



European Economic
and Social Committee

ANNUAL ACTIVITY REPORT 2021

Section VI of the EU-budget

June 2022

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European Economic
and Social Committee

SECRETARIAT-GENERAL
Secretary-General

Brussels, June 2022

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

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
EESC Secretary-General

PART I

Presentation and main achievements 2021

PART I – INDEX

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I.

1. PRESENTATION

1.1 THE EESC

The European Economic and Social Committee (EESC) is an advisory body of the European Union based in Brussels. Since it was set up 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 distinctive place in the EU's decision-making process as a consultative body that acts as an intermediary between the legislative (European Parliament and Council) and executive (European Commission) institutions of the EU.

The EESC gives civil society organisations a say in Europe's development.

Treaty on the Functioning of the European Union

Article 300

1. The European Parliament, the Council and the Commission shall be assisted by an Economic and Social Committee and a Committee of the Regions, exercising advisory functions.
2. The Economic and Social Committee shall consist of representatives of organisations of employers, of the employed, and of other parties representative of civil society, notably in socio-economic, civic, professional and cultural areas.
4. The members of the Economic and Social Committee and of the Committee of the Regions shall not be bound by any mandatory instructions. They shall be completely independent in the performance of their duties, in the Union's general interest.
5. The rules referred to in paragraphs 2 and 3 governing the nature of the composition of the Committees shall be reviewed at regular intervals by the Council to take account of economic, social and demographic developments within the Union. The Council, on a proposal from the Commission, shall adopt decisions to that end.

1.2 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.

EESC Mission statement

The Committee has three key missions:

- ✚ helping to ensure that European policies and legislation are more in tune with economic, social and civic circumstances on the ground. It does this by making the expertise of its members, as civil society representatives, available to the European Parliament, the Council and the European Commission, and by stimulating dialogue and efforts to secure consensus serving the general interests of the EU;
- ✚ promoting the development of a more participatory European Union that is more in touch with public opinion, by acting as an institutional forum representing, informing, and being in dialogue with organised civil society;
- ✚ promoting the values on which European integration is founded and advancing the cause of participatory democracy, as well as the role of civil society organisations, in Europe and across the world.

1.3 ORGANISED CIVIL SOCIETY

Organised civil society is formed of a wide range of organisations, networks, associations, groups and movements that are independent of governments and which sometimes come together to advance 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 public life by playing an active role in their workplace or, for example, by joining a political organisation or supporting a good cause.

Currently, the EESC is made up of 329 members from across the 27 Member States. The 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.

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The members 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 have their own jobs in their home countries, which ensures that they maintain direct contact with their grassroots. Nominated by their governments, members are appointed by the Council of the European Union for a period of five years and work independently in the interests of all EU citizens. By debating issues that involve and affect civil society and by delivering opinions conveying the Committee's views, members play an integral part in the process of policy- and decision-making at EU level. Through its Liaison Group, the EESC also connects European civil society organisations and networks that are not members of the EESC. The Liaison Group provides a framework for political dialogue and cooperation on crosscutting issues of common interest.

1.4 ALLOCATION OF SEATS

EESC members are proposed by the Member States and appointed by the Council of the European Union for a renewable five-year term. The national distribution of seats is shown in the graphic above.

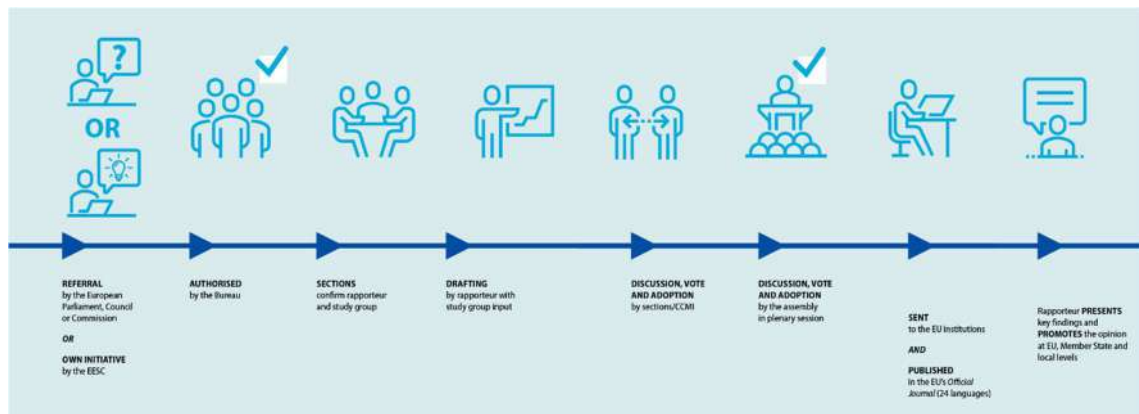
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1.5 EESC OPINIONS

The European Parliament, the European Commission and the Council of the European Union are obliged under the EU Treaties to consult the EESC on a wide range of policy issues – from social affairs to economic and monetary policy, energy and sustainability – before passing new laws¹. The EESC examines proposals and draws up and adopts opinions on the basis of consensus reached between its members. It also draws up own-initiative opinions related to issues of key interest for European citizens. After they are adopted by the EESC assembly, opinions are sent to the EU institutions and published in the Official Journal.

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

This is the process for drafting and adopting opinions:



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

¹ A description of all the areas on which the EESC must be consulted according to the Treaties can be found at <https://www.eesc.europa.eu/en/policies>.

1.6 STRUCTURE OF THE EESC

Groups

Members belong to one of three groups: Employers (Group I), Workers (Group II) or Diversity Europe (Group III). **The aim is to build dialogue and consensus between all three groups so that EESC opinions reflect the economic and social interests of citizens.** For the current term of office, Stefano Mallia (Malta) is president of the Employers' Group, Oliver Röpke (Austria) is president of the Workers' Group, and Seamus Boland (Ireland) is president of the Diversity Europe Group.



Working bodies

Members may also form categories representing the various economic and social interests of organised civil society in the European Union. Group I has two categories: SMEs, Crafts and Family Business (which also includes Group III members), and Transport. From March 2021, Group II has one category entitled Workers' Voice for more democratic participation. Group III encompasses a wide range of categories, which include: Social Economy, the Voluntary Sector, Consumers and Environment, Farmers, and Liberal Professions.

The EESC has:

- six sections, which cover different aspects of the EU's work, ranging from the economy to social affairs. Members belong to 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;
- a Consultative Commission on Industrial Change (CCMI), which anticipates and examines the impact of industrial change across a wide range of sectors;
- three observatories – on the digital transition and the single market, the labour market, and sustainable development – as well as two crosscutting groups: the European Semester Group and the Group on Fundamental Rights and the Rule of Law.

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Working bodies



6 Sections

- ECO** Economic and Monetary Union and Economic and Social Cohesion
- INT** Single Market, Production and Consumption
- TEN** Transport, Energy, Infrastructure and the Information Society
- SOC** Employment, Social Affairs and Citizenship
- NAT** Agriculture, Rural Development and the Environment
- REX** External Relations

1 Commission

- CCMI** Consultative Commission on Industrial Change

3 Observatories

- DSMO** Digital Transition and Single Market Observatory
- LMO** Labour Market Observatory
- SDO** Sustainable Development Observatory

3 Other bodies

- ESG** European Semester Group
- LG** Liaison Group
- FRRL** Group on Fundamental Rights and the Rule of Law

Every two and a half years the EESC elects a Bureau, currently made up of 39 members, along with a president and two vice-presidents chosen from each of the three groups in rotation. The Bureau has political responsibility for the general management of the Committee. In particular, it ensures that the activities of the Committee and its bodies and staff are in keeping with its institutional aims.

The current president is Austrian member Christa Schweng (Group I). As president, Ms Schweng is responsible for the orderly conduct of the Committee's business and represents the EESC in its relations with other institutions and bodies. The two vice-presidents, Italian member Giulia Barbucci (Group II) and Irish member Cillian Lohan (Group III), 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 that work.

Presentation and main achievements 2021

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Presidency and political bodies 2020-2023



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Administration



The Committee is assisted by a secretariat-general, headed by a secretary-general, Gianluca Brunetti, who has overall responsibility for managing the administration. Approximately 700 staff assist members in carrying out their duties.

1.7 EESC'S ACTIVE INSTITUTIONAL ROLE THROUGHOUT THE PANDEMIC

Over the past two years, the COVID-19 pandemic has altered our work environment at an unprecedented scale and pace. These changes, such as the accelerated digital transformation and telework, have brought to light the need to adapt not only our mindset but more importantly our working methods.

In 2021, the EESC continued to develop a virtual workplace, making a breakthrough in the way we organise our meetings and our work.

Throughout the health crisis, the EESC remained extremely active and focused its efforts on enabling the measures already in place to be reinforced, by for example:

- Improving new communication tools (such as webinars),
- Organising numerous remote and hybrid meetings and events, including with large audiences and offering simultaneous interpretation when needed,
- Introducing remote voting and the use of electronic workflows.

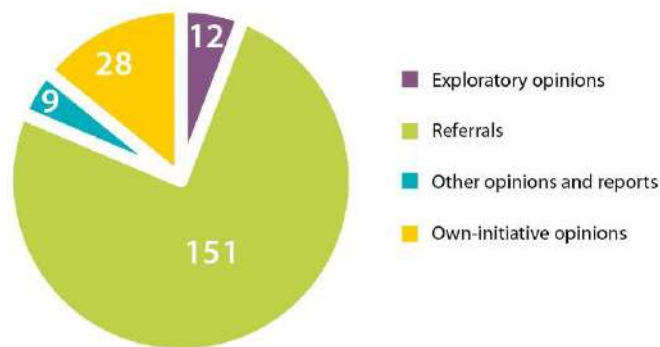
All those efforts contributed to the EESC being able to fulfil its institutional role without disruption.

2. MAIN ACHIEVEMENTS 2021

2.1 LEGISLATIVE AND RELATED WORK

Despite the COVID-19 situation, the EESC continued working. In 2021 it adopted a total of 200 opinions and reports.

200 opinions and reports adopted in 2021



2.1.1 Plenary sessions

The Committee held a number of high-level debates on topical issues at its plenary sessions.

27 and 28 January 2021

- Presentation of the priorities of the Portuguese Presidency by **António Costa**, Prime Minister of Portugal
- Presentation of the 2021 Commission Work Programme and the Strategic Foresight Report by **Maroš Šefčovič**, Vice-President of the European Commission – Interinstitutional Relations and Foresight
- Debate on *A New Pact on Migration and Asylum* with **Ylva Johansson**, Commissioner for Home Affairs
- Debate on *The new EU-UK Trade and Cooperation Agreement* with **Michel Barnier**, Head of the European Commission's Task Force for Relations with the United Kingdom
- Presentation of the UN's official mission to the EU institutions by **Olivier De Schutter**, UN Special Rapporteur on extreme poverty and human rights

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24 and 25 February 2021

- Debate on the *Conference on the Future of Europe* with **Dubravka Šuica**, Vice-President of the European Commission for Democracy and Demography
- Resolution on the *Involvement of Organised Civil Society in the National Recovery and Resilience Plans – What works and what does not?* – Debate with **Johannes Hahn**, Commissioner for Budget and Administration
- **EESC Civil Solidarity Prize: Civil society against COVID-19**

24 and 25 March 2021

- Debate on the *European Disability Rights Strategy* with **Helena Dalli**, European Commissioner for Equality
- Debate with **Olivér Várhelyi**, European Commissioner for Neighbourhood and Enlargement, on *Enhancing the accession process - A credible EU perspective for the Western Balkans*
- Debate with **Valdis Dombrovskis**, Executive Vice-President of the European Commission for An Economy that Works for People

27 and 28 April 2021

- Debate on the *Strategy for Sustainable and Smart Mobility* with **Adina Vălean**, European Commissioner for Transport
- Debate on the *European Pillar of Social Rights Action Plan, the Porto Social Summit and the upcoming EU Action Plan for Social Economy* with **Nicolas Schmit**, European Commissioner for Jobs and Social Rights

9 and 10 June 2021

- Debate on the *European Green Deal* with **Frans Timmermans**, Executive Vice-President of the European Commission for the European Green Deal
- Debate on the *Rule of Law, the New Strategy for the Implementation of the Charter of Fundamental Rights and the European Democracy Action Plan* with **Didier Reynders**, European Commissioner for Justice

7 and 8 July 2021

- Presentation of the Priorities of the Slovenian Presidency by **Anže Logar**, Minister of Foreign Affairs of Slovenia
- Debate on *A post-Covid economy that works for all - Towards a well-being economy?* with **Tim Jackson**, economist; **Fabrice Murtin**, economist; **Sandrine Dixson-Declève**, co-president of the Club of Rome; and **James Watson**, ECON Director at Business Europe

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- Debate on *Artificial Intelligence and Real Values: Our Digital* with **Jayant Narayan**, Lead, Artificial Intelligence & Machine Learning, World Economic Forum, co-lead Global AI Action Alliance

22 and 23 September 2021

- Debate on *Securing Media Freedom and Diversity in Europe* with **Ricardo Gutiérrez**, Secretary-General of the European Federation of Journalists, and **Julie Majerczak**, Head of Brussels Office of *Reporters without Borders*
- Debate on the Cohesion policy with **Elisa Ferreira**, Commissioner for Cohesion and Reforms

20 and 21 October 2021

- Debate on *The Future of EU Trade Policy in A Changing Global Reality*, with **Jean-Marie Paugam**, Deputy Director-General of the World Trade Organisation
- Debate on *The Long-Term Strategy for Rural Areas*, with **Janusz Wojciechowski**, Commissioner for Agriculture
- Debate on the New Industrial Strategy with **Padmashree Gehl Sampath**, Berkman Klein Fellow, Harvard University

8 and 9 December 2021

- Debate on the EU priorities for recovery and the implementation of the 2022 European Commission work programme, with **Ursula von der Leyen**, President of the European Commission, and **Maroš Šefčovič**, Vice-president of the European Commission for Interinstitutional Relations and Foresight
- Debate on the topics of sustainable finance and anti-money laundering, with **Mairead McGuinness**, Commissioner for Financial Services, Financial Stability and Capital Markets Union
- Debate on the *Fit for 55 package: building a resilient and sustainable framework for the EU's future*, with **Kadri Simson**, Commissioner for Energy



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2.1.2 Cooperation with other institutions

The Committee maintains and develops effective cooperation with the other EU institutions and bodies.

European Parliament



In 2021, digital tools made it easier for the European Parliament and the EESC to take part in each other's events, which increased the number of meetings. EESC members held numerous meetings with Members of the European Parliament (MEPs) and took the floor in 25 events in Parliament. MEPs actively participated in 101 EESC meetings. 48 bilateral meetings between MEPs and EESC members were also recorded.

2021 was marked by the continuation of the Coronavirus pandemic. After the spring lockdowns, both the Parliament and the Committee resumed most of their activities and were able to organise more in-person meetings.

The Chair of the Conference of Committee Chairs, Antonio Tajani, met with President Schweng in April. Iratxe Garcia Perez, President of the S&D Group, discussed the Conference on the future of Europe with President Schweng in June. Klára Dobrev, EP Vice-President, gave a keynote speech during a Committee conference on *A new macro-regional strategy for the Mediterranean region*.



European Commission



High-level meetings were held throughout 2021, with participants including the Commission President, sixteen Commissioners and the Head of the Task Force for Relations with the UK attending eight EESC plenary sessions.

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The EESC adopted its contribution to the 2022 Commission Work Programme on 9 June 2021. The Commission adopted the programme on 19 October 2021, setting out the next steps in its agenda towards a post-COVID-19 Europe.

The President of the European Commission participated in the EESC's December plenary session, where she stressed the importance of social partners in EU recovery.

Work began on the revision of the Protocol on Cooperation between the EESC and the Commission. The aim of the revision is to introduce targeted improvements and necessary updates 10 years on from when it was first adopted.

EESC President Christa Schweng @EESC_President · Dec 9
"Social partners must be at the center if we want to get #EUrecovery right."
President @vonderleyen emphasised at our #EESCplenary debate on EU's priorities and the @EU_Commission 2022 #WorkProgramme



European Council and the Council of the European Union



European Council

Portugal held the Council presidency in the first half of 2021, followed by Slovenia in the second half, both demonstrating great willingness to cooperate, despite the pandemic. Antonio Costa, Prime Minister of Portugal,

and Anže Logar, Minister of Foreign Affairs of Slovenia, presented the priorities of their countries' EU presidencies at EESC plenary sessions.



Council of the European Union

The Portuguese and Slovenian EU presidencies formally requested a total of 12 exploratory opinions. Ministers and representatives of the EU presidencies attended a variety of EESC-organised events on subjects ranging from adult learning to artificial intelligence, and the Committee's representatives were invited to numerous presidency events. References to the Committee's opinions and initiatives can be found in Council conclusions.



I.

European Committee of the Regions



Cooperation between the European Economic and Social Committee and the European Committee of the Regions (CoR) is enshrined in the Administrative Cooperation Agreement, which was first concluded in 1999, establishing a firm legal framework for long-term, efficient and effective cooperation. In October 2021, the two Committees signed a new cooperation agreement, which will be valid until 31 December 2026.

Several events saw the active involvement of EESC members in the CoR's activities, including the EuroPCoM and the European Week of Regions and Cities. Similarly, CoR members were invited to EESC events.



Economic and Social Councils of the EU



In 2021, the EESC continued its close cooperation with national economic and social councils and similar institutions (ESCs), on a bilateral basis and within the network of national ESCs of the EU. The EESC president held meetings with the national ESC presidents of Bulgaria, Romania and France and took part in the plenary session of the Spanish ESC. The president also took part in major conferences organised by national ESCs and/or national civil society organisations (Greece, Poland). The cooperation also included the ongoing work in the framework of the European Semester Group and the co-organisation - with the French Economic, Social and Environmental Council - of the annual meeting of the presidents and secretaries-general of the national ESCs and the EESC, on 22-23 November 2021 in Paris.

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2.1.3 Structured dialogue with European citizens

The EESC regularly organises events to promote participatory democracy and citizen engagement. The key events in 2021 are listed below.

ECI Day 2021: Empower citizens to impact the future of Europe, 3-4 June 2021



In 2021 the ECI Day took place for the first time online over 2 days. While 2021 saw the first two pieces of legislation inspired by European Citizens' Initiatives take effect, the EESC event, entitled *Empower citizens to impact the future of Europe*, focused on how to ensure that the ECI achieves the greatest impact.

The ECI Day 2021 was a remarkable event, both in terms of participation and content. Discussions highlighted the need to improve responsiveness by the EU institutions and generate a true dialogue around European Citizens' Initiatives. The debate however also pointed out that even initiatives that do not reach the final formal steps of the process can lead to multiple impacts, by bringing issues into the public space and generating awareness.

Civil society Days: A Sustainable Recovery for the Future of Europe's Citizens, 1-5 March 2021



The fully virtual Civil Society Days 2021 took place for the first time over a period of 5 days with more than 500 participants from Europe and beyond. In 2 panel discussions (opening and closing sessions) and eight thematic workshops they discussed the challenges of ensuring a sustainable recovery and the key role of civil

society in this endeavour. Each workshop produced 3 key recommendations to the address of EU-institutions and other key stakeholders, while the 2 co-chairs of the Liaison Group (including the EESC President) published a joint statement after the event to support and further promote these recommendations. Institutional visibility was ensured by Commission Vice-President Dubravka Šuica, a Portuguese State Secretary on behalf of the EU Council Presidency, the First Vice-President of the CoR, a member of Executive Vice-President Frans Timmermans' Cabinet, and six MEPs.

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Institutional visibility was ensured by Commission Vice-President Dubravka Šuica, a Portuguese State Secretary on behalf of the EU Council Presidency, the First Vice-President of the CoR, a member of Executive Vice-President Frans Timmermans' Cabinet, and six MEPs.

Meeting of the presidents and secretaries-general of the Economic and Social Councils (ESCs) of the EU and the EESC – Paris, 22-23 November 2021



Presidents and secretaries-general of the European Economic and Social Committee and national Economic and Social Councils (ESCs) across the EU met on 22-23 November to discuss the topic of *Participatory democracy and its role in making the EU resilient and future-proof*.

After in-depth and rich discussions, participants endorsed conclusions to be shared with the European institutions and key European actors – representing a powerful message and a timely contribution to the Conference on the Future of Europe.

The event also saw the approval of a mobility project between ESCs, which would improve sharing of knowledge, experience and best practices and create a genuine network of organised civil societies in the EU.

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2.1.4 Conferences, debates and key topics in the spotlight in 2021



Despite the pandemic, the EESC remained very active throughout the year. Some of the **main topics** covered by the Committee in 2021 are listed below.

1. **Safe and sustainable neighbourhood for a safe and sustainable Europe**
2. **Promoting a fair and inclusive energy transition (energy poverty)**
3. **Fundamental rights and the rule of law**
4. **Towards a holistic strategy on sustainable rural/urban development**
5. **Youth engagement in climate and sustainability**
6. **More than recovery - building a resilient EU economy & fostering sustainable growth**
7. **Accompanying, supporting & empowering SMEs in Europe for the transition to a green economy**
8. **Artificial intelligence: from guidelines to regulation – civil society perspective**
9. **Boosting EU industry’s resilience and strategic autonomy by securing critical raw materials supply**
10. **Foresight: anticipating and shaping the EU’s future**

I.

1. Safe and sustainable neighbourhood for a safe and sustainable Europe

The EESC's action with civil society from neighbouring countries reaffirmed that our relationship should be one of equal partnership, in which all sides would benefit.

The EESC's Western Balkans Civil Society Forum, which took place in Skopje on 30 September and 1 October, put the spotlight on the need for a clear EU accession perspective for the region as a geostrategic investment in peace, stability, security and economic growth across the entire continent.

The security perspective also dominated the **EESC Eastern Partnership file**. The developments in Belarus following the fraudulent presidential elections in August 2020 had attracted the attention of EESC members. Consequently, a subgroup on Belarus had been created and its members participated in an exploratory mission to Lithuania to meet with Belarusian civil society players in exile. The outcome of the meetings would serve as basis for a conference dedicated to Belarus to take place in 2022.

In 2021, the EESC advocated green transitions and sustainable development throughout its neighbourhood, focusing particularly on the social impact on workers and communities and the role that civil society can play in supporting and facilitating this transition. Cooperation in managing natural disasters and the impact of the EU Green Deal were also on the agenda of the **EU-Turkey Joint Consultative Committee (JCC)**, while the **EU-European Economic Area (EEA) JCC** focused on the action needed to make the Arctic a peaceful, sustainable and prosperous region. 2021 also saw the establishment of the EU Domestic Advisory Group (DAG) under the **EU-UK Trade and Cooperation Agreement (TCA)**. The DAG will be the watchdog ensuring that the signatories to the agreement keep their promises to maintain high social and environmental standards on both sides of the Channel.



The high-level **civil society conference on the Geopolitics of the Green Deal** organised by the EESC in December 2021 confirmed once more that leaving our partners behind would undermine the EU's ability to implement ambitious climate commitments and make progress with the energy transition.

2. Promoting a fair and inclusive energy transition (energy poverty)

The need for a fair transition is an integral part of the Green Deal. The Fit for 55 legislative package aims to deliver on the EU's increased emission reductions target to the benefit of all European citizens. In the face of the climate emergency, a just and fair transition to carbon neutrality could provide a unique opportunity to reduce systemic inequality. However, the ambitious climate targets that the EU has set itself will require the transition to speed up in a way that may increase inequalities in Europe with regard to access to essential energy services. The so-called "energy poverty", where people spend a large part of their disposable income on basic supply of energy and fuel, has become a distressing problem in the EU.



In 2021, the EESC called for a broad political coalition across all EU institutions and European organised civil society to deploy a comprehensive and consistent overarching European political strategy to tackle energy poverty. A **high-level public conference on *Energy poverty at the crossroads of the European Pillar of Social***

Rights and the European Green Deal dedicated to this topic was held by the EESC on 20 April 2021.

Energy efficiency is a key area of action in combatting energy poverty, without which full decarbonisation of the EU economy and society cannot be achieved. Therefore, the EESC supports the **Renovation Wave for Europe**, as it is a "win-win-win" strategy for the EU: a threefold win for the climate, for recovery - thanks to the local jobs created - and finally for the fight against energy poverty. In 2021, an opinion dedicated to the subject was drawn up and a debate was held on the Renovation Wave on 11 February 2021.

3. Fundamental rights and the rule of law

In 2021, as in the previous year, the EESC and notably its Group on Fundamental Rights and the Rule of Law (FRRL Group) and its Section on Employment, Social Affairs and Citizenship, continued their work on the long-term impact of COVID-19. Two opinions were drawn up, taking account of the results of hearings.

Beyond the pandemic, the EESC again took stances in defence of the rule of law in the face of new attacks, such as attempts to question the primacy of EU law. It also continued to express its views on important current policy developments through further opinions and events.

The EESC assiduously played its role as the voice of civil society defending EU values, based on the strong belief that civil society plays a central part in the matter. The Fundamental Rights and Rule of Law Group organised an input session on *Values in the Conference on the Future of Europe – giving the floor to citizens' movements*, and led six country visits to Germany, Ireland, the Czech Republic, Spain, Cyprus and Lithuania. It also opened a new web section with a sharing function, thus allowing civil society representatives to upload their contributions.

The Fundamental Rights and Rule of Law Group also held its second conference, on *Fundamental rights and the rule of law - Civil society perspectives on the European Rule of Law Mechanism*, which brought together EU and civil society representatives to discuss the themes of the second European Commission report on the rule of law.

EESC initiatives:

1. On 24 June 2021, the EESC launched a new web section entitled **Fundamental Rights and the Rule of Law: trends in EU Member States**. This section allows readers to consult in a more targeted way the information that the EESC Fundamental Rights and Rule of Law (FRRL) Group had received from stakeholders as part of its country visits. It also has a sharing function, whereby civil society representatives upload their contributions.

2. The **Conference on Civil society perspectives on the European Rule of Law Mechanism**, which took place on 4 November 2021, covered developments in the EU in the area of fundamental rights and the rule of law in 2020-2021, and the debates focused on the European Rule of Law Mechanism themes: Justice, Media, Corruption, Checks and balances.

4. Towards a holistic strategy on sustainable rural/urban development



In 2021, the EESC helped to put rural areas back on the EU agenda and called on policymakers to implement a **comprehensive and holistic strategy for balanced, cohesive, equitable and sustainable rural and urban development**, in particular with an own-initiative opinion on the subject adopted in October.

The role of the communities in rural/urban sustainable development:



In September 2021, the opinion was presented at the event "Communities for Future: Transformation through localisation of policy and decision-making", co-organised by ECOLISE (European network for community-led initiatives on climate change and sustainability), the EESC and RURENER (European Network of rural communities engaged in the energy transition) in the context of the European Day of Sustainable

Communities 2021. The event explored the potential of communities to revive local economies as we emerge from the pandemic, but in a way that also takes account of the deepening climate and ecological emergency and the urgent need for deeper societal transformation.

The way forward:

The opinion prompted strong interest from the other EU institutions and has already had high policy impact. It will further contribute to the implementation of the **Commission's long-term vision for the EU's rural areas** issued in June 2021, while being closely related to the Conference on the Future of Europe. Cooperation between the EESC and the European Commission on this issue is clearly underway, and the EESC will play a crucial role in the launch and implementation of the Rural Pact in 2022.

5. Youth engagement in climate and sustainability

For some years now, the EESC has been working on how to better integrate the voice of the younger generation into its work and into the EU decision-making process in a **structured and meaningful way**.

In particular, in September 2020, the EESC adopted the opinion Towards structured youth engagement on climate and sustainability in the EU decision-making process, which was drafted in close collaboration with two youth organisations, the European Youth Forum and Generation Climate Europe.

Two concrete initiatives have been launched: the Youth Climate and Sustainability Round Tables and the inclusion of a youth delegate in the EESC delegation to the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP).

1. Youth Climate and Sustainability Round Tables:



The Youth Climate and Sustainability Round Tables are a space for regular, structured and meaningful dialogue between young people and EU decision-makers, launched after the adoption of the EESC's opinion.

Executive Vice-President Frans Timmermans participated in the kick-off event in July 2021, and he committed to attending two Youth Round Tables per year. The second Youth Climate and Sustainability

Round Table took place in November 2021, and Virginijus Sinkevičius, Commissioner for the Environment, Oceans and Fisheries, participated in the event, engaged with the young representatives on protecting ecosystems and restoring biodiversity.

2. EESC youth delegate in the EESC delegation to UNFCCC COP meetings:

For the first time, the EESC included a youth delegate (Sophia Katharina Wiegand) in its official delegation to UNFCCC COP meetings during the COP26 in 2021.

Following the EESC's decision to participate in the COP26 remotely, the Committee decided to invite the youth delegate to Brussels. This allowed her to meet the other members of the delegation in person and to acquire a better understanding of the work and structure of the EESC.

6. More than recovery - building a resilient EU economy and fostering sustainable growth

2021 was marked by the start of the implementation of the EU's ambitious recovery instrument, the NextGenerationEU and its centrepiece, the Recovery and Resilience Facility (RRF). The EESC stressed from the beginning that simply getting back to the pre-crisis status quo is not enough. The EU needs to foster the necessary reforms to help Europe achieve a true digital and green transition and to make the European economy more sustainable, inclusive and resilient after this crisis.

Through the opinions and events of its dedicated European Semester Group, the EESC worked to ensure that the voice of European civil society is heard throughout the implementation process of the RRF and that the financial means made available truly reach those in need.

The COVID-19 crisis and the much-needed recovery further emphasised the need for revision of the EU's economic governance rules. As this revision was put on hold following the activation of the general escape clause of the Stability and Growth Pact in 2020, the EESC welcomed the re-launch of the public consultation on this issue in 2021 and advocated moving to a revised and rebalanced, prosperity-oriented economic governance framework.

Monitoring how European funds are spent is crucial to ensure that all Europeans share the benefits of both the recovery and the green and digital transitions. The Committee thus followed and continues to follow closely the implementation of funds for the programming period 2021-2027 so that all discrepancies and inequalities can be tackled.

ESG Annual Conference 2021: Building a resilient Europe civil society and the National Recovery and Resilience Plans



This high-level conference discussed whether the National Recovery and Resilience Plans will deliver as regards the aim of achieving fair, inclusive, competitive and sustainable growth and cohesion through the new growth strategy – the European Green Deal.

Conference on improving the framework for sustainable finance

The conference took stock of what has been achieved so far in the EU in the field of sustainable finance, discussed upcoming initiatives, and made policy recommendations.

7. Accompanying, supporting and empowering SMEs in Europe for the transition to a green economy

Delivering the green transition of our economy will be heavily dependent on the success of small and medium-sized enterprises, which are the backbone of our economy and the drivers for growth and innovation. If the EU wants to lead as a global role model in climate protection, we have to manage the green transition of the European economy while maintaining competitive value chains, jobs and companies.

In this regard, the EESC adopted two relevant opinions on *Sustainable finance taxonomy – climate change* and on the *Next Generation SME Strategy – Enhancing Effective and Swift Delivery*, and organised a **public hearing on the EU SME strategy** in November 2021.

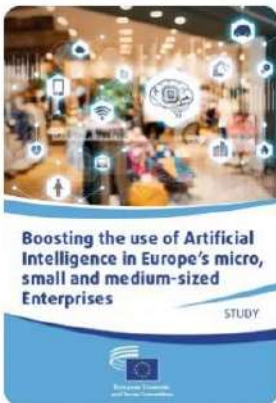
The EESC also sent a **delegation of six members to the SME Assembly in November 2021 in Portorož**, to present and defend the Committee's position on current key issues relating to the SME strategy in Europe. Thanks to these initiatives, the EESC identified the actions necessary to accompany, support and empower SMEs in Europe for the transition to a green economy.



A delegation of six members to the SME Assembly in November 2021 in Portorož, who presented and defended the Committee's position on current key issues relating to the SME strategy in Europe

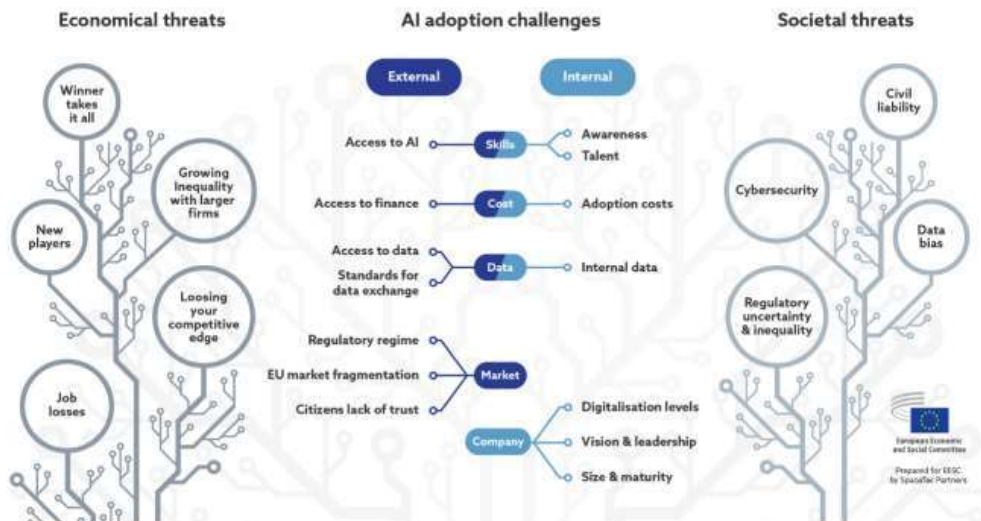
8. Artificial Intelligence: from guidelines to regulation – civil society perspective

The year 2021 marked an important milestone in the governance of Artificial Intelligence (AI). In April, the European Commission presented the first-ever legal framework on AI to address the specific risks posed by AI systems and set the highest standard worldwide. The role of civil society was particularly important in this respect and the EESC contribution to this major regulation was very timely.



The EESC positions were outlined in **three opinions on AI** adopted in 2021. A debate on *Artificial Intelligence and our digital future* was organised during July plenary session and the EESC President defended the civil society perspective at a high-level event on AI organised by the Slovenian presidency.

Nevertheless, the major civil society contribution to the legislative process was the **second Stakeholder Summit on AI**, organised in November together with the European Parliament's Special Committee on Artificial Intelligence in a Digital Age. The summit brought together around 400 participants from business, civil society, workers, researchers and the European institutions to discuss how legislation could protect fundamental rights while enabling society to benefit from AI.



9. Boosting EU industry's resilience and strategic autonomy by securing critical raw materials supply

While the pandemic is not over yet, the green and digital transitions present widespread opportunities for EU industry, but also some challenges that need to be managed to ensure that these transitions do not hamper industrial competitiveness. One of these challenges is that of ensuring that the twin transition does not come at the price of creating new dependencies but rather make Europe more competitive and more autonomous, while remaining open to the world.

Smart waste management, circular economy, investment in key strategic industry and securing supply can contribute to this goal. Resilience in the supply of critical raw materials is a key prerequisite for the success of the dual transition.

EESC opinion on Critical raw materials resilience: Charting a path towards greater security and sustainability (March 2021)

In September 2020, the European Commission published its action plan on critical raw materials, an instrument that the EESC welcomed in its opinion adopted at the plenary session in March 2021.

A position paper was produced to better convey the key messages, and several follow-up meetings were held. Furthermore, the EESC was invited to join the European Raw Materials Alliance as an observer, where it is currently represented by Andres Barceló Delgado (GR1).

Webinar on *The role of critical raw materials to form a strong industrial base* (July 2021)

Between June 2021 and March 2022, the EESC organised a series of events on the updated new industrial strategy, announced by the Commission on 5 May 2021.

The first webinar in this series took place on 13 July and explored *The role of critical raw materials in forming a strong industrial base*. The objective of the meeting was to understand the international and European scenario for critical raw materials, the actions ongoing from an institutional point of view and how civil society sees the interaction between the industrial strategy and the critical raw materials action plan.



Source: European Commission report on the 2020 criticality assessment

10. Foresight: anticipating and shaping the EU's future

The EU has decided to further integrate strategic foresight into EU policy cycle, thus increasing EU capabilities to prepare for the challenges of the future.

The EESC participated in this process by actively engaging with foresight activities on its-own and in cooperation with other institutions.

The EESC has contributed to the **EC annual Strategic Foresight Cycle**, offering its competence, knowledge and representativeness of civil society organisations by adopting an opinion on the first Strategic Foresight Report (SFR) and, towards the end of the year, by starting the draft of the opinion on the second SFR.

Several opinions with a forward-looking dimension have been adopted and are on-going and several events underlined this dimension, such as an ECO seminar on Strategic Foresight and EU Decision-making – Economic Aspects (22 June 2021).



The EESC also played a key role at EU interinstitutional level in the field, thanks to its active involvement in ESPAS, the EU interinstitutional network on foresight, and particularly by participating in the **ESPAS annual conference** on *Shaping Europe's future: Global trends and strategic choices* (18-19 November), with a 16-member delegation, including the section/CCMI presidents, the presidents of the Groups and the EESC President. The EESC President and the NAT president were keynote speakers, and presented the EESC's forward-looking work such as the own-initiative opinion on *Strategic autonomy and food security and sustainability*.

2.1.5 Fostering equality

The EESC continuously aims to fostering a culture of equality. Therefore, the Ad Hoc Group on Equality was established. The group's mission is to promote a cross-cutting culture of equality and non-discrimination across the EESC. The first step in this process was to identify the areas in which members might potentially receive unequal treatment due to their origin, gender, sexual orientation or beliefs. The group's ultimate goal is to increase women's participation in the EESC and to reach a gender-balanced workforce in the near future.

2.1.6 Communication activities



The health crisis drastically affected communication activities in 2021, as for the second year in a row visits to the EESC's headquarters could not take place and a large number of events had to be cancelled, while others – such as Europe Day – were conducted online.

Particularly noteworthy for 2021 were the **promotion of a culture of communication** across the Committee, the improvement of the Committee's outreach and image, also thanks to considerable use of digital communication tools, and the activities related to the

Conference on the Future of Europe (CoFoE).

Promoting a culture of communication across the EESC and improving the Committee's image and impact

A key priority for EESC communication in 2021 was to **improve the EESC's image and its impact**, while promoting a culture of communication across the Committee. Following the decision by the COCOM and the Bureau to better integrate communication into legislative works, in December 2021 the EESC streamlined its communication during and around the plenaries. More concretely, it started to communicate EESC opinions in a new way in order to increase their impact and to make sure that each of them was communicated to the right audience, with the most appropriate tools available and at the most appropriate time, also taking into account various factors such as newsworthiness, section priorities, political relevance and international events.

The EESC also introduced a new communication tool to help members to present the Committee and its added value: the so-called *argumentaires* - 3 short documents with key outputs and success stories chosen by the Group Secretariats.

I.

In June 2021 the EESC streamlined and clarified the **Going Local framework** by creating a single frame for all the outreach activities managed by the Directorate for Communication and Interinstitutional Relations, such as, for example, local events, online presentations, cultural activities and partnerships.

On a more methodological level, in the second half of 2021 the EESC started the evaluation of the **EESC's external communication strategy**. The aim of the evaluation exercise was also to provide the basis for a new strategy for 2022 onwards.

In order for the evaluation and drafting process to be really inclusive and to make sure that both EESC members and staff feel ownership of the new EESC communication strategy, in the fourth quarter of 2021 the EESC carried out a broad consultation of EESC members, staff and other stakeholders via bilateral interviews and a survey.

Increasing the EESC's outreach through virtual tools and channels



In a time of restrictions on movement and social contact, online communication has become a key tool for reaching people and delivering messages. In 2021, the Committee strengthened its online presence and widened its digital community. The number of followers increased on all corporate platforms.

The Committee managed to reach about 55 000 followers on Twitter, more than 37 000 on LinkedIn and about 39 000 on Facebook. Moreover, the EESC Instagram account grew rapidly: its fan base more than doubled in one year, reaching 6 483 followers at the end of 2021.

Beside the extensive coverage of the plenaries and opinions, the EESC social media accounts focused on important corporate initiatives such as the Conference on the Future of Europe.

Moreover, the Committee's social media activity helped to raise the awareness of the EU citizens of the importance of the vaccination against COVID-19, contributing to the campaign launched by the EESC President at the December 2021 plenary.

I.

In 2021, the EESC also carried on its series of podcasts on *The Grassroots View*. Season 2 of the podcasts explored topical themes, presenting the civil society perspective, bringing testimonies from actors on the ground and from EESC members.



Noteworthy topics are the Multiannual Financial Framework, civil society against COVID, the Conference on the future of Europe and a new narrative for Europe, the National Recovery and Resilience Plans, media freedom and democracy, artificial intelligence and respect for European fundamental values, climate action and youth empowerment in the context of the European Year of Youth. The EESC also produced 16 episodes of the *EESC in a flash series* – all of them available on the EESC's main and Press Twitter account, as well as on the EESC website – featuring EESC members² who answered questions in a two-minute interview on a topic which was high on the Committee's agenda and had implications for Europe.

In 2021 the EESC pursued its online visits policy to operate more effectively in the current health climate, while at the same time allowing a more flexible and environmentally sustainable approach. Groups of visitors were hosted on line and the **EESC Online Talks** with EESC members' organisations back home continued.

At technical level, the rapid evolution of Drupal versions led the Committee to start its migration from the Drupal 7 version currently used for the EESC Internet straight to **Drupal 9** instead of Drupal 8. This project is being carried out in several phases, to be finalised by the beginning of 2023.

The EESC also continued to develop online information services in the **library**, as well as an electronic workflow for EESC documents in the archives, taking a user-driven approach. Information Centre resources were expanded and made available to members and staff remotely via a dedicated portal (Open Athens) integrated in the EESC on-line tools.

The digitalisation trend had an impact also on **publications**. While there was a decrease in the number of publications (- 23%) and relevant paper consumption, the production of digital versions was pursued.

² Christa Schweng, Giulia Barbucci, Cillian Lohan, Stefano Mallia, Oliver Röpke, Séamus Boland, Elena Mastatuono, Sandra Parthie, Cinzia Del Rio, Ozlem Yildirim, Elena Calistru, Judith Vorbach, Andris Gobinš, Andrej Zorko, Winand Quaadvlieg, Pietro Vittorio Barbieri.

I.

Focus on the Conference on the Future of Europe (CoFoE)



The decision of the Communication Commission to focus outreach activities on the CoFoE and the kick-off event organised on 10 June 2021 under the title *Bringing Europe back to citizens* paved the way for the organisation of over 20 local events in physical or hybrid form, plus some 20 thematic events organised by sections and 10 at group level – with many more still in the pipeline. The aim was "to reach out to real-life actors, with their real-life hopes, worries and opinions, in order to strengthen the connection between the EU and its citizens in the Member States", as indicated by the CoFoE ad-hoc group in the document *Planned activities for the Conference on the Future of Europe*. Guideline documents were drafted and two information and training sessions were held to help EESC members organise the local events.

The EESC contributed to the EU corporate communication efforts by participating in the interinstitutional communication coordination groups at operational and senior management level, by using the joint visual and by focusing on the themes listed in the multilingual online platform, while at the same time communicating the Committee's specific contributions and fine-tuning the content to better reach its target audiences.



Two major events from the point of view of media impact, namely **two seminars for journalists from all over Europe**, which were organised respectively in February and December 2021 to give more visibility to the Committee, to allow journalists to get to know the work of the members and to establish closer links with them, were also devoted to the CoFoE.

I.

A new strategy for culture

In the cultural field, the EESC continued to stage events at a normal pace, albeit in virtual format: 10 events were staged in 2021. The Art Talk series was inaugurated on the Arts&Culture EESC Facebook page as a tool to highlight the political work done in the EESC via cultural elements/activities. This resulted in a significant growth of the audience reached and of the rate of engagement.

An extended network was reached when interacting with other partners such as the EU Youth Coordinator, DG EAC, women's associations, Europolia Arts Festival etc. In this way, the Directorate for Communication and Interinstitutional Relations effectively implemented the New Strategy for Culture approved by COCOM in January 2021.

Major events

Civil Solidarity Prize



In a ceremony held online on 15 February 2021, the EESC awarded its one-off Civil Solidarity Prize *Civil society against COVID-19* to 23 winners chosen from among 250 applications from across the EU and the UK. Through this prize – worth EUR 10 000 per winner – the EESC aimed to reward not-for-profit initiatives carried out by

individuals, civil society organisations or private companies that aim to tackle the COVID-19 crisis and its manifold consequences, to boost the visibility of these initiatives, and to celebrate all those battling coronavirus in society at large, displaying courage, engagement, solidarity, and civic responsibility.

Your Europe, Your Say!

Your Europe, Your Say! (YEYS) is the annual youth plenary session of the EESC. This flagship event was launched in 2010 with the goal of connecting teenagers with the European Union.

Under the title *Our Climate, Our Future!*, the 11th edition of *Your Europe, Your Say!* took the form of an online COP climate negotiation, empowering students to engage with climate solutions. It took place online on 18 and 19 March 2021 and brought together 234 teenage students and 56 teachers from 28 European countries. The students presented their recommendations live to European Commission Executive Vice-President Frans Timmermans.

I.

Additionally, a public virtual side event on social media on Saturday 20 March 2021 brought together experts, activists and influencers in order to share their knowledge and expertise regarding climate change in the context of systemic change. This provided young people with valuable new insights and the opportunity to express their vision and ideas.

Seminars for Journalists



On 24-25 February 2021, the EESC held its 4th seminar for journalists under the title *The Conference on the Future of Europe as a turning point for the EU*, organised online due to the pandemic. The 45 participants had the opportunity to follow the EESC's plenary session via web streaming, including the debate on the CoFoE with EC Vice-President Dubravka Šuica.



The 5th seminar for journalists took place on 8-9 December 2021 under the title *Safe, sustainable and secure European Union at the heart of the debate on the Conference of the future of Europe*, with participation in person by a

reduced number of 16 journalists due to COVID-19 restrictions. There were three panel discussions, respectively on secure democracy and fundamental rights, on sustainable recovery and energy transition, and on safe migration. President Schweng, vice-president Lohan, the three group presidents, the president of the NAT section, Peter Schmidt, and former Vice-President, Gonçalo Lobo Xavier, were among the speakers. The Belarusian activist and journalist, Hana Liubakova, was a special guest and spoke about the situation of civil society in Belarus. The participating journalists also attended the plenary session and participated in a press point with the winners of the Civil Society Prize.

I.

Connecting EU seminar



The *Connecting EU* seminar *What kind of Europe do you dream of?* took place in Lisbon on 18-19 November 2021. It was organised in cooperation with the Portuguese economic and social council and consisted of 3 panels: *The health crisis and its impact on the future of Europe*; *A stronger economy, social justice and jobs*;

European democracy. More than 100 people participated in the event, among them the EESC President, the three group presidents, EESC members, academics, journalists, experts, press officers from civil society organisations, representatives of EU institutions, economic and social councils and Europe Direct Centres.

Civil society prize



Under the title *Climate Action*, the 12th edition of the Civil Society Prize rewarded five initiatives by civil society organisations that aimed to promote a just transition towards a low-carbon and climate-resilient economy. In the words of EESC vice-president, Cillian Lohan: "To tackle climate change, we need the

active participation of all parts of society. And we need to shift from consultation and top-down engagement towards a model of co-design, co-creation and empowerment. Positive stories such as the projects of our winners show this co-design and co-creation. They also engage people and organisations. This wealth of ideas gives us faith that the battle against climate change is far from lost."

2.2 ADMINISTRATION

The European Economic and Social Committee is assisted by a secretariat-general, headed by the secretary-general, who reports to the president. The secretariat-general provides EESC members with the policy, communication, organisational, linguistic and material support they need to fulfil their task of building and strengthening links with other EU institutions and civil society. The secretariat-general is made up of approximately 700 staff members. It constantly takes initiatives to attract, train and retain skilled staff, optimise its organisational structure and working methods and promote a respectful working environment, within a limited budget.

The key administrative developments in 2021 are outlined below.

2.2.1 EESC administration

Strategic planning

The new management plan adopted by the EESC administration entered into force in 2021. This document frames the secretariat-general's strategy and defines five core values and five key strategic objectives that will steer its work over the next five years. Subsequently, the annual work programme establishes and details the annual strategic objectives, which are directly linked to the management plan. For 2021, it set 33 objectives designed for all parts of the administration.

The EESC administration uses 16 internal control standards, which make up the backbone of the internal control environment, and their adoption and implementation is intended to reduce the inherent risks that may affect achievement of the objectives. Every year, the compliance and effectiveness of the internal control standards are assessed through a 36-question survey filled out by all directorates. Also on an annual basis, in the context of EESC risk management methodology, a risk assessment exercise is performed, in which a detailed risk analysis of three annual objectives for each directorate is conducted. The residual risks, that is the level of inherent risk after application of internal controls, are then determined and effective measures to manage these risks are considered. The annual risk assessment exercise also identifies the crosscutting risks, risks that may negatively affect achievement of the objectives across several directorates. Since 2020, a tool linking objectives, risks and control measures for each directorate has been set-up, as part of the risk assessment process. The 2021 risk assessment exercise was concluded in June 2021 with a Board presentation and the proposal of a set of measures to further decrease the crosscutting risks. A final assessment of the state of play of these measures was conducted in December 2021. Most of these achievements are outlined in this report.

I.

The impact of the pandemic – capitalising on new working methods

In 2020, the pandemic brought about many changes in the tools and working methods for both political and administrative activities of the EESC: widespread teleworking, new communication tools, remote meetings, distance voting, increase of electronic workflows and drastic reduction of paper files, introduction of electronic signatures, etc.

Based on this observation, and in order to take advantage of these upheavals, the EESC established a cross-departmental task force representing all directorates and Groups. An in-depth consultation was carried out on the needs of staff as regards their changing work environment and new ways of working. The findings were analysed and presented to the task force, via an interactive workshop, and the resulting ten-point Recovery Action Plan, covering the key measures identified, was adopted by the management board in September 2021. A monitoring system allowing for proper tracking of activities was set up, and a communication plan for 2022 is in place. Reflections are ongoing on how best practices can be shared interinstitutionally.

The envisaged activities were examined taking into account the Committee's work programme and management plan.

The EESC also undertook to map, simplify and modernise its working processes and procedures. For this purpose, a common repository was created and all entities were asked to identify and document their procedures. The progress was monitored throughout the whole of 2021 and the centralisation of procedures is continuing in 2022. The joint services carried out the same exercise and their procedures are available, both for EESC and CoR staff, on the two directorates' own intranet pages.

In order to adapt to the current situation generated by the COVID-19 pandemic, the Council adopted, at the request of the EESC, a decision entitling EESC members, alternates, delegates and experts to a flat-rate allowance for all remote meeting attendance costs. This decision, effective from 1 July 2021, provides a temporary derogation (until the end of the pandemic) from the current Council's decision on reimbursement rules for members' meeting attendance.

Support for legislative work

The main mission of the EESC Secretariat-General is to advise and provide support to members, to ensure that the EESC fulfils its institutional role.

During 2021, despite the difficult situation, the EESC has managed to provide a high-quality service to EESC members and ensure work continuity. The ongoing COVID-19 crisis has meant that the framework developed in 2020 for organising remote and hybrid meetings continued to be the norm and has now become an established, properly-understood and readily accessible part of the Committee's architecture.

I.

The EESC also made the most of the advantages of hybrid study group meetings, section meetings and other events. For example, more prestigious international speakers participated in EESC conferences than before. Participants from outside the Brussels "bubble" were reached and their participation added value to EESC events. In addition, EESC events were followed by a higher number of people and their visibility and impact increased.

For the EESC to fulfil its institutional role, follow-up activities and interinstitutional relations need to be strengthened with regard to legislative work. During 2021, excellent communication remained in place to ensure the best possible anticipation of upcoming legislative work, and follow-up activities were carried out regularly (within the limitations of COVID-19 crisis). Additionally, the EESC's role in the Better Regulation Agenda was reinforced due to its involvement in the Fit for Future Platform and its increasing activities in the area of strategic foresight.

Internal reflections continued to take place to identify factors that increase the impact of EESC opinions and other outputs.

As far as internal organisation is concerned, cross-functional collaboration was reinforced inside the two directorates dedicated to legislative work. The staff were involved in crosscutting work. They shared expertise and drafted common tables monitoring the EESC opinions relating to the European Green Deal, to recovery and resilience opinions and to the Fit for 55 package. Sections were supported in organising joint events or other activities related to crosscutting themes (to name just a few examples, the Conference on the *Geopolitics of the Green Deal*, the Conference on *Energy poverty*, the Circular Economy Stakeholder Conference *Delivering on the Circular Economy - What's next?*, and a series of events on updating the new industrial strategy).

Wider crosscutting synergies were also regularly used both for political and procedural or regulatory files. The ad hoc groups dedicated to the EESC contribution to the Commission 2022 Work programme, the adoption of the Code of Conduct and the revision of the Rules of Procedure, among others, and all the statutory bodies, benefitted from the expertise of the entire administration.

Human resources management

The EESC continues to adapt its human resources policies in order to face new challenges. This includes, among other things, drafting a pilot decision on the new rules on the management of working time and teleworking in a post-COVID environment, revising its mobility decision and upskilling its staff members.

I.

In 2021, the EESC carried out an exercise to identify the sensitive posts. This resulted in the establishment of a register of sensitive posts, which complements the adoption of a list of specialised posts in 2020³. Once all consultations steps are concluded, this list will be approved and published. It is expected to be revised every three years or in the event of a major organisation change.

Several preparatory steps were taken for a formal mobility exercise for managers. The actual rotation will resume after the adoption of an updated mobility policy.

Since 2019, the EESC has also developed a learning path for heads of sector. Its purpose is to tap into a talent pool of internal staff already managing small teams and provide support for their career path, to build up their competencies for future career opportunities, their personal development and to connect them with peers. On the basis of this, the Committee won in February 2021, the first Learning and Development Award granted by the European School of Administration in the *Best EU Leadership programme* category.

Ethics and integrity

In January 2021, the EESC adopted its revised Code of Conduct for members with the twofold aim of strengthening its provisions and establishing new rules in areas which were previously not included. The changes included the adoption of appropriate penalties and the establishment of the Ethical Committee. It applies to EESC members, alternates, experts and delegates.

Earlier in the same month, the secretary-general had approved an action plan on the strengthened ethical framework, with immediate implementation of the three pillars: revision of the legal framework, revision of the operational and administrative framework and setting-up of a communication and awareness-raising framework. It should be noted, however, that most of the actions planned for 2021 had already been implemented by the end of 2020. Moreover, an internal audit on ethics and integrity, with a specific focus on gifts and entertainment, outside activities and assignments, conflicts of interests, post-EU employment, anti-harassment and whistleblowing was also completed in March 2021.

A mid-term review of the Ethics plan took place in June 2021.

In this context, the decision laying down rules on whistleblowing was fully revised and entered into force at the end of 2021.

³ Sensitive posts entail the performance of tasks of a sensitive nature, which involve a residual risk even after applying mitigating measures, and mandatory mobility therefore applies to the job holder subject to a prior impact assessment. The residual risk may be associated to areas such as decision-making powers, exposure to sensitive information, procurement procedures and financial and contract management. Specialised posts require expert knowledge and specific competencies which cannot be learnt in less than a year; the relevant list comprises posts for job holders such as lawyers, translators (including heads of language units), medical specialists, IT specialists, security officers and architects/engineers, who are exempt from mandatory mobility.

I.

Another decision, adopted in September 2021, set up compulsory training sessions on Ethics and respect for all EESC staff and provided for targeted mandatory training by category. A dedicated session on ethics was organised for newcomers. In parallel, four training activities for members on ethics and respect in the workplace were run in 2021.

A new Service Level Agreement with IDOC (the Commission's Investigation and Disciplinary Office) was signed in July 2021 and will be reflected in the decision on disciplinary and administrative investigations currently being revised.

The revision of the decision on procedures for preventing and dealing with psychological and sexual harassment and the drafting of a decision on the creation of the function of the internal ombudsman are also ongoing.

A new team of ethics counsellors was set up in June 2021 and team members received appropriate training.

Communication of the reinforced ethical framework and awareness-raising continued throughout 2021. Posters, short movies and written information fed the various communication channels to staff. The relevant intranet webpage was restructured in order to bring all the information on ethical matters in a "one-stop-shop". It is regularly updated.

Social dialogue

2021 saw the election of the new staff committee. The focus has thus been on creating a new dynamic for cooperation with the new elected staff representatives and discussions took place on a regular basis between the Staff Committee and the administration to discuss different topics.

Several joint concertations took place between the organisations representing staff and the administration in 2021, to continue to strengthen upfront cooperation and foster active social dialogue. The main topics of these consultations were the health policy, the pilot decision on the new rules on the management of working time and teleworking, the various controls linked to the possession of documents pertaining to vaccination and the draft proposal for a new decision on reclassification of temporary agents. An open and constructive dialogue also took place with the social partners on the signing of the new framework agreement between the EESC and the CoR and the two secretaries-general.

I.

Revised teleworking decision

A new draft decision, incorporating the lessons learned from COVID-19 and based on the autonomy of staff and mutual trust between staff and managers, was drafted in close collaboration with the CoR, taking into account the results of a staff survey on teleworking which took place in spring 2021. The drafting process involved consultation with the administration and staff representatives, both internally and with the Committee of the Regions, at the level of human resources directors and at the level of the secretaries-general. The social dialogue was finalised in early 2022.

Due to the ongoing sanitary situation, all staff are still working remotely, as far as the nature of their post allows. The new decision provides for the possibility of two to three days of teleworking per week. Furthermore, it includes a provision allowing colleagues to telework from an address other than the one entered in the system, which makes the EESC a frontrunner in this field, as this possibility exists in just a few other EU institutions. Another provision foresees the possibility of future financial support from the EESC. The form to be taken by such financial support will be decided at a later stage. These provisions have also been aligned with the CoR.

The ergonomics issues linked to remote working were tackled by training four additional colleagues. For 2021, 60 ergonomic consultations were provided *in-situ*.

New absence management policy

The EESC continued to introduce measures to tackle the psychosocial risks already identified in the 2016 staff survey. In this context, a new absence management policy, including a return-to-work (RTW) approach, was put in place. As a first step, at the beginning of 2020, two independent medical roles were introduced (an occupational medical doctor and a RTW medical advisor). However, the COVID-19 crisis rapidly required the majority of the available medical expertise to be shifted towards other priorities. Moreover, due to the departure of one of the two doctors during summer 2020, a new recruitment process was necessary.

The two independent medical roles have now been operational since spring 2021 and a policy document is in preparation. An awareness-raising campaign will follow afterwards.

Initial steps to organise specific training on professional return to work were taken so that this training could take place in 2022 for medical and other persons in HR who could benefit from it in the framework of an integrated HR policy (e.g. career guidance counsellors).

During 2021, the RTW doctor had 424 interactions with 119 staff members who were absent due to illness.

I.

Organisational chart

Following the implementation, in January 2020, of its new organisation chart, the EESC decided to make some further slight adaptations in 2021. Mainly:

- for consistency reasons, the data protection officer was moved to a more central position;
- the tasks assigned to the recently created legislative coordination function expanded to include coordination of institutional crosscutting issues. The name of the dedicated service changed accordingly;
- streamlining of the Translation Directorate continued, with the internal reorganisation of the Translation Management Unit and the merger of several translation units.

Reorganisation of the Printshop Unit

Among the necessary changes highlighted by the pandemic was the reorganisation of the Printshop Unit. The *Horizon 2025* project aims to implement this internal reorganisation. It involves adapting internal structures, working methods, resources and technical capacity to match the volume of requests (by December 2025). It began in 2020 with the signature of a Service Level Agreement (SLA) with the European Parliament. In 2021, the focus was put on the merging of the unit's four sectors into two sectors, as well as on training and job shadowing in order to widen the skill sets of the staff to undertake different kinds of tasks. Negotiations with the Office for Infrastructure and Logistics in Brussels (OIB) of the European Commission to conclude a SLA have begun, and it is expected to be signed in 2022.

Digitalisation of financial workflows

The continuation of the pandemic in 2021 required a thorough revision of financial workflows. The digitalisation process was carried out in compliance with the applicable norms set out in the financial regulation and in the internal financial rules.

The portal allowing for the use of Qualified Electronic Signature, timestamping and validation of signatures was made available to all EESC staff as of January 2021 and the qualified electronic seal was activated in December 2021.

The EESC also stepped up its efforts to increase the use of electronic invoices. Its objective is to accept only invoices received in electronic formal (UBL). The digital transformation of the workflows for receiving invoices is continuing in 2022.

I.

Legal advice

In 2021, the Legal Service continued to assist the EESC in ensuring the legality of its decisions, by providing legal advice on institutional and administrative issues (Rules of Procedure, public procurement, contracts, building projects, security, taxation, staff matters, personal data protection, procedures for accessing documents, etc.).

It actively participated in 39 meetings and was involved in one case brought before the European Ombudsman.

After its key contribution in 2020 to the revision of the EESC rules of procedure and the code of conduct for members (adopted by the Assembly on 28 January 2021), the Legal Service also carried out a full analysis of the legal problems of the Rules of Procedure, drafted a proposal for new Rules of Procedure and presented and discussed this proposal at 12 meetings.

In total, the Legal Service delivered 32 formal legal opinions, 64 other legal consultations and 35 replies/actions linked to legal matters. It represented the EESC before the General Court and the Court: two cases are still ongoing before the General Court and one before the Court, while three cases before the General Court were closed in 2021.

In March 2021, a decision clarified the procedure to be followed when consulting the Legal Service.

Data Protection

The EESC Data Protection Officer (DPO)'s role is to ensure the internal application of the data protection rules by providing advice and monitoring compliance with these rules.

Every year, its team receives requests, mainly from data controllers, but also from data subjects, other DPOs and the European Data Protection Supervisor (EDPS). In total, during 2021, the DPO opened and dealt with 148 cases.

A number of new processing activities were implemented, in accordance with data protection Regulation 2018/1725 and EDPS guidelines, to help prevent the spread of COVID-19 infection in the context of the return-to-work strategy. The register of processing activities currently includes 110 records (of which 17 were created in 2021 and several others updated).

A decision based on Article 25 of Regulation 2018/1725 concerning the potential restriction of data subjects' rights in certain exceptional circumstances was adopted and published in the OJEU.

Working closely with the EDPS, the DPO was actively involved in several exercises, for instance concerning EDPS's files related to personal data transfers to third countries and the use of Microsoft products and services.

I.

Internal audit

The Internal Audit Sector (IAS) continued its efforts to strengthen the EESC's internal audit function, extending its assurance services to two new areas: in March, the IAS issued an audit report on ethics and integrity, followed, in November, by a report on statutory rights for staff. The first audit assessed the extent to which the EESC had established a horizontal ethical framework, whilst the latter was a continuation of recent audits on salaries and verification, with a particular focus on controls.

Assisted by the IAS, the Audit Committee held seven meetings in the course of the year, including one with the section/CCMI presidents on the EESC's compliance with institutional deadlines. This meeting was part of the follow-up to an audit report issued in 2019.

The 2021 internal audit report can be found under Part IV, Appendix 2, of this annual activity report.

Buildings strategy

In October 2017, the EESC adopted a long-term buildings strategy. Since then, its implementation has continued, with the aim of ensuring optimal, high-quality, efficient, appropriate and modern working conditions for members and staff. Health, safety, well-being and comfort are high priorities.

In 2021, the efforts focused on the preparations for the exchange of B68 and TR74 buildings with the VMA building. The major steps were:

1. the takeover of the B100 lease contract from the EEAS:
 - an administrative agreement for this takeover was signed in June 2021 with the European External Action Service. The takeover of the building came into effect on 1 September 2021,
 - the refurbishment work started in November 2021 and was finished in March 2022;
2. work in the BVS and REM buildings:
 - modernisation and refurbishment of the offices was completed on all floors,
 - for most meeting rooms, the walls were renewed, a new ventilation system was installed and new lighting fitted. Since November 2021, new furniture and video-conference connections were progressively provided,
 - archive areas were transformed into social spaces, small kitchens and meeting bubbles;

3. renovation work in the VMA building:

- technical security work in the entrance hall of the VMA building was finalised during the first quarter of 2021,
- after consultation of the future occupants of VMA and B100 to finalise the future layout, work started in December 2021,
- the above measures led to large-scale removal exercises from the VMA to the BvS, REM and B100 buildings.

The Committee continued to play an exemplary role in managing the buildings in a sustainable way, in line with the SDGs (UN Strategic Development Goals) and the different EU strategies regarding sustainability.

All the measures put in place in 2020 in order to cope with the new requirements of the COVID-19 pandemic continue to be monitored closely.

IT and digital strategy

In June 2019 the Bureau adopted a digital strategy for the EESC that presents the vision for the EESC IT environment and identifies the major IT challenges supporting that vision.

During 2021, work on the information systems projects described in the Digital Strategy continued to advance according to the schedule, with particular emphasis on the area of political work:

- a meeting reservation wizard in the Committees' meeting management tool Agora (to improve budget forecasting by reducing the risk of encoding errors) was deployed;
- the first module of Navigate (previously known as the Strategic Management Tool), consisting of the opinions timeline, was developed;
- Agora and the Members Portal were adapted to support remote and hybrid meetings in accordance with the decisions taken at the political level. The Phoenix application was adapted to manage the corresponding financial aspects. In addition, the recommendations of the security assessment were implemented and the new service-oriented architecture (SOA) interface to the Commission's financial management system became operational;
- The first phase of DITO (processing of amendments) was deployed in June.

Other work included further development of tools to support paperless workflows and improvements of the translation support applications, notably as regards automatic document publication and information exchange for translation outsourcing.

I.

The Digital Workplace is the second main pillar of the EESC Digital Strategy. The main action of 2021 was the deployment of Teams, which provides a unified collaboration platform for members and staff. By the end of the year, work had started on hybrid cloud deployment.

Other important work completed during 2021 was database automation and the change of internet service provider. The performance of the remote working environment was continuously improved by introducing new VPN software and by increasing the capacity of the terminal servers. New elements included the deployment of a soft phone for teleworkers, the option of accessing terminal servers using either a token or Multifactor Access, and the deployment of a new self-service password reset portal. In the area of IT security, considerable attention was paid to monitoring the threat landscape, hardening the IT system configuration and following up on the alerts sent to the institutions by CERT-EU.

The Committees has four intranets. Three of them (dedicated respectively to the EESC's and the CoR's own services and to the Directorate for Translation's joint services) have been redesigned and refreshed over the last five years. The fourth, dedicated to the Directorate for Logistics, was subject to a large revamping exercise which resulted in initial functional testing in December 2021.

Translation and other linguistic services

In a multilingual and multicultural environment, translation is an important tool for both internal and external communication. It is thus important to integrate translation considerations into the EESC's activities. Various initiatives are regularly taken in that sense. For instance, the Clear writing campaign, launched in 2020 with the aim of encouraging drafting of documents in the most clear and impactful manner, continued in 2021, with training sessions offered to both staff and members. The Directorate for Translation also held a very successful conference on artificial intelligence in translation.

The Directorate for Translation pursued the modernisation and simplification of its administrative environment: its register of procedures was updated and made available to all staff, a new server-based translation environment was deployed, new online training video tutorials were developed, etc.

All those developments went hand in hand with measures to further deepen and develop the sustainable multilingualism policy.

2.2.2 Administrative cooperation agreement between the EESC and the CoR

The EESC always strives to increase its outreach by strengthening its relations with the other EU institutions and bodies (see point 2.1.2 for further information).

Notably, at administrative level, it has a very close relationship with the European Committee of the Regions, with which it shares both buildings and staff. Since the creation of the CoR in 1994, both administrations continue to seek synergies, for instance in the fields of translation, infrastructure, logistics, medical services, human resources and IT.

A new cooperation agreement was signed on 20 October 2021 for a duration of five years and two months. It covers a wide range of fields, making this the closest administrative cooperation existing between two EU Institutions, whilst respecting the EESC's identity and mission as foreseen by the Treaties.

This agreement serves to reinforce the existing administrative cooperation in numerous ways, such as strengthening the role of IT in terms of structure and financial resources, as well as stepping up synergies when it comes to meeting facilities, whilst adapting them to the profile of both Committee's members.

This agreement is also an expression of the EESC's efforts to further increase the efficiency and effectiveness of the use of citizens' financial contribution to the EU administrative expenses, as foreseen by chapter 7 of the EU multiannual budget.

As in 2020, the pandemic also provided an opportunity to **strengthen cooperation with the European Committee of the Regions, including in areas not covered by the agreement**. This was reflected, for instance, in

- the alignment of most human resources decisions and communication efforts so that both Committees' staff are adequately covered as regard crisis management: telework, cooperation between medical services, etc.;
- operational safety measures taken in order to secure the work environment in the premises, such as EUDCC checks in front of the canteen, meeting rooms with more than 50 people, and at the main entrance (in addition to the measures already in place).

2.2.3 Environmental management

Environment

In December 2019, the European Commission adopted the European Green Deal, the European strategy that calls on Member States, institutions and people to take action to make Europe the first carbon-neutral continent by 2050. The EESC, in cooperation with the CoR and along with other EU institutions, fully embraced the European Green Deal. A study aimed at defining emission reduction scenarios in order to achieve climate neutrality by 2030 was commissioned in 2021 and will be completed in 2022. Through the Eco-Management and Audit Scheme (EMAS) and the carbon footprint, the EESC aims to "put the Green Deal into practice" in all of its work. This means adopting exemplary environmentally responsible practices to reduce its carbon footprint.

Eco-Management



The EESC, in close cooperation with the CoR, set up an environmental management system as part of a process of continuous improvement in this sphere.

These efforts had yielded excellent results over the last few years, and earned the Committees the Brussels Ecodynamic Enterprise label in 2009. In 2011, the Committees were also awarded EMAS and ISO 14 001 certification. In the frame of the EMAS certification, the new EMAS objectives for 2022-2025 were drawn up in 2021 and adopted in January 2022. They included a new objective on CO₂ emissions reduction. In this connection, the target of reducing CO₂ emissions by 10% of 2019 levels by 2030 was adopted in relation to issues that are under the remit of the administration. The proposed target does not include any potential reduction stemming from member-related activities. That aspect will be addressed later, after the conclusions of the specific ad-hoc working group set up by the Bureau.

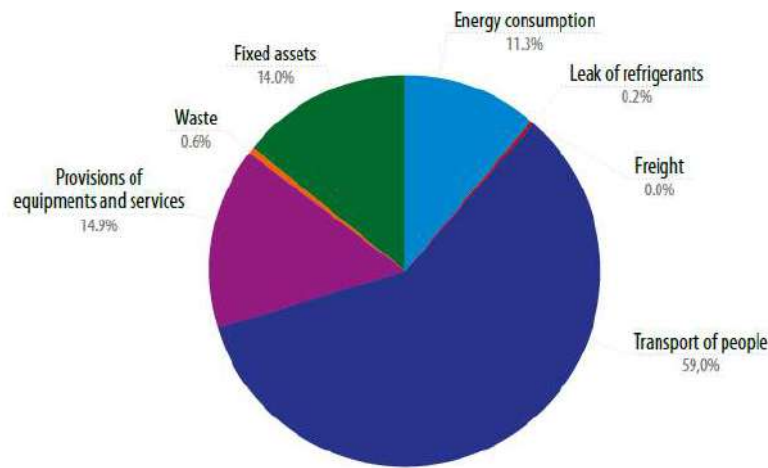
Carbon footprint

The Committee has been calculating its carbon footprint each year since 2016. In 2021, the Committees calculated their carbon footprint for the sixth time, in relation to 2020. Total emissions amounted to 7 918 tons of CO₂ equivalent for 2020, which corresponds to 5.58 tons per FTE (full-time equivalent). Clearly, although the results could be perceived as extremely good (59.3% reduction in CO₂ emissions compared to 2019), they are not representative of a normal year.

The COVID-19 pandemic significantly reduced the Committees' environmental impact, with the main environmental indicators being down on 2021. However, as in previous years, transport of

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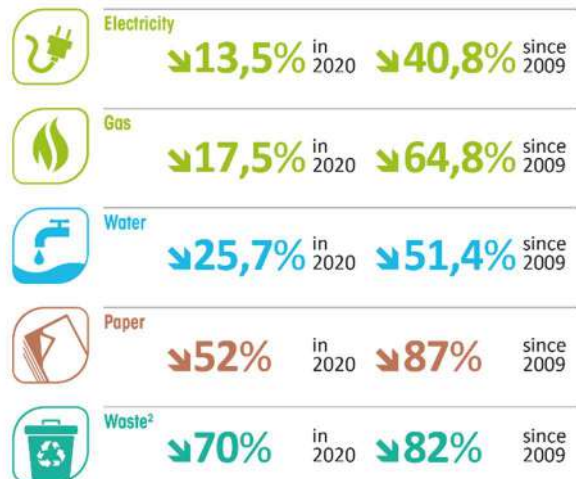
people continues to be the largest source of CO2 emissions. Some measures, such as teleworking or the organisation of meetings in remote or hybrid mode, have proven to be effective. The second largest emitter of CO2 is the provision of equipment and services, which includes external services (interpreting and external translation, maintenance, catering, security, IT, consultancy), office equipment and purchase of catering equipment and food supplies.



Main achievements in 2020⁴

By choosing to operate as sustainably as possible, the Committees have achieved significant results in several areas (see table).

These efforts bring not only environmental benefits but also financial savings and improvements to management processes.



⁴ 2021 data will not be available until it is validated by the external auditor in summer 2022.

I.

Useful links

EESC website: www.eesc.europa.eu

Facebook: www.eesc.europa.eu/facebook

Twitter: www.eesc.europa.eu/twitter

Instagram: <http://eesc.europa.eu/instagram>

YouTube: www.eesc.europa.eu/youtube

LinkedIn: www.eesc.europa.eu/linkedin

EESC president: www.eesc.europa.eu/en/about/political-organisation/eesc-president

EESC president on Twitter: [@EESC_President](https://twitter.com/EESC_President)

Civil Solidarity Prize: www.eesc.europa.eu/civilsocietyprize

Civil Society Against COVID-19:

www.eesc.europa.eu/en/initiatives/civil-society-against-covid-19

European Circular Economy Stakeholder Platform: <https://circulareconomy.europa.eu/platform/>

PART II

Annual General Accounts 2021 (Accrual Accounting Principle)

(Final)

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1. CERTIFICATION OF THE ACCOUNTS

Brussels, June 2022

I acknowledge my responsibility for the preparation and presentation of the annual accounts of European Economic and Social Committee in accordance with Article 246 of the Financial Regulation ('FR')¹ and I hereby certify that the annual accounts of the European Economic and Social Committee for the year 2021 have been prepared in accordance with Title XIII of the FR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

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. 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.



Giaprakis Stavros
Accounting Officer of the
European Economic and
Social Committee

¹ REGULATION (EU, Euratom) 2018/1046 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012.

2. ACCOUNTING POLICIES

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

2.1 LEGAL PROVISIONS AND THE FINANCIAL REGULATION

The main source of principles is the Financial Regulation (FR). 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 principle². 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.

² 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	2021	2020
From ordinary activities		4,405,570	1,373,234
<u>Revenue</u>			
Funds transferred from the Commission		110,100,000	106,100,000
Revenue from administrative operations		21,883,192	17,087,350
Other operating revenue		1,205	2,008
	1	<u>131,984,397</u>	<u>123,189,358</u>
<u>Expenses</u>			
Staff expenses and members' expenses		-86,913,978	-85,334,218
Depreciation, amounts written off, provisions and accruals		-10,824,428	-11,113,179
Land and building related expenses		-8,232,342	-7,268,574
Other expenses		-21,608,079	-18,100,153
		<u>-127,578,827</u>	<u>-121,816,124</u>
From financial activities		-6,605,556	-6,883,788
Financial operations revenue		0	0
Financial operations expenses	2	-6,605,556	-6,883,788
Economic result of the year		-2,199,986	-5,510,554

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.

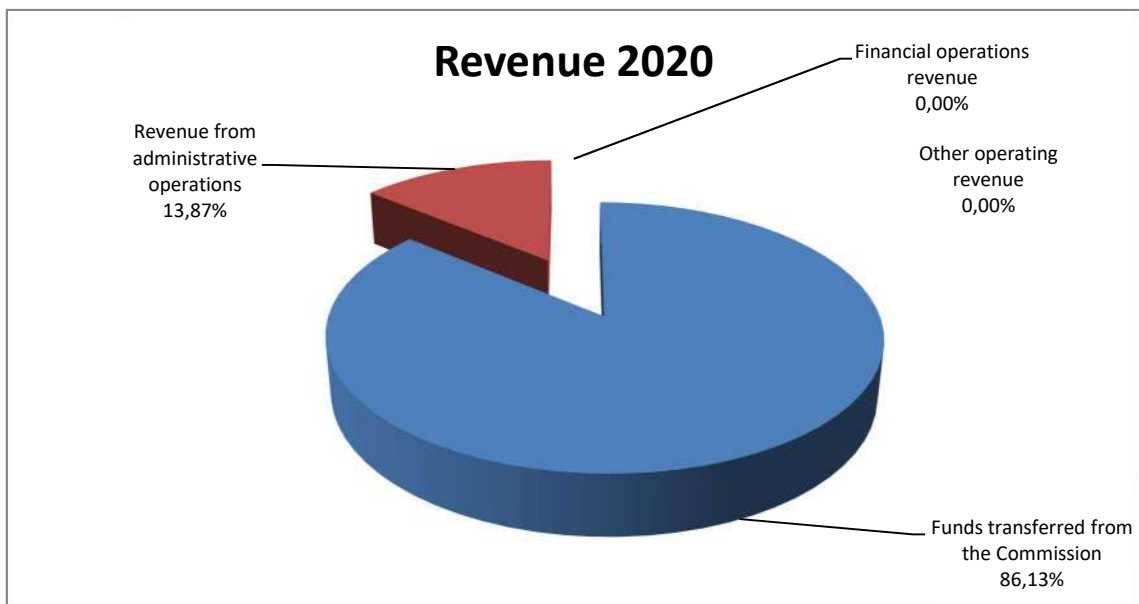
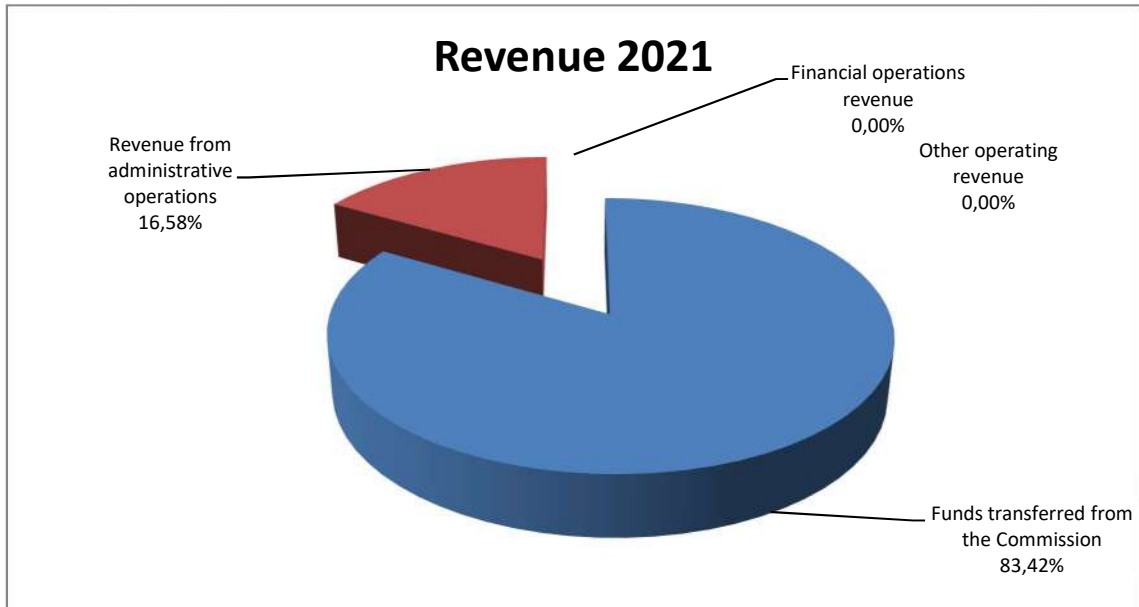
Revenue :

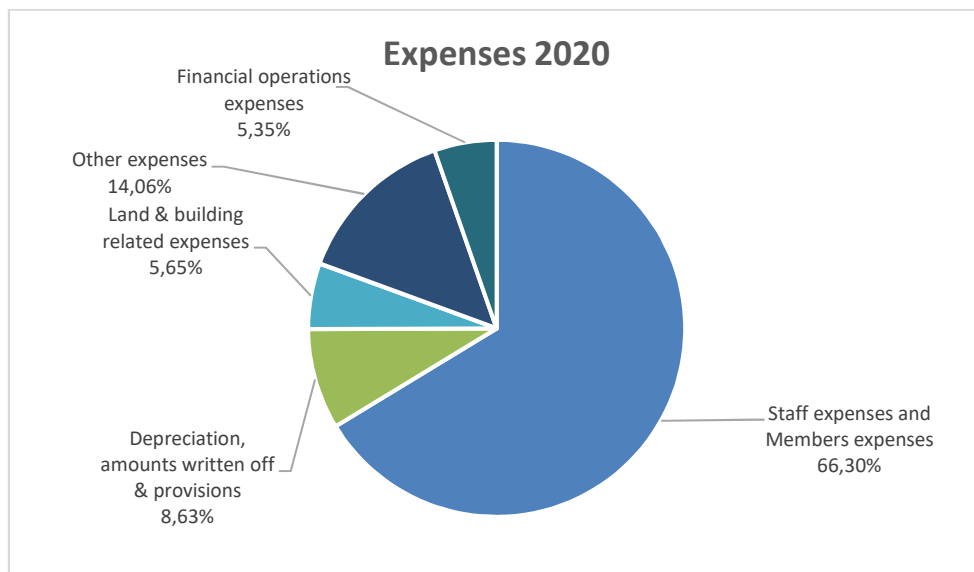
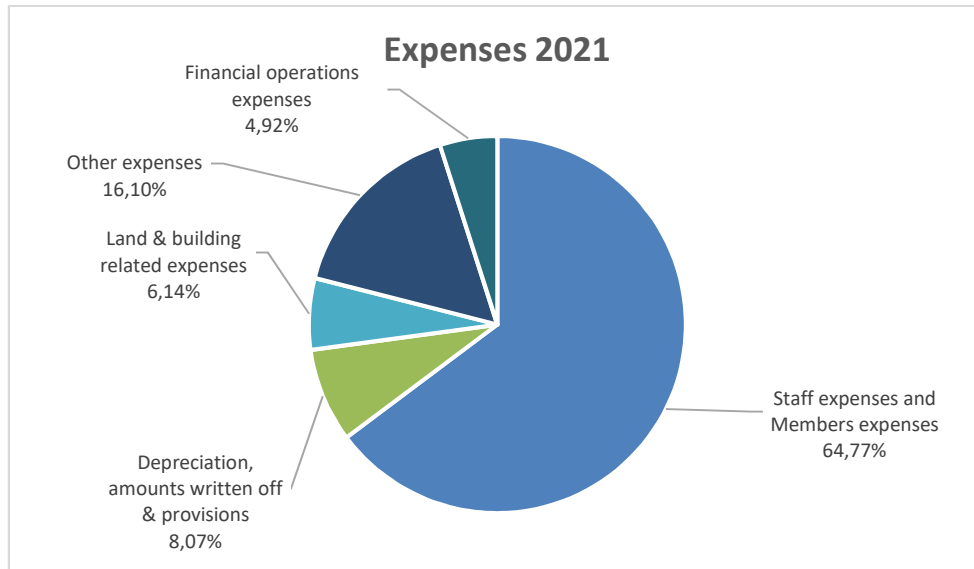
The increase by 7% is mainly explained by the higher replenishment amounts received from the European Commission. This increase represented a total amount of about 4 mio €. After a difficult first year with the pandemic situation, the activity slowly started again.

Expenses :

The overall expenses have slightly increased by 5% compared to last year. The increase of 'other expenses' is mainly explained by an increase of the activity compared to 2020, first year of the pandemic situation. The increase of 'land and building' related expenses is mostly explained by several works linked to the staff moves and renovation of buildings.

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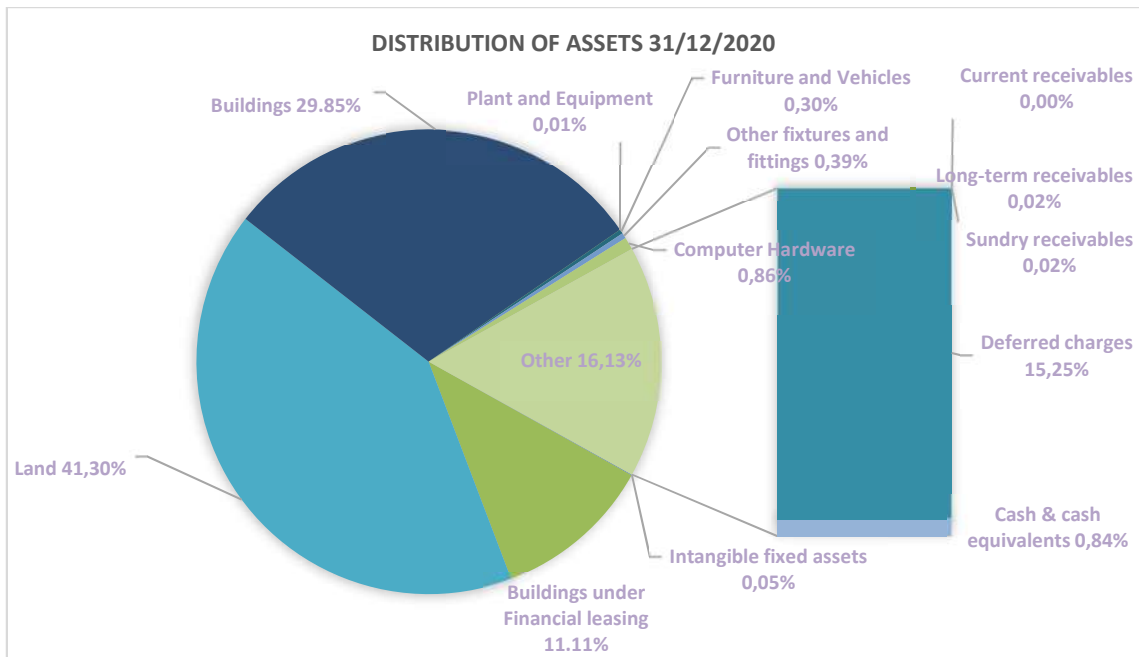
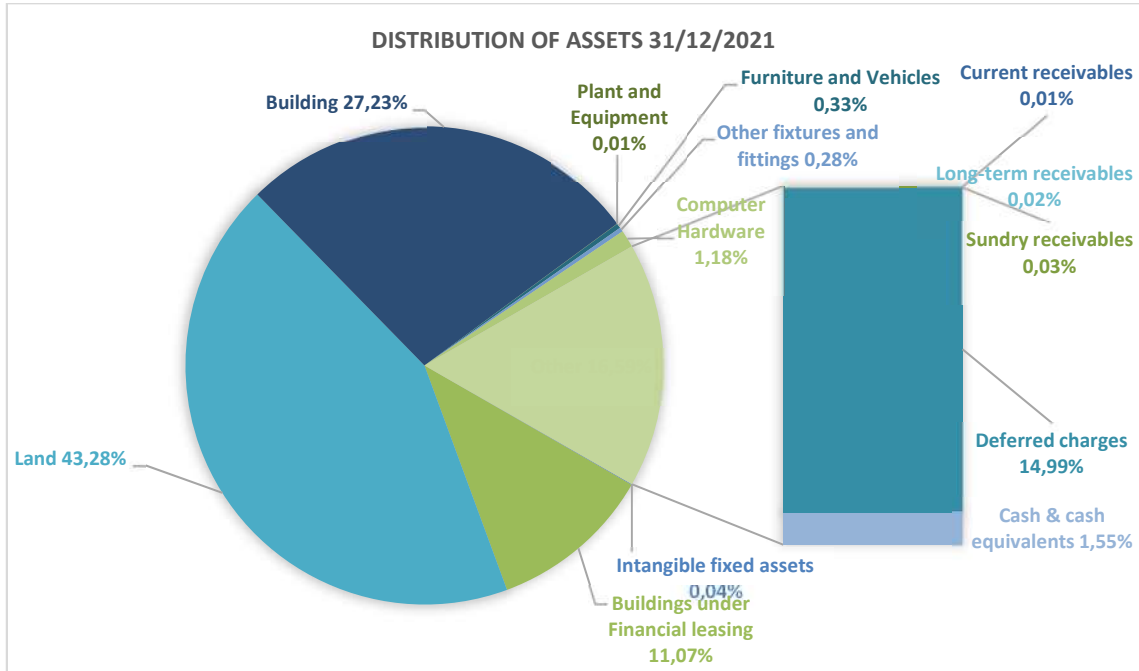


II.

4. THE BALANCE SHEET

	Note	31/12/2021	31/12/2020
<u>I. Non-current assets</u>			
Intangible fixed assets	3	<u>39,028</u>	<u>54,379</u>
<u>Tangible fixed assets</u>			
Land and buildings under financial leasing	4	10,906,997	11,472,268
Land	4	42,643,384	42,643,384
Buildings	4	26,833,731	30,824,842
Plant and equipment	5	8,472	10,370
Other fixtures and fittings	5	273,644	405,304
Furniture and vehicles	6	323,323	306,182
Computer hardware	7	1,164,890	887,191
		<u>82,154,442</u>	<u>86,549,541</u>
Long-term receivables	8	<u>19,298</u>	<u>19,298</u>
		<u>82,212,768</u>	<u>86,623,218</u>
<u>II. Current assets</u>			
<u>Short-term receivables</u>			
Current receivables	9	8,224	649
Sundry receivables		26,896	18,862
Deferred charges		<u>14,765,809</u>	<u>15,742,977</u>
		<u>14,800,929</u>	<u>15,762,488</u>
Cash and cash equivalents		<u>1,523,186</u>	<u>871,216</u>
		<u>16,324,115</u>	<u>16,633,704</u>
Total assets		<u>98,536,883</u>	<u>103,256,922</u>
<u>III. Non-current liabilities</u>			
Other long-term liabilities	10	<u>57,917,124</u>	<u>64,458,976</u>
		<u>57,917,124</u>	<u>64,458,976</u>
<u>IV. Current liabilities</u>			
Provisions for risk and charges	11	<u>282,000</u>	<u>349,606</u>
		<u>282,000</u>	<u>349,606</u>
<u>Accounts payable</u>			
Current payables	12	3,132,516	5,335,602
Long-term liabilities falling due within the year	13	6,372,525	6,038,204
Sundry payables		11,453	11,283
Accrued charges		<u>18,027,963</u>	<u>12,069,962</u>
		<u>27,544,456</u>	<u>23,455,051</u>
Total liabilities		<u>85,743,580</u>	<u>88,263,634</u>
Net assets		<u>12,793,303</u>	<u>14,993,288</u>
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
<u>Balance as of 31 December 2020</u>	20,503,842	-5,510,554	14,993,288
Allocation of the economic outturn 2020	-5,510,554	5,510,554	0
Economic outturn 2021	0	-2,199,986	-2,199,986
<u>Balance as of 31 December 2021</u>	<u>14,993,288</u>	<u>-2,199,986</u>	<u>12,793,303</u>

Note: The EESC has no share capital or previously injected capital. The net assets are the difference between the value of the assets and the value of the liabilities.

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6. THE CASH FLOW STATEMENT

	31/12/2021	31/12/2020
<u>Cashflows from ordinary activities</u>		
Surplus/(deficit) from ordinary activities	-2,199,986	-5,510,554
<u>Operating Activities</u>		
Amortization (intangible fixed assets)	24,485	20,997
Depreciation (tangible fixed assets)	5,389,943	5,300,715
(Increase)/decrease in provision for risks and liabilities	-67,606	401,506
Increase/(decrease) in long-term receivables	0	-4,450
Increase/(decrease) in short-term receivables	961,558	-49,064
Increase/(decrease) in other long-term liabilities	-6,541,852	-6,038,204
(Increase)/decrease in accounts payable	4,212,180	7,487,786
Other non-cash movements	-72,550	-9
Net cash flow from operating activities	<u>1,706,172</u>	<u>1,608,723</u>
<u>Investing activities</u>		
Increase in intangible and tangible fixed assets (-)	<u>-1,054,202</u>	<u>-899,484</u>
Net cash flow from investing activities	<u>-1,054,202</u>	<u>-899,484</u>
Net (Increase)/decrease in cash and cash equivalents	<u>651,970</u>	<u>709,240</u>
Net increase/(decrease) in cash and cash equivalents	651,970	709,240
Cash and cash equivalents at the beginning of 2021	<u>871,216</u>	<u>161,976</u>
Cash and cash equivalents at the end of 2021	<u>1,523,186</u>	<u>871,216</u>

7. NOTES

NOTE 1

Operating revenue

	2021	2020
Funds transferred from the Commission	<u>110,100,000</u>	<u>106,100,000</u>
Revenue from staff	13,267,751	12,838,565
Other administrative revenue	<u>8,615,442</u>	<u>4,248,785</u>
Revenue from administrative operations	<u>21,883,192</u>	<u>17,087,350</u>
Other operating revenue	0	0
Exchange rate gains	<u>1,205</u>	<u>2,008</u>
Other operating revenue	<u>1,205</u>	<u>2,008</u>
	131,984,397	123,189,358
Non-exchange revenue	123,367,751	118,938,565
Exchange revenue	8,616,646	4,250,793
	131,984,397	123,189,358

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

	2021	2020
Other interest expenses	-6,597,788	-6,875,100
Other financial expenses	-7,768	-7,488
Bank charges	0	-1,200
	-6,605,556	-6,883,788

NOTE 3

Intangible fixed assets

	31/12/2021	31/12/2020
<u>Computer software</u>		
Gross carrying amount 1 January	1,314,707	1,303,326
Additions	9,134	36,034
Disposals	0	0
Transfers between headings	0	-24,653
Other changes	0	0
Gross carrying amount 31 December	<u>1,323,841</u>	<u>1,314,707</u>
Accumulated amortization 1 January	-1,260,328	-1,243,953
Amortization	-24,485	-20,997
Disposals	0	0
Transfers between headings	0	4,623
Other changes	0	0
Accumulated amortization 31 December	<u>-1,284,813</u>	<u>-1,260,328</u>
Net carrying amount 31 December	39,028	54,379
Non-capitalised research costs	0	0
Non-capitalised development costs	826,845	218,411
	826,845	218,411

At 31 December 2021, the EESC and the European Committee of the Regions (CoR) had external research and development costs for a total amount of EUR 1,071,346 (4 projects). This amount was split according to an agreed division between the two Committees as follows:

100% EESC (project developed only for EESC): EUR 460,093

60% EESC: EUR 366,752

40% CoR: EUR 244,501

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

Land and buildings (owned and under financial leasing)

	31/12/2021	31/12/2020
<u>Land and Buildings under Financial Leasing</u>		
Gross carrying amount, 1 January	20,866,410	21,288,768
Additions	0	0
Transfer between headings	0	-422,358
Gross carrying amount, 31 December	<u>20,866,410</u>	<u>20,866,410</u>
Accumulated depreciation, 1 January	-9,394,141	-9,240,547
Transfer between headings	0	411,676
Depreciation	-565,271	-565,271
Accumulated depreciation, 31 December	<u>-9,959,412</u>	<u>-9,394,142</u>
	<u>10,906,998</u>	<u>11,472,268</u>
<u>Land</u>		
Gross carrying amount	<u>42,643,384</u>	<u>42,643,384</u>
<u>Buildings</u>		
Gross carrying amount, 1 January	100,174,488	99,752,131
Additions	0	0
Transfer between headings	0	422,358
Gross carrying amount, 31 December	<u>100,174,488</u>	<u>100,174,489</u>
Accumulated depreciation, 1 January	-69,349,647	-64,946,861
Transfer between headings	0	-411,676
Depreciation	-3,991,111	-3,991,110
Accumulated depreciation, 31 December	<u>-73,340,757</u>	<u>-69,349,647</u>
	<u>26,833,731</u>	<u>30,824,842</u>
Net carrying amount, 31 December	80,384,113	84,940,494

The presentation changes in 2020 in order to highlight the depreciation of own buildings versus the leased buildings.

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	Capital	Interest
<u>Distribution of charges</u>		
Cumulative charges paid	98,795,708	126,252,196
Buildings	89,167,017	112,665,932
Buildings under Financial Leasing	9,628,692	13,586,264
<u>Charges to be paid</u>		
Buildings		
< 1 year	5,493,184	2,742,312
1-5 years	25,520,827	7,421,154
> 5 years	22,214,487	1,748,358
	<u>53,228,498</u>	<u>11,911,824</u>
Buildings under Financial Leasing		
< 1 year	879,341	484,848
1-5 years	4,119,553	1,464,073
> 5 years	6,062,257	548,399
	<u>11,061,150</u>	<u>2,497,321</u>
Buildings and Buildings under Financial Leasing		
< 1 year	6,372,525	3,227,160
1-5 years	29,640,380	8,885,227
> 5 years	28,276,744	2,296,757
	<u>64,289,649</u>	<u>14,409,144</u>
Gross carrying amount 31 December	163,085,357	140,661,340

At 31 December 2021, the EESC and the CoR jointly held two buildings³ under long-term leases and three owned shared buildings :

	Total net asset value	Total debt
<u>Buildings</u>		
Bertha von Suttner building (BvS), Rue Montoyer 92-102	29,348,681	23,284,844
Jacques Delors building (JDE), Rue Belliard 103-113	69,604,461	56,160,675
Remorqueur building (REM), Rue Belliard 93	6,339,755	0
	<u>105,292,897</u>	<u>79,445,519</u>
<u>Buildings under Financial Leasing</u>		
Rue Belliard 68-72 building (B68-72)	14,197,644	12,536,899
Rue de Trèves 74 building (TR74)	13,030,055	15,115,977
	<u>27,227,699</u>	<u>27,652,877</u>
TOTAL	132,520,596	107,098,396

	31/12/2021	31/12/2020
Land & Building under Finance Lease	10,906,998	11,472,269
Land	42,643,384	42,643,384
Own Buildings	<u>26,833,731</u>	<u>30,824,841</u>
	80,384,113	84,940,494

³ 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.

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Annual General Accounts 2021

Since 19 November 2018, both Committees acquired the JDE building by exercising the purchase option. Since 9 December 2019, both Committees acquired the BvS and REM buildings by exercising the purchase option. Consequently, both institutions became owners of these 3 buildings.

The long-term leases of the TR74 and B68-72 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 80,359,563. On the liability side, the EESC's part of the total debt is EUR 64,289,649 (long-term debts of more than 5 years amount to 28,276,744 EUR, and medium-term debts (from 1 to 5 years) amount to 29,640,380 EUR and debts at less than one year amount to 6,372,525 EUR).

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 prolonged in 2019. A new administrative cooperation agreement was signed at the end of 2021. 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

II.

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

	31/12/2021	31/12/2020
Gross carrying amount, 1 January	90,207	90,537
Additions	0	3250
Disposals	0	-3580
Transfers between headings	0	0
Other changes	0	0
Gross carrying amount, 31 December	90,207	90,207
Accumulated depreciation, 1 January	-79,837	-81,604
Depreciation	-1,898	-1,813
Disposals	0	3,580
Transfers between headings	0	0
Other changes	0	0
Accumulated depreciation, 31 December	-81,735	-79,837
Net carrying amount, 31 December	8,472	10,370

Other fixtures and fittings

	31/12/2021	31/12/2020
Gross carrying amount, 1 January	2,729,832	2,531,742
Additions	63,647	198,091
Disposals	0	0
Transfers between headings	0	0
Other changes	0	0
Gross carrying amount, 31 December	2,793,479	2,729,833
Accumulated depreciation, 1 January	-2,324,528	-2,117,459
Depreciation	-195,307	-207,070
Disposals	0	0
Transfers between headings	0	0
Other changes	0	0
Accumulated depreciation, 31 December	-2,519,835	-2,324,529
Net carrying amount, 31 December	273,644	405,304

NOTE 6

Furniture and vehicles

	31/12/2021	31/12/2020
Gross carrying amount, 1 January	3,349,786	3,547,765
Additions	114,054	8,319
Disposals	-6,360	-206,298
Transfers between headings	0	0
Other changes	<u>0</u>	<u>0</u>
Gross carrying amount, 31 December	<u>3,457,480</u>	<u>3,349,786</u>
Accumulated depreciation, 1 January	-3,043,604	-3,155,396
Depreciation	-91,077	-94,506
Disposals	524	206,298
Transfers between headings	0	0
Other changes	0	0
Accumulated depreciation, 31 December	<u>-3,134,157</u>	<u>-3,043,604</u>
Net carrying amount, 31 December	323,323	306,182

NOTE 7

Computer hardware

	31/12/2021	31/12/2020
Gross carrying amount, 1 January	4,124,280	3,705,982
Additions	867,367	653,790
Disposals	-43,864	-260,146
Transfers between headings	0	24,654
Other changes	0	0
Gross carrying amount, 31 December	<u>4,947,783</u>	<u>4,124,280</u>
Accumulated depreciation, 1 January	-3,237,089	-3,051,675
Depreciation	-550,815	-440,937
Disposals	5,011	260,146
Transfers between headings	0	-4,623
Other changes	0	0
Accumulated depreciation, 31 December	<u>-3,782,893</u>	<u>-3,237,089</u>
Net carrying amount, 31 December	1,164,890	887,191

Since 1 January 2019, the EESC has increased the threshold beyond which goods purchased are considered as assets from the previous acquisition value of 420€ to the new one of 1000€.

The depreciation rates are applied as per table of depreciation in point 2.5.3.

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NOTE 8

Long-term receivables

	31/12/2021	31/12/2020
Other (advances to members)	19,298	19,298
	19,298	19,298

NOTE 9

Current receivables

	31/12/2021	31/12/2020
<u>Customers</u>		
Gross total	1,062	593
Amounts written down	0	0
Net value	<u>1,062</u>	<u>593</u>
<u>Member States</u>		
Gross total	7,162	0
Amounts written down	0	0
Net value, VAT to be recovered	<u>7,162</u>	<u>0</u>
<u>Other institutions</u>		
Gross total	0	56
Amounts written down	0	0
Net value	<u>0</u>	<u>56</u>
	8,224	649

NOTE 10

Other long-term liabilities

	31/12/2021	31/12/2020
<u>Buildings(*)</u>		
LT EESC part of the total debt (>5)	22,214,487	
MT EESC part of the total debt (1-5)	25,520,828	
	<u>47,735,315</u>	
<u>Buildings under Financial Leasing(*)</u>		
LT EESC part of the total debt (>5)	6,062,257	
MT EESC part of the total debt (1-5)	4,119,552	
	<u>10,181,809</u>	
	<u>57,917,124</u>	<u>64,458,976</u>
	57,917,124	64,458,976

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

In 2021, the long term liabilities are splitted between long and medium term.

NOTE 11

Provisions for risks and charges

	31/12/2021	31/12/2020
Possible outcome of pending court case	282,000	349,606
	282,000	349,606

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NOTE 12

Current payables

	31/12/2021	31/12/2020
<u>Vendors</u>		
Gross total	<u>809,623</u>	<u>1,325,462</u>
<u>Other institutions</u>		
European Commission	2,314,781	3,905,819
European Parliament	2,328	98,237
European Council	123	0
European Committee of the Regions	0	6,000
EU decentralised agencies	5,660	84
Gross total	<u>2,322,892</u>	<u>4,010,140</u>
	3,132,516	5,335,602

NOTE 13

Long-term liabilities falling due within the year

	31/12/2021	31/12/2020
Buildings(*)	5,493,184	
Buildings under Financial Leasing(*)	879,341	
	<u>6,372,525</u>	<u>6.038.204</u>
	6,372,525	6,038,204

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

In 2021, the long term liabilities falling due within the year are splitted between unleased buildings and leased buildings.

NOTE 14

Contingent assets

	31/12/2021	31/12/2020
Performance guarantees*	0	0
	0	0

* The sum of performance guarantees in supplier contracts was EUR 279,340 at 31 December 2021. 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

	31/12/2021	31/12/2020
<u>Commitments for future funding</u>		
Commitments against appropriations not yet consumed (RAL)	2,150,771	1,785,696
Operating leases	8,477,781	4,652,485
Contractual commitments	2,727,053	3,789,094
Other	0	0
	13,355,605	10,227,275

NOTE 16 Disclosures

Covid-19

During 2021, the coronavirus outbreak has had huge impacts on the EU economy. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures reported in these annual accounts. For subsequent reporting periods, COVID-19 may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the information available at the date of signature of these annual accounts, the financial effects of the coronavirus outbreak cannot be reliably estimated.

Brexit

On 1 February 2020 the United Kingdom ceased to be a Member State of the European Union. Following the conclusion of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (the 'Withdrawal Agreement') between the two parties, the United Kingdom committed to pay all its obligations under the current MFF and previous financial perspectives following from its membership of the Union. The United Kingdom has paid into the 2020 EU Budget during the year, and received payments, as if it were a Member State.

At the date of transmission of these accounts, and based on the Withdrawal Agreement concluded and already in operation, there is no financial impact to be reported in these accounts. For further information on the impact of the Withdrawal Agreement on the EU, please see the 2021 consolidated EU annual accounts.

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Ukraine

In accordance with EU accounting rule 19, Events after Reporting Date, the war in Ukraine, that began in February 2022 is a non adjusting event, thus not requiring any adjustments to the figures reported in these financial statements at 31 December 2021. For subsequent reporting periods, the war may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, the financial effect of the war in Ukraine on the cannot be reliably estimated

PART III

**Annual Budgetary Accounts 2021
(Modified Cash Accounting Principle)
and
Report on Budgetary and Financial
Management**

PART III - INDEX

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1. GENERAL REMARKS ON THE BUDGET

1.1 BUDGET OUTTURN 2021

The total 2021 budget was EUR 145.0 million, of which EUR 131.7 million was spent or carried forward to 2022 as commitments¹. This equals a take-up rate of 90.8%, compared to 91.8% in 2020. Both figures reflect the impact of the COVID-19 pandemic on EESC activities. The take-up of appropriations carried forward from 2020 to 2021 was slightly higher than in 2020: 79.6% (EUR 10.5 million) in 2021 as compared to 79.2% in 2020 (EUR 6.9 million)².

1.2 ESTABLISHING THE 2021 BUDGET

The EESC 2021 budget estimates submitted to the Commission totalled EUR 153 116 356, an increase of 7.42% on the 2020 budget. The main reason behind the rise in expenditure was the exceptional "one-off request" linked to the building strategy of the two Committees, which focused on "geographical concentration", via the exchange of the VMA building with the B68/TRE buildings. The EESC's share of these "one-off" costs was at EUR 5.44 million, to be provided outside the normal budget request for 2021. The total increase for the draft 2021 budget estimates compared to 2020, excluding this "one-off", expenditure was EUR 5 133 441 or 3.6%.

The estimates for salary-related expenditure were based on a stable establishment plan, with the exception of one additional AD 5 post in the Irish translation unit due to a legal obligation arising as a result of the end of the derogation for Irish translation. Furthermore, they included the impact of actual or expected salary adjustments, based on the parameters provided by the Commission.

During the budget procedure, the European Commission (EC) applied downward adjustments to the EESC budget request, totalling EUR 1 312 456, in order to limit the increase in non-salary expenditure to a maximum of 2%. Further cuts due to a parameter modification (from 3.1% to 0.90 %) in the calculation of salary-related expenditure resulted in a reduction of EUR 1 675 399 on salary-related items. However, the EC excluded EUR 5.44 million of additional expenditure, the "one off" costs, from the 2% increase limit, as it was related to the costs of the above-mentioned buildings exchange. Following these cuts, the increase in the 2021 draft estimates compared to 2020 "including the one-off" was now at 5.32 %, in comparison with 7.42% before, and "excluding the one-off" it was at 1.51%, compared to 3.60% before.

In its reading, the Council introduced further reductions on eight different budget lines, curtailing the EESC draft budget by a further EUR 7 912 555. Of this amount, EUR 2.15 million was aimed

¹ See table "Use of final appropriations (C1) in 2021", page 58.

² See table "Use of appropriations automatically carried forward from 2020 to 2021 (C8)", page 70.

at cutting "Travel allowances" for members and delegates, as part of a general policy approach to apply horizontal reductions to mission, travel and public events expenditure. A cut of EUR 5.5 million corresponded to the amount frontloaded on rent/lease payments in 2020, which was related to leftovers resulting from the COVID-19 crisis and intended to secure the financing of the VMA renovation if a regular budget had not been granted for it in 2021. The additional post requested for Irish translation was also rejected. The Council position stating EUR 142 215 946 entailed a nominal decrease for the EESC budget of 0.23 % compared to the 2020 budget.

The European Parliament (EP) subsequently suggested reinstating appropriations amounting to EUR 3 487 028, thereby restoring all cuts by the Council, except for the lines which were frontloaded in connection with the buildings, and the cuts made by the EC on the items "Fitting-out of premises" and "Interpreting" (EUR 1 074 473). After the EP's reading, the EESC budget amounted to EUR 145 702 974, an increase of EUR 3 163 581 or 2.22% compared to 2020.

On 4 December 2020, Parliament and Council reached a common understanding on the 2021 Union budget during the conciliation procedure. This procedure reintroduced a cut previously made by the EC on "Fitting-out of premises" (EUR 483 619) and by the Council on "Staff missions" (EUR 42 108), which meant that the EESC budget was further reduced by EUR 525 727. In addition, amending letter 1/2020 (AL1/2020) adjusting for the lower annual update of remunerations than incorporated in the draft budget (0.7% instead of 0.9% used), further reduced salary-related appropriations by EUR 152 309.

On the basis of the outcome of the conciliation and of AL1/2020, the Commission proposed a second draft budget 2021 on 10 December. The Council adopted its official position on 14 December, and the European Parliament finally adopted the budget on 18 December during its plenary session.

The budget procedure resulted in a total EESC budget of EUR 145 024 938 for 2021, corresponding to an increase of 1.74% on 2020. The establishment plan approved by the budgetary authority confirmed the additional establishment post for 2021, meaning that the number of posts was increased from 668 in 2020 to 669 in 2021.

1.3 BUDGET GOVERNANCE 2021

The CAF, the EESC's supervisory body for financial and budgetary affairs, prepares all decisions of a financial or budgetary nature for the EESC Bureau. The CAF meets, in general, before each EESC Bureau meeting, around 11 times per year. In order to be able to deal with specific subjects more efficiently, the CAF can set up subgroups on different topics. These subgroups are composed of three members, one from each group represented in the Committee.

The CAF supervises all budgetary procedures and, in particular, the establishment of the budget estimates, 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 by the CAF to analyse the draft estimates prepared by the administration and proposed by the secretary-general. Based on this preparatory work and after deliberation, the CAF then submits the proposed draft estimates to the Bureau for approval and subsequent submission to the budgetary authority.

In 2021, and as a direct consequence of the continuing health crisis and the related travel restrictions, which impacted members' activities and the organisation of meetings, significant leftovers materialised. These leftovers were mainly on the budget lines for members' travel costs and allowances, as well as on related items covering interpretation, staff missions and the organisation of events and hearings, including catering related to these events. To address these leftovers, the EESC initiated transfers earlier in the year, thus resulting in a higher than usual total transfer amount of around EUR 5.3 million. Despite these efforts, the 2021 execution rate of 90.80% remained lower than in previous years, as not all leftovers due to the health crisis could be absorbed.

The CAF contributed to guaranteeing business continuity from the start of the COVID-19 health crisis, at a time when, as a result of the pandemic, national restrictions were introduced to protect public health and many airlines and rail operators suspended operations, making it practically impossible for many European Economic and Social Committee beneficiaries to cross national borders in order to attend Committee meetings.

The first Bureau decision on this subject of 9 June 2020 only covered the reimbursement of the daily subsistence allowance for EESC members attending EESC meetings remotely, an allowance laid down by Council Decision 2013/471 of 23 September 2013 to compensate members for the time spent in the performance of their duties and for related administrative costs. The decision did not cover other reimbursements, such as the reimbursement of travel costs and travel allowances, and was extended (with some minor adjustments) until the entry into force of Council Decision 2021/1072 of 28 June 2021.

When it became apparent that the COVID-19 pandemic and travel restrictions would last much longer than initially expected, the EESC, based on a proposal from the CAF which was supported by the Quaestors, proactively discussed and then submitted a proposal to the Council for a specific allowance for remote attendance of EESC meetings.

This proposal was discussed at several meetings of the Council Budget Committee, which took place from April to June 2021. The CAF chair participated in some of these meetings, before the

decision was formally adopted by the Council and entered into force on 1 July 2021. The amount for remote participation has been fixed at EUR 145.

The Council and the European Parliament were duly notified in a timely manner of each relevant EESC Bureau decision on these matters.

The CAF and its building subgroup also dealt with follow-up to the building strategy. The main element of the building strategy, "geographical concentration", was achieved by exchanging the TRE/B68 buildings for the VMA building. In the first building subgroup in April 2021, the Directorate for Logistics (DL) explained the next steps in the building strategy in detail and the upcoming necessary renovation works following the buildings exchange. A second subgroup meeting, which took place in June, was aimed at proposing additional building projects that would complement the ongoing renovation projects and could be financed via a mopping-up transfer. The building subgroup approved the additional projects and also supported the proposed transfers of around EUR 2 million to finance these projects, approved by the CAF. The measures would allow a more flexible layout of office spaces so that they can be adapted easily to new forms of work, in addition to projects to further limit energy and water consumption.

Given that the special situation created by the COVID-19 health crisis continued throughout 2021, the CAF and its IT subgroup focused in particular on supporting the recovery process, to allow the EESC's activities to benefit more from the increased digitalisation. The focus in 2021 was therefore on the reinforcement of IT infrastructure hardware, including network switches and storage. In the IT subgroup meeting in June, the Directorate for Logistics presented the projects related to the EESC's digital strategy planned for the second half of the year 2021. As the IT budget at the Committees is still insufficient, projects to be financed using budget transfers during the year were proposed. The further projects were approved by the subgroup and subsequently the CAF, in order for the budget to be provided. They can be categorised under the headings "Innovative Information Systems", "Resilience of IT infrastructure" and "Digital workplace for hybrid meetings", with a total estimated cost of around EUR 425 000 for the EESC.

The Integrated Business Analysis Programme" (IBIP), a broad internal project, aims as a first step at capturing and mapping all underlying business processes which also have an influence on the spending forecasting on budget lines for Members political activities. This will not only allow for providing a more detailed view of the existing business processes in the house, but will also help identifying potential root causes of variances between the spending forecasting and final costs of activities such as meetings, events, conferences, in order to further improve the sound and efficient management of available human and financial resources to support the Members activities. The CAF and the Quaestors also took note in a meeting in November 2021 of the state-of-play of the IBIP presented by the administration, and will continue to monitor the next steps.

In the past, the EESC has consistently taken a moderate approach to its budget estimates and has requested an increase only based on some well-justified exceptions. Without departing from this approach, and due to the buildings exchange (in order to be able to generate a return on investment in the medium to long term and to achieve geographical concentration), "one-off" investments were requested in the context of the 2021 budget, in order to be able to proceed with the renovation of the VMA building.

2. REVENUE

		2021	
		Revenue and income recognised from:	
		2021	Carried over
	Total	21.861.906	593
3	Administrative revenue	21.861.906	593
30	Revenue from staff	13.267.751	0
300	Taxes and levies	6.993.729	0
3000	Tax on the remunerations	5.827.334	
3001	Special levies on remunerations	1.166.395	
301	Contributions to the pension scheme	6.274.022	0
3010	Staff contributions to the pension scheme	6.022.911	
3011	Transfer or purchase of pension rights by staff	251.111	
31	Revenue linked to property	1.896.704	0
311	Sale of other property	24	
312	Letting and subletting immovable property — Assigned revenue	1.896.680	
32	Revenue from the supply of goods, services and work — Assigned revenue	6.541.903	0
320	Revenue from the supply of goods, services and work — Assigned revenue	6.541.903	0
3202	For other Institutions, agencies and EU bodies — Assigned revenue	6.541.903	0
33	Other administrative revenue	155.549	593
330	Repayment of amounts wrongly paid — Assigned revenue	97.409	0
338	Other revenue from administrative operations — Assigned revenue	40.140	413
339	Other revenue from administrative operations	18.000	180
4	Financial revenue, default interest and fines	0	0
40	Revenue from investments and accounts	0	0
400	Revenue from investments, loans granted and bank accounts		

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2021			2020				
Revenue and income cashed from:		Outstanding Balance	Revenue and income recognised from:		Revenue and income cashed from:		Outstanding Balance
2021	Carried over		2020	Carried over	2020	Carried over	
21.861.173	0	1.326	17.074.395	118.533	17.192.396	0	531
21.861.173	0	1.326	17.074.395	118.533	17.192.396	0	531
13.267.751	0	0	12.880.462	0	12.880.462	0	0
6.993.729	0	0	6.779.380	0	6.779.380	0	0
5.827.334			5.651.703	0	5.651.703	0	0
1.166.395			1.127.677	0	1.127.677	0	0
6.274.022	0	0	6.101.082	0	6.101.082	0	0
6.022.911			5.843.159	0	5.843.159	0	0
251.111			257.923	0	257.923	0	0
1.896.704	0	0	1.846.232	0	1.846.232	0	0
24			1.556	0	1.556	0	0
1.896.680			1.844.676	0	1.844.676	0	0
6.541.903	0	0	2.319.304	0	2.319.366	0	-62
6.541.903	0	0	2.319.304	0	2.319.366	0	-62
6.541.903			2.319.304	0	2.319.366	0	-62
154.816	0	1.326	28.396	118.533	146.336	0	593
96.675	0	733	7.736	117.144	124.880	0	0
40.140	0	413	6.480	1.389	7.456	0	413
18.000	0	180	14.180	0	14.000	0	180
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

3. FINAL APPROPRIATIONS

Total	
1	Persons working with the institution
10	Members of the institution and delegates
100	Specific allowances and payments
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
105	Further training, language courses and other training
12	Officials and temporary staff
120	Remuneration and other entitlements
1200	Remuneration and allowances
1202	Paid overtime
1204	Entitlements on entering the service, transfer and leaving the service
122	Allowances upon early termination of service
1220	Allowances for staff retired or placed on leave in the interests of the service
14	Other staff and external services
140	Other staff and external persons
1400	Other staff
1404	Graduate traineeships, grants and exchanges of officials
1408	Entitlements on entering the service, transfer and leaving the service
142	External services
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
161	Expenditure relating to staff management
1610	Expenditure on recruitment
1612	Further training
162	Missions
163	Activities relating to all persons working with the institution
1630	Social welfare
1632	Social contacts between members of staff and other social measures
1634	Medical service
1636	Restaurants and canteens
1638	Early childhood centre and approved day nurseries

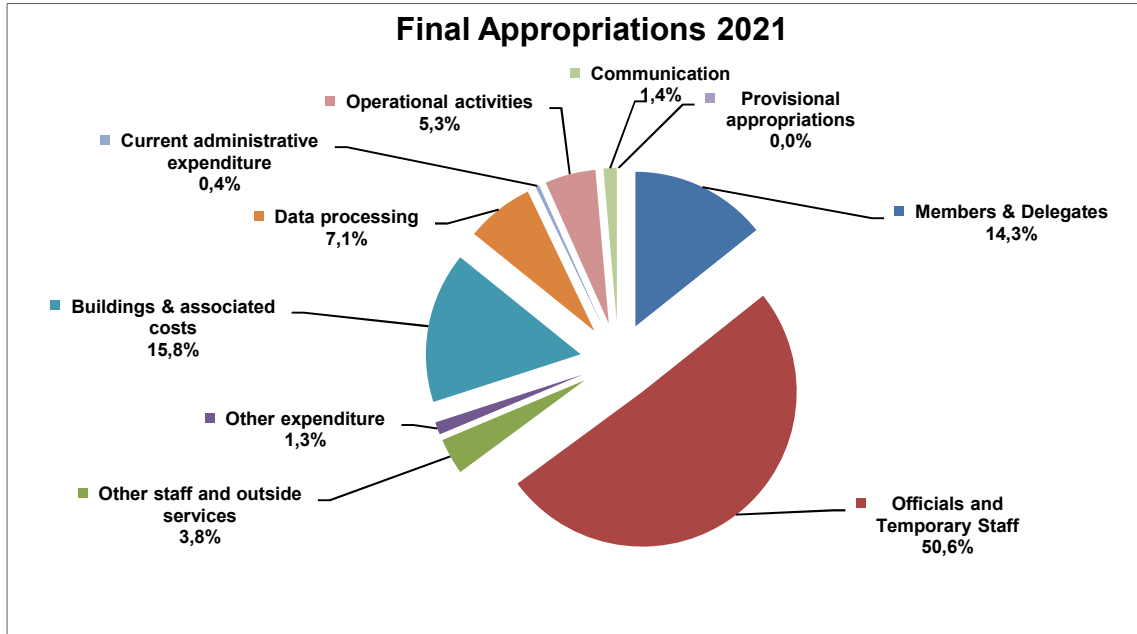
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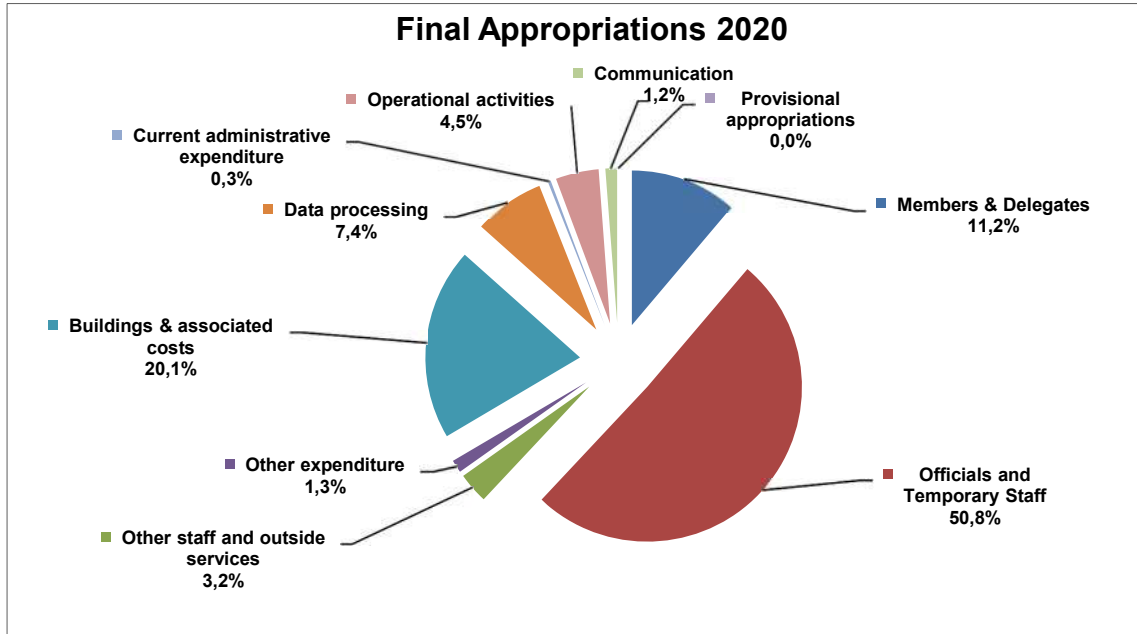
Initial	2021		Final	2020 Final
	Transfers	Final		
145.024.938	0	145.024.938	142.539.393	
103.166.857	-1.648.663	101.518.194	94.831.808	
22.055.555	-1.276.663	20.778.892	15.952.356	
21.977.477	-1.276.663	20.700.814	15.875.356	
449.320	0	449.320	230.000	
21.006.981	-1.276.663	19.730.318	15.314.399	
521.176	0	521.176	330.957	
78.078	0	78.078	77.000	
73.746.086	-325.000	73.421.086	72.371.488	
73.472.604	-325.000	73.147.604	72.184.262	
73.037.963	-325.000	72.712.963	71.748.956	
19.534	0	19.534	19.787	
415.107	0	415.107	415.519	
273.482	0	273.482	187.226	
273.482	0	273.482	187.226	
5.378.615	80.000	5.458.615	4.591.129	
3.412.755	0	3.412.755	3.257.421	
2.576.430	0	2.576.430	2.556.480	
776.256	0	776.256	641.581	
60.069	0	60.069	59.360	
1.965.860	80.000	2.045.860	1.333.708	
1.200.000	0	1.200.000	870.000	
696.750	0	696.750	331.708	
69.110	80.000	149.110	132.000	
1.986.601	-127.000	1.859.601	1.916.835	
595.127	-55.000	540.127	511.911	
40.661	0	40.661	40.100	
554.466	-55.000	499.466	471.811	
378.974	-117.000	261.974	312.924	
1.012.500	45.000	1.057.500	1.092.000	
55.000	0	55.000	50.000	
187.500	0	187.500	165.000	
130.000	0	130.000	132.000	
0	45.000	45.000	47.800	
640.000	0	640.000	697.200	

Total	
2	Buildings, furniture, equipment and miscellaneous operating expenditure
20	Buildings and associated costs
200	Buildings
2000	Rent
2001	Annual lease payments and similar expenditure
2007	Fitting-out of premises
2008	Other expenditure on buildings
202	Other expenditure on buildings
2022	Cleaning and maintenance
2024	Energy consumption
2026	Security and surveillance
2028	Insurance
21	Data processing, equipment and furniture: purchase, hire and maintenance
210	Equipment, operating costs and services relating to data-processing and telecommunications
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
212	Furniture
214	Technical equipment and installations
216	Vehicles
23	Current administrative expenditure
230	Stationery, office supplies and miscellaneous consumables
231	Financial charges
232	Legal costs and damages
236	Postage on correspondence and delivery charges
238	Removals and other administrative expenditure
239	EMAS activities
25	Operational activities
254	Meetings, conferences, congresses, seminars and other events
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
26	Communication, publications and acquisition of documentation
260	Communication, information and publications
2600	Communication
2602	Publishing and promotion of publications
262	Acquisition of information, documentation and archiving
2620	Studies, research and hearings
2622	Documentation and library expenditure
2624	Archiving and related work

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41.858.081	1.648.663	43.506.744	47.707.585
22.921.035	-17.500	22.903.535	28.680.018
16.121.266	0	16.121.266	22.397.794
1.755.097	-494.486	1.260.611	3.598.070
8.711.665	-1.037.669	7.673.996	18.306.732
4.925.895	1.642.635	6.568.530	444.192
728.609	-110.480	618.129	48.800
6.799.769	-17.500	6.782.269	6.282.224
3.542.504	1.017.982	4.560.486	3.221.130
745.958	-201.671	544.287	652.658
2.419.451	-833.811	1.585.640	2.347.908
91.856	0	91.856	60.529
8.211.904	2.041.143	10.253.047	10.465.291
6.788.308	1.771.663	8.559.971	9.118.912
2.140.600	205.739	2.346.339	3.458.425
3.303.058	1.664.404	4.967.462	3.880.386
1.344.650	-98.480	1.246.170	1.780.101
192.089	57.640	249.729	147.409
1.161.601	214.840	1.376.441	1.127.164
69.906	-3.000	66.906	71.806
605.792	-4.980	600.812	478.887
165.692	-57.640	108.052	111.468
6.000	0	6.000	6.000
150.000	0	150.000	150.000
58.344	0	58.344	54.374
225.756	0	225.756	157.045
0	52.660	52.660	0
8.331.374	-620.000	7.711.374	6.330.471
8.331.374	-620.000	7.711.374	6.330.471
223.500	49.500	273.000	228.700
651.311	-49.500	601.811	406.311
40.000	0	40.000	40.000
90.000	0	90.000	40.000
7.326.563	-620.000	6.706.563	5.615.460
1.787.976	250.000	2.037.976	1.752.918
1.287.958	157.000	1.444.958	1.253.000
850.958	200.000	1.050.958	906.000
437.000	-43.000	394.000	347.000
500.018	93.000	593.018	499.918
250.000	0	250.000	250.000
158.000	33.000	191.000	157.900
92.018	60.000	152.018	92.018





4. USE OF FINAL APPROPRIATIONS (C1) IN 2021

		Final Appropriations
Total		145.024.938
1	Persons working with the institution	101.518.194
10	Members of the institution and delegates	20.778.892
100	Specific allowances and payments	20.700.814
1000	Specific allowances and payments	449.320
1004	Travel and subsistence allowances, attendance at meetings and associated expenditure	19.730.318
1008	Travel and subsistence allowances, attendance at meetings and associated expenditure of delegates of the CCMI	521.176
105	Further training, language courses and other training	78.078
12	Officials and temporary staff	73.421.086
120	Remuneration and other entitlements	73.147.604
1200	Remuneration and allowances	72.712.963
1202	Paid overtime	19.534
1204	Entitlements on entering the service, transfer and leaving the service	415.107
122	Allowances upon early termination of service	273.482
1220	Allowances for staff retired or placed on leave in the interests of the service	273.482
14	Other staff and external services	5.458.615
140	Other staff and external persons	3.412.755
1400	Other staff	2.576.430
1404	Graduate traineeships, grants and exchanges of officials	776.256
1408	Entitlements on entering the service, transfer and leaving the service	60.069
142	External services	2.045.860
1420	Supplementary services for the translation service	1.200.000
1422	Expert advice connected with legislative work	696.750
1424	Interinstitutional cooperation and external services in the field of personal management	149.110
16	Other expenditure relating to persons working with the institution	1.859.601
161	Expenditure relating to staff management	540.127
1610	Expenditure on recruitment	40.661
1612	Further training	499.466
162	Missions	261.974
163	Activities relating to all persons working with the institution	1.057.500
1630	Social welfare	55.000
1632	Social contacts between members of staff and other social measures	187.500
1634	Medical service	130.000
1636	Restaurants and canteens	45.000
1638	Early childhood centre and approved day nurseries	640.000

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Committed	Committed (%)	Payments	Appropriations carried forward to 2022	Unused appropriations	Unused Appropriations (%)
131.688.018	90,80%	113.090.545	18.597.473	13.336.920	9,20%
90.299.836	88,95%	87.193.199	3.106.637	11.218.358	11,05%
11.630.219	55,97%	9.597.230	2.032.988	9.148.673	44,03%
11.580.621	55,94%	9.557.780	2.022.840	9.120.193	44,06%
348.156	77,48%	193.577	154.578	101.164	22,52%
10.941.289	55,45%	9.100.753	1.840.536	8.789.029	44,55%
291.176	55,87%	263.451	27.725	230.000	44,13%
49.598	63,52%	39.450	10.148	28.480	36,48%
72.449.533	98,68%	72.363.567	85.966	971.553	1,32%
72.321.581	98,87%	72.235.614	85.966	826.023	1,13%
71.942.862	98,94%	71.895.407	47.455	770.101	1,06%
6.251	32,00%	6.251	0	13.283	68,00%
372.468	89,73%	333.957	38.511	42.639	10,27%
127.952	46,79%	127.952	0	145.530	53,21%
127.952	46,79%	127.952	0	145.530	53,21%
4.787.257	87,70%	4.272.130	515.127	671.358	12,30%
3.113.959	91,24%	3.039.324	74.635	298.796	8,76%
2.345.647	91,04%	2.314.978	30.670	230.783	8,96%
750.531	96,69%	706.565	43.966	25.725	3,31%
17.780	29,60%	17.780	0	42.289	70,40%
1.673.298	81,79%	1.232.806	440.492	372.562	18,21%
1.150.000	95,83%	894.789	255.211	50.000	4,17%
374.188	53,70%	275.949	98.239	322.562	46,30%
149.110	100,00%	62.068	87.042	0	0,00%
1.432.827	77,05%	960.272	472.555	426.774	22,95%
409.051	75,73%	278.240	130.811	131.076	24,27%
38.445	94,55%	27.714	10.731	2.216	5,45%
370.606	74,20%	250.526	120.080	128.860	25,80%
142.375	54,35%	57.632	84.743	119.599	45,65%
881.401	83,35%	624.400	257.001	176.099	16,65%
17.500	31,82%	4.331	13.169	37.500	68,18%
111.925	59,69%	82.887	29.038	75.575	40,31%
76.755	59,04%	20.642	56.113	53.245	40,96%
35.220	78,27%	33.504	1.717	9.780	21,73%
640.000	100,00%	483.036	156.964	0	0,00%

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		Final Appropriations
Total		145.024.938
2	Buildings, furniture, equipment and miscellaneous operating expenditure	43.506.744
20	Buildings and associated costs	22.903.535
200	Buildings	16.121.266
2000	Rent	1.260.611
2001	Annual lease payments and similar expenditure	7.673.996
2007	Fitting-out of premises	6.568.530
2008	Other expenditure on buildings	618.129
202	Other expenditure on buildings	6.782.269
2022	Cleaning and maintenance	4.560.486
2024	Energy consumption	544.287
2026	Security and surveillance	1.585.640
2028	Insurance	91.856
21	Data processing, equipment and furniture: purchase, hire and maintenance	10.253.047
210	Equipment, operating costs and services relating to data-processing and telecommunications	8.559.971
2100	Purchase, servicing and maintenance of equipment and software, and related work	2.346.339
2102	Outside assistance for the operation, development and maintenance of software systems	4.967.462
2103	Telecommunications	1.246.170
212	Furniture	249.729
214	Technical equipment and installations	1.376.441
216	Vehicles	66.906
23	Current administrative expenditure	600.812
230	Stationery, office supplies and miscellaneous consumables	108.052
231	Financial charges	6.000
232	Legal costs and damages	150.000
236	Postage on correspondence and delivery charges	58.344
238	Removals and other administrative expenditure	225.756
239	EMAS activities	52.660
25	Operational activities	7.711.374
254	Meetings, conferences, congresses, seminars and other events	7.711.374
2540	Miscellaneous expenditure on internal meetings	273.000
2542	Expenditure on the organisation of and participation in hearings and other events	601.811
2544	Costs of organising the CCMI	40.000
2546	Representation expenses	90.000
2548	Interpreting	6.706.563
26	Communication, publications and acquisition of documentation	2.037.976
260	Communication, information and publications	1.444.958
2600	Communication	1.050.958
2602	Publishing and promotion of publications	394.000
262	Acquisition of information, documentation and archiving	593.018
2620	Studies, research and hearings	250.000
2622	Documentation and library expenditure	191.000
2624	Archiving and related work	152.018

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Committed	Committed (%)	Payments	Appropriations carried forward to 2022	Unused appropriations	Unused Appropriations (%)
131.688.018	90,80%	113.090.545	18.597.473	13.336.920	9,20%
41.388.182	95,13%	25.897.346	15.490.836	2.118.562	4,87%
22.841.265	99,73%	13.926.670	8.914.595	62.270	0,27%
16.074.039	99,71%	8.933.703	7.140.336	47.227	0,29%
1.216.172	96,47%	1.216.172	0	44.439	3,53%
7.673.996	100,00%	7.670.947	3.049	0	0,00%
6.566.741	99,97%	44.775	6.521.966	1.789	0,03%
617.130	99,84%	1.809	615.321	999	0,16%
6.767.225	99,78%	4.992.967	1.774.259	15.044	0,22%
4.560.459	100,00%	3.081.049	1.479.410	27	0,00%
544.287	100,00%	544.287	0	0	0,00%
1.575.023	99,33%	1.281.294	293.729	10.617	0,67%
87.456	95,21%	86.336	1.120	4.400	4,79%
10.039.211	97,91%	6.349.259	3.689.952	213.836	2,09%
8.512.101	99,44%	5.346.119	3.165.983	47.870	0,56%
2.314.246	98,63%	1.897.833	416.414	32.093	1,37%
4.966.258	99,98%	2.362.645	2.603.612	1.204	0,02%
1.231.597	98,83%	1.085.641	145.956	14.573	1,17%
233.931	93,67%	167.023	66.909	15.798	6,33%
1.259.770	91,52%	805.537	454.233	116.671	8,48%
33.408	49,93%	30.580	2.828	33.498	50,07%
512.220	85,25%	291.499	220.721	88.592	14,75%
86.011	79,60%	62.356	23.655	22.041	20,40%
3.000	50,00%	0	3.000	3.000	50,00%
91.292	60,86%	40.662	50.630	58.708	39,14%
58.300	99,92%	22.300	36.000	44	0,08%
221.069	97,92%	113.633	107.436	4.687	2,08%
52.547	99,79%	52.547	0	113	0,21%
6.023.460	78,11%	4.759.065	1.264.395	1.687.914	21,89%
6.023.460	78,11%	4.759.065	1.264.395	1.687.914	21,89%
210.497	77,11%	129.081	81.415	62.503	22,89%
113.718	18,90%	47.631	66.088	488.093	81,10%
1.373	3,43%	1.373	0	38.627	96,57%
11.060	12,29%	5.603	5.458	78.940	87,71%
5.686.812	84,79%	4.575.378	1.111.434	1.019.751	15,21%
1.972.027	96,76%	570.853	1.401.173	65.949	3,24%
1.414.948	97,92%	367.945	1.047.004	30.010	2,08%
1.022.513	97,29%	278.436	744.077	28.445	2,71%
392.435	99,60%	89.509	302.926	1.565	0,40%
557.078	93,94%	202.909	354.170	35.940	6,06%
216.200	86,48%	0	216.200	33.800	13,52%
189.662	99,30%	159.193	30.470	1.338	0,70%
151.216	99,47%	43.716	107.500	802	0,53%

4.1 COMMENTS ON USE OF FINAL APPROPRIATIONS (C1) IN 2021

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.

1000: Specific allowances and payments

- ❖ Amount not committed: EUR 101 164 (22.52%)

These appropriations cover insurance for members, the special duty allowance for the president and the vice-presidents, the issuing of laissez-passers for members, management fees for the travel agency, specific measures for members with disabilities and expenses for preventive medical activities for members. Due to the ongoing COVID-19 health crisis, the expected expenditure on insurance, specific measures for members with disabilities and the travel agency management fees was lower than estimated. Travel restrictions prevented members from travelling, especially outside of the EU, thus decreasing the insurance fee by 50% and the travel agency fees by 25%. No specific measures were taken for members with disabilities.

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

- ❖ Amount not committed: EUR 8 789 029 (44.55%)

This budget heading covers travel expenses and allowances for members. Reimbursement claims for meetings in 2021 were to be submitted within a six-week deadline as in previous years. The ongoing COVID-19 health crisis and associated travel disruption resulted in meetings organised mainly in hybrid format and in a reduced in person attendance rate.

Additionally, a new allowance that provided a fixed-rate reimbursement for remote attendance at meetings was introduced on 1 July 2021 and will stay in place as long as travel difficulties linked to COVID-19 or related restrictive measures compromise the possibility to organise or attend EESC meetings in person and this led to a considerable reduction in the expenditure. However, this effect was undermined by the far less optimal way of working at the Committee, which was nevertheless sufficient to ensure business continuity during the COVID-19 pandemic. As reimbursements can be made until the end of 2022, a certain amount has been carried forward to cover any remaining obligations for meetings held in 2021.

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

- ❖ Amount not committed: EUR 230 000 (44.13%)

This budget heading covers travel expenses and allowances for CCMI delegates. Reimbursement claims for meetings in 2021 were to be submitted within a six-week deadline as in previous years. The ongoing COVID-19 health crisis and associated travel disruption resulted in meetings organised mainly in hybrid format and in a reduced in person attendance rate. Additionally, a new allowance that provided a fixed-rate reimbursement for remote attendance at meetings was introduced on 1 July 2021 and will stay in place as long as travel difficulties linked to COVID-19 or related restrictive measures compromise the possibility to organise or attend EESC meetings in person and this led to a considerable reduction in the expenditure. However, this effect was undermined by the far less optimal way of working at the Committee, which was nevertheless sufficient to ensure business continuity during the COVID-19 pandemic. As reimbursements can be made until the end of 2022, a certain amount has been carried forward to cover any remaining obligations for meetings held in 2021.

105: Further training, language courses and other training

- ❖ Amount not committed: EUR 28 480 (36.48%)

These appropriations cover the language, IT and communication training courses that members are allowed to follow outside the EESC, in accordance with the conditions laid down in the Decision on rules on support for training activities for members. They also cover the costs linked to members' training activities organised internally by the EESC, to improve the knowledge and skills members need to carry out their mandate. The leftover is mainly due to the fact that fewer members than expected requested external training courses organised outside the EESC.

1204: Entitlements on entering the service, transfer and leaving the service

- ❖ Amount not committed: EUR 42 639 (10.27%)

These appropriations cover various statutory allowances and removal costs for officials and temporary agents on entry into/departure from the service. The number of staff members entering or leaving the service is inherently difficult to predict. Likewise, the various allowances are highly dependent on the personal situation of the official concerned (family composition, place of recruitment, grade).

Removals and installation allowances can be granted up to one year after entering the service and three years after leaving the service.

1220: Allowances for staff retired or placed on leave in the interests of the service

- ❖ Amount not committed: EUR 145 530 (53.21%)

These appropriations are intended to cover allowances for officials assigned non-active status following a reduction in the number of posts in the institution, for officials placed on leave in the interests of the service or for officials holding a senior executive post who are retired in the interests of the service.

When preparing the budget, the estimates were made on the assumption that an AD 13 official would leave in the interests of the service (Article 42(c)). However, in 2021, the official who benefited from Article 42(c) was an AST 8. In 2020, the official who benefited from Article 42(c) and who was paid during the year 2021 was also of grade AST 8 and received the allowance until 31 April 2021, the date of the official's retirement. Difficulties in predicting the exact grade of the beneficiary 14 months in advance have led to the under-consumption of these appropriations.

1400: Other staff

- ❖ Amount not committed: EUR 230 783 (8.96%)

These appropriations are intended to cover the salary costs and allowances for contractual and interim staff and special advisors. Due to the ongoing COVID-19 health crisis, the number of plenary sessions and other events decreased so there was less need for interim staff in 2021. The recruitment of a number of contract staff was postponed by several months due to the limited availability of candidates and other objective reasons (such as eligibility requirements not being met, delays in requests being submitted by recruiting services, etc.). Due to teleworking becoming a general rule in 2021, the number of supplementary hours worked by contract agents was very low. Furthermore, when preparing the budget, the estimates were based on two special adviser contracts. However, only one special advisor was in activity during the period between January and August 2021.

1408: Entitlements on entering the service, transfer and leaving the service

- ❖ Amount not committed: EUR 42 289 (70.40%)

These appropriations cover various statutory allowances and removal costs for contractual agents entering or leaving the service. Their number is inherently difficult to predict. Likewise, the various allowances are highly dependent on the personal situation of the agent concerned (family composition, place of recruitment, grade). Removals and installation allowances can be granted up to one year after entering the service and three years after leaving the service. Given the small amount of appropriations on this item, even a single case could have a significant budgetary impact. Therefore, a sufficient margin must be kept.

1422: Expert advice connected with legislative work

- ❖ Amount not committed: EUR 322 562 (46.30%)

The need for expert advice depends on the type and number of opinions that the Committee has to produce, and costs depend on the country of origin of the experts. Restrictions, both to travel and to accessing Committee premises, because of the ongoing COVID-19 health crisis, meant that for a certain period and due to reduced activity, there was less request for expert advice, thus causing a considerable reduction in the expenditure.

1612: Further training

- ❖ Amount not committed: EUR 128 860 (25.80%)

The ongoing COVID-19 health crisis continued to have a significant impact on the organisation of some learning and development, language training, teambuilding and coaching activities. Planned coaching activities for senior management had to be partially postponed and fewer teambuilding activities could be delivered. Several ergonomics training courses and mentoring sessions were cancelled as this could be done only in person. The restrictive measures also had a noticeable impact on the "missions-linked-to-training budget" and on the costs of enrolment in external training activities.

162: Missions

- ❖ Amount not committed: EUR 119 599 (45.65%)

Due to the COVID-19 health crisis, only essential staff missions were authorised in 2021. During the whole year, only 111 missions took place (compared to 454 missions in 2019).

1630: Social welfare

- ❖ Amount not committed: EUR 37 500 (68.18%)

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 interinstitutional decision adopted in 2020 slightly increased the institution's contribution but at the same time the number of cases decreased. As a single case can entail considerable costs, a sufficient safety margin must be kept.

1632: Social contacts between members of staff and other social measures

- ❖ Amount not committed: EUR 75 575 (40.31%)

This appropriation is intended to encourage and provide financial backing for schemes to promote social contact between staff of the institution and to develop a sense of well-being at work. Due to the COVID-19 health crisis, the organisation of social activities *in situ* was not possible. Moreover, the appropriations cover the institution's financial contribution to Green Mobility to encourage the use of public transport and bicycles. With the EESC's staff teleworking as a general rule, this contribution was considerably reduced.

1634: Medical Service

- ❖ Amount not committed: EUR 53 245 (40.96%)

This appropriation covers, on the one hand, the Medical Service's operating costs, and on the other, the reimbursement of preventive annual check-ups. Only 68 annual check-ups took place in 2021, which is less than usual, due to teleworking being a general rule and the fact that face-to-face contact has been reduced to a minimum.

214: Technical equipment and installations

- ❖ Amount not committed: EUR 116 671 (8.48%)

Teleworking as a general rule due to the ongoing COVID-19 health crisis and progressive digitalisation resulted in a lower number of requests to repair or supply storage equipment for the infrastructure service in the joint services (shared with the CoR). There was also a lower need for investments in new canteen equipment, due to less intensive use of the catering facilities during the ongoing COVID-19 health crisis, causing under-consumption by the catering service. With regard to the security service, some services that had initially been planned were ultimately not ordered. Finally, the cancellation of the EUROMED summit organised by the EESC and scheduled for December in Morocco led to a surplus for the EESC's internal conference service due to the fact that no technical support was needed for this meeting.

216: Vehicles

- ❖ Amount not committed: EUR 33 498 (50.07%)

The ongoing COVID-19 health crisis and associated travel disruption resulted in fewer transport requests (cars, leasing of limousines with drivers, etc.). In addition, one of the service vehicles was given up in November, with an impact on spending for the lease of EESC service vehicles.

232: Legal costs and damages

- ❖ Amount not committed: EUR 58 708 (39.14%)

Given the limited number of files and the uncertainty about the timing and the outcome of court decisions, it is very difficult to predict actual expenses with accuracy, which explains the low execution of this budget heading. Some of the anticipated costs did not materialise at all or have not yet done so, and a part of the budget was therefore left unused. The reason for this was either that the Legal Service was successful in obtaining favourable rulings in cases before the EU Courts or because cases scheduled before the national courts have not yet started.

2540: Miscellaneous expenditure on internal meetings

- ❖ Amount not committed EUR 62 503 (22.89%)

These appropriations are intended to cover expenses related to office holders' reception and representation obligations on behalf of the EESC, in the interest of the service, and to statutory internal meetings. Obligatory social distancing due to the ongoing COVID-19 health crisis has led to considerable underspending. Expenses incurred under this item are tightly linked to attending meetings physically, but in-person presence has remained quite low for meetings held in hybrid format.

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

- ❖ Amount not committed EUR 488 093 (81.10%)

In 2021, the ongoing COVID-19 health crisis and the resulting travel restrictions worldwide severely impacted the organisation of EESC activities. Many events did not take place or were postponed. The events that did take place were organised in fully virtual or hybrid mode and external participants were not granted access to the EESC's premises. As a result, services provided by catering companies and external participants were not required, or were only needed to support virtual or hybrid meetings. For these reasons, there were hardly any reimbursements to cover external participants' travel costs nor any catering costs, resulting in the exceptionally low consumption.

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

- ❖ Amount not committed: EUR 38 627 (96.57%)

This budget item covers expenses similar to those on budget line 2542 but specifically for the Consultative Commission on Industrial Change (CCMI). In 2021, due to the restrictions arising from the ongoing COVID-19 health crisis, most of the events organised by the EESC were held with external guests participating remotely. Consequently, the EESC had very little to pay in travel expenses and allowances. Catering costs were also low since there were no external participants present in person at the events.

2546: Representation expenses

- ❖ Amount not committed: EUR 78 940 (87.71%)

This budget item covers expenses similar to those on budget line 2540 but specifically for external meetings. Expenses incurred under this item are tightly linked to attending meetings physically. Obligatory social distancing due to the ongoing COVID-19 health crisis has led to most meetings being held in hybrid format and thus considerable underspending

2548: Interpreting

- ❖ Amount not committed: EUR 1 019 751 (15.21%)

The low spending on this budget item is mainly explained by the decrease in activities due to the COVID-19 health crisis. Despite the installation of Plexiglas partitions in interpretation booths and Interactio – a system for holding videoconferences with simultaneous interpretation – in various meeting rooms in the JDE building, requests for interpretation fell. This was partly due to restrictions applying to the number of interpretation booths available, which meant that fewer languages could be offered, and partly due to reduced language regimes.

The new provisional SCIC scenarios – two interpreters per language instead of three interpreters as a general rule – also reduced the cost per meeting. Furthermore, a considerable number of activities were replaced by videoconferences using facilities that do not allow for simultaneous interpretation (e.g. Microsoft Teams). Additionally, activities abroad requiring interpretation services were also considerably reduced.

2620: Studies, research and hearings

- ❖ Amount not committed: EUR 33 800 (13.52%)

This budget item covers studies contracted out to experts and research institutes. The lower than expected budget execution is due to two factors: two planned studies had to be cancelled as no tenders were received, and three study contracts were awarded for lower than the initially estimated amounts.

5. USE OF APPROPRIATIONS AUTOMATICALLY CARRIED FORWARD FROM 2020 TO 2021 (C8)

Total	
1	Persons working with the institution
10	Members of the institution and delegates
100	Specific allowances and payments
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
105	Further training, language courses and other training
12	Officials and temporary staff
120	Remuneration and other entitlements
1200	Remuneration and allowances
1204	Entitlements on entering the service, transfer and leaving the service
14	Other staff and external services
140	Other staff and external persons
1400	Other staff
1404	Graduate traineeships, grants and exchanges of officials
142	External services
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
161	Expenditure relating to staff management
1610	Expenditure on recruitment
1612	Further training
162	Missions
163	Activities relating to all persons working with the institution
1630	Social welfare
1632	Social contacts between members of staff and other social measures
1634	Medical service
1636	Restaurants and canteens
1638	Early childhood centre and approved day nurseries

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Appropriations	Payments	Payments (%)	Unused	Unused (%)
13.163.207	10.480.865	79,62%	2.682.342	20,38%
2.866.330	1.441.165	50,28%	1.425.165	49,72%
1.260.499	316.773	25,13%	943.726	74,87%
1.250.116	311.134	24,89%	938.982	75,11%
38.806	22.510	58,01%	16.296	41,99%
1.134.339	280.214	24,70%	854.126	75,30%
76.970	8.410	10,93%	68.560	89,07%
10.383	5.639	54,31%	4.744	45,69%
128.261	90.174	70,30%	38.088	29,70%
128.261	90.174	70,30%	38.088	29,70%
113.772	83.840	73,69%	29.932	26,31%
14.489	6.333	43,71%	8.155	56,29%
384.594	164.673	42,82%	219.921	57,18%
59.760	44.962	75,24%	14.799	24,76%
16.773	12.289	73,27%	4.484	26,73%
42.987	32.672	76,00%	10.315	24,00%
324.834	119.712	36,85%	205.122	63,15%
126.422	96.813	76,58%	29.609	23,42%
128.582	11.757	9,14%	116.826	90,86%
69.830	11.142	15,96%	58.688	84,04%
1.092.976	869.545	79,56%	223.431	20,44%
132.621	95.575	72,07%	37.046	27,93%
16.430	9.552	58,14%	6.878	41,86%
116.191	86.023	74,04%	30.168	25,96%
24.203	2.654	10,97%	21.549	89,03%
936.152	771.316	82,39%	164.836	17,61%
15.364	5.615	36,55%	9.749	63,45%
91.939	69.176	75,24%	22.763	24,76%
73.253	20.837	28,45%	52.416	71,55%
10.000	5.808	58,08%	4.192	41,92%
745.596	669.879	89,84%	75.717	10,16%

Total	
2	Buildings, furniture, equipment and miscellaneous operating expenditure
20	Buildings and associated costs
200	Buildings
2000	Rent
2007	Fitting-out of premises
2008	Other expenditure on buildings
202	Other expenditure on buildings
2022	Cleaning and maintenance
2026	Security and surveillance
2028	Insurance
21	Data processing, equipment and furniture: purchase, hire and maintenance
210	Equipment, operating costs and services relating to data-processing and telecommunications
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
212	Furniture
214	Technical equipment and installations
216	Vehicles
23	Current administrative expenditure
230	Stationery, office supplies and miscellaneous consumables
231	Financial charges
232	Legal costs and damages
236	Postage on correspondence and delivery charges
238	Removals and other administrative expenditure
239	EMAS activities
25	Operational activities
254	Meetings, conferences, congresses, seminars and other events
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
26	Communication, publications and acquisition of documentation
260	Communication, information and publications
2600	Communication
2602	Publishing and promotion of publications
262	Acquisition of information, documentation and archiving
2620	Studies, research and hearings
2622	Documentation and library expenditure
2624	Archiving and related work

Annual Budgetary Accounts 2021
and Report on Budgetary and Financial Management

Appropriations	Payments	Payments (%)	Unused	Unused (%)
13.163.207	10.480.865	79,62%	2.682.342	20,38%
10.296.878	9.039.700	87,79%	1.257.177	12,21%
4.340.717	3.602.454	82,99%	738.263	17,01%
2.339.806	2.236.908	95,60%	102.898	4,40%
1.891.944	1.822.872	96,35%	69.072	3,65%
413.499	384.234	92,92%	29.265	7,08%
34.364	29.802	86,73%	4.561	13,27%
2.000.911	1.365.545	68,25%	635.365	31,75%
1.327.587	891.599	67,16%	435.988	32,84%
672.042	473.783	70,50%	198.259	29,50%
1.281	163	12,69%	1.119	87,31%
4.451.295	4.174.203	93,78%	277.092	6,22%
3.857.040	3.744.309	97,08%	112.732	2,92%
1.674.602	1.632.639	97,49%	41.963	2,51%
1.988.286	1.968.091	98,98%	20.194	1,02%
194.152	143.579	73,95%	50.574	26,05%
92.084	84.674	91,95%	7.410	8,05%
501.356	344.872	68,79%	156.484	31,21%
815	349	42,82%	466	57,18%
215.738	89.300	41,39%	126.438	58,61%
28.004	16.902	60,36%	11.101	39,64%
1.500	0	0,00%	1.500	100,00%
95.600	34.300	35,88%	61.300	64,12%
39.590	16.762	42,34%	22.829	57,66%
51.044	21.336	41,80%	29.708	58,20%
0	0	0,00%	0	0,00%
341.466	308.233	90,27%	33.233	9,73%
341.466	308.233	90,27%	33.233	9,73%
11.012	7.257	65,90%	3.755	34,10%
6.815	1.495	21,94%	5.320	78,06%
11.523	2.719	23,60%	8.804	76,40%
2.795	195	6,98%	2.600	93,02%
309.321	296.567	95,88%	12.754	4,12%
947.662	865.510	91,33%	82.151	8,67%
659.406	580.648	88,06%	78.758	11,94%
454.785	406.316	89,34%	48.468	10,66%
204.621	174.332	85,20%	30.289	14,80%
288.256	284.862	98,82%	3.394	1,18%
189.245	189.245	100,00%	0	0,00%
50.221	48.207	95,99%	2.014	4,01%
48.790	47.410	97,17%	1.380	2,83%

5.1 COMMENTS ON USE OF APPROPRIATIONS AUTOMATICALLY CARRIED FORWARD FROM 2020 TO 2021 (C8)

For all budget headings with appropriations carried forward from 2020 to 2021 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 854 126 (75.30%)

This budget heading covers travel expenses and allowances for members. Reimbursement claims for meetings in 2020 were to be submitted within a deadline of six weeks, which improved the estimations considerably. As reimbursements could still be made until the end of 2021, a certain amount had to be carried forward to cover any remaining expenditure for 2020. Since travel costs are very variable, especially during the ongoing COVID-19 health crisis, it was not possible to precisely determine the amounts still to be claimed by EESC members and a certain margin of flexibility had to be included.

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

- ❖ Unused amount: EUR 68 560 (89.07%)

This budget heading covers travel expenses and allowances for delegates of the Consultative Commission on Industrial Change. Reimbursement claims for meetings in 2020 were to be submitted within a deadline of six weeks, which improved the estimations considerably. As reimbursements claims could still be made until the end of 2021, a certain amount had to be carried forward to cover any remaining expenditure for 2020. Since travel costs are very variable, especially during the ongoing COVID-19 health crisis, it was not possible to precisely determine the amounts still to be claimed by EESC members and a certain margin of flexibility had to be included.

1200: Remuneration and allowances – School bus

- ❖ Unused amount: EUR 29 932 (26.31%)

This appropriation is intended to cover expenses related to school transport. The low execution for this budget line can be explained by the fact that schools had to close down during the COVID-

19 health crisis in 2020, and pupils were obliged to follow lessons remotely. This means that the appropriations carried over for school transport in 2020 were oversized for such an exceptional situation.

1420: Supplementary services for the translation service

- ❖ Unused amount: EUR 29 609 (23.42%)

Appropriations had to be kept available to cover translation demand until the last working day of 2020 and also to reach a high level of outsourcing. However, not all 2020 appropriations carried forward for this purpose were used to order external translation due to uncertainties in the estimation of outsourcing- related spending. Furthermore, the cost of interinstitutional projects was committed in 2020, but the final amount to be paid was only known in September/October 2021 and was lower than initially estimated.

1422: Expert advice connected with legislative work

- ❖ Unused amount: EUR 116 826 (90.86%)

This budget heading covers travel expenses and allowances for external experts providing advice in relation to consultative work. Reimbursement claims for meetings in 2020 had to be submitted within a deadline of six weeks but could be reimbursed until the end of 2021. An amount therefore had to be carried forward to cover any remaining expenditure for 2020. As it is not possible to precisely determine the amounts still to be claimed by experts, since travel costs are very variable, especially during the ongoing COVID-19 health crisis, it was to be expected that some appropriations carried forward in order to provide a certain security margin would not be used.

1424: Interinstitutional cooperation and external services in the field of personnel management

- ❖ Unused amount: EUR 58 688 (84.04%)

In the end, this budget line served only to pay an amount of EUR 11 142 for the service level agreement (SLA) with the paymaster office (PMO) on transfers to or out of the EU pension scheme. Initially, a total amount of EUR 69 830 had been budgeted, to include services to pensioners in a new SLA with the PMO. The PMO, however, did not send an invoice for this service.

1612: Further training

- ❖ Unused amount: EUR 30 168 (25.96%)

The amount carried forward from 2020 to 2021 was partly overestimated. This is due to the non-use of appropriations in relation to missions linked to training courses and because of a reduction in external language training. The biggest share of the unused appropriations carried forward resulted from the COVID-19 health crisis and associated restrictions, due to unfinished or postponed training sessions.

1634: Medical Service

- ❖ Unused amount: EUR 52 416 (71.55%)

The amount carried forward from 2020 to 2021 was overestimated. The COVID-19 health crisis influenced the spending on this line in two ways: while the expenses for medical supplies increased (procurement of masks and other protective equipment), the expenses for annual medical check-ups decreased considerably. This decrease was due to teleworking being a general rule and the fact that medical visits were limited in order to reduce the risk of infection. The unused appropriations carried forward resulted mainly from postponed medical visits.

1638: Early Childhood Centre and approved day nurseries

- ❖ Unused amount: EUR 75 717 (10.16%)

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 amount depends on the number of children registered for childcare and a few more children in early childhood facilities can make a big difference. The amount for 2020 was committed based on the Commission's estimation. The final invoice from the Commission only arrived in October 2021, and the amount to be paid was lower than indicated in the estimates.

2007: Fitting-out of premises

- ❖ Unused amount: EUR 29 265 (7.08%)

Some planned projects, of which the adaptation of the air conditioning in the BVS building entrance hall is the largest, could not or could only partially be carried out.

2022: Cleaning and maintenance

- ❖ Unused amount: EUR 435 988 (32.84%)

The underutilisation of appropriations resulted from the discrepancy between the estimated costs for various building maintenance projects, technical assistance and other possible interventions, and the final invoices. This difference is mainly due to a certain safety margin included in the estimation to cover any unforeseen events, interventions at the year end, as well as possible additional time spent. As the costs of these interventions were lower than estimated, appropriations remained unused. In addition, the non- or only partial execution of some works ordered also contributed to the surplus on this budget item.

2026: Security and surveillance

- ❖ Unused amount: EUR 198 259 (29.50%)

Final invoices for security services, with the actual amounts to be paid, were only received in 2021. The real costs were lower than the estimates from the end of 2020. Initially, security measures were planned to safeguard the plenary sessions but ultimately, because of the restrictions related to the COVID-19 health crisis, plenary sessions were held remotely and the intended security concept was not implemented. In addition, commitments in 2020 had been made under the previous security framework contract, and the former contractor failed to invoice some of the services before the end of the contract. Consequently, the related appropriations were not used.

2103: Telecommunications

- ❖ Unused amount: EUR 50 574 (26.05%)

EESC members are entitled to receive a contribution to their IT, telecommunications and electronic office equipment expenses during their term of office, if 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 the CCMI meetings. The period for which attendance is calculated extends into the following year, and the corresponding appropriations are carried forward to ensure that legitimate requests from all members can be met. Several beneficiaries, however, did not meet the conditions necessary to obtain the allowance. For telecommunications expenses managed by the joint services, the definitive amount due is only known in the following year. Therefore, commitments contain a safety reserve to cover changes in communications consumption and prices, a margin that in the end turned out to be too high.

214: Technical equipment and installations

- ❖ Unused amount: EUR 156 484 (31.21%)

In the printing service, in order to guarantee continuity, sufficient reserves must be kept for the maintenance and repair of printing machines and for copies in the Copyshop. Spending for both items is very uncertain. Due to the COVID-19 health crisis there was much lower demand for copies, which substantially reduced expenditure on copies and subsequently the repair of machines.

In the field of catering, the funds set aside for the purchase of tableware could not be used as the order had to be cancelled. In the security service, an expected invoice relating to services at the year-end 2020 was not due after all. This decision was only taken at the beginning of 2021.

232: Legal costs and damages

- ❖ Unused amount: EUR 61 300 (64.12%)

Some anticipated legal costs, which had resulted in appropriations being carried forward, did not materialise or have not yet done so. The reason for this was either that the Legal Service was successful in obtaining favourable rulings in cases before the EU Courts or because cases due before the national court have not yet started.

238: Removal costs and other administrative expenditure

- ❖ Unused amount: EUR 29 708 (58.20%)

In the infrastructure sector, spending estimates for the declassification of equipment and for the locksmith's additional maintenance hours at the year-end were too high. Final invoices were only received in 2021.

The under-consumption in the field of removals is due to an overestimation of the number of working days needed for internal removals and for preparing plenary sessions towards the end of the year. The lower than expected number of internal moves at year end was mainly due to the postponed reorganisation of certain services as a result of the COVID-19 health crisis and to delays in the execution of renovation works. As a result, not all appropriations carried forward were consumed.

2600: Communication

- ❖ Unused amount: EUR 48 468 (10.66%)

Due to the restrictions linked to COVID-19 health crisis, the major youth event "Your Europe, Your Say! 2020" was cancelled at short notice. An amount corresponding to the travel tickets

already issued was carried forward to 2021, as the travel agency did not manage to confirm the invoice in 2020 due to temporary unemployment due to coronavirus. The final amount paid in 2021 was low as most of the tickets were ultimately refunded (total refund of EUR 37 000) because of exceptional circumstances. A similar situation occurred for a smaller press event. A contract was amended, which resulted in a reduced invoice.

2602: Publishing and promotion of publications

- ❖ Unused amount: EUR 30 289 (14.80%)

The unused amount is linked to the fact that some invoices were lower than expected, as several services were not used in the end (search for pictures, editing, less social media promotion).

6. USE OF ASSIGNED REVENUE IN 2021 (C4)

		Final Appropriations
Total		8.593.736
1	Persons working with the institution	180.520
10	Members of the institution and delegates	39.211
100	Specific allowances and payments	39.211
1000	Specific allowances and payments	9.681
1004	Travel and subsistence allowances, attendance at meetings and associated expenditure	29.530
14	Other staff and external services	0
16	Other expenditure relating to persons working with the institution	141.308
162	Missions	245
163	Activities relating to all persons working with the institution	141.063
1632	Social contacts between members of staff and other social measures	324
1636	Restaurants and canteens	67.995
1638	Early childhood centre and approved day nurseries	72.744
2	Buildings, furniture, equipment and miscellaneous operating expenditure	8.413.216
20	Buildings and associated costs	7.925.872
200	Buildings	6.579.147
2000	Rent	1.896.680
2007	Fitting-out of premises	4.472.381
2008	Other expenditure on buildings	210.087
202	Other expenditure on buildings	1.346.725
2026	Security and surveillance	1.346.725
21	Data processing, equipment and furniture: purchase, hire and maintenance	443.982
210	Equipment, operating costs and services relating to data-processing and telecommunications	175.795
2100	Purchase, servicing and maintenance of equipment and software, and related work	12.293
2103	Telecommunications	163.501
214	Technical equipment and installations	268.187
23	Current administrative expenditure	25.080
232	Legal costs and damages	25.080
25	Operational activities	4.941
254	Meetings, conferences, congresses, seminars and other events	4.941
2542	Expenditure on the organisation of and participation in hearings and other events	1.411
2548	Interpreting	3.530
26	Communication, publications and acquisition of documentation	13.341
260	Communication, information and publications	0
262	Acquisition of information, documentation and archiving	13.341
2622	Documentation and library expenditure	13.341

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Committed	Committed (%)	Payments	Payments (%)	Outstanding commitments	Available credits	Available percentage
3.305.131	38,46%	1.758.068	53,19%	1.547.063	5.288.605	61,54%
324	0,18%	324	100,00%	0	180.196	99,82%
0	0,00%	0		0	39.211	100,00%
0	0,00%	0		0	39.211	100,00%
0	0,00%	0		0	9.681	100,00%
0	0,00%	0		0	29.530	100,00%
0		0		0	0	
324	0,23%	324	100,00%	0	140.984	99,77%
0	0,00%	0		0	245	100,00%
324	0,23%	324	100,00%	0	140.739	99,77%
324	100,00%	324	100,00%	0	0	0,00%
0	0,00%	0		0	67.995	100,00%
0	0,00%	0		0	72.744	100,00%
3.304.807	39,28%	1.757.744	53,19%	1.547.063	5.108.409	60,72%
2.860.068	36,09%	1.513.566	52,92%	1.346.502	5.065.805	63,91%
1.696.715	25,79%	409.115	24,11%	1.287.600	4.882.432	74,21%
1.524.650	80,39%	409.115	26,83%	1.115.535	372.030	19,61%
0	0,00%	0		0	4.472.381	100,00%
172.065	81,90%	0	0,00%	172.065	38.022	18,10%
1.163.352	86,38%	1.104.451	94,94%	58.901	183.373	13,62%
1.163.352	86,38%	1.104.451	94,94%	58.901	183.373	13,62%
431.398	97,17%	244.178	56,60%	187.220	12.584	2,83%
163.211	92,84%	160.118	98,11%	3.092	12.584	7,16%
24	0,19%	24	100,00%	0	12.270	99,81%
163.187	99,81%	160.095	98,10%	3.092	314	0,19%
268.187	100,00%	84.059	31,34%	184.128	0	0,00%
0	0,00%	0		0	25.080	100,00%
0	0,00%	0		0	25.080	100,00%
0	0,00%	0		0	4.941	100,00%
0	0,00%	0		0	4.941	100,00%
0	0,00%	0		0	1.411	100,00%
0	0,00%	0		0	3.530	100,00%
13.341	100,00%	0	0,00%	13.341	0	0,00%
0		0		0	0	
13.341	100,00%	0	0,00%	13.341	0	0,00%
13.341	100,00%	0	0,00%	13.341	0	0,00%

7. RE-USED ASSIGNED REVENUE FROM 2020 (C5)

		Final Appropriations
Total		1.036.797
1	Persons working with the institution	667
14	Other staff and external services	667
142	External services	667
1420	Supplementary services for the translation service	667
2	Buildings, furniture, equipment and miscellaneous operating expenditure	1.036.130
20	Buildings and associated costs	999.175
200	Buildings	323.900
2000	Rent	323.900
202	Other expenditure on buildings	675.275
2026	Security and surveillance	675.275
21	Data processing, equipment and furniture: purchase, hire and maintenance	12.083
210	Equipment, operating costs and services relating to data-processing and telecommunications	1.080
2103	Telecommunications	1.080
214	Technical equipment and installations	11.003
23	Current administrative expenditure	14.000
232	Legal costs and damages	14.000
25	Operational activities	976
254	Meetings, conferences, congresses, seminars and other events	976
2548	Interpreting	976
26	Communication, publications and acquisition of documentation	9.896
260	Communication, information and publications	5.261
2602	Publishing and promotion of publications	5.261
262	Acquisition of information, documentation and archiving	4.635
2622	Documentation and library expenditure	4.635

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Committed	Committed (%)	Payments	Payments (%)	Outstanding commitments	Available credits	Available percentage
1.022.797	98,65%	1.004.815	98,24%	17.982	14.000	1,35%
667	100,00%	0	0,00%	667	0	0,00%
667	100,00%	0	0,00%	667	0	0,00%
667	100,00%	0	0,00%	667	0	0,00%
667	100,00%	0	0,00%	667	0	0,00%
1.022.130	98,65%	1.004.815	98,31%	17.314	14.000	1,35%
999.175	100,00%	999.175	100,00%	0	0	0,00%
323.900	100,00%	323.900	100,00%	0	0	0,00%
323.900	100,00%	323.900	100,00%	0	0	0,00%
675.275	100,00%	675.275	100,00%	0	0	0,00%
675.275	100,00%	675.275	100,00%	0	0	0,00%
12.083	100,00%	1.080	8,94%	11.003	0	0,00%
1.080	100,00%	1.080	100,00%	0	0	0,00%
1.080	100,00%	1.080	100,00%	0	0	0,00%
11.003	100,00%	0	0,00%	11.003	0	0,00%
0	0,00%	0	0,00%	0	14.000	100,00%
0	0,00%	0	0,00%	0	14.000	100,00%
976	100,00%	976	100,00%	0	0	0,00%
976	100,00%	976	100,00%	0	0	0,00%
976	100,00%	976	100,00%	0	0	0,00%
9.896	100,00%	3.584	36,22%	6.312	0	0,00%
5.261	100,00%	1.717	32,63%	3.544	0	0,00%
5.261	100,00%	1.717	32,63%	3.544	0	0,00%
4.635	100,00%	1.868	40,29%	2.768	0	0,00%
4.635	100,00%	1.868	40,29%	2.768	0	0,00%

8. APPROPRIATIONS FROM EXTERNAL ASSIGNED REVENUE (R0)

		Final appropriations
Total		58.245
2	Buildings, furniture, equipment and miscellaneous operating expenditure	58.245
25	Operational activities	58.245
254	Meetings, conferences, congresses, seminars and other events	58.245
2542	Expenditure on the organisation of and participation in hearings and other events	58.245

III.**Annual Budgetary Accounts 2021
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Committed	Committed (%)	Payments	Payments (%)	Outstanding commitments	Available credits	Available percentage
36.846	63,26%	36.151	62,07%	695	21.399	36,74%
36.846	63,26%	36.151	62,07%	695	21.399	36,74%
36.846	63,26%	36.151	62,07%	695	21.399	36,74%
36.846	63,26%	36.151	62,07%	695	21.399	36,74%
36.846	63,26%	36.151	62,07%	695	21.399	36,74%

9. EESC BUDGET RESULT

2021	EUR
Revenue for the financial year	21.861.173
Payments against current year's budget appropriations	-113.090.545
Payments against assigned revenue appropriations	-2.799.034
Payment appropriations carried over to year N+1	-18.597.473
Cancellation of unused payment appropriations carried over from year N-1	2.682.342
Evolution of assigned revenue	-5.852.947
Exchange differences for the year (symbolic)	0
Budget result	-115.796.484

PART IV

Appendices

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1. INTERNAL CONTROL ENVIRONMENT: STATE OF PLAY

The annual compliance assessment exercise for 2021 was launched at the end of the year. As in the previous year, compliance with the EESC's 16 internal control standards (ICS) and the effectiveness of the ICS were measured through a 36-question quantitative and qualitative survey, filled out by all directorates and Team SG.

Results for the 2021 questionnaire are similar to the 2020 results: compliance (which measures to which degree the requirements of the 16 ICS are implemented) slightly decreased from 82% in 2020 to 80% in 2021 (decreases in ICS 3 Staff Allocation and Mobility and ICS 12 Information and Communication were partially offset by an increase in ICS 6 Risk Management Process). However, effectiveness (which measures to which degree the implementation of the requirements of the 16 ICS works as intended) moderately increased from 66% in 2020 to 72% in 2021 (the main improvements were seen in ICS 1 Mission, ICS 11 Document Management and ICS 6 Risk Management Process). Like in 2020, standards were implemented or partially implemented in 2021.

The EESC also conducts an annual risk assessment exercise to analyse the inherent risks identified for a selected number of objectives from the Annual Work Programme and to determine the residual risks after internal controls are applied. In 2021, the internal controls proved to be an effective tool for decreasing inherent risks (e.g. inherent risks in the category "very important" decreased by 65%, from 46 to 16, following the application of internal controls; risks in the Internal Organisation, IT Support and External Partners' categories saw the most improvements). Internal controls are expected to function properly for the 2022 risk assessment exercise as well.

With regard to the ICS 8 Processes and Procedures action point from last year – registration of revised procedures on a common SharePoint page for all directorates and the creation of a centralised registry –, while progress was made in 2021, this action was not completed mainly due to staff workload constraints during COVID-19 pandemic. However, it is expected to be completed in 2022.

2. 2021 INTERNAL AUDIT REPORT

2.1 COVERAGE

The Internal Audit Sector (IAS) is supposed to cover all EESC activities and appropriations, as regards both the EESC's own structures and the Joint Services, i.e. the Directorates for Logistics and for Translation. Concerning audits in the Joint Services, the IAS works closely with the internal auditor of the European Committee of the Regions (CoR), under the provisions of the EESC-CoR Cooperation Agreement¹.

2.2 INTERNAL AUDIT SECTOR

The staffing of the Internal Audit Sector (IAS) has a direct impact on the volume of work that can be undertaken and thus on the assurance the internal auditor can provide on the EESC's risk and control environment. Currently, three posts are earmarked for the IAS: the internal auditor, one administrator and one assistant. As of 1 November 2021, an assistant from outside the IAS is responsible for strictly technical issues relating to the Audit Committee (booking of meeting rooms etc.). The size of the IAS is a matter of concern. According to the mandatory guidance issued by the Institute of Internal Auditors (IIA), the "internal audit activity [must] collectively [...] possess or obtain the knowledge, skills and other competences needed to perform its responsibilities". With only two people performing internal audits (one of whom is the chief audit executive), a large organisation such as the EESC – with a total of some 1 100 members, delegates and staff – cannot meet this basic requirement. Furthermore, the size of the sector makes planning very sensitive to unforeseen events such as staff absences. If the budgetary authority gives its approval, the assistant post in the IAS will be converted into an administrator post in the context of the 2023 budgetary procedure. This will entail certain challenges but could somewhat boost collective competencies and output in the short term.

2.3 RISK ASSESSMENT AND PLANNING

In its risk assessment and the resulting planning, the IAS utilises, inter alia, the administration's risk analysis, various types of available data and internal reports, in combination with additional research, recent annual reports of the Court of Auditors (ECA) and discharge resolutions adopted by the European Parliament, including any preparatory documents used in this context. According to the audit charter, the IAS must be notified of official communications with external control bodies. This obligation is not well observed by the administration, despite regular reminders from the IAS.

2.4 AUDIT ENGAGEMENTS

2.4.1 Audits finalised in 2021

¹ The current cooperation agreement was concluded with effect from 1 November 2021 and runs until the end of 2026.

Two audits, both launched in 2020, were finalised in 2021. Reports on Ethics and Integrity and Statutory Rights were submitted to the President and the Audit Committee on 11 March and 11 November respectively.

Ethics and Integrity

On 19 July 2019, the European Court of Auditors (ECA) published a special report entitled *The ethical frameworks of the audited EU institutions: scope for improvement*. In this audit, the ECA assessed how well ethical frameworks were established for all staff and members at the European Parliament, the Council of the European Union, the European Council and the European Commission.

The aim of the EESC audit was to extend the ECA exercise to the EESC and provide reasonable assurance as to "the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising the public interest over private interests", as defined by the OECD.

The IAS concluded that many of the elements required in an ethics and integrity framework were found to be in place at the EESC. These provided a solid basis on which to expand, but a truly holistic approach was missing. A firm and renewed commitment to improvement with real change across the Committee was considered necessary, with a focus on keeping the ethical framework up to date at all times. It was also found that the slowness of internal processes that had surfaced during this audit ran counter to the true and swift progress required to restore trust in the EESC and, ultimately, protect the EESC's political goodwill. Recommendations were made accordingly. It was also recommended that rules on whistleblowing for members be introduced. Both the administration and political bodies have taken good note of the recommendations. A follow-up on agreed actions will take place at an appropriate time.

Statutory Rights

Recent audits on salary payments (2018) and verification (2020) revealed a need for a closer examination of controls in the management of statutory rights.

Following a substantial undue allowance payment detected by the European Court of Auditors (ECA) in 2019, controls had been improved, and overall, the audit revealed no material weaknesses in the control system put in place for statutory rights and obligations. Procedures and controls were, on the whole, found to be adequate to ensure compliance with applicable rules, minimise risk of material errors, detect irregularities and prevent undue or incorrect payments.

Efficiency gains in preventive and detective controls could likely be achieved through the extended use of automation features present in the computerised system for personnel data

management (Sysper), and the replacement of manually updated Excel files with Business Objects reports.

It was found that overall, applicable internal control standards had been implemented. Certain further improvements in relation to documenting procedures and processes used for the performance and control of activities were considered necessary, in particular in light of concentration of expertise due to a high staff turnover in the entity concerned. Recommendations were made and actions were agreed accordingly. A follow-up on agreed actions will take place in due course.

2.4.2. Other audits in the 2021 work programme

The 2021 audit work programme included two audits, one on meeting authorisations and one on the strategic cycle.

The audit on meeting authorisations was launched in November 2021, with a slightly modified scope and objective. At the time of the preparation of the 2021 work programme, the main risk was deemed to be the ad hoc provisions for meeting allowances adopted by the Bureau in the context of the COVID-19 lockdown. However, following the Council's decision in June 2021 on specific allowances for remote meeting attendance, the risk picture changed. Consequently, the audit was launched with a focus on controls carried out in the context of the authorisation of meetings involving members or delegates.

The audit on the strategic cycle will be launched in 2022, as part of the 2022 work programme.

2.4.3. Independence and cooperation

The IAS has not experienced any interference in determining the scope of internal auditing, in performing its work or in communicating results and can thus confirm its organisational independence.

Overall, cooperation with the various EESC departments has been excellent.

2.5 OTHER ACTIVITIES

IAS activities in 2021 included, among other things:

- *Establishment of a better-defined and more coherent audit framework.* The intention was to already update the 2011 audit charter in the course of 2020. A draft was submitted to the Legal Service for a legal opinion which was provided in June 2020. This opinion raised a number of fundamental questions and made it clear that a different approach would be required. The IAS provided the Legal Service with a new draft in 2021, still based, however, on an inconsistent legal framework. A truly solid draft can be made only

once new Rules of Procedure have been adopted, which is expected to happen in early 2022. When a new audit charter is in place, an audit manual and procedural rules for the Audit Committee will be developed accordingly.

- *Follow-up to audits.* A rather extensive follow-up to the 2019 audit on *Compliance with Institutional Deadlines* took place in 2021. A meeting was held on 19 April between the Audit Committee and section/CCMI presidents to explore solutions at the political level. In November 2021, a note agreed by the section/CCMI presidents was discussed by the Enlarged Presidency that took some proposals on board. The outcome in terms of real action remains unclear and will still require monitoring by the IAS. A follow-up on agreed administrative actions that was launched in September had received no response at the end of 2021, despite a set deadline and several reminders.
- *Organisation of meetings and other technical and secretarial assistance provided to the Audit Committee.* See point 6.
- *Cooperation with other institutions.* The cooperation with the CoR's Internal Audit Service has already been mentioned. The IAS also maintains direct contact with the ECA, the Budget Unit however being the ECA's formal contact point at the EESC.
- *Training.* The continuous upgrading of knowledge and skills, which also allows for experience sharing with colleagues in other institutions, is crucial for a small entity such as the IAS. In 2021, staff continued to take part in training sessions offered by the European Commission, including the Commission's Internal Audit Training Programme, which consists of presentations and lectures. No progress was made on certifications in 2021, despite participation in the preparatory training organised by the Commission, in part due to an unsolved issue with the group membership (across EU institutions) of the Belgian branch of the Institute of Internal Auditors.

2.6 AUDIT COMMITTEE

The Audit Committee consists of three EESC members, assisted by an external expert. Its task is to ensure the independence of the Internal Auditor, monitor the quality of the internal audit work and ensure that internal and external audit recommendations are properly taken into account and followed up by the EESC. In May 2021, the chair of the Audit Committee stepped down and was replaced by an incoming member. The IAS provides assistance to the Audit Committee (except for strictly technical issues, as mentioned above). Seven meetings were organised in the course of 2021, on 22 February, 26 March, 19 April (with section/CCMI presidents), 6 July, 14 September, 15 November and 6 December (with an informal meeting taking place on 4 October). All meetings were organised as either fully remote or hybrid.

2.7 CONCLUSION

The continued engagement of auditees in implementing audit recommendations in audit reports, issued both before 2021 and in 2021, allows the IAS to provide reasonable assurance as to an improved and enhanced application of the principles of sound financial management and performance at the EESC.

However, the internal auditor finds that the audit coverage possible with the resources currently available, even in the longer term, remains far too limited for a public organisation such as the EESC.

3. DISPOSING OF FIXED ASSETS 2021

Financial Regulation, Article 87: The inventory of assets

1. *Union institutions and agencies or Union bodies referred to in Section 2 of Chapter 3 of this Title shall keep inventories showing the quantity and value of all their tangible, intangible and financial assets in accordance with a model drawn up by the accounting officer of the Commission.
They shall also check that entries in their respective inventories correspond to the actual situation.
All items acquired with a period of use greater than one year, which are not consumables, and whose purchase price or production cost is higher than that indicated by the accounting procedures referred to in Article 77 shall be entered in the inventory and recorded in the fixed assets accounts.*
2. *The sale of the Union's tangible assets shall be suitably advertised.*
3. *Union institutions and agencies or Union bodies referred to in Section 2 of Chapter 3 of this Title shall adopt provisions on safeguarding the assets included in their respective inventories and decide which administrative departments are responsible for the inventory system.*

Internal financial rules, Article 36: Inventory

In accordance with Article 87 of the FR the authorising officer by delegation, assisted by the accounting officer, shall adopt provisions on the inventory of tangible, intangible and financial assets.

3.1 DISPOSING OF IMMOVABLE PROPERTY OR MAJOR INSTALLATIONS FREE OF CHARGE IN 2021

No immovable property or major installations were made available free of charge by the European Economic and Social Committee during 2021.

4. KEY ACTIVITY AND PERFORMANCE INDICATORS ("KAPIs")

4.1 INTRODUCTION

According to the Financial Regulation (articles 33.2 and 247.1 (e)), 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 2021, 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. As a consequence of the generalized teleworking due to the COVID-19 health crisis and as in the future a different system allowing for more flexible telework "Teleflex" will be in place, the KAPI's on structural and occasional teleworking were taken out. In order to reply to the increased interest in access to documents, new KAPI's were included for this part.

It has to be noted that some KAPIs were influenced by the COVID-19 health crisis and thus present high modifications in figures, some showing:

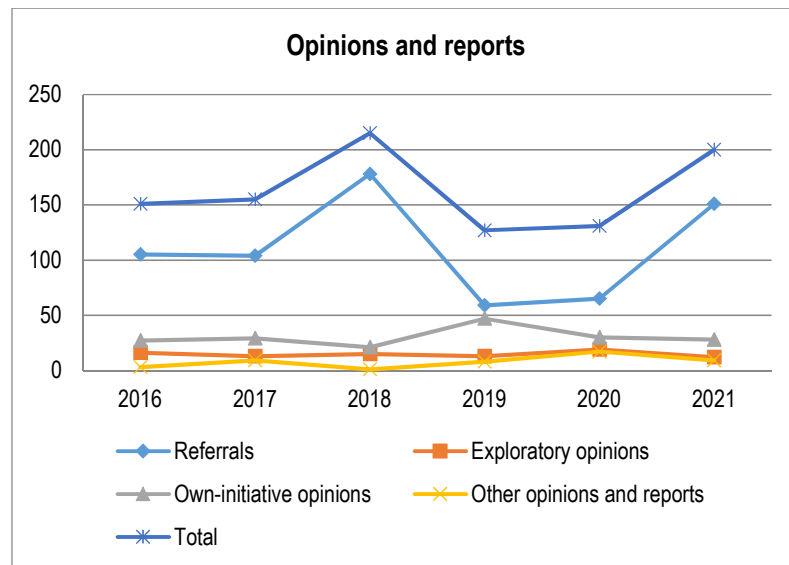
- a) a decrease, such as:
 - organisation of physical meetings (such as conferences, hearings partnerships, meetings within the EESC, as well as external ones, etc.);
 - communication related activities (e.g. visits of groups and presentations made, etc.);
 - difficulties in workplace relations;
 - copy shop productivity;
 - interpretation provided for meetings showed a strong decrease in 2020, but recovered in 2021.
- b) an increase, amongst which:
 - social media followers as well as IT-user support requests.

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, position papers and reports	Total
2021	151	12	28	9	200
2020	65	19	30	17*	131
2019	59	13	47	8	127
2018	178	15	21	1	215
2017	104	13	29	9	155
2016	105	16	27	3	151

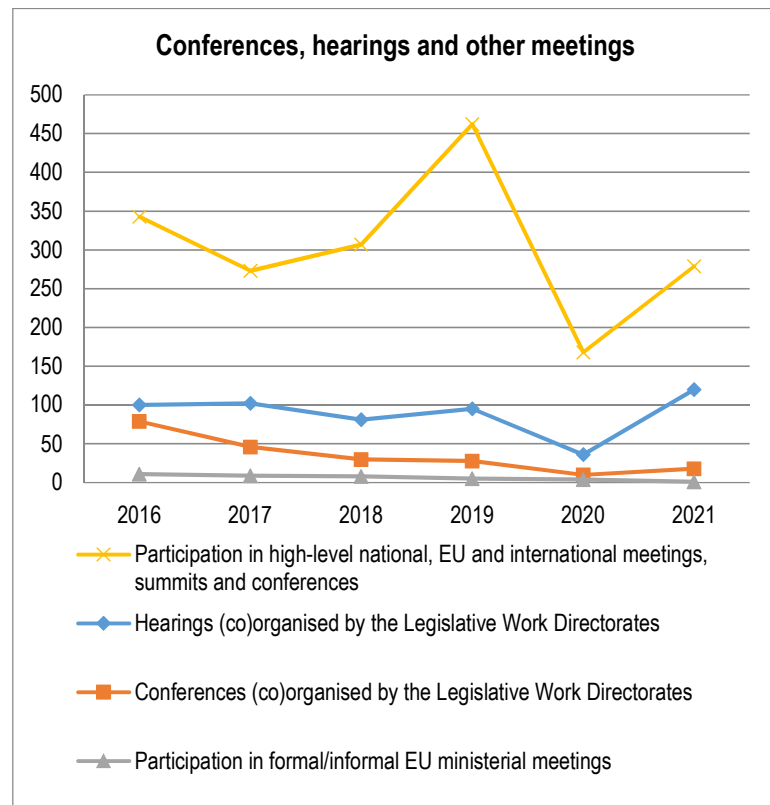


* of which 13 position papers were adopted following referrals

Conferences, hearings and other meetings

This indicator measures the number of meetings organised by the Legislative Work Directorates of the EESC and the participation of EESC members in high-level conferences as part of their work within these Directorates.

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
2021	120	18	1	279
2020	36	10	4	168
2019	95	28	5	462
2018	81	30	8	307
2017	102	46	9	273
2016	100	79	11	343

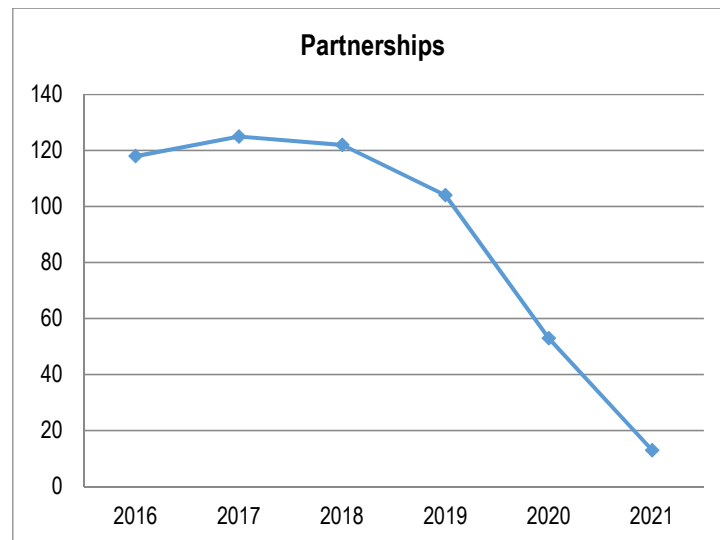


4.4 DIRECTORATE FOR STATUTORY BODIES AND MEMBERS' WORKING CONDITIONS

Partnerships

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

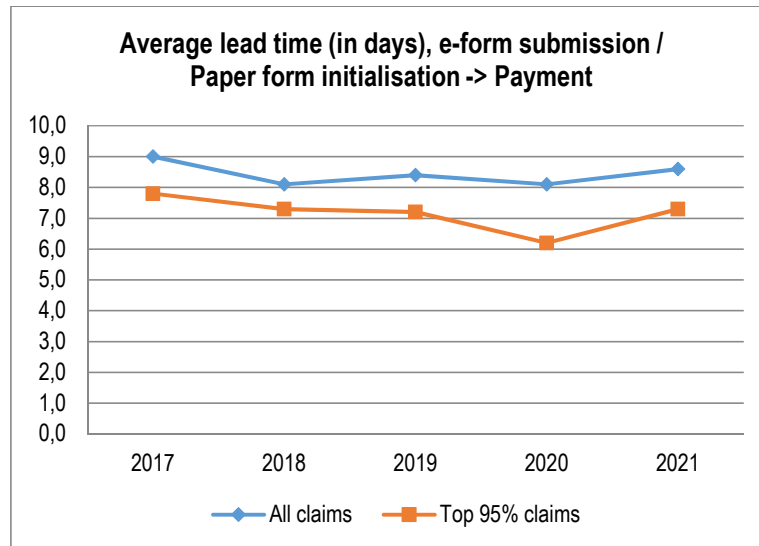
	Partnerships
2021	13
2020	53
2019	104
2018	122
2017	125
2016	118



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.

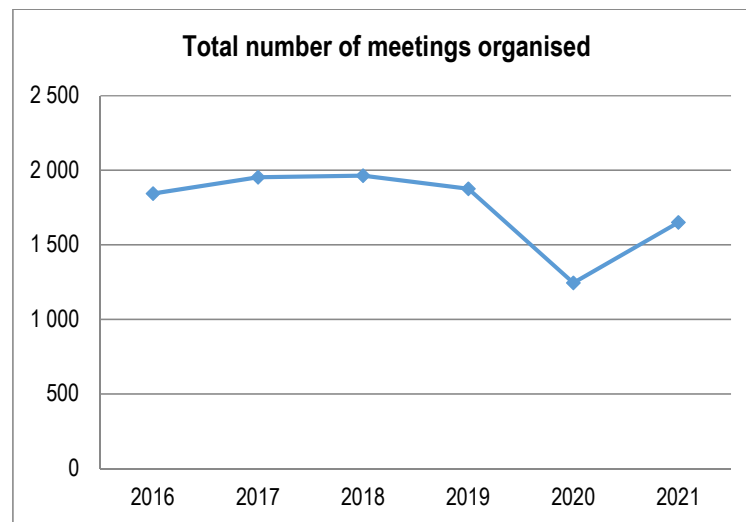
	All claims	Top 95% claims
2021	8,6	7,3
2020	8,1	6,2
2019	8,4	7,2
2018	8,1	7,3
2017	9,0	7,8



Meetings organised

This indicator measures the number of EESC and CoR meetings taking place in the Committees' conference rooms allowing for hybrid set-up and being equipped with interpretation facilities*.

	EESC		CoR		JS		Total	FTE	Meetings / FTE
	Number	%	Number	%	Number	%			
2021	1.171	70,9%	478	29,0%	2	0,1%	1.651	21,1	78,1
2020	839	67,4%	381	30,6%	25	2,0%	1.245	20,4	61,0
2019	962	51,3%	876	46,7%	39	2,1%	1.877	20,2	93,0
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

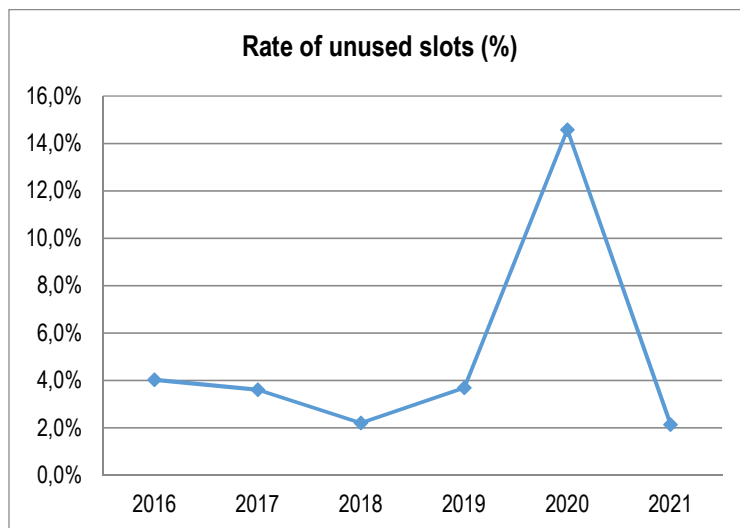
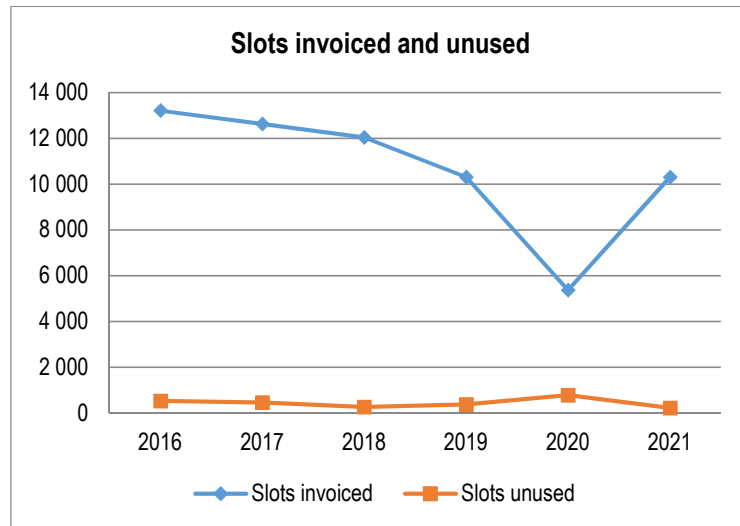


* All types of occupation of rooms (meetings, visits, conferences, etc.).

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 (%)
2021	10.302	5.315.832	221	114.036	2,1%
2020	5.369	2.732.821	783	398.547	14,6%
2019	10.304	5.131.392	381	189.738	3,7%
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%

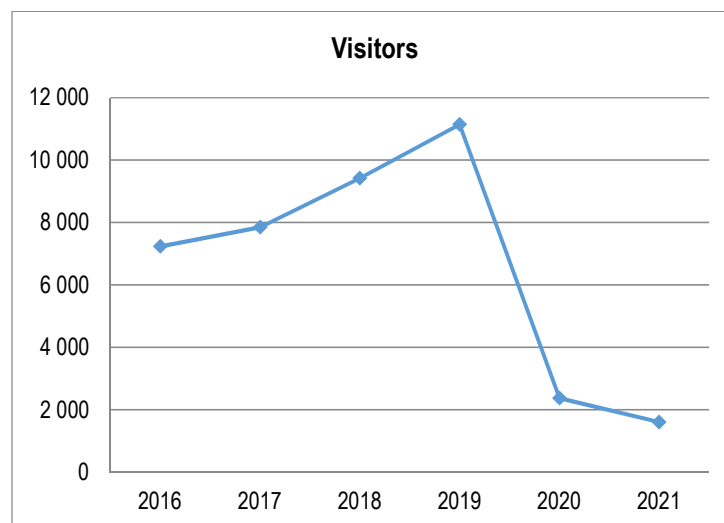
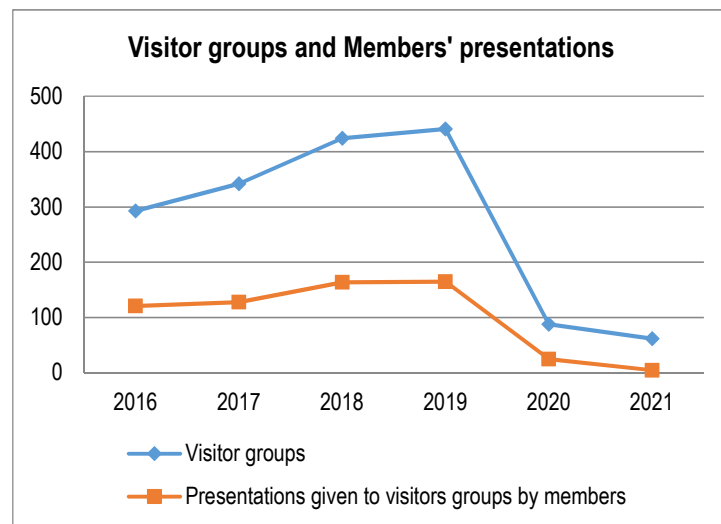


4.5 DIRECTORATE OF COMMUNICATION AND INTERINSTITUTIONAL RELATIONS

Visitor groups

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

	Visitor groups	Presentations given to visitors groups by members	Visitors
2021	62	5	1.605
2020	88	25	2.371
2019	441	165	11.144
2018	424	164	9.419
2017	342	128	7.847
2016	293	121	7.237

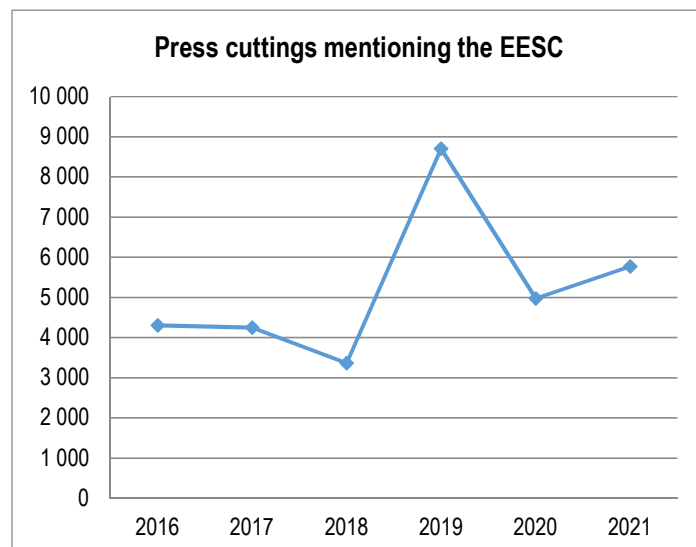
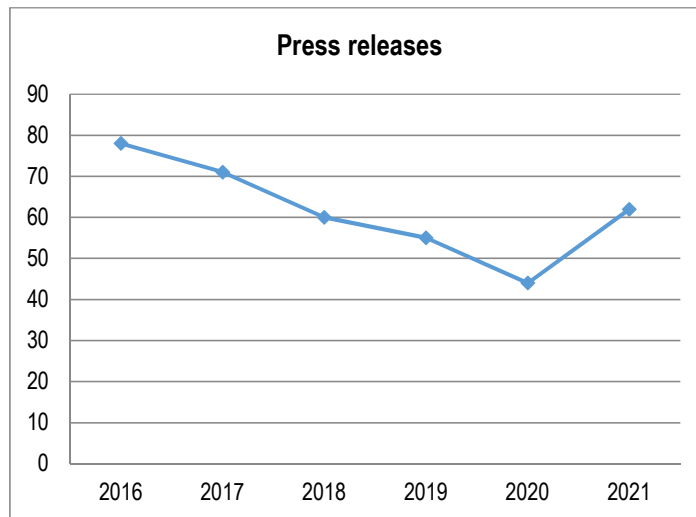


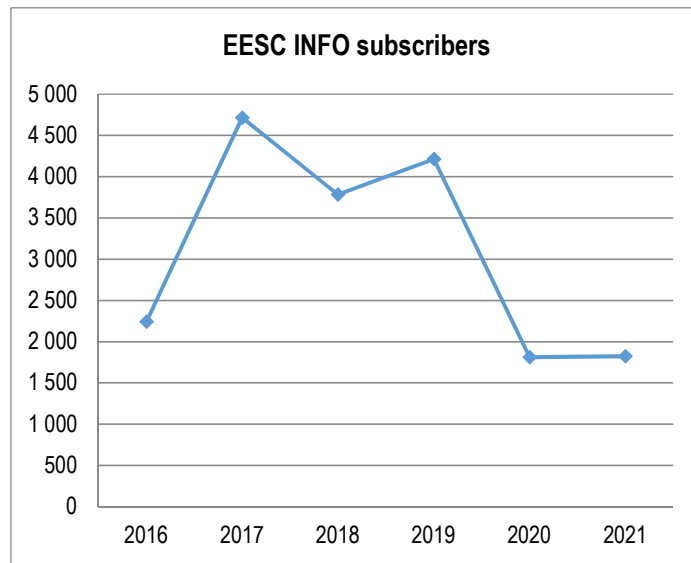
Press activities

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

	Press releases	Press cuttings mentioning the EESC	EESC INFO subscribers
2021	62	5.767	1.823*
2020	44	4.975	1.811*
2019	55	8.701	4.214
2018	60	3.364	3.782
2017	71	4.247	4.717
2016	78	4.307	2.244

* The application of the new general data protection regulation (GDPR) in 2020 had an important impact on the number of EESC Info subscribers as now, they have to give their explicit consent. This led to a significant reduction of subscribers.

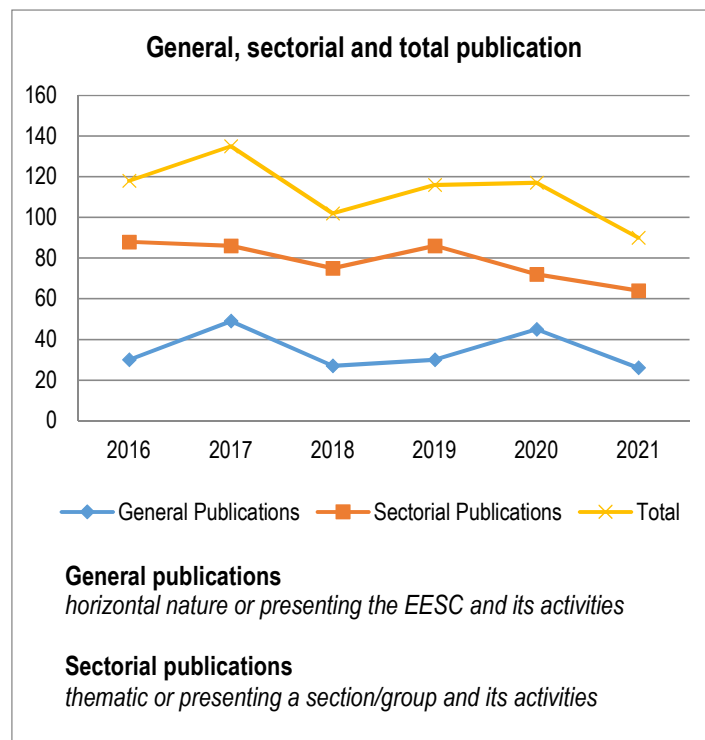




Publications

This indicator measures the number of general or sectorial publications by the EESC.

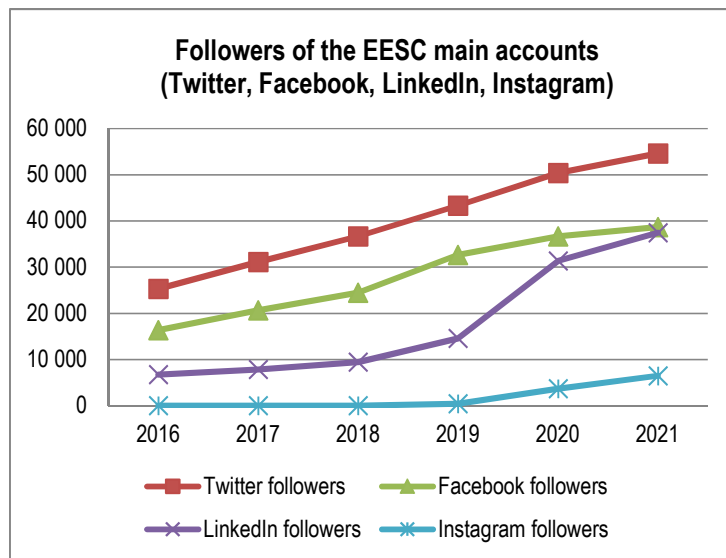
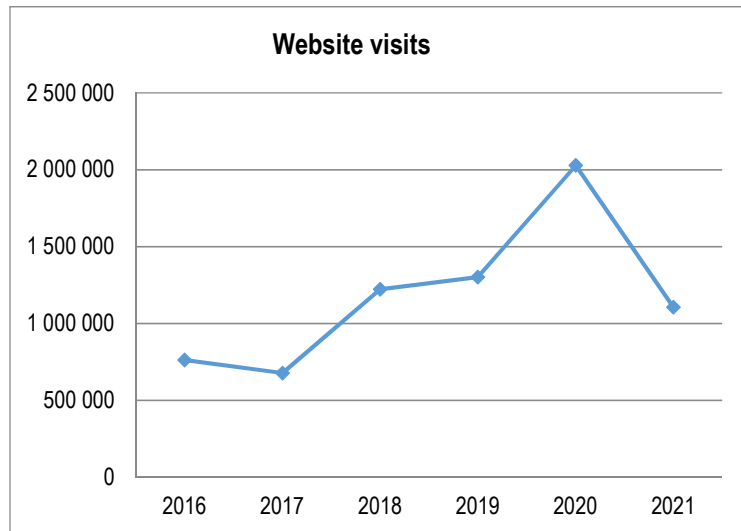
	General Publications	Sectorial Publications	Total
2021	26	64	90
2020	45	72	117
2019	30	86	116
2018	27	75	102
2017	49	86	135
2016	30	88	118



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, LinkedIn and Instagram accounts.

	Website visits	Twitter followers	Facebook followers	LinkedIn followers	Instagram followers
2021	1.106.602	54.618	38.669	37.442	6.483
2020	2.028.396	50.351	36.644	31.345	3.712
2019	1.302.175	43.307	32.622	14.562	430
2018	1.222.661	36.634	24.486	9.407	-
2017	677.546	31.091	20.674	7.829	-
2016	762.797	25.303	16.352	6.728	-



Document register

This indicator measures the number of consultations of Document Search (online research tool for publicly accessible EESC Document register) as well as the number of documents available.

	Consultations	Documents (all languages)	% of documents available to public
2021	793.132	41.265	60%
2020	399.667	47.360	76%
2019	330.506	42.023	73%

Request for access to documents

This indicator measures the number of direct requests for access to EESC documents.

	Initial requests			Confirmatory requests*
	Answered within 15 days	Answered after extension of deadline	Total	
2021	15	1	16	1
2020	20	2	22	2
2019	22	6	28	3

* A confirmatory request is the request for review made by the author when the initial request for access to documents is rejected in whole or in part.

Disclosure of requested documents

This indicator measures the number of disclosure of information following a request for direct access to EESC documents

	Full disclosure of information	Limited disclosure of information	Refused disclosure of information*
2021	15	1	0
2020	21	3	0
2019	28	1	2

* Refusal to access to documents requests always meet the requirements set out by article 4 of Regulation n° 1049/2001.

4.6 DIRECTORATE FOR HUMAN RESOURCES AND FINANCE

In 2021, the number of posts made available by the budgetary authority was 669. Only the KAPI on the post occupation rate refers to the number of posts, whereas the other KAPI refer to the workforce. The number of staff employed (officials, temporary agents, contract agents, seconded national experts and medical adviser) was 700 on 31 December 2021. All references to the composition of staff refer to that date.

When not differently specified, the AD function group includes contract agents of FG IV, SNEs and the medical adviser; likewise, when not differently specified, the AST function group includes contract agents of FGII and FGIII, and the AST/SC function group includes contract agents of FGI.

Abbreviations

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

AD = administrators

AST = assistants

CS = special adviser (Conseiller special - doctor)

CT = contract agents

SNE = seconded national experts

F = female

FG = function group

FS = officials on probation (fonctionnaire stagiaire)

FT = established officials (fonctionnaire titulaire)

FTE = full-time equivalents

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

M = male

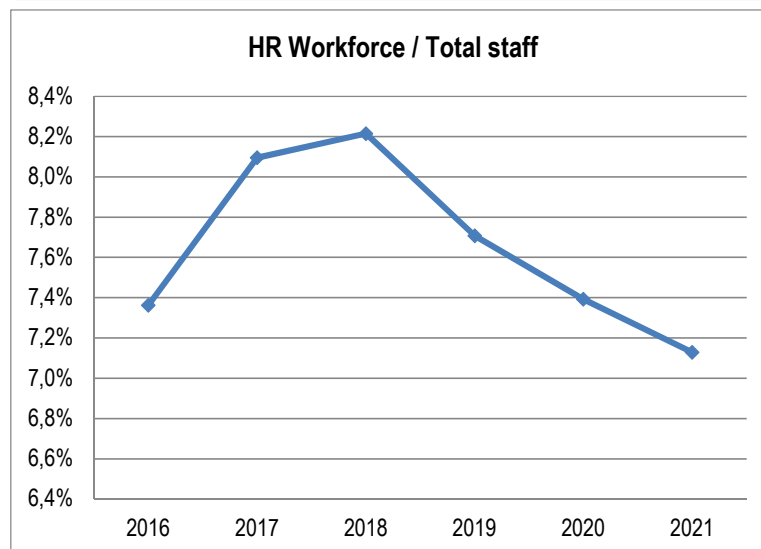
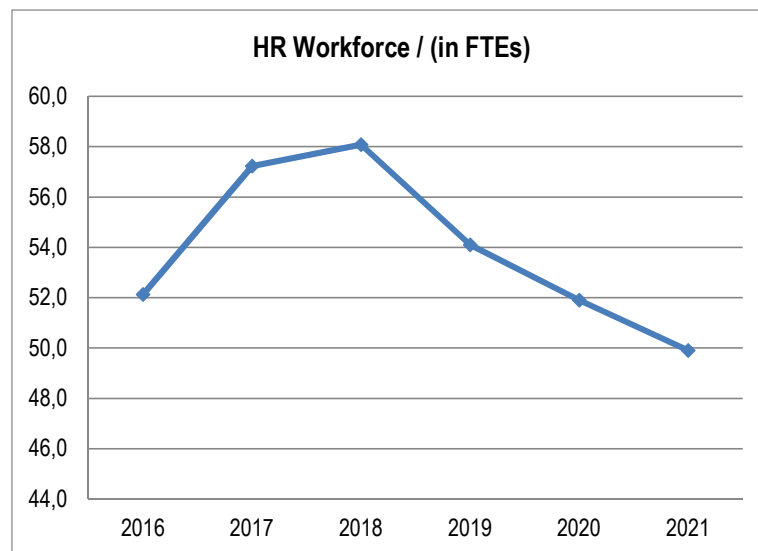
SC = secretaries/clerks

TP = temporary agents

HR workforce

This indicator measures, at the end of the year, the ratio between the HR resources of the DHRF, in "full-time equivalents" (FTE's), and the total number of staff (officials, temporary and contract agents, SNE's, special advisers) of the Committee. Due to a change of the methodology, implemented in the AAR 2018, the numbers for previous years were recalculated according to this new methodology.

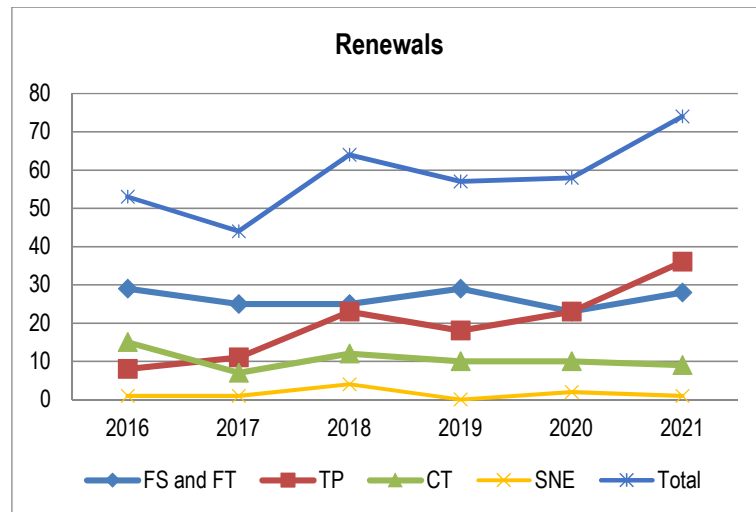
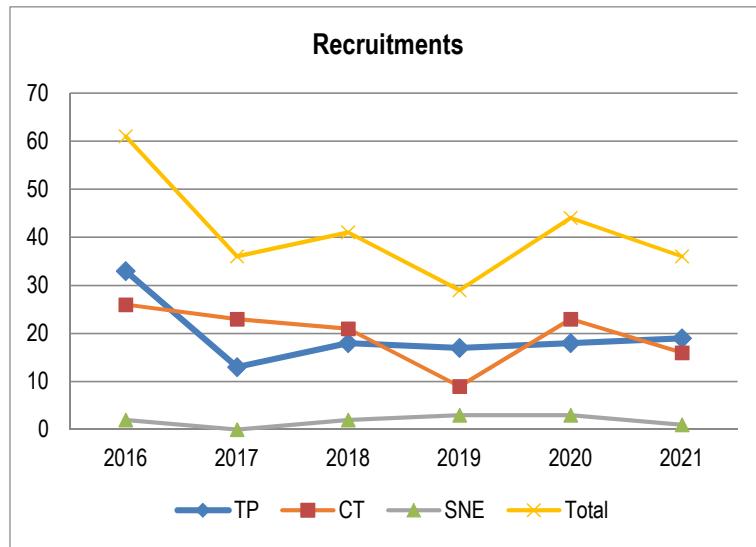
	HR Workforce (in FTEs)	Total staff	HR Workforce (in FTE) / Total staff
2021	49,9	700	7,1%
2020	51,9	702	7,4%
2019	54,1	702	7,7%
2018	58,1	707	8,2%
2017	57,2	707	8,1%
2016	52,1	708	7,4%



Number of recruitments/renewals

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

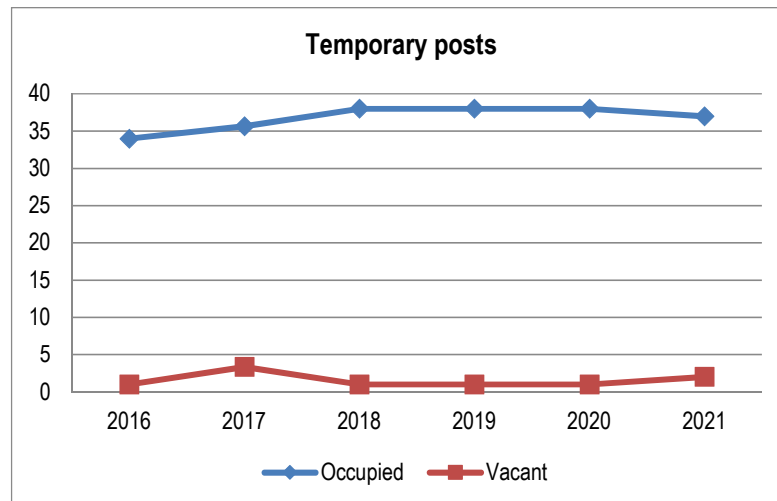
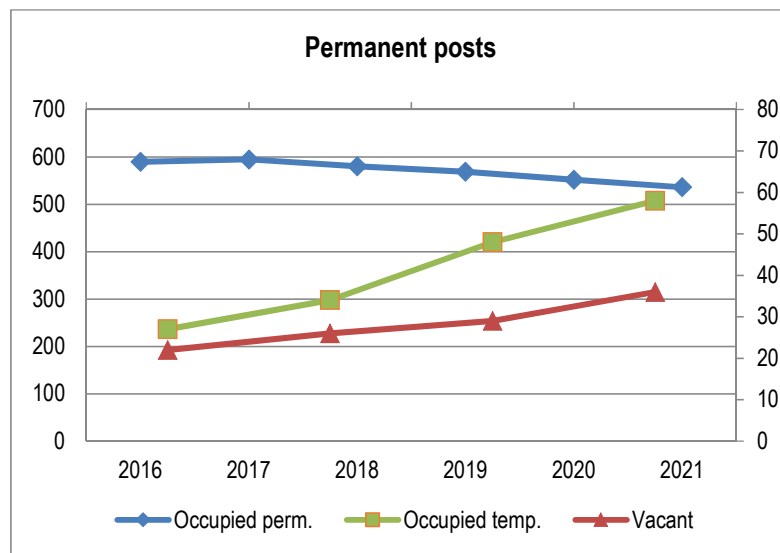
	Recruitments					Renewals			
	FS and FT	TP	CT	SNE	Total	TP	CT	SNE	Total
2021	28	36	9	1	74	19	16	1	36
2020	23	23	10	2	58	18	23	3	44
2019	29	18	10	0	57	17	9	3	29
2018	25	23	12	4	64	18	21	2	41
2017	25	11	7	1	44	13	23	0	36
2016	29	8	15	1	53	33	26	2	61

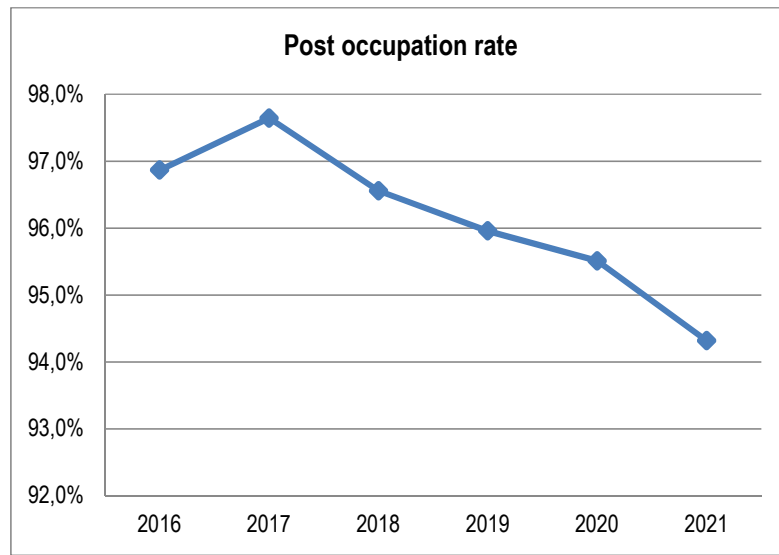


Post occupation rate

This indicator measures, at the end of the year, the occupation rate of the Committee's posts. It distinguishes between an occupation of permanent and temporary posts (staff on parental or family leave are considered to permanently occupy the post).

	Total	Post occupation rate	Permanent posts							Temporary posts		
			All	AD	AST	SC	Occupied perm.	Occupied temp.	Vacant	All	Occupied	Vacant
2021	669	94,3%	630	314	277	39	536	58	36	39	37	2
2020	668	95,5%	629	313	279	37	552	48	29	39	38	1
2019	668	96,0%	629	313	279	37	569	34	26	39	38	1
2018	668	96,6%	629	313	281	35	580	27	22	39	38	1
2017	665	97,6%	626	311	288	27	595	19	12	39	36	3
2016	670	96,9%	635	315	300	20	590	25	20	35	34	1

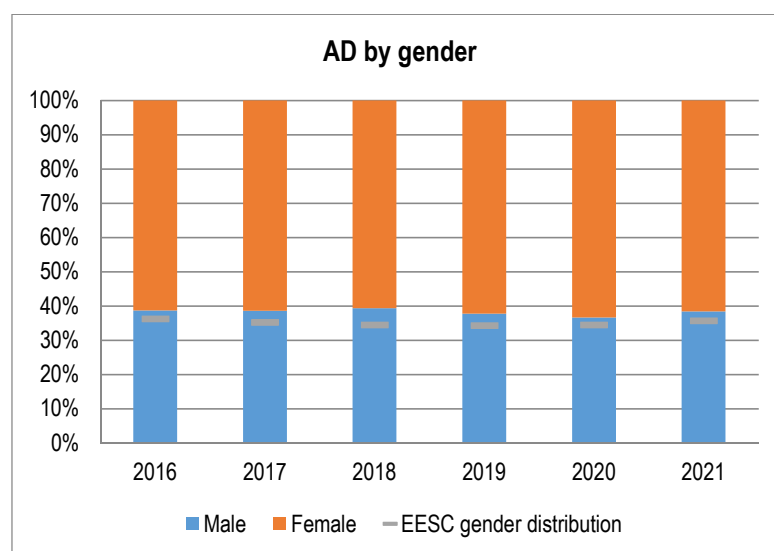
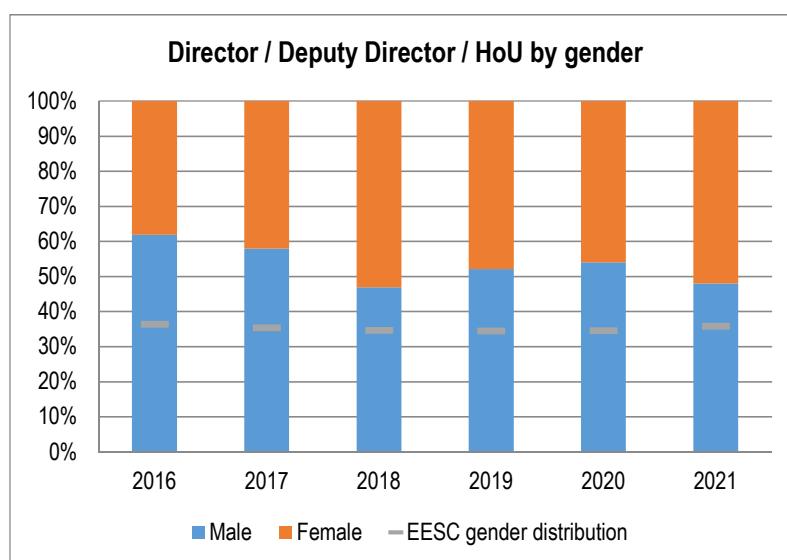


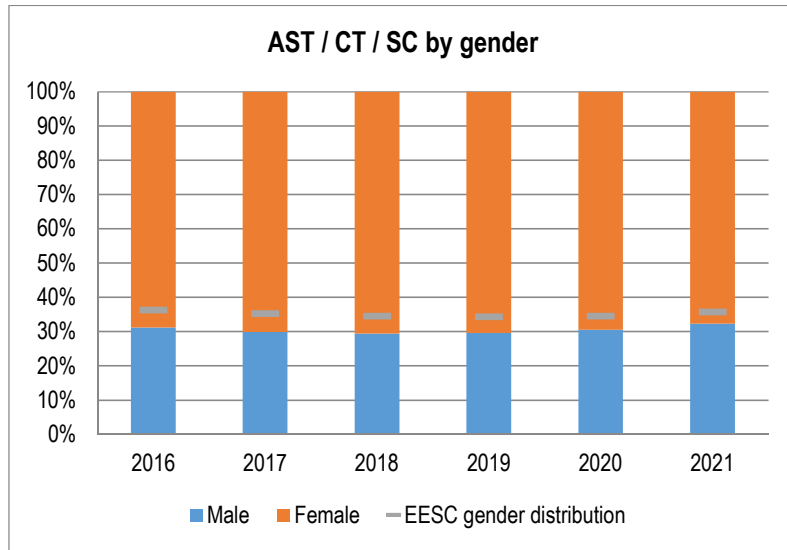


Distribution of staff by gender

This indicator measures, at the end of the year, the gender distribution per category of staff. Numbers for management include also acting managers.

	Director/Deputy Director/Head of unit				AD/GFIV/END/CS excluding management				AST/SC/GFI-III			
	Number	% of total staff	% M	% F	Number	% of total staff	% M	% F	Number	% of total staff	% M	% F
2021	48	6,9%	48,0%	52,0%	286	40,9%	38,5%	61,5%	366	52,3%	32,2%	67,8%
2020	46	6,6%	54,0%	46,0%	289	41,2%	36,7%	63,3%	367	52,3%	30,5%	69,5%
2019	48	6,8%	52,1%	47,9%	283	40,3%	37,8%	62,2%	371	52,8%	29,6%	70,4%
2018	49	6,9%	46,9%	53,1%	284	40,2%	39,4%	60,6%	374	52,9%	29,4%	70,6%
2017	51	7,2%	56,9%	41,4%	285	40,3%	38,6%	61,4%	371	52,5%	29,9%	70,1%
2016	51	7,2%	60,8%	37,5%	292	41,2%	38,7%	61,3%	365	51,6%	31,2%	68,8%

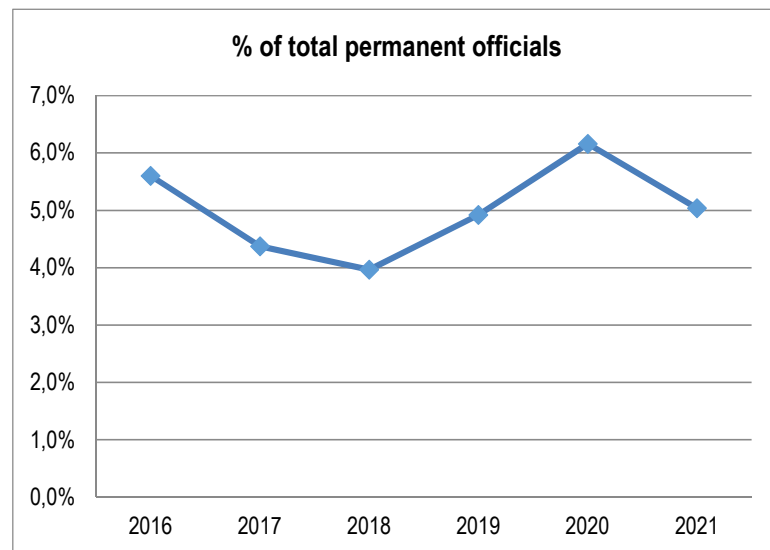
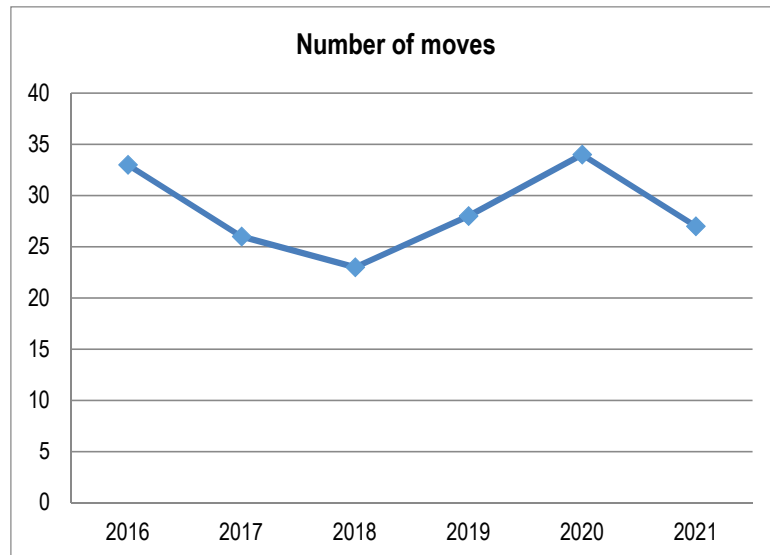




Internal mobility

This indicator measures the number of moves of permanent officials from one organisational entity to another within the Committee. Mobility linked to internal reorganisation while keeping the same job content is not included.

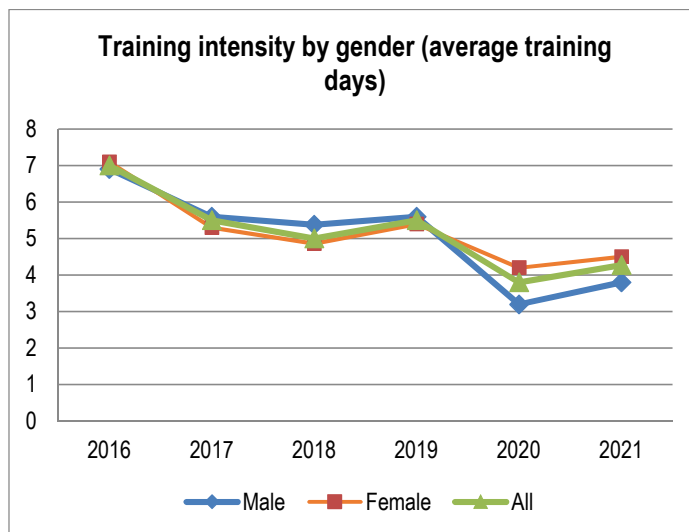
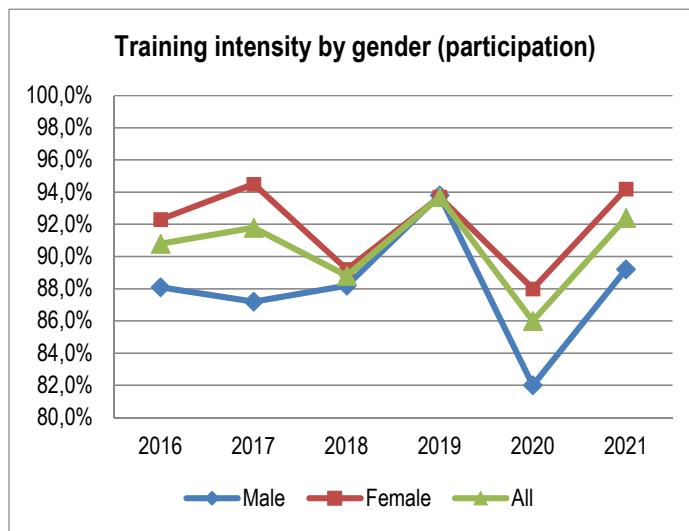
	Staff changing service	
	Number of moves	% of total permanent officials
2021	27	5,0%
2020	34	6,2%
2019	28	4,9%
2018	23	4,0%
2017	26	4,4%
2016	33	5,6%

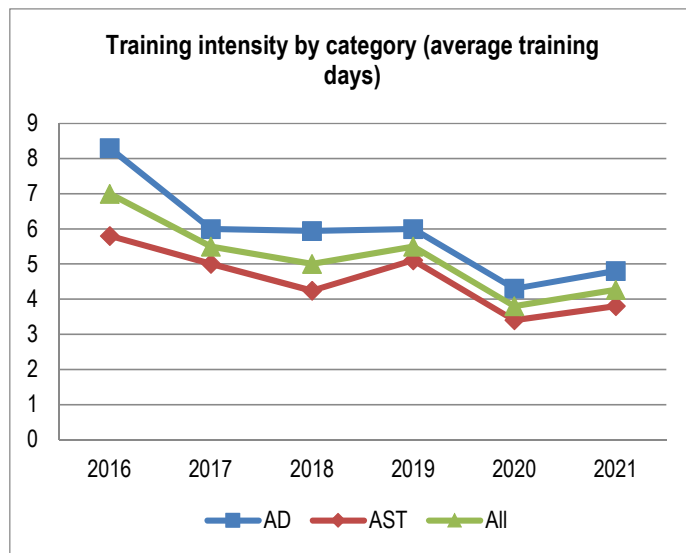
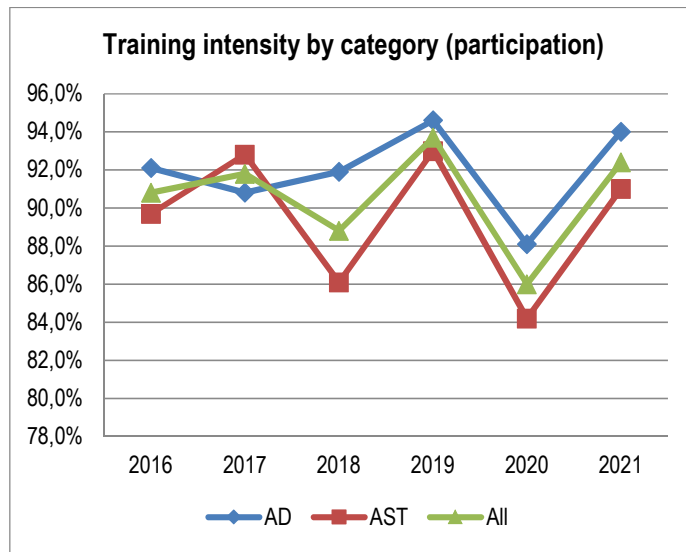


Training intensity

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
2021	89,2%	3,8	94,2%	4,5	94,0%	4,8	91,0%	3,8	92,4%	4,3
2020	82,0%	3,2	88,0%	4,2	88,1%	4,3	84,2%	3,4	86,0%	3,8
2019	93,8%	5,6	93,7%	5,4	94,6%	6	93,0%	5,1	93,7%	5,5
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



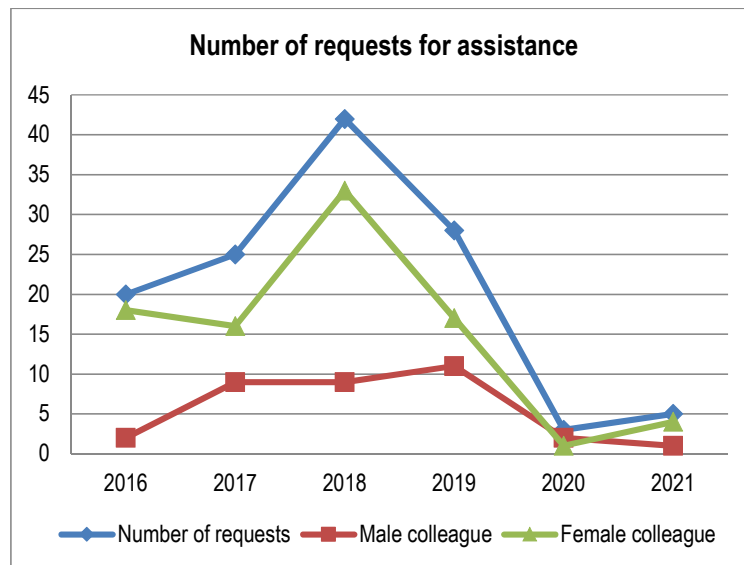


Difficulties in workplace relations

This indicator measures the number of people who have consulted a confidential counsellor in relation to an interpersonal difficulty in their workplace. The EESC administration has set up a network of confidential counsellors with a renewable three-year mandate. This conflict resolution mechanism is part of the informal procedure for preventing and settling workplace conflicts.

In 2021 and 2020, these confidential meetings took place both virtually and face-to-face while respecting the rules to prevent COVID 19 infections. The very marked decrease in daily and physical contact between colleagues is certainly a valid explanation of these particularly low figures as well as the reinforced framework and the various tools made available to staff to resolve difficult interpersonal situations.

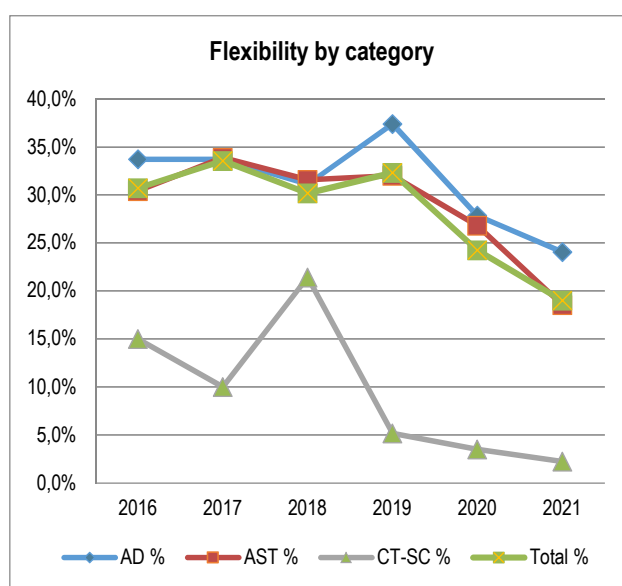
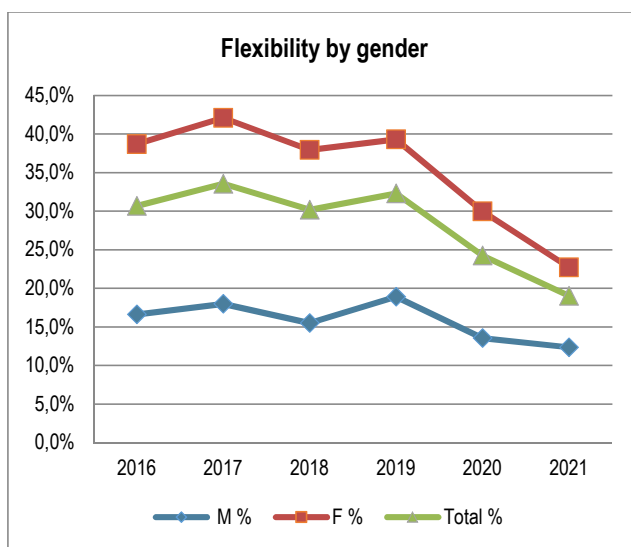
	Number of requests	By gender	
		Male colleague	Female colleague
2021	5	1	4
2020	3	2	1
2019	28	11	17
2018	42	9	33
2017	25	9	16
2016	20	2	18



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).

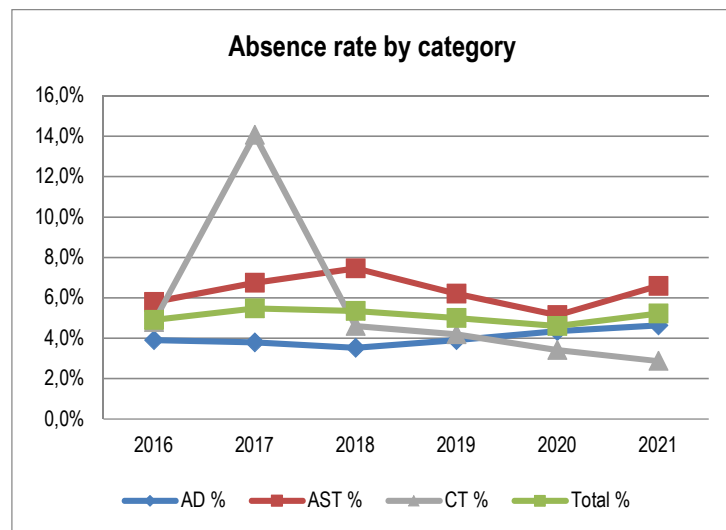
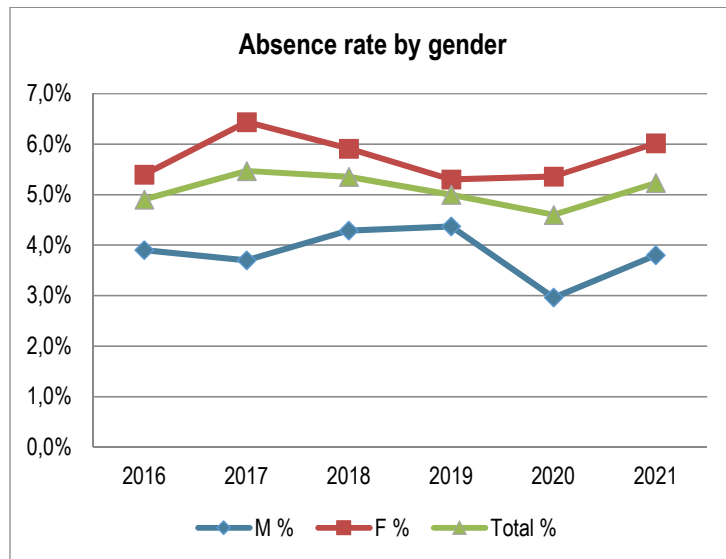
	By gender				By category						All	
	M		F		AD		AST		CT-SC		Number	Total %
	Number	M %	Number	F %	Number	AD %	Number	AST %	Number	CT-SC %		
2021	31	12,4%	102	22,7%	77	24,1%	54	18,6%	2	2,2%	133	19,0%
2020	33	13,5%	137	30,0%	90	27,9%	77	26,8%	3	3,5%	170	24,3%
2019	46	18,9%	180	39,3%	123	37,4%	101	32,0%	3	5,2%	227	32,3%
2018	38	15,5%	175	38,0%	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%



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	M %	AD	AST	CT	F %	AD %	AST %	CT %	Total %
2021	2,8%	4,1%	3,5%	3,8%	5,4%	7,6%	1,7%	6,0%	4,6%	6,6%	2,9%	5,2%
2020	3,0%	2,6%	4,9%	3,0%	5,2%	6,2%	3,1%	5,4%	4,4%	5,1%	3,4%	4,6%
2019	3,5%	4,5%	4,7%	4,4%	4,2%	7,0%	4,0%	5,3%	3,9%	6,2%	4,2%	5,0%
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%



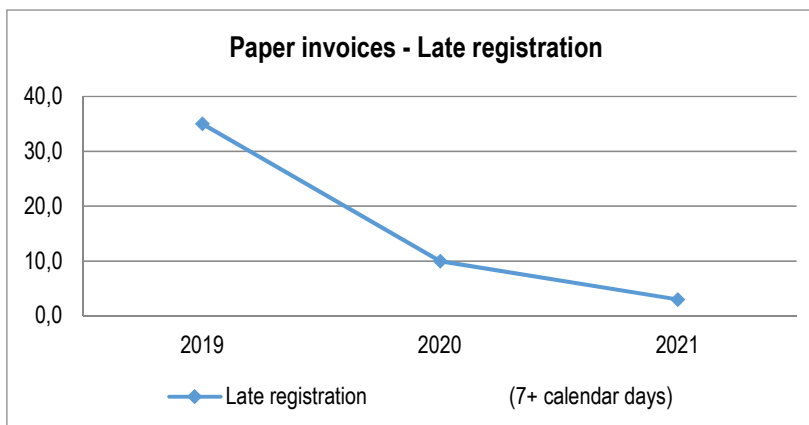
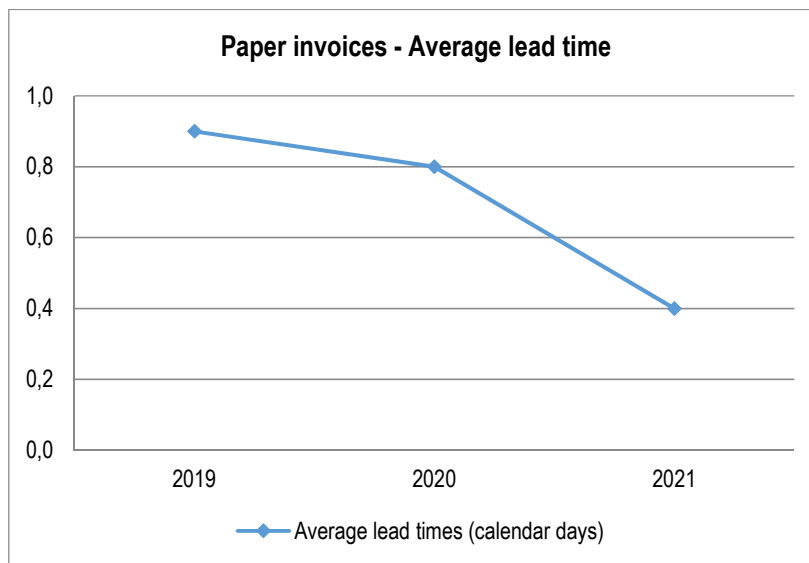
Registration of paper invoices

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.

In 2019, the reporting parameters have been modified, excluding electronic invoices and focusing on original invoices in paper form only. Consequently, the comparison with previous years is limited.

Since 2020, due to pandemic COVID-19, PDF invoices received by e-mail are also included in this indicator.

	Average lead times (calendar days)	Late registration (7+ calendar days)	
	Reception to registration Paper invoice	Number late registration	% of total
2021	0,4	3,0	0,2%
2020	0,8	10,0	0,5%
2019	0,9	35,0	1,2%

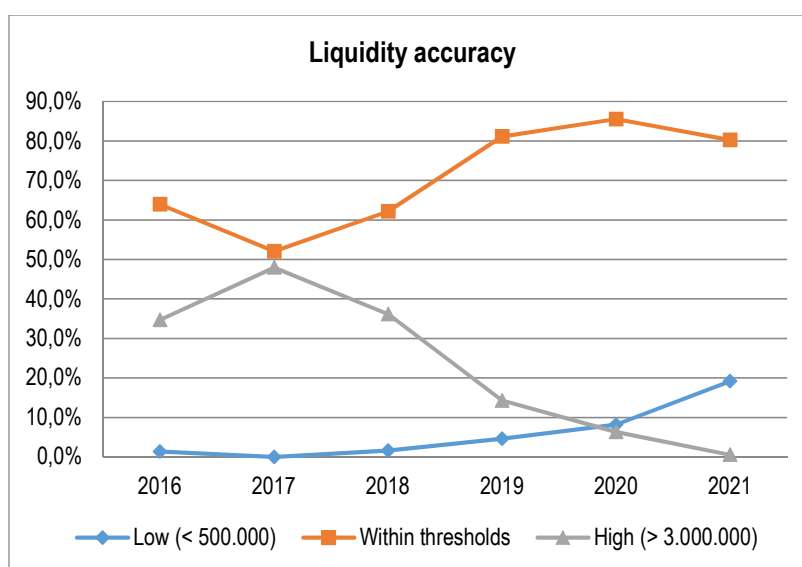


Liquidity accuracy

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*.

	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	%
2021	70	19,2%	293	80,3%	2	0,5%
2020	30	8,2%	313	85,5%	23	6,3%
2019	17	4,7%	296	81,1%	52	14,2%
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	63,9%	127	34,7%

* The threshold negotiated with the bank in order to avoid negative interests dropped to 3 000 000 in 2021.



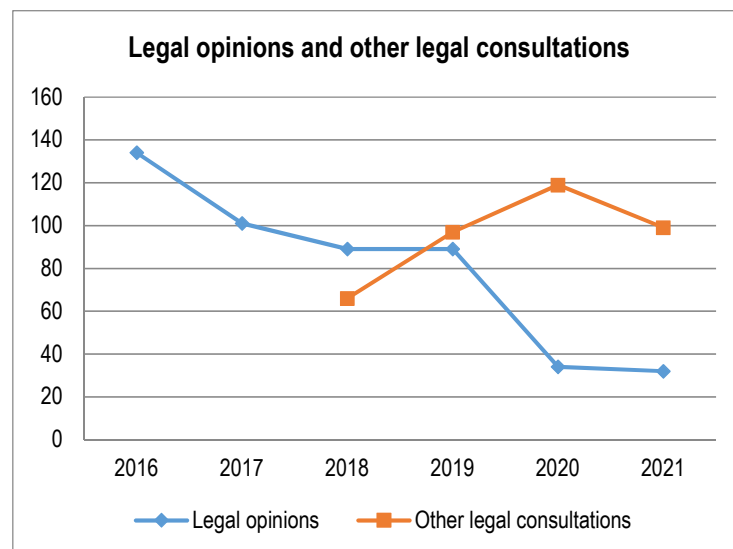
4.7 LEGAL SERVICE

Legal opinions

This indicator measures the number of legal opinions and other legal consultations issued by the Legal Service (LS).

	Legal opinions	Other legal consultations
2021	32	99
2020	34	119
2019	89	97
2018	89	66
2017	101	-
2016	134	-

* The LS counting methodology changed in 2018 because in the previous years, the "other legal consultations" were very few. In 2018, the number of "other legal consultations" (informal consultations) increased considerably and the LS decided to take stock of them as they are time consuming and for the need of keeping track of them.

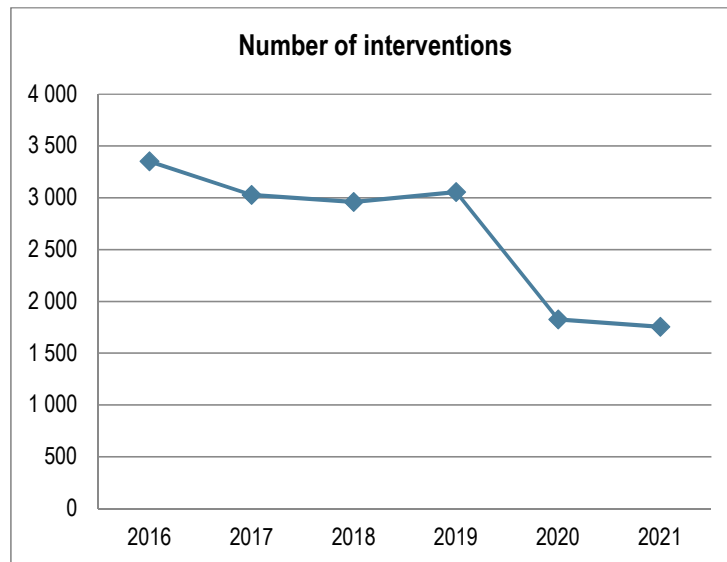


4.8 DIRECTORATE FOR LOGISTICS

Number of building maintenance interventions

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

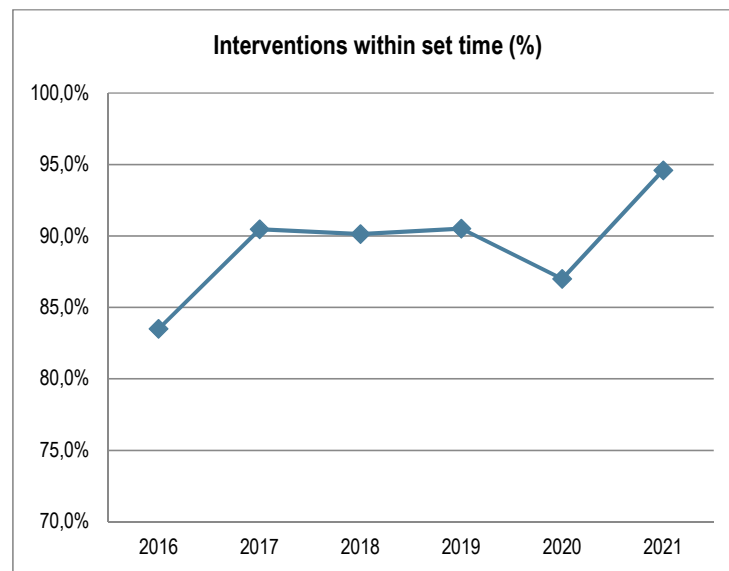
	Number of interventions
2021	1.754
2020	1.826
2019	3.055
2018	2.958
2017	3.026
2016	3.351



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).

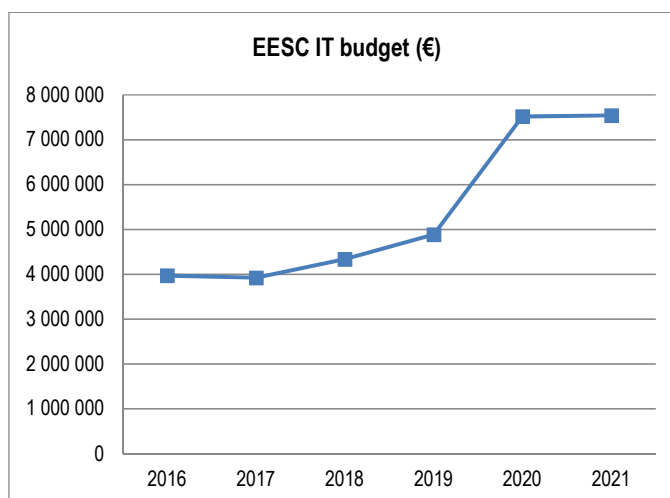
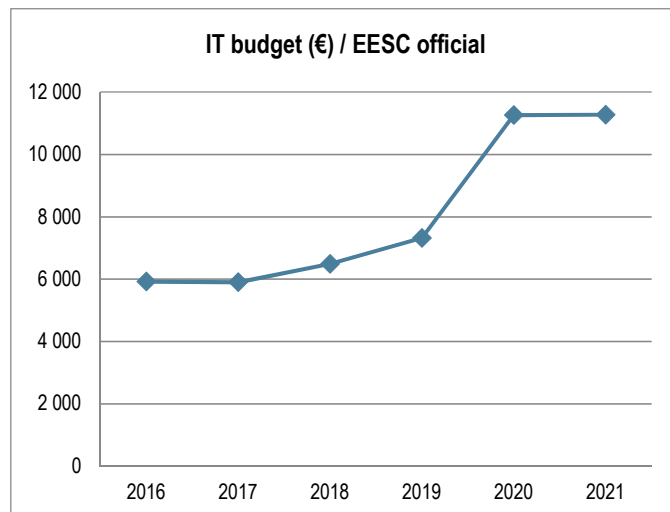
	Interventions within set time (%)
2021	94,6%
2020	87,0%
2019	90,5%
2018	90,1%
2017	90,5%
2016	83,5%



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.

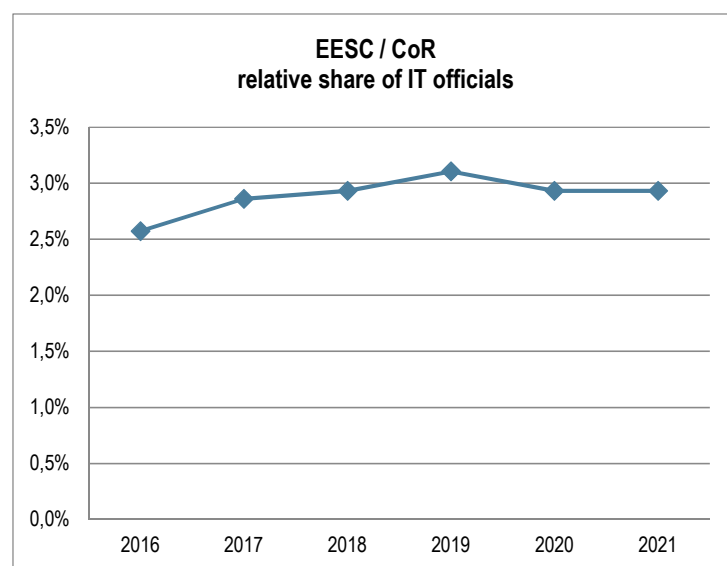
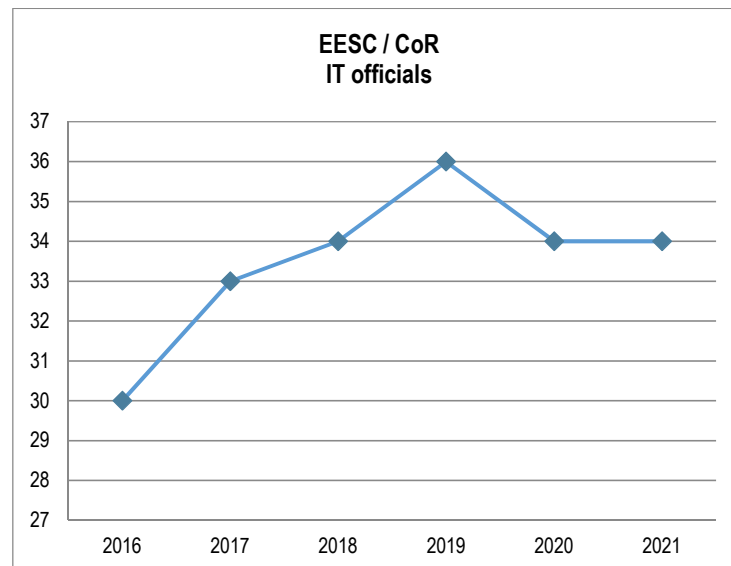
	EESC IT budget (€)	EESC officials	EESC IT budget (€) / EESC official	EESC budget (€)	% IT budget / Total budget
2021	7.543.099	669	11.275	145.024.938	5,2%
2020	7.519.112	668	11.256	142.539.393	5,3%
2019	4.885.433	668	7.314	138.502.768	3,5%
2018	4.336.300	668	6.491	135.630.905	3,2%
2017	3.925.283	665	5.903	133.807.338	2,9%
2016	3.968.833	670	5.924	130.171.475	3,0%



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.

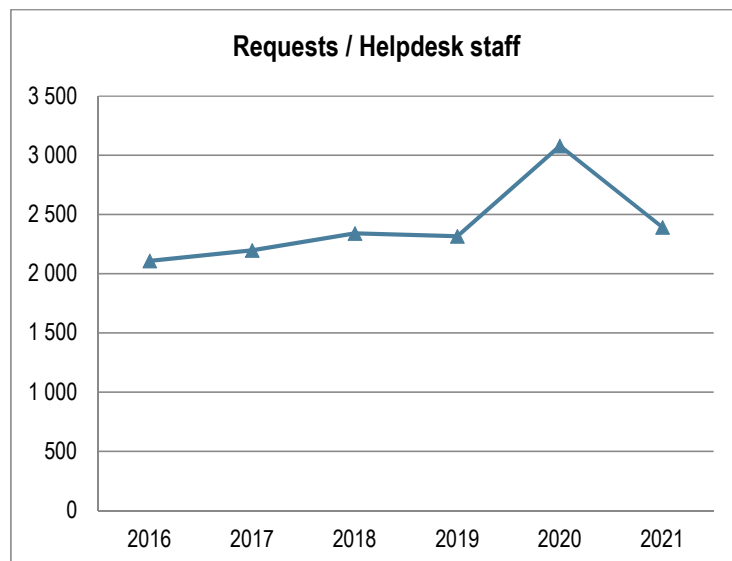
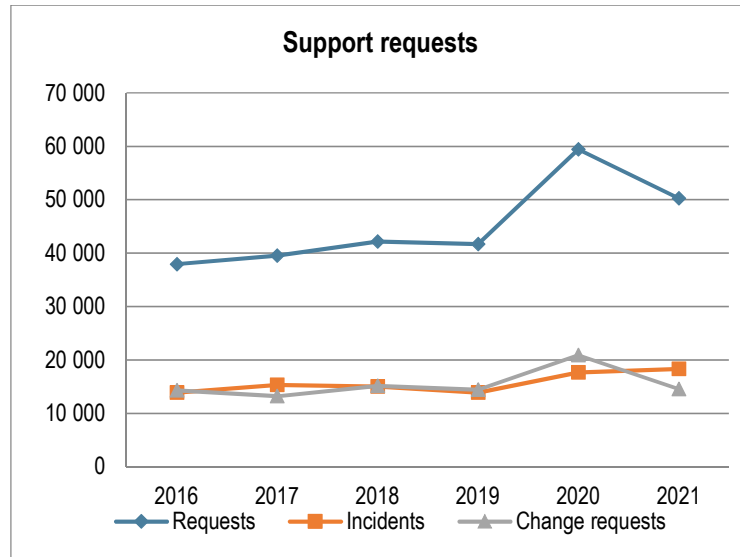
	EESC / CoR IT officials	EESC / CoR officials	EESC / CoR IT officials / officials
2021	34	1.159	2,9%
2020	34	1.159	2,9%
2019	36	1.159	3,1%
2018	34	1.159	2,9%
2017	33	1.154	2,9%
2016	30	1.166	2,6%



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).

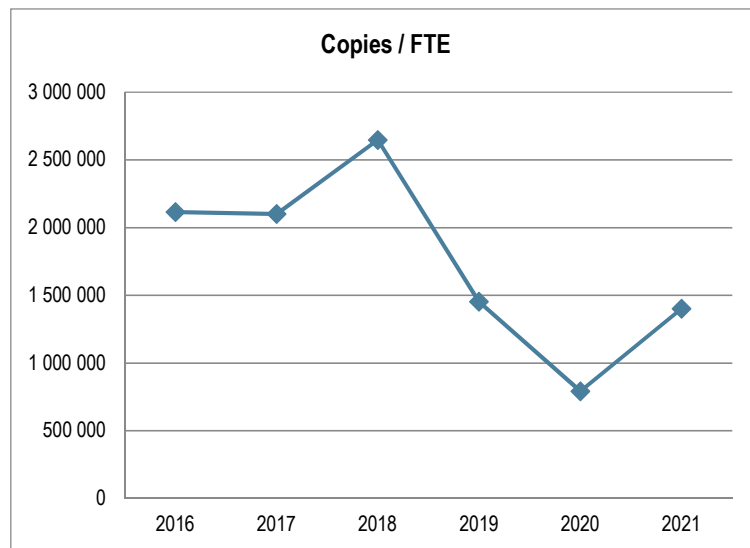
	Requests	Incidents	Change requests	Helpdesk staff (FTE)	Requests / Helpdesk staff
2021	50.242	18.334	14.545	21	2.392
2020	59.434	17.696	20.907	19	3.079
2019	41.689	13.897	14.462	18	2.316
2018	42.159	15.011	15.133	18	2.342
2017	39.565	15.314	13.226	18	2.198
2016	37.951	13.928	14.324	18	2.108



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.

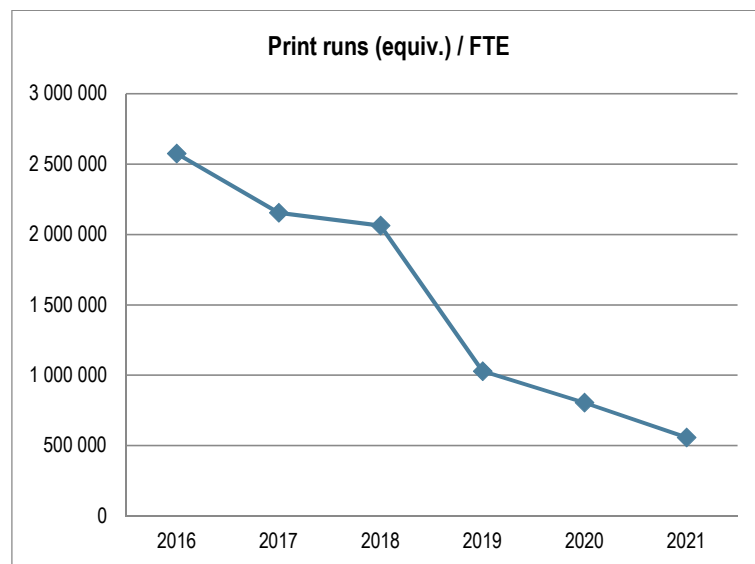
	EESC		CoR		Total	FTE	Copies / FTE
	Copies	%	Copies	%			
2021	1.697.224	93,2%	124.642	6,8%	1.821.866	1,3	1.401.435
2020	1.519.604	83,4%	301.918	16,6%	1.821.522	2,3	791.966
2019	5.735.364	69,6%	2.503.687	30,4%	8.239.051	5,7	1.453.950
2018	7.851.014	57,7%	5.765.597	42,3%	13.616.611	5,2	2.647.523
2017	6.372.525	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



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.

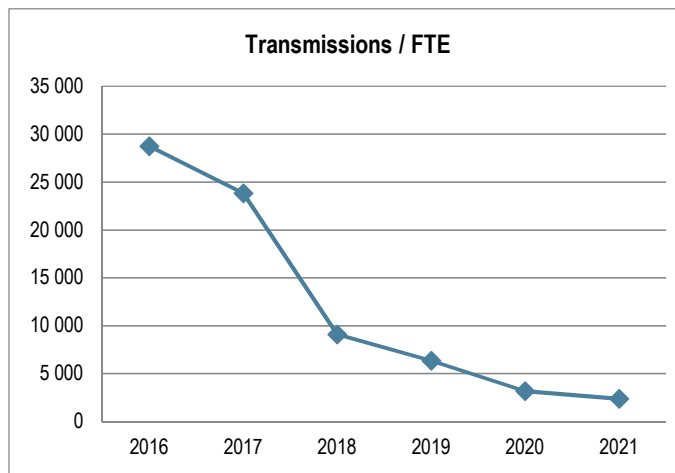
	EESC		CoR		Total	FTE	Print runs (equiv.) / FTE
	Print runs (equiv.)	%	Print runs (equiv.)	%			
2021	498.000	89,2%	60.150	10,8%	558.150	1,0	558.150
2020	724.510	69,1%	323.550	30,9%	1.048.060	1,3	806.200
2019	1.910.115	74,3%	662.050	25,7%	2.572.165	2,5	1.028.866
2018	2.788.510	60,0%	1.856.470	40,0%	4.644.980	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



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.

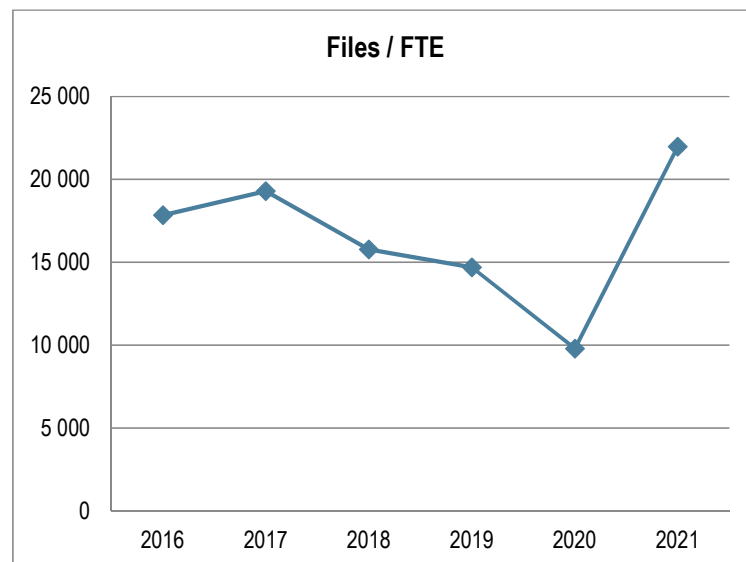
	EESC		CoR		Total	FTE	Transmissions / FTE
	Transmissions	%	Transmissions	%			
2021	1.158	48,6%	1.223	51,4%	2.381	1,0	2.381
2020	1.994	48,5%	2.118	51,5%	4.112	1,3	3.163
2019	4.829	50,7%	4.698	49,3%	9.527	1,5	6.351
2018	7.553	55,5%	6.066	44,5%	13.619	1,5	9.079
2017	27.022	85,1%	4.740	14,9%	31.762	1,3	23.822
2016	33.451	77,6%	9.673	22,4%	43.124	1,5	28.749



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	%			
2021	21.615	98,4%	358	1,6%	21.973	1,0	21.973
2020	17.293	92,9%	1.327	7,1%	18.620	1,9	9.800
2019	42.035	0,8177	9.370	0,1823	51.405	3,5	14.687
2018	50.335	0,7981	12.731	0,2019	63.066	4,0	15.767
2017	47.475	0,7476	16.032	0,2524	63.507	3,3	19.293
2016	51.479	75,3	16.889	24,7	68.368	3,8	17.835

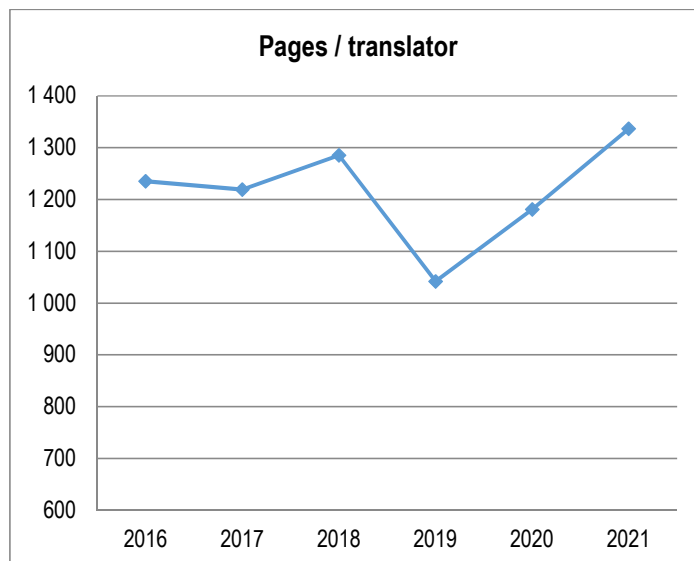
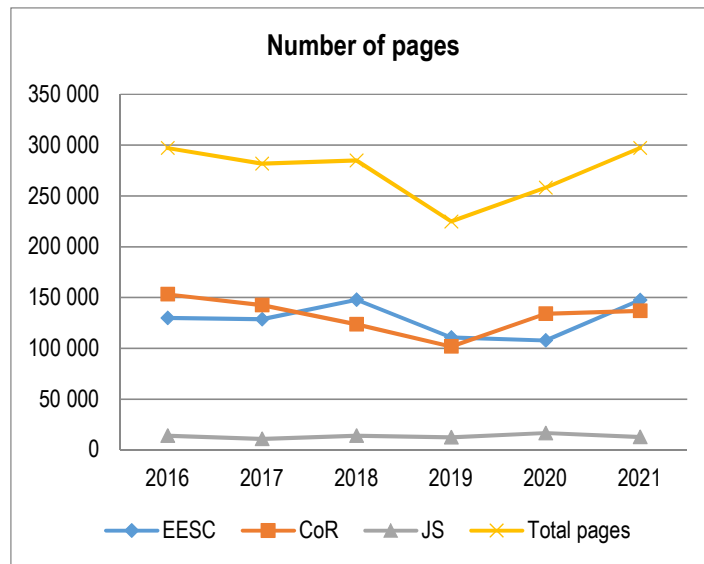


4.9 DIRECTORATE FOR TRANSLATION

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.

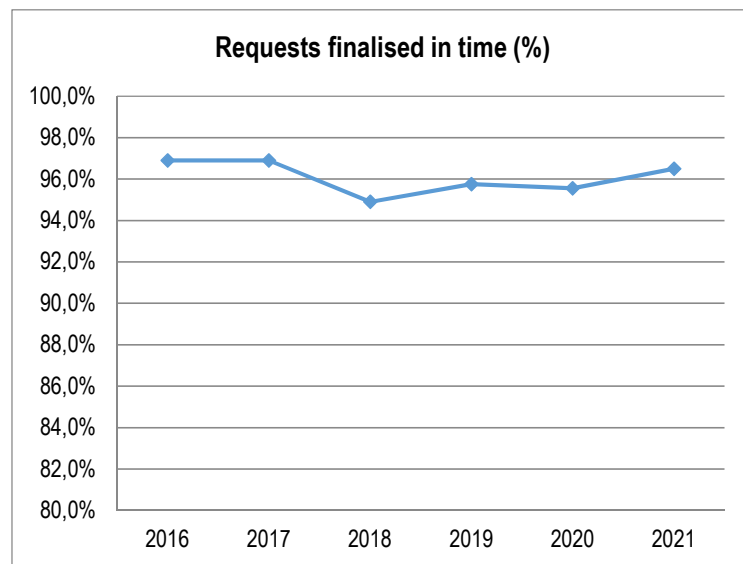
	EESC		CoR		JS		Total pages	FTE	Pages / translator
	Pages	%	Pages	%	Pages	%			
2021	147.497	49,6%	136.992	46,1%	12.628	4,3%	297.117	222,3	1.337
2020	107.712	41,7%	133.954	51,9%	16.516	6,4%	258.181	218,6	1.181
2019	110.658	49,2%	101.767	45,3%	12.442	5,5%	224.868	215,8	1.042
2018	147.810	51,9%	123.481	43,3%	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



Translation deadline compliance rate

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

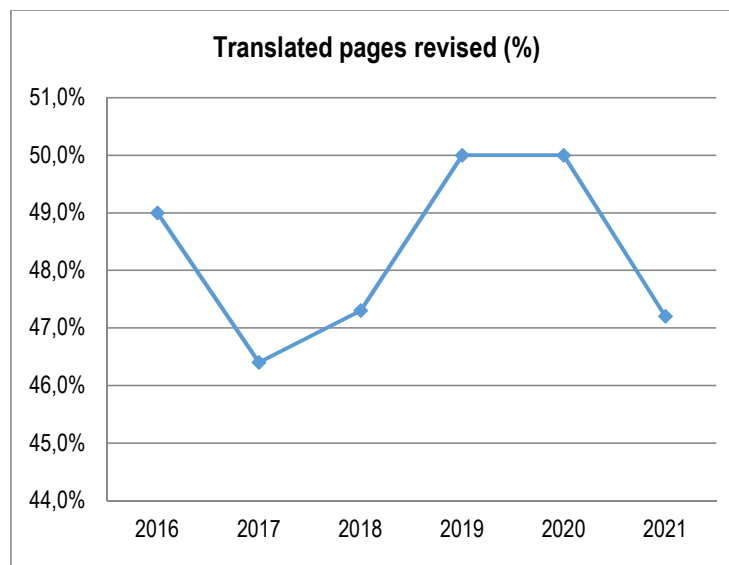
	Requests finalised in time (%)
2021	96,5%
2020	95,6%
2019	95,8%
2018	94,9%
2017	96,9%
2016	96,9%



Translation revision rate

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

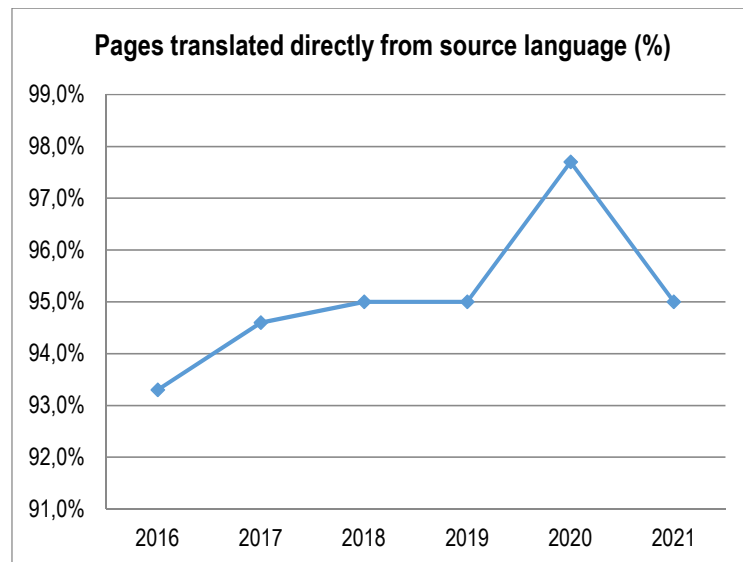
	Translated pages revised (%)
2021	47,2%
2020	50,0%
2019	50,0%
2018	47,3%
2017	46,4%
2016	49,0%



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.

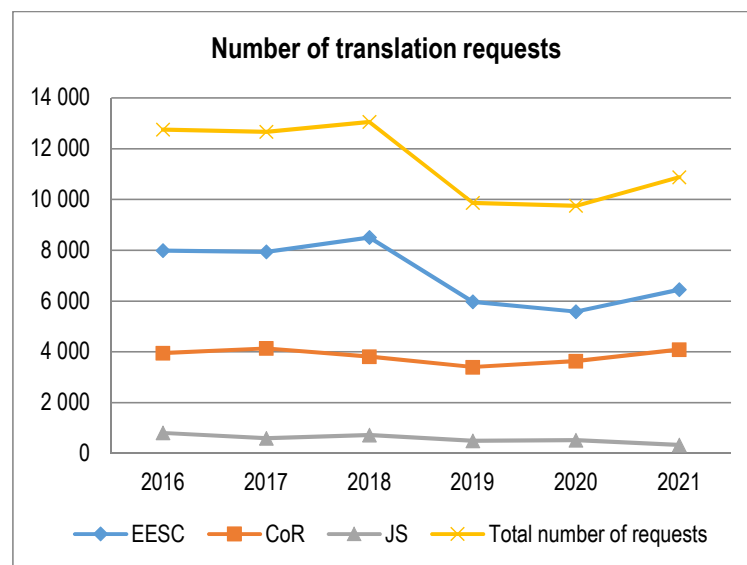
Pages translated directly from source language (%)	
2021	95,0%
2020	97,7%
2019	95,0%
2018	95,0%
2017	94,6%
2016	93,3%



Number of translation requests

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

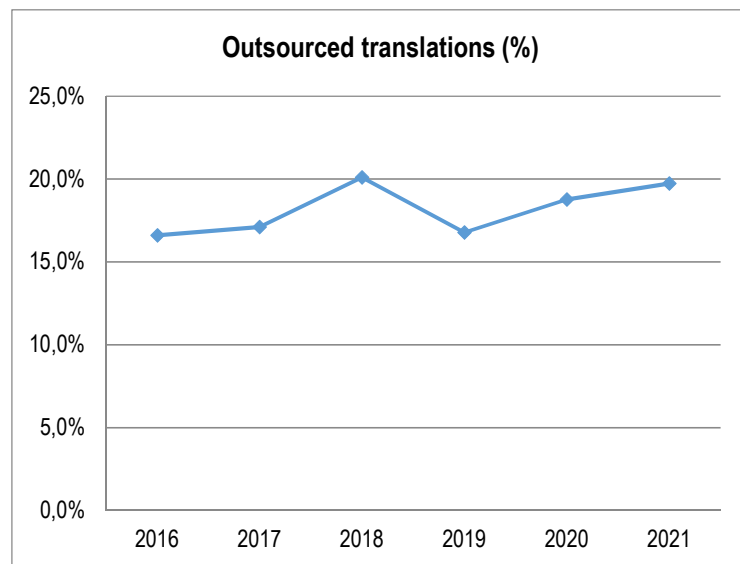
	EESC		CoR		JS		Total number of requests
	Requests	%	Requests	%	Requests	%	
2021	6.445	59,3%	4.091	37,6%	335	3,1%	10.871
2020	5.584	57,3%	3.641	37,3%	525	5,4%	9.750
2019	5.975	60,5%	3.401	34,5%	494	5,0%	9.870
2018	8.505	65,2%	3.819	29,3%	730	5,6%	13.054
2017	7.932	62,6%	4.138	32,7%	593	4,7%	12.663
2016	7.989	62,7%	3.951	31,0%	809	6,3%	12.749



External translation rate

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

	Outsourced translations (%)
2021	19,7%
2020	18,8%
2019	16,8%
2018	20,1%
2017	17,1%
2016	16,6%



5. RESULTS OF *EX POST* CONTROLS 2021

Financial Regulation, Article 74 (9): Powers and duties of the authorising officer

The authorising officer by delegation shall report to his or her Union 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; and*
- (c) the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.*

...

Rules of Application, IFR Article 23 (4): Ex-ante and ex-post controls

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

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 2021, the public procurement sector updated the tools developed in previous years for all types of procedure, including 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 sector works closely with the public procurement sector.

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 who have 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. An assessment of risks in this area was carried out in 2021, aimed at updating the list of transactions submitted to ex ante verification and further improving the efficiency and effectiveness of controls.

5.2 RESULTS OF *EX POST* VERIFICATION

The verification sector carried out the ex post checks on some 2021 transactions, in accordance with the request received from the authorising officers responsible.

The situation on the date of this report is as follows:

IV.

APPENDICES

Field of expenditure	<i>Ex post</i> control undertaken	Verifier's observations	Conclusions/main action taken by the authorising officer (AOS)
Payment of salaries 2021	<p>Following an agreed action plan with Internal Audit, in November 2021 EESC verification carried out <i>ex post</i> controls on salaries paid in:</p> <ul style="list-style-type: none"> - June 2021 (including payment of travel expenses to the place of origin – FVO - Annex VII Art.8 of Staff Regulations), - August 2021 (Parental leave), - September 2021 (including expatriation and foreign residence allowances – Annex VII Art.4 of Staff Regulations). <p>Controls were carried out in accordance with the request of the authorising officer.</p>	<p>The verification sector performed <i>ex post</i> verification of salaries in 2021. The report was submitted on 25 January 2022.</p>	<p>Following the <i>ex post</i> controls, non-quantifiable remarks on the three categories of salary components (travel expenses to the place of origin, expatriation/foreign residence allowance, parental leave) were submitted to the E.3 unit (Working conditions, rights and obligations). E.3 unit will review the remarks and will pursue the mitigation of specific risk areas.</p>
Logistics (IT, security, printing)	<p>Following a request from the relevant authorising officer by subdelegation, the EESC verification service carried out <i>ex post</i> controls on 2021 transactions which had undergone <i>ex ante</i> verification by the CoR.</p>	<ol style="list-style-type: none"> 1. Comment on the selection procedure for the samples, in relation to the representativeness of the entire population. 2. Minor administrative and encoding errors, regarding annuality, minor irregularities concerning the FR 2018 and missing supporting documents, dates or signatures. 	<p>As specified in the request sent to verification, "the purpose of <i>ex post</i> controls is to check if the internal control chain has worked properly (or not), in order to provide the relevant authorising officer with feedback on how to improve the control chain". The report about <i>ex post</i> verification of transactions made by IT, security and printing units was submitted to the relevant authorising officer.</p>

IV.**APPENDICES**

Field of expenditure	<i>Ex post</i> control undertaken	Verifier's observations	Conclusions/main action taken by the authorising officer (AOS)
Staff missions	Following a request from the relevant authorising officer, <i>ex post</i> controls will be conducted on a sample of 2021 travel claims and on a sample of invoices from the travel agency	(ongoing)	(t.b.a.)

As regards transactions subject to light verification, *ex post* controls on 2021 transactions have been delayed to the second semester of 2022.

6. REPORT ON BUILDING CONTRACTS 2021 AND REPORT TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ACCORDING TO ART. 266(1) OF THE FINANCIAL REGULATION

Financial Regulation, Article 163: Publicity measures

1. *For procedures with a value equal to or greater than the thresholds referred to in Article 175(1) or Article 178, 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 164(1);*
 - (b) *a contract award notice on the results of the procedure.*
2. *Procedures with a value below the thresholds referred to in Article 175(1) or Article 178 shall be advertised by appropriate means.*
3. *Publication of certain information on a contract award may be withheld where its release would impede law enforcement, or otherwise be contrary to the public interest, would harm the legitimate commercial interests of economic operators or might prejudice fair competition between them.*

Financial Regulation, Annex I (3): Advertising of procedures for contracts with a value below the thresholds referred to in Article 175(1) of this Regulation or for contracts outside the scope of Directive 2014/24/EU

- 3.2. *For contracts awarded in accordance with points (g) and (i) of the second subparagraph of point 11.1, the contracting authority shall send a list of contracts to the European Parliament and Council no later than 30 June of the following financial year. Where the contracting authority is the Commission, that list shall be annexed to the summary of the annual activity report referred to in Article 74(9).*

Financial Regulation, Annex I (11): Use of a negotiated procedure without prior publication of a contract notice

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

6.1 BUILDING CONTRACTS 2021

No building contracts were awarded in 2021. On 18 March 2021, the Committees referred the draft Administrative Agreement with the EEAS for the takeover of the lease of the Belliard 100 building to the budgetary authority in order to seek its opinion on the financial aspects of this takeover in application of Article 266 of the Financial Regulation (references CESE (2021) D/505 Official registration n° (2021) D/199 and CoR (2021) D/430 Official registration n° (2021) D/352). The Administrative Agreement with the EEAS was signed on 22 June 2021.

6.2 ARTICLE 266 FR REPORT

Financial Regulation, Article 266(1): Specific provisions regarding building projects

Each Union 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. The expenditure shall include the costs of the fitting-out of buildings but not the other charges;*
- (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 to the Council under the procedure set out in paragraphs 2 and 3 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 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 buildings 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 area, and contains a set of guiding principles, which include:

- 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 – "geographical concentration" – several scenarios were explored in 2018. The preferred scenarios all include retaining the VMA building (rue Van Maerlant 2) for use by the EESC and the CoR after 2021.

It should be noted here that, in 2016, the European Commission secretary-general informed the Committees that the Administrative Agreement on renting the VMA would not be extended beyond February 2019, and that the Commission intended to demolish the building after that date and to build a new one solely for its own use. Following negotiations, that Administrative Agreement was finally extended until the end of 2021, but no arrangement was made for further use of this building by the Committees beyond that year.

On 28 August 2019, a new Administrative Agreement was signed by the Director of the OIB and the secretaries-general of both Committees on the exchange of the Committees' B68 (rue Belliard 68) and TRE74 (rue de Trèves 74) buildings for the Commission's VMA building. The exchange will become effective on 16 September 2022, the date on which the value of both sets of buildings will be identical².

NEED FOR A NEW BUILDING

Exchanging the B68 and TRE buildings for the VMA will, however, result in a significant loss of office space for the two Committees (10 440 m²)³, which cannot be entirely offset by alternative measures in the short term such as stepping up the office-space density of the other buildings and increasing teleworking.

On 11 December 2019, the European External Action Service (EEAS) informed the Committees that the Belliard 100 building would be available by early 2021 and proposed transferring its current lease to them. With 5 200 m², the Belliard 100 building would enable the Committees to partially offset the loss of office space following the building exchange scheduled for September 2022. In addition, renting the B100 as from early 2021 would enable the Committees to accommodate some of the staff vacating the VMA building during the refurbishment works planned between summer 2021 and summer 2022. As the B100 is adjacent to the VMA building, taking over its rental contract will also have the advantage for the Committees of having a fully interconnected single group of buildings.

Considering these elements, the Bureaus of the two Committees mandated the secretaries-general in February 2020 to undertake negotiations with the EEAS in view of concluding an agreement enabling the Committees to take over the rental contract of B100 as from early 2021.

The negotiations started in March 2020, with the initial aim of being concluded before summer 2020. Nevertheless, the COVID-19 crisis caused a major delay in the works of another building that the EEAS intended to occupy at the beginning of 2021 and as a consequence the services

² 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.

³ 13 396 m² minus the VMA surface area of 2 956 m² currently occupied by the European Commission. The other part of the building is already occupied by the Committees.

currently housed in the B100 building can only move out later in 2021. In its letter dated 12 November 2020, the EEAS informed the Committees that the takeover of the rental contract of the B100 building could only take effect on 1 September 2021.

The draft Administrative Agreement with the EEAS for the takeover of the lease of the Belliard 100 building was approved by the Bureau of the European Economic and Social Committee on 15 September 2020 and by the Bureau of the Committee of the Regions on 9 October 2020.

On 18 March 2021, the Committees referred the matter to the budgetary authority in order to seek its opinion on the financial aspects of this takeover in application of Article 266 of the Financial Regulation (references CESE (2021) D/505 Official registration n° (2021) D/199 and CoR (2021) D/430 Official registration n° (2021) D/352).

The European Parliament has approved this request on 10 May 2021, confirmed by its letter EP (2021)012506 of 1 June 2021. The European Council did not take a decision contrary to the project by 16 April 2021 and therefore it was deemed approved by the Council.

Following the exchange of buildings with the Commission, savings compared to 2019 will begin to appear from the beginning of 2023, due to the lower cost of renting the entire VMA compared to the three buildings currently being paid for (B68, T74 and partially the VMA): these savings will be sufficient to cover the rent of B100.

For 2021 and 2022, i.e. before the exchange of buildings, the rent for the B100 building represents an additional one-off cost for both Committees compared to 2020.

NEED TO REFURBISH VMA

The VMA is a more than 35-year-old building. Its office floors from the third to the ninth floor need to be refurbished as soon as possible (2021-2022) in order to function properly in the coming years. It should be noted that if the building exchanges were not happening, the Committees would still need to refurbish the B68 and TRE74 in more or less the same period as these two buildings are also quite old.

The estimated budget for the VMA's refurbishment works from the third to the ninth floor was EUR 6 to 9 million. The main part of this budget for the renovation works of the VMA (around EUR 6 million) was already available in the initial 2021 budget approved by the budgetary authority as a "one off" request for the year 2021. In addition, it was possible to save appropriations for an amount of 3 million from budget lines 2001 and 2000 as well as from other projects on budget line 2007 and to use them for the VMA refurbishment.

On 21 April 2021 in their joint yearly report on Buildings⁴ in application of article 266 of the Financial Regulation, the European Economic and Social Committee and the European Committee of the Regions confirmed and extended their early warning to the budgetary authority, which had already been notified through a letter dated 24 May 2019 sent to Mr Arthuis and through the Buildings Report sent on 29 May 2020, to the Budgetary Authority:

- the need to refurbish the VMA building,
- the launch of a call for tenders in spring 2021 for the renovation works for the VMA building, to be undertaken between September 2021 and September 2022, for an estimated amount of up to EUR 9 million.

The renovation works of the VMA building have been explained to European Parliament's Committee on Budget at its meeting on 10 May 2021.

On 28 October 2021, the Committees referred the matter to the budgetary authority in order to seek its approval on the financial aspects of this renovation in application of Article 266 of the Financial Regulation (references CESE (2021) D/2660 Official registration n° 850 and CoR (2021) D/2035 Official registration n° 1253).

By letter of 17 November 2021 with references ADO EESC (2021) D/2927 and ADO COR, following the questions raised during the shadow rapporteurs meeting of the Committee on Budgets of the European Parliament on 10 November 2021, the Director of Logistics Mr Campilho confirmed to commit himself to represent the file again to the Committee on Budgets in the event that the costs for the renovation of the Van Maerlant building will be higher than the maximum EUR 10 million euro announced in the annexes to the above mentioned requesting letter.

The European Parliament has approved this request on 18 November 2021, confirmed by its letter with reference EP (2021)308595 of 7 December 2021.

The European Council did not take a decision contrary to the project by 26 November 2021 and therefore it was deemed approved by the Council.

The 1 December 2021 the tender for the renovation works has been awarded and a few days after the framework contracts has been signed as well as the specific contracts for the works for a total amount of EUR 9 million:

- the main renovation, including new sanitary facilities, showers and lounge area for EESC members for a total amount of EUR 6,25 million
- three technical options for a total amount of EUR 2,75 million:
 1. modernise the work environment by installing glass partitions
 2. allow a flexible layout at all times (reasonable flexibility) so that the spaces can be adapted to new forms of work in smaller or larger, individual or shared, or open offices (post-pandemic phase) at low cost,

⁴ references EESC (2021) D/1012 - Official registration N° 335 and CDR (2021) D/967 - Official registration N° 511

3. measures to limit energy and water consumption (EMAS/Green Deal objectives).

These works started in December 2021 and will be finished by September 2022 and will enable the VMA to be refurbished and operational again on its office floors before its exchange with B68/TRE74 in September 2022.

This total amount represents around 3% of the total accounting value of the two Committees' buildings.

LIFT OF PURCHASE OPTIONS

In their letter 001071-01909 dated 11 December 2014, the European Economic and Social Committee and the European Committee of the Regions informed the budgetary authority 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 signing of the deed on 19 November 2018.

The option to purchase the BVS and REM buildings was exercised with the signing of both deeds on 9 December 2019.

As the Committees will swap the B68 and TRE buildings for the VMA building, the exercise of the purchase options of the B68 and TRE buildings will have to be carried out by the Commission in due time.

The Committees will exercise the option to purchase the VMA building between 1 September 2028 and 31 October 2028 as provided for in the long-term lease contract.

In conclusion, the budgetary authority is informed about:

- the signing on 28 August 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 Committees' B68/TRE74 buildings for the Commission's VMA building⁵;
- the signing on 22 June 2021 of an Administrative Agreement with the European External Action Service for the takeover of the rental contract of the B100 building as from 1 September 2021, following the agreement of the budgetary authority in June 2021;
- the awarding of a call for tenders in December 2021 for the renovation works of the third to the ninth floor of the VMA building, to be undertaken between December 2021 and September 2022, for an amount of EUR 9 million, following the agreement of the budgetary authority received in November 2021;
- the state of play related to the exercising of the options to purchase the buildings occupied by the Committees, for which there were no changes in 2021.

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 in 2020. On 18 March 2021, the European Economic and Social Committee and the Committee of the Regions addressed a request to the budgetary authority in application of Article 266(3) of the Financial Regulation in order to seek its approval on the financial aspects of the takeover from the EEAS of the Belliard 100 building rental contract, (references CESE (2021) D/505 Official registration n° (2021) D/199 and CoR (2021) D/430 Official registration n° (2021) D/352). See Part 2 of this report for more information.

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

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

Item		Building	Area above ground (m ²)	Type of contract	Lease payment 2023 (EUR)
2001 (Annual lease payments)	Office space	JDE	22 026	Option exercised in November 2018	7 250 194
		BVS	18 281	Option exercised in December 2019	6 076 573
		REM	2 324	Option exercised in December 2019	259 805
		VMA	11 634	Emphyteusis with option to buy	4 267 627
	Non-office space	JDE	14 353	Option exercised in November 2018	4 724 509
		BVS	2 285	Option exercised in December 2019	759 530
		REM	0	Option exercised in December 2019	0
		VMA	4 462	Emphyteusis with option to buy	1 636 767
Total item			75 365		24 975 005
2000 (Rent)	Office space	B100	3 708	Rent	1 024 111
	Non-office space	B100	2 119		585 245
	Total item				5 827
GRAND TOTALS			81 192		26 584 361

Share of office space in total space (%)	71,4 %
Share of non-office space in total space (%)	28,6 %
Workplaces to be accommodated	1 496
Office space / workplaces (m²)	38,8

7. INSTRUCTIONS GIVEN REGARDING DECISIONS WHICH ARE IRREGULAR OR CONTRARY TO THE PRINCIPLES OF SOUND FINANCIAL MANAGEMENT DURING 2021

Financial Regulation, Article 92 (3): Rules applicable to authorising officers

An authorising officer by delegation or sub-delegation who receives a binding instruction which he or she considers to be irregular or contrary to the principle of sound financial management, in particular because the instruction cannot be carried out with the resources allocated to him or her, shall inform the authority from which he or she received the delegation or subdelegation about that fact in writing. If the instruction is confirmed in writing and that confirmation is received in good time and is sufficiently clear, in that it refers explicitly to the points which the authorising officer by delegation or subdelegation has challenged, the authorising officer by delegation or subdelegation shall not be held liable. He or she shall carry out the instruction, unless it is manifestly illegal or constitutes a breach of the relevant safety standards.

The same procedure shall apply in cases where an authorising officer considers that a decision, which is his or her responsibility to take, is irregular or contrary to the principle of sound financial management or where an authorising officer learns, in the course of acting on a binding instruction, that the circumstances of the case could give rise to such a situation.

Any instructions confirmed in the circumstances referred to in this paragraph shall be recorded by the authorising officer by delegation responsible and mentioned in his or her annual activity report.

7.1 ARTICLE 92 (3) INSTRUCTIONS RECEIVED IN 2021

The delegating authority has not issued any such instructions in 2021.

8. WAIVING OF RECOVERY OF AMOUNTS RECEIVABLE INVOLVING EUR 60 000 OR MORE IN 2021

Financial Regulation, Article 101 (2): Rules on waive recovery

The authorising officer responsible may waive recovery of all or part of an established amount receivable only in the following cases:

(a) where the foreseeable cost of recovery would exceed the amount to be recovered and the waiver would not harm the image of the Union;

(b) where the amount receivable cannot be recovered in view of its age, of delay in the dispatch of the debit note in the terms defined in Article 98(2), of the insolvency of the debtor, or of any other insolvency proceedings;

(c) where recovery is inconsistent with the principle of proportionality.

Where the authorising officer responsible 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 decision to waive recovery shall be substantiated. The authorising officer may delegate the power to take that decision.

Financial Regulation, Art. 101 (5): Report on the waivers granted

Each Union institution shall send to the European Parliament and to the Council each year a report on the waivers granted by it pursuant to paragraphs 2, 3 and 4 of this Article. Information on waivers below EUR 60 000 shall be provided as a total amount. In the case of the Commission, that report shall be annexed to the summary of the annual activity reports referred to in Article 74(9).

8.1 WAIVING OF RECOVERY OF AMOUNTS RECEIVABLE INVOLVING EUR 60 000 OR MORE IN 2021

The European Economic and Social Committee made no waivers of recovery of amounts receivable involving EUR 60 000 or more in 2021. The total amount of recovery actually waived in 2021 was EUR 7 763,99.

9. REPORT ON CONTRACTS AND NEGOTIATED PROCEDURES 2021

Article 74 of the Financial Regulation 2018/1046
Powers and duties of the authorising officer

10. *The authorising officer by delegation shall, for each financial year, record contracts concluded by negotiated procedures in accordance with **points (a) to (f) of point 11.1 and point 39 of Annex I.** If the proportion of negotiated procedures in relation to the number of contracts awarded by the same authorising officer by delegation increases significantly in relation to earlier years or if that proportion is distinctly higher than the average recorded for the Union institution, the authorising officer responsible shall report to the Union institution setting out any measures taken to reverse that trend. Each Union institution shall send a report on negotiated procedures to the European Parliament and to the Council. In the case of the Commission, that report shall be annexed to the summary of the annual activity reports referred to in paragraph 9 of this Article.*

ANNEX I of the Financial Regulation 2018/1046
CHAPTER 1 'COMMON PROVISIONS'

SECTION 1

Framework contracts and publicity

3. **Advertising of procedures for contracts with a value below the thresholds referred to in Article 175(1) of this Regulation or for contracts outside the scope of Directive 2014/24/EU**
- 3.3. *Contract award information shall contain the name of the contractor, the amount legally committed and the subject matter of the contract and, in the case of direct contracts and specific contracts, it shall comply with **Article 38(3)**.
The contracting authority shall publish a list of contracts on its website no later than 30 June of the following financial year for:*
- (a) contracts below the thresholds referred to in **Article 175(1)**;*
 - (b) contracts awarded in accordance with **point (h) and points (j) to (m) of the second subparagraph of point 11.1**;*
 - (c) modifications of contracts as set out in point (c) of the first subparagraph of **Article 172(3)**;*
 - (d) modifications of contracts as set out in **points (a) and (b) of the first subparagraph of Article 172(3)** where the value of the modification is below the thresholds referred to in **Article 175(1)**;*
 - (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 specific contracts under the same framework contract.*

SECTION 2

Procurement procedures

11. Use of a negotiated procedure without prior publication of a contract notice

*11.1. Where the contracting authority uses the negotiated procedure without prior publication of a contract notice, it shall comply with the arrangements on negotiation set out in **Article 164(4)** and in **point 6.5**.*

The contracting authority may use the negotiated procedure without prior publication of a contract notice, 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 **point 11.2** have been submitted in response to an open procedure or restricted procedure after that 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 **point 11.3** 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 an 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 **points 24, 26 and 41** 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 shall 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 those 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 **point 11.4**;*

(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 Union institutions award contracts on their own account, the duration of such contracts shall 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;

9.1 REPORT ON NEGOTIATED PROCEDURES ACCORDING TO ARTICLE 74 'POWERS AND DUTIES OF THE AUTHORISING OFFICER' OF THE FINANCIAL REGULATION

During 2021, the EESC organised one negotiated procedure without prior publication of a contract notice (**Point 11.1 (a) to (f) of the Annex I of the Financial Regulation 2018/1046**).

CONTRACTOR	SUBJECT	AMOUNT IN EUR	TYPE OF CONTRACT	LEGAL BASIS FR 2018 ANNEX I
HIGH TECHNOLOGIES DETECTION SYSTEMS HTDS SAS	DISPLACEMENT OF 2 X-RAY SCANNERS X HTDS 2021	2 100.00	Services	Point 11.1 (b) Technical reasons

9.2 EX-POST PUBLICITY OF SIGNED CONTRACTS IN 2020, ACCORDING TO POINT 3.3 OF ANNEX I OF THE FINANCIAL REGULATION

According to **point 3.3 of Annex I of the Financial Regulation 2018/1046**, the European Economic and Social Committee publishes each year on its website, by 30 June at the latest, lists of contracts awarded/signed the previous financial year:

- A list of middle and low value contracts awarded with a value higher than the EUR 15 000.00 and below the EUR 139 000.00 thresholds for services and supplies (thresholds referred to in **Article 175(1) FR**).
- A list of specific contracts, aggregated per contractor, signed in respect of Framework Contracts.
- A list of contracts awarded in accordance with point (h) and points (j) to (m) of the second subparagraph of point 11.1 (negotiated procedure without prior publication of a contract notice).

EESC Website: <https://www.eesc.europa.eu/en/work-with-us/publicprocurement/awarded-contracts>

10. AVERAGE PAYMENT TIMES – PAYMENT DELAY SUSPENSION**Article 116 of the Financial Regulation 2018/1046****Time limits for payments**

1. *Payments shall be made within:*
 - (a) 90 calendar days for contribution agreements, contracts and grant agreements 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 contribution agreements, contracts and grant agreements for which payment depends on the approval of a report or a certificate;
 - (c) 30 calendar days for all other contribution agreements, contracts and grant agreements.
2. *The time allowed for making payments shall be understood to include validation, authorisation and the payment of expenditure.*

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

3. *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 Union institution's account is debited.

A payment request shall include the following essential elements:

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

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

The creditor shall be informed in writing of a 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.

4. *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 eligible. The remaining time allowed for payment shall begin to run 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.

The creditors concerned shall be informed in writing of the reasons for a suspension.

5. *Except in the case of Member States, the EIB and the EIF, on the expiry of the time limits laid down in paragraph 1, the creditor shall be entitled to interest in accordance with the following conditions:*
- (a) the interest rates shall be those referred to in Article 99(2);*
 - (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 paragraph 1 up to the day of payment.*

However, in the event that 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 on a request submitted within two months of receiving late payment.

6. *Each Union institution shall submit to the European Parliament and Council a report on the compliance with and the suspension of the time limits laid down in paragraphs 1 to 4 of this Article. The report of the Commission shall be annexed to the summary of the annual activity reports referred to in Article 74(9).*

10.1 FIGURES ON AVERAGE PAYMENT TIMES – PAYMENT DELAY SUSPENSION IN 2021

Payment times

Maximum payment time (days)	All payments 2021			Payments within time limit 2021			Late payments 2021		
	Number of payments	%	Average payment time (days)	Number of payments	%	Average payment time (days)	Number of payments	%	Average payment time (days)
30	5.724	100,00	19.93	4.742	82.84	13,61	982	17.16	50.42
60	13	100,00	26.92	13	100.0	26.92	0	0.00	0.00
30-60	5.737	100,00	19.94	4.755	82.88	13,65	982	17.12	50.42

Suspensions

Average payment suspension (days)	Number of suspended payments	% of total number	Total number of payments
64	149	2.60	5.737

Late Interest paid in 2021

Description	Amount (EUR)
Interest on late payment of charges	271.65

11. FOLLOW-UP TO OBSERVATIONS IN THE PARLIAMENT'S 2020 DISCHARGE RESOLUTION

Financial Regulation, Art. 262: Follow-up measures

1. *In accordance with Article 319 TFEU and Article 106a of the Euratom Treaty, Union institutions and Union bodies referred to in Articles 70 and 71 of this Regulation 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 of the Council, Union institutions and Union bodies referred to in Articles 70 and 71 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 budget implementation ... The reports from Union institutions and Union bodies referred to in Articles 70 and 71 shall also be transmitted to the Court of Auditors.*

11.1 EUROPEAN PARLIAMENT RESOLUTION OF 4 MAY 2022 WITH OBSERVATIONS FORMING AN INTEGRAL PART OF THE DECISION ON DISCHARGE IN RESPECT OF THE IMPLEMENTATION OF THE GENERAL BUDGET OF THE EUROPEAN UNION FOR THE FINANCIAL YEAR 2020, SECTION VI – EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2021/2111(DEC))

The European Parliament [...],

1. *Notes with satisfaction that the Court of Auditors (the 'Court') identified no significant weaknesses in respect of the audited topics related to human resources (HR) and procurement for the Committee;*

No follow-up needed.

2. *Emphasises the fact that, on the basis of its audit work, the Court concluded that the payments as a whole for the administrative expenditure of the institutions, including that of the Committee, for the financial year 2020 were free from material error; welcomes the fact that no specific issues relating to the regularity of the transactions were detected by the Court;*

No follow-up needed.

3. *Is aware that Chapter 9 'Administration' of the Annual Report of the Court is focused on expenditure on HR, buildings, equipment, energy, communication and information technology and that the Court indicates that such spending is low-risk;*

No follow-up needed.

Budgetary and financial management

4. *Notes that the Committee budget for 2020 amounted to EUR 142,5 million (a 4,22 % increase compared to the 2019 budget), of which EUR 130,9 million was spent or carried forward to 2021 as commitments;*

No follow-up needed.

5. *Notes that the execution rate in 2020 was 91,8 % (compared to 98,1 % in 2019); is aware that, following the outbreak of the COVID-19 pandemic, several budget lines were impacted (members' travel costs and allowances, interpretation, staff missions and the organisation of events and hearings), in terms of both a reduced use of appropriations and necessary additional expenditure;*

No follow-up needed.

6. *Notes that to address the remaining amounts in the budget lines affected by the outbreak of the COVID-19 pandemic, the Committee initiated transfers earlier in 2020, resulting in an exceptionally high total transfer amount of approximately EUR 12,5 million; observes, however, that the execution of appropriations carried forward from 2019 to 2020 was slightly lower than in 2019: 79,2 % (EUR 6,9 million) in 2020 compared to 82,1 % (EUR 7,1 million) in 2019;*

No follow-up needed.

7. *Notes the decision of 28 April 2020 of the Committee's bureau on 'One-time increase in the IT co-financing allowance for Members' that entitled qualifying members (i.e. those who attended at least 50 % of the meetings to which they had been invited) to receive EUR 2 500 for each of the two annual instalments in 2020 (instead of EUR 1 500 for each of the two instalments in any other year); calls on the Committee to give information about this one-time increase in the section dedicated to members' travel expenses and allowances on its website; notes that the objective of that decision was to enable members to afford efficient and stable electronic means to communicate and attend meetings; points out that a portable PC was also offered to members; notes that the actual spending of the IT co-financing allowance for Members in 2020 was EUR 1 443 500, out of which EUR 578 000 represents that increase; draws attention, with regard to sound financial management, to the fact that the IT co-financing allowance is a flat-rate allowance not based on actual costs meaning that members are not asked to provide supporting documents in order to obtain that allowance;*

As an immediate consequence of the COVID-19 pandemic, the EESC Bureau decided on 28 April 2020 to provide a one-time increase in the IT co-financing allowance for members, thus increasing the amount payable to "qualifying" members by EUR 1 000, for each of the two annual instalments in 2020. The rationale for this decision was to safeguard business continuity by ensuring members had efficient and stable electronic means to enable them to

communicate and attend meetings. As a result of the decision, members who had attended at least 50% of the meetings to which they had been invited were entitled to receive EUR 2 500 (instead of EUR 1 500) in April 2020 and in October 2020.

Further to a budget transfer, the actual spending of the IT allowance for members was EUR 1 443 500 (out of which EUR 578 000 represents the additional allowance resulting from the decision of 28 April 2020).

The allowance granted to the members could indeed be considered as a flat-rate payment, adapted once in 2020, to cope with the special COVID-19 health situation. The aim was to safeguard business continuity and it was only available to qualifying, "actively participating" members. This IT allowance, which amounts to EUR 3 000 a year (exceptionally EUR 5 000 in 2020) would be the equivalent of a monthly amount of EUR 250, which is far below the amount of comparable allowances paid at other institutions.

As part of our efforts to enhance the digital workplace, a portable PC was also offered to a very limited number of members. Only around 20 members were eligible (e.g., section presidents, group presidents etc.). Moreover, only 11 members requested such a portable PC. For members holding office, the use of a portable PC provided by the institution allows them to make better use of the internal network facilities and thus it facilitates their work for the Committee.

8. *Reiterates its regrets regarding the decision of 9 June 2020 of the Committee's bureau allowing members to claim the usual daily subsistence allowance for having participated in Committee meetings remotely; notes that the objective of that decision was to compensate members for the time spent in the performance of their duties and for the related administrative costs, but notes that it damages the reputation of the Committee in the eyes of the citizens; takes note that the Committee's proposal for a specific daily allowance for remote attendance of meetings (EUR 145 compared to the standard allowance of EUR 290) could not be put into practice until the Council's adoption of that proposal and its subsequent entry into force on 1 July 2021; understands that none of those decisions covered reimbursements in addition to the daily subsistence allowance, thus excluding the reimbursement of travel costs and allowances; notes that the total cost of the daily subsistence allowance in 2020 was EUR 4 440 099 of which EUR 2 270 700 was for remote participation and EUR 2 169 399 for physical participation; acknowledges that the budgetary authorities were notified of each relevant decision of the bureau; reiterates its call on the Committee to look into new remuneration practices to ensure fair and proportionate remuneration for members which is not based solely on reimbursements or allowances; asks the Council to align the Committee's decision-making powers regarding remuneration with that of the Committee of Regions;*

The Committee is of the opinion that physical presence at EESC meetings is optimal with a view to allowing the Committee to fulfil its consultative role according to the Treaties.

Nonetheless, to guarantee business continuity and as a result of COVID-19 travel and other related restrictions, in June 2020, the EESC Bureau adopted a temporary decision to allow for the reimbursement of expenses for remote participation in cases where the member was

prevented from travelling to Brussels. When it became evident that travel and related restrictions would last for a longer period, the EESC decided to submit a structural proposal to regulate this matter to the Council. The Council's decision on an allowance to be paid for remote attendance was adopted in June 2021, it entered into force on 1 July 2021 and it will stay in place as long as travel difficulties linked to COVID-19 or related restrictive measures compromise the possibility of organising or attending EESC meetings in person. The EESC reports twice per year to the Council on the implementation of this measure (the next report will be given at the end of June 2022). The amount for remote participation has been fixed at EUR 145.

The Council and the European Parliament (EP) were duly notified in a timely manner of each relevant EESC decision on these matters.

The Council sets the usual daily allowance based on its decision (2013/471 of 23 September 2013). Council Decision 2021/1072 of 28 June 2021, which entered into force on 1 July 2021, introduced the possibility of an allowance for remote participation, after extensive discussions resulting from the proactive approach taken by the Committee in requesting such an allowance.

EESC members do not receive a salary, only reimbursement of their costs and compensation for the time spent working for the Committee. Whilst the Committee takes note of the Parliament's observation that it should ensure fair and proportionate remuneration for members, which is not based solely on reimbursements or allowances, it underlines that the adoption of any new remuneration practices requires the Council to adopt a new decision.

9. *Notes that the Committee's travel agency applies ceilings for travels between Brussels and the main European cities; asks the Committee what it does to encourage its members and its travel agency to adopt smart booking practices for travelling;*

The EESC strongly supports smart booking practices for travelling and has taken a number of actions in this regard.

According to Council Decision No 2013/471/EU of 23 September 2013, the EESC has a system for the reimbursement of travel expenses based on actual costs, as well as for allowances compensating its members and their alternates for time spent when performing their duties.

The rules relating to reimbursement of travel costs mirror the rules in force at the European Parliament: EESC members are reimbursed – upon presentation of the supporting documents – the actual cost of their travel tickets, up to a maximum of the discounted ("D") business class (or similar) air fare.

The current system – which is based on actual costs – is in line with both the Council decision and with the system in place at the European Parliament. The EESC makes a constant effort to inform members of the most cost-effective booking options.

Reimbursement of taxis on the basis of printed electronic receipts – in line with Belgian law

– provides assurance that the Committee reimburses only the actual amount charged for each taxi.

Furthermore, the EESC travel agency (the same one as used by the EP) systematically presents several cost-effective solutions – covering both transport and accommodation – to the requesting EESC beneficiaries. The EESC has also established a list of reference prices (ceilings) for travel between Brussels and the main European cities. Moreover, it should be noted that where members make their own travel reservations that exceed the established reference prices, the EESC limits reimbursement to the applicable ceiling.

10. Notes that in 2020 the Committee, as the lead institution, organised eight calls for tenders open to competition with a value above EUR 15 000; observes that the tender for joint security guard services for the Committee and the Committee of the Regions (the 'CoR') amounted to approximately EUR 24 million, becoming the highest-value tender for the Committee in 2020;

No follow-up needed.

Internal management, performance, internal control

11. Remarks that the integrated business analysis project (IBIP) was launched to identify the root cause of budget variances by carrying out a comparative analysis of the budget and the real costs related to activities such as meetings, events, conferences etc.; notes that the first part of the IBIP aims to capture and map underlying processes, which paves the way for the second part of the project that will focus on improvements and re-engineering of processes; asks the Committee to report on the costs and savings associated with the IBIP;

The Integrated Business Analysis Project (IBIP) was set up as one of the measures linked to improving internal management. In this regard, IBIP is fully aligned with the requirements set out in the EESC's Internal Control Standard No 8, which specifies that processes and procedures used for the implementation and control of EESC activities must be effective and efficient, adequately documented and compliant with applicable provisions.

Whilst one of the project outcomes is expected to lead to an improvement in the forecasting of expenditure on items related to members' (item 1004), delegates' (item 1008) and experts' (item 1422) travel and allowances, the scope of IBIP is much broader. IBIP also aims to further increase the efficiency of activities by identifying and designating process owners (including for IT systems), by indicating interdependencies, by ensuring adequate documentation for all processes (in particular those associated with critical financial risks), and by developing knowledge-base management built on change for continuous improvement.

The first part of the project will be completed by the summer break; it provides detailed visual mapping of processes and procedures related to the expenditure on items 1004, 1008 and 1422, known as the "as-is" situation.

While mapping the "as-is" situation, by means of about 120 process maps, many

opportunities to improve processes have already become apparent. They go beyond financial and budgetary areas and touch upon all business processes and the resources involved in these processes.

The small project team is composed of one middle manager (acting as the project lead on top of their usual tasks) and one single business analyst. The expected return on investment of the project is manifold: it will provide efficiency gains – which are of highest importance given the current scarcity of resources within the EESC –, allow the cutting of red tape in sub-optimal processes, further streamline the development of IT tools and ensure proper knowledge sharing and retention within the Committee.

- 12. Notes that the Committee issued 131 opinions, position papers and information reports in 2020 (compared to 127 in 2019); takes into account that, due to the difficulties in adopting opinions via referrals within the tight interinstitutional deadlines at the beginning of the COVID-19 pandemic, the Committee adopted, prior to the approval of its amended procedure, 13 position papers in response to referrals to ensure an effective and timely contribution to the Union response; asks the Committee to for a report on its respect of interinstitutional deadlines and possible delays over the last five years;***

From 1 January 2017 to 31 March 2022, the Committee adopted 611 opinions with set institutional deadlines (mandatory/optional referrals or exploratory opinions). Almost two thirds of these met the institutional deadlines. In this regard, it should be underlined that the EESC is suffering from some logistical constraints such as the limited availability of suitable meeting rooms (shared with the CoR and no hemicycle) to allow its members to meet at short notice.

Following an internal audit report from 2019, the Committee has implemented a number of measures in this area in recent years. Good progress has been made but further improvement is needed. The EESC strives to fulfil its institutional role as best it can and continues to look into possible options that would allow the Committee to enhance its compliance with institutional deadlines, such as by capitalising on the investments made during the pandemic for remote meetings.

- 13. Notes that the new organisational chart entered into force on 1 January 2020, introducing important changes such as the creation of a directorate for communication and interinstitutional relations and moving the legal service to be under the secretary-general of the Committee; is concerned that the reorganisation does not provide the legal service with the independence it requires to work efficiently; asks the Committee to reconsider its reorganisation;***

The Legal Service has been placed in a cross-cutting position, similar to the internal auditor and data protection officer, in order to have the best outreach and capacity to fulfil its central task, which is to assist all services. Previously, the Legal Service was positioned within Directorate A (Registry and Services to Members), which added an extra layer of bureaucracy within the hierarchical structure and made it dependent on a specific administrative entity.

This approach, placing the Legal Service under the secretary-general, has also been taken by the Committee of the Regions in its new organisation chart, in force since March 2022.

On 25 March 2021, following the submission of a text drafted by the Legal Service, the secretary-general adopted a decision (078/21) formally establishing the procedures to follow in order to consult the Legal Service. This instrument aims to further contribute towards the Legal Service's independence by providing clear and transparent rules regarding its role and the procedure to be followed when referring legal questions to it, including by allocating sufficient time for the consultation process.

Moreover, the head of the Legal Service now regularly participates as an observer at the EESC General Secretariat's weekly management board meetings. This further streamlines the information flow and allows the Legal Service to be aware upfront of possible critical business matters without having to rely on the subsequent dissemination of information.

- 14. Notes the adoption of Decision No 078/21 of the Committee establishing a procedure for consulting its legal service; is concerned about the weak and imprecise wording which states that the legal service "is informed and/or consulted before measures relating to serious irregularities are adopted" as mere information is not sufficient; reiterates once more its firm call for internal procedures providing for the timely and mandatory consultation with the legal service on such irregularities and their related measures with the aim of mitigating the legal risk of decisions related thereto; reminds the Committee that the legal service must be able to assess independently all the decisions taken by the Committee's management and must be provided with sufficient resources and the requisite prerogatives to perform its tasks successfully in the interest of the Committee;***

Please refer to the follow-up action described under point 13.

The decision was drafted upon the proposal of the Legal Service and the text was submitted to the Legal Service for review.

Compared to 2012, the number of administrators working in the Legal Service has increased from three to five. Furthermore, two contract agents have been assigned to the Legal Service to cover for an absence due to parental leave on the one hand and to reinforce the number of assistants in the Legal Service, on the other.

The EESC also underlines that the major constraints it is currently facing in terms of resources have a potential impact on all services, which also has to be seen in relation to the general reduction of staff by 7.98% (58 fewer posts) from 2012 to 2022.

- 15. Notes the Committee's efforts in disseminating its opinions together with other reports and activities that also contribute to achieving its mission; acknowledges that the Commission's impact assessment regularly takes into account the Committee's opinions, but Parliament remains concerned by the impact of the Committee's work; calls, therefore, on the Committee to ensure that every opinion is shared with the members of the relevant committees of Parliament and to officially and systematically request a speaking slot at the***

presentation of Parliament's draft reports, in line with the cooperation agreement between Parliament and the Committee; invites the Committee to involve Parliament rapporteurs during the preparation of opinions, in order also to strengthen the political cooperation with Parliament; recommends that the Committee carries out a more quantitative and qualitative impact analysis of its opinions; urges, therefore, the Committee to reinforce the staff working in the areas of legislative work and inter-institutional relations;

In light of the increasing constraints on its staffing, which are also recognised in the European Parliament's observations to the 2020 discharge, and in order to explore the possibility of ensuring more efficient allocation of its limited resources, the EESC decided to request an external audit that will map human resources against the workload of its activities. It will take into account the Committee's legal and administrative obligations, including its close cooperation with the Committee of Regions. The audit has been commissioned through an existing interinstitutional framework contract for audit and controls managed by the European Commission. The scope also includes the issue of the EESC's attractiveness as an employer and the alignment between evolution of activities and resources.

- 16. Notes that in 2020, the Committee organised four training sessions on risk assessment for members of staff, including middle management, with a participation of around 15 % of the members of staff as well as coaching sessions for each directorate to help them assess the impact of risk scenarios on their annual objectives; notes that at the end of 2020, a register was set-up linking objectives, risks and control measures for each directorate;*

No follow-up needed.

- 17. Notes with concern that the shortage of staff in the Committee's internal audit sector (IAS) has a negative impact on the assurance that the internal auditor is able to provide; recalls that according to the Court's 2019 annual report, the Committee has not carried out a comprehensive risk assessment since 2014, and is concerned that the only global risk assessment is based almost exclusively on information obtained by the IAS; urges the internal audit committee to remedy that situation; notes that the drafting of a charter and an audit manual further defining working methods and procedures is ongoing; once again asks the Committee to report on the main findings of the internal audit report on ethics, already requested in 2019;*

As regards **risk assessment**, in 2018, following a remark from the Court of Auditors (CoA), the EESC revamped its 16 internal control standards; the 2018 compliance assessment highlighted the weaknesses of the existing risk management process, which was focused primarily on financial risk.

In light of the above, in 2019, the EESC launched a completely revised risk assessment exercise; results were discussed at senior management level at the beginning of 2020 and published on the EESC intranet. Information about the risk management process was added to the 2020 annual activity report.

Since 2019, the EESC has run a yearly risk assessment process, identifying inherent risks

linked to objectives set in the annual work programme, measuring the functioning of controls related to inherent risks and then assessing the level of the residual risks. The risk assessment exercise is coordinated by an AD official (the internal control coordinator) working in the Directorate for Human Resources and Finances (HRF). A network of internal control correspondents was also set up in 2018 and includes representatives of all EESC directorates.

With regard to the staffing of the Committee's Internal Audit Service (IAS), in the 2023 draft budget, the EESC has requested the possibility of converting the Internal Audit Service's assistant position into an administrator position from 1 January 2023. The sector will then consist of the internal auditor and two administrators, which should reinforce its audit capacity. Moreover, an additional assistant provides secretarial support to the Audit Committee.

The drafting of the new internal audit charter is in its final stages.

The IAS issued its internal audit report on ethics and integrity in early 2020. In its report, the IAS found many of the elements required in a robust ethics and integrity framework to be in place. However, it called for a more holistic approach, with a firm and renewed commitment to real change across the Committee. The IAS also found that the run-up to the adoption of the new Code of Conduct, as well as the implementation of a new ethics and integrity action plan showed that the EESC had the capacity to act quickly and with determination when needed. Many of the recommendations made by the internal auditor are at an advanced stage of implementation or have already been completed.

- 18. Notes that at the end of 2020 the Committee launched its annual exercise to assess compliance with the internal control standards and that the 2020 questionnaire was revised; recalls that two follow-up actions were postponed from the 2019 exercise to the 2020 exercise, namely (i) a formal assessment of sensitive functions, which was adopted in December 2021, and (ii) the implementation of a multiannual internal communication strategy; regrets, due to the crucial importance of that action, that the reflections on the communication strategy are still ongoing, and that the action was postponed to 2021; notes that, from the 2020 exercise, the registration and centralisation of procedures by all directorates was planned for 2021;***

In 2020, the EESC took all necessary steps with regard to assessing sensitive functions, by carrying out an analysis of the residual risk limited to each post. A detailed policy was adopted in December 2020. It includes the definition of sensitive posts and the methodology to be used for assessing the risks associated with all posts. The Committee-wide assessment was concluded in 2021.

In the context of the COVID-19 health crisis, the absolute priority was the duty of care towards staff. The strategic focus of internal communications has therefore shifted away from covering purely "health and safety" aspects, towards covering all related aspects, including mental health and new ways of working, in order to successfully support remote working, etc. These exceptional circumstances continued fully in 2021 and prevented the establishment of an internal multiannual communication strategy, as it was not clear when and how the

situation would change. This is without prejudice to the fact that internal communications continued to be successfully delivered, via numerous different communication channels, which continue to be very much appreciated by staff (these include the monthly electronic newsletter "Linked@work", the Bureau Volant, videos on "@workTV" etc.). Moreover, the EESC is currently reworking its external communication strategy (based on a survey conducted) and it is deemed necessary to establish clear links between tools and approaches retained (for instance the use of videos vs brochures, etc.). A complete and comprehensive communication framework will therefore be established in 2022 and will fully integrate the lessons learnt from and experience of the two COVID-19 years.

- 19. Appreciates that in addition to the multi-layered preventive controls, it is foreseen as part of the reimbursement process that all claims will be checked by a financial initiating agent and subsequently re-scrutinised by a functionally independent verification agent and that all payments will then be authorised by a duly entrusted authorising officer at managerial level;**

No follow-up needed.

Human resources, equality and staff well-being

- 20. Notes that at the end of 2020 the total number of staff employed by the Committee was 702, the same number as at the end of 2019, and that the occupation rate of its establishment plan posts was 95,6 %, which is slightly lower than in previous years; is concerned about the Committee's growing workload, which may affect the well-being of staff;**

In terms of establishment plan, the EESC is the institution most affected by staff reductions (a reduction of 7.98% compared to 2013 figures, far exceeding the 5% target established by the European Commission). As pressure on staff resources has continued to increase and in light of all the additional priorities taken on board over the years and those still to come (for example the EESC's increased involvement in the Green Deal, the new geopolitical challenges and our contribution to the EU organic awards), the Committee requested a very limited number of additional resources in the context of the 2023 budget preparation (three additional AD posts).

Please refer to the follow-up action described under point 15 (external audit on the mapping of human resources).

- 21. Regrets the number of long-lasting vacancies for middle and senior management posts (five vacancies of seven months or longer), of managers in 'ad interim' posts (two managers in 'ad interim' posts longer than seven months) despite the rules in place, and of managers in double posts 'in the interest of the service' (six managers in double posts longer than seven months); regrets that in 2020, two selection procedures were cancelled and republished, while one selection procedure was closed without appointment and is the subject of a complaint to the European Ombudsman (the Ombudsman); observes with concern that 23 positions are occupied after the expiration of the mobility deadline; is concerned that those situations may contribute to a negative perception of the Committee's HR management and**

thus increase the difficulties in recruitment; asks the secretary-general, as the highest administrative authority within the Committee, to carry out a complete assessment of the situation and report to the budgetary authorities;

The selection and recruitment procedures for senior and middle-management posts at the EESC are governed (in addition to the Staff Regulations) by the Rules of Procedure (Rule 106 in the new version which entered into force on 20 May 2022). Three Bureau members participate in the selection panels for the posts of deputy secretary-general, directors, deputy directors or heads of unit in the legislative works. With regard to the selection of senior management, the procedure also involves a hearing with the candidates and a final decision by the Bureau. The various steps to be followed in accordance with the procedure are time consuming by nature, and in 2020, the COVID-19 restrictions rendered some of the procedures even longer.

To reduce the time span, the human resources directorate has taken several measures such as raising awareness among the group presidents and heads of group secretariats of the need to avoid selections and recruitments during the interregnum period. Specific instructions have also been given to the staff dealing with the recruitments. This is now accompanied by a proactive policy of publishing vacant posts.

It is important to note that following the complaint to the European Ombudsman and the related inquiry, the Ombudsman, in their decision of 14 December 2021 concluded that there was no maladministration by the European Economic and Social Committee in the specific case related to the selection of an administrator in one of the groups.

- 22. *Notes that in 2020 the Committee identified the inability to find adequate members of staff as an internal crosscutting issue; encourages the Committee to explore ways of increasing the attractiveness of the Committee as an employer and the interest of potential applicants, and to enhance collaboration with the European Personnel Selection Office, i.e. to create a reserve lists of qualified candidates; is aware of the publication of detailed job descriptions in Sysper for all posts at the Committee's secretariat in order to increase transparency and support a more streamlined allocation of responsibilities; strongly appeals to the Committee's secretary-general to enhance transparency in appointing selection panels, especially in recruitment procedures for management positions, and to halt the creation of so-called 'equivalent' positions that makes accountability more opaque and creates suspicions about the compliance with the principle of equal treatment; calls for actions to respond to the career expectations of staff, such as a review of the Committee's mobility decisions, investing in training for staff and providing career counselling;***

Since 2020, the responsible HR services have been performing an analysis of the success rate of vacancies published during the previous year and the underlying reasons for the observed downward trend. To a large extent the recent difficulties in filling vacant positions have arisen from a lack of new reserve lists of laureates from open competitions – a problem shared by many institutions. However, difficulties also persist with attracting temporary staff, especially for certain profiles. To tackle the problem, the Directorate for Human Resources and Finance has devised a detailed action plan for recruitment and the retention of staff, which was

approved by the management board in October 2021. The action plan is structured around three main pillars: improving forward planning and sourcing of talent, raising the attractiveness of the EESC as an employer and talent retention. Several of its various short-, medium- and long-term measures address the problems mentioned above and are already ongoing, for example:

- the EESC is already stepping up its cooperation with EPSO by increasing the number of requested quotas and its overall involvement in the upcoming open competitions;
- a number of efforts are also ongoing in order to increase the attractiveness of EESC as an employer. These include promoting jobs and traineeship possibilities at interinstitutional level and at recruitment events (e.g. successful participation in a job fair organised by ESADE University of Barcelona);
- the approach to advertising temporary jobs has been changed to ensure wider coverage and has already been successful, with a sharp increase in applicants on several occasions;
- the Committee has also adapted its approach to the initial duration of temporary contracts, to improve its attractiveness and at the same time to offer more stability to the services concerned;
- other measures under this action plan include the improvement of on-boarding processes, information exchanges with other institutions, a reflection on exchange schemes, etc.

The composition of selection panels is subject to the rules set out in the internal recruitment guide published on the intranet page of the HRF directorate. The responsible unit ensures that these principles are duly followed. As regards the management procedures, the selection panels are composed in accordance with Rule 106 of the Rules of Procedure.

Following the suspension of the staff mobility decision in 2020 and 2021, due to the changes in the organisation chart and the COVID-19 health crisis, the EESC's work programme for 2022 includes the objective of reviewing and adapting its mobility policy.

Great care is being taken to ensure that staff can benefit from a diversified training offer, which adapts to their learning preferences (most recently with the introduction of LinkedIn Learning for all staff). Career guidance is being used on an ongoing basis to support staff in shaping their careers.

23. *Notes that in recent years the percentage of staff making use of flexible working arrangements has fluctuated between approximately 29 % and 34 %, with a significant decrease in 2020 that can be explained by a combination of the measures related to the COVID-19 pandemic, in particular the mandatory confinement, and the exemption from working-time registration adopted by the Committee; notes with concern that the proportion of men using flexible working patterns in 2020 was one fifth, remaining approximately the same as the proportion in 2019; calls on the Committee to adopt validated good practices in this area, such as information sessions for newcomers, individual advice provided by equal opportunity officers or a dedicated space on the*

intranet, as well as to ensure that making use of the available working arrangements does not penalise in any way the career progression of the employees in question; welcomes that persons in registered partnerships can benefit from parental leave and flexible working-time possibilities for parents with young children;

The Committee is strongly committed to providing flexible working patterns to men and women equally.

While during the pandemic no in-person newcomers' sessions were possible, they continued to be organised in remote format and all newcomers received the necessary information about the available working patterns. This information is also clearly available on the Committee's intranet pages.

The Committee's equal opportunities officer works closely with the HR services in charge of ensuring flexible working arrangements for all staff, and this consideration will also be part of the ongoing work on the new diversity and inclusion strategy and action plan.

- 24. *Appreciates that teleworking was extended and rolled out to all members of staff, apart from members of staff carrying out critical tasks that requires presence on the premises; notes that staff received a regular newsletter with tips and tricks, in addition to specific self care oriented actions, to help them cope with the long period of teleworking;***

No follow-up needed.

- 25. *Notes that at the end of 2020, the 702 members of staff employed by the Committee were made up of 458 women and 244 men; observes that the percentage of women occupying middle management posts decreased from 48 % in 2019 to 47 % in 2020, including acting heads of unit; observes with concern a steeper decrease in senior management posts from 57 % in 2019 to 40 % in 2020, including deputy directors; points out that this trend goes against the increasing number of women at AD level or equivalent in non-management posts (63,3 % in 2020, compared to 62,2 % in 2019 and 60,6 % in 2018); disagrees with the inclusion of acting or deputy posts in the figures due to their temporary nature and because in a relatively small institution one appointment may distort the overall ratio;***

The EESC remains one of the institutions with the highest percentage of female staff overall and also remains in the lead group when it comes to overall management positions. Due to the small size of the EESC and hence the limited number of management positions, the appointment of one manager especially at senior management level (in total nine director and deputy directors' posts) has a substantial impact on the overall ratio.

The EESC takes due note of the position of the European Parliament on the need to exclude acting or deputy posts from such figures but recalls the need for a similar methodology across all institutions, in order to benefit from meaningful interinstitutional benchmarking. Moreover, the EESC considers that excluding acting positions, due to their temporary nature, whilst the post is vacant would also introduce a bias in the overall management positions figures, as vacant posts would no longer be accounted for.

- 26. Encourages the Committee to explore specific incentives and measures successfully implemented in other entities to promote women's access to management posts, such as the formal recognition of management responsibilities below head of unit level, mentoring support and pre-managerial training courses; recalls the several measures to enhance gender mainstreaming in political and administrative work that have been discussed and identified by Parliament's Committee on Women's Rights and Gender Equality; believes that the Committee should set more ambitious targets on gender balance to make the working environment fairer and more diverse and attractive; suggests the appointment in its HR department of an equal opportunity officer to facilitate actions on the ground in this regard;**

Please refer to the follow-up action on mobility described under point 22 above.

The EESC is currently reflecting on the introduction of new formal intermediate management responsibilities below head of unit level, whilst also fully taking into account the need to maintain the operational efficiency in light of the small size of the Committee.

A specific learning pathway has been put in place for future heads of sector, also encouraging more women to apply for manager's posts. At the end of 2021, women accounted for 64% of the overall staff, 55% of the middle managers and 40% of the senior managers at the Committee, which places it in one of the leading positions among the EU institutions. The introduction of formal targets has therefore not been considered a priority up to now, while specific efforts continue to further raise the attractiveness of a career at the Committee. The EESC's equal opportunities officer has a key role in shaping the upcoming diversity and inclusion strategy and action plan. A mentoring scheme for newcomers is in place and also open to managers.

Furthermore, the Committee's Commission for Financial and Budgetary Affairs (CAF) has also recently been looking into the practical implementation of gender budgeting in public institutions, based on information given by external speakers, including the chair of the EP's Committee on Women's Rights and Gender Equality. The Committee will conduct a more in-depth analysis of the ways in which this tool could help to address gender equality.

- 27. Notes that the Committee employs staff from all Member States; observes that, as regards the geographical distribution of managers, only 15 % of managers were from EU-13 Member States in December 2020 (compared to 19 % in 2019); calls on the Committee to make significant progress and to take steps to reach geographical balance within its staff so that a proper representation of nationals from all Member States, including at management level, reflecting their diversity, is achieved, as indicated in Article 27 of the Staff Regulations;**

In 2020, 15% of managers were from EU-13 Member States. However, in October 2021, the figures were again at 19%.

The distribution of ADs per grade shows that 65% of nationals from EU-13 Member States are currently in grade brackets AD 8 – AD 10, meaning in grades where they are eligible to

apply for a management position. In contrast, five years ago, many of them occupied grades in the range of AD 5 – AD 7. This trend, coupled with proper succession planning, including measures such as the organisation of the first learning pathways for heads of sector, gives hope for further positive developments in tackling the current shortfall of EU-13 Member State managers at the EESC.

However, the overall situation with the limited pool of available candidates, as well as the lack of recent reserve lists of laureates from open competitions, limits these future developments. As the problem is faced by all institutions, an interinstitutional working group has recently been established to discuss possible solutions to tackle this issue. The EESC is part of the working group, whose work started in May 2022.

Geographical balance is also one of the key aspects of the upcoming diversity and inclusion strategy and action plan.

- 28. Notes that, to safeguard personal data, no data on staff with disabilities is gathered but points out that a real assessment of the situation and the elaboration of adequate policies in that area is hindered as a result; notes that the Committee applies the reasonable accommodation principle to provide ergonomic furniture and IT equipment to create a suitable working environment; welcomes the fact that the joint buildings strategy of the Committee and the CoR takes disability fully into account;**

No follow-up needed.

- 29. Notes the evaluation of the action plan on equal opportunities and diversity 2017-2020 and expects that to provide valuable input for further suitable and concrete measures; calls on the Committee to also take into account the lessons learnt from the COVID-19 pandemic when drafting a new action plan;**

The COVID-19 health crisis has brought about substantial changes to all aspects of the Committee's working environment. The upcoming diversity and inclusion strategy and action plan will therefore focus on how to best ensure that the framework in place matches the diverse needs that emerged with the pandemic, among different groups of staff. It will also take stock of the adaptations and improvements that have already been introduced (such as the new flexible working time scheme).

- 30. Welcomes that, in 2020, the Committee finally adopted an individualised approach to prevent cases of burnout that, together with general measures, included proactive contact with the members of staff at risk, flexible working schedules (without time registration), a newsletter with tips and tricks, and specific communication actions; is disappointed that the Committee has not been able to quantify how many cases involving work-related burnout symptoms there have been among its members of staff; calls on the Committee to go beyond awareness-raising actions and adopt validated good practices in relation to, inter alia, workload management, communication and conflict solving training for managers or a return-to-work policy that takes into account the specificities related to that particular burnout;**

The EESC stresses that its services are bound by data protection rules, which prohibit the Committee from identifying the reason for sickness absences. Medical practitioners are also bound by medical confidentiality and thus never disclose the reasons for sickness certificates.

Since March 2020, a part-time medical counsellor has been dedicating their time entirely to supporting colleagues who are absent due to sickness, as part of the return-to-work policy. The COVID-19 health crisis put a particular strain on all staff and this role became especially important during the pandemic, as it allows the counsellor to provide emotional support to staff who, often because of a mix of professional and personal mental strain, may struggle to work up to their personal professional standard.

The decision to put all colleagues on occasional teleworking without time registration has clearly paved the way for the adoption of a pilot project, in the form of a new decision on working conditions that took effect on 1 April 2022. Staff have now been given increased trust and flexibility when it comes to formal time management. This should help with identifying and managing heavy workloads and ensuing work-related burnouts. Within the limits set out in the Staff Regulations, the HR services always strive for pragmatic solutions to combine the interests of the service with those of the persons concerned.

The EESC Medical Service will follow a training course which measures the environment's impact on a particular worker, addressing work performance, satisfaction and physical, emotional and social wellbeing. This will help the medical advisor and the welfare counsellor to more efficiently help colleagues to return to work after a burnout or another absence due to sickness and to reintegrate healthily and successfully into their professional life.

The above-mentioned external audit will also allow further possibilities to identify and prevent possible root causes for burnout linked to workload levels.

- 31. Notes that the Committee hosted 48 long-term trainees, all awarded with a monthly grant (including 14 traineeships suspended because of the COVID-19 pandemic which then resumed in the autumn of 2020 and are counted twice); observes that all trainees were provided with adequate IT tools and benefited from the working arrangements in force for the members of staff of the Committee but regrets that, out of five short-term trainees, three were not entitled to any financial contribution whatsoever apart from insurance policy; reiterates the call on the Committee to make sure that all of its trainees receive a decent remuneration;***

On top of the existing and continuing system for long-term traineeships at the Committee (for five months twice a year), which offers around 50 graduates the possibility to take part in this scheme and includes a grant payment, the Committee used to offer a limited number of short-term and non-remunerated traineeships for a period of up to three months, to students who had not yet graduated and as part of their ongoing studies. Some universities do not allow trainees to accept remunerated traineeships as this can potentially conflict with scholarships rules.

Following internal reflections, partly as a result of the above call from the EP to the

Committee to make sure that all of its trainees receive decent remuneration, short-term traineeships will be revised and included in a new framework. The revised short-term traineeships are set to be offered to a limited number of students for whom traineeships are compulsory for the completion of their studies. They would receive 50% of the grant amount offered to long-term trainees (taking into account, in particular, the difference in qualifications and the length of the traineeship). They would also benefit from further allowances (e.g. for travel, mobility etc.), the same as the long-term trainees. This system should be implemented in the second half of 2022.

- 32. *Recalls the investigation carried out by the European Anti-Fraud Office (OLAF) in 2018 and 2019 with regard to the harassment case involving the former president of Group I, opened after years in which the shortcomings of the internal proceedings and the unjustifiable inaction by the administrative hierarchy prevented a better resolution of the case; deeply regrets that the Committee's secretary-general still refuses to admit internal shortcomings and responsibilities, leading to a breach of duty of care towards the Committee's staff; acknowledges that the decision of the Committee's bureau of 9 June 2020 requested the said member to withdraw his candidacy for the Committee presidency and discharged that member from all staff management activities; stresses that OLAF issued disciplinary and judicial recommendations and that, following the latter, the Belgian prosecutor opened a criminal case; is aware that that member appealed the decision of the Committee's bureau to the Court of Justice but lost the action; highlights that the said member still does not acknowledge or regret his wrongdoings, which demonstrates a complete lack of self-reflection and respect for the victims concerned;***

The administration has always worked in full cooperation with the authorities in charge of investigating the case in question, including OLAF, as the latter has duly recognised. It will continue to do so fully depending on the development of the file (in particular with regard to the Belgian legal procedure), also with consideration for the fact that the EESC is a civil party in the ongoing legal proceedings.

In connection with the harassment case, the Committee's then president and the secretary-general jointly launched an inquiry, in January 2019, to examine the alleged facts and to establish the extent to which the appropriate procedures, based on the Staff Regulations, had been followed at the EESC when handling the relevant allegations. At the request of OLAF, which took over the responsibility for the entire file, the EESC suspended the internal inquiry and informed OLAF of this by a letter dated 8 May 2019. OLAF's report on case OC/2018/0666/A.1 does not show any shortcomings in the implementation of procedures.

On 1 September 2021, the European Court of Justice also delivered a judgement in case T-377/20, which rejected the claimant's request and validated *de facto* and *de jure* the handling of the case by the Committee's administration and political bodies. The judgment confirmed that the procedures had been correctly implemented during this case and by extension endorsed the rules and procedures established by the EESC.

The EESC considers that the complaints have been handled with due regard for the welfare of officials and for the legal and administrative procedures in place.

As far as members are concerned, the rules in place are set out in the Rules of Procedure as well as in the Code of Conduct. As regards staff, the powers of the Appointing Authority (AIPN) are strictly defined by the administrative and regulatory framework in place (EU Staff Regulations), including as regards initiating inquiries.

The Committee would also like to refer to the reply provided to question 26 in the 2020 discharge questionnaire.

- 33. Is deeply concerned that the former president of Group I was appointed by the Council as a member for a new mandate; acknowledges that Article 302 of the Treaty on the Functioning of the European Union grants the Council the exclusive power to appoint Committee members after consultation with the Commission and on the basis of the list of candidates proposed by the Member States; acknowledges, therefore, that the Committee does not have a formal role in the decisions taken by the Council to appoint Committee members; regrets that the Committee cannot be consulted in the appointment of its own Members; emphasises that it is in the interest of the proper functioning of the Committee that the Council and Commission are properly informed about candidates during the appointing procedure; requests a revision of the appointment procedure to allow the Committee to take a more active approach with respect to the appointment of its members; welcomes the Committee's willingness to be more involved in the appointing procedure and to bring this to the attention of the Commission;***

The EESC takes note of the EP's request to revise the procedure for appointing members and is ready to contribute to any discussion concerning a possible revision.

- 34. Notes the decision of the Committee's bureau of 9 June 2020 with regard to the Committee joining the procedure before the Brussels Criminal Court as a civil party; notes that the immunity of the member in question was waived in the previous mandate upon request by the Brussels Labour Auditor and urges the Committee to promptly adopt all the necessary measures to facilitate the pending action before the Belgian judicial authorities; expects that the concerned parties will be held to account and asks to be informed about the proceedings;***

The EESC waived the concerned member's immunity in July 2020. The EESC promptly granted requests from the Brussels Labour Auditor, including an order to lift the duty of discretion for a number of staff members, as laid down in the EU Staff Regulations, so that they may testify as witnesses.

- 35. Is aware that settlement agreements have been reached with the two victims of moral harassment, who are still working at the Committee, but regrets that one of those victims still awaits the final execution of the settlement; takes note of the fact that in April 2022 the Committee declared to Parliament's Committee on Budgetary Control that the single pending point of the agreement is directly linked to an upcoming organigramme change to be decided with the Committee of the Regions, and that both parties agreed that the alternative solution embedded in the settlement agreement should not be triggered to date; calls on the Committee to promptly execute and report on the effective enforcement of those***

settlement agreements as legally required;

As regards the two victims of moral harassment identified by OLAF, the settlements were concluded respectively in December 2020 and March 2021. Both settlements have been fully implemented with the exception of a single pending point, which is directly linked to an upcoming change to the organisation chart, to be decided in agreement with the Committee of the Regions. The victim concerned has been kept informed throughout and both parties agreed that the alternative agreed solution included in the settlement agreement should not be triggered to date. The implementation of the new structure is currently planned for 1 October 2022, provided that the CoR Bureau also approves the plan as it stands on 28 June. This implementation will allow the last pending point in the settlement agreement with one of the victims of harassment to be closed.

36. *Regrets that since the virtual meetings between the two victims of serious misconduct and the president of the Committee in March 2021, the Committee has not yet reached settlement agreements with the victims, and regrets that the actions taken by the management of the Committee have been neither effective nor decisive; rejects the view of the Committee's secretary-general that the fact that those two victims are no longer working at the Committee is a valid justification for not having reached settlement agreements; reminds the Committee of the several communications that were sent by the victim that left the Committee in 2017; emphasises that that victim did not see any initial proposal from the administration until mid-2021, whereas the complaints to the secretary-general of the Committee date back to early 2019, and therefore strongly condemns the statement by the secretary-general indicating that the delay of the settlement was the fault of the victim; notes that the victim of serious misconduct who is a former Committee member made several requests to the president of the Committee during the virtual meeting in March 2021, including a request for a public apology from the Committee to the victims, full settlement of compensation for the victims and an external investigation into harassment within the Committee; deeply regrets that the victims who are in a vulnerable situation have again been forced to publicly deny the statements made by the Committee's secretary-general to Parliament; takes note that in April 2022 the Committee declared to Parliament's Committee on Budgetary Control that the measures agreed during the said meeting have been implemented or are being implemented; notes the public statement of the President of the Committee of 13 April 2022 reiterating her official apology on behalf of the Committee to all the victims of the case;*

As regards the staff member identified by OLAF as a victim of serious misconduct, the settlement agreement was signed by both parties on 4 April 2022 and has already been fully implemented by the EESC.

As regards the former EESC member identified by OLAF as a victim of serious misconduct, the EESC president met this person in March 2021, discussing ways to remedy the issue. The measures agreed during that meeting have been implemented (an apology to victims and staff, giving priority to finding fair settlements, strengthening the Code of Conduct) or are being implemented (strengthening the ethical framework). On 13 April 2022, the EESC president made a public statement published on the [EESC website](#), reiterating her official apology on

behalf of the Committee to all the victims in the case in question.

- 37. *Notes that the settlement agreements aim to cover moral damages, legal costs and impact on careers; is concerned that the individual negotiations at different stages of the case might result in imbalanced agreements for the victims because the cases are handled differently; urges the Committee to establish and execute suitable and fair settlement agreements for all the concerned victims as soon as possible; regrets that the Committee still fails to accept responsibility or conduct an external investigation to review the seriousness of the abuse, and urges the Committee, as was promised by the management of the Committee, to conduct such an investigation and to publicly apologise to all the victims of misconduct and moral harassment by the former president of Group I; urges the Committee to take all necessary measures immediately when a case arises and to put in place specific measures to prevent all potential cases of harassment in the future; recalls the importance of a compulsory training on the zero-harassment policy for staff;***

Please refer to the follow-up action described under point 35 and 36.

All possible support (both in terms of legal assistance and in the workplace) was granted in 2020 in full confidentiality, as provided for by the rules and requested by some of the victims. This was followed by exhaustive in-depth negotiations on individual settlements, within the constraints of the applicable legal framework, and in order to established fair and balanced compensation for the moral, career, and financial damage incurred by the victims.

As regards the handling of the victims' request for assistance, the EESC stresses that the differentiated treatment of the victims was not only due to the difference in legal status between them, which implied different rules and procedures (one was an EESC member which required the decision of the EESC Assembly, another was an official and two others were temporary agents), but also to the differences between the individual requests. As concerns the victims who are or were members of EESC staff, the balance/consistency of treatment has also been ensured by the fact that all negotiations have been led by the same persons within the administration.

- 38. *Reminds the Committee that the victim who is a former member was also the whistleblower that alerted the Union institutions about the conduct of the former president of Group I; condemns that, contrary to Directive (EU) 2019/1937⁶ and the Committee's rules on whistleblowing⁷, the Committee failed to protect the identity of the whistleblower; strongly disapproves that both the former president of the Committee and the former director of human and financial resources, now the secretary-general of the Committee, attempted to take legal action against the whistleblower;***

The Committee stresses that all measures for the protection of the whistleblowers' identity had been duly adopted in accordance with the provisions of the EU Data Protection

⁶ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L 305, 26.11.2019, p. 17).

⁷ EESC Decision No 053/16 A of 2 March 2016, Art. 9(1).

Regulation and the EESC whistleblowing decision. The whistleblower in question revealed her identity by publicly disclosing her whistleblowing report to a large number of recipients in October 2018.

The former president and secretary-general sought legal advice, not legal action, regarding false accusations and acts of defamation made against them. Legal action was never intended to be taken, nor was it taken by either of them, in full respect of the duty of care of the institution.

- 39. Welcomes the new multi-layered system of communication offered to whistleblowers (direct superior, OLAF and an external authority) established in July 2021 together with the guidance and support of the ethics counsellors;**

No follow-up needed.

- 40. Notes with concern that while it is provisionally estimated in 2020 that compensation and legal fees would cost the Committee approximately EUR 150 000, it is not yet possible to exactly quantify the final total amount of funds spent in previous years or expected to be spent on this case in the future; urges the Committee, working together with its legal service, to adopt all necessary measures to finalise this case, including claiming back from the perpetrator the corresponding amounts compensated to the victims by the Committee; regrets the low expectations for recovering the amount of public money spent and asks the Committee to provide Parliament with a detailed estimate of the amounts it hopes to recover;**

The possibility to claim back part of the amount spent from the alleged perpetrator depends on the outcome of the legal procedure currently ongoing before the Belgium criminal court, in which the EESC is also a civil party.

- 41. Recalls that Parliament refused to grant discharge to the Committee's secretary-general for the financial year 2018, on the grounds, inter alia, of a flagrant breach of the administration's duty of care and of inaction, along with financial consequences, and was deeply disappointed about the lack of decisive action, in particular preventive and corrective measures, by the then director of human and financial resources, now the secretary-general, of the Committee until discharge for 2018 was refused;**

The EESC has taken note of the European Parliament's decision to postpone the EESC's 2020 discharge "pointing to the slow implementation of the settlement agreements with a victim of moral harassment and delays in reaching settlement agreements with two other victims of serious misconduct". The Committee would like to underline its firm commitment to combating all forms and instances of harassment and misconduct in the workplace. The EESC has a zero-tolerance policy towards any behaviour which might violate human dignity, and is strongly committed to remedying any shortcomings which may still exist in the current system.

Please also refer to the detailed answer provided under point 32 as far as the actions

undertaken by the EESC at the time are concerned.

With the finalisation and implementation of the last settlement with the third victim in April 2022, the EESC has fully addressed the consequences of past events for victims who are or who were members of EESC staff, taking into account both their suffering and the moral and legal obligation to find fair and balanced compensation within the limits of the Staff Regulations and the Financial Regulation. The EESC is now keeping the rapporteur and the shadow rapporteurs for the 2020 discharge informed on a monthly basis in relation to the latest developments.

Please also refer also to the information on settlements provided under points 35 and 36.

Moreover, including with the revision of the Members' Code of Conduct and the strengthening of the ethical framework initiated in 2020, substantial emphasis has been put on the tools and means to prevent similar cases in the future.

- 42. Recalls that Parliament had asked the president of the Committee, in the context of the 2019 discharge, to play an active role in negotiating a settlement with the victims, with the aim of reaching a fair and satisfactory agreement between all parties, and preventing any conflicts of interest and for the Committee to publicly apologise to the victims, something that, unfortunately, did not happen;***

On 13 April 2022, the EESC president made a public statement published on the [EESC website](#), reiterating her official apology on behalf of the Committee to all the victims in the case in question. Moreover, the president has listened carefully to each victim identified by OLAF.

Individual settlements have been reached with all staff members concerned.

- 43. Regrets that there were six requests for assistance related to possible cases of harassment in 2020, which proves that the preventive measures in place need to be reinforced; is aware that three of those requests are related to the case of the former president of Group I, which was referred to the Belgian judicial authorities; notes that one case was closed and one other case is also before the Belgian judicial authorities; with concern, draws attention to the fact that one request was still under enquiry internally in November 2021, which makes Parliament reiterate that, while due process and individual rights must be respected, the lapse of time operates against the victims and, thus, urges the Committee to advance the treatment of that request without further delay and to report on the handling of this case;***

The EESC stresses that there were six requests for assistance in 2020, out of which four related to the OLAF case involving harassment by a senior member.

Please refer to the follow-up action described under points 35 and 36 for the settlement with these four victims as recognised by OLAF.

As regards the fifth request for assistance, the internal administrative inquiry was completed in December 2021. The preliminary hearings with the person concerned and with the person

that made the request took place in February and March 2022 respectively. In accordance with Annex IX to the Staff Regulations on disciplinary proceedings, further procedural steps were decided on by the Appointing Authority to better clarify the situation before taking its final decision.

The sixth request for assistance concerned an organisational entity of the EESC and not a single member of staff. The requested assistance was granted and the case is closed.

- 44. Is aware of the harassment case reported to the Committee by a whistleblower and transmitted to OLAF in August 2020 that concerns member of staff of the CoR working in the joint services and also contains allegations of mismanagement and financial irregularities; calls on the Committee and the CoR to jointly report to Parliament about the outcome of the investigation by OLAF, as well as any further internal verification or measure pending investigation;***

The EESC and CoR immediately informed OLAF upon receipt of the whistleblowing report from a staff member working in the Joint Services. Subsequently, OLAF dismissed the case, considering that it did not justify the opening of an investigation and suggesting that the two Committees were in a better position to take appropriate steps in relation to the matter. A joint administrative inquiry was thus carried out by the two Committees. On the basis of the outcome, the CoR as the competent authority decided to close the case. However, several conflict management measures, such as offers for coaching and teambuilding, are currently being implemented jointly by the administrations of the two Committees.

- 45. Notes that the decisions on harassment and on whistleblowing were reviewed in 2020 and regrets that the new decisions, due to be adopted in 2021, were delayed; reiterates the importance of the principle of duty of care towards staff which includes the protection of whistleblowers and the prevention of any form of harassment, as well as clear and strong protection and support measures for victims; urges the Committee to apply uniform procedures for dealing with cases of harassment so that there are no differences between victims and to ensure equal treatment of the accused independently of factors such as the hierarchical level; reminds the Committee that the fact that the Staff Regulations cannot be imposed on a member of the Committee cannot be regarded as an excuse for inaction; takes note of the fact that in April 2022 the Committee declared to Parliament's Committee on Budgetary Control that the revised decisions on whistleblowing and on harassment entered into force on 15 December 2021 and 4 April 2022 respectively;***

The revised decision on whistleblowing entered into force on 15 December 2021. The revised decision on procedures for preventing and dealing with psychological and sexual harassment at work was adopted on 31 March 2022 and entered into force on 4 April 2022. All EESC staff were informed in mid-April, to ensure proper awareness of the new decision(s) as one of the key milestones of the strengthened ethical framework.

The revised decisions at the EESC provide for a more holistic and comprehensive ethical framework for all potential victims of harassment.

- 46. *Is aware of three OLAF investigations involving the Committee, of which one closed in 2020 without finding evidence to indicate any responsibility on behalf of the member of staff concerned, and two are still ongoing, one of which was opened in 2019 and the other in 2020, as well as one selection case that was dismissed also in 2020 without the initiation of any investigation;***

The situation of the OLAF investigations which were ongoing in 2020 is unchanged, which means two cases involving members (one from 2019 and one from 2020) are still ongoing.

- 47. *Reiterates that any unethical behaviour by staff and members of the Union institutions and bodies hinders the sound management of the Union's funds and negatively impacts citizens' trust in the Union as a whole; observes with concern that, while a far-reaching overdue revision of the internal ethical framework is in process, it is undeniable that a serious breach of the Committee's duty of care towards its members of staff has persisted for too long, creating a regrettable culture of impunity and harassment as a result of reprehensible managerial styles, illustrated by, among other elements, the recurrent emergence of requests for assistance and cases reported to OLAF; regrets that its unambiguous calls for an internal exercise of accountability have been consistently ignored and insists on the need for an external and independent investigation to determine the responsibility of the administrative hierarchy of the Committee; and, where applicable, apply Article 22 of the Staff Regulations; requests an external investigation to review the Committee's HR procedures and effectiveness thereof with a focus on addressing harassment claims and ensuring the well-being of staff;***

Please refer to the follow-up action described under point 32.

Concerning the review of the Committee's HR procedures and the effectiveness thereof, the EESC would like to emphasise that a detailed gap analysis has already been performed internally in 2020 in the context of the review of the ethical framework, conducted by a joint working group with representatives of both staff and the administration to ensure balanced views. This led to the comprehensive action plan to strengthen the ethical framework adopted in January 2021 and implemented since then.

The Internal Audit Service (IAS) also issued an internal audit report on ethics and integrity in early 2020. In this report, the IAS found many of the elements required in a robust ethics and integrity framework to be in place. However, it called for a more holistic approach, with a firm and renewed commitment to real change across the Committee. The IAS also found that the run-up to the adoption of the new Code of Conduct and also the implementation of a new ethics and integrity action plan showed that the EESC had the capacity to act quickly and with determination when needed. Many of the recommendations made by the internal auditor are at an advanced stage of implementation or already completed.

In light of the increasing constraints on its staffing, which are also recognised in the European Parliament's observations to the 2020 discharge, and in order to explore the possibility of ensuring more efficient allocation of limited resources, the EESC decided to request an external audit that will map human resources against the workload of its activities, taking into

account the Committee's legal and administrative obligations. This exercise will be a key element in supporting HR policies towards increased wellbeing of staff in light of the workload faced and also the established working practices within various units of the EESC.

Ethical framework and transparency

48. Notes the creation of an internal working group entrusted with a long overdue revision of the Committee's ethical framework as a whole; is aware that the working group drafted an action plan that was adopted in January 2021 and prompted revisions to the Committee's code of conduct; calls on the Committee to report to Parliament about the outcome of this analysis, the action plan and the implementing actions;

The EESC joint working group comprising representatives of the administration and the Staff Committee produced a wide range of measures aiming to substantially strengthen the procedures and mechanisms in place to combat harassment and inappropriate behaviour.

The ethics action plan adopted by the secretary-general in January 2021 is the direct result of the work of this joint working group. The action plan included among others the revision of the whistleblowing decision and of the decision on the prevention of harassment. The decisions were adopted in December 2021 and March 2022 respectively, and their content adequately reflects the contributions made by the working group. The joint working group also conducted preparatory work on revising the decision laying down general implementing provisions for disciplinary procedures and administrative inquiries, which was also completed in March 2022. The revised decision has been submitted to the Legal Service for opinion.

Following the adoption of the action plan on strengthening the ethical framework by the secretary-general in early January 2021, the below actions have also been fully implemented:

- The **service-level agreement between the EESC and the Investigation and Disciplinary Office of the European Commission (IDOC)**, which allows for the professionalisation of administrative inquiries through outsourcing to IDOC, was signed on 9 July 2021 and is already in force.
- **Training on ethics became mandatory for all EESC staff in 2021** (EESC [Decision 211/21](#)) with various, more specific training, e.g. targeting managers.
- The **new team of ethics counsellors** has been set up and received specific training in order to provide the best possible advice to colleagues who consult them on ethical questions, including whistleblowing. A brochure on ethics counsellors is available on the intranet. A specific site has also been created on the Directorate E intranet.
- Following the **entry into force of the Members' Code of Conduct** in January 2021, an information brochure on this subject was also drafted and has been available in all 24 official EU languages since March of this year [[Dignity and Respect at Work](#)].

- **Training for members on ethics** at the EESC has been revised to be aligned with this new Code of Conduct, and also to cover the full range of ethical issues. This training is provided at different moments of the year, to allow the largest possible number of members to participate.
- A **call for interest** is currently ongoing to renew the **network of confidential counsellors**.
- A new **guide for staff on *Respect at work at the EESC*** was published in early May 2022. This guide is based on one of the major recommendations of the joint working group to inform staff better and more consistently about respect at work and various difficult situations, in particular conflict, inappropriate behaviour and harassment.

49. Notes that a dedicated group of members of the Committee was entrusted with the mandate to review the code of conduct for members, including reinforcing prevention measures and possible sanctions, following the new Committee term of office in October 2020; believes that the code of conduct has to be based on the experience learnt following the harassment case, refer to the principles endorsed by the General Court in its rulings and by the Ombudsman in her recommendations, and include a specific, quick complaint procedure that protects victims from the outset, along with a clear and enforceable sanction system; is aware that the new code of conduct was adopted in January 2021 and that a detailed brochure on its implementation has been made available to the members; calls on the Committee to use validated good practices to raise awareness among members and alternates and, in the long term, improve the internal culture of the Committee on ethical issues;

Since 2020, the EESC has had in place a specific ethics training course for the members, comprising a detailed introduction to the revised Code of Conduct for members and an interactive presentation of what constitutes inappropriate behaviour and harassment. This particular training course has been given high priority in the 2022 training programme for members, with an increased number of courses available.

The revised Code of Conduct for members stipulates, among other things, that the members of the ethical committee are to be provided with appropriate, mandatory training at the beginning of their term of office (Article 10(9)). Accordingly, two days of mandatory training were organised. The first day covered different procedural and legal aspects of the Code of Conduct and the mandate of the ethical committee, and was delivered on 28 March 2022. The second day will focus on the ethical committee's ability to deal in an optimal way with possible cases by working on "active listening" and interviewing techniques, and took place on 17 May 2022 (in English) and 20 May 2022 (in French).

50. Points out that the new code of conduct includes an expulsion procedure according to which expulsion shall be decided by the assembly on the basis of a proposal put forward by the bureau and shall be notified to the Council so that a replacement procedure can be initiated; welcomes that the revised rules of procedures are aligned with the expulsion provisions as laid down in the code of conduct and is aware that the ongoing revision of

the rules of procedures of the Committee is required to make use of that expulsion procedure feasible; calls on the Committee to inform Parliament about those revisions quickly and encourages the Committee to engage in explorative talks with the Commission on the possibility of amending the relevant provisions in force;

Following the revision of the EESC's Code of Conduct in January 2021, the EESC Assembly, in March 2021, mandated a Rules of Procedure (RoP) Panel to carry out a thorough revision of the RoP, inter alia, with a view to aligning it with the current Code of Conduct. Throughout its work, the Panel was proactively assisted by the Legal Service. On 24 March 2022, the EESC Assembly adopted the revised RoP by an overwhelming majority and the new RoP entered into force on 20 May 2022 following their publication in the Official Journal (OJ L 140 of 19.05.2022, p. 14-59).

This revamped version of the RoP will allow the cutting of red tape by clarifying procedures and improving the EESC's efficiency, including by filling legal vacuums (e.g. participation in the EESCs' work by members who are not attached to a group). Furthermore, it aligns with the EESC's new Code of Conduct and confirms the possibility that individual membership may also exceptionally cease on expulsion. The new RoP (Rule 94 – Disciplinary procedure) confirm that "*in the event of a breach of ethical standards, of rules, principles or standards of conduct, or of the duties and obligations laid down in these Rules of Procedure, in the Code of Conduct or in the Members' Statute by a member of the Committee, a delegate, an alternate or an advisor, the disciplinary procedure laid down in Part III of the Code of Conduct shall apply*".

- 51. *Is aware of the four complaints handled by the Ombudsman in 2020 that concerned lack of transparency, refusal of access to documents and, in two cases, omissions to reply to a request; notes that at least one of those enquiries concerned reimbursement and allowances; condemns the lack of transparency and urges the Committee to communicate fully and transparently on this matter;***

In all four cases examined, the European Ombudsman found no evidence of any maladministration on behalf of the Committee. Some of the decisions of the Ombudsman included recommendations for improvement in relation to increased transparency. The Committee has complied with those recommendations and duly informed the Ombudsman.

- 52. *Asks the Committee to further engage in awareness-raising actions regarding the ethical framework and whistleblowing procedures; welcomes the mandatory training course on ethics and integrity for all members of staff including newcomers following a decision adopted in 2021; calls on the Committee to make this training mandatory for members and managers; welcomes the creation of a post as coordinator on ethics within the Committee's Directorate for Human Resources and Finances supported by a new team of ethics counsellors; appreciates the signature of a new service level agreement with the Commission's Investigation and Disciplinary Office (IDOC) to professionalise administrative enquiries;***

Please refer also to the reply given under point 48 which enumerates in detail the actions taken.

The action plan on strengthening the ethical framework also recommended making ethics training mandatory for members. This should be further analysed in the upcoming revision of the Members' Statute by the Quaestors.

The EESC's coordinator for ethical issues in the human resources directorate will monitor the implementation of this action plan on ethics and the overall coherence of the ethics-related measures taken. The coordinator will also oversee the adequate dissemination of information and awareness raising campaigns in relation to ethics.

53. *Acknowledges that the Agreement between the European Parliament and the European Commission on the transparency register for organisations and self-employed individuals engaged in EU policy-making and policy implementation⁸ and the Interinstitutional Agreement of 20 May 2021 between the European Parliament, the Council of the European Union and the European Commission on a mandatory transparency register⁹ allow for the voluntary involvement of Union institutions, bodies, offices and agencies; objects to the dismissal by the Committee of the use of the Transparency Register on the grounds that the Committee is a consultative body; urges the Committee to join the Transparency Register with a view to improving the transparency of its interactions with external interest representatives;*

EESC members are part of the official institutional law-making process as set out by the EU Treaties, which recognise the EESC as a consultative body of the EU; hence their activities cannot be considered as "lobbyist" activities. As such, the Committee is not registered in the Transparency Register. However, many EESC members' organisations are registered in the Transparency Register. The EESC also reiterates that members submit a declaration of financial interests, in accordance with the principle of transparency.

The EESC will examine to what extent the new Interinstitutional Agreement could be integrated into its activities.

54. *Notes that the setting up of an internal ombudsman is one of the key measures in the action plan adopted in 2021 to strengthen the Committee's ethical framework; points out that the decision to set up an internal ombudsman was presented as an agreement that had been welcomed by staff when, in actual fact, the Committee's staff committee had expressed a negative opinion on it; echoes the reservations expressed by the Committee's staff committee and legal service on the proposal with regard to the independence, impartiality and confidentiality of the internal ombudsman; questions the need for such an internal ombudsman in light of, on the one hand, the HR constrictions and, on the other hand, the existence of ethics counsellors, confidential counsellors and, in particular, the agreement with IDOC; urges the Committee to focus on enforcing the ethics-related mechanisms*

⁸ OJ L 277, 19.9.2014, p. 11.

⁹ OJ L 207, 11.6.2021, p. 1.

already in place while devoting adequate staff to its legislative work, focusing on the actual effectiveness of the measures adopted; recalls that the Ombudsman, in her Report on dignity at work in the EU institutions and agencies SI/2/2018/AMF, observes that finding investigators who are perceived to be impartial and fair can be particularly challenging in small institutions and recommends the use of external and independent investigators rather than in-house resources in order to guarantee independence and neutrality;

The Staff Committee initially gave a positive opinion, and this position was then overturned following the election of the new Staff Committee in the course of 2021. The Committee duly took note of the arguments and comments raised by the European Parliament, the new Staff Committee and the Legal Service, and called off the creation of an internal Ombudsman function. The EESC administration is currently working on alternative solutions, including the possibility to make use of a mediator function by way of outsourcing or externalisation.

- 55. *Reiterates its request for further improvements with respect to the external activities of the Committee's members following the Ombudsman's recommendation in her report 'Revolving doors - Implementation of Article 16 of the EU Staff Regulations in a range of EU institutions, bodies and agencies', case SI/2/2017/NF; notes the decision of the Committee to carry out a detailed analysis to assess the degree of implementation of the various recommendations made by the Ombudsman in that report; invites the Committee to speed up the decision on the revision of the current framework on lobbying and advocacy in order also to reinforce its system to avoid potential conflicts of interest;***

The Ombudsman's report "Revolving doors – Implementation of Article 16 of the EU Staff Regulations in a range of EU institutions, bodies and agencies" has been analysed and its recommendations have been taken into account, as far as possible, in the framework of the revision of the EESC decision on outside activities and assignments. The consultation of the Legal Service has already been completed, and its comments have been taken into account. The draft decision is currently undergoing consultation with the Staff Committee and is expected to be adopted before the summer break.

The EESC recalls that as far as EESC members are concerned, these are not subject to Article 16 of the Staff Regulations but to the recently revised and adopted Code of Conduct. Article 2 thereof states that "*After ceasing to hold office, former members shall continue to be bound by ethical standards of integrity and discretion. Former members shall not lobby members or staff on behalf of their own business, that of their employer or client, on matters for which they are holding important positions or writing reports for a period of two years after ceasing to hold office*".

Digitalisation, cybersecurity, data protection

- 56. *Acknowledges that the outbreak of the COVID-19 pandemic accelerated the already ongoing trend in the simplification and digitalisation of communication tools and administrative processes, like the adoption of 'paperless' financial circuits; believes that the tested improvements introduced in March 2020 should become structural and stay beyond the pandemic;***

No follow-up needed.

57. *Notes that the budget for IT in 2020 was EUR 7 500 000 compared to EUR 4 900 000 in 2019, representing an increase of 53 %, largely due to unused appropriations transferred from other budget lines in order to further address the backlog in IT; recalls that budget transfers cannot replace the necessary structural funding of any IT service;*

No follow-up needed.

58. *Notes that by the end of 2020, the Committee had provided a laptop to each member of staff while high quality headsets were provided on demand at a total cost of EUR 322 462; is aware that in January 2021 the Committee adopted a decision on the payment of a lump sum, at the request of eligible members of staff, to cover extraordinary costs related to the obligatory telework (563 requests were made amounting to a total of EUR 107 271);*

No follow-up needed.

59. *Welcomes the specific deliverables related to cybersecurity set out in the Committee's digital strategy; appreciates the close cooperation with the Computer Emergency Response Team for the EU institutions, bodies and agencies (CERT-EU) as a cornerstone of the Committee's IT security;*

The Committee actively cooperates with CERT-EU on cybersecurity issues.

60. *Congratulates the Committee on the significant improvement of the members' portal, Phoenix and the Adonis document workflow tool and on the progress that was made regarding the hybrid cloud environment as the last component of the digital workplace; notes that the members' section of the Committee intranet was fully revamped to become a one-stop-shop; welcomes the use of qualified electronic signature for signing electronically as well as other remote and digital tools;*

No follow-up needed.

61. *Notes that in recent years, the focus of the internal audit at the Committee has been almost entirely on analysing and assessing the soundness of procedures and processes and to a lesser extent on auditing transactions; calls for a specific plan to promote remote or digital internal auditing at the Committee; notes that, at the request of the European Data Protection Supervisor, the Committee mapped the transfers of personal data to third countries and concluded that no activities were affected; notes the fact that the Committee signed the enrolment linking it to an interinstitutional framework contract with Microsoft and that it has no separate individual license agreements in place with Microsoft anymore; however, encourages the Committee to prioritise open source technology in order to retain control over its own technical systems, avoid dependency and vendor lock-in, provide stronger safeguards for user's privacy and data protection, and increase security and transparency for the public;*

The Committees continue to adopt open-source technology and track its use in the annual IT Portfolio. The year 2021 has seen a growing number of open-source libraries and frameworks used in the Committees' information systems. For example, the new amendment processing applications are based on open-source technologies. There has also been an increase in the use of open-source technologies at the Data Centre. Open-source software installed on workstations has remained stable.

Buildings and security

62. Is aware that the Committee and the CoR are implementing their long-term building strategy focusing on geographical concentration and reorganisation of office allocations; notes that the responsible working group considered it essential to have an additional building with a capacity of around 200 people in order to be able to create good working conditions; notes that that analysis led the Committee and the CoR to negotiate taking over the rental contract for the B100 building from the European External Action Service and that the draft administrative agreement was approved by the bureaus of the Committee and the CoR in the last quarter of 2020; is aware that the COVID-19 pandemic caused a delay in the process;

No follow-up needed.

63. Welcomes the improvements in key areas within the buildings strategy, namely refurbishment of existing buildings to create healthier workspaces aligned to ergonomic standards, increase the level of security, reduce electricity consumption and align with environmental obligations;

No follow-up needed.

64. Notes that, following the takeover of the B100 building in September 2021, tests and asbestos abatement are ongoing; calls on the Committee and the CoR to periodically monitor the conditions of that building and to inform the staff at all times accordingly; recalls its resolution of 20 October 2021 with recommendations to the Commission on protecting workers from asbestos¹⁰;

As regards the VMA building, the EESC reports that the four asbestos applications discovered in 2019 were successfully removed during 2020 and 2021. Additional asbestos applications (belonging to six different categories) were found in January 2022 when establishing an asbestos inventory prior to the start of the renovation works in this building. All these new asbestos applications are only present in the technical rooms and are in good condition. They are all located in or between parts of technical installations, which makes their removal very complex. However, they do not represent a danger for the health of the occupants and the building is considered to be asbestos safe. For these reasons, the removal of these applications is not planned in the short term.

As regards the B100 building, four asbestos applications were found in September 2021 when establishing an asbestos inventory, prior to the start of Committees' fitting-out works following the takeover from the EEAS. The most significant application is a glue under the carpet containing a very small proportion of asbestos fibres. This glue was encapsulated everywhere, except in the area of the ventilation units along the windows, where it was encapsulated at the end of 2021. Two of the other three minor asbestos applications were removed. Since the completion of the fitting-out works in February 2022, an update of the asbestos inventory was established and a new asbestos-safe certificate was delivered. The removal of the fourth application in the basement is planned by the end of May 2022.

¹⁰ Text adopted P9_TA(2021)0427.

As is the norm, the Committee for Prevention and Protection at Work (CPPT) as well as the Staff Committee have been informed about these matters in due time and general updates are given at staff meetings or in communications.

Environment and sustainability

65. Welcomes the integration of sustainability, environmental and accessibility standards, including those of the Union eco-management and audit scheme (EMAS), as part of the buildings strategy of the Committee and the CoR; notes that since the setting up of their environmental management system, the Committee and the CoR have taken various actions with the aim of improving the energy performance of their buildings and reducing their carbon footprint; welcomes the creation of the working group dedicated to the Green Deal and is aware that a study on the carbon neutrality of the Committee and the CoR by 2030 is on-going; welcomes the participation of the Committee in Parliament's offsetting of greenhouse gas emissions' scheme and that the Committee has a specific budget line to provide the respective appropriations; welcomes the fact that the electricity consumed by the Committee is exclusively provided by green energy from sustainable sources; further encourages the Committee to install solar panels on all buildings in order to increase carbon efficiency;

Solar panels (150 m²) were installed on the roofs of the B68 and JDE buildings in 2010. In 2020, they provided 0.22 % of the total electricity consumed. The Committees consider the installation of solar panels wherever possible, taking into account the technical limitations of existing roofs such as their shape and their structural strength.

66. Notes a number of concrete actions taken to reduce paper use and urges the Committee to adopt a proper paperless policy; welcomes that the amount of paper used per person per day in 2020 decreased by 52 % compared to 2019 and by 81 % compared to 2015;

The analysis is ongoing and both the political and administrative level are exploring how to extend the paperless policy to section and group meetings.

67. Welcomes the concrete measures put in place by the Committee to promote the use of sustainable travel modes, such as service bicycles, infrastructure for cyclists and a voucher system to access the car parks in exceptional circumstances; observes that the mobility policy includes a financial contribution for cyclists and for members of staff who have purchased public transport season tickets, while the members of staff benefitting from both contributions relinquish their right to use the parking facilities;

No follow-up needed.

68. Notes the Committee's commitment to implement the 17 United Nations sustainable development goals (SDGs) and to be in line with these goals and the relevant Union strategies; highlights that the Committee has a Sustainable Development Observatory, aimed at promoting sustainability within the Union;

No follow-up needed.

69. Congratulates the Committee for co-managing the Circular Economy Stakeholder Platform together with the Commission;

No follow-up needed.

Communication and multilingualism

70. *Notes that in October 2019, the Bureau adopted a new Committee logo which reflects the logos of the Union institutions; believes that this change will contribute to the visibility and cohesion of the image of the Union institutions, bodies, offices and agencies among citizens;*

No follow-up needed.

71. *Welcomes that the Committee was able to adapt its communication strategy in the context of the COVID-19 pandemic, organising a number of major events and actions online to facilitate its outreach and its contact with stakeholders and citizens; highlights that in July 2020 the Committee, instead of its annual Civil Society Prize, launched a one-off prize called 'Civil Society Against COVID-19' to reward not-for-profit initiatives carried out by individuals, civil society organisations and private companies aiming to tackle the COVID-19 crisis and its consequences;*

No follow-up needed.

72. *Underlines that all work in relation to the Committee's opinions and information reports are available in all official languages and that the Committee's website is compliant with the Union accessibility standards for public sector bodies;*

No follow-up needed.

73. *Welcomes the involvement of the Committee in the Conference on the Future of Europe, assisting that democratic exercise in better reaching organised civil society; further encourages the Committee to assist its members in participating in local dialogues with citizens and civil society on European matters;*

In its final recommendations, the Conference on the Future of Europe (CoFoE) suggests reinforcing the institutional role of the EESC to empower it as facilitator and guarantor of participatory democracy activities such as structured dialogue with civil society organisations and citizens' panels. A lively civil society is crucial for the democratic life of the European Union. The Committee is committed to the implementation of this recommendation.

Inter-institutional cooperation

74. *Welcomes the continuously increasing and effective bilateral cooperation between Parliament and the Committee; encourages both Parliament and the Committee to continue the regular meetings between their presidents and vice-presidents and to enhance the structured cooperation between the respective rapporteurs and both the political groups and the preparatory bodies in which their members are organised; believes that the Committee's political cooperation with Parliament, the Council and the Commission should be more systematic given the role of the Committee as the representative of social partners and civil society organisations;*

A new revised protocol on cooperation between the Commission and the EESC is under negotiation with the aim of strengthening institutional and administrative relations. Talks with the Council on a possible strengthening of administrative cooperation are ongoing.

- 75. *Highlights that the service level agreements with four departments of the Commission (PMO, DG DIGIT, DG BUDGET and DG HR) were reviewed and additional services were added;***

No follow-up needed.

- 76. *Highlights the adoption of the new administrative cooperation agreement between the Committee and the CoR that entered into force on 1 November 2021 which reinforces the governance of the cooperation and the control mechanisms to ensure efficient management of the joint services; notes with satisfaction that the Committee considers that the new agreement is more modern and simpler than the old agreement and instrumental in creating further synergies between the Committee and the CoR;***

No follow-up needed.

- 77. *Reiterates the position expressed in the previous discharge recommendations on the need to fully implement the cooperation agreement signed between Parliament and the Committee and the CoR from which a total of 60 translators, including 36 from the Committee, were transferred to Parliament in exchange for access to the services of the European Parliamentary Research Service; stresses, in this regard, the Committee's staff shortage in political areas which negatively impacts the fulfilment of its mandate;***

No follow-up needed.

COVID-19 pandemic

- 78. *Is aware that the COVID-19 pandemic significantly influenced the Committee's activity, in particular because its members travel to the Committee's premises to debate its opinions and resolutions; acknowledges the collective efforts that ensured continued support to the political activities of the Committee;***

No follow-up needed.

- 79. *Notes that, in order to ensure business continuity, the Committee coordinated all preventive and protective measures put in place since March 2020 in a multilayer health prevention strategy, describing all physical, operational and medical measures taken, such as extended teleworking, IT and videoconferencing equipment, equipment for health and safety on the premises and the dematerialisation of processes;***

No follow-up needed.

- 80. *Notes that the business continuity plan in place was deemed to be insufficiently fit-for-purpose due to the specific nature of the COVID-19 pandemic, and that the Committee therefore set up a dedicated task force headed by the HR director, which included a broad range of contacts both within the Committee and with other institutions; stresses the importance of putting in place business continuity exercises to prepare as much as possible against possible future disruptive events;***

A business continuity plan has been established and remains in place at the Committee, so all the necessary steps have been taken to ensure the Committee's full preparedness to deal with future disruptive events. A different approach was indeed taken during the COVID-19 crisis: the initial creation of a task force headed by the HR director was complemented at a later stage by a political decision to set up an ad-hoc group of members named the EESC Recovery Roadmap ad hoc group, chaired by the president and tasked with devising arrangements to better enable members to fulfil their treaty-based obligations as effectively and as safely as possible as the crisis continued.

The Committee remained fully operational even at the very beginning of the COVID-19 crisis, thanks to a smart mix of adapting its procedures and use of modern IT tools for videoconferencing etc. Nevertheless, the business continuity plan remains fully in place and is continually updated should it be activated at any point.

To benefit from the lessons learned in the pandemic, an EESC recovery action plan – aligned with the Committee's administrative work programme and management plan – was set-up in 2021, including 10 major actions and related measures. The plan should help EESC staff members to move forward to a "post-pandemic" way of working, and is user focused.

81. Values the approach of putting health and safety of members and staff first, while the organisation adapted to the continuously evolving situation; observes that a general teleworking derogation to work from abroad was adopted for staff members (i) stranded in their home country due to travel restrictions, (ii) with a dependent or sick relative abroad, or (iii) upon request under certain conditions; believes that the decision authorising teleworking from abroad had a positive impact on reducing psychological stress and absenteeism;

No follow-up needed.

82. Welcomes that the Committee and the CoR worked closely together and continue to do so concerning alignment of measures like access to buildings, hygiene and cleaning protocols; stresses that coordination was facilitated by the mutual presence of business continuity officers in each COVID-19 management team;

No follow-up needed.

83. Stresses that core activities were pursued throughout the COVID-19 pandemic, enabling the Committee to represent the social partners and civil society organisations in the Union decision-making process, supporting the Union institutions in the handling of the crisis situation at hand;

No follow-up needed.

84. Welcomes the intention to take advantage of the lessons learned during the pandemic and to design a new teleworking/working hours' policy and observes that the social dialogue on this issue is currently ongoing; encourages the Committee to integrate in the internal management strategy the lessons learned from the pandemic outbreak in terms of business continuity and crisis management approaches, IT responsiveness, resiliency of the organisation, duty of care towards its staff, effectiveness of internal communication and flexibility of working processes.

A new draft decision on teleworking and flexitime has been prepared over the course of 2021 in a joint approach with the Committee of Regions, in order to establish modern, flexible and output-driven working conditions for staff, thereby fully taking into account the lessons learned from the COVID-19 crisis. The main elements of this decision, which facilitate and anchor teleworking as part of the new working conditions, also follow similar practices and new rules developed by the other institutions.

The new draft decision, following agreement with the staff representatives and consultation with the Legal Service, was adopted on 1 April 2022 as a six-month pilot project. A detailed assessment will be performed at the end of the pilot to allow for fine-tuning or further improvements based on practical experience.

12. RESULTS AND CONSEQUENCES OF CLOSED EUROPEAN ANTI-FRAUD OFFICE (OLAF) CASES IN 2021

Financial Regulation, Article 74 (9): Powers and duties of the authorising officer

The authorising officer by delegation shall report to his or her Union 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, ...

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 2021, OLAF closed two files: one involving an EESC staff member and one involving an EESC member. More information on these two cases is given below.

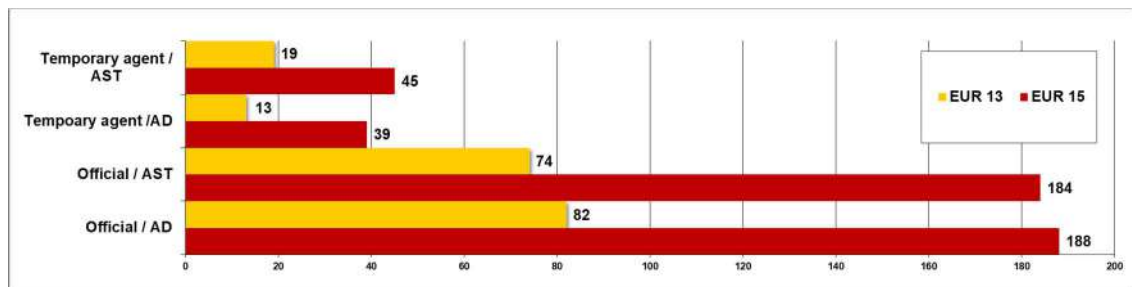
In 2019, OLAF launched an investigation concerning potential irregularities related to the recruitment process for a senior EESC position. The investigation was concluded in December 2021 and no irregularities were found.

In February 2021, the EESC had requested OLAF's guidance with regard to alleged irregularities in claiming allowances by an EESC member. OLAF first decided to open an investigation, before closing the case, in December 2021, given that the European Public Prosecutor's Office conducts a criminal investigation into the same facts.

13. DISTRIBUTION OF STAFF BY NATIONALITY, FUNCTION GROUP, TYPE OF CONTRACT AND GENDER ON 1 MARCH 2022

13.1 Nationality

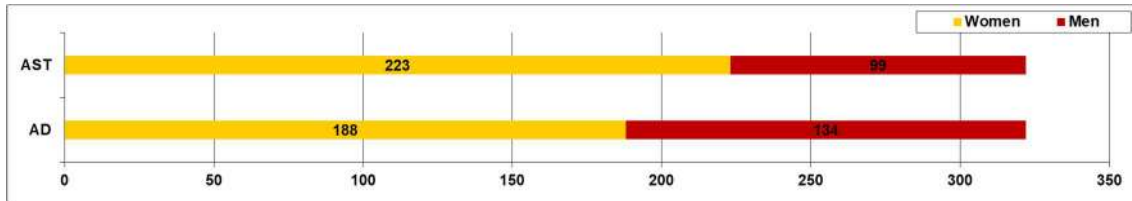
	Officials		Temporary agents		Contract agents		Seconded national experts and special advisers		TOTAL
	AD	AST	AD	AST	AD	AST	SNE	SA	
Austria	8	1	2	1		1			13
Belgium	27	76	5	6		13			127
Bulgaria	7	9	1	1					18
Croatia	7	3		1					11
Cyprus			2	1					3
Czech Republic	7	6	2						15
Denmark	11	4							15
Estonia	8	3							11
Finland	8	7	1		1				17
France	14	22	8	6	2	2		1	55
Germany	23	7	2	3					35
Greece	14	9	2	5	1	3	3		37
Hungary	9	10							19
Ireland	6	4	4	2					16
Italy	34	19	7	11	1	6	1		79
Latvia	4	3							7
Lithuania	7	5		2		1			15
Luxembourg		1							1
Malta	8	2							10
Netherlands	6	2		1					9
Poland	7	10	4	1			1		23
Portugal	12	9		5		4	1		31
Romania	8	7	4	10		2			31
Slovakia	7	9		3					19
Slovenia	3	7							10
Spain	14	17	4	3	1	5	1		45
Sweden	6	3	2	2					13
United Kingdom	5	3	2						10
	270	258	52	64	6	37	7	1	695
	Offic./AD	Offic./AST	TA/AD	TA/AST	CA/IV	CAI-II-III	SNE	SA	
EUR 15	188	184	39	45	6	34	6	1	503
EUR 13	82	74	13	19		3	1		192



13.2 Gender

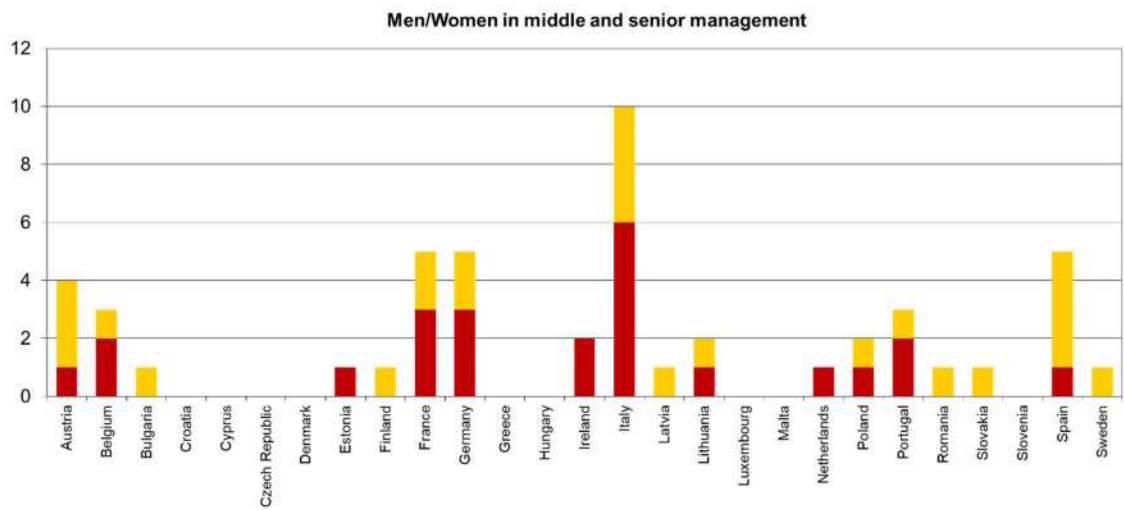
	Officials		Temporary agents		Contract agents		Seconded national experts and special advisors		TOTAL	FS/FT/TP	
	AD	AST	AD	AST	AD	AST	SNE	SA		AD	AST
Women	153	174	35	49	5	19	4	1	440	188	223
Men	117	84	17	15	1	18	3		255	134	99
	270	258	52	64	6	37	7	1	695	322	322

Officials and temporary agents / gender



13.3 Middle and senior management functions

	Men	Women
Austria	1	3
Belgium	2	1
Bulgaria		1
Croatia		
Cyprus		
Czech Republic		
Denmark		
Estonia	1	
Finland		1
France	3	2
Germany	3	2
Greece		
Hungary		
Ireland	2	
Italy	6	4
Latvia		1
Lithuania	1	1
Luxembourg		
Malta		
Netherlands	1	
Poland	1	1
Portugal	2	1
Romania		1
Slovakia		1
Slovenia		
Spain	1	4
Sweden		1
United Kingdom		
TOTAL	24	25
Share	49%	51%



14. Occupation of posts by grade actually filled on 31 December 2021

Occupation of budget posts

Ratio - temporary agents on posts / total number of posts

Ratio - temporary agents on perm. posts / number of perm. posts

EESC occupation of posts in Joint Services

94,32%
13,75%
9,21%
63,98%

EESC Posts

BUDGET				Officials				Temporary Agents				Vacant posts			
	SC	AST	AD		SC	AST	AD		SC	AST	AD		SC	AST	AD
HC			1	HC			0	HC			0	HC			0
16			1	16			0	16			0	16			0
15			5	15			4	15			0	15			0
14			19	14			17	14			1	14			1
13			23	13			18	13			1	13			1
12			53	12			50	12			2	12			0
11		5	27	11		2	21	11		0	0	11		1	0
10		5	46	10		1	49	10		0	3	10		0	1
9		27	61	9		26	53	9		0	1	9		1	6
8		32	32	8		26	21	8		1	3	8		1	1
7		41	27	7		33	19	7		3	6	7		1	1
6	0	54	21	6	0	45	13	6	0	0	2	6	0	2	5
5	0	56	19	5	0	59	8	5	0	3	23	5	0	0	4
4	0	36		4	0	29		4	0	1		4	0	2	
3	13	30		3	7	19		3	0	13		3	3	2	
2	17	3		2	10	3		2	3	1		2	4	0	
1	12	3		1	5	1		1	9	16		1	1	0	
	42	292	335		22	244	273		12	38	42		8	10	20
	669				539				92				38		

Permanent posts

BUDGET				Officials				Temporary Agents				Vacant posts			
	SC	AST	AD		SC	AST	AD		SC	AST	AD		SC	AST	AD
HC			0	HC			0	HC			0	HC			0
16			1	16			0	16			0	16			0
15			5	15			3	15			0	15			0
14			18	14			17	14			0	14			1
13			20	13			18	13			0	13			1
12			53	12			50	12			0	12			0
11		5	25	11		2	21	11		0	0	11		1	0
10		5	44	10		1	49	10		0	0	10		0	1
9		27	56	9		26	53	9		0	0	9		1	6
8		29	32	8		26	21	8		0	0	8		1	1
7		39	23	7		33	19	7		0	1	7		1	1
6	0	51	19	6	0	43	13	6	0	0	1	6	0	2	4
5	0	54	18	5	0	59	8	5	0	0	21	5	0	0	4
4	0	34		4	0	29		4	0	0		4	0	2	
3	13	27		3	7	19		3	0	9		3	3	2	
2	14	3		2	10	3		2	2	1		2	3	0	
1	12	3		1	5	1		1	8	15		1	1	0	
	39	277	314		22	242	272		10	25	23		7	10	19
	630				536				58				36		

Temporary posts

BUDGET			
	SC	AST	AD
HC			1
16			0
15			0
14			1
13			3
12			0
11		0	2
10		0	2
9		0	5
8		3	0
7		2	4
6	0	3	2
5	0	2	1
4	0	2	
3	0	3	
2	3	0	
1	0	0	
			3
			15
			21
			39

Officials			
	SC	AST	AD
HC			0
16			0
15			1
14			0
13			0
12			0
11		0	0
10		0	0
9		0	0
8		0	0
7		0	0
6	0	2	0
5	0	0	0
4	0	0	
3	0	0	
2	0	0	
1	0	0	
			0
			2
			1
			3

Temporary Agents			
	SC	AST	AD
HC			0
16			0
15			0
14			1
13			1
12			2
11		0	0
10		0	3
9		0	1
8		1	3
7		3	5
6	0	0	1
5	0	3	2
4	0	1	
3	0	4	
2	1	0	
1	1	1	
			2
			13
			19
			34

Vacant posts			
	SC	AST	AD
HC			0
16			0
15			0
14			0
13			0
12			0
11		0	0
10		0	0
9		0	0
8		0	0
7		0	0
6	0	0	1
5	0	0	0
4	0	0	
3	0	0	
2	1	0	
1	0	0	
			1
			0
			1
			2

15. DETAILED BREAKDOWN OF MEMBERS' EXPENDITURE CONCERNING ITEM 1004

15.1 COUNCIL DECISION No 2013/471/EU OF 23 SEPTEMBER 2013

Article 9 of the Council 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.

This 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.

In order to ensure business continuity during the ongoing COVID-19 pandemic, the EESC organised many meetings in 'hybrid' format, allowing beneficiaries to attend either in person or remotely through electronic means.

No travel costs or travel allowances were reimbursed for remote attendance at meetings: beneficiaries were eligible to claim a remote attendance allowance (set – pursuant to relevant Council decisions - at EUR 290 per day between 1 January 2021 and 30 June 2021, and at EUR 145 per day as from 1 July 2021).

For the benefit of this report, the meeting location for instances of remote attendance is taken to be the place where the meeting was held.

15.2 EVALUATION REPORT ON THE APPLICATION OF COUNCIL DECISION No 2013/471/EU IN 2021

Number of beneficiaries

In total, the EESC reimbursed 370 beneficiaries (either members or their alternates) during 2021.

Number of journeys and destinations

The number of journeys carried out by beneficiaries and reimbursed by the EESC in 2021 is as follows:

Destination	Number of journeys
Brussels	2,844
Within EU (but outside Brussels)	330
Outside EU	30

Travel modes

The rules on the reimbursement of travel expenses of EESC members and their alternates are set out in Council Decision 2013/471 and supplemented by detailed implementing provisions, adopted by the Bureau of the EESC. These implementing provisions are closely aligned with those of other institutions such as the European Parliament and the European Committee of the Regions, and set out that reimbursements are made on the basis of expenses actually incurred.

The monetary amount of reimbursements made for the various forms of travel costs were:

Method of transport	Amount reimbursed (EUR)
Aeroplane	1,999,415
Train	86,856
Car	300,063

As regards air travel, reimbursements were made for any economy class ticket (5% economy and 3% "low cost" in 2021) or a business class ticket (92% in 2021) up to a D-class fare (business class discounted). The majority of business-class tickets were issued in D-class or lower Z-class, P-class and I-class. The price of such business-class tickets may be lower than the price of a fully flexible economy class ticket.

Travel costs and allowances, and the daily allowance

The following tables and annexes¹¹ present information on travel costs and travel allowances, and the daily allowance, in a progressively detailed manner. Aggregated information is provided for meetings that took place in Brussels. More detailed information is presented for meetings that took place within the EU (but outside Brussels) and in-depth information is provided for meetings outside the EU.

The following table shows the amounts of travel costs and travel allowances paid:

¹¹ Detailed tables are included in Annexes 1 – 3.

Destination	Travel costs and travel allowances (EUR)	No of journeys	Average cost per journey (EUR)
Brussels	3,220,492	2,844	1,132
Within EU (but outside Brussels)	314,440	330	953
Outside EU	38,676	30	1,289

The following table shows the total amounts of daily allowances paid:

Destination	Daily allowances ¹² (EUR)	No of meeting days
Brussels	5,698,036	20,809
Within EU (but outside Brussels)	216,377	770
Outside EU	23,925	85

This table shows the total travel costs and travel allowances, and daily allowance paid:

Destination	Travel costs and travel allowances		Daily allowance		TOTAL (EUR) ¹³
	Number of journeys	Cost (EUR)	Number of meeting days	Cost (EUR)	
Brussels	2,844	3,220,492	20,809	5,698,036	8,918,528
Within EU (but outside Brussels)	330	314,440	770	216,377	530,817
Outside EU	30	38,676	85	23,925	62,601
TOTAL	3,204	3,573,608	21,644	5,938,338	9,511,946

The below table¹⁴ shows the total travel costs and travel allowances, and daily allowance, broken down by destination - within the EU but outside Brussels:

Destination	Travel costs and travel allowances		Daily allowance		TOTAL (EUR)
	Number of journeys ¹⁵	Cost (EUR)	Number of meeting days	Cost (EUR)	
Within EU (but outside Brussels)	330	314,440	770	216,377	530,817
Austria	2	577	3	870	1,447
Belgium	6	2,215	13	3,045	5,260
Bulgaria	4	2,919	14	4,205	7,124

¹² Including daily allowances for days in between meetings in order to save travel costs, in accordance with Article 2(2) of the Council Decision.

¹³ The costs have been rounded up or down to facilitate readability and this may therefore lead to a minor deviation in the total fields.

¹⁴ A detailed table is included in Annex 1 to show travel costs and travel allowances, and the daily allowance, for missions within Europe but outside Brussels, and where four or more EESC members participated.

¹⁵ This report refers to the number of journeys for which beneficiaries had requested reimbursement. A mission to a country may include one or more journeys depending on the itinerary and the manner of the reimbursement request.

Destination	Travel costs and travel allowances		Daily allowance		TOTAL (EUR)
	Number of journeys ¹⁵	Cost (EUR)	Number of meeting days	Cost (EUR)	
Croatia	1	401	3	870	1,271
Cyprus	9	12,383	19	6,670	19,053
Czech Republic	11	8,376	23	7,250	15,626
France	64	47,423	168	48,285	95,708
Germany	8	4,148	12	3,480	7,628
Greece	20	22,734	30	8,990	31,724
Italy	9	9,260	24	6,380	15,640
Latvia	1	1,736	14	3,915	5,651
Lithuania	7	3,815	18	5,257	9,072
Poland	42	38,662	84	23,200	61,862
Portugal	113	125,795	255	69,745	195,540
Slovakia	3	625	10	2,610	3,235
Slovenia	14	15,193	27	7,395	22,588
Spain	16	18,178	53	14,210	32,388

The below¹⁶ table shows the total travel costs and travel allowances, and daily allowance, broken down by destination (outside the EU):

Destination	Travel costs and travel allowances		Daily allowance		TOTAL (EUR)
	Number of journeys ¹⁷	Cost (EUR)	Number of meeting days	Cost (EUR)	
Outside EU	30	38,676	85	23,925	62,601
North Macedonia	11	13,498	26	6,815	20,313
Serbia	4	3,795	9	2,320	6,115
Switzerland	2	2,319	18	3,480	5,799
Turkey	13	19,064	32	11,310	30,374

¹⁶ A detailed table is included in Annex 2 to show the reimbursement of travel costs and travel allowances, and of the daily allowance, to EESC members for missions outside the European Union. Annex 3 also provides information about the purpose of the meetings attended by EESC members outside the European Union.

¹⁷ This report refers to the number of journeys for which beneficiaries had requested reimbursement. A mission to a country may include one or more journeys depending on the itinerary and the manner of the reimbursement request.

15.3 DETAILED ANNEXES SHOWING THE REIMBURSEMENT TO EESC MEMBERS FOR MISSIONS AND THE MEETINGS ATTENDED BY EESC MEMBERS AND THEIR ALTERNATES

ANNEX 1 Table showing the reimbursement of travel costs and travel allowances, and of the daily allowance, to EESC members¹⁸ for missions¹⁹ where four or more EESC members participated*, within the European Union (but outside Brussels)

Country	Number of missions per country	Date	City	Mission duration (days)	Number of Participants*	Travel costs and travel allowances €	of which aeroplane costs €	Daily allowances €	Total costs per mission €
Belgium	1	28/10/2021	Liege	1	11	725	0	2,465	3,190
Cyprus	1	25/11/2021	Nicosia	2	6	9,141	5,386	4,640	13,781
Czech Republic	3	30/09/2021	Prague	2	5	4,977	2,965	3,480	8,457
		08/10/2021	Prague	1	5	171	0	1,450	1,621
		15/10/2021	Prague	1	4	3,228	563	1,160	4,388
France	5	19/06/2021	Strasbourg	1	15	1,605	0	4,640	6,245
		22/10/2021	Strasbourg	2	15	10,197	2,996	7,830	18,027
		15/11/2021	Paris	2	47	22,929	10,583	20,880	43,809
		22/11/2021	Paris	2	5	2,070	151	2,610	4,680
		25/11/2021	Toulouse	2	4	4,658	1,946	2,030	6,688
Greece	2	07/09/2021	Rhodes	1	10	5,388	2,866	2,320	7,708
		03/11/2021	Athens	1	11	12,987	7,585	3,770	16,757
Italy	1	29/10/2021	Rome	1	4	3,111	1,724	1,305	4,416
Lithuania	1	06/12/2021	Vilnius	1	4	1,854	896	1,305	3,159
Poland	3	20/10/2021	Sopot	3	11	10,868	4,639	6,525	17,393
		26/10/2021	Gdansk	2	8	8,321	3,914	3,915	12,236
		01/12/2021	Lublin	2	16	10,582	5,106	6,815	17,397
Portugal	4	07/05/2021	Porto	1	4	5,390	3,790	870	6,260
		21/06/2021	Lisbon	1	4	4,544	3,331	1,305	5,849
		11/11/2021	Lisbon	2	95	88,545	55,024	48,865	137,410
		18/11/2021	Lisbon	2	26	27,595	17,109	13,920	41,515
Slovenia	1	15/11/2021	Portoroz	3	5	5,421	4,061	2,900	8,321
Spain	2	14/10/2021	Madrid	2	6	7,973	4,863	3,770	11,743
		10/11/2021	Madrid	1	5	1,219	0	1,450	2,669
TOTAL:						253,499	139,499	150,220	403,719

* Including both physical and remote attendance

¹⁸ As alternates are not permitted to represent the EESC during activities outside Brussels, this table therefore includes information relating to members only.

¹⁹ A mission includes one or several meeting days in the same city or in different cities in the same country.

ANNEX 2 Table showing the reimbursement of travel costs and travel allowances, and of the daily allowance, to EESC members²⁰ for missions²¹ outside the European Union

Country	Number of missions per country	Date	City	Mission duration (days)	Number of participants*	Travel costs and travel allowances €	of which aeroplane costs €	Daily allowances €	Total costs per mission €
North Macedonia	1	30/09/2021	Skopje	2	14	13,498	7,505	6,815	20,313
Serbia	1	26/11/2021	Belgrade	1	9	3,795	739	2,320	6,115
Switzerland	1	28/09/2021	Geneva	4	6	2,319	944	3,480	5,799
Turkey	1	21/11/2021	Izmir	3	11	19,064	12,706	11,310	30,374
TOTAL:						38,676	21,894	23,925	62,601

* Including both physical and remote attendance

²⁰ As alternates are not permitted to represent the EESC during activities outside Brussels, this table therefore includes information relating to members only.

²¹ A mission includes one or several meeting days in the same city or in different cities in the same country.

ANNEX 3 Table showing meetings attended by EESC members outside of the European Union

Country (City)	Meeting title	Purpose of meeting
North Macedonia (Skopje)	8th Western Balkans Civil Society Forum	Every two years the EESC organises a Western Balkans Civil Society Forum with the support of the European Commission and the Regional Cooperation Council. The forum brings together representatives of civil society from all Western Balkans countries and the EU. The 2021 Forum in Skopje dealt with post-COVID recovery and the Green Agenda for the Western Balkans. The conclusions of the forum were sent to the informal EU-Western Balkans Summit, held on 6 October 2021 and distributed to all EU institutions.
Serbia (Belgrade)	Meeting of the EU-Serbia Joint Consultative Committee	The EU-Serbia Civil Society Joint Consultative Committee (JCC) is set up under the Stabilisation and Association Agreement between the EU and Serbia. The JCC discussed the current state of play in EU-Serbia relations the European Commission's Serbia 2021 report; the rule of law; the Green Agenda for the Western Balkans and the role of Serbia; transport, energy, trans-European networks, environmental protection, and climate change under chapter 4 of the revised enlargement methodology; and the civil society and social dialogue situation in Serbia.
Switzerland (Geneva)	Delegation to WTO Public Forum	The EESC was in charge of organising one of the sessions of the 2021 WTO Public Forum. The session on "resilience through sustainability" prompted fruitful debates over the coherence at the multilateral level and reconciling trade, environmental and social aspects. Representatives from governments, international organisations, non-governmental organisations, trade unions and businesses stressed the need for a holistic trade approach to recover sustainably from the COVID-19.

Country (City)	Meeting title	Purpose of meeting
Turkey (Izmir)	Meeting of the EU-Turkey Joint Consultative Committee	The EU-Turkey Joint Consultative Committee (JCC) is set up within the framework of the Association Agreement between the EU and Turkey. The JCC held in Izmir on 22 and 23 November 2021 its 40th meeting. General developments in EU-Turkey relations, the state of the economy in Turkey as well as social issues and employment and the consequences of the pandemic at large, were discussed. Special sessions were also organised on the following topics: 1) the consequences of the EU Green deal for Turkey, and 2) the EU-Turkey cooperation on disaster management.

