
<b>214</b>	<b>Technical equipment and installations</b>	<b>21,967</b>
23	Current administrative expenditure	145
<b>230</b>	<b>Stationery, office supplies and miscellaneous consumables</b>	<b>145</b>
25	Operational activities	962
<b>254</b>	<b>Meetings, conferences, congresses, seminars and other events</b>	<b>962</b>
2542	Expenditure on the organisation of and participation in hearings and other events	962
26	Communication, publications and acquisition of documentation	425
<b>260</b>	<b>Communication, information and publications</b>	<b>425</b>
2600	Communication	425

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Committed	Committed (%)	Payments	Payments (%)	Outstanding commitments	Available credits	Available percentage
55,498	98.83%	33,930	61.14%	21,568	656	1.17%
21,411	100.00%	21,411	100.00%	0	0	0.00%
21,411	100.00%	21,411	100.00%	0	0	0.00%
21,411	100.00%	21,411	100.00%	0	0	0.00%
21,411	100.00%	21,411	100.00%	0	0	0.00%
34,087	98.11%	12,519	36.73%	21,568	656	1.89%
4,200	100.00%	4,200	100.00%	0	0	0.00%
4,200	100.00%	4,200	100.00%	0	0	0.00%
4,200	100.00%	4,200	100.00%	0	0	0.00%
29,012	100.00%	7,444	25.66%	21,568	0	0.00%
7,045	100.00%	7,045	100.00%	0	0	0.00%
3,579	100.00%	3,579	100.00%	0	0	0.00%
3,466	100.00%	3,466	100.00%	0	0	0.00%
21,967	100.00%	398	1.81%	21,568	0	0.00%
145	100.00%	145	100.00%	0	0	0.00%
145	100.00%	145	100.00%	0	0	0.00%
306	31.81%	306	100.00%	0	656	68.19%
306	31.81%	306	100.00%	0	656	68.19%
306	31.81%	306	100.00%	0	656	68.19%
425	100.00%	425	100.00%	0	0	0.00%
425	100.00%	425	100.00%	0	0	0.00%
425	100.00%	425	100.00%	0	0	0.00%

8. APPROPRIATIONS FROM EXTERNAL ASSIGNED REVENUE (R0)

		<b>Final appropriations</b>
<b>Total</b>		<b>320,744</b>
<b>2</b>	<b>Buildings, furniture, equipment and miscellaneous operating expenditure</b>	<b>320,744</b>
25	Operational activities	320,744
<b>254</b>	<b>Meetings, conferences, congresses, seminars and other events</b>	<b>320,744</b>
2542	Expenditure on the organisation of and participation in hearings and other events	320,744

III.

Annual Budgetary Accounts 2018  
and Report on Budgetary and Financial Management

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Committed	Committed (%)	Payments	Payments (%)	Outstanding commitments	Available credits	Available percentage
122,635	38.23%	70,409	57.41%	52,226	198,109	61.77%
122,635	38.23%	70,409	57.41%	52,226	198,109	61.77%
122,635	38.23%	70,409	57.41%	52,226	198,109	61.77%
122,635	38.23%	70,409	57.41%	52,226	198,109	61.77%
122,635	38.23%	70,409	57.41%	52,226	198,109	61.77%

## 9. EESC BUDGET RESULT

2018	EUR
Revenue for the financial year	16,175,906
Payments against current year's budget appropriations	-125,606,647
Payments against assigned revenue appropriations	-3,416,154
Payment appropriations carried over to year N+1	-8,204,796
Cancellation of unused payment appropriations carried over from year N-1	2,211,398
Evolution of assigned revenue	-642,716
Exchange differences for the year (symbolic)	0
<b>Budget result</b>	<b>-119,483,010</b>



# PART IV

## Appendices



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## 1. INTERNAL CONTROL ENVIRONMENT: STATE OF PLAY

In the course of 2018, the EESC's internal control environment was revamped and a new methodology for assessment put in place.

An internal control coordinator (administrator post) was appointed in June 2018 and the internal control environment was formally established.

In July 2018, a decision<sup>1</sup> on internal control standards was updated, formalising the existence of an internal control process within the EESC.

The following tasks were carried out in the second half of 2018:

- A new intranet page dedicated to internal control was created; it is the repository of all relevant decisions and information relating to internal control at the EESC and is accessible to all staff.
- Training sessions were organised for staff responsible for implementing the entire internal control environment.
- The internal control coordinator chaired a working group for internal control, comprising representatives from each directorate/department at the EESC.
- A specific article on internal control capability was added to the new Internal Financial Rules<sup>2</sup> (rules approved by the Bureau in December 2018).

At the end of 2018, the EESC launched an exercise for compliance with the 16 internal control standards; compliance was assessed by means of an ad hoc questionnaire made up of 35 questions. Each question quantified and qualified the degree of compliance with each of the control standards. A report was then submitted to the authorising officer by delegation.

On the basis of that report, the authorising officer by delegation decided on the following measures for 2019, aimed at further improving compliance with the internal control standards (ICS):

- ICS 2 Ethics and integrity training sessions: ensuring that all staff follow appropriate training (i.e. not only newcomers);
- ICS 6 Risk management: putting in place a common framework for assessing the risks at the level of each directorate/department;
- ICS 7 Operational Structure: updating identification of sensitive functions and putting in place controls to mitigate related risks;
- ICS 12 Information and communication: putting in place a process to assess the effectiveness of internal communication.

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<sup>1</sup> Decision n° 190/18 A.

<sup>2</sup> Decision n° 309/18 A.

## **2. MAIN RECOMMENDATIONS OF THE INTERNAL AUDITOR CONTAINED IN AUDIT REPORTS PRODUCED IN 2018 AND ACTION TAKEN TILL DATE**

### **2.1 AUDITS AND INVESTIGATIONS OF THE INTERNAL AUDIT SERVICE**

In 2018, an audit on salary payment procedures was finalised, an audit on compliance with institutional deadlines was initiated, and an investigation into the process of reviewing the Rules of Procedure was carried out at the Bureau's request.

#### *Audit on salary payment procedures*

The audit on salary payments initiated in 2017 was finalised in 2018. Salaries make up around 50% of the EESC budget. The aim of this audit was to provide assurance that procedures had improved after an audit carried out in 2010 showed tasks and responsibilities to be inadequately aligned between the Directorate for Human Resources and the Directorate for Budget and Finance. In 2015, the Salary Sector was moved from the Directorate for Budget and Finance to the Directorate for Human Resources to ensure closer coordination of the various types of payments to staff (in 2017 the two directorates were merged to become the Directorate for Human Resources and Finance).

The audit found the salary payment process to be stable and not to pose any undue risks. Overall, controls were seen as effective, although there were minor issues to address. More attention to the coordination of responsibilities, workflows and controls was advised to avoid duplication or gaps. It was recommended in particular that an overall control concept be established covering all relevant entities and processes in the Directorate for Human Resources and Finance.

By the end of 2018, part of the agreed action plan had already been implemented by the Salary Sector: a salary payment manual had been drawn up, a clear overview of types of payments established, and the business continuity plan for salary payments updated. All other elements of the agreed action plan are scheduled for implementation by the end of 2019.

#### *Audit on compliance with institutional deadlines*

The audit on compliance with institutional deadlines was initiated in late 2018 by agreement between the Internal Auditor and the Audit Committee. This audit is also included in the 2019 work programme and will be explained in more detail in the next annual report.

#### *Investigation into the Rules of Procedure review*

At its meeting on 13 March, the Bureau decided to ask the Audit Committee to investigate the role of the secretariat in the revision of the Committee's Rules of Procedure. That task was then carried out by the IAS, with no further involvement of the Audit Committee.

Based on a thorough analysis, the IAS came to the conclusion that the secretariat – i.e. the Registry, the Translation Service, and the Legal Service – had coordinated a challenging task smoothly under tight deadlines, ensuring timely, correct and balanced involvement of all those concerned.

In the report, the IAS also put forward a number of ideas for the continuing Rules of Procedure review, which had effectively been put on hold in March 2018 (the Rules of Procedure Panel held its last meeting on 22 February 2018).

## **2.2 OTHER ACTIVITIES OF THE INTERNAL AUDIT SERVICE**

The activities of the IAS in 2018 also included:

### ***Consultation***

The IAS was consulted on two occasions in relation to new drafts of the Committee's internal financial rules that entered into force on 11 July 2018 and on 1 January 2019 respectively.

### ***Establishment of control standards and risk analysis***

In 2018, an additional post of administrator was given to the Finance and Financial Verification Unit under the Directorate for Human Resources and Finance for the purpose of establishing new control standards. The IAS remains in close contact with the Finance and Financial Verification Unit, which is making good progress on this issue.

### ***Cooperation with other institutions***

Ongoing cooperation with the CoR's Internal Audit Service is important given that the two Committees share their logistics and translation directorates. This cooperation is largely defined in the EESC-CoR Cooperation Agreement (2016-2019). The IAS also cooperates directly with the European Court of Auditors in certain matters.

### ***Training***

Continual upgrading of knowledge and skills, which also allows for extensive experience-sharing with colleagues in other institutions, is crucial for a small service like the IAS. The IAS administrator achieved CGAP (Certified Government Auditing Professional) certification in late 2018.

### ***Annual work programme and risk assessment***

Each year the IAS draws up a work programme for the coming year based on its own risk assessment, which was in fact the Committee's only risk assessment in 2018.



### 2.3 FRAMEWORK FOR THE INTERNAL AUDIT SERVICE

#### *Audit universe*

The EESC's Internal Audit Service (IAS) covers in principle all activities, services and appropriations managed by the EESC, both in the Committee itself and in the Joint Services (the directorates for logistics and translation). The IAS collaborates closely with the Internal Audit Service of the European Committee of the Regions (CoR) on audits concerning the Joint Services, under the provisions of the EESC-CoR Cooperation Agreement.

#### *Internal Audit Service*

Currently, three posts are earmarked for the IAS in the EESC's establishment plan: the internal auditor, one administrator, and one assistant. During most of 2018 the service functioned without an assistant, due to sickness; activities clearly suffered from this situation, which predated 2018. However, a replacement should be recruited in early 2019.

A new internal auditor was appointed as of 1 July, which had some impact on working methods and activities in 2018. The IAS administrator played a pivotal role in ensuring business continuity throughout the year.

The IAS reports to the president of the Committee but is administratively attached to the secretary-general.

#### *Statement of assurance and discharge*

The IAS is not directly involved in either the audit work carried out by the European Court of Auditors in the context of its annual statement of assurance or in the European Parliament's discharge procedure. The Budget Unit, under the Directorate for Human Resources and Finance, is responsible for both tasks, but the IAS is informed of any coordination with the European Court of Auditors and receives all relevant documents relating to the drawing-up of the budget, the budget outturn, and the discharge procedure.

### 2.4 AUDIT COMMITTEE

The Audit Committee consists of three EESC members, supported by an external expert in audit matters. The Audit Committee ensures the independence of the Internal Auditor, monitors the quality of the internal audit work, and ensures that internal and external audit recommendations are properly taken into account and followed up on by the Committee.

In 2018, the Audit Committee held five meetings. The IAS provides all necessary technical assistance to the Audit Committee and organises all its meetings.

The EU's new Financial Regulation of 18 July 2018 introduced a specific article, Article 123, on the establishment of internal audit progress committees. Currently, the Committee's Audit Committee is not mentioned in the Committee's Rules of Procedure, and after discussion the Audit Committee has strongly advocated that this be addressed in the work of the Rules of Procedure Panel in 2019.

### 3. DISPOSING OF FIXED ASSETS 2018

#### **Financial Regulation, Art. 157: The Inventory**

1.1 *Each institution and body referred to in Article 141 shall keep inventories showing the quantity and value of all the Union's tangible, intangible and financial assets in accordance with a model drawn up by the accounting officer of the Commission.*

*Each institution and body referred to in Article 141 shall check that entries in the inventory correspond to the actual situation."*

1.2 *The sale of the Union's tangible assets shall be suitably advertised.*

#### **Rules of Application, Art. 253: Procedure for disposing of tangible assets**

*A statement or record shall be drawn up by the authorising officer whenever any property in the inventory, including buildings, is sold, given away free of charge, scrapped, hired out or missing on account of loss, theft or any other reason.*

*The statement or record shall indicate in particular whether the item must be replaced at the expense of an official or other servant of the Union or any other person.*

*Where immovable property or major installations are made available free of charge, a contract must be drawn up and the case notified in an annual report sent to the European Parliament and the Council when the draft budget is presented.*

*Members, officials or other servants and any other staff of the institutions and bodies referred to in Article 141 of the Financial Regulation may not be recipients of the property in the inventory given away free of charge or scrapped.*

### **3.1 DISPOSING OF IMMOVABLE PROPERTY OR MAJOR INSTALLATIONS FREE OF CHARGE IN 2018**

No immovable property or major installations were made available free of charge by the European Economic and Social Committee during 2018.

## 4. KEY ACTIVITY AND PERFORMANCE INDICATORS ("KAPIS")

### 4.1 INTRODUCTION

According to the Financial Regulation (articles 30.3 and 38.3 (e) (i)) and its Rules of Application (article 18), every institution must define and report annually on a set of performance indicators.

The EESC secretariat has therefore developed a set of indicators for all its directorates. Some measure the level of performance (e.g. payment lead times), whilst others measure the level of activity (e.g. a production volume). These are referred to as Key Activity and Performance Indicators (KAPIs). The KAPIs in this appendix refer to the situation in 2018, unless otherwise indicated.

The KAPI initiative is not a top-down exercise. It is, first and foremost, a management tool for the competent services and heads of units and a means to raise awareness about performance amongst all members of staff. Moreover, the exercise gives transparency to the Committee's work, not only for members or senior management, but also vis-à-vis the other institutions.

KAPIs are tools and care should be taken when interpreting them. It is not so much their absolute values as their evolution over time that can reveal trends that may need to be addressed.

KAPIs are presented by directorate and the unit monitoring them but they may reflect an overall situation, such as the absence rate in the secretariat.

For internal purposes, most KAPIs are measured on a monthly basis. For this annual activity report, only annual data have been included.

KAPIs evolve along with the secretariat's activities and organisation and are reviewed regularly.

#### *Abbreviations*

For the indicators in this area, the following abbreviations are used:

AD = administrators

AST = assistants

CT = contract agents (CT-S = structural contract agents)

EN = seconded national experts

F = female

FS = officials on probation

FT = established officials

FTE = full-time equivalents

JS = Joint Services (shared by the EESC and the CoR)

M = male

SC = secretaries/clerks

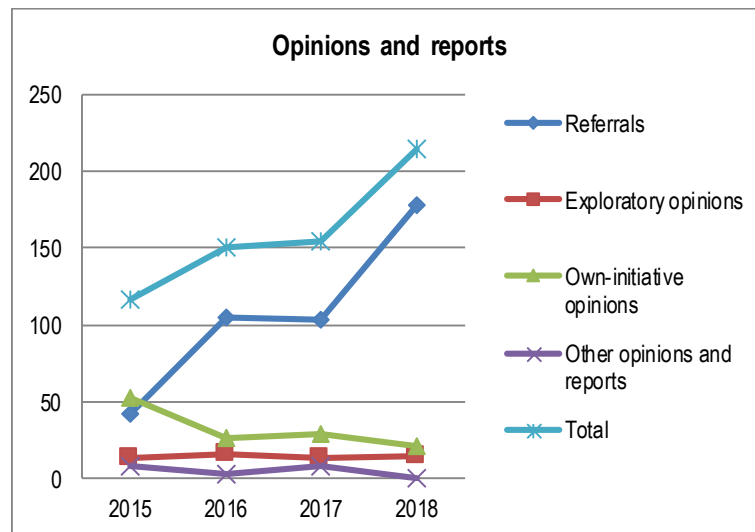
TP = temporary agents

## 4.2 DIRECTORATES FOR LEGISLATIVE WORK

### Opinions and reports

This indicator measures the number of opinions and reports adopted by the Committee.

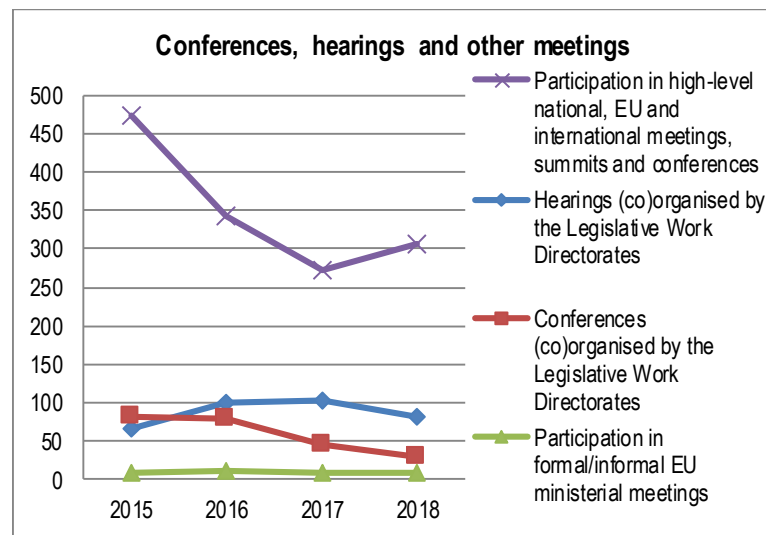
Opinions and reports					
	Referrals	Exploratory opinions	Own-initiative opinions	Other opinions and reports	Total
2018	178	15	21	1	215
2017	104	13	29	9	155
2016	105	16	27	3	151
2015	42	13	53	9	117



### Conferences, hearings and other meetings

This indicator measures the number of meetings organised by the EESC and the participation of EESC members in high-level conferences.

Conferences, hearings and other meetings				
	Hearings (co)organised by the Legislative Work Directorates	Conferences (co)organised by the Legislative Work Directorates	Participation in formal/informal EU ministerial meetings	Participation in high-level national, EU and international meetings, summits and conferences
2018	81	30	8	307
2017	102	46	9	273
2016	100	79	11	343
2015	67	82	8	474

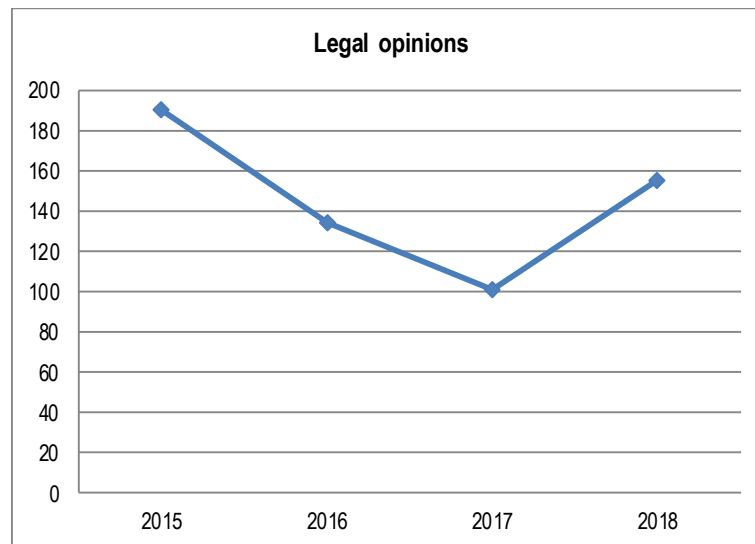


#### 4.3 DIRECTORATE FOR LEGISLATIVE PLANNING, RELATIONS WITH INSTITUTIONS AND CIVIL SOCIETY

##### Legal opinions

This indicator measures the number of legal opinions issued by the Legal Service.

	Legal opinions
2018	155
2017	101
2016	134
2015	190

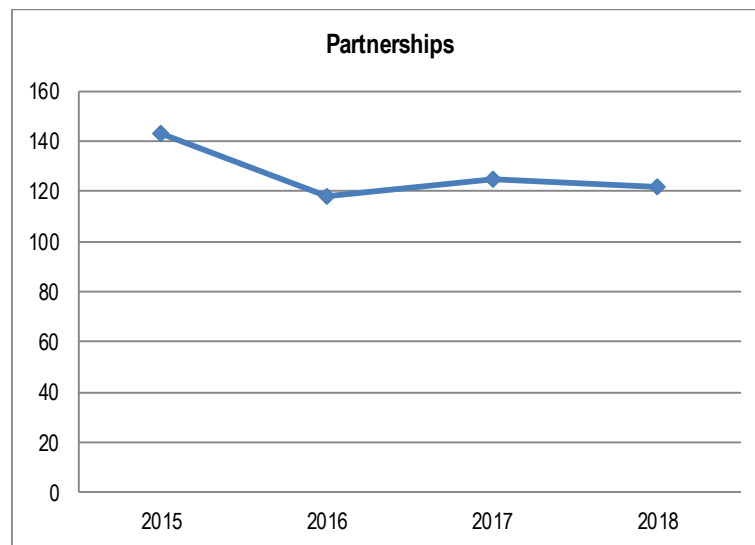




### Partnerships

This indicator measures the number of events requested by external organisations in partnership with the EESC.

	Partnerships
2018	122
2017	125
2016	118
2015	143

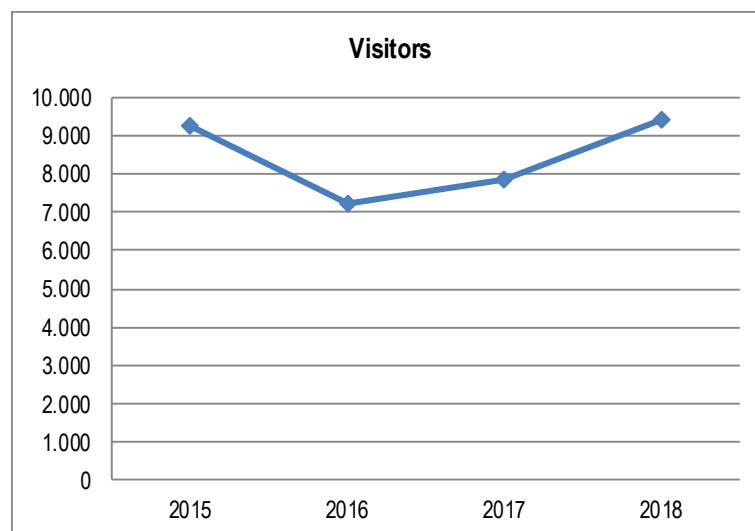
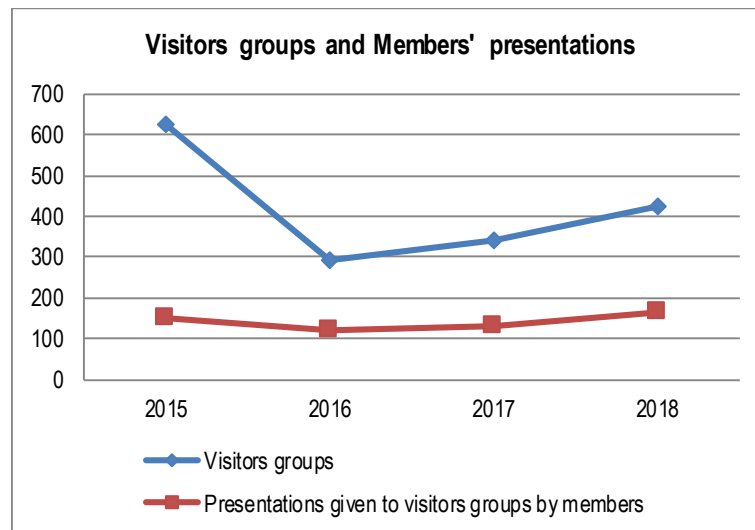


#### 4.4 DEPARTMENT FOR COMMUNICATION

##### Visitors groups

This indicator measures the number of visitors groups and visitors, as well as the number of presentations given to visitors groups by members.

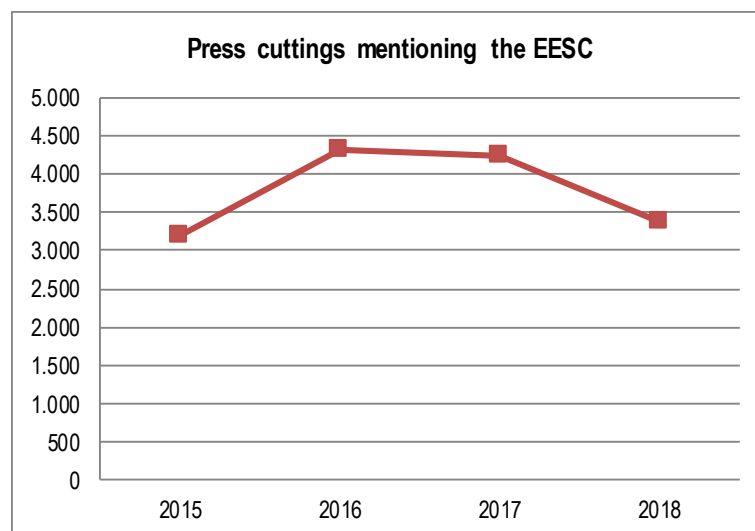
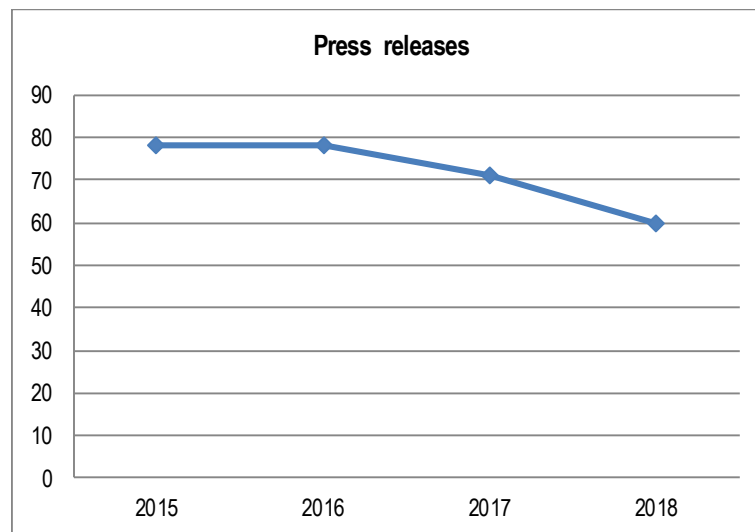
	Visitors groups	Presentations given to visitors groups by members	Visitors
2018	424	164	9,419
2017	342	128	7,847
2016	293	121	7,237
2015	625	152	9,230



### Press activities

This indicator measures the number of press releases issued by the Committee and the number of press cuttings reported in which the Committee is mentioned.

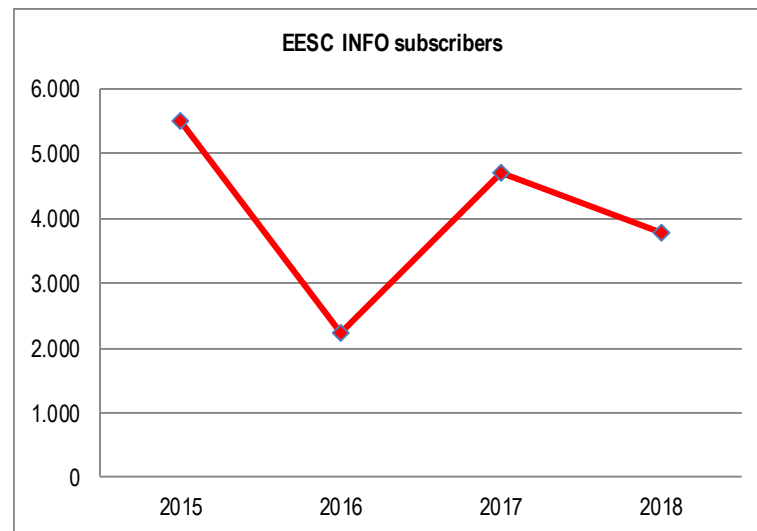
	Press releases	Press cuttings mentioning the EESC
2018	60	3,364
2017	71	4,247
2016	78	4,307
2015	78	3,205



**Information subscribers**

This indicator measures the number of subscribers to the publication EESC INFO.

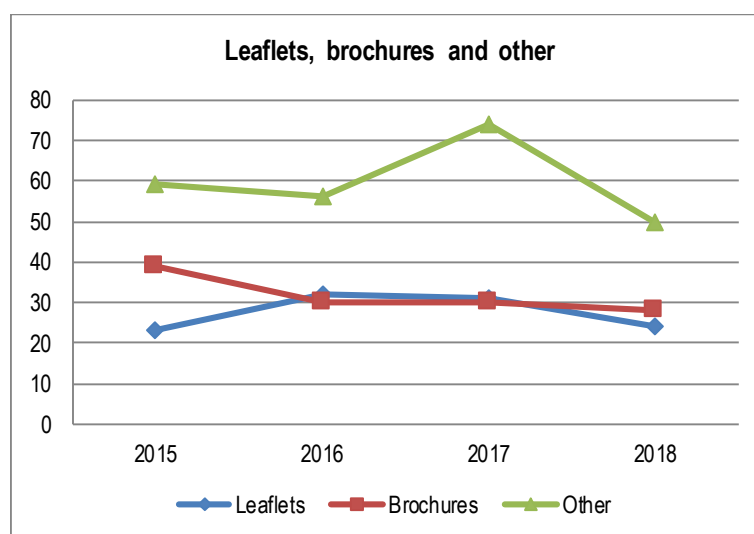
	<b>EESC INFO subscribers</b>
<b>2018</b>	<b>3,782</b>
2017	4,717
2016	2,244
2015	5,491



### Publications

This indicator measures the number of leaflets, brochures and other (booklets, etc.) published by the EESC.

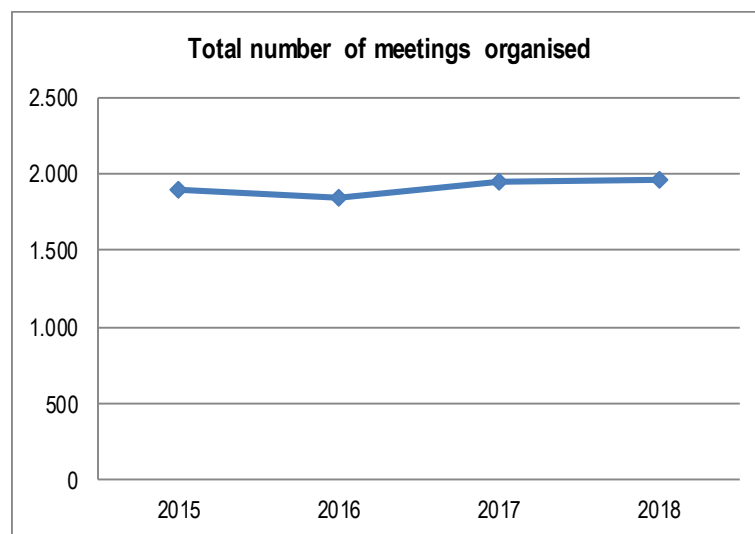
	Leaflets	Brochures	Other	Total
2018	24	28	50	102
2017	31	30	74	135
2016	32	30	56	118
2015	23	39	59	121



### Meetings organised

This indicator measures the number of EESC and CoR meetings taking place in the Committees' conference rooms (rooms equipped with interpretation facilities)\*.

	EESC		CoR		JS		Total	FTE	Meetings / FTE
	Number	%	Number	%	Number	%			
2018	1,086	55.3%	861	43.8%	17	0.9%	1,964	20.5	95.8
2017	1,075	55.0%	856	43.8%	22	1.1%	1,953	21.2	92.3
2016	1,029	55.8%	778	42.2%	37	2.0%	1,844	21.8	84.7
2015	1,013	53.4%	858	45.3%	25	1.3%	1,896	15.6	121.5

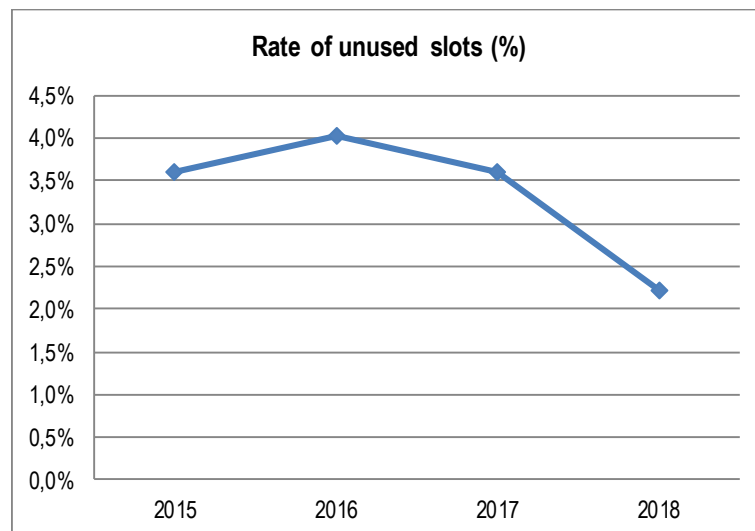
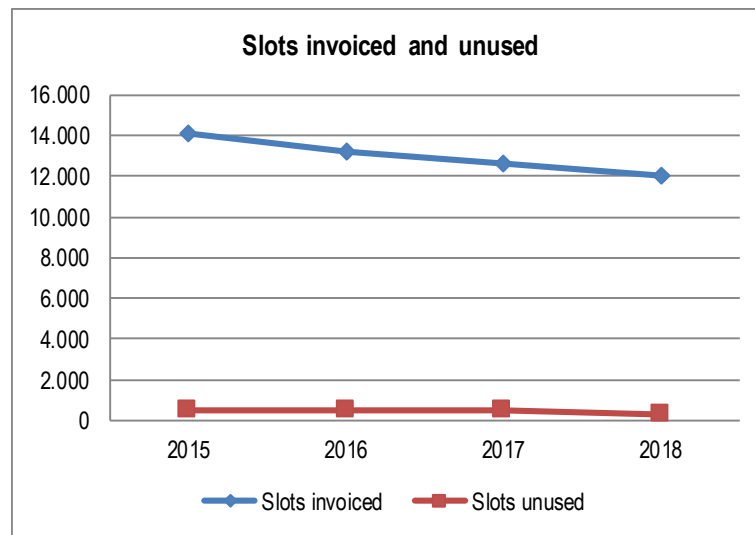


\* All types of occupation of rooms (meetings, visits, conferences, etc.).

### Interpretation activity and rate of unused interpretation

The EESC depends on DG Interpretation and its rules according to which DG Interpretation bills for services which are no longer required but not cancelled 2-3 weeks in advance (depending on the day of the week). This indicator shows the level of interpretation activity at the EESC, as well as the level of DG Interpretation services paid for but not rendered.

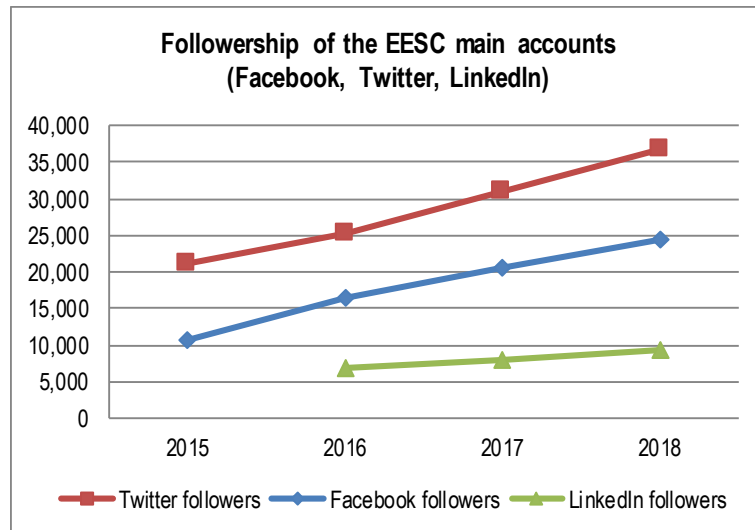
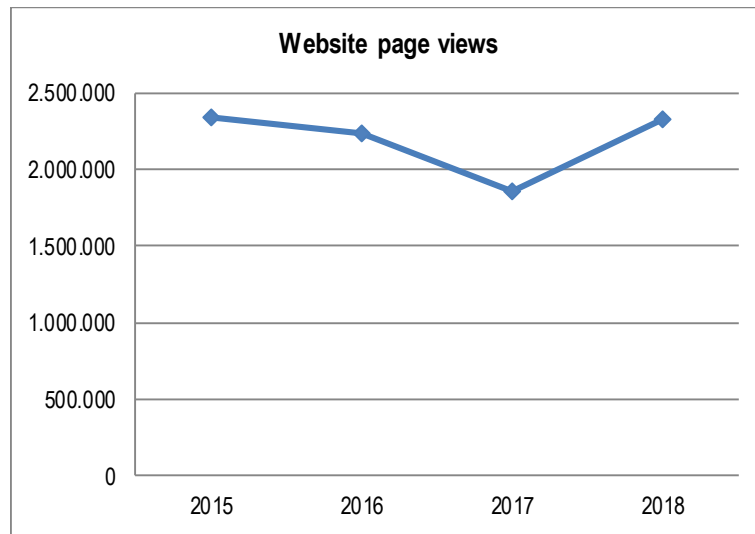
	Slots invoiced		Slots unused		
	Number	Amount (€)	Number	Amount (€)	Rate of unused slots (%)
2018	12,043	5,876,984	266	129,808	2.2%
2017	12,630	6,651,440	456	212,040	3.6%
2016	13,214	5,880,230	533	237,185	4.0%
2015	14,140	6,306,440	510	227,460	3.6%



**Internet and social media**

This indicator measures the number of pages viewed on the Internet site of the Committee and the number of followers on the EESC corporate Twitter, Facebook and LinkedIn accounts.

	Website page views	Twitter followers	Facebook followers	LinkedIn followers
2018	2,329,129	36,634	24,486	9,407
2017	1,851,141	31,091	20,674	7,829
2016	2,236,026	25,303	16,352	6,728
2015	2,334,228	21,190	10,659	No statistics recorded



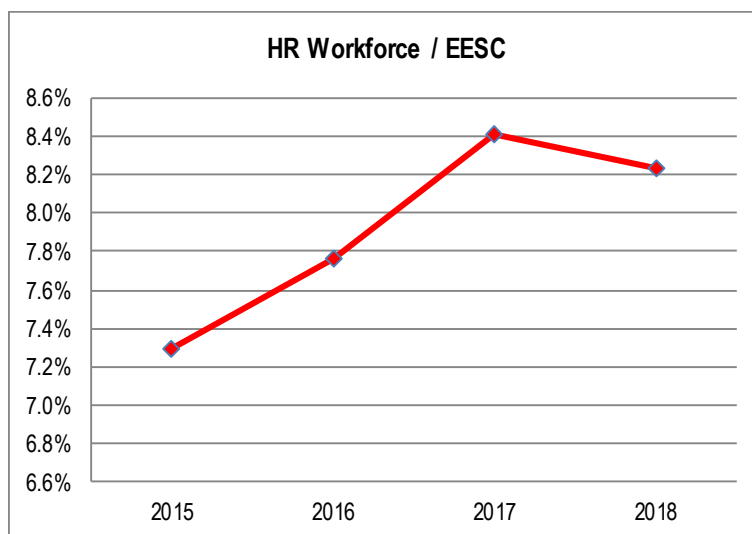
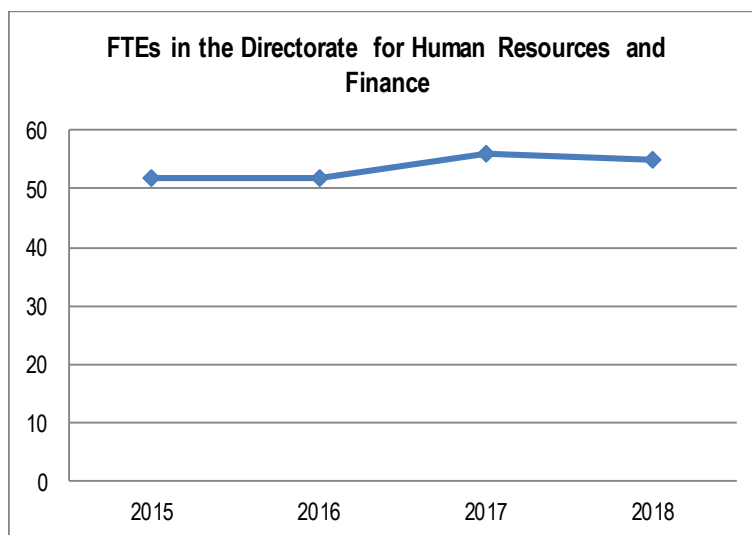


**4.5 DIRECTORATE FOR HUMAN RESOURCES AND FINANCE**

**HR workforce**

This indicator measures the ratio between resources of the Directorate for Human Resources, in "full-time equivalents" (FTEs), and the total headcount (establishment plan) of the Committee.

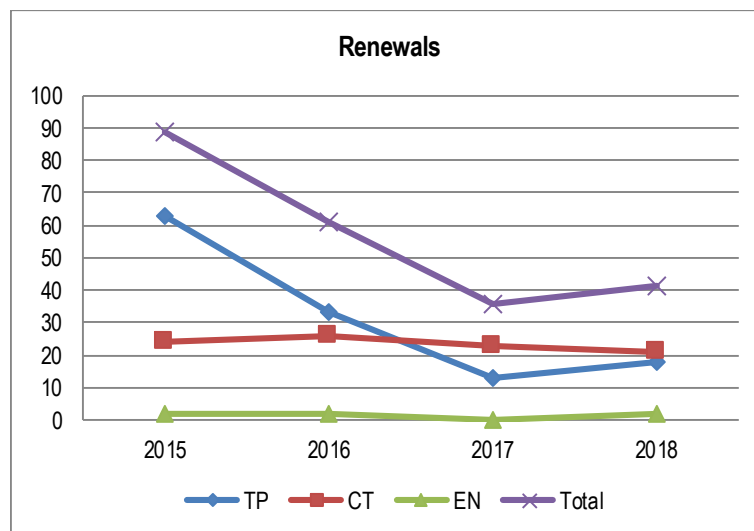
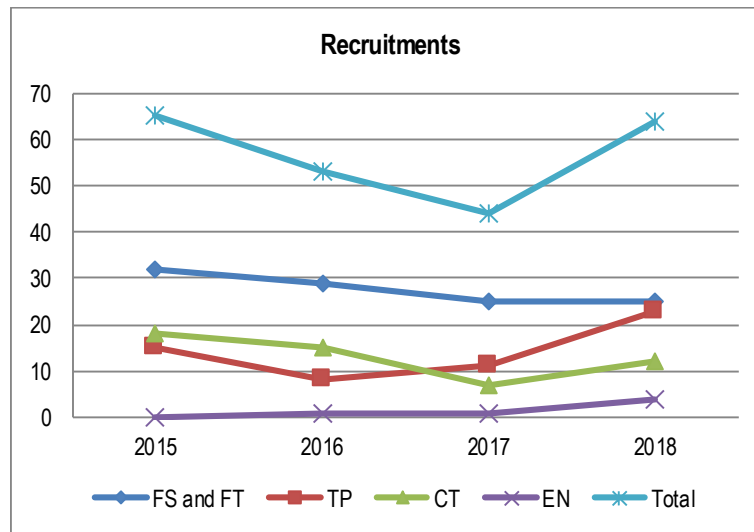
	HR Workforce	Official posts	HR Workforce / Official posts
2018	55	668	8.2%
2017	56	665	8.4%
2016	52	670	7.8%
2015	52	713	7.3%



**Number of recruitments/renewals**

This indicator measures the number of recruitments and renewals by type of contract.

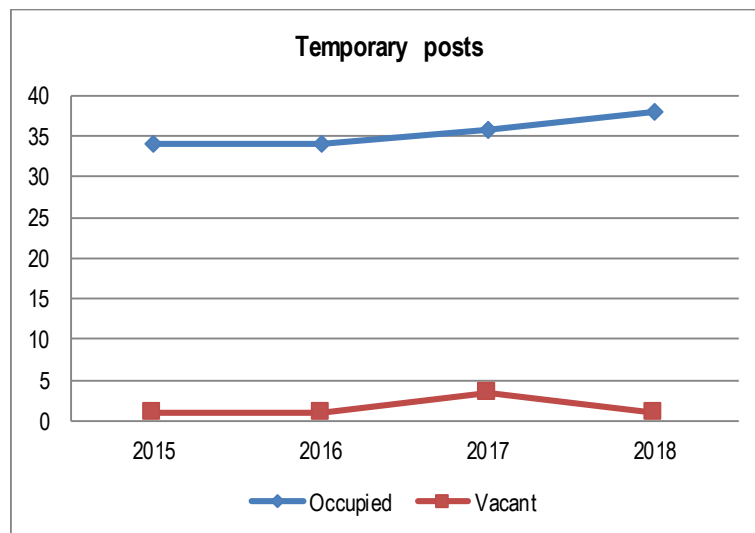
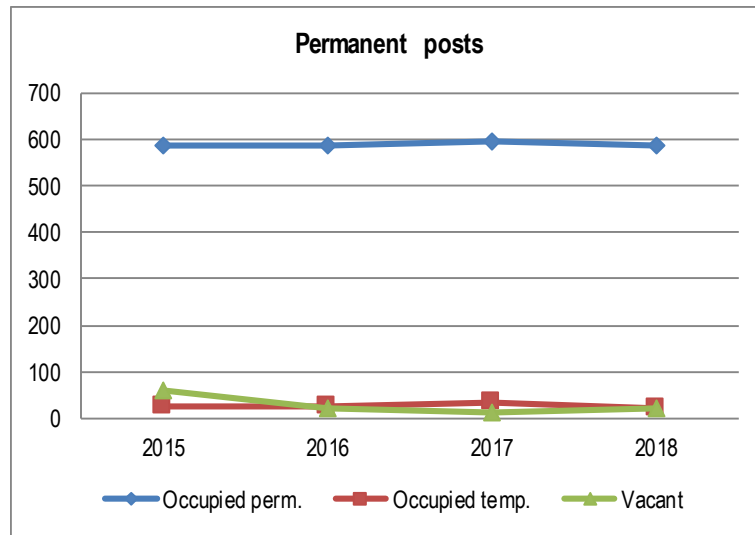
	Recruitments					Renewals			
	FS and FT	TP	CT	EN	Total	TP	CT	EN	Total
2018	25	23	12	4	64	18	21	2	41
2017	25	11	7	1	44	13	23	0	36
2016	29	8	15	1	53	33	26	2	61
2015	32	15	18	0	65	63	24	2	89



**Post occupation rate**

This indicator measures the average occupation rate, based on "full-time equivalents" (FTEs), of the Committee's posts. It distinguishes between an occupation by officials and by temporary agents (temporary occupation due to CCP or parental leave of an official for less than 6 months is considered as permanently occupied).

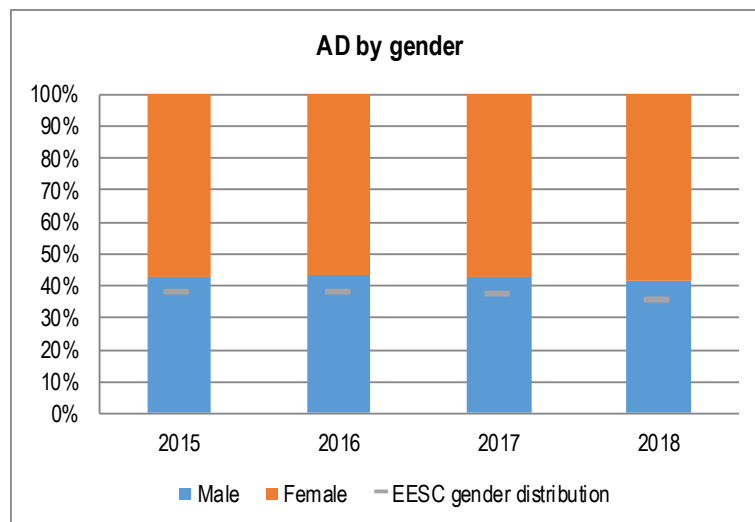
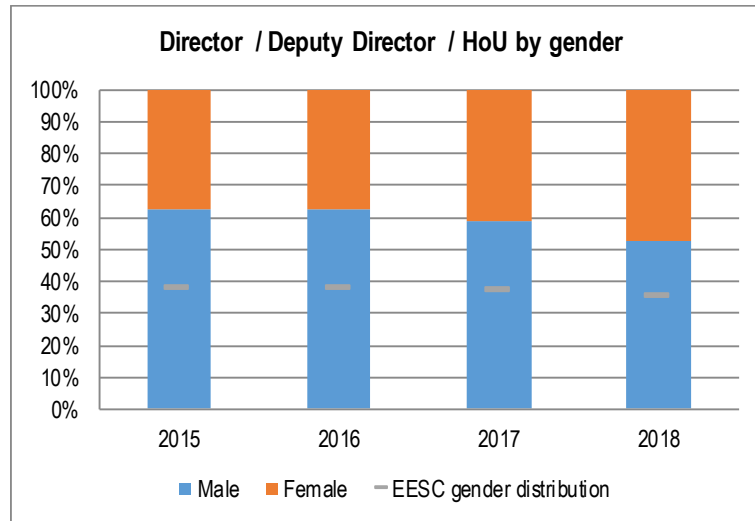
	Total	Permanent posts							Temporary posts		
		All	AD	AST	SC	Occupied perm.	Occupied temp.	Vacant	All	Occupied	Vacant
2018	668	629	313	281	35	588	21	21	39	38	1
2017	665	626	311	288	27	595	35	11	39	36	3
2016	670	635	315	300	20	588	25	22	35	34	1
2015	713	678	342	331	5	587	24	62	35	34	1

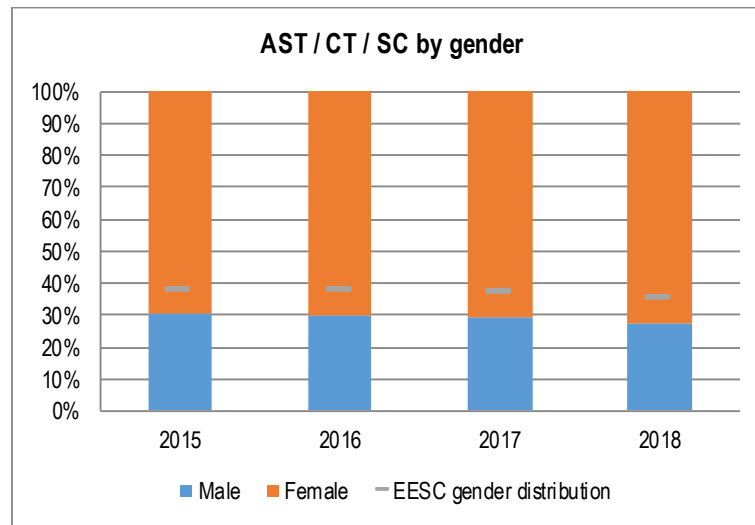


**Staff pyramid and equal opportunities**

This indicator measures, at the end of the year, the distribution of the Committee's staff by gender (grouped by category: Director/Deputy Director/Head of unit, AD, AST/CT/SC).

	Director/Deputy Director/Head of unit				AD				AST/CT/SC			
	Number	% M	% F	% of total	Number	% M	% F	% of total	Number	% M	% F	% of total
2018	46	52.6 %	47.4 %	6.5%	323	41.6 %	58.4 %	45.9 %	334	27.6 %	72.4 %	47.6 %
2017	43	58.6 %	41.4 %	6.1%	323	42.9 %	57.1 %	46.3 %	332	29.1 %	70.9 %	47.6 %
2016	45	62.5 %	37.5 %	6.5%	324	43.2 %	56.8 %	46.6 %	326	29.8 %	70.2 %	46.9 %
2015	43	62.8 %	37.2 %	6.2%	323	42.7 %	57.3 %	46.4 %	330	30.3 %	69.7 %	47.4 %

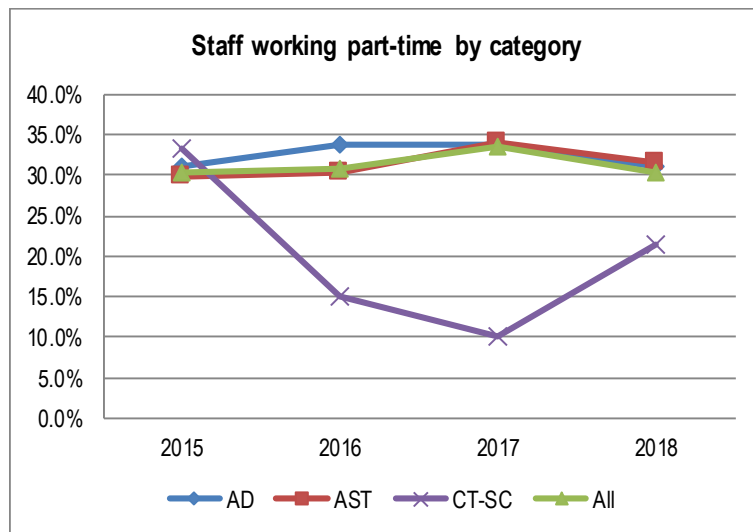
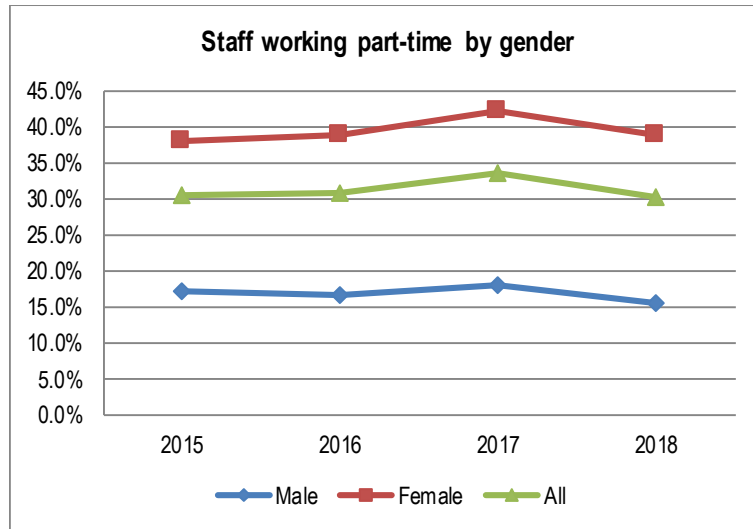




**Flexibility in terms of working time arrangements**

This indicator measures the proportion of permanent staff working part-time, by gender and category (AD, AST and CT-SC).

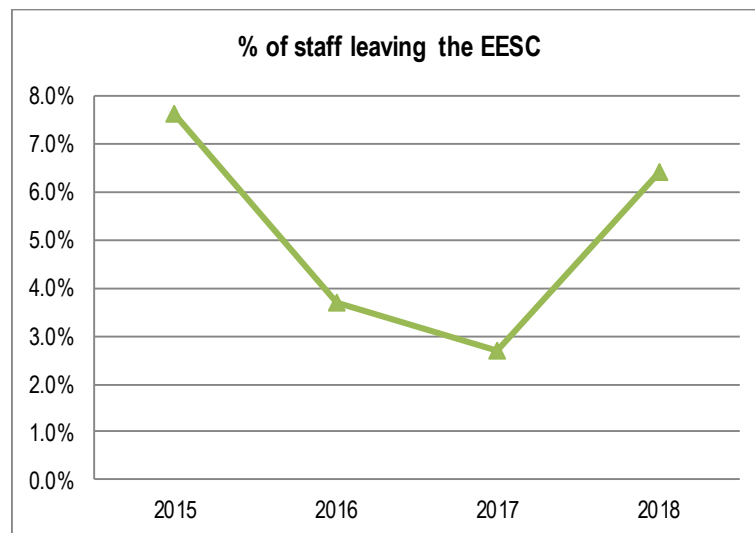
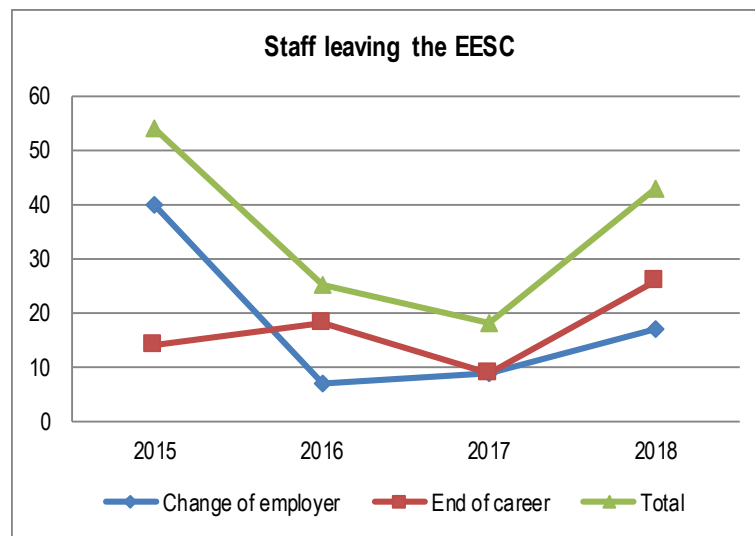
	By gender				By category						All	
	M		F		AD		AST		CT-SC		Number	%
	Number	%	Number	%	Number	%	Number	%	Number	%		
2018	38	15.5%	175	38.8%	99	31.1%	96	31.6%	18	21.4%	213	30.2%
2017	45	18.0%	192	42.1%	113	33.7%	119	33.9%	2	10.0%	237	33.6%
2016	43	16.6%	174	38.7%	109	33.7%	104	30.4%	3	15.0%	217	30.7%
2015	45	17.2%	169	38.1%	104	31.0%	108	29.8%	2	33.3%	214	30.4%



**Staff turnover**

This indicator measures the number of permanent staff (officials and structural contract agents) who left the Committee, by reason.

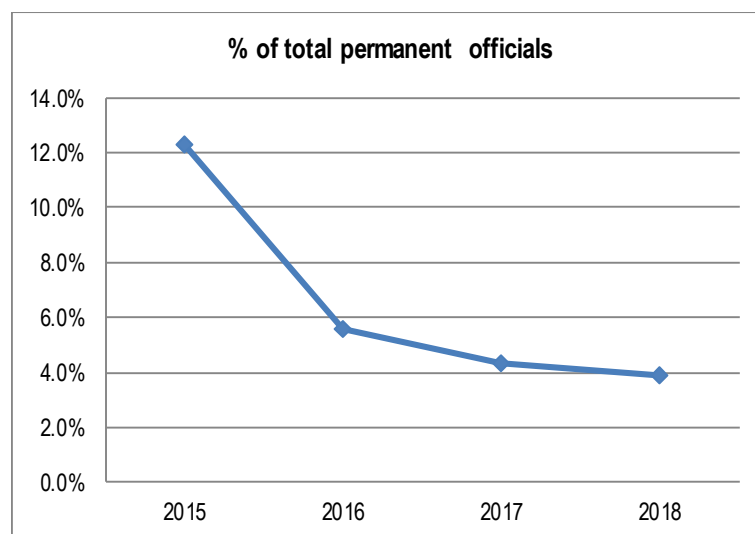
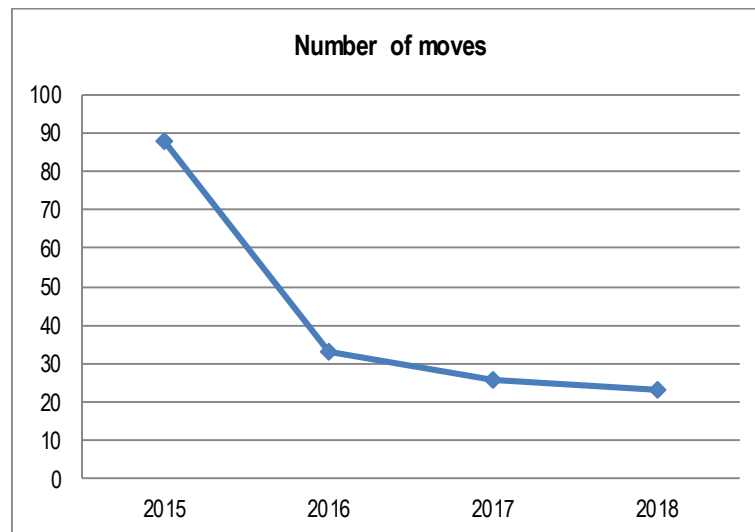
Staff leaving the EESC				
	Change of employer	End of career	Total	% of total staff
2018	17	26	43	6.4%
2017	9	9	18	2.7%
2016	7	18	25	3.7%
2015	40	14	54	7.6%



### Internal mobility

This indicator measures the number of moves of permanent officials (FS and FT) from one department to another within the Committee. Mobility is essential for the Committee to keep its secretariat dynamic and to adapt to evolving needs.

	Staff changing service	
	Number of moves	% of total permanent officials
2018	23	3.9%
2017	26	4.4%
2016	33	5.6%
2015	88	12.3%

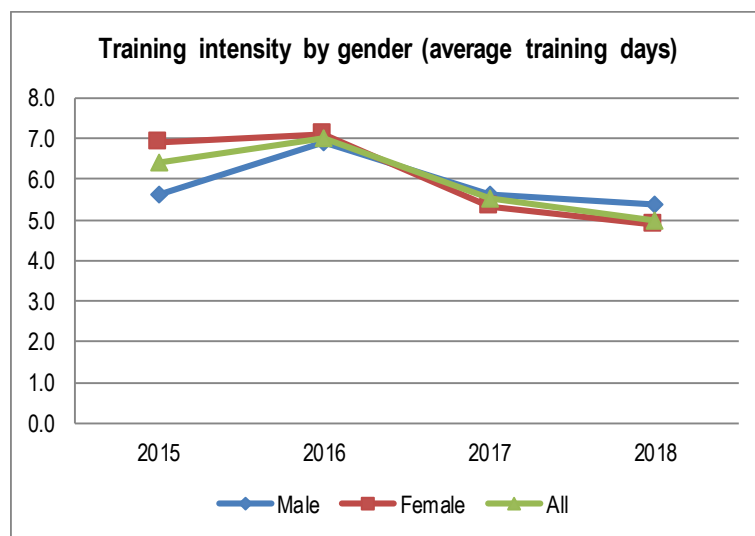
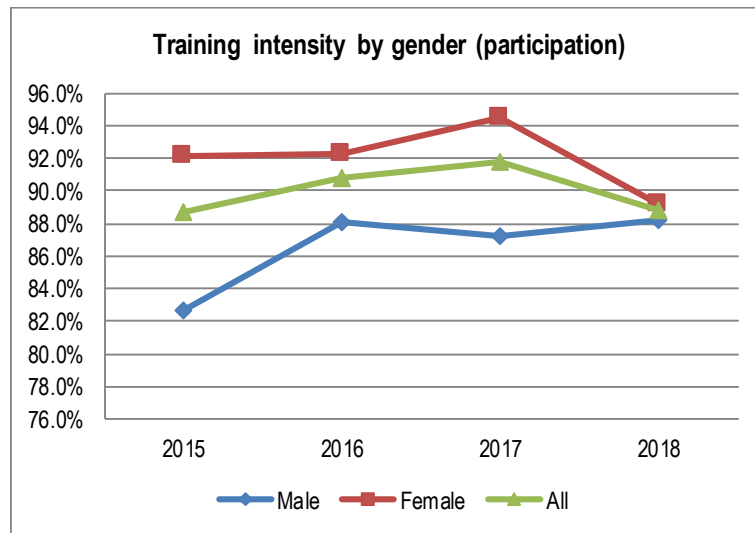


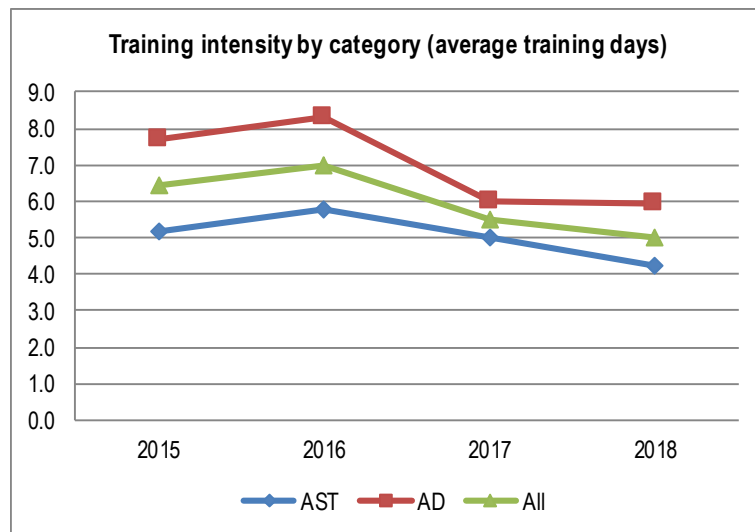
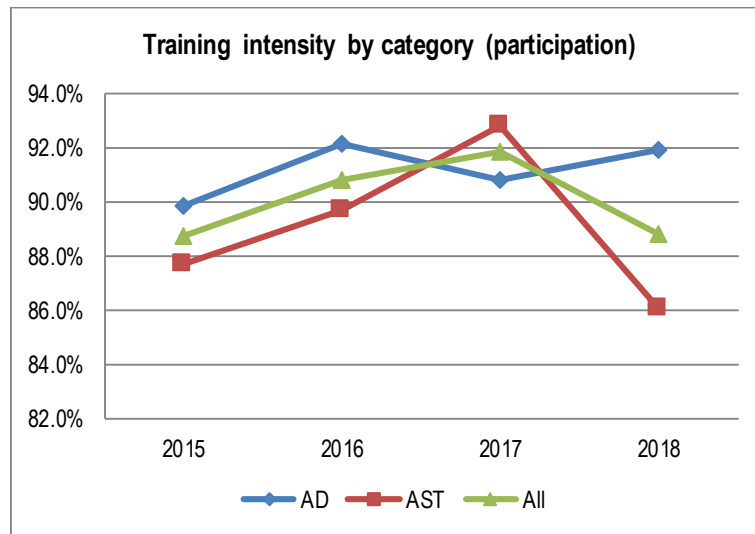


**Training intensity**

This indicator measures the percentage of staff having followed training and the average number of days of training.

	By gender				By category				All	
	M		F		AD		AST			
	Participation rate (%)	Average training days	Participation rate (%)	Average training days	Participation rate (%)	Average training days	Participation rate (%)	Average training days	Participation rate (%)	Average training days
2018	88.2%	5.4	89.2%	4.9	91.9%	5.9	86.1%	4.2	88.8%	5.0
2017	87.2%	5.6	94.5%	5.3	90.8%	6.0	92.8%	5.0	91.8%	5.5
2016	88.1%	6.9	92.3%	7.1	92.1%	8.3	89.7%	5.8	90.8%	7.0
2015	82.7%	5.6	92.2%	6.9	89.8%	7.7	87.7%	5.2	88.7%	6.4

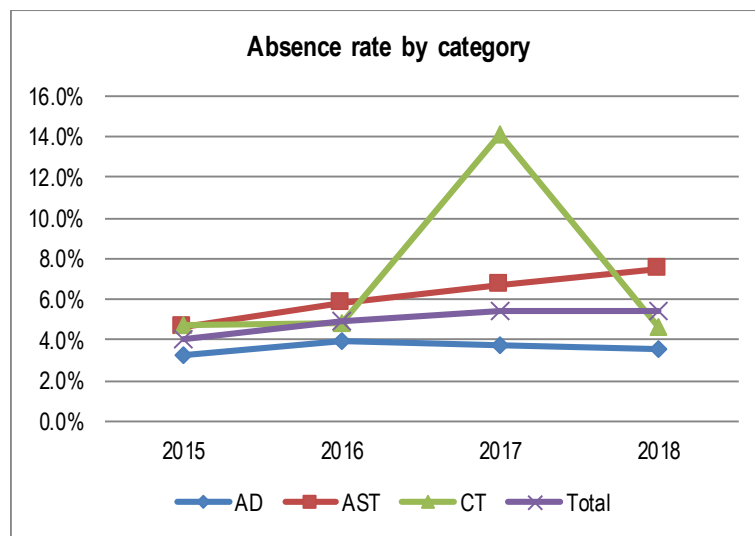
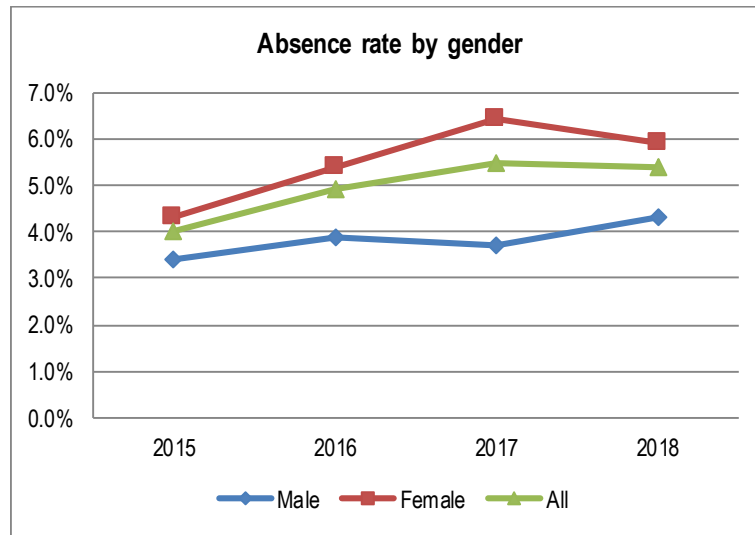




**Absence rate**

This indicator measures the absence rate according to the interinstitutional definition (total absence in calendar days, divided by 365 and by the number of staff at the end of the year), by gender and by category (AD, AST, CT).

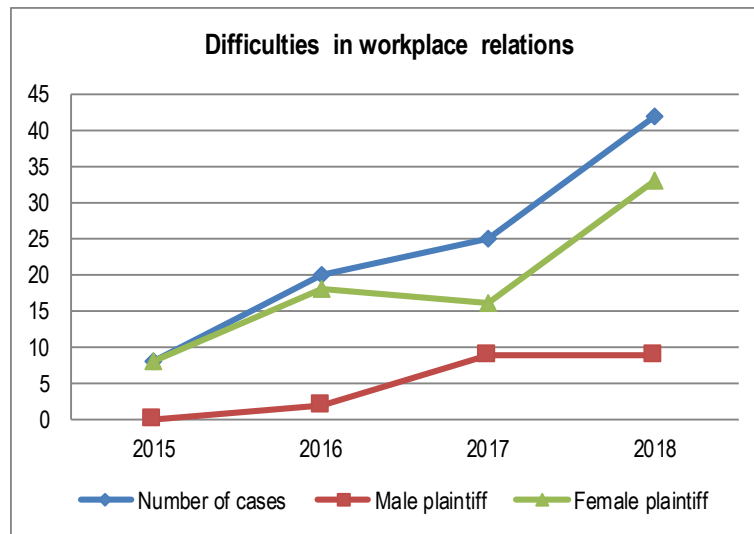
	Male (%)				Female (%)				All (%)			
	AD	AST	CT	Total	AD	AST	CT	Total	AD	AST	CT	Total
2018	2.9%	6.6%	11.8%	4.3%	4.0%	7.8%	4.9%	5.9%	3.5%	7.5%	4.6%	5.4%
2017	2.3%	4.9%	10.4%	3.7%	4.6%	7.5%	20.9%	6.4%	3.8%	6.7%	14.1%	5.5%
2016	2.7%	5.4%	4.5%	3.9%	4.7%	6.0%	5.1%	5.4%	3.9%	5.8%	4.8%	4.9%
2015	2.3%	4.5%	5.1%	3.4%	4.0%	4.6%	4.4%	4.3%	3.3%	4.6%	4.7%	4.0%



**Difficulties in workplace relations**

This indicator measures the number of colleagues seen by the network of confidential counsellors following a request for assistance. The confidential counsellors see people on a one-to-one basis, making it easier for colleagues (regardless of whether they are officials, temporary or contract staff) to discuss their concerns. The administration actively encourages colleagues to talk to the confidential counsellors no matter what the nature of the difficulty they may be experiencing (conflict, perceived harassment, disagreement with manager, etc.). The increase in the number of people stepping forward is a reflection of the trust that the confidential counsellors are gradually building up in the institution. The administration has seen a decrease in the number of appeals concerning the annual reports/promotion procedures since the confidential counsellors were appointed.

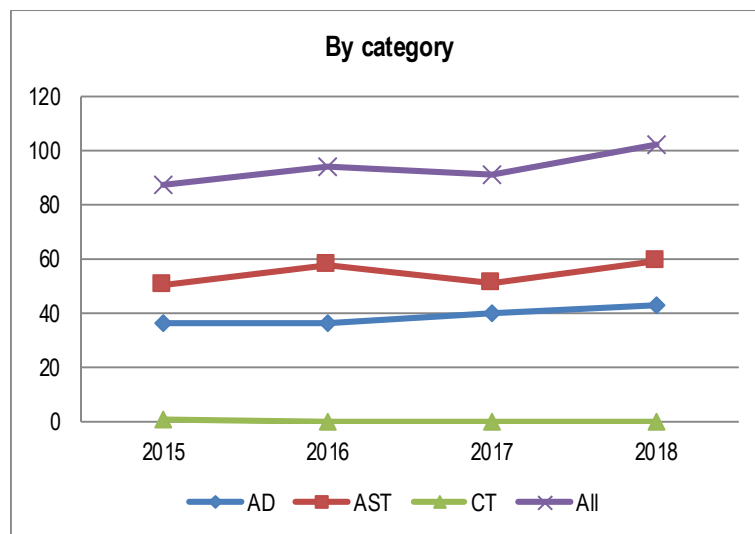
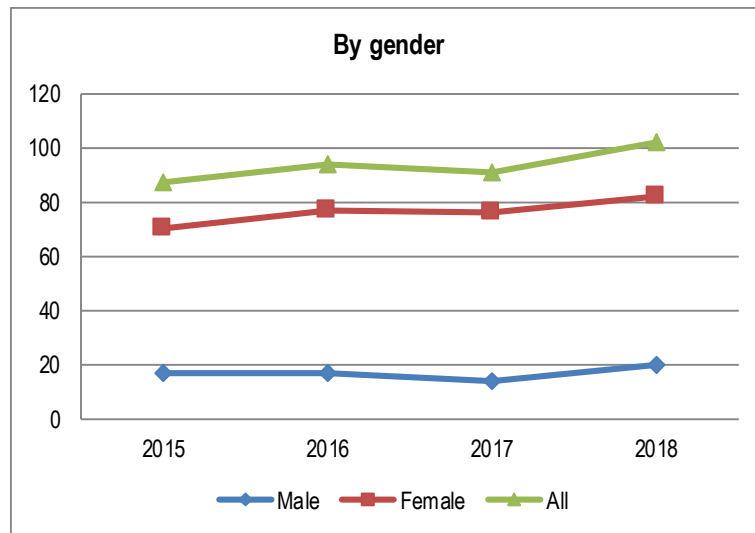
	Number of cases	By gender	
		Male plaintiff	Female plaintiff
2018	42	9	33
2017	25	9	16
2016	20	2	18
2015	8	0	8



**Structural telework**

Structural teleworkers are members of staff allowed to work at home a maximum of five days over a period of two consecutive weeks. The teleworker and the institution (represented by the director of Human Resources and Finance) conclude a written agreement for a period of one year, which may be renewed.

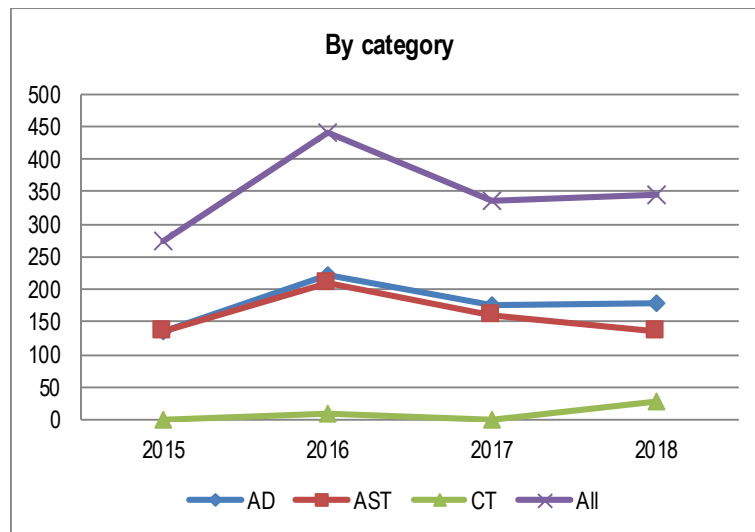
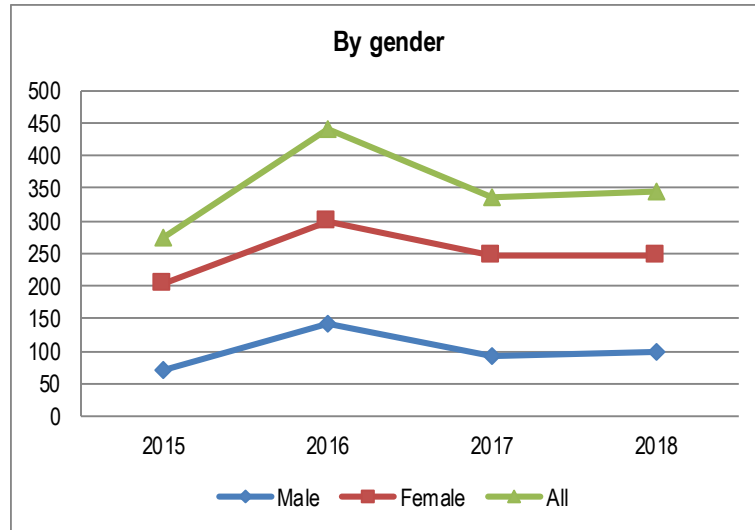
	By gender				By category						All	
	Male		Female		AD		AST		CT			
	M	M (%)	F	F (%)	AD	AD (%)	AST	AST (%)	CT	CT (%)	Total	Total (%)
2018	20	8.2%	82	17.8%	43	13.5%	59	19.1%	0	0.0%	102	14.4%
2017	14	5.6%	76	16.7%	40	11.9%	51	14.5%	0	0.0%	91	12.9%
2016	17	6.6%	77	17.1%	36	10.5%	58	16.8%	0	0.0%	94	13.3%
2015	17	6.5%	70	15.8%	36	11.2%	50	15.4%	1	5.0%	87	12.4%



**Occasional telework**

As far as the nature of the work allows it, authorisation to perform occasional teleworking is granted on a (half-) daily basis and is renewable, normally up to a maximum of 28 days per calendar year. Requests for occasional teleworking shall be submitted to the Head of unit who shall decide according to service needs.

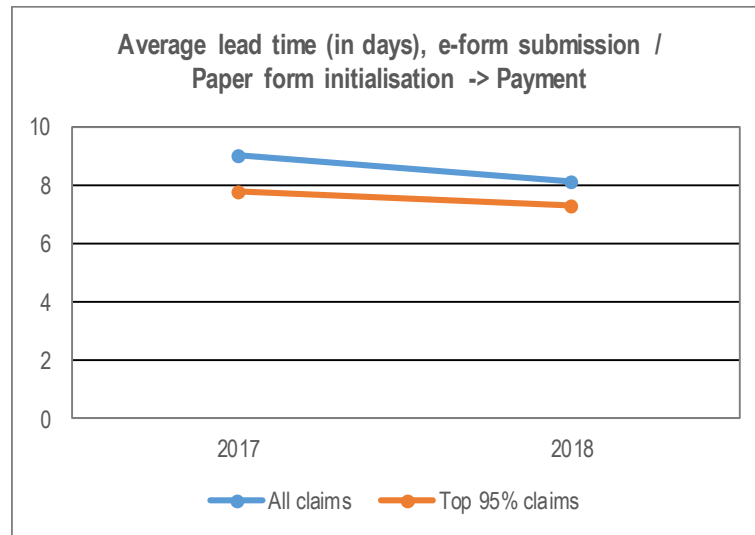
	By gender				By category						All	
	Male		Female		AD		AST		CT			
	M	M (%)	F	F (%)	AD	AD (%)	AST	AST (%)	CT	CT (%)	Total	Total (%)
2018	99	40.4%	246	53.4%	180	56.6%	136	44.7%	29	34.5%	345	48.9%
2017	91	36.4%	245	53.7%	175	52.2%	160	45.6%	1	5.0%	336	47.6%
2016	142	55.0%	300	66.8%	223	65.2%	210	60.9%	9	45.0%	442	62.5%
2015	71	27.2%	202	45.6%	136	42.2%	136	42.0%	1	5.0%	273	38.8%



**Members' expenses – payment lead-time**

EESC members receive a compensation for travel and subsistence expenses incurred in that capacity. These indicators measure the average lead-time between the submission of the reimbursement claim and the payment date. They present both the overall average and the average for the top 95% of reimbursements, the purpose of the latter being to exclude those cases where the reimbursements are delayed by exceptional circumstances (clarification of rules, further checks, etc). All lead times are in calendar days

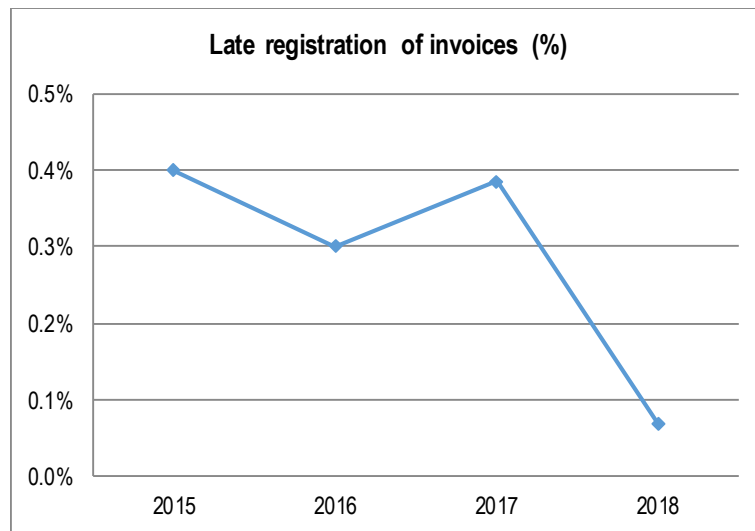
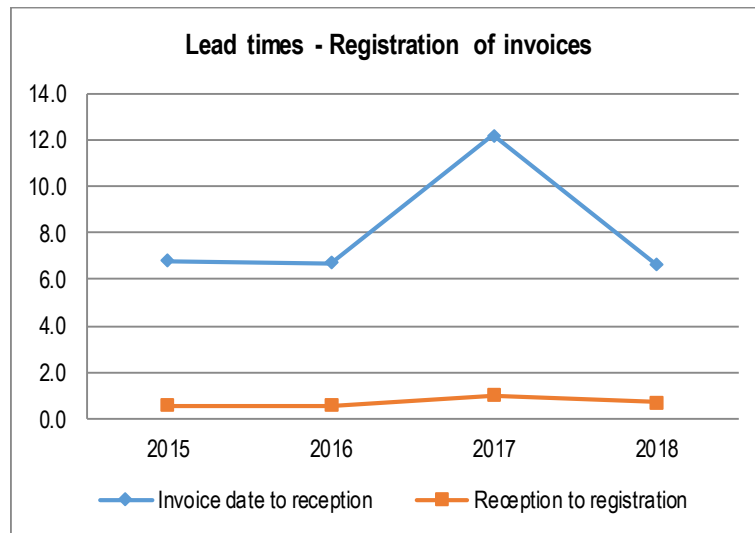
	All claims	Top 95% claims
2018	8.1	7.3
2017	9.0	7.8



**Registration of invoices**

This indicator measures the average lead-time between the reception of invoices and their registration and the number and percentage of invoices for which this registration took more than seven calendar days.

	Average lead-times (calendar days)		Late registration (7+ calendar days)	
	Invoice date to reception	Reception to registration	Number late registration	% of total
<b>2018</b>	<b>6.6</b>	<b>0.7</b>	<b>9.0</b>	<b>0.1%</b>
2017	12.2	1.0	46.0	0.4%
2016	6.7	0.6	36.0	0.3%
2015	6.8	0.6	19.0	0.4%

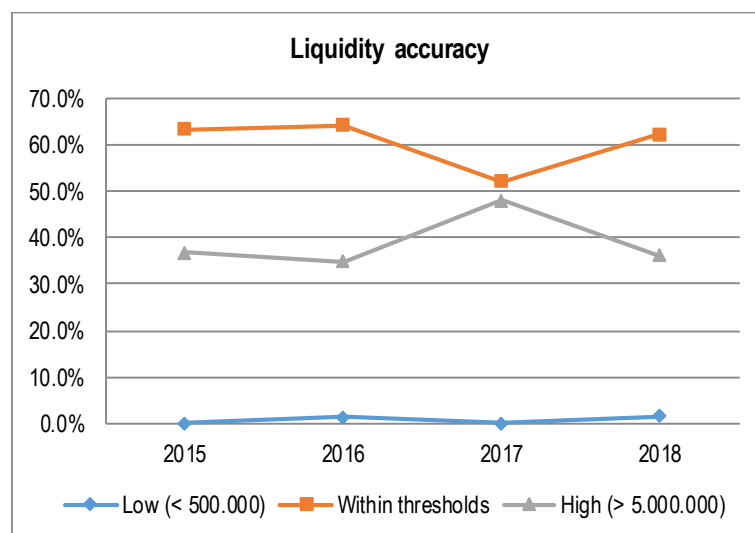




### Liquidity accuracy

The Committee's bank account should hold enough funds to ensure that payments can be made on time. However, the amount available should not be unnecessarily high. This indicator measures the percentage of calendar days when the balance of the Committees' bank account was less than EUR 500 000 (risk of unavailability of funds for a payment due), within thresholds and more than EUR 5 000 000 (too much cash on hand).

	Bank account balance					
	Calendar days below € 500.000		Calendar days between € 500.000 and € 5.000.000		Calendar days above € 5.000.000	
	days	%	days	%	days	%
2018	6	1.6%	227	62.2%	132	36.2%
2017	0	0.0%	190	52.1%	175	47.9%
2016	5	1.4%	234	64.1%	127	34.8%
2015	0	0.0%	231	63.3%	134	36.7%

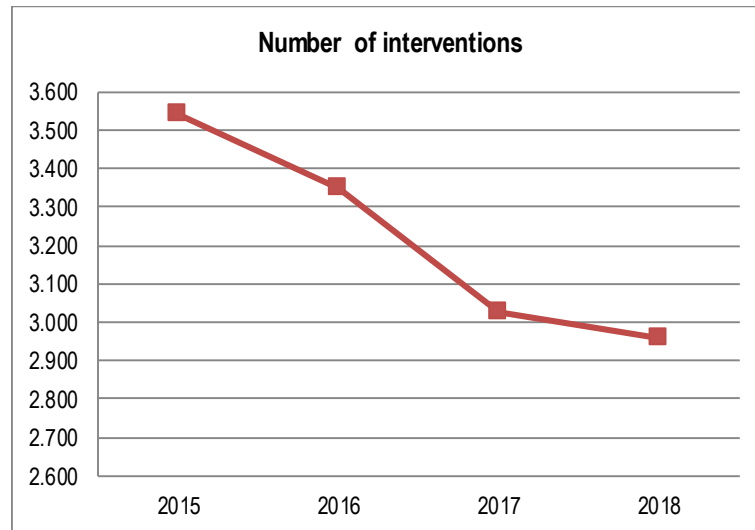


#### 4.6 DIRECTORATE FOR LOGISTICS

##### Number of building maintenance interventions

This indicator measures the number of building maintenance interventions carried out by the Infrastructure Unit.

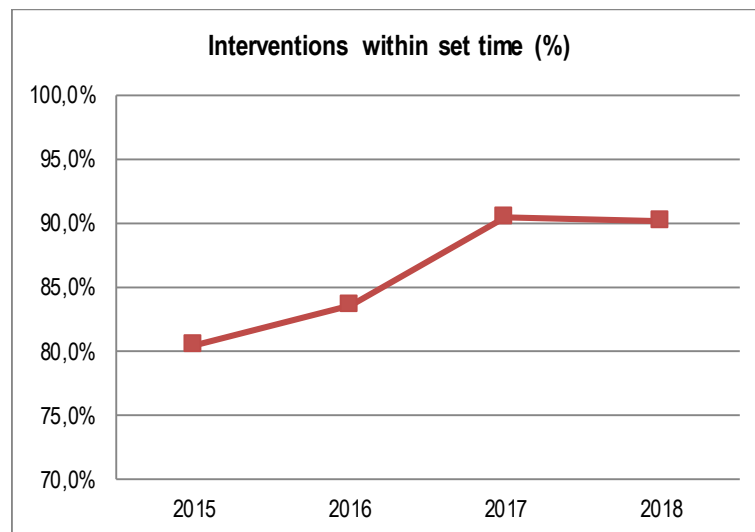
	Number of interventions
2018	2,958
2017	3,026
2016	3,351
2015	3,541



**Building maintenance intervention lead time**

This indicator measures the percentage of interventions that were successfully handled within a set time (depending on the category of the intervention: two days or five days).

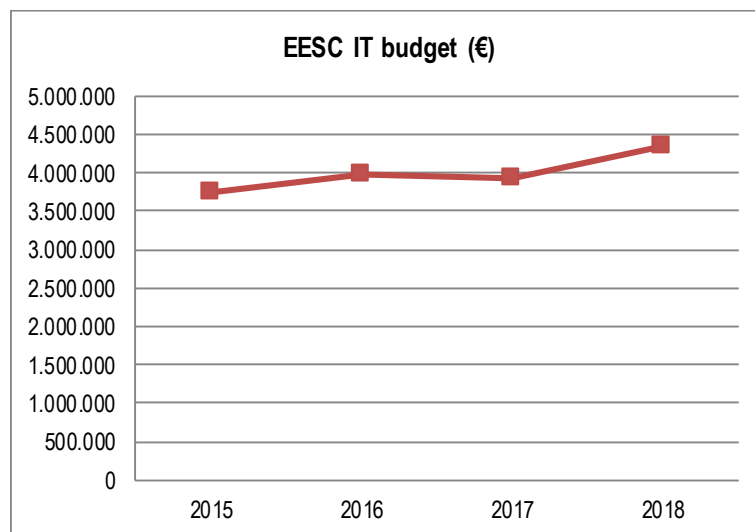
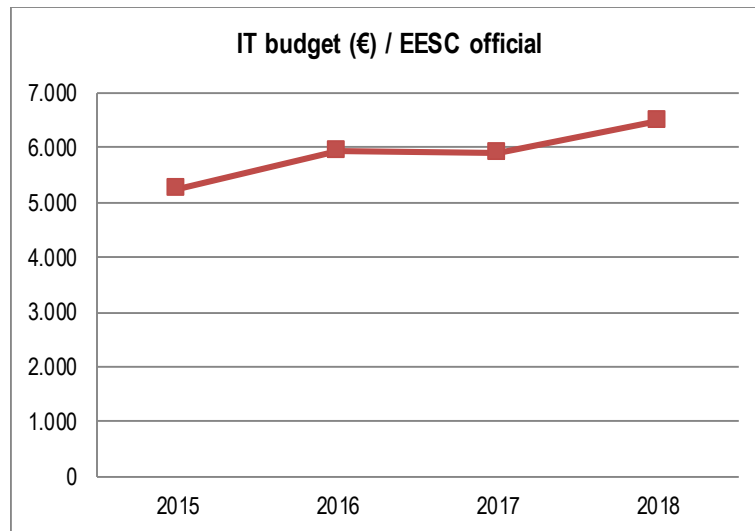
	Interventions within set time (%)
2018	90.1%
2017	90.5%
2016	83.5%
2015	80.5%



**IT costs per official**

This indicator measures the ratio between the total operational IT budget after transfers (equipment, external sub-contractors, telecommunication costs; excluding cost of statutory IT staff) and the total headcount (establishment plan). It also measures the proportion of this budget vs. the overall EESC budget.

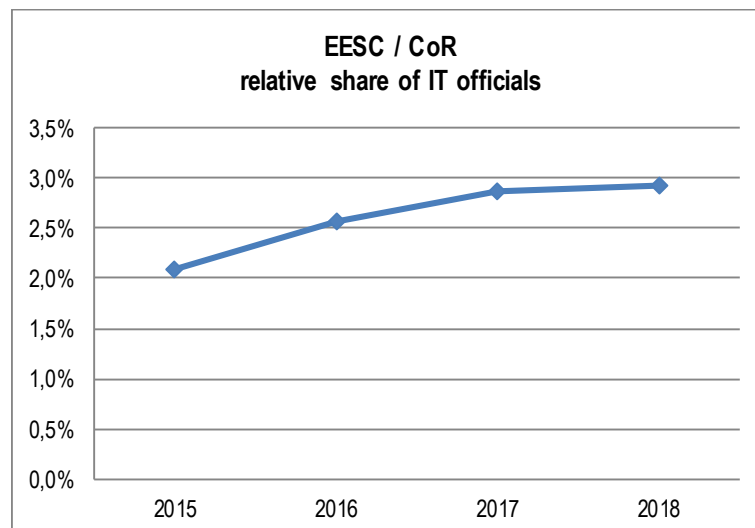
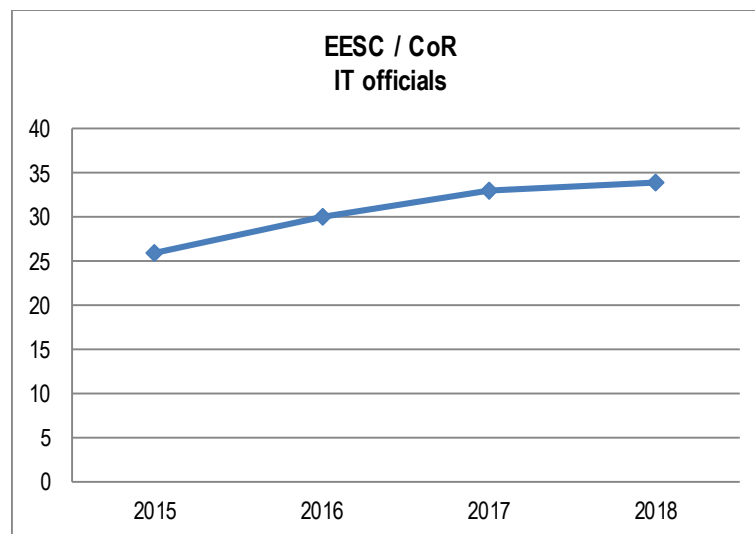
	EESC IT budget (€)	EESC officials	EESC IT budget (€) / EESC official	EESC budget (€)	% IT budget / Total budget
<b>2018</b>	<b>4,336,300</b>	<b>668</b>	<b>6,491</b>	<b>135,913,366</b>	<b>3.2%</b>
2017	3,925,283	665	5,903	133,807,338	2.9%
2016	3,968,833	670	5,924	130,171,475	3.0%
2015	3,737,341	713	5,242	130,479,720	2.9%



### IT Unit workforce

This indicator measures the ratio between officials working in the IT Unit and the total headcount (posts, according to establishment plans) of the two Committees.

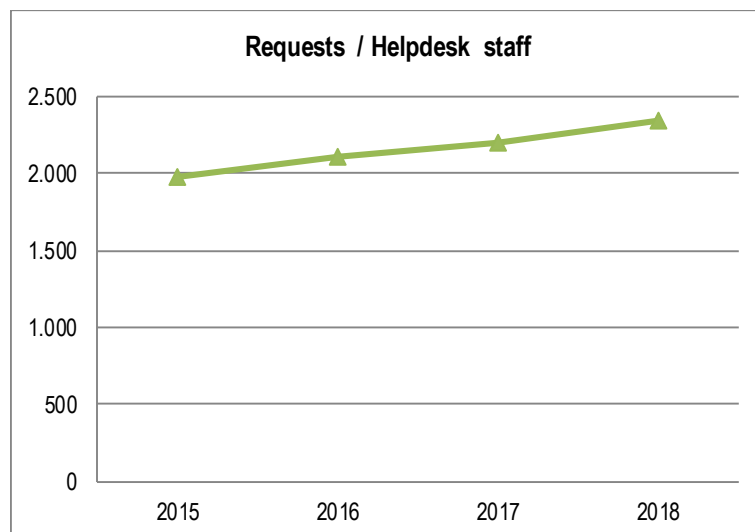
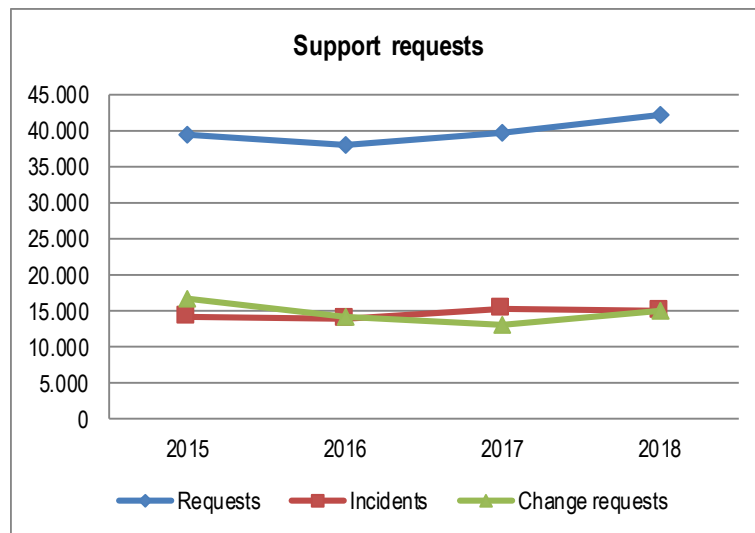
	EESC / CoR IT officials	EESC / CoR officials	EESC / CoR IT officials / officials
2018	34	1,159	2.9%
2017	33	1,154	2.9%
2016	30	1,166	2.6%
2015	26	1,240	2.1%



**IT user support requests**

This indicator measures the number of IT user support requests, divided by the total staff resources (internal and external) of the service handling these. The number of user support requests accounts for all questions addressed to the IT helpdesk (by telephone or email) as registered in the helpdesk software tool. Requests may be handled immediately or give rise to an "incident" (e.g. repairing a broken hard disk) or to a "change request" (e.g. moving a PC).

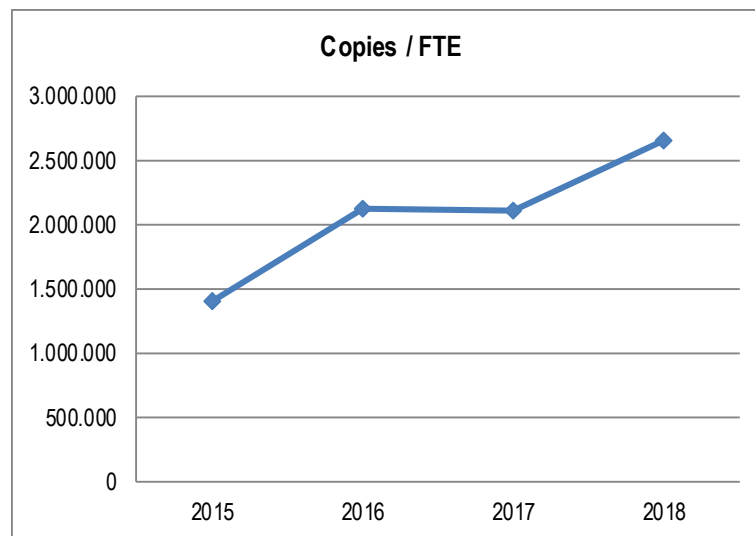
	Requests	Incidents	Change requests	Helpdesk staff (FTE)	Requests / Helpdesk staff
2018	42,159	15,011	15,133	18	2,342
2017	39,565	15,314	13,226	18	2,198
2016	37,951	13,928	14,324	18	2,108
2015	39,331	14,123	16,618	20	1,975



**Copy shop productivity**

This indicator measures the number of copies produced by the copy shop team, divided by the number of "full-time equivalent" staff (FTEs) in that team.

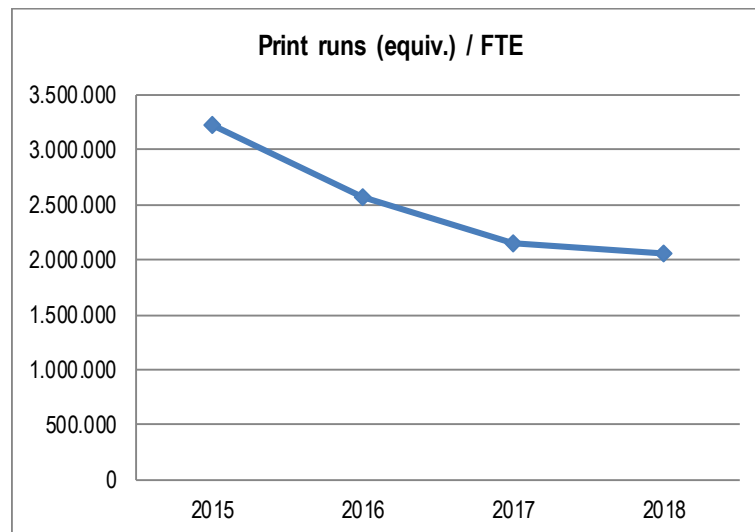
	EESC		CoR		Total	FTE	Copies / FTE
	Copies	%	Copies	%			
<b>2018</b>	<b>7,851,014</b>	<b>57.7%</b>	<b>5,765,597</b>	<b>42.3%</b>	<b>13,616,611</b>	<b>5.2</b>	<b>2,647,523</b>
2017	6,372,525	51.3%	6,060,413	48.7%	12,432,938	5.9	2,101,342
2016	6,480,428	49.7%	6,560,634	50.3%	13,041,062	6.2	2,114,767
2015	6,317,255	50.3%	6,240,110	49.7%	12,557,365	9.0	1,401,752



### Offset productivity

This indicator measures the number of equivalent print runs, i.e. both real print runs (sheets) and settings (a "setting" being the initialisation of a print run, counted as equivalent to 3 700 print runs), divided by "full-time equivalent" (FTE) staff in the offset team.

	EESC		CoR		Total	FTE	Print runs (equiv.) / FTE
	Print runs (equiv.)	%	Print runs (equiv.)	%			
2018	2,788,510	60.0%	1,856,470	40.0%	4,644,980	2.3	2,062,822
2017	4,191,140	77.8%	1,192,800	22.2%	5,383,940	2.5	2,153,576
2016	3,398,670	46.6%	3,894,750	53.4%	7,293,420	2.8	2,574,148
2015	4,160,300	57.7%	3,051,125	42.3%	7,211,425	3.0	3,227,025

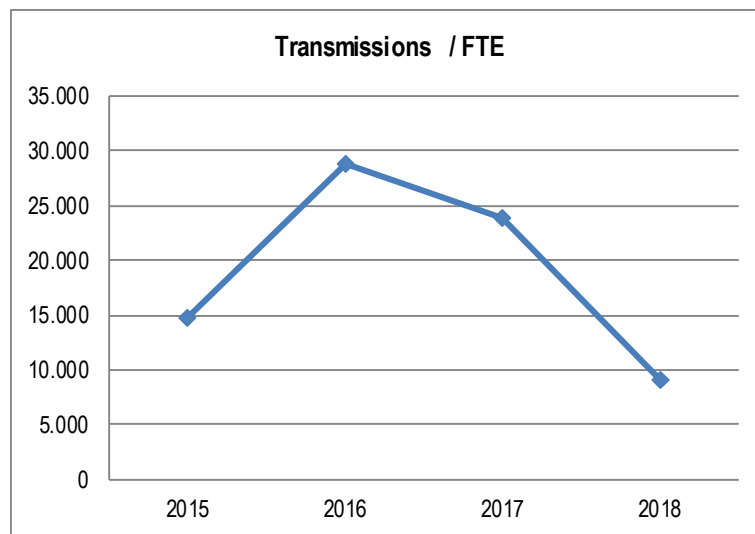




**Mailing productivity**

This indicator measures the number of mailings (transmissions) done by the expedition team, divided by the number of "full-time equivalent" staff (FTEs) in that team.

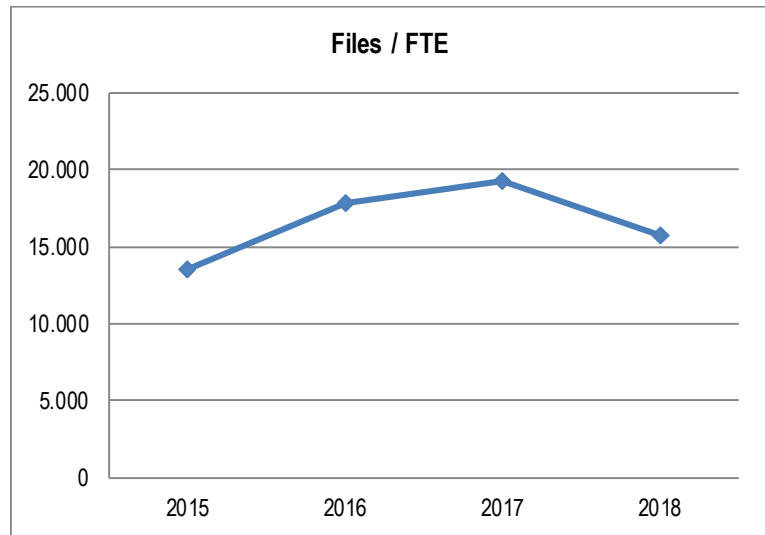
	EESC		CoR		Total	FTE	Transmissions / FTE
	Transmissions	%	Transmissions	%			
<b>2018</b>	<b>7,553</b>	<b>55.5%</b>	<b>6,066</b>	<b>44.5%</b>	<b>13,619</b>	<b>1.5</b>	<b>9,079</b>
2017	27,022	85.1%	4,740	14.9%	31,762	1.3	23,822
2016	33,451	77.6%	9,673	22.4%	43,124	1.5	28,749
2015	38,418	78.9%	10,296	21.1%	48,714	3.3	14,762



**Internal distribution productivity**

This indicator measures the number of files for members that the internal distribution team made in preparation for meetings, divided by the number of "full-time equivalent" staff (FTEs) in that team.

	EESC		CoR		Total	FTE	Files / FTE
	Files	%	Files	%			
2018	50,335	79.8%	12,731	20.2%	63,066	4.0	15,767
2017	47,475	74.8%	16,032	25.2%	63,507	3.3	19,293
2016	51,479	75.3%	16,889	24.7%	68,368	3.8	17,835
2015	46,673	69.1%	20,830	30.9%	67,503	5.0	13,501

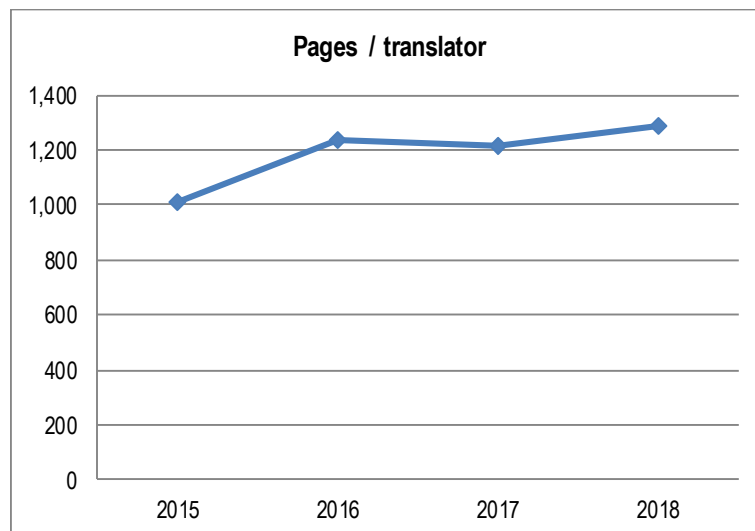
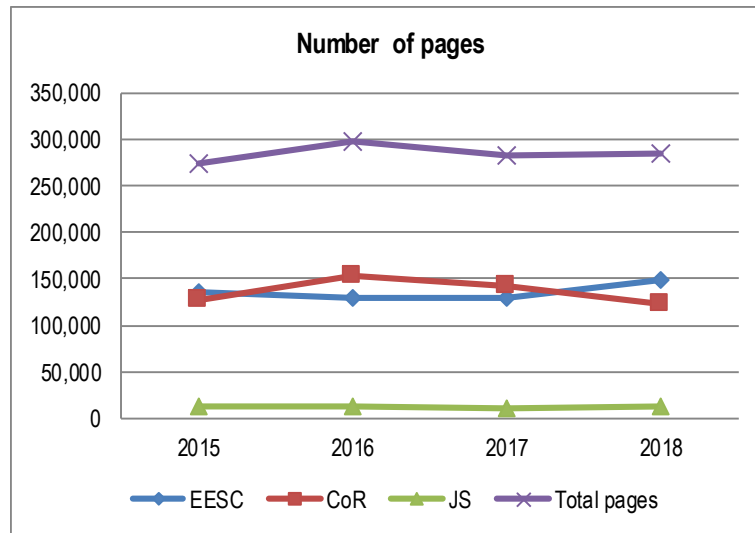


4.7 DIRECTORATE FOR TRANSLATION

Internal translation output

This indicator measures the total number of pages translated per translator post in the establishment plan. A page is defined as 1,500 characters without spaces.

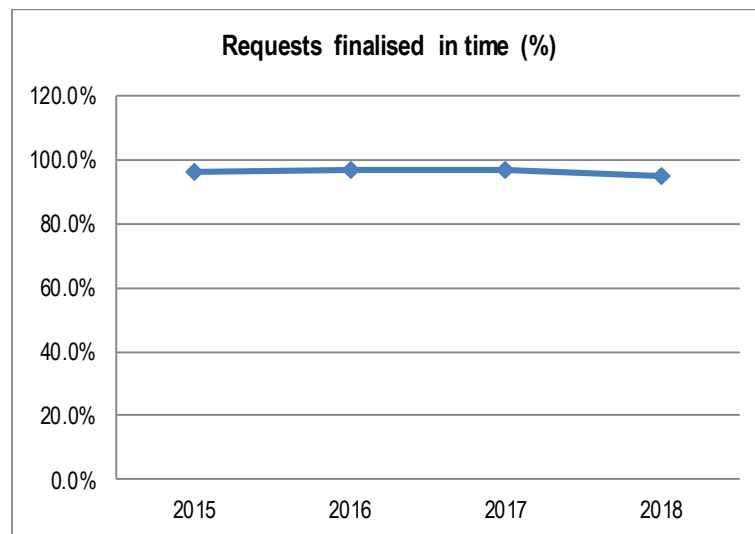
	EESC		CoR		JS		Total pages	FTE	Pages / translator
	Pages	%	Pages	%	Pages	%			
2018	147,810	51.9%	123,481	43.3%	13,765	4.8%	285,056	221.8	1,285
2017	128,569	45.6%	142,445	50.6%	10,725	3.8%	281,739	231.2	1,219
2016	130,037	43.8%	153,124	51.5%	13,959	4.7%	297,120	240.6	1,235
2015	135,600	49.5%	126,367	46.1%	11,911	4.3%	273,878	270.0	1,014



**Translation deadline compliance rate**

This indicator measures the percentage of translation requests that were finalised within the requested deadline.

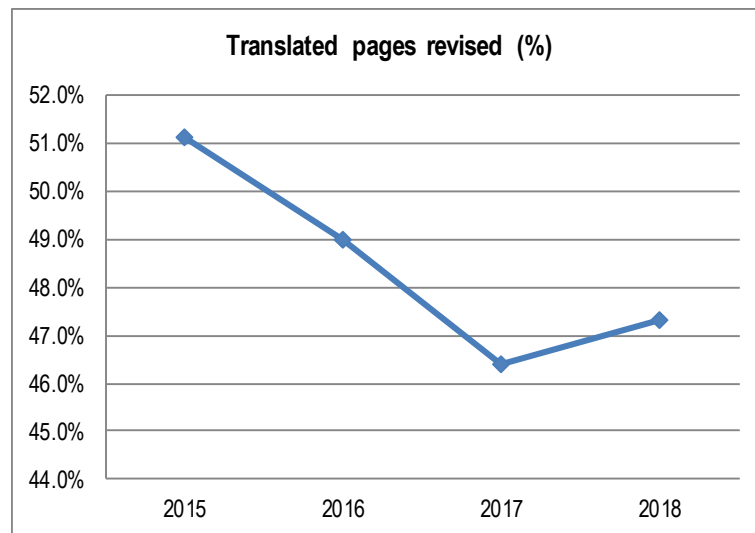
	Requests finalised in time (%)
2018	94.9%
2017	96.9%
2016	96.9%
2015	96.0%



**Translation revision rate**

This indicator measures the percentage of pages that have been revised.

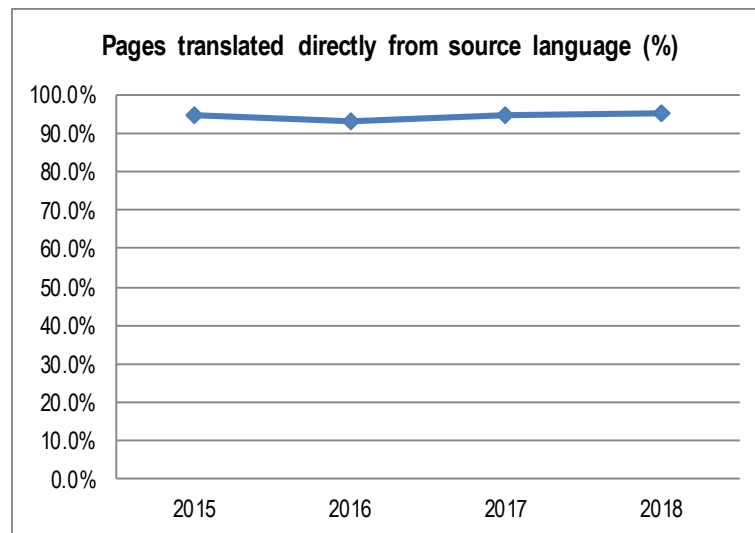
	Translated pages revised (%)
2018	47.3%
2017	46.4%
2016	49.0%
2015	51.1%



### Direct translation rate

Until 2004, nearly all translations could be made directly from the source language into the target language. After enlargement, it was no longer possible to cover all source languages in every translation unit. Therefore, a system based on indirect translation (through "pivot" languages) was put into place. This indicator measures the percentage of pages translated directly from source language to target language, i.e. not translated via a pivot language.

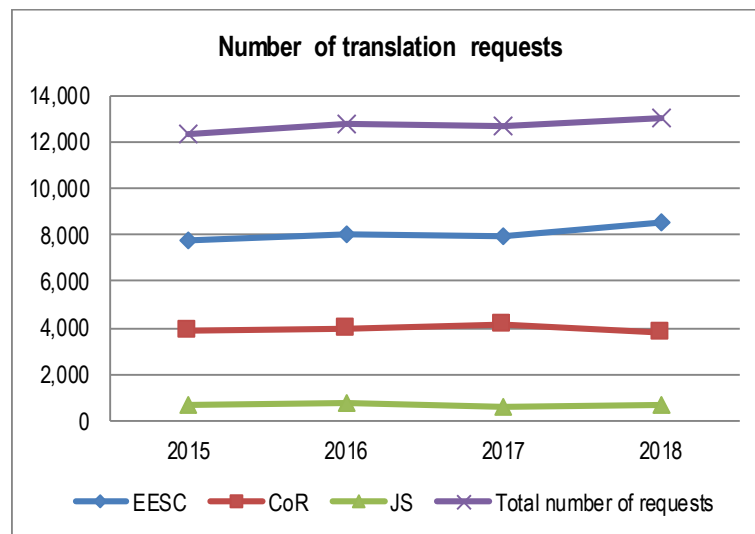
	Pages translated directly from source language (%)
2018	95.0%
2017	94.6%
2016	93.3%
2015	94.4%



### Number of translation requests

This indicator measures the number of translation requests over the reference period.

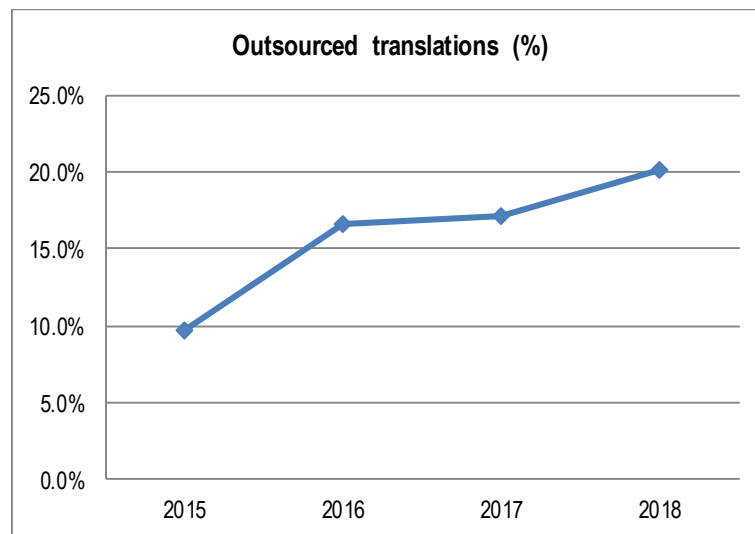
	EESC		CoR		JS		Total number of requests
	Requests	%	Requests	%	Requests	%	
2018	8,505	65.2%	3,819	29.3%	730	5.6%	13,054
2017	7,932	62.6%	4,138	32.7%	593	4.7%	12,663
2016	7,989	62.7%	3,951	31.0%	809	6.3%	12,749
2015	7,725	62.5%	3,909	31.6%	730	5.9%	12,364



**External translation rate**

This indicator compares the number of pages outsourced for translation with the total number of pages translated.

	Outsourced translations (%)
2018	20.1%
2017	17.1%
2016	16.6%
2015	9.7%





## 5. RESULTS OF EX POST CONTROLS 2018

### **Financial Regulation and Rules of Application, Preamble (recital 27)**

*The internalisation of ex ante controls requires, in particular, a clear distinction between tasks relating to the initiation of operations in implementation of the budget and tasks relating to the verification of such operations. Moreover, each institution should adopt a code of professional standards applicable to the staff responsible for ex ante and ex post verifications. It is also necessary to provide that the responsibilities assumed are accounted for in an annual report to the institution which is in charge of, inter alia, the ex post verifications. The supporting documents relating to the operations carried out should be kept. Finally, all the various forms of negotiated procedure for the award of public contracts should, since those contracts represent derogations from the usual award procedures, be the subject of a special report to the institution and of a communication to the European Parliament and Council.*

### **Financial Regulation, Art. 66(9): Powers and duties of the authorising officer**

*The authorising officer by delegation shall report to his or her institution on the performance of his or her duties in the form of an annual activity report containing financial and management information, including the results of controls, declaring that, except as otherwise specified in any reservations related to defined areas of revenue and expenditure, he or she has reasonable assurance that:*

- (a) the information contained in the report presents a true and fair view;*
- (b) the resources assigned to the activities described in the report have been used for their intended purpose and in accordance with the principle of sound financial management;*
- (c) the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.*

*The activity report shall indicate the results of the operations by reference to the objectives set, the risks associated with those operations, the use made of the resources provided and the efficiency and effectiveness of internal control systems, including an overall assessment of the costs and benefits of controls.*

*No later than 15 June each year, the Commission shall send to the European Parliament and the Council a summary of the annual activity reports for the preceding year. The annual activity report of each authorising officer by delegation shall also be made available to the European Parliament and the Council.*

**Rules of Application, Article 49(4): Ex post controls**

*The ex post controls may be carried out on the basis of documents and, where appropriate, on the spot.*

*The ex post controls shall verify that operations financed by the budget are correctly implemented and in particular that the criteria referred to in paragraph 3 are complied with.*

*The outcomes of ex post controls shall be reviewed by the authorising officer by delegation at least annually to identify any potential systemic issues. The authorising officer by delegation shall take measures to address those issues.*

**5.1 OVERALL ASSESSMENT OF THE COSTS AND BENEFITS OF CONTROLS**

During 2018, the public procurement department updated the tools developed in previous years for any type of procedure, such as written instructions and templates, and continued to provide guidance and advice to all financial actors concerned. The use of templates, together with expert guidance, has produced a significant qualitative improvement in procurement procedures and reduced the errors detected in ex-ante controls. To improve the efficiency and effectiveness of controls, the EESC verification department works closely with the public procurement department.

The main task within the control system chain – verification of financial transactions as stated in the Financial Regulation – is carried out ex ante and ex post by six full-time-equivalent verifiers with the required knowledge and skills. For efficiency reasons, some low-value transactions were subject to ex-ante verification by authorising officers ("light verification"), and ex-post controls were then carried out on a subset of operations. In this area, an assessment of risks was carried out during 2018, aimed at updating the list of transactions submitted to ex-ante verification and further improving the efficiency and effectiveness of controls.

As point 5.2 shows, the 2018 ex-post controls confirmed that the EESC's internal control system is working in a satisfactory manner. Only a few minor issues of a formal nature required follow-up. All outstanding questions were thoroughly examined by the departments concerned and appropriate action was taken to address any shortcomings.

**5.2 RESULTS OF EX POST VERIFICATION**

Ex post controls are done by sampling, based on an assessment of the risk. They are done by a verifying agent, other than the one who did the ex-ante verification.

Please also refer to Appendix 1, which describes the internal control environment of the EESC.

# IV.

## APPENDICES

Field of expenditure	Ex-post control undertaken	Verifier's observations	Conclusions/ main action taken by the AOS
Payment of salaries 2018	Examination of a monthly sample of 10 pay slips of the EESC's personnel. The sample is chosen each month in function of the NUP of the person. The purpose of the ex-post verification is to control if the salary is correctly calculated based on the information present in Sysper	No particular issues were identified. Only one remark linked to the justification of the right of a person in Sysper and not linked to the calculation itself.	On the basis of the verifier's comments, the AOS concludes that the control systems worked properly for the payment of salaries in 2018. The minor remark that was made was brought to the attention of the services concerned (individual rights) and data in Sysper has been corrected.
Printshop - Leasing of copying devices incl. copies	Following a request from the AOS, ex-post control conducted by the CoR verification service on transactions which had undergone ex-ante verification by the EESC.	No particular problem identified.	-
IT - Acquisition software	Following a request from the AOS, ex-post control conducted by the CoR verification service on transactions which had undergone ex-ante verification by the EESC.	No particular problem identified. Only minor remarks of a formal nature	The service concerned has taken due note of the remarks made by the verifier and has provided the verifier with a conclusive explanation.
IT - External analyst	Following a request from the AOS, ex-post control conducted by the CoR verification service on transactions which had undergone ex-ante verification by the EESC.	No particular problem identified. Only a minor remark of a formal nature.	The service concerned has taken due note of the remark made by the verifier and has taken the measures necessary to improve procedures.
IT - ICT carrier services	Following a request from the AOS, ex-post control conducted by the CoR verification service on transactions which had undergone ex-ante verification by the EESC.	No particular problem identified. Only minor remarks of a formal nature	The service concerned has taken due note of the remarks made by the verifier and has taken the measures necessary to improve procedures.
Security - Placement of control equipment	Following a request from the AOS, ex-post control conducted by the CoR verification service on transactions which had undergone ex-ante verification by the EESC.	No particular problem identified.	-
Security - Resistance analysis of glass, frames and facade	Following a request from the AOS, ex-post control conducted by the CoR verification service on transactions which had undergone ex-ante verification by the EESC.	No particular problem identified.	-

# IV.

## APPENDICES

Field of expenditure	Ex-post control undertaken	Verifier's observations	Conclusions/ main action taken by the AOS
Security - Building surveillance and security services	Following a request from the AOS, ex-post control conducted by the CoR verification service on transactions which had undergone ex-ante verification by the EESC.	No particular problem identified. Only minor remarks of a formal nature	The service concerned has taken due note of the remarks made by the verifier and has taken the measures necessary to improve procedures.
Infrastructure - Restaurant services	Following a request from the AOS, ex-post control conducted by the EESC verification service on transactions which had undergone ex-ante verification by the CoR.	No particular problem identified.	-
Infrastructure - Control of elevators	Following a request from the AOS, ex-post control conducted by the EESC verification service on transactions which had undergone ex-ante verification by the CoR.	No particular problem identified.	-
Infrastructure - Office Supplies	Following a request from the AOS, ex-post control conducted by the EESC verification service on transactions which had undergone ex-ante verification by the CoR.	No particular problem identified.	-
Infrastructure - Purchase office chairs	Following a request from the AOS, ex-post control conducted by the EESC verification service on transactions which had undergone ex-ante verification by the CoR.	No particular problem identified.	-

## 6. REPORT ON BUILDING CONTRACTS 2018 AND REPORT TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ACCORDING TO ART. 203(3) OF THE FINANCIAL REGULATION

### Financial Regulation, Art. 103: Publicity measures

1. *For procedures with a value equal to or greater than the thresholds referred to in Article 118(1) or Article 190, the contracting authority shall publish in the Official Journal of the European Union:*
  - (a) *a contract notice to launch a procedure, except in the case of the procedure referred to in point (d) of Article 104(1);*
  - (b) *a contract award notice on the results of the procedure.*
2. *Procedures with a value below the thresholds referred to in Article 118(1) or Article 190 shall be advertised by appropriate means.*

### Rules of Application, Art. 124(2): Advertising of procedures falling below the thresholds under Article 118(1) of the Financial Regulation or falling outside the scope of Directive 2014/24/EU

2. *For contracts awarded in accordance with points (g) and (i) of Article 134 of this Regulation, the contracting authority shall send a list of contracts no later than 30 June of the following financial year, to the European Parliament and Council. In the case of the Commission, it shall be annexed to the summary of the annual activity reports referred to in Article 66(9) of the Financial Regulation.*

### Rules of Application, Art. 134 (1): Use of a negotiated procedure without prior publication of a contract notice

1.  
...  
(g) *for building contracts, after prospecting the local market;*

## 6.1 BUILDING CONTRACTS 2018

No building contracts were awarded in 2018.

## 6.2 ARTICLE 203 FR REPORT

### **Financial Regulation, Art. 203(3): Working document on the building policy**

*Each institution shall provide the European Parliament and the Council, by 1 June each year, with a working document on its building policy, which shall incorporate the following information:*

- (a) for each building, the expenditure and surface area covered by the appropriations of the corresponding budget lines;*
- (b) the expected evolution of the global programming of surface area and locations for the coming years with a description of the building projects in planning phase which are already identified;*
- (c) the final terms and costs, as well as relevant information regarding project implementation of new building projects previously submitted to the European Parliament and the Council under the procedure established in paragraphs (4) and (5) and not included in the preceding year's working documents.*

#### **6.2.1 Part 1: The expenditure and surface area for each building**

The information about the office premises of the European Economic and Social Committee and the European Committee of the Regions can be found under point 6.2.4.

#### **6.2.2 Part 2: The expected evolution of the global programming**

A building strategy was approved by the Bureau of the European Economic and Social Committee on 17 October 2017 and by the Bureau of the Committee of the Regions on 29 November 2017.

This **buildings strategy** provides a reliable and flexible framework for future decisions in this domain. It contains a set of guiding principles in the field of real estate.

These principles are, inter alia:

- geographical concentration;
- preference for ownership rather than lease and exercising options to buy;
- sustainable buildings management; and
- multi-annual planning.

Regarding the main priority for the buildings strategy, the "*geographical concentration*", several scenarios were explored in 2018 by the Directorate for Logistics. In particular, the preferred scenarios all include keeping the VMA building (rue Van Maerlant 2) for the use of the EESC and the CoR after 2021.

By letter of 26 June 2017 referenced Ares(2017)3192988 the Secretary General Italianer of the European Commission informed the European Economic and Social Committee and the European Committee of the Regions of the fact that the Administrative Agreement for the renting of the Van Maerlant 2 could be extended until the 31 December 2021. Following that letter, the Administrative agreement was extended as proposed but there was no arrangement on a further use of the VMA building after 2021.

By letter of 20 November 2017 referenced PRES CESE/2017/D/4186-PRES CdR/2017/D/2407 the Presidents of the European Economic and Social Committee and the European Committee of the Regions informed Commissioner Oettinger about their interest to occupy the VMA building after 2021 since it is a building physically connected to the Jacques Delors building (the main building of the Committees), which offers several financial and non-financial advantages to the Committees.

**At the end of 2018, an agreement in principle has been reached with the European Commission to sign an Administrative Agreement for the exchange of the Commission's VMA building against the Committees B68/TRE buildings (rue Belliard 68 and rue de Trèves 74 are adjacent buildings).**

After presentation of several options for the new project B68/TRE by the Directorate for Logistics of the Committees, the four urban services from the Region of Brussels agreed on 14 December 2018 with an architectural solution that would allow reaching a surface of 15 500m<sup>2</sup>. The Region of Brussels Quality Chamber has confirmed its opinion which was a pre-condition requested by OIB for the exchange of the buildings, and the OIB confirmed by email its agreement to conclude the exchange.

The Administrative Agreement for the exchange of the VMA building with the B68/TRE74 buildings should be signed before summer 2019. It schedules the actual exchange of buildings to take place on 16 September 2022, the date when the value of both sets of buildings will be identical.<sup>3</sup>

#### **NEED FOR A NEW BUILDING**

However, exchanging the B68 and TRE buildings for the VMA in its current state would result in a significant loss of 10 440 m<sup>2</sup> of office space for the two Committees, which could not be entirely offset by alternative measures in the short-term such as densifying the use of space in the other buildings and increased teleworking.

The total number of staff members currently housed at both B68 and TRE buildings is around 400. Presently there is the possibility to place around 200 staff members in other buildings of the

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<sup>3</sup> This date was determined by an external real estate expert and takes into account the market price of the buildings minus the long-term lease instalments still to be paid.

Committees without undertaking any works, by using the offices in a better way. Therefore, there will be a need to find extra offices to accommodate the remaining 200 staff members after the exchange of the buildings. This could be achieved either by negotiating the lease of an adjacent building with another EU institution or by launching a market prospection for a non-connected building.

In application of article 266 of the Financial Regulation, the European Economic and Social Committee and the European Committee of the Regions hereby are sending hereby an early warning to the budgetary authority on the need to negotiate with another European institution or to launch a real estate market prospection in view of renting or leasing with the option to purchase a new building to house around 200 staff members. The new building is envisaged to be occupied as from September 2022, when the Committees will be leaving the B68/TRE. The rent for this new building is estimated to be EUR 1.3 Mio per year (to be indexed). The rent costs will be entirely financed by the decrease in the lease payments for the B68/TRE.<sup>4</sup>

#### **NEED TO REFURBISH VMA**

As outlined in the scenarios accompanying the EESC-COR building strategy, the VMA building will require renovation, which could be done in two steps: a "minor" refurbishment at the earliest moment possible (2020-2022) and a more thorough renovation when the Committees will totally own the VMA building in 2028 (end of the long term lease contract with option to buy). It should be noted that if the Committees keep the B68 and the TRE74 a "minor" refurbishment and later on a more thorough renovation would also be needed for these buildings.

The estimated budget for the "minor" refurbishment works at VMA amounts to EUR 6 Mio. over 3 years. Ideally this budget should be provided between 2020 and 2022 in order to allow the conclusion of the works before September 2022.

In application of article 266 of the Financial Regulation, the European Economic and Social Committee and the European Committee of the Regions are sending hereby an early warning to the budgetary authority on the need to undertake renovation works at the VMA building between 2020 and 2022 for an amount estimated to EUR 6 Mio. This amount represents around 3% of the total accounting value of the two Committees buildings. For the purpose of these refurbishment works, a call for tender will be launched in the coming months.

#### **LIFT OF PURCHASE OPTIONS**

Through the letter 001071-01909 of 11th of December 2014, the European Economic and Social Committee and the European Committee of the Regions have informed the budgetary authority

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<sup>4</sup> After the exchange of buildings in September 2022, the European Commission will take in charge the leasing payments concerning B68/TRE and the Committees will take in charge the full leasing payments of the VMA (to which they are already contributing presently with 2/3). The savings in leasing payments for the Committees resulting from this exchange of buildings will amount to around EUR 2 Mio a year which will allow covering entirely the renting of the new building.



of their intention to lift the purchase option provided in the long-term leasehold contracts for five buildings occupied jointly, namely:

- JDE building, on Rue Belliard 99-101, 1040 Brussels
- BvS building, on Rue Montoyer 92-102, 1000, Brussels
- B68 building, on Rue Belliard 68, 1000, Brussels
- TRE building, on Rue de Trèves 74, 1000, Brussels
- REM building, on Rue Belliard 93, 1000, Brussels

The budgetary and financial cost of acquiring the residual property rights is a symbolic sum of EUR 1 per building, this being the price under the contracts for the exercise of the purchase options, to which the indirect costs of legal services and notarial fees have to be added.

It is also important to note that exercising the purchase option will not change the financial conditions set out in the long-term leasehold contracts. The European Economic and Social Committee and the European Committee of the Regions will still have to continue paying the annual leasehold fees in accordance with the contracts for the remainder of their term.

The option to purchase the JDE building was exercised with the signature of the deed on 19 November 2018.

The option to purchase the BVS and REM buildings will be exercised in 2019.

As the Committees will swap the B68 and TRE buildings with the VMA building, the exercising of the purchase options of the B68 and TRE buildings will have to be done by the Commission in due time.

The Committees will exercise the option to purchase the VMA building between 1/9/2028 and 31/10/2028 as foreseen in the long term lease contract.

**In conclusion, the budgetary authority is informed about:**

- the signature before summer 2019 of an Administrative Agreement between the European Commission, the European Economic and Social Committee and the European Committee of the Regions concerning the exchange of the Commission's VMA building with the Committees B68/TRE buildings<sup>5</sup>;
- an early warning (art. 266 FR) concerning the negotiations with other European institutions, or the launch of a real estate prospection, in order to rent or purchase a new office building as from September 2022 to house around 200 staffs members;<sup>6</sup>
- an early warning (art. 266 FR) concerning the launch of a call for tender for the renovation works at the VMA-building, to be undertaken between 2020 and 2022, for an estimated amount of EUR 6 Mio.;

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<sup>5</sup> Both sets of buildings will have the same value on 16 September 2022, the date when the exchange will take effect.

<sup>6</sup> Annual rent cost estimated to EUR 1.3 Mio (2019 prices), to be offset by the reduction of the lease payments resulting from the exchange.

- the state of play of the exercising of the options to purchase the buildings, occupied by the Committees.

### 6.2.3 Part 3: Project implementation of new building projects previously submitted to the European Parliament and the Council

No projects were presented to the European Parliament and the Council during the year 2018.

### 6.2.4 Table: Expenditure and surface for each building (CoR and EESC together)

Item	Building	Area above ground (m <sup>2</sup> )	Type of contract	Lease and rent 2020 (EUR)	
2001 (Annual lease payments)	Office space	JDE	22,026	Emphyteusis with option to buy only exercised for JDE	6,811,631
		BVS	18,280		5,720,386
		REM	2,324		192,857
		B-68	7,283		2,288,089
		TRE	5,387		1,472,050
	Non-office space	JDE	14,353		4,438,815
		BVS	2,285		715,150
		REM	0		0
		B-68	22		6,849
		TRE	692		189,003
	<b>Total item</b>		<b>72,652</b>		
2000 (Rent)	Office space	VM-2	8,244	Rent	2,325,871
	Non-office space	VM-2	3,162		892,248
	<b>Total item</b>		<b>11,406</b>		<b>3,218,120</b>
<b>GRAND TOTALS</b>		<b>84,058</b>		<b>25,052,949</b>	

<b>Share of office space in total space (%)</b>	<b>76%</b>
<b>Share of non-office space in total space (%)</b>	<b>24%</b>
<b>Employees to be accommodated</b>	<b>1,558</b>
<b>Office space / employee (m<sup>2</sup>)</b>	<b>41</b>

## 7. INSTRUCTIONS GIVEN REGARDING DECISIONS WHICH ARE IRREGULAR OR CONTRARY TO THE PRINCIPLES OF SOUND FINANCIAL MANAGEMENT DURING 2018

### **Financial Regulation, Art. 73(3): Rules applicable to authorising officers**

*An authorising officer by delegation or sub delegation who considers that a decision, which is his or her responsibility to take, is irregular or contrary to the principle of sound financial management shall inform the delegating authority in writing.*

*If the delegating authority then gives a reasoned instruction in writing to the authorising officer by delegation or sub delegation to take that decision, that authorising officer shall not be held liable.*

### **Rules of Application, Art. 77: Confirmation of instructions**

*Any instructions confirmed in the circumstances described in Article 73(3) of the Financial Regulation shall be recorded by the authorising officer by delegation responsible and mentioned in his annual activity report.*

## 7.1 ARTICLE 73.3 INSTRUCTIONS RECEIVED IN 2018

The delegating authority has not issued any such instructions in 2018.

## 8. WAIVING OF RECOVERY OF AMOUNTS RECEIVABLE INVOLVING EUR 100 000 OR MORE IN 2018

### **Financial Regulation, Art. 80(2): Rules on recovery**

*Where the authorising officer by delegation plans to waive or partially waive recovery of an established amount receivable, he or she shall ensure that the waiver is in order and is in accordance with the principles of sound financial management and proportionality. The waiver decision shall be substantiated. The authorising officer may delegate the waiver decision.*

*The authorising officer by delegation may cancel an established amount receivable in full or in part. The partial cancellation of an established amount receivable does not imply a waiver of an established Union entitlement.*

*The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on the manner of recovery, including recovery by offsetting, the recovery procedure failing voluntary payment, additional time for payment, recovery of fines and other penalties, waiver of recovery and cancellation of an established amount receivable."*

### **Rules of Application, Art. 91(5): Waiving of recovery of an established amount receivable**

*Each institution shall send to the European Parliament and Council each year a report on the waivers referred to in paragraphs 1 to 4 of this Article involving EUR 100 000 or more. In the case of the Commission, that report shall be annexed to the summary of the annual activity reports referred to in Article 66(9) of the Financial Regulation.*

## 8.1 WAIVING OF RECOVERY OF AMOUNTS RECEIVABLE INVOLVING EUR 100 000 OR MORE IN 2018

The European Economic and Social Committee made no waivers of recovery of amounts receivable involving EUR 100 000 or more in 2018.

**9. REPORT ON CONTRACTS AND NEGOTIATED PROCEDURES 2018****Rules of Application, Art. 53: Report on negotiated procedures**

*Authorising officers by delegation shall record, for each financial year, contracts concluded by the negotiated procedures referred to in points (a) to (f) of Article 134(1) and Article 266 of this Regulation. If the proportion of negotiated procedures in relation to the number of contracts awarded by the same authorising officer by delegation increases appreciably in relation to earlier years or if that proportion is distinctly higher than the average recorded for the institution, the authorising officer responsible shall report to the institution setting out any measures taken to reverse that trend. Each institution shall send a report on negotiated procedures to the European Parliament and Council. In the case of the Commission, that report shall be annexed to the summary of the annual activity reports referred to in Article 66(9) of the Financial Regulation.*

**Rules of Application, Art. 124: Advertising of procedures falling below the thresholds under Article 118(1) of the Financial Regulation or falling outside the scope of Directive 2014/24/EU**

- 2. For contracts awarded in accordance with points (g) and (i) of Article 134 of this Regulation, the contracting authority shall send a list of contracts no later than 30 June of the following financial year, to the European Parliament and Council. In the case of the Commission, it shall be annexed to the summary of the annual activity reports referred to in Article 66(9) of the Financial Regulation.*
- 3. Contract award information shall contain the name of the contractor, the amount awarded and the subject matter of the contract and, in the case of direct and specific contracts, it shall comply with Article 21(3).*

*The contracting authority shall publish a list of contracts on its internet site no later than 30 June of the following financial year for:*

- (a) contracts below the thresholds laid down in Article 118(1) of the Financial Regulation;*
- (b) contracts awarded in accordance with points (h) and (j) to (m) of Article 134 of this Regulation;*
- (c) modifications of contracts as set out in point (c) of Article 114a(3) of the Financial Regulation;*
- (d) modifications of contracts as set out in points (a) and (b) of Article 114a(3) of the Financial Regulation where the value of the modification is below the thresholds laid down in Article 118(1) of the Financial Regulation;*
- (e) specific contracts under a framework contract.*

*For the purposes of point (e) of the second subparagraph the published information may be aggregated per contractor for the same subject matter.*

**Rules of Application, Art. 134: Use of a negotiated procedure without prior publication of a contract notice**

1. *When the contracting authority uses the negotiated procedure without prior publication of a contract notice, it shall follow the arrangements on negotiation set out in Article 104(4) of the Financial Regulation and in Article 128(5) of this Regulation:*

*The contracting authority may use the negotiated procedure regardless of the estimated value of the contract, in the following cases:*

*(a) where no tenders, or no suitable tender, or no request to participate or no suitable request to participate as provided for in paragraph 2 have been submitted in response to an open procedure or restricted procedure after this procedure has been completed, provided that the original procurement documents are not substantially altered;*

*(b) where the works, supplies or services can only be provided by a single economic operator under the conditions set out in paragraph 3 and for any of the following reasons;*

*(i) the aim of the procurement is the creation or acquisition of a unique work of art or artistic performance;*

*(ii) competition is absent for technical reasons;*

*(iii) the protection of exclusive rights including intellectual property rights must be ensured;*

*(c) in so far as is strictly necessary where, for reasons of extreme urgency brought about by unforeseeable events, it is impossible to comply with the time limits laid down in Articles 152, 154 and 275 and where the justification of such extreme urgency is not attributable to the contracting authority;*

*(d) where a service contract follows a design contest and is to be awarded to the winner or to one of the winners; in the latter case, all winners must be invited to participate in the negotiations;*

*(e) for new services or works consisting in the repetition of similar services or works entrusted to the economic operator to which the same contracting authority awarded an original contract, provided that these services or works are in conformity with a basic project for which the original contract was awarded after publication of a contract notice, subject to the conditions set out in paragraph 4;*

*(f) for supply contracts:*

*(i) for additional deliveries which are intended either as a partial replacement of supplies or installations or as the extension of existing supplies or installations, where a change of supplier would oblige the contracting authority to acquire supplies having different technical characteristics which would result in incompatibility or disproportionate technical difficulties in operation and*

*maintenance; when the institutions award contracts on their own account, the duration of such contracts may not exceed three years;*

*(ii) where the products are manufactured purely for the purpose of research, experimentation, study or development; however such contracts shall not include quantity production to establish commercial viability or to recover research and development costs;*

*(iii) for supplies quoted and purchased on a commodity market;*

*(iv) for purchases of supplies on particularly advantageous terms, from either an economic operator which is definitively winding up its business activities, or the liquidators in an insolvency procedure, an arrangement with creditors, or a similar procedure under national law;*

*(g) for building contracts, after prospecting the local market;*

*(i) for contracts declared to be secret or for contracts whose performance must be accompanied by special security measures, in accordance with the administrative provisions in force or when the protection of the essential interests of the Union so requires, provided the essential interests concerned cannot be guaranteed by other measures; these measures may consist of requirements to protect the confidential nature of information which the contracting authority makes available in the procurement procedure.*

### 9.1 REPORT ON NEGOTIATED PROCEDURES ACCORDING TO ART. 53 OF THE RULES OF APPLICATION for THE FINANCIAL REGULATION

During 2018, the EESC organised two negotiated procedures without prior publication of a contract notice.

These two procedures refer to the case where supplies or services could only be provided by a single economic operator.

Contractor	Subject	Amount in EUR	Contract
DW Media Services GmbH	Partnership between DW Media Services GmbH and the EESC in the framework of the Deutsche Welle Global Media Forum 2018	23,500.00	Services
IGEP	Purchase of 6000 rulers with flags as part of gadgets to hand out at events	3,540.00	Supplies

### 9.2 CONTRACTS ACCORDING TO ARTICLE 124 OF THE RULES OF APPLICATION for THE FINANCIAL REGULATION

In accordance with Articles 124 FR and 137(1) (2) RAP, the list of middle and low value contracts awarded (value higher than EUR 15 000 and below EUR 144,000) is published each year on the EESC's website by 30 June at the latest (<https://www.eesc.europa.eu/en/work-with-us/public-procurement/awarded-contracts>).

During 2018, there was no call for tenders (Article 134 g), i) RAP) as regards negotiated procedures for buildings contracts or accompanied by special security measures.



**10. AVERAGE PAYMENT TIMES – PAYMENT DELAY SUSPENSION****Financial Regulation, Art. 92: Time limits***1. Payments shall be made within:*

*(a) 90 calendar days for delegation agreements, contracts, grant agreements and decisions involving technical services or actions which are particularly complex to evaluate and for which payment depends on the approval of a report or a certificate;*

*(b) 60 calendar days for all other delegation agreements, contracts, grant agreements and decisions for which payment depends on the approval of a report or a certificate;*

*(c) 30 calendar days for all other delegation agreements, contracts, grant agreements and decisions.*

*2. The authorising officer responsible may suspend the time limit for payment where:*

*(a) the amount of the payment request is not due; or*

*(b) the appropriate supporting documents have not been produced.*

*If information comes to the notice of the authorising officer responsible which puts in doubt the eligibility of expenditure in a payment request, he or she may suspend the time limit for payment for the purpose of verifying, including by means of on the spot checks, that the expenditure is indeed eligible.*

*3. The creditors concerned shall be informed in writing of the reasons for that suspension.**4. Where the suspension exceeds two months, the creditor may request a decision by the authorising officer responsible on whether the suspension is to be continued.**5. Except in the case of Member States, on expiry of the time limits laid down in paragraph 1, the creditor shall be entitled to interest.**6. The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on time limits for payment and on the specification of the circumstances in which creditors in receipt of a late payment are entitled to receive default interest charged to the line from which the principal was paid.***Rules of Application, Art. 111: Payment time limits and default interest***1. The time allowed for making payments shall be understood as including validation, authorisation and payment of expenditure.*

*It shall begin to run from the date on which a payment request is received.*

*A payment request shall be registered by the authorised department of the authorising officer responsible as soon as possible and is deemed to be received on the date it is registered.*

*The date of payment is deemed to be the date on which the institution's account is debited.*

2. *A payment request shall include the following essential elements:*

- (a) creditor's identification;*
- (b) amount;*
- (c) currency;*
- (d) date;*

*Where at least one essential element is missing, the payment request shall be rejected.*

*The creditor shall be informed in writing of the rejection and the reasons for it as soon as possible and in any case within 30 calendar days from the date on which the payment request was received.*

3. *In the case of suspension as referred to in Article 92(2) of the Financial Regulation, the remaining time allowed for payment shall begin to run again from the date on which the requested information or revised documents are received or the necessary further verification, including on-the-spot checks, is carried out.*

4. *On expiry of the time-limits laid down in Article 92(1) of the Financial Regulation, the creditor shall be entitled to interest in accordance with the following conditions:*

- (a) the interest rates shall be those referred to in Article 83(2) of this Regulation;*
- (b) the interest shall be payable for the period elapsing from the calendar day following expiry of the time-limit for payment laid down in Article 92(1) of the Financial Regulation up to the day of payment.*

*However, when the interest calculated in accordance with the first subparagraph is lower than or equal to EUR 200, it shall be paid to the creditor only upon a demand submitted within two months of receiving late payment.*

5. *Each institution shall submit to the European Parliament and Council a report on the compliance with the time-limits and on the suspension of the time-limits laid down in Article 92 of the Financial Regulation. The report of the Commission shall be annexed to the summary of the annual activity reports referred to in Article 66(9) of the Financial Regulation.*

### 10.1 FIGURES ON AVERAGE PAYMENT TIMES – PAYMENT DELAY SUSPENSION IN 2018

#### Payment times

Maximum payment time (days)	All payments 2018			Payments within time limit 2018			Late payments 2018		
	Number of payments	%	Average payment time (days)	Number of payments	%	Average payment time (days)	Number of payments	%	Average payment time (days)
30	14.475	100,00	20,75	11.640	80,41	14,21	2.835	19,59	46,12
60	39	100,00	25,36	35	89,74	18,63	4	10,26	65,75
30-60	<b>14.514</b>	<b>100,00</b>	<b>20,76</b>	<b>11.675</b>	<b>80,44</b>	<b>14,22</b>	<b>2.839</b>	<b>19,56</b>	<b>46,14</b>

#### Suspensions

Average payment suspension (days)	Number of suspended payments	% of total number	Total number of payments
39	123	0,85	14.514

#### Late Interest paid in 2018

Description	Amount (EUR)
Interest on late payment of charges New FR	229,24

## 11. FOLLOW-UP TO OBSERVATIONS IN THE PARLIAMENT'S 2017 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 26 MARCH 2019 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 2017, SECTION VI – EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2018/2172(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 2017 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 on the implementation of the budget concerning the financial year 2017 (the “Court’s report”), 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 2017 the Committee’s budget amounted to EUR 133 807 338 (compared to EUR 130 586 475 in 2016), with an implementation rate of 96,5 % compared to 97,2 % in*

*2016; notes that the implementation rate of appropriations carried forward from 2016 to 2017 was higher than in 2016, 84,9 % (EUR 7,4 million) compared to 65,7 % in 2016 (EUR 6,8 million);*

No follow-up required.

- 4. Notes that the Committee's budget is mostly administrative, with a large amount being used for expenditure concerning persons, buildings, furniture, equipment and miscellaneous running costs;*

No follow-up required.

- 5. Welcomes the commitment of the Committee to extend the performance-based budgeting methodology to relevant parts of its budget; notes the regular review of the key performance indicators (KPIs) along with the secretariat's activities and organisation in this context; asks to be regularly informed about the achievements related to the application of the principles of performance-based budgeting;*

The EESC assessed how to apply the principles of performance-based budgeting (PBB) to its budget, which consists of administrative appropriations only (i.e. the EESC has no operational appropriations to finance public policies).

According to the OECD "PBB is the systematic use of information about the outputs, results and/or impacts of public policies in order to inform, influence and/or determine the level of public funds allocated towards those policies in the budgetary context".

The EESC therefore looks forward to working together with the other EU institutions to define a set of inter-institutional guidelines on the implementation of performance-based budgeting for EU institutions that have only administrative expenditure.

- 6. Encourages the Committee to publish its Annual Activity Report and Annual Accounts by 31 March of the year following the accounting year in question with a view to optimising and speeding up the discharge procedure;*

The EESC is, of course, ready to comply with any new decision in this respect, but it stresses the importance of all institutions to adhering to the same timetable.

- 7. Notes that the final appropriations for travel and subsistence allowances for Members increased to EUR 19 819 612 in 2017 (compared to EUR 19 561 194 in 2016); welcomes the detailed list of travels by Members presented in the Annual Activity Report; welcomes measures that contribute to an efficient planning of meetings and reducing transportation costs;*

No follow-up required.

8. *Notes that the Committee reduced the overall number of posts in its establishment plan by 59 posts, from 727 in 2013 to 665 in 2017, mainly due to the implementation of the 5 % staff cuts decision and the implementation of the cooperation agreement concluded in 2014 with Parliament; notes that the Committee adjusted its organisational structure, in particular through the merger of the directorate for human resources and the directorate for finance in May 2017;*

It has to be noted that a 5 % reduction applied to a relatively small establishment plan is much more difficult to absorb due to the need to maintain some key functions in terms of business continuity. Such an overall reduction percentage requires a greater effort from smaller institutions.

9. *Welcomes the inter-institutional administrative cooperation with Parliament and the mid-term evaluation results on the implementation of the cooperation agreement between the Committee and the Committee of the Regions, which highlights the successful implementation of several measures; notes that in the context of a redeployment exercise, the Committee has already moved 16 posts from the directorate for translation to its own services, and that remaining moves will happen progressively; notes the calculation of the budgetary savings made by the Committee and the Committee of the Regions through this inter-institutional cooperation, such as the savings, inter alia, in infrastructure costs amounting to EUR 12,5 million, in IT costs amounting to EUR 5 million, or in security staff costs amounting to EUR 500 000; calls on the Committee and the Committee of the Regions to continue to improve this inter- institutional cooperation in order to achieve further savings;*

Administrative cooperation between the European Economic and Social Committee and the European Committee of the Regions is highly developed. By means of an administrative cooperation agreement, the two Committees have not only set out a large number of procedures for collaboration between their own services but have also established and organised what are known as "Joint Services", in which both human and financial resources from the two Committees are pooled together (namely Translation and Logistics). The current cooperation agreement runs until the end of 2019, and the two Committees have already started a process aimed at continuing cooperation beyond 2019 to the benefit of both institutions and the EU budget.

10. *Takes note that the Committee adopted in 2017 a total of 155 opinions and reports, including 13 exploratory opinions on referral from the EU presidencies or the Commission, 59 opinions on referral from Parliament and Council, and 45 on referral from the Commission;*

No follow-up required.

11. *Notes that translation services are still in transition towards a higher degree of outsourcing*

*due to the transfer of staff to Parliament under the cooperation agreement (with 16,61 % of the budget in 2016 being used for outsourced translation and 17,10 % in 2017); calls on the Committee to follow up the areas related to translation management requiring further attention from management highlighted by the internal audit service and wishes to be informed accordingly;*

Following the pilot project on the common management of translation units, the Committee, in full agreement with the CoR, is proceeding to further optimise the working methods of the Translation Directorate. In line with this aim, it was decided in March 2019 that the management of the Slovenian and Maltese unit would be merged, following the model of the pilot project on the merger of the FI/SV and CZ/SK for a trial period. Other similar measures might be decided at a later stage, always aiming to ensure better exchange of good practices and to streamline working methods.

- 12. *Notes that the rate of unused slots of interpretation services was 3,6 % in 2017 (compared to 4 % in 2016); encourages the Committee to keep a positive trend towards fewer cancellations;***

No follow-up required.

- 13. *Is interested in the work of the ad hoc group set up by the Committee's Bureau on the future of the Committee which aims to develop a new vision for the Committee and its role in a changing Union; notes that the group submitted its report in July 2017 with proposals on working methods and on the internal organisation; notes that the ideas presented in the report will progressively result in concrete actions and asks the Committee for more information in the next Annual Activity Report;***

Based on the ad hoc group's final report submitted in July 2017, the Committee Bureau decided to press ahead with the rationalisation of the Committee's structures. A further report on this issue was submitted to the Bureau in December 2017. As a result, the Bureau decided, in January 2018, to reduce the number of members sitting on a large number of the Committee's internal bodies and to limit the number of their meetings held each year. At the same time, the Bureau decided to refocus the remits of some of these Committee structures.

- 14. *Highlights that only 11 posts were open in the Committee in 2017 (related to permanent posts) compared to 62 open posts in 2015 and welcomes that development;***

No follow-up required.

- 15. *Welcomes the increase in political dialogue between the Committee and Parliament as well as other institutions; notes the Committee's active contribution to the inter- institutional cooperation on assessing Union policies and law in the framework of the agreement on better law-making and the Regulatory Fitness and Performance Programme (REFIT);***

*encourages the Committee and Parliament to pursue their efforts in strengthening the political cooperation;*

The EESC takes note of this observation and remains fully committed to creating quality content, which represents the input of organised European civil society, and to promoting it to the law-making institutions. The Committee aims to pursue stronger relations with the 9th legislature of the European Parliament, engaging new MEPs, rapporteurs and committee coordinators at an early stage, so as to ensure a permanent two-way dialogue and more timely circulation of information relating to both ongoing and future legislative and non-legislative files.

The EESC and the EP share the same approach to the importance of better law-making. Well-established cooperation between the EPRS and the EESC, especially on ex-post evaluations, took a step forward with the establishment by the EPRS of the new "Linking the levels unit".

- 16. Welcomes the inter-institutional administrative cooperation with Parliament; notes with satisfaction the cooperation with the European Parliamentary Research Service (EPRS) and the cooperation of the communication departments; welcomes the Committee's budgetary savings resulting from this inter-institutional cooperation, such as the savings in staff costs amounting to EUR 3,3 million (2016 salary levels) resulting from the transfer of 36 posts from the Committee to the EPRS;**

No follow-up required.

- 17. Notes that as a result with the cooperation with Parliament, a total of 52 opinions were adopted in response to referrals coming from Parliament. Members of the Committee had over 60 meetings with Parliament's rapporteurs and shadow rapporteurs as well as other Members of Parliament, and participated in an active role in over 42 events in Parliament and in parallel, Members of Parliament actively participated in 35 Committee legislative work meetings; encourages the Committee to keep on working and increase the cooperation with Parliament in legislative work;**

The Committee will remain actively engaged in cooperating with the Parliament, particularly during the post-electoral period. New members of parliament, as well as returning ones, will be invited to meet with EESC representatives and to engage in joint events in order to continue and to increase legislative cooperation. The EESC will also continue to engage with the Conference of Committee Chairs, providing a regular venue for dialogue and informing the Parliament's committees of possible topics for cooperation, including exploratory opinions.

- 18. As the inter-institutional costs of IT training, in particular in 2017, were influenced by inaccurate indicative prices, calls for a new service level agreement with the Commission in this area to avoid uncertainty by working with a single global amount for all training;**

The service level agreement between the Commission and the Committee on HR services



(including training) has been in place since 2018 and has indeed increased transparency and the predictability of costs related to IT training courses; however, the advantage of increased transparency, is partly offset by a substantial increase in prices charged by the Commission.

- 19. Welcomes the achievements made by the Committee in terms of communication activities to increase its visibility and media impact, including the increase of its outreach on social media; welcomes in particular the local debates organised in 27 Member States in the context of the Commission's reflection on the Future of Europe as well as other cultural events and the 221 Going Local activities;**

No follow-up required.

- 20. Welcomes the efforts in the efficiency of information systems, IT infrastructure and user support services; notes the examples like the development of a new application for staff appraisals, an online staff vademecum, improved usability of the principal operational systems and reporting environments; notes, however, with concern that the Committee, together with Committee of the Regions, dedicated less than 3 % of their total budget to IT, whereas IT projects and equipment have suffered from underfinancing for several years; asks the Committee to prepare a mid-term strategy on the investments in their IT projects and equipment and include it into Committee's next Annual Activity report;**

A digital strategy and a multiannual IT expenditure plan are currently in the process of approval. Both documents will be transmitted to the European Parliament following their adoption by the EESC Bureau.

- 21. Notes the approval of a building strategy by the Committee's Bureau on 17 October 2017 and by the Bureau of the Committee of the Regions on 29 November 2017; notes that that building strategy provides a framework for any future decision related to the building policy to be taken and contains a set of guiding principles in the field of real estate; notes that several scenarios have been identified and explored in order to prepare the building policy beyond 2021 with a priority given to scenarios that include the continued use of the VMA building; asks to be kept informed about the ongoing negotiations with the Commission regarding the continued use of the VMA building; encourages the Committee, together with the Committee of the Regions, to carry out an assessment of potential renovation needs and to make an estimation of the costs for the scenario where the two Committees take over the entire VMA building;**

The Committees will inform the budgetary authority on the progress of negotiations on the exchange of the VMA building, on budgetary needs relating to renovations and on other building issues before mid-2019, in particular when submitting the annual report provided for in Article 266 of the Financial Regulation.

- 22. Regrets the low participation of economic operators in the calls for tenders launched by the**

***Committee; calls on the Committee to increase the publication efforts and to reduce the number of exceptional negotiated procedures with only one candidate and report back to the discharge authority on the progress;***

During 2018, the EESC took systematic action to raise the profile of its call for tenders and to foster competition among candidates. More precisely, for procedures with an estimated contract value below the thresholds laid down in the Directive 2014/24, the EESC published on its web site:

- an ex ante advertisement for each procedure above EUR 15 000;
- the annual list of contracts above EUR 15 000;
- the annual list of specific contracts concluded under ongoing framework contracts.

***23. Welcomes the results achieved with regards to the environmental management system through the joint cooperation between the Committee and the Committee of the Regions; notes with satisfaction the significant savings achieved in various fields, including a reduction of electricity consumption by 11 %, of gas consumption by 15 %, a reduction of paper by 11 % and a reduction of waste by 13 %; welcomes that the Committee together with the Committee of the Regions obtained the Label Good Food, awarded by the Brussels region to certify that the canteens of the Committees are managed in a sustainable way;***

No follow-up required.

***24. Welcomes the Committee's initiative to launch a staff survey on psycho-social risks at the end of 2016 in order to monitor the perception of stress-related issues by its staff; welcomes this close monitoring and actions to raise awareness at managerial and staff level, such as the Safety and Health at Work Week that were organised in October 2017; calls on the Committee to pursue its efforts in this regard, taking into account that the absence rate has been increasing since 2015 from 4 % to a 5,5 % in 2017, and to take all necessary measures to ensure the well-being of its staff; notes in this regard that occasional telework has decreased from 62,5 % in 2016 to 47,6 % in 2017;***

The 2016 EESC staff survey on psychosocial risks has been continuously followed up by specific action in the main areas identified for improvement, through initiatives such as workshops for managers on absence management, conflict management and how to handle poor performance. This action has been accompanied by measures to increase staff well-being to counter-balance more difficult working conditions due to staff reductions, 40-hour week and missing replacements for absent colleagues. A campaign on "Respect at work" was launched at the beginning of 2019 to support the Committee's "zero-tolerance" policy towards harassment.

The absence rate seems to have reached its peak in 2017 and decreased slightly to 5.35 % in 2018.

Figures on occasional teleworking for 2016 were particularly high as the Appointing Authority advised all staff to use occasional teleworking in the immediate aftermath of the terrorist attacks in Brussels in March.

- 25. *Notes a slight increase of women in manager positions from 37,5 % in 2016 to 41,4 % in 2017; welcomes the Action Plan for Equal Opportunities and Diversity with around 25 suggested measures; is concerned that more than 80 % of members of staff requesting flexible working arrangements were women; suggests that the Committee adapts its policy with a view to encouraging more men to make use of these arrangements, in particular with a view to promoting their engagement in family life;***

The trend towards increasing the representation of women in managerial positions has continued and reached 52 % for senior and middle management in 2018.

Flexible working conditions are available for all staff, men and women.

The fact that 80 % of the colleagues requesting part-time working patterns were women needs also to be seen in the context of a population where women are overrepresented (55 % of staff are female). While the right to request part-time is the same for men and women, requesting it in a particular family context is a private choice, which is also influenced by culture and societal traditions.

As an employer, the EESC regularly raises awareness of the available working patterns, for example during lunchtime conferences on the topic of "life cycles" (e.g. birth and future parenthood, children with special needs etc.).

- 26. *Notes the efforts made in terms of geographical balance, the percentage of managers coming from Member States who joined the Union in or after 2004 (EU13) increased to 16 % in 2017 and is now at 18,5 %; calls on the Committee to further pursue its efforts with a view to reaching the target of 20 % which reflects the proportion of the EU13 population compared to the total Union population;***

Further efforts have indeed been made with a view to improving the geographical balance in relation to management. 20 % of all current managers are expected to retire by the end of 2023 – most of them are from the EU 15 Member States. This wave of retirements will open up additional possibilities for addressing this issue.

- 27. *Welcomes the appointment by the Committee of a team of four ethics counsellors in July 2018, following the adoption of Decision No 053/2016 of 2 March 2016 on a whistleblowing procedure;***

No follow-up required.

- 28. *Highlights the efforts of the Committee to work towards a consolidation of statutory and internal rules on ethical and respectful civil service behaviour; welcomes that aspects like the use of social media, the IT system and data protection are covered; notes the efforts undertaken together with its counterparts in the Committee of the Regions to apply rules to staff in a coherent manner, in particular where colleagues in the joint services are concerned; calls on the Committee to provide regular updates on the new comprehensive Ethics and Integrity framework;***

Significant steps were made with regard to the EESC members' ethics and integrity framework.

The 2019 campaign on respect at work will feed into a revision of the Ethics and Integrity Framework for Staff, launched at the beginning of 2019. This campaign partly consists of a survey to get staff feedback on the current framework. Furthermore, information linked to ethics and respect will be made more easily accessible to staff via different channels.

In parallel, the Translation Directorate decided to look into the issue of national cultures, their common traits and their differences. All of these activities are meant to raise awareness of the richness and challenges of multicultural working environments.

- 29. *Welcomes that the Committee has published the declarations of interests of the President and Vice-President under these Members' individual profiles on the Committee's website, as requested in the last discharge report;***

No follow-up required.

- 30. *Notes that members of staff must also declare their involvement in external activities in accordance with Article 11 of the Staff Regulations; urges the Committee to swiftly establish guidelines on the prevention of conflict of interests to be provided to all members of staff in response to the Decision of the European Ombudsman in case 1306/2014/OV;***

The EESC adopted guidelines on managing conflicts of interest at work (DRH 001/19) on 2 April 2019. They cover all EESC staff and aim to provide guidance in cases where they need to perform overlapping functions when handling a single subject. This is particularly the case in relation to staff representation activities.

- 31. *Notes that the Director of Human Resources and Finance was appointed to the post of Secretary General on 14 November 2018; notes that he kept his former position, while arrangements are being made for the appointment of a successor; is concerned that the two functions are incompatible and urges the Committee to swiftly appoint a new Director of Human Resources and report back to the discharge authority;***

There was no overlapping of functions between the secretary-general and director of human resources and finance (HRF) following the appointment of Mr. Brunetti to the post of secretary-general of the EESC. The arrangements were as follows:

From 14 November 2018 to 31 December 2018, before his official appointment as secretary-general on 1 January 2019, Mr Brunetti was appointed secretary-general ad interim while continuing to carry out duties as director for HRF.

From 1 January 2019 onwards, until the appointment of the new director of HRF, the deputy-director of HRF was appointed director ad interim and a head of unit from the HRF Directorate was appointed deputy-director ad interim.

The post of director of HRF was published in the official journal on 25 April 2019 under the relevant provision of the EU staff regulations.

- 32. Notes that Members of the Committee have different professional backgrounds and may be used to different management cultures; notes that the political activities of the Members also imply certain management tasks, as their work is supported by their own staff and staff from the Secretariat; underlines the necessity of familiarising Members with the principles of the administrative culture of Union institutions to ensure dignity and respect at work;***

In 2018, preparations started for a campaign for a more respectful workplace ("Fostering respectful workplace relations for all"). In 2019, an awareness-raising campaign with posters, conferences, a survey and a participatory event was launched, with most activities open to both staff and Members.

- 33. Welcomes the work of the network of confidential counsellors to actively prevent and tackle harassment in the working environment; notes that in 2017, 25 members of staff were given informal advice by the network; encourages the Committee to closely monitor the efficiency of its policy in this regard, to continue raising awareness about harassment at the work place and to continue fostering a culture of zero tolerance policy with regard to harassment; takes note of the ongoing reflection on procedures and sanctions concerning Members involved in harassment cases and urges the Committee to introduce rules and procedures in this regard by the next discharge procedure;***

In 2018, various awareness-raising initiatives were organised, e.g. monthly presentations to newcomers and presentations by confidential counsellors to managers and other target groups. Colleagues are encouraged to come to see a confidential counsellor as early as possible about any workplace issue that is causing concern. This has contributed to a climate where in general staff members feel more comfortable contacting confidential counsellors, who – as in previous years – have been consulted on issues such as conflict with other colleagues and/or managers, concerns about management style, perceived harassment, information and other issues.

In 2018, the EESC opened one administrative enquiry in relation to perceived harassment.

The network of confidential counsellors has been expanded in 2019, and now includes additional staff belonging to other administrative entities.

With regard to raising awareness of harassment, the above-mentioned campaign for a more respectful workplace ("Fostering respectful workplace relations for all") was launched in 2019.

The Code of Conduct of Members (annex to the new EESC Rules of Procedure, entered into force in March 2019) for the first time contains sanctions for Members involved in situations where a Member does not fulfil his/her obligations according to the Code of Conduct. The general principles of integrity, openness, diligence, honesty, accountability and respect for the Committee's reputation are stated. The members shall also ensure, in the performance of their duties, the promotion, effective protection and respect of fundamental rights and values. An advisory committee on the conduct of members has been established and aims to give any member who so requests guidance on the interpretation and implementation of the provisions of the Code of Conduct. It will also assess alleged breaches of this Code of Conduct, and advise the president on possible steps to be taken.

- 34. Notes that the Council has not taken a decision yet about any change in the number of Committee Members and delegates following the decision of the United Kingdom to withdraw from the Union; asks the Committee to provide information of the direct budgetary impact of the decision, at the latest in the follow-up to the 2017 discharge; notes, moreover, that the United Kingdom's decision will have no direct consequence on Committee staff; welcomes the ongoing reflection on future relations with the United Kingdom after its departure and the Committee's willingness to maintain good relations with civil society.***

A Brexit Follow Up Group was created in 2017 in order to monitor developments relating to the UK's withdrawal from the EU and to assess the potential need for reactions or positions from the EESC. The Brexit Follow Up Group reports periodically to the Bureau on new developments.

Under the assumption that Brexit would take place, a total of EUR 318 600 070 was deducted from the 2019 Budget to reflect the "evident changes" to members' travel costs and to the co-financing of IT equipment for members. An additional amount of EUR 173 062 was deducted due to Brexit when preparing the 2020 Budget, this amount was to a very slight extent offset by including the Council's proposal to increase Committee membership by three members from the fourth quarter of 2020 onwards, following the renewal of the Committee.

## 12. RESULTS AND CONSEQUENCES OF CLOSED EUROPEAN ANTI-FRAUD OFFICE (OLAF) CASES IN 2018

### **Financial Regulation, Art. 66(9): Powers and duties of the authorising officer**

*The authorising officer by delegation shall report to his or her institution on the performance of his or her duties in the form of an annual activity report containing financial and management information, including the results of controls.*

### **Financial Regulation, Art. 166: Follow-up measures**

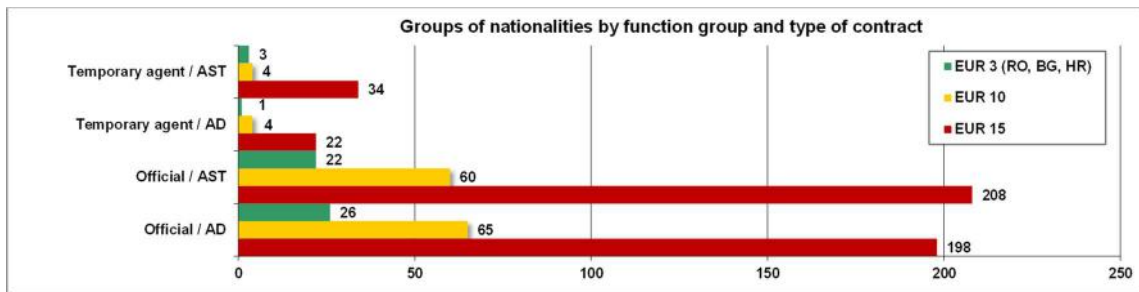
- 1. In accordance with Article 319 TFEU and Article 106a of the Euratom Treaty, the Commission and the other institutions shall take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision and on the comments accompanying the recommendation for discharge 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.*

### **12.1 THE RESULTS AND CONSEQUENCES OF CLOSED EUROPEAN ANTI-FRAUD OFFICE (OLAF) CASES, WHERE THE EESC OR ANY OF THE INDIVIDUALS WORKING FOR THE COMMITTEE WERE THE SUBJECT OF THE INVESTIGATION**

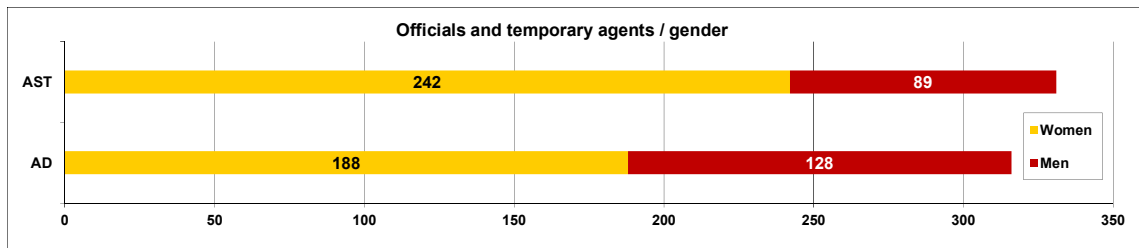
In 2018, no OLAF cases concerning the EESC were closed.

13. DISTRIBUTION OF STAFF BY NATIONALITY, FUNCTION GROUP, TYPE OF CONTRACT AND GENDER

Nationality		Officials		Temporary agents		Contract agents		Seconded national experts and special advisors		Total
		Adminis-trators	Assistants	Adminis-trators	Assistants	Adminis-trators	Assistants	SNE	SA	
AT	Austria	8	1					1		10
BE	Belgium	29	80		5		13			129
BG	Bulgaria	6	8	1						15
HR	Croatia	7	4							11
CY	Cyprus				1					1
CZ	Czech Republic	7	6	1						14
DK	Denmark	11	6							17
EE	Estonia	8	4			1				13
FI	Finland	9	7	1	3					20
FR	France	13	21	5	6	2	1	1	1	50
DE	Germany	23	7	1	2		1			34
EL	Greece	15	10	2	6		2			37
HU	Hungary	9	10							19
IE	Ireland	6	4					1		11
IT	Italy	30	23	6	4	1	10	1		75
LV	Latvia	4	3							7
LT	Lithuania	7	6		1					14
LU	Luxembourg			1						1
MT	Malta	7	3							10
NL	Netherlands	8	2				1			11
PL	Poland	12	10	2	1		1			27
PT	Portugal	11	12	1	4		4	1		32
RO	Romania	13	10		3	1	1			28
SK	Slovakia	7	11							18
SI	Slovenia	4	7	1	1					13
ES	Spain	18	26	1	2	2	6			55
SE	Sweden	7	4		2					13
UK	United Kingdom	10	5	2						17
		289	290	27	41	7	40	7	1	702
		Offic.AD	Offic./AST	TA/AD	TA/AST	CA/IV	CAI-II-III	SNE	SA	
EUR 15		198	208	22	34	5	38	6	1	512
EUR 10		65	60	4	4	1	1	1		136
EUR 3 (RO, BG, HR)		26	22	1	3	1	1			54



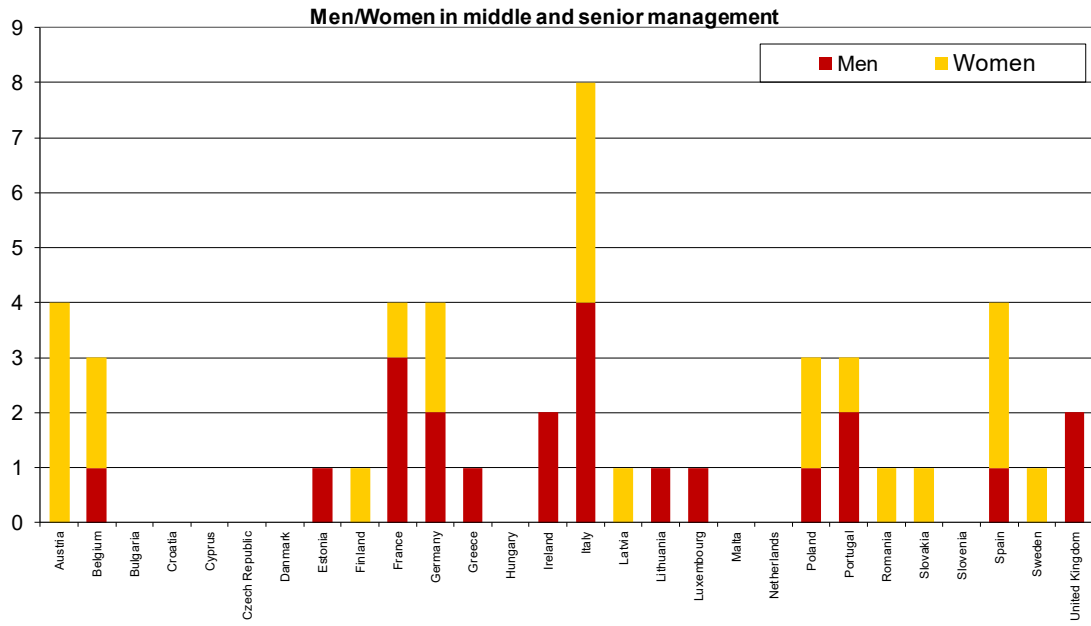
Gender	Officials		Temporary agents		Contract agents		Seconded national experts and special advisors		Total	FS/FT/TP	
	Adminis-trators	Assistants	Adminis-trators	Assistants	Adminis-trators	Assistants	SNE	SA		AD	AST
Women	166	206	22	36	5	21	4	1	461	188	242
Men	123	84	5	5	2	19	3		241	128	89
	289	290	27	41	7	40	7	1	702	316	331





**Middle and senior management functions**

<b>Nationality</b>	<b>Men</b>	<b>Women</b>
Austria		4
Belgium	1	2
Bulgaria		
Croatia		
Cyprus		
Czech Republic		
Danmark		
Estonia	1	
Finland		1
France	3	1
Germany	2	2
Greece	1	
Hungary		
Ireland	2	
Italy	4	4
Latvia		1
Lithuania	1	
Luxembourg	1	
Malta		
Netherlands		
Poland	1	2
Portugal	2	1
Romania		1
Slovakia		1
Slovenia		
Spain	1	3
Sweden		1
United Kingdom	2	
<b>TOTAL</b>	<b>22</b>	<b>24</b>
<b>Share</b>	<b>48%</b>	<b>52%</b>





## 15. DETAILED BREAKDOWN OF MEMBERS' EXPENDITURE CONCERNING ITEM 1004

### 15.1 COUNCIL DECISION No 2013/471 OF 23 SEPTEMBER 2013

**Article 9 of the decision states:**

*The Committee shall, by 30 April of each year, submit to the European Parliament and to the Council a detailed report on the reimbursement of travelling expenses and allowances paid to beneficiaries in the preceding year. That report shall detail the number of beneficiaries, the number of journeys, the destinations, the travel class and the travel costs incurred and reimbursed, as well as the allowances paid.*

The following report has been drawn up in accordance with Article 9 of Council Decision No 2013/471/EU of 23 September 2013 on the granting of daily allowances and the reimbursement of travel expenses to members of the European Economic and Social Committee (EESC) and to their alternates.

### 15.2 EVALUATION REPORT ON THE APPLICATION OF COUNCIL DECISION No 2013/471 IN 2018

#### Number of beneficiaries

In 2018, the EESC reimbursed 442 beneficiaries (members and their alternates).

#### Number of journeys

The number of journeys carried out by beneficiaries and reimbursed by the EESC in 2018 was:

Destination	Number of journeys
Brussels	9,921
European Union (not Brussels)	1,536
Outside EU	206

#### Destinations

Meetings of beneficiaries took place predominantly in the countries of the European Union. In addition, some meetings were held outside the EU (see attached table for details).

#### Travel class

The following classes were used in 2018 for air travel:

Flight classes	%
Business class	78
Economy	19
Low cost	3

- Air travel

The majority of business-class tickets were issued in business class discounted (D-class fare code IATA, or lower Z-class, P-class and I-class). Business-class tickets exceeding D-class were reimbursed only if D-class tickets were unavailable.

- Travel by rail or boat

The first-class fare was reimbursed in this case.

#### Travel costs and allowances

The following travel costs, travel allowances and daily allowances were paid to EESC members and their alternates:

Destination	Travel costs and travel allowances (EUR)	No of journeys	Average cost per journey (EUR)
Brussels	10,761,987	9,921	1,085
Within European Union (not Brussels)	1,628,208	1,531	1,063
Outside EU	470,621	206	2,285

Destination	Daily allowances*(EUR)	No of meeting days
Brussels	5,591,893	17,337
Within European Union (not Brussels)	821,486	2,625
Outside EU	119,797	369

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\* Including daily allowances for days in between meetings and overnight stays in order to save travel costs, in accordance with Article 2(2) of the Council Decision.

### 15.3 REIMBURSEMENTS OF TRAVEL EXPENSES AND ALLOWANCES TO EESC MEMBERS AND THEIR ALTERNATES FROM 1 JANUARY TO 31 DECEMBER 2018

DESTINATION	TRAVEL EXPENSES		ALLOWANCES		TOTAL (EUR)
	Number of journeys to a country and inside the country	Cost (EUR)	Number of meeting days	Cost (EUR)	
<b>Brussels</b>	<b>9,921</b>	<b>10,761,987</b>	<b>17,337</b>	<b>5,591,893</b>	<b>16,353,880</b>
<b>EU not Brussels</b>	<b>1,531</b>	<b>1,628,208</b>	<b>2,625</b>	<b>821,486</b>	<b>2,449,694</b>
Austria	286	306,925	441	136,681	443,606
Belgium	0	0	2	580	580
Bulgaria	322	407,682	620	192,970	600,652
Croatia	7	8,918	14	4,785	13,703
Cyprus	0	0	2	290	290
Czech Republic	34	20,029	41	11,310	31,339
Denmark	4	3,077	7	1,619	4,696
Estonia	3	1,057	8	2,320	3,377
Finland	7	6,321	12	3,625	9,946
France	41	26,537	61	19,285	45,822
Germany	48	41,957	73	22,475	64,432
Greece	150	172,558	264	84,825	257,383
Hungary	3	1,296	8	2,320	3,616
Ireland	7	5,989	8	2,900	8,889
Italy	100	107,914	168	54,230	162,144
Latvia	2	160	11	3,190	3,350
Lithuania	30	16,956	40	12,905	29,861
Luxembourg	58	63,443	61	21,315	84,758
Malta	3	2,649	10	3,045	5,694
Netherlands	18	6,638	25	7,510	14,148
Poland	113	113,508	226	70,180	183,688
Portugal	29	25,378	51	17,110	42,488
Romania	92	113,111	178	54,230	167,341
Slovakia	10	5,719	14	4,495	10,214
Slovenia	6	6,071	6	1,740	7,811
Spain	123	128,630	217	66,555	195,185
Sweden	5	6,459	13	4,495	10,954
United Kingdom	30	29,225	44	14,500	43,725
<b>Outside EU<sup>1</sup></b>	<b>206</b>	<b>470,621</b>	<b>369</b>	<b>119,797</b>	<b>590,418</b>
Albania	12	19,585	21	7,395	26,980
Argentina	1	4,418	3	870	5,288
Benin	1	6,140	6	1,595	7,735
Canada	8	25,823	12	3,480	29,303
Chile	10	42,299	26	7,540	49,839

<sup>1</sup> Detailed tables in appendices 1 and 2

Colombia	1	1,158	2	725	1,883
Dominican Republic	1	1,870	3	870	2,740
Ecuador	4	16,877	9	3,480	20,357
Egypt	1	2,715	2	580	3,295
FYROM	1	720	1	290	1,010
Georgia	11	15,876	22	6,980	22,856
Guatemala	2	11,320	4	1,015	12,335
Iceland	5	10,967	8	2,610	13,577
Japan	13	32,154	18	5,945	38,099
Jordan	6	11,376	10	3,335	14,711
Moldova	3	2,246	3	870	3,116
Montenegro	7	11,517	13	3,915	15,432
Morocco	1	1,438	2	580	2,018
Namibia	11	50,730	20	7,250	57,980
Panama	3	17,437	9	2,755	20,192
Paraguay	3	16,458	6	1,885	18,343
Russia	16	26,073	24	7,540	33,613
Saint Lucia	2	12,744	4	1,885	14,629
Senegal	1	2,411	4	1,160	3,571
Serbia	13	14,614	23	7,250	21,864
South Africa	1	1,536	1	290	1,826
South Korea	4	18,873	9	2,900	21,773
Switzerland	9	8,268	17	5,510	13,778
Tunisia	3	4,357	4	2,030	6,387
Turkey	28	26,403	39	12,905	39,308
Ukraine	10	10,826	11	3,335	14,161
United States	14	41,394	33	11,027	52,421
<b>TOTAL</b>	<b>11,658</b>	<b>12,860,816</b>	<b>20,331</b>	<b>6,533,175</b>	<b>19,393,991</b>

DESTINATION	TRAVEL EXPENSES		ALLOWANCES		TOTAL (EUR)
	Number of journeys	Cost (EUR)	Number of meeting days	Cost (EUR)	
<b>Brussels</b>	9,921	10,761,987	17,337	5,591,893	16,353,880
<b>EU (not Brussels)</b>	1,531	1,628,208	2,625	821,486	2,449,694
<b>Outside EU</b>	206	470,621	369	119,797	590,418
<b>TOTAL</b>	<b>11,658</b>	<b>12,860,816</b>	<b>20,331</b>	<b>6,533,175</b>	<b>19,393,991</b>

**APPENDIX 1**

Detailed table concerning the reimbursements of travel expenses and allowances to EESC members and their alternates for missions outside the European Union.

- **Missions<sup>2</sup> in continental Europe**

Country	Missions per country	City	Mission duration (days)	Participants	Travel expenses and allowances (EUR)	<i>of which plane costs (EUR)</i>	Meeting allowances (EUR)	Total mission costs per country (EUR)
Albania	2	Tirana	2	10	19,083	13,619	6,525	26,980
		Tirana	1	1	501	0	870	
FYROM	1	Skopje	1	1	720	0	290	1,010
Georgia	3	Tbilisi	1	1	266	0	165	22,856
		Tbilisi	3	5	10,480	7,479	4,350	
		Tbilisi	3	3	5,131	3,441	2,465	
Iceland	1	Reykjavik	2	5	10,967	7,824	2,610	13,577
Moldova	2	Chisinau	1	2	1,395	417	580	3,116
		Chisinau	1	1	850	0	290	
Montenegro	2		1	1	2,021	1,370	290	15,432
		Podgorica	2	6	9,496	6,075	3,625	
Russia	2	Moscow	2	10	19,039	13,548	5,800	33,613
		Moscow	1	5	7,034	5,084	1,740	
Serbia	3	Belgrade	2	10	12,039	7,602	5,800	21,864
		Belgrade	2	1	1,633	1,125	580	
		Arandjelovac	1	1	942	0	870	
Switzerland	4	Geneva	3	6	5,194	3,633	3,480	13,778
		Geneva	1	1	1,009	458	580	
		Geneva	1	1	759	515	870	
		Geneva	1	1	1,307	852	580	
Turkey	2	Adana, Istanbul	3	13	24,570	15,845	12,615	39,308
		Mersin	1	1	1,833	1,277	290	
Ukraine	6	Kiev	1	2	2,933	1,708	580	14,161
		Kiev	1	1	891	270	290	
		Kiev	2	2	3,899	2,723	1,015	
		Kharkiv	1	1	1,817	1,241	290	
			2	1	1,076	316	580	
		Kiev	2	1	209	0	580	
<b>TOTALS:</b>					<b>147,094</b>	<b>96,422</b>	<b>58,600</b>	<b>205,694</b>

2

A mission includes one or several meeting days in the same city or in different cities of the same country



• Missions outside continental Europe

Country	Missions per country	City	Mission duration (days)	Participants	Travel expenses and allowances (EUR)	<i>of which plane costs (EUR)</i>	Meeting allowances (EUR)	Total mission costs per country (EUR)
Argentina	1	Buenos Aires	3	1	4,418	3,595	870	<b>5,288</b>
Benin	1	Cotonou	5	2	6,140	5,398	1,595	<b>7,735</b>
Canada & USA	1	Halifax, Ottawa, Washington DC	5	4	28,746	23,587 <i>(local flights 3,668)</i>	6,090	<b>34,836</b>
Chile	1	Santiago de Chile	3	10	42,299	35,636	7,540	<b>49,839</b>
Colombia	1	Bogota	2	1	1,158	537	725	<b>1,883</b>
Dominican Republic	1	Punta Cana	3	1	1,870	1,893	870	<b>2,740</b>
Ecuador	1	Quito	3	3	16,877	14,352	3,480	<b>20,357</b>
Egypt	1	Giza	2	1	2,715	2,102	580	<b>3,295</b>
Guatemala	1	Guatemala	2	2	11,320	9,935	1,015	<b>12,335</b>
Japan	1	Tokyo, Kobe	3	6	32,154	24,454 <i>(local transport 236)</i>	5,945	<b>38,099</b>
Jordan	1	Amman	2	5	11,376	8,134	3,335	<b>14,711</b>
Morocco	1	Rabat	2	1	1,438	991	580	<b>2,018</b>
Namibia	1	Windhoek	2	10	50,730	41,299	7,250	<b>57,980</b>
Panama	1	Panama city	3	3	17,437	15,276	2,755	<b>20,192</b>
Paraguay	1	Paraguay	2	3	16,458	13,894	1,885	<b>18,343</b>
Saint Lucia	1		2	2	12,744	11,102	1,885	<b>14,629</b>
Senegal	1	Dakar	4	1	2,411	1,704	1,160	<b>3,571</b>
South Africa	1	Johannesburg	1	1	1,536	977	290	<b>1,826</b>
South Korea	2	Seoul	2	3	15,771	13,441	2,030	<b>21,773</b>
		Incheon	3	1	3,103	2,373	870	
Tunisia	3	Tunis	2	1	1,847	1,415	725	<b>6,387</b>
		Tunis	1	1	1,462	1,045	870	
		Tunis	1	1	1,049	772	435	
United States	4	New York	3	4	14,535	10,821	2,900	<b>46,888</b>
		Washington DC	1	1	4,195	3,388	435	
		New York	4	3	17,331	13,666	4,785	
		Michigan	2	1	2,411	1,715	297	
<b>TOTALS:</b>					<b>323,528</b>	<b>263,502</b>	<b>61,197</b>	<b>384,725</b>

**APPENDIX 2**

Detailed table concerning the meetings to EESC members and their alternates for missions outside continental Europe

- Missions in continental Europe**

<b>CITY / COUNTRY</b>	<b>MEETING NAME</b>	<b>REASONS OF MEETING</b>
Tirana (Albania)	Meeting of the Western Balkans Follow-up Committee in Tirana, Albania	Work programme of the Western Balkans Follow-up Committee
Tirana (Albania)	The rapporteur for opinion ECO-464 has been invited to present the EESC opinion at the 3rd Forum on Regional and Local Economic Development (Fo-RLED), in Vlora (Albania) from 20 to 21/11/2018	The rapporteur for the EESC opinion on the European Territorial Cooperation Regulation 2021-2027 (ECO/464), received a personal invitation by the organisers of the Forum to present the EESC's position on this file in a speech aiming to "influence the quality of the debates of the forum".
Skopje (FYROM)	Your Europe, Your Say - visit in school – Fyrom.	In 2016, the main topic of YEYS was immigration. In this context, the Communication Group Members decided to involve not only young people from the 28 EU Member States but also students from the five official candidate countries. Their participation was very fruitful and constructive, that is why the Communication Group decided to continue to invite these five countries for the next editions. Prior to the event, EESC Members visit the selected schools to explain the role of the EESC and prepare the students for the debates in Brussels. Therefore, five visits in the schools based in the candidate countries were organised in 2018.
Tbilisi (Georgia)	Speaker in EU-Georgia Dialogue on Labour, Employment and Social Issues "Labour standards and inspection" in Tbilisi	Request by DG EMPL
Tbilisi (Georgia)	Annual Meeting of the Eastern Partnership Civil Society Forum	Work programme of the Eastern Neighbours Follow-up Committee
Tbilisi (Georgia)	EU-Georgia DAG-to-DAG + Joint Civil Society Dialogue Forum + 3rd EU-Georgia Civil Society Platform	Mandate
Reykjavik (Iceland)	26th meeting of the European Economic Area	Mandate
Chisinau (Moldova)	4th meeting of the EU-Moldova Civil Society Platform in Chisinau	Mandate
Chisinau (Moldova)	Co-chair of the EU-Moldova Civil Society Platform, in the Parliamentary Association Committee	Mandate
Montenegro	Your Europe, Your Say - Visit in school - Montenegro	In 2016, the main topic of YEYS was immigration. In this context, the Communication Group Members decided to involve not only young people from the 28 EU Member States but also students from the five official candidate

		countries. Their participation was very fruitful and constructive, that is why the Communication Group decided to continue to invite these five countries for the next editions. Prior to the event, EESC Members visit the selected schools to explain the role of the EESC and prepare the students for the debates in Brussels. Therefore, five visits in the schools based in the candidate countries were organised in 2018.
Podgorica (Montenegro)	11th Meeting of the EU Montenegro JCC and the Preparatory meeting	Mandate
Moscow (Russia)	Joint seminar EESC - Civic Chamber of the Russian Federation	MoU EESC-RFCC
Moscow (Russia)	Mission to Russia - Conference on economic and social inequality, organised by the Civic Chamber of the Russian Federation - Moscow	MoU EESC-RFCC
Belgrade (Serbia)	Meeting of the EU Serbia JCC and the Preparatory meeting.	Mandate
Belgrade (Serbia)	Participation of the President of the Western Balkans Follow-up Committee, at a regional conference "Move.Link. Engage. The Enlargement: A Brand Old Story".	Work programme of the Eastern Neighbours Follow-up Committee
Arandjelovac (Serbia)	Your Europe, Your Say - Visit in school – Serbia.	In 2016, the main topic of YEYS was immigration. In this context, the Communication Group Members decided to involve not only young people from the 28 EU Member States but also students from the five official candidate countries. Their participation was very fruitful and constructive, that is why the Communication Group decided to continue to invite these five countries for the next editions. Prior to the event, EESC Members visit the selected schools to explain the role of the EESC and prepare the students for the debates in Brussels. Therefore, five visits in the schools based in the candidate countries were organised in 2018.
Geneva (Switzerland)	EESC delegation to 2018 WTO Public Forum, 2-4/10/2018, Geneva (CH).	Work programme of the International Trade Follow-up Committee.
Geneva (Switzerland)	Intervention of an EESC Member at the Forum Women and Global Migration: Root Causes and innovative Solutions_CH-Geneva.	The EESC Member was invited by the Executive Board of the UN NGO Committee on the Status of Women to speak on the issue of "Women and global migration: root causes and innovative solutions". The mission was authorised as an opportunity to present the EESC's work on migration, entrepreneurship and innovative solutions for empowering women in a UN setting
Geneva (Switzerland)	Speaker at the Conference on Sustainable Housing: smart cities, in Geneva on 29/5/18.	In 2015 the Section for Transport, Energy, Infrastructure and the Information Society (TEN) elaborated an own-initiative opinion on Smart cities as a driver of a new European industrial policy (TEN/568). As a follow-up of this

		opinion, within the framework of the “Smart Cities” project, a delegation of TEN members has carried out study visits to six EU cities that have started or implemented smart project initiatives. In 2017 a Report on the “Smart Cities” Project was published by the TEN Section. The speaker participated in the conference as TEN Section President, and also as a former member of the Study Group TEN/568 and the “Smart Cities” Project
Geneva (Switzerland)	Participation of two EESC members in a conference on media freedoms in Turkey, in Geneva on 2 November.	The participation to this Conference was particular important to explain the EESC work related to JCC EU-Turkey on fundamental rights. Work programme of the EU-Turkey JCC
Adana, Istanbul (Turkey)	EU-Turkey Joint Consultative Committee meeting (JCC).	Mandate
Mersin (Turkey)	Your Europe, Your Say - Visit in school – Turkey.	In 2016, the main topic of YEYS was immigration. In this context, the Communication Group Members decided to involve not only young people from the 28 EU Member States but also students from the five official candidate countries. Their participation was very fruitful and constructive, that is why the Communication Group decided to continue to invite these five countries for the next editions. Prior to the event, EESC Members visit the selected schools to explain the role of the EESC and prepare the students for the debates in Brussels. Therefore, five visits in the schools based in the candidate countries were organised in 2018.
Kiev (Ukraine)	EU-Ukraine DAG to DAG meeting + EU-Ukraine Joint Civil Society Dialogue Forum	Mandate
Kiev (Ukraine)	Participation of the co-president of the EU-Ukraine Civil Society Platform, in a Round table on the efficiency of technical assistance of the EU to Ukraine, in Kyiv (Ukraine) on the 19 March.	Work programme of the EU-Ukraine CSP
Kiev (Ukraine)	Participation of two EESC members in the 2nd Association Exchange Forum in Kiev.	Work programme of the Eastern Neighbours Follow-up Committee
Kharkiv (Ukraine)	Participation of an EESC member as a speaker in LEGPROMEXPORT” Forum.	The Kharkiv Chamber of Commerce and Industry invited the EESC member to "LEGPROMEXPORT" Forum as a speaker on the 11th of October 2018, in Ukraine. The speaker's participation as representative of the EESC Employers Group focused on reinforcing the relations and cooperation between entrepreneurs of the Ukraine and UE Employers
Ukraine	Participation of an EESC member in 2nd Business Forum of the Ukrainian Diaspora.	Work programme of the EU-Ukraine CSP
Kiev (Ukraine)	Participation of an EESC member at the "Walk for Freedom" and European Day	Work programme of the Eastern Neighbours Follow-up Committee

	against Trafficking in Human Beings in Kiev, Ukraine on 19-20/10/2018.	
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• **Missions outside continental Europe**

CITY / COUNTRY	MEETING NAME	REASONS OF MEETING
Buenos Aires (Argentine)	Invitation of the EESC President at the meeting CTA-T.	The EESC President has been invited to an event organised by the Argentinian Confederation of Workers
Cotonou (Benin)	ACP-EU Joint Parliamentary Assembly.	MoU EESC-ACP JPA
Halifax, Ottawa, Washington DC (Canada and USA)	Mission to Canada and USA.	Work programme of the Transatlantic Relations Follow-up Committee
Santiago de Chile (Chile)	3rd EU-Chile Joint Consultative Committee	Mandate
Bogota (Colombia)	Speaker at the 11th International Environmental Congress in Bogota, Colombia on 23-24/10/2018.	Work programme of the Latin America Follow-up Committee
Punta Cana (Dominican Republic)	Participation of an EESC member - high level conference in Central America on social innovation - Punta Cana, Dominican Republic	Work programme of the Latin America Follow-up Committee
Quito (Ecuador)	Joint meeting of the Domestic Advisory Groups for EU-Colombia, Peru and Ecuador Trade Agreement	Mandate
Giza (Egypt)	EESC President - ARLEM Plenary in Egypt.	Invitation by the CoR President to address the cooperation with the civil society in the context of the ninth plenary session of the Euro-Mediterranean Regional and Local Assembly
Guatemala (Guatemala)	Seminar in Guatemala and joint meeting of the DAGs - 16/17 May.	Mandate
Tokyo, Kobe (Japan)	Mission to Japan - coordination with Japanese counterpart organisations and seminars.	Work programme of the EU-Japan Follow-up Committee
Amman (Jordan)	Mission to Jordan.	Work programme of the Euromed Follow-up Committee
Rabat (Morocco)	Participation of an EESC member in the ESC of Morocco Workshop on "the role of ESCs and similar institutions in addressing the new migration challenges", 30-31 October, Rabat-Morocco.	Work programme of the Euromed Follow-up Committee
Windhoek (Namibia)	ACP-EU Regional Seminar.	MoU EESC-ACP JPA
Panama city (Panama)	EUROLAT - The Euro-Latin American Parliamentary Assembly - Panama city.	MoU EESC-EurLat
Paraguay (Paraguay)	Civil society meeting in Paraguay during the next negotiation round of the EU-Mercosur Association Agreement.	Work programme of the Latin America Follow-up Committee

Saint Lucia	Meeting of the EU Cariforum Consultative Committee in Caribbean.	Mandate
Dakar (Senegal)	Speaker at the conference "European and African economic and policies, and partnership agreements", organised by the Confederation National des Travailleurs du Senegal, in Gorée, Dakar, Senegal.	The EESC member was invited by the National Confederation of Senegalese Workers to speak at this conference and to present the EESC position on European economic policies
Johannesburg (South Africa)	4th meeting of the European Union – Southern African Development Community (SADC) Trade and Development Committee.	Commissioner Malmström request
Seoul (South Korea)	Meeting of the EU and Korea DAGs under the EU-Korea FTA - Civil Society Forum.	Mandate
Incheon (South Korea)	Rapporteur - participation at the "6th OECD World Forum on Statistics - Knowledge and Policy -The Future of Well-being" organised by the OECD World Forum, on 27-29/11/2018, in Incheon (South Korea), follow-up opinion ECO/301.	The EESC member participated at this conference as a follow-up to the opinion ECO/301 'GDP and beyond' with the aim to stay abreast of the developments in the area of beyond-GDP indicators. The conference was also highly relevant in the context of the current work of the ECO section on sustainable development. It gave the ECO President the opportunity to strengthen his ties with several speakers and prepare the ground for a thematic debate on this topic with Ms Martine Durand, OECD Chief Statistician within the ECO Section on 4/6/2019
Tunis (Tunisia)	Speaker in the Conference "L'économie Sociale et Solidaire en Tunisie: Le temps de l'action", 18-19/10/2018, Tunisia.	In summer 2018, the EESC President was invited to participate in the Tunisian conference. In the margin of the conference, a bilateral meeting was organised between an EESC member and Christophe Itier, French High Commissioner for Social and Solidarity Economy and Social Innovation, in view of cooperation for the 2019 edition of the EESC European Day of Social Economy Enterprises
Tunis (Tunisia)	Participation of the EESC President as speaker at the Conference "What future for Social Dialogue in Tunisia" - 11/12/2018 in Tunis.	Work programme of the Euromed Follow-up Committee
Tunis (Tunisia)	Participation of an EESC member to the kick-off Seminar of the Enhancing Business Support Organisations and Business Networks in the Southern Neighbourhood project in Tunis on 28 June.	Work programme of the Euromed Follow-up Committee
New York (United States)	Delegation 3 members - High Level Political Forum on Sustainable Development - New-York 16-18/7/2018.	The HLPF is the central UN platform for the follow-up and review of the 2030 Agenda for Sustainable Development, including the global Sustainable Development Goals (SDGs), adopted at the United Nations Sustainable Development Summit in 2015. The purpose of the EESC participation was to contribute to two important debates: 1. the realisation of Goal 12: Ensure sustainable consumption and production

		<p>patterns, where the EESC holds an important expertise on transforming the economy to a Circular Economy; 2. the implementation and monitoring of SDGs. A delegation of three EESC members attended the HLPF. A side event was organised, in close cooperation with the EC delegation to the UN, the UN bodies as well as civil society organisations from the EESC network. Bilateral meetings were organised with UN Member States' Ambassadors, participating Commissioners, representatives from Major Groups and from UN institutions in order to tighten our networks</p>
Washington (United States)	Rapporteur ECO/459, participating as a speaker in an event on "Reimagining Taxation in the Age of Digital Disruption", in Washington DC, USA, on 3/12/2018	<p>The rapporteur was invited to intervene at this event in his capacity as representative of the European organised civil society. Considering that the opinion recommends a global solution to the digital economy taxation issue and that this topic was among the priorities of the Austrian Presidency of Council, the participation of the EESC's rapporteur was of high importance. It was essential to bring forward the positions of the European civil society ahead of the spring 2019 OECD report on the taxation of the digital economy</p>
New York (United States)	Permanent Study Group on Disability rights Participation of a delegation of the PSG in the conference of States parties (COSP) to the UN Convention/ Organisation of a side event New York.	<p>The State Parties to the UN Convention on the Rights of Persons with Disabilities (UNCRPD) annually meet in a Conference of States Parties (COSP) at the UN Headquarters in New York in order to discuss progress in the implementation of the Convention. Since 2017, the EESC participates with a delegation of three members of the PSG on Disability Rights and one member of the secretariat as part of the EU delegation to the COSP highlighting the important role of organised civil society in the implementation of the Convention. In 2018, the EESC members participated in the debates, met with other EU delegation representatives, organised a side event and participated in several side events throughout the COSP. The delegation also attended the Civil Society CRPD Forum, which is organised the day before the opening of the COSP</p>

# IV.

## APPENDICES

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Michigan (United States)	Speaker at 2018 Global Human Intelligence Conference, USA 27-28/9/2018.	The EESC member was keynote speaker at the 2018 Global Human Intelligence Conference celebrating NAAAHR's 20th Anniversary. The member was asked to share best practices and strategies as a global leader, on Sustainable Development and the 2030 Agenda for Sustainable Development with a focus on skills and work for the future and how HR professionals can prepare and help their organisations to plan
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**European Economic and Social Committee**

## **ANNUAL ACTIVITY REPORT 2018 AND FINANCIAL REGULATION**

The EESC Annual Activity Report 2018 has been established based on the rules stipulated by the Financial Regulation in force in 2018.

The new Financial Regulation "(EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union, repealing Regulation (EU, Euratom) No 966/2012", of 18 July 2018 and published on 30/07/2018, entered – by way of derogation - only into force on 01/01/2019 as regards the implementation of the administrative appropriations of Union institutions. (Article 282(3) Financial Regulation 2018/1046)

Consequently, the Financial Regulation "(EU, Euratom) No 966/2012" including subsequent amendments and its RAP continued to apply for the administrative appropriations until 31/12/2018, before the entry into force of this new Regulation.

As the main change lies in the lean structure of the new Financial Regulation, the substance of the 2018 reporting remains unaffected by the reference to either legal base.

