European Economic and Social Committee

ANNUAL ACTIVITY REPORT 2008

(Section VI of the EU-budget)

(Final - June 2009)

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Introduction

This Annual Activity Report 2008 has been drafted in accordance with the Financial Regulation and is the main yearly reporting tool used by the European Economic and Social Committee in order to report to the budgetary authority.

The report is distributed to the European Commission (DG BUDG), the Court of Auditors, and to the budgetary authorities, the Council and the European Parliament.

STRUCTURE OF THE REPORT

This report consists of four parts:

Part I: Main activities and achievements of the EESC Secretariat in 2008

This part is entitled EESC Secretariat – Main Achievements 2008.

It includes the statement of assurance of the authorising officer by delegation, the secretary-general Mr Martin Westlake.

Part II: Annual General Accounts 2008

Under the Financial Regulation applicable to the general budget of the European Communities, the accounts consist of general accounts and budget accounts, each following different principles.

The general accounts are accrual accounts, which means that the effects of transactions and other events are recognised when those transactions or events take place. They draw on the International Public Sector Accounting Standards (IPSAS). The budget accounts (Part III) are modified cash accounts.

This part concerns only the general accounts and its main features are:

- The Economic Outturn Account;
- The Balance sheet;
- The Statement of Changes in Net Assets; and
- The Cash Flow Statement.

Part III: Annual Budgetary Accounts

As in any cash accounting system, payments sent and revenue received are recorded when they are made. These accounts are termed ‘modified’ because payment appropriations carried

over are also recorded. Their purpose is for drawing up the budgetary outturn account and reports on budget implementation.

This part includes also the report on budgetary and financial management.

Part IV: Appendices

This part contains 11 appendices which expand on certain parts of the report and also fulfil special disclosure requirements, like disposing of fixed assets and waiving of recovery of amounts receivable above 100,000 EUR.

I.

PART I

EESC Secretariat
Main Achievements 2008

Statement of Assurance by the Authorising Officer by Delegation

Brussels, June 2009

The undersigned, Martin Westlake, Secretary-General of the European Economic and Social Committee (EESC), in his capacity as authorising officer by delegation for the 2008 financial year, hereby declares that,

- the information contained in this report is accurate and gives a full and objective account of the control activities and measures described therein;

- he has a reasonable assurance that the resources allocated to the activities described in the 2008 annual activity report were used for the stated purposes and in line with the principle of sound financial management, and that the control procedures in place provide the requisite guarantees as to the legality and regularity of the underlying transactions. This assurance is based *inter alia* on the rigorous verification procedures applied at the EESC in line with the internal financial rules, and on the findings of the various internal audit reports issued in 2008;

- he is not aware of any undeclared fact that might prejudice the interests of the institution.

Martin Westlake
Secretary-General

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1 INTRODUCTION – MAIN ACHIEVEMENTS OF THE SECRETARIAT

This document, entitled "EESC Secretariat – Main Achievements 2008", details all the activities and achievements of the various directorates (including the Directorate for Logistics and Translation, DL/DT – Joint Services) and units in the course of 2008.

1.1 Main events of note for the Committee during the past year

1.1.1 The EESC's 50th anniversary (May 2008)

The preparations for the Committee's 50th anniversary started already in March 2007. The new Communication Group decided to opt for a distinction of celebration between the EESC and other EU institutions.

A coherent visual identity was developed for the anniversary projects through a special poster (with four hands symbolising the Committee's close relation to citizens, saying, at the same time, "Thank You!" for an active cooperation over the last 50 years.)

In order to promote the key event and the Committee, a banner over bridge Belliard was installed on 5 May, a facade and the interior of the JDE building being decorated on the same day. An extensive specific internet site was constructed[1].

The Committee produced a comprehensive illustrated publication on the institution's history and evolution. For this publication a Scientific Committee was set and a short movie was produced to illustrate the main topics of the book and shortly summarises the EESC's history, with historical footage from buildings, meetings and main EESC personalities.

A set of "going local" initiatives were organised e.g. in Helsinki, Paris, Budapest, Luxembourg, Lithuania, The Hague, Brussels, Copenhagen. There were some local events organised in the context of Sail for Europe project. The Committee organised its 4th Open Day with more than 4000 visitors. EESC members were regularly informed, an information kit was distributed to them during April Plenary Session and information stands were set up on January, February and April Plenary Sessions.

A commemorative plenary session was organised with the participation of all EU Institutions leaders and former EESC presidents. A debate with young Europeans took place and a Youth Declaration was elaborated on this occasion, followed by a successful major debate about the future of Europe.

1 http://www.eesc.europa.eu/eesc-50/index_fr.asp?id=100150fr

The presence of high level speakers, including the moderator Pat Cox and speakers Jacques Delors, Nana Mouskuri, Erri de Luca, etc., raised the profile of the Committee. The debate was attended by 800 people (the hemicycle of the EP was full). Web streaming of these events was organised, via a link on the EESC internet site, allowing to follow live the events taking place on the 28th and 29th of May in video and audio (22 languages).

1.1.2 The Athens Biannual conference (September 2008)

The topic of the European Economic and Social Committee's (EESC) Biennial Conference, jointly organized by the EESC and the Greek Ministry of Development in Athens on the 8th and 9th September 2008 was 'Entrepreneurship with a Human Face'.

The Biennial Conference marked the end of Mr. Dimitris Dimitriadis' term of office as President of the EESC and his actions to encourage a more humanistic and social dimension in the way modern entrepreneurial activities are conducted.

The Conference aimed to initiate a dialogue among the European Union member states and other parts of the world on the concept of entrepreneurship with a social conscience. The main subjects of the Conference focused on encouraging young people to become responsible entrepreneurs, on the use of entrepreneurship for social change and the development of corporate social responsibility programs. One of the most important results of the Conference was the conclusion of the Declaration on Responsible Entrepreneurship (Athens Charter).

The Conference was attended by the Greek Prime Minister Mr. Konstantinos Karamanlis, members of the European Commission including Ms Viviane Reding, Ms Meglena Kuneva and Ms Danuta Hübner, Mr Stavros Dimas, the Greek Minister of Development Mr. Christos Folias and the president of the European Parliament Mr. Hans-Gert Pöttering and the president of the Greek Parliament Mr. Dimitris Sioufas.

1.1.3 The election of a new president, vice presidents, presidents of groups and sections (October 2008)

In the middle of the French Presidency of the European Union, the European Economic and Social Committee, at its plenary session of 22 October 2008, elected Mr Mario Sepi as President of the EESC. Mr Mario Sepi comes from the Employee's Group in which he was President for the period 2006-2008.

The new President came at a crucial moment when Europe and the rest of the world had to face a global economic crisis. The key theme of the new President of the EESC, 'rights and solidarity to guide globalisation', is meant to serve as part of the solution to manage the crisis.

The three main priorities of the new President of the EESC are the Lisbon Strategy, participatory democracy reinforced by the Lisbon Strategy and rights and the European social model.

In the same plenary, the two Vice-Presidents of the EESC were elected. Ms Irini Pari, from now on responsible for the Communication Group comes from the Employer's Group and Mr Seppo Kallio, now heading the Budget Group comes from the Various Interests Group. The President and the Vice-Presidents will be in office from 2008-2010.

On the occasion of the election of President Sepi, a debate on 'Rights and Solidarity to Guide Globalisation' was held on 22 October 2008 with the participation of, among others, Vladimir Spidla, Commissioner for Employment, Social Affairs and Equal Opportunities, Emilio Gabaglio, Chairman of the Employment Committee and Maria Joao Rodrigues, professor at ISCTE University Institute (Lisbon).

1.2 Main achievements based on political priorities

In 2008, the secretariat's work was organised around the main overall objectives for the general secretariat, as set out in the secretariat's 2008 work programme (WP 2008). There were **seven key priorities** that will be discussed below (1.2.1 to 1.2.7). The management committee (MC), which approved these priorities, was regularly informed of the progress towards them.

1.2.1 Assistance for members

- **Contribution to strategic thinking** on future Committee structures and its medium-term development plan (presidency, ad hoc group).
- **Multi-annual approach to budgetary decisions** to allow a more policy-driven approach to the budget. (see point 5.3)
- **Providing members with information:** 10 monthly editions of the newsletter for members were published in three languages (the newsletter did not appear in August and September). The newsletter was distributed in three languages to all the Committee's members, CCMI delegates and staff. A total of 65 messages of general interest were communicated in this way.
- **Assistance for members in carrying out consultative work**, contributions from the ad hoc group set up by the Bureau, and initiatives resulting from the new cooperation agreement with the CoR (library, introduction of a document search facility) (see points 3.1 and 3.4.1 for further details).

- **The "reimbursements" action plan** aimed at cutting delays. This priority is covered in point 5.3.

1.2.2 Inter-institutional cooperation

- Medium-term cooperation: contribution to preparation of the Community agenda for 2010, as described in point 3.6.2.
- Action on the appendix to the cooperation agreement between the EESC and the Commission on communication and on the network of EESC contact points set up in all Commission representation offices in Member States (see point 3.6.1).
- **Cooperation with the network of Member States' economic and social councils (ESCs) and similar institutions in the EU Member States**. The same applies to cooperation through the **Liaison Group** with European networks of civil society organisations (see point 3.6.2).

1.2.3 Communication

In terms of communication, efforts focused on two specific themes:

- Implementation of the strategy on **"The EESC as a bridge between Europe and civil society organisations"**, which was adopted by the Bureau in May 2007, was in full swing in 2008 (see point 4.1).
- Preparation and implementation of various events to celebrate the **Committee's 50th anniversary** (see points 3.1 and 4.1).

1.2.4 Implementation of the cooperation agreement with the Committee of the Regions (CoR)

In order for the cooperation agreement to be implemented, the following steps needed to be taken, all of which have been completed and are already starting to bear fruit:

- the signing of "mini-agreements" intended to lay down conditions for cooperation between the decoupled departments;
- the setting up of management bodies (the political monitoring group and the cooperation committee);
- the recruitment of directors and deputy directors of the two new directorates. The EESC's establishment plan has been altered accordingly.
- Performance of the new tasks provided for in the agreement (IT liaison, infrastructure liaison, analysis, filtering and programming of documents for translation, document searching).

1.2.5 Management of the secretariat

In 2008, the emphasis was placed on the three following aspects:

- Work on formulating the secretariat's key activity and performance indicators (KAPIs) begun in late 2006 was finalised in 2008. The indicators were included in the annual activity report and are also the subject of an ongoing convergence process.
- An inventory of all decisions in force within the secretariat, which was carried out by the internal auditor in 2007 in cooperation with the directorates concerned, was made accessible to all by means of the Intranet. A formal procedure was introduced for updating the inventory, under which each unit concerned will examine the texts which are in force within its remit and, where necessary, will recommend retaining them, revising them or scrapping them, depending on their usefulness and relevance.
- Finally, in 2008 particular attention was paid to a discussion on ways and means of rationalizing and improving internal cooperation in the secretariat. In this context, the Intranet site was revised and an analysis of emails sent by the various directorates was begun. Finally, there were regular meetings open to all staff members to promote information and dialogue on particular subjects. In view of the success of these initiatives, it was decided to continue along the same route.

1.2.6 Human resources policy

The following were the priorities for the development of staff policy (*the DHFR is responsible in this area*):

- Adoption and implementation of an ambitious medium-term plan (2008-2013 strategy) to strengthen the policy to promote equal opportunities and diversity in the secretariat. In particular, this will mean introducing general flexitime arrangements in the near future, following adoption of the new cooperation agreement with the CoR.
- Adoption and implementation of a medium-term training plan (2008-2010) to develop a real policy in this area.
- Developing a policy of staff mobility.

1.2.7 Ensuring smooth transition under the new Secretary-General

Another key event in 2008 was the arrival of the new secretary-general at the helm of the secretariat from 1 October. The transition went smoothly.

A new EESC president was also elected on 22 October 2008.

1.3 Secretariat of the secretary-general

The main role of the secretary-general's secretariat is to assist and advise the secretary-general in his work, in particular in preparing and communicating his decisions (for example, checking memos, post and signatories, and resolving any problems in cooperation with other departments). The secretary-general's secretariat assists the management committee and organises its meetings and seminars.

Besides providing the secretary-general with constant support and advice, and preparing and monitoring his meetings and missions, while assisting the management committee with organising and participating in numerous statutory, working and coordination meetings, the unit's main achievements in 2008 were as follows:

- coordinating preparation of the annual work programme and the main achievements report, including the key activity and performance indicators; in liaison with the relevant departments, close monitoring of implementation of the Secretariat's main overall priorities;
- coordinating and monitoring working parties and task forces planned or set up on an ad hoc basis;
- coordinating application of the new cooperation agreement with the Committee of the Regions, normalising working relations with the CoR together with the recruitment and training within the secretary-general's secretariat of an administrator in the new post for "IT and security liaison";
- drafting of an electronic newsletter for members, coordinating responses to members' questions and developing new, more effective and targeted means of communicating with members and within the Committee's secretariat;
- defining key activity and performance indicators (KAPIs) published on the intranet.

2 SUPPORT FOR CONSULTATIVE WORK - EESC OPINIONS AND MEETINGS IN 2008

	Total number of opinions	Opinions on referral	Exploratory opinions (and EP referrals)	Own-initiative opinion	To	B+	B	Compromise	N° meetings			
					Priority referrals addressed by study groups	Referrals addressed by drafting groups	Referrals addressed by rapporteurs working without study group/rap.-general	Referrals of a purely technical nature (codif.)	Section Bureau (outside Brussels)	Section/Observatory/ Sub-committee (outside Brussels)	Study groups and drafting groups (outside Brussels)	Hearings (outside Brussels)
INT	64	56	4	4	40	2	4	18	8	9	83 – (3)	5 – (3)
SMO	5	2		3	5	-	-	-	-	5 (2)	-	-
TEN	47	39	8	6	48	1	5	7	9 - (1)	8	57 – (2)	1 – (2)
NAT	36	28	7	1	19	3	3	11	8 – (1)	7 – (1)	50 – (4)	2 – (4)
SDO:	2	0	0	2	2	-	-	-	-	-	-	-
CCMI[2]	11	2	0	7	-	-	-	-	1	4	20	(3)
SOC	41	28	10	3	29	6	5	1	9	9	59	17 – (1)
ECO	22	12	2	8	17	2	0	3	8	8	34 – (4)	1 – (5)
REX	10	0	2	8	10	-	-	-	8	8	25	(7)
SC[3]	0	0	0	0	-	-	-	-	-	-	-	-
TOTAL	238	167	33	42	170	14	17	40				
	100%	(72%	16%	12%)	(71%	6%	7%	17%)				

2 Including one additional opinion and one supplementary opinion

3 Subcommittee

2.1 SUPPORT FOR CONSULTATIVE WORK – DIRECTORATE A

2.1.1 Section for the Single Market, Production and Consumption (INT), including the Single Market Observatory (SMO)

2.1.1.1 Consultative role

The section (assisted by the Single Market Observatory (SMO), which operates under its auspices) adopted 69 opinions, including seven own-initiative and four exploratory opinions (requested by the Slovene and French presidencies and Commissioners Wallström and Verheugen). The SMO drew up four of these opinions (including one own-initiative opinion) and one information report.

2.1.1.2 Cooperation with the presidencies of the European Union

The INT section was instructed to draw up two exploratory opinions requested by the Slovene presidency (*Political measures for SMEs* - INT/390 and *International public procurement* - INT/394). In this context, the rapporteurs and section secretariat established close contacts with the Slovene permanent representation, particularly for the opinion on *Political measures for SMEs* (INT/390).

Contacts were also forged with the French presidency in connection with this opinion and the opinion on the *Small Business Act* (INT/445), the European tourism forum in Bordeaux on 17, 18 and 19 September 2008 which was attended by a section delegation, and the Forum on civil judicial cooperation in Brussels on 2 December 2008.

Contacts have also been established with the Czech presidency with a view to the organisation of European Consumer Day 2009.

2.1.1.3 Conferences and public hearings

On 14 March 2008 in Brussels, the INT section held the 10th European Consumer Day, attended by Commissioner Meglena Kuneva and the Slovene economy minister, Andrej Vizjak.

The section also organised the European Day of the Professions, which took place in Brussels on 9 June 2008, and a number of public hearings for study groups including one on the Small Business Act in Paris on 7 October 2008. Section representatives attended many conferences on subjects within the section's sphere of interest, including the European tourism forum (Bordeaux, 17-19 September 2008), the conference to launch the Enterprise Europe Network (Brussels, 6-7 February 2008) and the Conference on the European Charter for Small Enterprises (Bled/Brdo, 3-4 June 2008).

The SMO held four public hearings, of which two were outside Brussels: one in Vilnius with a reception for the Committee's 50th anniversary attended by Mr Alejo Vidal-Quadras, vice-president of the European Parliament, and Mr Andrius Kubilius, vice-president of the Parliament (Seimas) of the Republic of Lithuania; the other in Paris at the French economic, social and environmental council, attended by Mr Laurent Cohen-Tanugi, advisor to the French government.

2.1.1.4 Contact with other institutions

During the year, meetings were held with Commissioners Meglena Kuneva, Neelie Kroes and Günter Verheugen.

On 19 June 2008, the section also held a joint meeting with DG COMP and representatives of consumers and national competition authorities.

With regard to relations with the European Parliament, the section presidency attended various Parliament committee meetings and hearings and there were a number of meetings between section rapporteurs and their parliamentary counterparts.

As regards relations with national institutions, attention should be drawn to the opinion on Collective action, the full text of which is appended to a publication of the United Kingdom's Civil Justice Council entitled *Improving Access to Justice through Collective Actions*, which includes a series of recommendations to the Lord Chancellor, minister of justice.

The SMO continued to develop the interactive database on European self-regulation and co-regulation initiatives in close cooperation with the European Commission. The observatory also manages two websites and publishes an electronic newsletter with a mailing list of over 500 bodies (institutions, governments, national ESCs, universities, civil society).

The SMO signed a letter of intent with the European Institute in Florence (EUI) and its Robert Schuman Centre for Advanced Studies (RCAS) to establish a relationship of cooperation from early 2009 on self-regulation and co-regulation. The SMO is also actively involved in the work of the Centre for European Policy Studies (CEPS) and the European Policy Centre (EPC) on improving legislation (Better lawmaking) and self-regulation. With the Bertelsmann Foundation, it organised a seminar on self-regulation in Berlin in November 2008 and laid the groundwork for possible cooperation on self-regulation with the Organisation for Economic Cooperation and Development (OECD) and the European Institute of Public Administration (EIPA).

2.1.2 Section for Transport, Energy, Infrastructure and the Information Society (TEN)

2.1.2.1 Consultative function

47 TEN opinions were adopted in 2008 (comparing to 36 in 2007, which means a 30% increase), including six own initiative opinions and eight exploratory opinions (compared to respectively three and five in 2007).

2.1.2.2 Close cooperation with EU Presidencies

In 2008, two exploratory opinions resulted from contacts with Slovenian and French Presidencies. The Slovenian and French Ministers were key speakers at the high level conference on civilian applications of Galileo (June). EESC Members took also part in several events organised by the Presidencies (e.g. Mr Retureau as a speaker in a Round Table of the conference on "The Internet of Things, the Internet of the Future", organised in Nice by the French Presidency in October, to present TEN/342).

2.1.2.3 Conferences and hearings

The Section organised a number of conferences and hearings in the framework of EESC key opinions and on topical EU issues both in Brussels and in various EU Presidency locations. Examples included:

- a public hearing on "Third legislative package on electricity and gas markets" (February)
- a seminar on "Energy technology deployment: towards better demand side management and higher efficiency" (with Commissioner Piebalgs) in the framework of the European Sustainable Energy Week (January/ February)
- a hearing "Towards a rail network giving priority to freight" in Maribor, Slovenia (April)
- a hearing on "The social implications of transport and energy developments" in St Brieuc, France (September)

2.1.2.4 Contacts with other EU Institutions, Agencies and civil society

With regard to the European Commission, several meetings with Commissioner Pielbags were held while Commissioners Barrot, Tajani and Pielbags were keynote speakers at conferences organised by the Section. Commissioner Pielbags attended one EESC plenary session.

Partly related to these high-level contacts, the European Commission requested four exploratory opinions from the TEN Section. The TEN Section also had an active role in the

work of the European Nuclear Energy Forum (ENEF) managed by the European Commission. Among others, the president of the TEN Section chaired the ENEF working group on "Transparency for nuclear energy".

With regard to the European Parliament, enhanced linkage with the ITRE and TRAN Committees led for example to the participation of different MEPs as keynote speakers at the conference on Galileo and at the joint presentation of the Telecommunications Reform Package. The objective for 2008 to reinforce cooperation with the Parliament in the field of energy has been successfully achieved, among others through the ITRE Committee's request of one exploratory opinion on "Facing the oil challenges".

With regard to the Committee of the Regions, a joint conference on social services of general interest (SSGI) was organised in January, while the presentation of the Telecommunications package (July) and the conference on Galileo (June) were co-organised with the CoR.

2.1.3 Section for Agriculture, Rural Development and the Environment, including the Sustainable Development Observatory (SDO)

2.1.3.1 Consultative function

38 NAT opinions were adopted in 2008, including 4 exploratory opinions, requested by the French Presidency and by the European Commission, and 5 own-initiative opinions.

During 2008, the SDO has developed a coordinating role on climate change within the EESC. For the Commission's Energy and Climate Change package, the EESC drew up six opinions, which were drafted in the NAT and TEN Sections and coordinated by the SDO in order to ensure a coherent EESC position. The SDO has also taken on a fore-runner role in the implementation of the Committee's environmental management scheme (EMAS).

2.1.3.2 Close cooperation with EU presidencies

The work programme of the Section was drawn up bearing in mind the programmes of the Slovenian and French EU presidencies, and members from these countries were active in formulating the Section's policy. 3 important events took place in France in the 2nd half of 2008: a Section meeting with the participation of the French minister for agriculture Michel Barnier on 8 October followed by a meeting of the SDO on 9 October. Linked to one of the exploratory opinions mentioned above a conference on *The European Union and the global food challenge – the contribution of organised civil society* was organised in November 2008, in cooperation with the French Economic, Social and Environmental Council.

2.1.3.3 Conferences and hearings

The SDO has already established itself as a central discussion forum for matters pertaining to Sustainable Development both on horizontal issues and on specific aspects of this topical issue. The SDO organised a Public Hearing on Sustainability Criteria for Biofuels in April 2008, at which representatives of organised civil society urged the European Union's institutions and its Member States to exercise extreme caution when considering the role and use of biofuels. At its meeting in Paris in October 2008, the SDO engaged with the Paris local authority on the issue of sustainable mobility in cities. In addition, a discussion was held with the OECD and the International Energy Agency on sustainable development and energy security.

The participation of the EESC at Expo Zaragoza 2008 consisted in the organization of a conference with the president of the Ebro River Authority and a dozen NAT members, during which the Section president presented the tri-lingual brochure "New challenges in water policy".

In order to make a contribution to the debate on the reasons and possible solutions to the world-wide food crisis the Section held a public hearing on "What are the real prospects for agricultural and food prices" in September 2008.

To mark the first ever European Forest Week the Section organised in October 2008 a conference focusing on the role of forests and the forest-based sector in meeting the EU's climate commitments. In that context also an exhibition on forestry was organised in cooperation with the European Forest Institute and other stakeholders.

The Section and its various study groups has organised a number of meetings outside of Brussels, e.g. in Malta, in Poland (Warsaw) and in Spain (Murcia). The NAT president and members represented the EESC at more than 100 conferences, seminars, meetings and events.

2.1.3.4 Contacts with other EU institutions, agencies and civil society

In 2008 Commissioner Borg participated in the Hearing on ***"Preventing, Deterring and Eliminating Illegal, Unreported and Unregulated (IUU) Fishing"***, and other high-level Commission officials regularly participated at conferences and hearings. Similar operational contacts with Commission officials took place regularly. The NAT Presidency and rapporteurs actively participate in EP Committee meetings, hearings and working meetings and a number of bilateral contacts between EP rapporteurs and EESC rapporteurs were established.

In meetings and hearings organised by the SDO, representatives of OECD, EEA, IEA and the European Network for National Sustainable Development and Environment Councils (EEAC) were present. Members of Parliament Ms Corbey and Mr Sacconi have participated in SDO meetings discussing biofuels and climate change.

2.1.4 Consultative commission on industrial change (CCMI)

The CCMI has achieved most of the objectives set down in its 2008 work programme. The Committee's financial situation has unfortunately not allowed it to consider aspects of human resource management and skills in the context of industrial change.

2.1.4.1 Consultative role

The CCMI has drawn up two opinions further to referrals, seven own-initiative opinions, one information report, one supplementary opinion and one additional opinion. This work led to the organisation of seven hearings, three of which were outside Brussels, and to the commissioning of a statistical study on retail in Europe by an external consultant.

2.1.4.2 Other activities

- Organisation of three external seminars during which industrial policies flanking industrial change in the 10 new continental Member States were analysed and compared so as to identify best practices.
- Attendance at many events on textiles, generally in cooperation with the social partners and regional authorities.
- Intense cooperation with DG ENTR and DG EMPL, principally by attending Restructuring forums and seminars of experts (Sector Skills Workshops) from various industrial sectors, with the aim of identifying future skills needs.
- General attendance at many other conferences/seminars organised by third parties (for example, the 6th World Investment Conference in La Baule, 2008).
- Launch of a study on the role of private equity, hedge and sovereign wealth-funds by the EESC and DG ENTR.

2.1.4.3 Communication/assistance to members

- The action taken on all the CCMI's work during the 2006-2008 term of office has been analysed in depth.
- The CCMI's website has been completely overhauled and supplemented to provide clear and useful information for all interested parties. Data complementing CCMI opinions can be found on the site, together with all the presentations by CCMI guests during hearings.

2.1.5 Library

The main challenge in 2008 was the implementation of the new cooperation agreement between the EESC and the CoR. As from 1 July the library was transferred from the former joint services to the EESC's own services, notably to the Directorate A of the Consultative works. This transition has gone smoothly without major difficulties.

A library development plan has been proposed in order to better adapt the library services to the institutional environment of the EESC. Main objectives of this plan are:

- Designing specialised information services that are more focused on EESC members and staff
- Making the library and its services more visible through a new communication policy
- Developing a library specialising in issues relevant to the EESC and European civil society in order to help enhance the EESC's image among the European institutions and European civil society organisations
- Stepping up cooperation with European and national institutions, social and professional organisations, universities to become a reference library for studies and research on European civil society

The two Committees set and kept running an agreement on the share-out of responsibilities to ensure continuity with regard to the use of licences and an effective permanence on the desk. They also develop synergies and economies of scale as a new framework contract for periodicals and newspapers. Library rooms will be conveniently tided up to create a new reading area for newspapers and a new convivial space to attract users to the library. The execution of the development plan will keep going during 2009.

2.2 SUPPORT FOR CONSULTATIVE WORK – DIRECTORATE B

2.2.1 Section for Economic and Monetary Union and Economic and Social Cohesion (ECO)

The ECO section has been deeply involved in cooperating with and participating in the activities of the French presidency: an exploratory opinion, conferences, meetings and an informal council.

The section celebrated the 10th anniversary of the euro with a conference on the advantages and benefits of the euro which was attended by the major figures directly involved in managing the single currency.

An opinion drawn up in 2002 covered many of the elements of the current financial crisis. In 2008, a number of opinions placed renewed emphasis on the need to regulate international organisations and promote stronger ethics in the financial industry.

Relations with the European Parliament were stepped up, particularly in the field of economic, social and territorial cohesion.

2.2.1.1 Economic policy

On the occasion of the European and Monetary Union celebrating its 10th Anniversary, the EESC has highlighted *the advantages and benefits of the Euro* in an own-initiative opinion that was presented at a high-level conference to policy makers and the Organised Civil Society.

The EESC has also adopted an own-initiative opinion to provide a better explanation of the way in which inflation has developed and of the reasons for the persistent discrepancy between the level of inflation as perceived by the general public and actual inflation. Furthermore, the EESC has adopted an own-initiative opinion on *the ethical and social dimension of financial institutions* arguing for diversity in the banking and insurance sector.

A hearing with speakers from the various components in the retail banking and insurance sector provided an input to the opinion. In the context of its broad-based work on economic governance, the EESC has adopted an own-initiative opinion on *moving Europe's productivity frontier* in which it examines policies of the EU Member States that are most advanced in implementing the agreed Lisbon reforms and concludes that they are ahead in creating economic welfare and employment.

2.2.1.2 Economic and social cohesion

In 2008 the Committee was asked by the French Council presidency for an exploratory opinion on "*Towards balanced development of the urban environment: challenges and opportunities*", and by the European Parliament for a contribution on "*Governance and partnership at national and regional level, and a basis for regional policy projects*". In both these opinions, the Committee emphasised the importance of multi-level governance and the need for active involvement by civil society in urban and cohesion policies.

In its own-initiative opinion on "*A better integration in the internal market as key factor for cohesion and growth for islands*" the Committee discussed solutions enabling islands in the EU to derive more advantages from the opportunities offered by the single market, while achieving greater economic and social cohesion to benefit islanders.

The Committee drew up an opinion on the European Commission's consultation on the future of EU policy on outermost regions.

In November 2008 the Committee was once again invited to participate in an informal meeting of ministers with responsibility for housing, urban development, spatial planning and cohesion policy, held by the French presidency in Marseille. In autumn it also debated the Green Paper on territorial cohesion published by the European Commission.

A sub-committee drew up an own-initiative opinion on "*The role of the EU in the Northern Ireland peace process*" intended to achieve two objectives: firstly, to present the relatively little-known story of the EU's support for the Northern Ireland peace process and to discuss the lessons that can be learnt from the measures taken, and secondly to devise a toolbox of methods used by the EU to promote peace and reconciliation which could be applied in other conflict areas.

2.2.1.3 Taxation

As regards taxation, 2008 was in many respects a transitional year and activities related mainly to technical and sector specific aspects (e.g. opinion on the Common system of value added tax, as regards the treatment of insurance and financial services; Common system of value added tax to combat tax evasion; General arrangements for excise duty/ECMS).

The Section elaborated nevertheless also opinions of a more substantial and ambitious nature such as the opinion "The application of anti-abuse measures in the area of direct taxation – within the EU and in relation to third countries" (communication) in which principal concepts of anti-abuse measures are proposed. Another principal opinion was adopted on the Communication on non-standard VAT rates; legislative transitional proposals are in the pipeline presently and are dealt with by the section.

2.2.1.4 Lisbon Strategy

The Lisbon Strategy Observatory (LSO) was set up by a decision of the EESC Plenary Session in July 2008. The LSO prepared an exploratory opinion on the "Effective Governance of the renewed Lisbon Strategy" in response to the request of Ms Wallström, Vice-President of the European Commission.

Events

The EESC Lisbon Group held on 7-8 February 2008 a high-level conference "Lisbon Strategy 2008-2010: How to deliver more and better? The role of organised civil society" at which spoke:

- Günter VERHEUGEN, Vice-President of the European Commission, Commissioner for Enterprise and Industry
- Maria-João RODRIGUES, Advisor to the European Commission for the Lisbon Strategy
- Žiga TURK, Minister for Growth and Coordinator for the Lisbon Strategy, Republic of Slovenia
- Laurent COHEN-TANUGI, President of the Task-Force "Europe in the Global Economy" – for the French Presidency

The LSO held two meetings, jointly with national ESCs and other partner organisations. Fact-finding missions were conducted in Romania and in the Czech Republic.

Cooperation with other institutions and civil society

The meetings of the LSO were attended by national economic and social councils. They have actively contributed to the work on the exploratory opinion that was adopted in December. National ESC's were represented at highest level at the conference. As regards the report submitted to the Spring European Council in 2008, national chapters were annexed to the EESC own-initiative opinion. Concerning other Institutions, the Commission is very closely involved in the EESC work making formal and informal presentations at the meetings and having close contacts with the rapporteur. The vice-president of the LSO met the Lisbon Strategy Secretariat representatives of the Council Of the European Union.

2.2.2 Section for Employment, Social Affairs and Citizenship (SOC)

2.2.2.1 Consultative function

The SOC Section adopted 41 opinions in 2008, 10 of which were exploratory and 3 own-initiative; 29 were category A, 6 B+, 5 B and 1 C. The SOC Labour Market Observatory (LMO) became operational in 2008, with 5 plenary meetings and hearings involving a wide range of inter-institutional partners, experts and civil society representatives, producing 3 substantial LMO reports and a major own-initiative opinion.

2.2.2.2 Close cooperation with EU presidencies

Excellent cooperation with EU Presidencies was maintained, including active SOC participation in 5 informal Ministerial meetings under the Slovene and French Presidencies and in various Ministerial conferences. SOC also successfully delivered 4 exploratory opinions to the Slovene and French Presidencies. In particular, the exploratory opinion on a "New European Social Action Programme", requested by the French Presidency, was the

subject of numerous high-level contacts, participation by the French Presidency in SOC study group and Section meetings and a well received presentation of the opinion by the SOC President and rapporteur at the Informal Meeting of Ministers for Employment and Social Affairs at Chantilly on 12-13 July 2008.

2.2.2.3 Conferences and hearings

SOC organised/helped organise 14 conferences, 10 in Brussels and 4 outside, plus 18 hearings/seminars, 17 in Brussels, 1 outside. The SOC Presidency and Members actively participated in some 150 conferences and events.

2.2.2.4 Contacts with other EU institutions, agencies and civil society

There were 23 meetings with EP rapporteurs and/or active participation in EP Committee meetings, 63 high-level meetings with the Commission including the participation of Commissioner Vassilliou at the SOC Section, 80 high-profile meetings with civil society organisations and the active participation of SOC Members in 8 CoR meetings. Excellent cooperation was maintained with SOC-related EU agencies, notably with Eurofound and Cedefop, in the preparation of opinions, reports and LMO meetings.

SOC stepped-up its efforts to bring Europe "closer" to citizens, especially with the "European Citizens' Forum", jointly organised with the city of Wroclaw. High-profile SOC conferences and hearings with active citizens and social actors concerned were also organised on Roma rights, on the envisaged European Integration Forum and with the launching of the Black European Women's Congress. SOC also actively participated in citizens' forums on patients' rights, children's rights, family rights, age discrimination and in the European Round-Table on Poverty and Social Exclusion.

2.2.2.5 Staff

Service to Members and the SOC Section Bureau further developed with inter-active preparation of meetings, conferences and hearings, the drawing-up of a comprehensive and ambitious SOC Strategy Programme for 2008-2010, a "recent events" column on the SOC web-page and the conception of a "going local" SOC campaign for 2009.

All SOC/LMO posts are now filled and function on a flexible, dossier-based division of tasks, plus individual management of major policy areas and particular organisational functions for Section meetings, LMO meetings, conferences and events, communications and information exchange, and office and HR needs of the secretariat. The 3 pre-2004 SOC ASTs are now officially attested as "qualified assistants".

2.2.3 Section for External Relations (REX)

2.2.3.1 Meetings

In all, 80 internal and international meetings were held by the REX section in 2008. In addition, 90 members attended international events.

2.2.3.2 Internal meetings (Brussels)

In 2008 the REX section held eight section meetings and eight Bureau meetings, including two extraordinary meetings.

The section also held 25 study group meetings and 23 follow-up committee and contact group meetings.

2.2.3.3 Conferences, summits and seminars

In 2008 the REX section held six large-scale meetings (with over 100 participants):

- Meeting of the EESC and UCESA (Union of Economic and Social Councils of Africa), 3 March, Brussels
- 25th meeting of ACP-EU Economic and Social Interest Groups, 4-6 March, Brussels
- 5th Meeting of EU-LAC Civil Society Organisations, 16-18 April, Lima
- 2nd Western Balkans Civil Society Forum, 4-5 June, Ljubljana
- Joint EESC – NDSEC (National Tripartite Economic and Social Council of Ukraine) seminar, 2-3 October, Kiev
- Euromed Summit of Economic and Social Councils and Similar Institutions, 14-16 October, Rabat.

2.2.3.4 Joint bodies

The REX section also held five Joint Consultative Committee meetings (Turkey, Croatia, EEA) and three Round Tables (India and China).

2.2.3.5 Study visits and president's activities

The REX section arranged for several EESC delegations to take part in international events and fact-finding missions. In particular, delegations attended major international events in Russia (joint meeting with the Public Chamber), Moldova and Serbia (presentation of opinions adopted by the EESC) and Egypt (study group hearing). In addition, the section arranged the president's official visits outside the EU (China, Morocco, Peru, Slovenia etc.) and accompanied him on these.

2.2.3.6 Documents

The REX section assisted members in drawing up 10 opinions, including two exploratory opinions, and two information reports.

The section also assisted members in drafting 14 reports in the context of international events and 15 final declarations or joint statements.

2.2.3.7 Relations with other institutions

The REX section pursued its excellent working relations with the European Commission and, at the start of each year, organised coordination and programming meetings between the secretariat and all the directorates-general. In this context, the REX section has received new requests for exploratory opinions from the European Commission.

The same exercise was carried out with the secretariats of the European Parliament committees, and closer links were forged with joint parliamentary delegations. Similarly, closer links were forged with the secretariats of regional joint parliamentary bodies (ACP, Euromed, Latin America).

Relations with the Council secretariat and the presidencies were also intensified, particularly in the context of the French presidency. It should be noted that there have been several references to the EESC's work in various conclusions of ministerial conferences and meetings of heads of state and government.

2.2.3.8 Communication

The REX section continued to intensify its communication policy in 2008. Thus, the Internet site continued to be updated and modernised and the electronic newsletter on the EESC's external activities continued to be sent out.

Moreover, the REX section produced an information leaflet for each geographical area of the EESC's activities. A general information brochure on international activities was also produced, along with a brochure on the Strategic outlines for the EESC's external activities.

To raise the profile of the EESC and its external activities a special edition of CESInfo is being produced in close cooperation with the section secretariat, and an image to be displayed on a poster and a banner for the EESC's external activities has been created.

2.2.3.9 Training

The REX section also further developed its training policy. A number of officials expanded their knowledge of financial techniques while others acquired expertise in website

management. Several members of the section continued with language training. Lastly, all the administrators took part in a special training session on international economics and trade.

- **KAPI - Key Activity and Performance Indicator(s) related to actions (for more detail see appendix D)**
  - #41 - Opinions
  - #42 – Reports

3 GENERAL AFFAIRS DIRECTORATE (DGA)

3.1 Introduction

The DGA succeeded in carrying through most of the objectives on the 2008 work programme. It was able to respond to major challenges and owing to its cross-cutting nature made a positive contribution to achieving the objectives of the secretariat as a whole, particularly with regard to the Committee's 50th anniversary, the Committee's two-yearly renewal, implementation of the cooperation agreement between the EESC and the CoR (including the integration of the internal services unit into the directorate and the creation of a new post of "Translation contact point"), assistance to members, rationalisation of working methods and prioritisation of consultative work.

The directorate also played a key role in the conclusion of an administrative cooperation agreement between the EESC and the AICESIS and in the organisation of and participation in a growing number of conferences and other events, such as the president's biennial conference in Athens. In addition, the KAPIs were integrated into the work programme.

As can be seen from the list below, the main objectives of the various units were achieved:

- the Committee's 50th anniversary - participation in the task force and organisation of a commemorative session attended by top-level representatives from the EU institutions;
- the Committee's two-yearly renewal;
- improving working methods, creating a contact point with Translation;
- improving assistance to members (setting up of ad hoc groups on "Assistance to members", the "EESC's future consultative structures " and the "Remit of the Budget group");
- strengthening of inter-institutional relations;
- continuing cooperation with national ESCs, for instance in the context of the Lisbon strategy;

- conclusion of an administrative cooperation agreement with the AICESIS;
- work undertaken in the context of the sub-committee on "The role of civil society in the framework of the Lisbon Treaty";
- the objectives set for the implementation of the development plan for the Lisbon Group adopted by the Committee Bureau in February 2007 for the period 2007-2009 were only partially achieved;
- organising a growing number of conferences and partnerships, cultural and national evenings.

3.2 Legal affairs

In 2008, the Legal Affairs Unit of the General Affairs Directorate continued with its general task of providing legal advice and defence for the EESC.

The unit's main areas of activity centred on:

- the legal activity of the General Affairs Directorate;
- the Rules of Procedure and their general implementing provisions;
- legal cases concerning the EESC, its members, officials and other staff being heard by the Court of Justice and the Court of First Instance, or by Belgian courts (civil and criminal cases);
- general cooperation with the Directorate for Human and Financial Resources, interpretation of the provisions of the Staff Regulations, including legal opinions on responses to requests and complaints submitted on the basis of Article 90(2) of the Staff Regulations;
- cooperation in the legal area and participation in hearings in connection with administrative investigations and disciplinary procedures conducted by the appointing authority;
- involvement in responses to complaints from the European Ombudsman;
- involvement in EESC and CoR building projects;
- the analysis of public procurement dossiers; the improvement of legal assistance, for example by continually updating standard forms for invitations to tender and standard contracts; design of a web page providing information and organisation of seminars;
- collaboration on various tasks with the CoR's legal service.

- **KAPI - Key Activity and Performance Indicator(s) related to actions**
  - #39 - Legal opinions = 90 (+ 63%)

3.3 Conferences/interpreting

The unit's work in 2008 continued to focus on promoting the president's political priorities and matters of topical interest, highlighting in particular the role of the EESC in the debate on the constitutional treaty, in the dialogue with civil society, and in relation to the challenges posed by climate change, sustainable development, energy policy and environmental protection, as well as raising the EESC's profile vis-à-vis civil society and other institutions.

The year was marked by two major events, which made it necessary for the unit to mobilise all its resources: the EESC's 50th anniversary on 28 May and the president's biennial conference in Athens (Greece) on 8-9 September.

As concerns the organisation of conferences, the unit assisted the president's private office in the organisation of several national evenings, which were very well attended: the outermost islands evening, the Slovenian evening and the Croatian evening. In addition, the unit assumed responsibility for managing bookings for the atria and VIP areas.

- **KAPI - Key Activity and Performance Indicator(s) related to actions**
  - #38 - Interpretation activity and cancellation rate

3.3.1 Conferences and partnerships

3.3.1.1 Conferences

The unit organised 27 conferences and meetings, as well as several cultural events, which were very successful and enabled the EESC to participate effectively in the general debate on the future of Europe and European identity.

3.3.1.2 Partnerships

The Conferences/Interpreting unit also partnered the hosting of 61 conferences at the Committee by third parties.

3.3.2 Interpreting

The main difficulty of 2008 remained that of dealing with confirmations for meetings away from Brussels that did not meet JICS deadlines (34 meetings requested from the JICS - the Joint Interpreting and Conference Service - and 31 hirings of local interpreters). To this was added 11 hirings of local interpreters for meetings in Brussels for which interpretation could not be obtained from the JICS.

The interpreting service took part in:

- internal meetings (with the EESC secretariat for missions, with the IT joint services for AGORA, with the internal audit unit, etc.);
- inter-institutional meetings;
- ICTI (the Inter-institutional Committee on Translation and Interpretation – Interpreting coordination cell) meetings, the JICS for the Service Level Agreement, the new invoicing system, the interface between AGORA and the JICS interpreter reservation system, and other working meetings;
- regular contacts with the meetings service, and particularly with those responsible for managing rooms and those responsible for calls for tender for the hire of interpreting cabins and technical equipment abroad.

3.3.2.1 Managing JICS interpreting services

The activity of the interpreting service here comprised:

- checking requests, changes and cancellations of interpreting arrangements for meetings held in Brussels and elsewhere and ordering interpreters via the JICS, by means of the AGORA computer system, which generated approximately 2197 JICS orders in 2008 i.e. an increase of around 30%);
- the number of requests for adjustments concerning languages not obtained and requests that did not meet deadlines was approximately 25 per week;
- efforts to raise the awareness of requesting services of the rules on interpreting requests were followed up by regular reminders.

3.3.2.2 Management of free-lance interpreters

In the field of free-lance interpretation, in 2008, the interpreting service carried out:

- 43 calls for tenders (1 call for tender received no bids as there were no free interpreters on the market);
- 42 hirings of local freelance interpreters, giving an increase of +/- 121% for a budget of EUR 314,645.

The interpreting service also continued to build up the local interpreter database set up in 2005 on the basis of its hiring experience, with comments on the quality of service provided.

3.3.2.3 Management of budget item 2548

For 2008, 16704 I-Slots were recorded i.e. an estimated budget of EUR 6,882,048.

3.3.3 Association of Former EESC Members

The unit organised the general meeting on 10 March and the annual trip from 24 to 28 September to Andalusia (Spain).

The newsletter was sent to former members and the preparation of the website was continued throughout the year.

3.3.4 Management of budget items 2540 and 2542

3.3.4.1 Item 2540: "Miscellaneous expenditure on internal meetings"

During the 2008 financial year, the framework contract with the Sodexho company was continued until the end of November 2008. A new call for tenders was launched. The decision on awarding the contract will be communicated at the end of the year.

3.3.4.2 Item 2542: "Miscellaneous expenditure on the organisation of and participation in conferences, congresses and meetings"

The commitments and payments under this item continued the upward trend that has been shown for a number of years.

3.4 Registry, Protocol, Mail/Archives

3.4.1 Registry

The activities below were extra responsibilities over the usual work; 2008 was a "bumper" year in this respect:

- amendment of the Rules of Procedure (secretariat of the Rules of Procedure Panel for the revision of Rule 72 in particular, and of Rules 17 and 43 of the Implementing Provisions);
- secretariat of the ad hoc groups on "Assistance" + "future structures of the Committee" + "Remit of the budget group" until the end of their term of office;
- plenary session to commemorate the 50th anniversary of the Committee;
- two-yearly renewal of presidencies (Committee and groups) and of some of the members.

It should be noted that the last two activities were real successes, which was emphasised by the participants.

Structural activities made it possible to complete the reorganisation of the registry's services and procedures started in 2007; these included:

- definition of each job in the unit, together with a corresponding job sheet;
- definition of solutions for a series of recurring problems by means of memos;
- creation of a guide to the procedures for the unit's main activities (in particular for the "Bureau groups" service and for the operations of the two-yearly renewal);
- launching of a contact point with the translation service ("filtering") following the adoption of the corresponding mini-agreement under the cooperation agreement with the CoR (recruitment of the person in charge, classification and typology of documents, ceiling on requests, priorities, deadlines, rules, including language arrangements, exemptions);
- adoption of procedures for drawing up the schedule of meetings with the CoR;
- procedures for consulting with the logistical services before each meeting of the Bureau and plenary session;
- creation and maintenance of an intranet site for the unit.

3.4.1.1 Authorisation of budget items 1004, 1008 and 1422: rationalisation and outlook

- adoption of an electronic procedure for creating memos to the authorising officer, leading to greater speed and transparency;
- organisation of the procedures for introducing "Article 10s": application form, follow-up table and memos summarising the various administrative steps;
- future financial rules for members: participation in the discussions on the various projects proposed (in particular by Mr Sears and Mr Graf von Schwerin) and in their layout.

3.4.1.2 Accompaniment of the changes made by the new presidency regarding the plenary session

Joint discussion of the opinions by theme, including in the presence of personalities.

3.4.2 Protocol

- Cover for 36 guests at the 9 sessions plenary and of 2 guests at meetings of the Bureau in 2008
- Setting up and systematic dispatch of a table of protocol for welcoming VIPs from outside invited to meetings
- Setting up and systematic dispatch to security departments of a list of persons entitled to access the meeting room during the sessions
- Preparation of a provisional schedule of personalities/events planned for plenary sessions in 2009.

3.5 Relations with civil society organisations, constitutional issues

3.5.1 Relations with civil society organisations

3.5.1.1 Structured cooperation with European organisations and networks

The unit continued its cooperation with Committee initiatives designed to enable it to better reflect the diversity of organised civil society and its trends and to help promote and increased structuring of the dialogue between it and the institutions of the EU, particularly as part of the improved cooperation established with European civil society organisations and networks via the liaison group.

Against this background, the unit in particular continued to provide the operational management of the liaison group while endeavouring to play its full part in implementing the development plan approved by the Bureau in February 2007, with an eye, on the one hand, to consolidating its role and activities and, on the other, to increasing the involvement of European civil society organisations and networks belonging to the liaison group in the Committee's work.

As a result of the decision of the enlarged Committee presidency meeting on 31 January and 1 February 2008 to reflect on the instruments, structures and procedures to be set up in order to give a new boost in quality to cooperation between the Committee and organised European civil society, the unit also tried to help define guidelines likely to lead to the drawing-up of operational proposals. This process is still under way.

The unit also developed a presentation on civil dialogue and the role of the EESC intended for use when receiving groups of visitors.

3.5.1.2 EESC prize for organised civil society

Contrary to what was envisaged initially, the prize was not awarded in 2008 as the EESC president felt that there should first be some reflection on what initiatives and measures should or could be taken to raise the profile of the prize and increase its value added for the Committee.

With this in mind, the unit did its bit by drawing up proposals which were submitted, under the authority of the EESC's vice-president in charge of communication, Jillian Van Turnhout, to the enlarged Committee presidency at its meeting on 3 and 4 July 2008. current reflection process has still to be concluded successfully.

3.5.2 Future of Europe and other constitutional issues

The Committee took the result of the Irish referendum into account, and adapted the work programme originally assigned to the unit for 2008. The unit's main work consisted of:

- preparing and monitoring the meetings of the sub-committee on the role of civil society under the Lisbon Treaty;
- drafting an information memo on "the EESC and the Lisbon Treaty: assessment and prospects", which presents the advantages that this treaty would bring for the Committee, both at institutional level and on European policies;
- "revamping" and updating the heading of the Committee's website on the reform of the European treaties;
- following up the work of the European Parliament's Committee on Constitutional Affairs.

3.5.3 Other activities/work

The unit also continued to cooperate with the other Committee units on all issues and for the organisation of any events for which its know-how was required:

- work by the task force responsible for preparing the EESC's 50th anniversary celebrations and the editorial committee tasked with supervising preparations for the book on 50 years of the Committee;
- drafting of the Declaration by young Europeans for the EESC's 50th anniversary;
- supporting and monitoring of the work of the subcommittee on the *Role of the EU in the Northern Ireland peace process* adopted by the Committee in October 2008);
- liaising between the NAT section/SDO and the European Parliament secretariat in connection with the Committee's involvement in the EP's Agora citoyenne on climate change which took place on 12 and 13 June 2008.

3.6 Relations with other institutions, national ESCs

3.6.1 Relations with other institutions

3.6.1.1 Relations with the European Parliament

2008 was marked by closer relations between the EESC and the European Parliament as regards consultative work and by a new form of cooperation through discussion forums.

The unit's activities and achievements in this field were as follows:

- development of contacts for consultative work;

- preparation of speeches and dossiers for the president; accompanying the president to meetings;
- assiduous attendance at the monthly meetings of the interinstitutional coordination group chaired by the EP;
- assiduous attendance at all the meetings of the EP's conference of presidents;
- monthly coverage of the EP's plenary sessions in Brussels and Strasbourg, including missions to Strasbourg to monitor the EP's work and the EP's conference of presidents;
- contacts with and monitoring the activities of the EP department responsible for relations with national parliaments;
- contacts and monitoring EP activities via Agora to ensure that the EESC was present at events;
- contacts with and monitoring the EP department responsible for the Lisbon Strategy to ensure that the EESC was invited to relevant meetings between the EP and national parliaments;
- close monitoring of the group headed by the vice-president, Ms Roth-Berendth, on the reform of the EP;
- the main innovation in 2008 was that members were more closely involved in the Parliament's extra-legislative activities through the Agora citoyennes: EESC members took an active part in two Agoras (in November 2007 on the future of Europe and in June 2008 on climate change), at political and thematic level;
- two EP referrals to the EESC in 2008;
- participation of the EESC president in the Conference of committee chairs in January; participation of the presidency in the inter-parliamentary conference on the Lisbon Strategy.

3.6.1.2 Relations with the European Commission

- 2008: EESC asked by the Commission to step up its involvement in the Lisbon Strategy, including in cooperation with national economic and social councils;
- Assiduous follow-up; Commission's annual policy strategy programme forwarded to the EESC;
- follow-up of the Commission's secretariat-general on the cycle of legislative planning for the Commission/EESC and coordination with EESC operational directorates;
- presentation by the Commission's deputy secretary-general to the EESC Bureau on the Commission's annual work programme;

- Commission president attended the December session for the new EESC presidency and the presentation of the economic recovery plan;
- network of EESC correspondents in Commission representations in EU countries updated.

3.6.1.3 Relations with Council presidencies

- 2008: regular contacts with representatives of Council presidencies, both in advance and during their term of office. Presidency referrals to the EESC have become the rule;
- contacts and meetings with the officials responsible for the Slovene and French presidencies to ensure that the EESC was involved in EU presidency activities.

3.6.1.4 Relations with the Committee of the Regions

The administrative cooperation agreement between the European Economic and Social Committee and the Committee of the Regions took effect on 1 January 2008. Based on a decade of experience with cooperation, the new agreement provides a unique and balanced framework mechanism for full integration of translation, printing, IT, infrastructure, catering, and security services of the two consultative committees for seven years. Other areas of structured cooperation between the Committees are the management of meeting rooms, medical and welfare services, libraries and ushers.

The Cooperation Agreement reinforces the political supervision and guidance of the administrative cooperation between the two Committees by way of creating a Political Monitoring Group (PMG) composed of six members from each Committee and operating under a co-chairing formula. Issues on which attention was recently focussed included the translation service workload and performance, buildings and joint budgets.

The setting-up of the Cooperation Committee (CC) composed of the two directors of administration, the two Joint Services directors and two additional directors, depending on the agenda items, has considerably reinforced cooperation at working level between own and joint services and between the Committees. It also allows the Secretaries-General to concentrate on more strategic issues of administrative cooperation.

After almost a year into the new agreement, the new governance structure has improved the administrative cooperation between the Committees and between own and joint services on the basis of equality, regular discussion and trust.

3.6.2 Relations with national ESCs

Further cooperation with EU national economic and social councils:

- a warning system developed for the principal topics on the Community agenda by sending all ESC correspondents a monthly electronic newsletter on EESC activities and emails on important initiatives undertaken by the other institutions (EP, Commission, Council, etc.).
- development of an interactive network for the EESC and ESCs on the implementation of the Lisbon Strategy further to the mandate given to the EESC by the European Council in March 2005 and renewed for 2006-2008 and then at the request of the Commission for 2008-2010;
- preparation and organisation of the first forum of civil society of the Baltic states (Riga 25/26 September);
- preparation and attendance at the annual meetings of presidents and secretaries-general, at the invitation of the Maltese ESC, on the impact of immigration on EU employment markets (May and 27/28 November);
- preparation and organisation of the joint EESC/French ESC conference under the French presidency on the global food challenge (Paris, 13 November);
- organisation of various working meetings for delegations of national and regional ESCs wishing to learn about the Committee's role and activities.

3.6.3 Relations with the AICESIS

At international level, the EESC took an active part in the work of the AICESIS:

- contribution by EESC rapporteur on *Development with equity and environmental responsibility* for the world conference in 2009;
- attendance at the general assembly (Rome, 12/13 June 2008);
- attendance at the board of administration (Monaco, 11 December 2008).

Furthermore, at the initiative of the EESC:

- establishment of an administrative cooperation convention between the EESC and the AICESIS.

3.7 Internal departments

In June 2008, a new unit in the DGA was staffed by the EESC, in accordance with the 2008 cooperation agreement between the EESC and the CoR.
Key events in 2008:

- before June 2008: negotiations on the technical provisions of cooperation;
- after June 2008: organisation and implementation of steps to ensure that the unit operated properly after decoupling.

3.7.1 Meetings service

Since 11 June 2008, the department has been made up of 22 people in four sectors (see 3.7.2).

3.7.1.1 Key figures for EESC meetings

- **KAPI - Key Activity and Performance Indicator(s) related to actions (for detailed figures, see Appendix D)**
  - #38 - Interpretation activity and cancellation rate
  - #40 - EESC events and partnerships
  - #21 - Meetings organized
  - #22 - Meetings participants
  - #23 - Meeting room occupation rate
  - #24 - Meeting room cancellation rate

- Meetings away from Brussels: 89 events including 60 external meetings + 20 extraordinary events (outside JDE rooms) + 9 plenary sessions

– External meetings with interpreting: 54
– External meetings without interpreting: 6
– Meetings with hire of mobile booths (heading 214): 27
– Meetings with room hire: 19
– Meetings with vehicle hire: 6
– Missions for ushers: 13

3.7.1.2 Work/equipment

- Involvement in several very high-level events (50th anniversary, Biennale in Athens, renewal of presidency)
- Technical support for all EESC plenary sessions in various rooms in Brussels (use of permanent or mobile voting system for each session)
- Postproduction audio-visual work (notably DVDs) for major events
- Updating IT infrastructure (purchase of new servers)
- Purchase of stock of mobile equipment for making small films (camera + lighting)

3.7.1.3 Human resource management/Organisation of the department

- Once the department head had arrived, all posts within the department were filled.
- The department had to cope with the long-term absence of two sector heads and two team members, resulting in an excessive workload for remaining staff.

3.7.2 Internal affairs department

In accordance with the cooperation agreements and since it was incorporated back into the Committee's own services, the internal affairs department has been responsible for three sectors of the EESC: drivers, floor ushers and reception.

The major challenge was thus to establish working procedures for two teams which were separate but required to cooperate under the new cooperation agreement.

During summer 2008, the former department head was replaced by a new official.

3.7.2.1 Floor ushers

The sector operated properly despite fluctuations in the numbers of staff available. Cooperation with the sector's counterpart in the CoR was effective and efficient.

In October 2008, the average workload per floor was recorded; the results were used to draw up a new mail distribution circuit, divided between the EESC and CoR, to be put into effect in 2009.

3.7.2.2 Reception

In late 2008, new working procedures were drawn up for reception, hinging on stronger integration of the tasks of receptionists and G4 staff.

The new procedures, drawn up in agreement with the security service, entered into force on 1.1.2009.

3.7.2.3 Drivers

A rotation plan for drivers was drawn up and became effective in December 2008. This plan allows for a fair division of work between the four drivers and strict enforcement of current rules (a maximum of 25 hours' overtime per week and per driver).

4 COMMUNICATION COORDINATION

4.1 Introduction

The communication group, established under Rule 10(a) of the Rules of Procedure, and the communication department achieved the objectives set in the 2008 work programme.

The aim of giving members the role of bridge between the EU institutions and organised civil society was put into practice in different ways.

The biggest single task for 2008 was the planning and implementation of the EESC 50th anniversary celebrations. To this came the presidency change with all its extra demands on communication.

In addition, the EESC's efforts to play the role of "communicator" bore fruit in several ways: its profile within the interinstitutional group on information (IGI) was enhanced, its role was recognised in the European Commission's White Paper, and it was invited to take part in the Council's working group on information.

The EESC put the concept of going local into practice by organising meetings for Europe Direct Centres, using the internet more extensively, organising a regional event in Dublin on youth issues, and by ensuring contact to the EESC contact Points at EC Representations in Member States.

In the course of 2008, the EESC adopted two opinions in the field of communication:

1. Commission Communication: *Communicating Europe in Partnership* – rapporteur general: Ms Jillian van Turnhout (Gr. III-IE) – Opinion adopted on 22 April 2008 (CESE 774/2008)
2. *Reconciling the national and European dimensions of communicating Europe* Rapporteur-general: Ms Béatrice Ouin (Gr. II-FR), assisted by a working group made up of Ms Marie Zvolská (Gr. I-CZ) and Ms Jane Morrice (Gr. III-UK) – Opinion adopted on 10 July 2008 (CESE 1219/2008).

Following the global call for tenders on communication launched in August 2007, four framework contracts were signed in 2008 (web services, publications and other graphics products, audiovisual productions and photography, and organising and publicising EESC events). These framework contracts enabled the EESC to make use of the services of communications professionals to carry out specific projects aimed at promoting the EESC's policies and supporting its members.

The many cultural initiatives taken in 2008 bore fruit and increased interest in the Committee's work.

Relations with other institutions and with their networks of national and regional centres were stepped up, as were those with national economic and social councils and their member organisations. In addition, the internal groups within the EESC secretariat set up to coordinate internet, intranet and communication activities, such as the communication team, carried out high-quality work.

Budgetary and staff management show good results, thanks to procedures aimed at setting up skilled, motivated teams.

A breakdown of the 2008 results for the cultural sector and the three units is given later in the document.

4.2 Cultural activities and promotion of Members as bridge between EU institutions and organised civil society

The EESC cultural activities in 2008 covered a broad spectrum of genres, from exhibitions to literary readings, from music to culture-related conferences and representative publications.

4.2.1 Structure of the EESC cultural activities

In line with the concept of focusing cultural activities on EU Member States holding the EU Presidency, the majority of cultural events in the first half of 2008 was devoted to Slovenia.

This approach already initiated in the very beginning of the programme takes advantage of these countries' clear interest in a particularly high profile in Brussels during their term and it gradually extends the basis of cooperation with local and international cultural partners and sponsors.

In the case of Slovenia, cooperation with the cultural institute in Brussels and with cultural organisations in the countries was excellent, although the content of the exhibition was by some perceived very provocative.

Due to these experiences, the approach of partnership will be continued during the upcoming Presidencies, and as a "prelude to 2009" the first projects with the Czech and Swedish Presidency have already been launched.

4.2.2 Highlights in 2008:

- **whatNEXT Slovenia** | **Impressions of Infinity** | Exhibition opening in the presence of Commissioner Potocnik
- **Summer at the EESC** | Weekly Literature Lunches
- **L'Orchestra di Piazza Vittorio** | Open discussion, film and concert on Intercultural Dialogue

4.3 Press

The press unit has devoted major resources, both in staff and budget, to make the thre major events of the year (50th anniversary, Athens Biannual conference and election of a new president) well known by the public. All three events have found a significant echo in the media.

Other main events included the Euromed Summit Morocco (October 2008), the Baltic Civil Society Conference, Riga (September 2008), the Solidarity Conference, Wrocław (June 2008), the Euro Conference (June 2008) and the Group I meeting, Cracow (April 2008).

4.3.1 Audiovisual policy

In 2008 the press unit began developing the EESC's audiovisual policy. Four different short clips were produced about the Committee (50th anniversary/climate change/election of a new president/Lisbon Strategy). The update of the 'thematic DVD' (finalization in 2009) is underway. With the photography contracts as well as acquiring two new cameras, the press unit has stepped up its photo coverage.

4.3.2 Recurrent activities

- Publicising the activities of the EESC Presidency
- Organising breakfasts and lunches with journalists based in Brussels
- Organising journalist's visits to Brussels or sending journalists based in Brussels to attend key events
- Press coverage of all Plenary sessions
- Participating in and following up the Communication Group meetings
- Coordinating relations with "Europe by Satellite" (EbS) and Euronews via DG COMM
- Ensuring an active advertising policy in the Brussels based European press
- Coordinating a major newsletter study, including a reader's survey of EESC info
- Writing and editing of around 120 press releases

- Publishing newsletter 'EESC Info' (9 regular editions plus 3 special editions)
- Giving presentations to groups of visitors and journalists
- Overhauling the Press unit's website (currently underway)
- Preparing press reviews (9 regular editions + several special editions)

- **KAPI - Key Activity and Performance Indicator(s) related to actions:**
  - Press releases : 117 (9% decrease)
  - Press cuttings : 594 (85% increase)
  - Press subscribers : 2393 (15% increase)
  - CESinfo subscribers : 5176 (10% increase)

4.4 Online Information

4.4.1 Internet site (www.eesc.europa.eu)

The new framework contract for "web services" was used for auditing the Internet site. It included analyses and recommendations on accessibility, user satisfaction and expectations, interactivity, multilingualism, content management tools, search engines etc. In addition, more in-depth analyses of web statistics and electronic greetings cards for the "seasons' greetings" were ordered.

Web media coverage was guaranteed for the major events of 2008, and sometimes the web team was present on the spot with an online quiz developed in the unit (Journée de l'Europe in Paris, Sail for Europe, 50th anniversary website, Open day, Biennial conference, etc.)

Several sub sites and pages were created. In particular, two events required special effort: the Debate on "The European way to integration: intercultural dialogue and mutual respect" (development of sub sites and registration forms – around 3000 registrations through online form) and the Committee renewal (Sub sites for the Secretary-General, President and Vice-Presidents, Observatories and updates throughout the site).

New activities were organised in relation to videos/audio web streaming, development and launch of the Self-and Co-regulation database (high level co-operation DG SecGen and EP) and development of new participatory tools (Express Yourself / Blogs for President and Vice-President).

4.4.2 Intranet (http://cesnet.eesc.europa.eu/fr/start-up.asp)

All major events of the Committee during 2008 were accurately followed and advertised on a daily basis on the start-up page of the intranet

Improvements to the start-up page resulted from the introduction of a rolling news banner, an archives research tool (available in French and English), and the possibility to choose a preferred language for the page.

New features were added in relation to videos/audio web streaming, notably the retransmission of the plenary sessions via web streaming.

Many sub sites and pages were created on the intranet, such as the "Comité paritaire pour l'égalité des chances (COPEC) and EMAS pages. Special efforts were needed to set up the page related to performance indicators (KAPIs) and the Central Directory of Administrative Regulations.

The framework contract was used to produce more in-depth analyses of the intranet use.

4.4.3 Hermès mailing database

In Hermès, all the institutional contacts were updated (=80% of the database), new lists were added and the outdated/incorrect contacts were removed, producing a significant reduction of returned envelopes and e-mails.

The web registration form was improved.

New users were added and trainings given. Negotiations are ongoing in order to purchase data on the organisations of the civil society.

About 500 new inscriptions in the Hermès mailing list were received via the internet website.

4.4.4 CESlink collaboration and CESlink portal

CESlink is the name of the online cooperation between the EESC and the national Councils in the EU Member States, supported by a web site. The EESC provides a portal for the use of the network. Following the invitation of the Greek Council OKE, the CESlink network had its annual meeting in Athens. Cooperation was launched with the AICESIS in the area of publishing information and documents of the AICESIS on the CESlink portal and in the joint document database.

The INF unit drafted the new CESlink strategy for 2009-2011 after the annual CESlink meeting and after consultation with the national Councils. It also coordinated the publication of a new CESlink leaflet in 22 languages and distributed it to the national Councils, the Members of the EESC, made it available on the web as well as on the various Info Points of the EESC.

As to the CESlink portal, the search engine and navigation were optimized. New content was integrated in each Council's presentations and a new section related to AICESIS was introduced. A construction of new thematic sectors began, according to the conclusions of the annual CESlink meeting.

4.4.5 Personalised e-newsletters to the EESC Members (e-bridge)

The Online Information unit gave its administrative, financial and technical support for the management of the e-bridge pilot project.

This newsletter "e-bridge" is a pilot project launched in 2007 with the participation of 27 members. It consists of electronic newsletter for members, containing personalised information in relation with the EESC, to be sent to their local and national contacts and networks.

19 e-bridges have been sent to around 7000 contacts.

4.4.6 Other work

At the occasion of the new Presidency, a special PowerPoint presentation in 6 languages was designed and published on the JDE Info Point and on selected plasma screens in the various EESC buildings. The rest of the year was covered by a bilingual, general presentation of the EESC.

The Agence Europe service was extended from the intranet to the Members' portal (with the Press unit and the ITT unit).

- **KAPI - Key Activity and Performance Indicator(s) related to actions:**
  - #43 - CESweb pages viewed: 3 564 000 (13% increase)

4.5 Visits and Publications Unit (VIP)

During 2008 the Unit activities focused on Publications, Visits and Events. Following the EESC-CoR cooperation agreement, the graphic designers' team (pre-press) which previously formed part of the joint Printing/Distribution Unit was integrated in the ViP Unit on 1 July. Its integration was smooth in spite of the difficulty of moving graphic designers close the Unit's offices. The intranet site of the Unit went into production.

Results for each activity are summarized below:

4.5.1 Publications

- EESC's publications program was approved by the Communication Group and implemented. From a total of 70 publications undertaken 45 were finalized including end-of-year products, 16 are currently in production, 5 were carried over to 2009, and 5 cancelled. EMAS considerations were taken into account by eliminating paper-intensive products, using recycled paper for in-house agendas and tailoring production to actual needs through the organization of a survey amongst staff
- As of January 1st all requests for publications had to be introduced via a uniform request with all necessary information, including a distribution plan. Two notes on EESC publications were approved by the Bureau on 21 April and 27 May. Pursuant to a mandate of the Bureau a policy document and a Guide on procedures on publications were adopted by the Directors' Committee on 17 November
- A new pilot graphic design project was developed by the Unit for all publications produced in-house to make them more attractive and user-friendly to a wider audience
- The following projects were undertaken: (a) rewriting successfully the EESC's main publication "The Bridge" (b) elaborating of a new graphical charter to modernize EESC's visual image and provide a harmonized approach both for publication and web products
- Relations with the publication office (OPOCE) were reinforced. Apart from producing and distributing EESC's main publications including promotional articles.

4.5.2 Visits

- Efforts to develop a "visit maker" capability met partial success due to the difficulty of allocating enough resources to attract journalists groups. The Committee welcomed 360 groups totalling 9500 visitors. Of these 307 were from Member States, mostly from F (58 groups, 1662 participants), IT (51 groups, 1427 participants) and D (36 groups, 1010 participants). 38 groups originated from non-EU countries, mostly from the US (9 groups, 259 participants). A majority of visitors were students, most of them speaking English. The Unit saw to it that basic documentation was distributed in a new "file" along with, to the extent possible, promotional articles.

- Inter-institutional cooperation was stepped up by regular contacts with visitors' services of other institutions
- As of 1 September the Unit assumed responsibility for organizing inter-institutional EUVP (European Union Visitors Program) visits. During September-October 25 high ranking personalities from outside the EU were hosted in the Committee and received by Members and staff

4.5.3 Promotional activities

- ***50th Anniversary celebration, 28 May*:** The Communication Dept coordinated the task force supervising this event and the VIP Unit was chef-de-file. The President of Communication Group and three other Members were actively involved and four external companies assisted in the organization. Media coverage was large.
- ***Open Day, 7 June***: The Committee cooperated with the other European institutions hosting more than 4000 visitors and offering a rich program of activities. 21 Members participated actively and welcomed visitors in EESC's premises. An external company (EU Turn) assisted in the organization
- ***Sail for Europe**:* The EESC was among the main sponsors of the sailboat's "Traité de Rome" long journey around European ports. Exclusive days were organized in Rotterdam (20 May), Scheveningen (24 May), Ostende (28 May) and Thessaloniki (4 and 5 September)

4.5.4 Other events to which the Unit provided logistical support:

- 9 May events (Schuman Day): the EESC participated in several events throughout Europe taking the opportunity to start celebrating its 50th anniversary. The most important events took place in Helsinki (FI), Paris (FR), Budapest (HU), Luxembourg (LU), Copenhagen (DK), The Hague (NL) and Vilnius (LT)
- Extraordinary meeting of EESC's Employers' Group in Krakow (PL), 10 April, in cooperation with the Polish Confederation of Private Employers (PKPP)
- Seminar "Organized Civil Society as a Motor for Intercultural Dialogue", Portoroz, (SL), 17 June
- European Citizens' Forum "Towards a Europe of Solidarity"**,** Wroclaw (PL), 19 and 20 June
- Baltic Organized Civil Society Forum, Riga (LV), 25-26 September

4.5.5 Promotional articles

The Unit acquired a series of promotional articles which were offered to visitors as gifts on official occasions, conference, seminars, and during the large scale events. All promotional articles and visual supports acquired in 2008 were carrying the EESC's 50th Anniversary logo.

During its meeting on 20 November, the Communication Group approved a policy paper laying down the guidelines and procedures for ordering and distributing promotional material.

4.5.6 Europa Diary

The Unit negotiated EESC's participation to this school agenda which is produced by the Commission (DG SANCO) and destined to more than 2 500 000 pupils of secondary education throughout Europe.

- **KAPI - Key Activity and Performance Indicator(s) related to actions:**
  - #44 - Visitor groups : 360 (0,3% increase)
  - #44 - Visitors : 9561 (0,5% increase)

5 DIRECTORATE FOR HUMAN AND FINANCIAL RESOURCES (DHFR)

5.1 PER - Recruitment/Careers/Training Unit

5.1.1 Figures for recruitment and career-related activities

Number of posts 2008 (staff chart)	700 posts, of which 27 temporary
Number of vacant posts as at 31/12/2008	14
Number of permanent posts occupied by temporary agents (TA) as at 01/12/2008	65
Total number of officials recruited	70
Number of probationers appointed	58 (39 EUR15 and 19 EUR12)
Transferred from other institutions	12 (6 COM, 2 EP, 1 COUNCIL, 1 TC, 1 EMSA)
Transferred to other institutions	12 (5 COUNCIL, 4 COM, 2 EP, 1 CoR)
Contracts made permanent	81 (34 EUR15 and 47 EUR12)
Internal transfers	32
Secondments	3
Postings	6 + 1 incoming posting
Retirement	24
Number of individual interviews with candidates	141 (of which 69 with travel expenses)
Number of vacancy notices published	85
Number of new temporary agent contracts (TA)	33
Number of annexes to existing TA contracts	196
Number of new contract agent contracts (CA)	28
Number of annexes to CA contracts	39
Number of agency personnel	120
Organisation of "ad hoc" selection committees	(4 TA, 5 CA, 3 SNE)
SNE vacancy notices	2
New seconded national experts (SNE)	2
Contract extension for seconded national experts	2
Number of invitations sent to candidates, including travel expenses	(87 officials, 22 temporary staff, 4 SNE)
Unsolicited applications: registration and replies	912

5.1.2 2008 specific activities: recruitment and careers

- 137 promotions under the 2008 period
- 40 assistants attested following the attestation procedure (out of 55 staff eligible for attestation)
- Implementation of a mobility scheme for DLT staff following changes to the establishment plan of the language units (26 redeployments: 25 carried out in 2008, the 26th on 16.1.2009)
- Selection procedure for the new EESC secretary-general, who took office on 1.10.2008
- Drafting of a *Guide for recruitment requests, for the use of the requesting services*
- Creation of the new "Composition des services" module in Centurio, showing where EESC staff work and what they do (in progress)
- Revision of the TA "classification and contract" guidelines
- New TA and CA contracts with a notice clause
- Implementation of a mechanism to provide replacements for pregnant contract and temporary staff
- Changes to the "Serving the Members Better" organisation chart following the entry into office of the new secretary-general (in progress)
- Proposal to introduce the function of deputy heads of unit and head of department (postponed to 2009 following introduction of the new establishment plan)
- Drafting of rules to set cumulative time limits on TA, CA, agency and SNE contracts (in progress, postponed to 2009)
- Satisfaction survey (prepared, will be organised in 2009)
- Bilingual publication of certain standard vacancy notices, such as for posts in translation units
- Helping to implement Key Performance and Activity Indicators
- Automation of the management of unsolicited applications thanks to a new IT tool for online applications: the requirements have been set and sent to IT. Implementation expected in 2009.

5.1.3 Vocational training

As to vocational training, 2008 has seen the following achievements:

- New training rules have been put in place. They concern general training and the LA Regime for translators. A new guideline is being prepared and should be ready beginning of 2009
- A total amount of €453,537 have been spent, for the 700 existing posts in the EESC in 2008 (a consumption of 99,46% of the training budget). In other words, the equivalent to €648 was spent per person, a percentage increase of 22 % per person compared to the previous year
- EESC participants attended more than 220 different types of courses, either at the EESC or at the Commission. Some staff also went to courses at the European Administrative School (EAS), at the European Institute for Public Administration (EIPA), at the Committee of the Regions, at the European Parliament, and at the Council of Ministers. Limited number of staff members followed courses outside the EU institutions
- The Memorandum of Understanding (MoU) with the European Commission and the CoR is still valid until 2010. It allows access of EESC staff to all general Commission workshops with the Committees (e.g.: public speaking, communication techniques, assertiveness), in exchange to the Committees supplying one contractual agent to work full-time at the Commission (it excludes IT and languages)
- Renegotiation of the Memorandum of Understanding amongst the EU Institutions located in Brussels, so that the interinstitutional language courses provided are profitable to all participating institutions
- The EESC participated in several calls for tenders which generated the following framework contracts:

– ADMIN.D1/PR/2006/137: covering general training from management to communication or e-learning (in 13 Lots)
– ADMIN.D1/PR/2008/004: interinstitutional language courses for staff in general
– ADMIN.D.1/PR/2008/114: this call for tender is ongoing for Lot A, Dutch (staff in general), and Lot B, language training for translators
– BUDG07/PO/14: financial training in ABAC and SAP
– DIGIT/R2/PO/2007/029 T-TECH: training in computer technology for specialised IT training
– DIGIT/R2/PO/2007/018 – IT: end-users training
– DI 5510: training in computer technology

- DI 06541: training in computer technology
- DI 6542 (Lot 3): training in computer technology (Microsoft applications)

- There are ongoing contacts with all EU institutions in Brussels, so that the EESC continues to participate in all training call for tenders that could generate economies of scale to the training service of the EESC

- **KAPI - Key Activity and Performance Indicator(s) related to actions (for detailed figures, see Appendix D)**
  - #1 - Human Resource department workforce
  - #2 - Recruitments and renewals (see also 5.1.1)
  - #3 – Posts occupation rate
  - #4 - Staff pyramid and equal opportunities
  - #6 - Staff turnover
  - #7 - Staff internal mobility
  - #8 - Training intensity

5.2 Staff Regulations/Staff support/Working conditions

5.2.1 Staff Regulations

On the basis of the set of rules put in place in 2007, a review of internal decisions has been launched.

Following the election of the Staff Committee, the joint committees (whether explicitly provided for in the Staff Regulations or not) have been reconstituted. Discussions were held on the purpose and working methods of these joint committees.

A draft administrative cooperation agreement between the EESC and the CoR concerning administrative enquiries and disciplinary procedures has been drawn up with the CoR under the guidance of the EESC-CoR cooperation committee. This draft will be presented to the Staff Committee for consultation purposes prior to its adoption by the secretaries-general.

EDPS notifications: invalidity, leave on personal grounds, Centurio, sick leave and annual leave, crèches, inward and outward transfers, unemployment benefit, medical records, disciplinary procedures. The notifications backlog dating from 2005 is well on the way to being cleared and the relevant inventory has been completed.

5.2.2 Main aims and initiatives

5.2.2.1 Working conditions

A draft decision on flexitime has been drawn up in cooperation with the CoR. The draft has been presented at various meetings with heads of unit, staff and staff unions and has been the subject of consultation between staff unions and the directors and secretaries-general. Work will continue with a view to finalisation in 2009.

Following the adoption of the Council Regulations on shift work and standby duty, a first step has been taken towards introducing special working conditions for the security department. This draft cannot be completely developed until flexitime is in place.

A draft decision on the introduction of teleworking has been drawn up on the basis of a proposal of the Directorate for Translation and in cooperation with the CoR.

A draft review of the decision on part-time work has been drawn up in cooperation with the CoR and should be presented to the Staff Committee and then approved by the Staff Regulations Committee.

5.2.2.2 Staff Support and Traineeships

- A 2008-2010 transport plan was adopted. This included, inter alia, a financial contribution to the cost of public transport season tickets during the last quarter of 2008. The first *Friday bike day* was held in cooperation with EMAS and the CoR.
- There has been progress regarding inter-institutional cooperation on how to welcome new staff members and their families and provide them with information (morning welcome event, family day, trips, various services) and regarding certain services for staff (legal advice, interpreting lease contracts etc.). A draft cooperation agreement is currently under discussion and will be finalised in early 2009. The CoR has decided to join EESC discussions with the European Commission.
- Discussions on drafting a 2009-2011 multi-annual social action programme, developed in cooperation with the Staff Committee, in accordance with Article 1e of the Staff Regulations.
- Consolidation and update of the decision regulating EESC traineeships to incorporate all amendments since 1994 into a single legal document.
- Arrangements pertaining to financial contributions to the Early Childhood Centre in Brussels have been renegotiated in order to ensure budgetary follow-up that is more in line with budgetary forecasts provided by the Early Childhood Centre.

- Renewal of the triennial agreement with the Staff Committee (for 2008/2009/2010).
- Draft rules on purchasing and awarding gifts associated with the careers of staff members.
- Updating the parents' guide and welcome booklet.
- Significant progress has been made in insurance cover for EESC members (in case of emergency hospitalisation, and the age limit (72) for accident insurance has been lifted).

5.2.2.3 Privileges and immunities

An automatic system for obtaining certificates, based on the individual needs of personnel, has been set up with the support of the IT service. The first application of this automatic system concerns the certificate to be attached to tax returns (Article 13).

The service has continued to follow developments regarding the security features of laissez-passer via the inter-institutional working group.

5.2.2.4 Pensions and post-career activities

- Increased on-the-ground cooperation with the Office for the Administration and Payment of Individual Entitlements (PMO.4), particularly with regard to calculating entitlements (pensions, severance grants, end-of-contract procedures and unemployment). Negotiations have begun for a cooperation agreement, mainly with a view to concluding a service level agreement during the second half of 2009.
- Improvements in processing and acting on requests from staff concerning the recognition of auxiliary periods and the transfer of pension rights.
- Implementation of internal procedures for pensions, transfers, end-of contract procedures (listing functions, retirement pathways, various correspondence).
- Updating of an intranet page and another intranet page soon to be made available to retired and end-of-contract staff.

5.2.2.5 Equal opportunities and diversity

A draft 2008-2010 action plan on the equal opportunities and diversity policy has been drawn up by the EESC secretariat. This plan will be definitively adopted once COPEC has delivered its opinion.

5.2.3 Medical and Welfare service

Following the implementation of the cooperation agreements between the EESC and the CoR, the integration of this service with the Staff Support Services Unit has been successful. A list of procedures and decisions to be reviewed has been drawn up. Administrative decoupling from the CoR and the resulting physical relocation (August 2008) went according to plan.

Arrangements for the annual medical check-up were revised in a new staff notice and a new form for additional medical examinations and better budgetary follow up were introduced.

A medical questionnaire for members and a new information memo on the welfare and medical services available to them have been drawn up.

A blood donor day and an annual flu and tetanus vaccination campaign were organised.

An internal procedure and an information memo on recognised partnerships have been drawn up in cooperation with the individual rights service.

- **KAPI - Key Activity and Performance Indicator(s) related to actions (for detailed figures, see Appendix D)**
  - #5 - Staff flexibility index
  - #9 - Overtime follow-up
  - #10 - Absence rate
  - #11 - Harassment cases

5.3 Budget, Service to Members, Financial Rights (BUD)

Following consolidation of human resources during the year, implementation of the action plan for the reimbursement of Members' travel costs and allowances and the setting up of a verification service, the unit was marked by the preparations for a new establishment plan and the setting up of a separate Directorate for Finance, Budget and Accounting, which resulted in preparing a separation of the unit within this new Directorate and a transfer of certain tasks and resources to the new Directorate for Human Resources. At the end of 2008 much time and effort were invested into monitoring of Members' travel costs and allowances remaining within the limits of the corresponding budgetary appropriations.

5.3.1 Budget service

The Budget service co-ordinated the preparation of the budget, the control of its implementation and the EESC's relations with the budget authority. It provided regular statistics and analyses on budget implementation to the Budget Group, managed transfers and

coordinated, together with the Accounting Officer, the end-of-year procedure for closure and opening of the financial year.

The Budget service depends for most of its activities on close cooperation with the authorising officers who remain solely responsible for the management of their budget lines. However, at the request of the Secretary-General, the budget service heavily invested resources in very close monitoring on spending on Members' travel costs and allowances during the last quarter of 2008 to assure that spending would be contained within the limits of the budgetary appropriations.

5.3.2 Financial service for Members

The Financial service to Members maintained its key role in the chain of reimbursement of Members' travel costs and allowances as well as the management of key Members' indemnities, telecommunication allowances and the EESC' contribution to Members' IT and training costs. Due to the proliferation of special rules, procedures and exceptions handling, the service's work has become increasingly heavy and complex. In this context, the service continued to push for modernising financial procedures as part of the implementation of the action plan drawn up by the task force “Reimbursement of Members”, particularly in terms of insisting to take steps towards computerising and automating processes.

The service substantially reduced the amount of pending payments (more than 20 working days) together with the outstanding amount. 80% of all payments were made within 13 working days after the meeting.

The service continued cooperation with the in-house travel agency for Members' missions and prepared its phasing out.

5.3.3 Establishment and management of individual financial rights

The service for managing individual rights to emoluments continued to adapt internal procedures in the light of the new implementing rules for the Staff Regulations, the Financial Regulation, the conclusions of the heads of administration of the European institutions and harmonisation of rules with the Committee of the Regions. The service was actively involved in a number of inter-institutional forums set up for this purpose.

In cooperation with the service in charge of the payment of emoluments, the service reduced the lead time for paying exact salaries and substantially reduced the need for paying provisional salaries.

5.3.4 Payment of emoluments

Ex-ante checks of salaries were put on a more systematic footing with the introduction of check-lists. The introduction of the electronic payslip was delayed due to other projects in need of IT assistance having been accorded higher priority. The integration of reimbursement for missions and annual medical visits into the salary payment procedure was postponed. In cooperation with the service in charge of the establishment and management of individual rights to emoluments, the service reduced the lead time for paying exact salaries and substantially reduced the need for paying provisional salaries.

The service stabilised human resources by replacing temporary agents with officials.

5.3.5 Missions / Entertainment and representation expenses

The service had to manage a substantial increase in the number of staff missions and could therefore not reduce the number of pending reimbursement claims any further. It represented the EESC in the Commission's tender for a contract with a travel agent replacing the in-house travel agency for Members and staff. Cooperation with the in-house travel agency and the contractual monitoring of its expenditure continued.

The service continued to manage Members' entertainment and representation allowances.

5.3.6 Verification

Following the entry into force of the new EESC-CoR cooperation agreement, the verification service of the Joint Services was split. As a result, two staff members were integrated into the EESC verification service. Efforts to achieve greater versatility and harmonise procedures were continued in 2008.

The consultative and assisting role of verifying officers was maintained and strengthened, including prior to presentation of a specific case (upstream). The ex-post checks carried out in 2008 concerned notably Members' travel costs and allowances and staff salaries.

- **KAPI - Key Activity and Performance Indicator(s) related to actions**
  - #13 - Members expenses - payment lead time = 12,9 days from meeting to payment (shortened by 19%)
  - #14 - Mission costs reimbursement lead time (47% of claims paid within 20 working days – increased by 27%)

5.4 Accounting

5.4.1 Proper implementation of payments, collection of revenue and recovery of amounts established as being receivable:

	2008	2007	2006	2005	2004
Payment orders	41,000	37,000	34,700	32,520	25,777
Change from year to year	11%	7%	7%	26%	-
Recovery orders	126	150	153	112	142
Change from year to year	-16%	-2%	37%	-21%	-

- **KAPI Performance Indicator(s) related to actions (for detailed figures, see Appendix D)**
  - #15 - Payment-on-Time (late payments amounts from 59 to 19,5%)
  - #16 - Registration of invoices (late registration from 36 to 6%)

- Regular and timely execution of approx. 41.000 payment orders, which is 11 % more than in 2007 and 59% more than 4 years ago
- Handling of 126 recovery orders, which is lower than the last few years.
- A KAPI (Key Activity and Performance Indicator) called Just-in-time-payments has been established in this area
- During 2008 between 5-16% of invoices were paid on time, according to the Financial Regulation. It looks a little bit better if we look at the value of the invoices. 3-23% of the value is paid on time. The trend seems to be that 70-90% are paid too early, and 5-20% are paid too late
- Another KAPI in this area is "Registration of invoices"
- The first half of 2008 the average number of days (calendar days) from the reception of an invoice until it was registered in our accounting system was not satisfactory. But the last 5 months shows a good trend towards 2-3 days, which is a reasonable goal under the current circumstances

5.4.2 Preparing and presenting the accounts

- Closing the 2007 financial year in accordance with the provisions of the Financial Regulation stipulating provisional reporting on 01.03.08 and final reporting on 01.07.08

5.4.3 Keeping the accounts

- Most of the old balances originating from before 2000 were cleaned up during 2008. Also most of the necessary reposting of balances from 2001-2004 were done. A few of these postings are still left, a final decision having still to be taken by the Authorising Officer.
- A KAPI called "Recovery regularization ratio" is established in order to, on a yearly basis, calculate the rate of payments received without a forecast of revenue being established beforehand
- We received 110 payments where a forecast of revenue could have been expected. For only 60% of them it had been made prior to receiving the amounts

5.4.4 Laying down the accounting rules and methods and the chart of accounts

- The accounting manual has been established, but still needs some work to be completely up-to-date

5.4.5 Treasury management

A KAPI is established for measuring the Liquidity accuracy, which is defined as the number of days where we have too much and too little liquidity available, according to the Treasury Management Policy. For 2008 the indicator shows that we had too little cash on 14 calendar-days (5% or 1,2 days per month), too much cash on 25 calendar-days (7% or 2,1 days per month). As a result of this the cash on hand was within the limits set by the policy 89% of the year (327 calendar-days or 27,3 days per month). This is considered to be a quite high degree of policy fulfilment.

- **KAPI Performance Indicator(s) related to actions (for detailed figures, see Appendix D)**
  - #17 - Recovery regularization ratio
  - #18 - Liquidity Accuracy

6 INTERNAL AUDIT

6.1 Introduction

The 2008 activity report has been drawn up in application of Article 86(3) of the Financial Regulation. It gives an account of the activities of the Internal Audit Unit in 2008.

The annual work programme of the Internal Audit Unit forms part of the work programme of the secretariat. It is adopted, after submission to the Secretary-General, in accordance with Article 4 of the Internal Auditor's Charter and Article 111 of the Procedures for Implementation of the Financial Regulation. It is also submitted to the Audit Committee.

6.2 Activity report 2008

6.2.1 Specific audits

An audit on training policy was issued in November 2008, covering the extent and the quality of training with regard to staff development. An action plan was agreed with the audited Unit In addition, two other audits were initiated in the course of 2008, but not yet finalized. In compliance with the EESC–CoR Cooperation Agreement, which foresees that all Joint Services are audited, one audit concerns the functioning of the printing/distribution Unit. The other audit focuses on potential risks in the salary payment procedure. This audit was considered important given the amounts involved (more than half of the annual EESC budget) and the fact that the procedure is partially externalised. These audits are scheduled to be finished in 2009.

6.2.2 Follow-up of agreed action plans

All previously established agreed action plans, resulting from internal audits or from external sources (Court of Auditors, Budgetary Authority) were reviewed at least once in the course of 2008. The presentation of the state of implementation has been thoroughly reviewed in order to improve the reporting provided to senior management and to the Audit Committee

6.2.3 Assisting management and financial actors

The Internal Audit Unit devoted a substantial part of its resources to assisting management and financial actors.

A set of key activity and performance indicators (KAPI) had been defined in 2007. The Unit developed those further in 2008. It created a technical platform for their registration and presentation and, wherever possible, it automated their production.

The Unit set up and monitored a central directory of EESC administrative regulations.

The tool previously used to forecast members' expenditure had worked well till 2007, but was not properly equipped for the future. Given the degree of urgency in early 2008, a more sophisticated forecasting tool was developed.

Specific assistance was given in setting up the mini-agreements for the implementation of the new EESC – CoR Cooperation Agreement in the field of infrastructure, internal services and IT.

The Internal Audit Unit was equally involved in the following activities:

- Preparation of the Committee's annual activity report (coordination of contributions of the different services) and quality control thereof (coherence of text and annexes)
- preparation and coordination of replies regarding the 2007 DAS exercise (Court of Auditors) as well as the 2006 discharge exercise (European Parliament)
- establishment of checklists for financial transactions

During 2008, the Unit gave a 2-day internal seminar for financial actors 5 times, for a total of 59 participants.

The Internal Auditor was also consulted and provided his opinion on several draft regulations like the training regulation framework, the representation costs, the mobility plan, etc…)

6.2.4 Improvements of working methods, management of resources and professional training

The Audit Committee met 3 times in 2008. The Internal Audit Unit did the necessary reporting and took account of this Committee's requests.

The Secretary-General and the Internal Auditor continued to hold weekly meetings on a fixed day. This enables the Internal Auditor to be fully briefed on activities and events taking place within the institution, and the institution to take the comments of the Internal Auditor fully into account.

Regular meetings with the Verification service were held to facilitate the exchange of views between the main actors of the internal control system. The Verification Unit of the CoR was invited and attended.

A meeting with the internal auditors of the other institutions took place in June 2008. The Unit participated in the Commission's Central Audit Service's annual conference in October 2008.

See Appendix B: 2008 recommendations and action taken

7 DIRECTORATE FOR LOGISTICS (DL)

Following the cooperation agreement, the Directorate for Logistics is established as a joint service. As such it serves the two committees, a fact that needs to be taken into account when looking at its activities and resources.

7.1 Security department / service

- An internal audit focusing on security guards and surveillance was conducted by the EESC's internal auditor in cooperation with the Security Service and approved by the Secretaries-general of both Committees in July 2007
- Implementation of the first recommendations began in the second half of 2007, in 2008 the recommendation are accomplished up to 98%. The improvement of cooperation with infrastructure service related to the security works is still increasing properly
- Project to centralise alarms in one dispatching, from now to finalisation of central dispatching works, is ongoing
- The call for tenders for a technical firm to prepare the Central Dispatching call for tenders in 2009, was launched
- Fire drills and evacuation exercises were followed successfully in all Committee buildings
- The security of events organised in Brussels as Open Days, receptions, cocktails, etc. were ensured effectively. Security Service gives security support abroad to extraordinary meeting and Bureau when requested, for both Committees
- New course of safety was concluded at the end of 2008. This training will help the security service to provide higher safety service when at the end of the course during 2009, the whole team will be accredited as "Conseiller en Prevention niveau III"
- PNG (electronic devices for access control) contract installation at hall JDE is signed. Works will start in 2009

The vacant post for assistant in Safety and health at work is published to cover legal needs for both Committees

7.2 Programming / Financial and contractual management

7.2.1 Financial management

- Coordinating the contributions of the DL/DT to the closure of the 2007 budget.
- Rigorous monitoring of the 2008 budget, in close cooperation with the managing officers involved in the conclusion of contracts during the year, on the basis, in particular, of quarterly expenditure plans for each department. Updating the execution of expenditure for the DL/DT throughout the year.
- Coordinating aspects concerning DL/DT in the 2009 budget drafting procedure for the two committees.
- Coordinating initial preparation for requests for appropriations for 2010.
- Relations with the two Committees' own financial services, and with DL/DT's financial managers.
- A new assistant in this field, who was recruited in early 2008 to a post which had been vacant since mid-2007, has helped to ensure more efficient financial management in DL/DT.

7.2.2 Management of tenders and contracts

- Establishment of the Tenders and contracts sector. Both of the assistants recruited in late 2007 are working to full capacity, under the supervision of the head of sector. These changes contributed to the effective and productive monitoring of the various calls for tender and contracts required for the DL/DT to meet its objectives.
- Management of 17 tendering procedures specific to the EESC/CoR, 13 of which were concluded in 2008 with the award of 9 contracts, and 4 of which will be concluded in 2009. The most significant procedure concerned the new contract for finishing work in the Committees' buildings. Other completed procedures concerned various works (replacement of the lighting system in the TR74 building, work in the entrance hall of the JDE building) and the provision of various monitoring and maintenance services. Procedures launched in 2008 and which are planned for conclusion in 2009 include new framework contracts for a consultant to assist in the execution of projects and to provide technical assistance and advice in the fields of construction, for EMAS consultancy and for the provision of national and international express mail services.

- Management on behalf of the EESC/CoR of 9 inter-institutional procedures, three of which were concluded in 2008. The most significant procedure concerned the new contract for "catering services".

7.2.3 General

- Coordination within the DLT-JS of various requirements in the planning and reporting of activities.
- Achievement of goals relating to the conclusions of the internal audit, procedures set up and in accordance with the risk analysis, in line with the good financial management principle.
- Activities in these areas benefited from the recruitment of an assistant in September 2008.
- Developing an inventory of DL/DT contracts.

7.3 Coordination of logistics

7.3.1 Catering service

Objective: administrative and financial management which meets the health food requirements set out in the contract concerning the Contractor and consumers, i.e. members and staff.

- March-November 2008: new inter-institutional tendering procedure, with the EP in charge.
- Entry into force of the new contract on 1 December 2008.
- Participation in, management and follow-up of inter-institutional framework contracts, mostly in cooperation with the European Commission's OIB, which is responsible for the purchase of materials and maintenance equipment.
- Annual maintenance programming and planning
- Development of intranet communication: documents and data for the management of orders by managing officers from the Committees' own services

7.4 Infrastructure

During 2008 the Committees established two new framework contracts for technical maintenance of buildings and finishing work. These contracts enabled various work to be carried out which improved the quality and reliability of our technical installations.

The Intranet site developed and is updated regularly.

The way the Helpdesk operates was improved and all requests for help are now dealt with and recorded by the Helpdesk. The amount of requests increased by 37% in 2008. This increase caused the percentage of interventions dealt with within the agreed deadlines to fall in 2008

This year the unit carried out a satisfaction survey, which yielded an encouraging view of our work.

The project to build a passage between B68 and TREV could not be implemented as the call for tenders was unsuccessful. However, the unit signed contracts to make alterations to the lighting system in the TREV building and refurbish the JDE entrance hall.

The following projects have been started or already finished: centralising the control of maintenance services, sound-proofing the VIP rooms, waterproofing in the buildings and continuing renovation in the BvS building.

The unit has just drawn up a multi-annual plan to renovate the buildings. All the projects are fully EMAS-compliant, aimed at renovating old installations or enhancing installations' performance.

The unit also made considerable efforts to implement the EMAS project, performing environmental audits on our buildings.

Replacement of old, non-ergonomic, depreciated furniture continued in 2008. This furniture, along with broken and unusable furniture, was removed from the inventory and given to Oxfam. The ergonomic analysis carried out in the BvS building yielded positive results as regards furniture, apart from chairs: particular efforts have been made to replace them.

Apart from preparations for plenary sessions, the removal services have effected over 500 internal moves following reorganisation in the own services and the Translation Directorate.

This year, considerable endeavours were made to update the inventory: in particular, we improved the monitoring of items moved from one location to another. The inventory was put in order, including several thousand items whose whereabouts had never been recorded or which were recorded as being in the Committees' old buildings.

The team in charge of financial management was reorganised; the financial and operational roles were separated. Three new officials were hired to fill posts which had become vacant in the sector, and they need to be trained.

The Infrastructure unit continues work together with the other institutions in the Inter-institutional Infrastructures, Logistics and Internal Services Working Group (ILISWG), of

which the Committees hold the presidency. The unit is also taking part in a number of interinstitutional calls for tender (buildings insurance, furniture, energy supply etc.).

- **KAPI Performance Indicator(s) related to actions (for detailed figures, see Appendix D)**
  - #19 - Building maintenance interventions 2576 (36% increase)
  - #20 - Building maintenance intervention lead time 51% in time

7.5 IT and telecommunications

The main achievements in 2008, grouped according to field of activity (information systems, IT infrastructure and user support services) are listed below:

7.5.1 Information Systems

During 2008, the information systems service managed a portfolio of 43 applications. The most important developments during 2008 were:

7.5.1.1 Web and communication Applications

- New version of TOAD / Members' portal. TOAD and Members' Portal are integrated with the applications used by Secretariat staff for encoding relevant data (Agora and Ariane) and display data exactly as encoded in those applications
- Common Consultative Platform (Single infrastructure to build Corporate Web Sites such as Lisbon Monitoring Platform, Subsidiarity & EGTC)

7.5.1.2 Operational Applications (Agora)

- Forecasting tool for the Budget Group integrated in Agora;
- Improvements for the interpretation module (e.g. automatic e-mail transmission to the SCIC to replace fax)
- Creation of a system of e-mail alerts (automatic e-mails and "early warnings" are a way of proactively drawing the attention of user to requiring attention. 13 early warning were implemented for the Operational Applications)
- Automatic generation of the Member's Vademecum using Agora
- Modification of the application to take into account the new cooperation agreement (decoupling of the Meeting service, management of common resources, …)

7.5.1.3 Documents Production Chain

The production chain encompasses the translation and document management, supported by the following IT applications: Ariane, ArianeX, Translation Workbench Wizard, Document Management, search engines…

- Adaptation of the applications to take into account the new cooperation agreement (new points de contact, statistics module)
- Modification of the applications to support 5-digit fiches (More than 10,000 documents were translated in 2008)
- Implementation of "Cost and performance indicators" for translation

7.5.1.4 Reporting

- Separate database for reporting with aggregated data from a local database (Centurio, Agora) and an external database (ABAC)
- Creation of Key Performance Indicators (ABAC/FIM/Agora data)
- Operational reports (Agora data)
- Administrative reports (Centurio data)

7.5.1.5 Administrative applications (Centurio, NAP)

- First contacts with the Commission regarding the introduction of Sysper2/IRIS;
- Interface between Centurio and ECAS (the Single Sign On system of the Commission to allow the Committees to access Commission tools such as IRIS, Sysper2…)
- Interface with ASMAL has been finalised
- Improvement of several Centurio modules (Staff assessment, Promotion, Training)

7.5.2 IT infrastructure

Among IT Infrastructure realisations in 2008, the following points can be highlighted:

- the installation of new databases servers, the migration of the databases to Oracle 10g
- the creation of a data warehouse for ABAC
- the further development of the Disaster Recovery Data Centre and disaster recovery tests at the level of the file servers, of the databases, of telephony and of the internet access

- the implementation of virtualisation techniques at the level of the servers and its use for stand by servers
- the definition of a new backup solution and the purchase of part of the equipments
- the implementation of a cluster solution for e-mail archiving;
- the upgrade of the antivirus solution
- the design of the hosting for the "Common Consultative Platform"
- the definition of a new network concept (in the context of Disaster Recovery and Security improvement) and the purchase of the corresponding equipments
- the support to the central security dispatching project
- the implementation of a new type of firewall together with the installation of a secondary internet access
- the preparatory works for the interconnection of the EP D5 (the new building were some EESC's plenary sessions are held) to our network
- the preparation of the Prague summit
- the video streaming of plenary sessions on the Committees network
- the implementation of the first phase of a patch management process
- the implementation of a vulnerability scan of the servers

All of the above projects were carried out in the context of the 5 year development plan for IT Infrastructure.

7.5.3 User Support Services:

The activities of this sector can be classified as follows:

7.5.3.1 User support

Keeping in mind that support is provided to the two Committees, the user support has been provided for ±3,200 user accounts, ±1,700 PC's over 60 different types of software, and an average of 2,800 support requests per month. The incident management process is very well developed and significant progress continues to be made in the "problem management" area.

7.5.3.2 Relations with users

"Relations with users" covers the arrangements for new users and management of documentation and monthly reports. The IT service also organised a user satisfaction survey

during the year. The results were satisfactory. Points raised by the users have been incorporated in the IT planning.

7.5.3.3 Logistics

Stock, consumables and inventory had to be managed (including decommissioning). Please note the steep increase in the number of moves this year.

7.5.3.4 Projects

The service coordinates a number of projects, often in conjunction with other IT services. Amongst major projects carried out during 2008:

- Adjustments to the IT environment in line with the new cooperation agreement
- Takeover of the photocopiers, and redefinition of the service so that the equipment is used to its full potential (as printers, scanners, faxes, A3 printers). The service was extended to cover secure printing and optical character recognition. Cost reductions were achieved by reducing the overlap with network printers and due to reduced pricing obtained under the terms of the new framework contract for "multifunctional devices"
- Equipment replacement programme: preparation of the specifications for new desktop, laptop and notebook PC's. For the first time, the desktop PC's will be delivered with the Committees' standard configuration pre-installed. This will improve the efficiency of the PC replacement programme

7.5.3.5 Implementation of IT User Policies

The "user accounts" policy being well defined and operational, a proposal for a "printer management" policy has been prepared and is waiting approval from the Committees.

- **KAPI Performance Indicator(s) related to actions (for detailed figures, see Appendix D)**
  - #25 - IT costs per user
  - #26 - IT Unit workforce
  - #27 - IT user support requests
  - #28 - IT helpdesk reaction
  - #29 - IT availability

7.6 Printing/Distribution

7.6.1 Overall Mission

During 2008, the copy service produced 37.78 million copies. This figure represents the amount of work carried out on the basis of 7 000 fiches submitted by planning, as well as individual requests.

The mailing room ensured the distribution of documents, twice-weekly for the EESC, totalling 113 739 documents, and on a weekly basis for the CoR, totalling 63 579 documents. At the same time, a large number of special deliveries were made for the Open Days, various receptions and exhibitions.

Distribution assumed responsibility for preparing dossiers for all EESC and CoR meetings and conferences. For the EESC, 60 000 dossiers were prepared for 478 meetings. The CoR requested 30 000 dossiers for 106 meetings. A significant proportion was produced in 22 languages.

The Print shop did 1.921 set ups of the presses and totalling 2.066.026 printed sheets for the EESC. For the CoR, 1.108 set ups were realized and 1.692.245 sheets were printed.

7.6.2 Specific dossiers

Under the call for tenders for the "Computer to plate" system, the equipment was delivered and installed.

Under the call for tenders for the replacement of the gatherer, the new machine was delivered and installed.

The contract to purchase office supplies will be used for the purchase of paper and consumables.

For postal services, the Committees joined the OIB call for tenders. The evaluation of tenders has been completed and the contract is at the signature stage.

An additional call for tender to cover express mail needs is underway. The evaluation of tenders has been completed.

Budget items 2140, 2300, and 2360 were managed.

- Item 2140 – Technical equipment and installations: EUR 610 390
- Item 2300 – Stationery, office supplies and miscellaneous consumables: EUR 329 280

- Item 2360 – Postage on correspondence and delivery charges: EUR 674 000

- **KAPI Performance Indicator(s) related to actions:**
  - #34 - Copyshop productivity 3 193 296 copies (number of copies has decreased by 34% since 2007)
  - #35 - Offset productivity 4 961 614 printouts (number of copies has decreased by 10% since 2007)
  - #36 - Expedition productivity 14 855 distribution (compared with 56099 in 2007. Smaller team, productivity has increased by 25%)
  - #37 - Diffusion productivity 19 724 mailings (reduced to 20% due to bureau decision on mailings)

8 DIRECTORATE FOR TRANSLATION

As for the Directorate for Logistics, the Directorate for Translation is established as a joint service. As such it serves the two committees, a fact that needs to be taken into account when looking at its activities and resources.

The Directorate for Translation has achieved its main objectives for 2008 by continuing to provide quality translations on time and to implement the Translation Quality Guidelines.

8.1 Continuation and development of in-house and external translation by maintaining a high productivity

- Processed requests for translation and editing: 10751 (9482 in 2007, i.e. up 13%)
- Annual productivity per EU-15 non-pivot translator: 1 727 pages
- Annual productivity per EU-10 non-pivot translator: 1 645 pages
- Rate of direct translation: 93.3%
- Rate of revision: 65.4%
- Rate of respect of deadlines: 98.0%
- Rate of complaints: 0%
- Rate of outsourcing/external translation: 5.1%
- PTL team expanded

- All new framework contracts for external translation (outsourcing) signed
- Acquisition of dictionaries taken over from the library from May 2008.
- Presentations of the directorate organised for staff from both Committees

8.2 Improvement of working methods and optimisation of human and financial resources management

- New management structure has been put in place since 1st July 2008
- Working arrangements in the directorate have been defined
- Working arrangements with contact points for translation have been defined and close cooperation with the Registries of both Committees is well under way
- Forward planning of in-house document production has been improved and formalized
- A development plan for the directorate, covering the next three years, has been submitted to the Political Monitoring group CoR-EESC and approved by this political body
- Integration of Euramis in the translation workflow completed
- A new categorisation of documents adopted
- Proposals with a view to a prioritisation of documents submitted to the consideration of the Registry services
- Remaining training actions provided for in the Translation Quality Guidelines launched
- Active participation in language and thematic training actions to optimise translation capacity
- IATE (InterActive Teminology for Europe) brochure distributed in the Committees
- Preparation of new management seminar on change management and staff motivation
- New course on search tools launched (26% of staff trained)
- New level-7 and level-8 Polish courses organised
- Rationalisation of procedures relating to external translation
- Rationalisation of office spaces occupied by the directorate covering moves by around 84 staff members

8.3 Continuation and development of interinstitutional cooperation

- Active cooperation in Interinstitutional Committee on Translation and Interpretation (ICTI) and its bodies, including secretariat of Translation Section
- Costs of internal and external translation calculated and other performance indicators established
- Participation in workload balancing
- Participation in the new system for evaluation of external translation
- Participation in relevant EPSO selection boards
- Participation in language-specific cooperation
- Incorporation of EESC-CoR terminology in IATE

- **KAPI - Key Activity and Performance Indicator(s) related to actions:**

  - #30 - Internal translation productivity 1 307 pages/translator (48% of constant increase since 2005)
  - #31 - Translation deadline compliance rate 98% (1% decrease)
  - #32 - Translation revision rate 63,9% (5,5% decrease)
  - #33 - Direct translation rate 91,4 % (7,6% increase)

II.

PART II

Annual General Accounts 2008 (Accrual Accounting Principle)

PART II

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Brussels, June 2009

1. CERTIFICATION BY THE ACCOUNTING OFFICER

The annual general accounts of the European Economic and Social Committee for the year 2008, showing an Economic Outturn of EUR 7,485,525 and Net Assets of EUR 27,244,181 have been prepared in accordance with the Financial Regulation of the EC and the accounting rules adopted by the Commission's accounting officer, as are to be applied by all the institutions and community bodies.

I acknowledge my responsibility for the preparation and presentation of the annual general accounts of the European Economic and Social Committee in accordance with Art. 61.1.b of the Financial Regulation.

I hereby certify that, based on the information provided by the authorising officers, who guaranteed its reliability, and on a number of checks, I have a reasonable assurance that the annual general accounts (Part II of this report, pages 83-114) present a true and fair view of the financial position of the European Economic and Social Committee in all material aspects.

Claus Bergman
Accounting Officer

2. ACCOUNTING POLICIES

In this chapter we will provide a description of the policies, principles, methods and assumptions lying beneath the annual general accounts.

The accounting policies remain unchanged from the previous year, except for the changes described in paragraph 2.1.

2.1 CHANGES TO THE ACCOUNTING POLICIES ETC.

In December 2008 the Accounting Officer of the Commission decided to adopt an update of EC accounting rule 12: Employee benefits. The changes are applicable as from 1/1-2008.
The update has not had a significant influence on this years accounts.

2.2 LEGAL PROVISIONS AND THE FINANCIAL REGULATION

The main source of principles is the Financial Regulation and it's Implementing Rules (Council and Commission Regulations). On top of this the Accounting Officer of the Commission has issued rules regarding the Harmonised Chart of Accounts and also 15 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 and inspired by International Public Sector Standards (IPSAS) or by default International Financial Reporting Standards (IFRS).

2.3 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 do so in a clear and comprehensible manner which allows comparisons between financial years.

The accounting system of the European Institutions comprises general accounts and budget accounts. These accounts are kept in euro on the basis of the calendar year. The budget accounts (Part III of this report) give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle[1]. The general accounts (Part II of this report) 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.

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

Article 124 of the Financial Regulation sets out the accounting principles to be applied in drawing up the financial statements:

- going concern basis;
- prudence;
- consistent accounting methods;
- comparability of information;
- materiality;
- no netting;
- reality over appearance;
- accrual-based accounting.

2.4 CURRENCY AND BASIS FOR CONVERSION

The financial statements are presented in euros, which is the European Economic and Social Committee's functional and reporting currency.

Foreign currency transactions are translated into euros using the exchange rates prevailing at 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 2008.

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.

[1] This differs from cash-based accounting because of elements such as carry-overs.

2.5 THE ECONOMIC OUTTURN ACCOUNT

2.5.1 Revenue

The vast majority of revenue is funds transferred from the Commission. All transfers received on the bankaccount of the European Economic and Social Committee within the reporting year is recognised as revenue. A part of the funds are indirectly transferred via a liaison account, mainly used for managing internal transfers with the Commission, regarding interpretation costs etc.

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.

2.5.2 Expenditure

Exchange expenses arising from the purchase of goods are recognised when the supplies are delivered and accepted by the European Economic and Social Committee. 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.

2.6 BALANCE SHEET

2.6.1 Intangible fixed assets

Intangible fixed assets are valued at their acquisition price, with the exception of assets acquired free of charge that 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.

2.6.2 Tangible fixed assets

All property, plant and equipment are stated at historical cost less 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 European Economic and Social Committee 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:

2.6.3 Depreciation rates

Type of asset	Straight line depreciation rate
Intangible assets	25%
Buildings	4%
Plant, machinery and equipment	12.5% to 25%
Furniture	10% 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.

2.6.4 Leases

Leases of tangible assets, where the European Economic and Social Committee have substantially 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.

2.6.5 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 for 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.

2.6.6 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 European Economic and Social Committee 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.

2.6.7 Cash & 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 only.

2.7 THE CASHFLOW STATEMENT

Cash flow information is used to provide a basis for assessing the ability of the Communities to generate cash and cash equivalents, and its needs 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.

2.8 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.

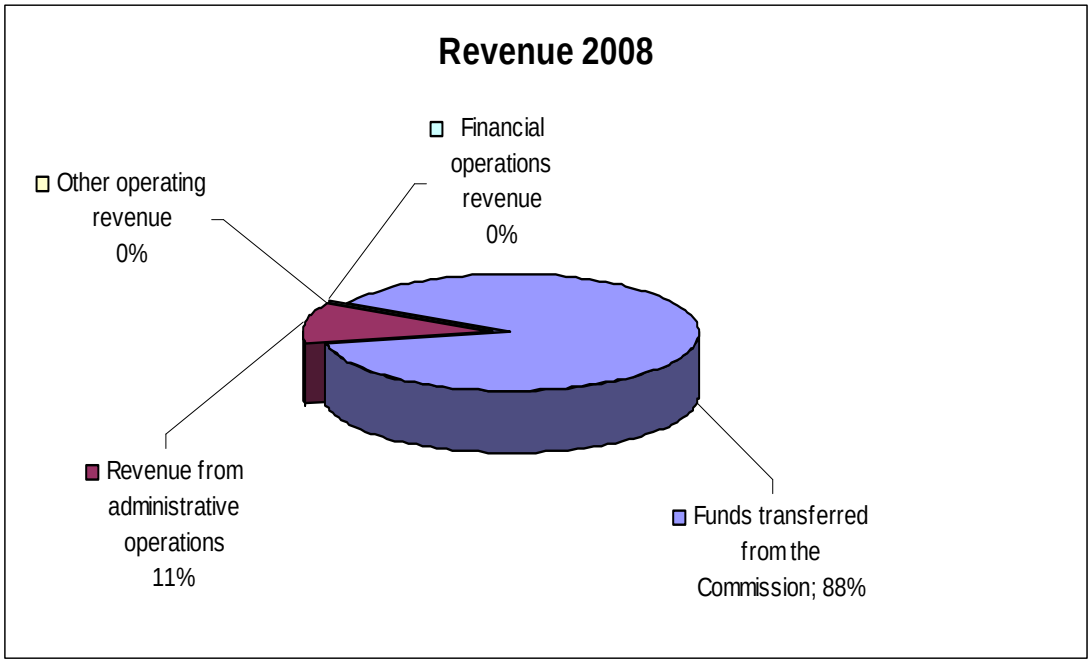
3. THE ECONOMIC OUTTURN ACCOUNT

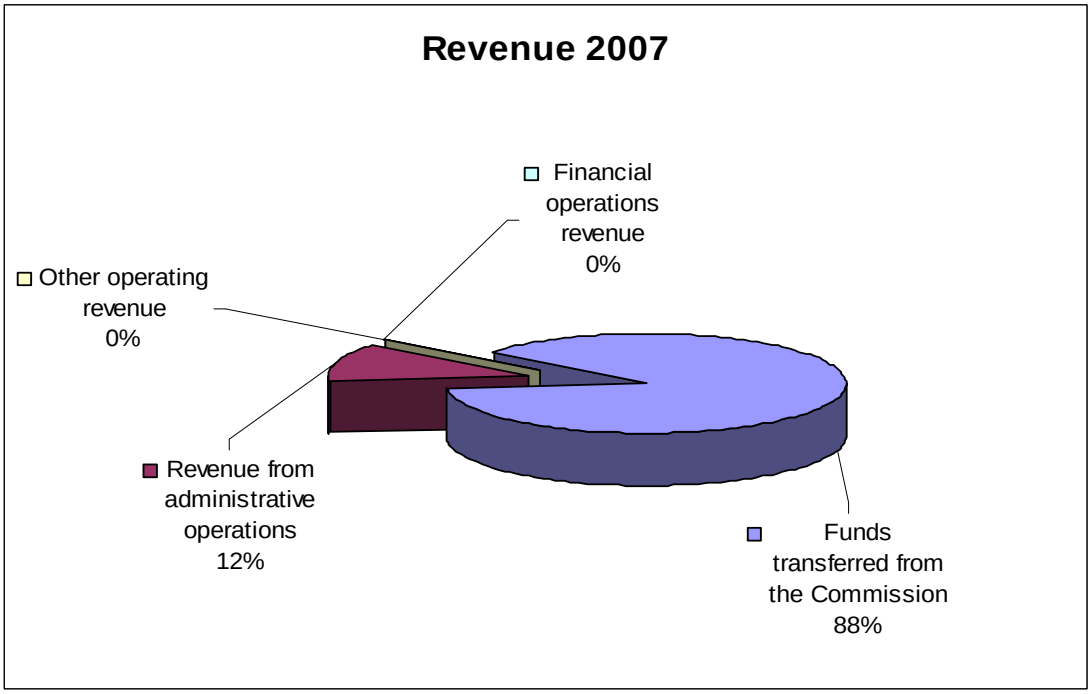
	Note	2008	2007
Operating Revenue			
Funds transferred from the Commission		112.866.166	89.156.299
Revenue from administrative operations		14.282.853	12.515.179
Other operating revenue		80.325	70.902
	1	**127.229.343**	**101.742.379**
Operating Expenses			
Administrative expenses			
Staff expenses		(75.383.640)	(70.930.905)
Fixed assets related expenses		(5.244.164)	(4.904.147)
Other administrative expenses		(28.352.942)	(25.148.864)
		(108.980.746)	**(100.983.916)**
Operational expenses			
Other operating expenses		(8.908)	(7.400)
		(8.908)	**(7.400)**
		(108.989.654)	**(100.991.316)**
Surplus from operating activities		**18.239.690**	**751.063**
Financial operations revenue		99.178	160.233
Financial operations expenses	**2**	(10.853.343)	(7.753.840)
Deficit from non-operating activities		**(10.754.165)**	**(7.593.607)**
Economic result of the year		**7.485.525**	**(6.842.544)**

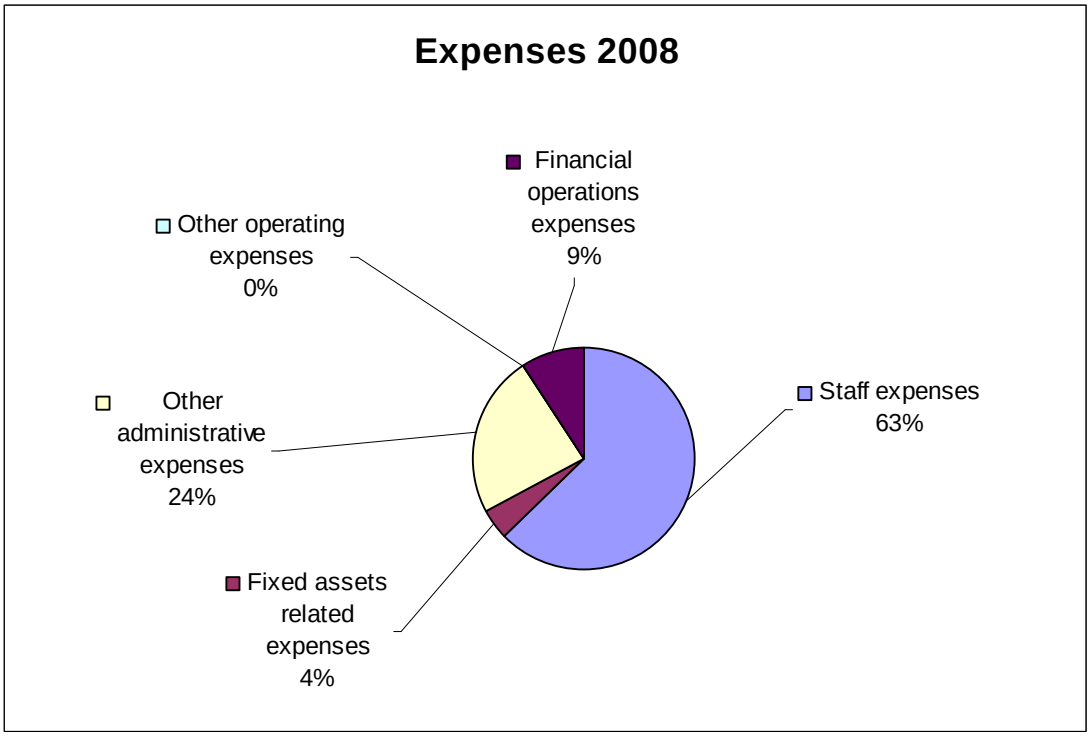
As the European Economic and Social Committee is obviously not a profit-maximising organisation, the Economic Outturn Account should be interpreted with care. Any negative results do not in themselves point to bad management – on the contrary.

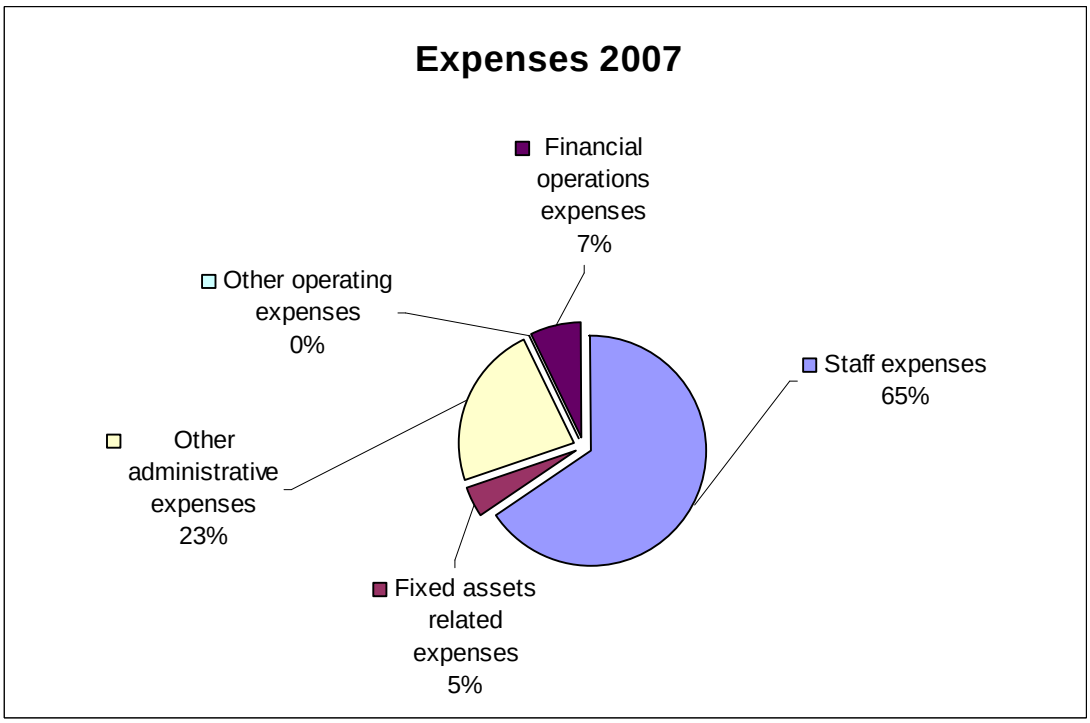
The revenue side is rather arbitrary. The funds transferred from the Commission are not really accrually founded. The treasury asks for funds when needed according to the liquidity budget, which actually follows the rules of the Financial Regulation of minimising the cash at hand at all times.

The Economic Outturn Account is more reliable on the expense side. All the expenses are correctly periodised according to accrual principles and can be compared directly.


Revenue 2008
Financial operations revenue 0%
Other operating revenue 0%
Revenue from administrative operations 11%
Funds transferred from the Commission; 88%

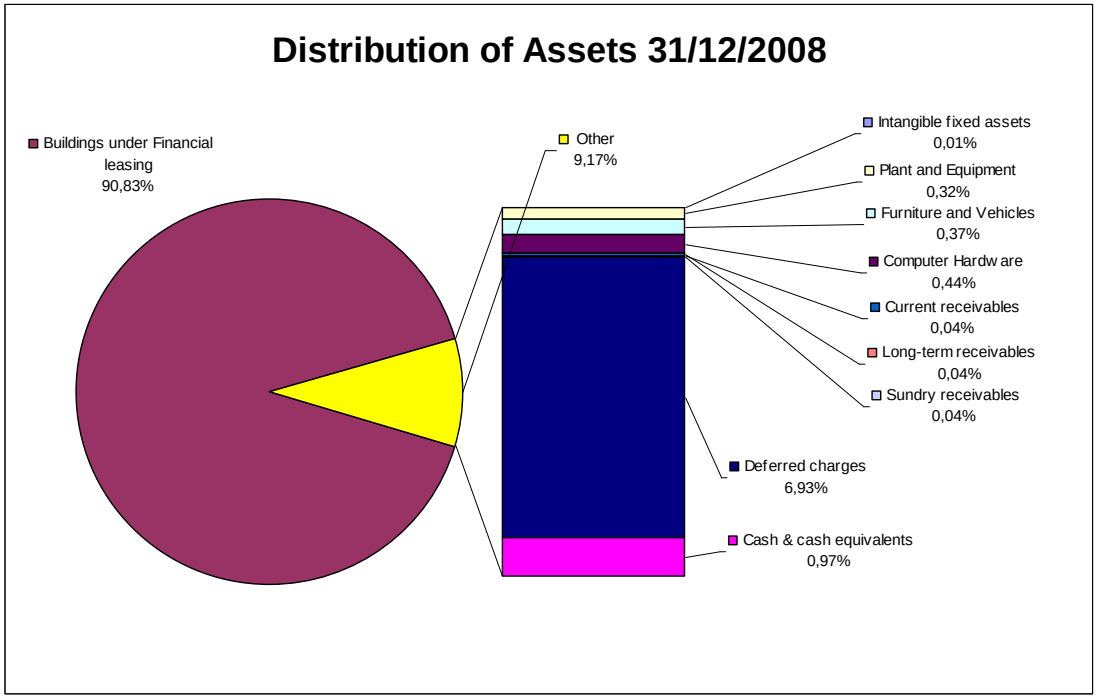

Revenue 2007
Financial operations revenue 0%
Other operating revenue 0%
Revenue from administrative operations 12%
Funds transferred from the Commission 88%

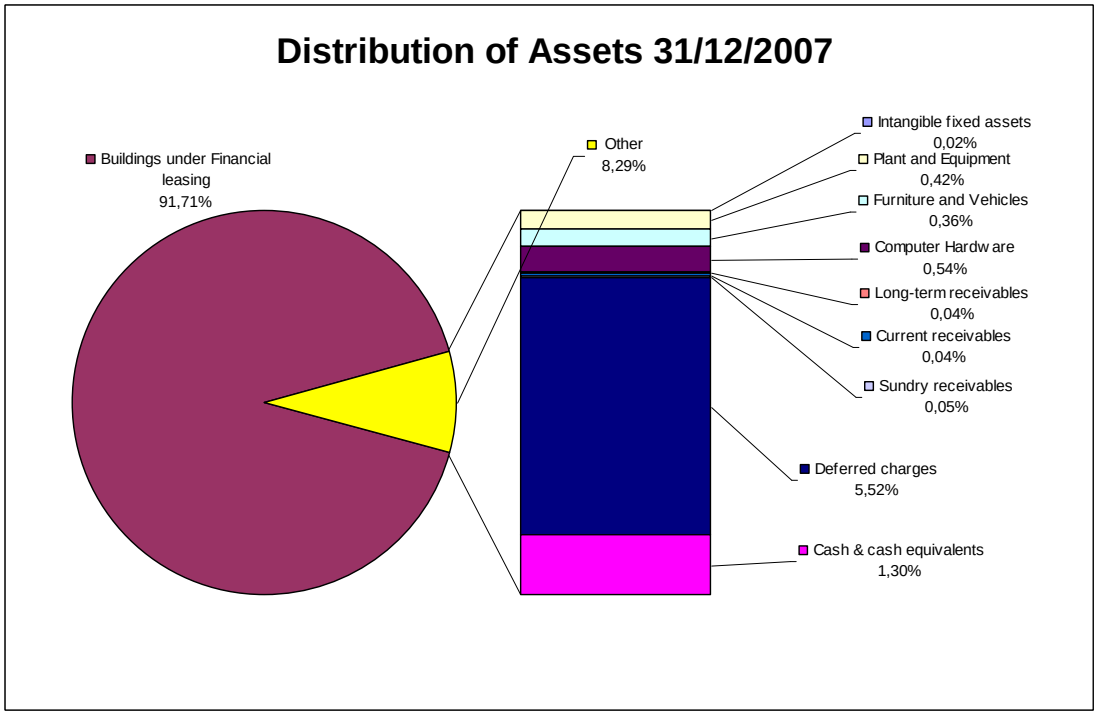

Expenses 2008
Financial operations expenses 9%
Other operating expenses 0%
Staff expenses 63%
Other administrative expenses 24%
Fixed assets related expenses 4%


Expenses 2007
Financial operations expenses 7%
Other operating expenses 0%
Staff expenses 65%
Other administrative expenses 23%
Fixed assets related expenses 5%

4. THE BALANCE SHEET

	Note	31/12/2008	31/12/2007
I. Non-current assets			
Intangible fixed assets	**3**	19.247	29.084
Tangible fixed assets			
Buildings under Financial leasing	**4**	139.555.309	144.108.828
Plant and Equipment	**5**	490.079	663.412
Furniture and Vehicles	**6**	569.929	567.880
Computer Hardware	**7**	670.914	841.281
		141.286.230	146.181.402
Long-term receivables	**8**	66.983	70.582
		141.372.460	**146.281.068**
II. Current assets			
Short-term receivables			
Current receivables	**9**	66.007	58.479
Sundry receivables		54.831	76.517
Deferred charges		10.655.001	8.681.812
		10.775.839	8.816.808
Cash & cash equivalents		1.496.248	2.044.453
		12.272.087	**10.861.261**
Total assets		**153.644.547**	**157.142.329**
III. Non-current liabilities			
Other long-term liabilities	**10**	118.691.258	125.936.775
		118.691.258	**125.936.775**
IV. Current liabilities			
Provisions for risk and charges	**11**	0	900.000
Accounts payable			
Current payables	**12**	431.401	3.883.537
Long-term liabilities falling due within the year	**13**	3.036.754	2.954.914
Sundry payables		615.466	648.515
Accrued charges		3.625.486	3.059.931
		7.709.108	10.546.898
		7.709.108	**11.446.898**
Total liabilities		**126.400.366**	**137.383.673**
V. Net assets		**27.244.181**	**19.758.656**
Contingent assets	**14**		
Contingent liabilities and Commitments for future funding	**15**		


Distribution of Assets 31/12/2008
Buildings under Financial leasing 90,83%
Other 9,17%
Intangible fixed assets 0,01%
Plant and Equipment 0,32%
Furniture and Vehicles 0,37%
Computer Hardware 0,44%
Current receivables 0,04%
Long-term receivables 0,04%
Sundry receivables 0,04%
Deferred charges 6,93%
Cash & cash equivalents 0,97%


Distribution of Assets 31/12/2007
Buildings under Financial leasing 91,71%
Other 8,29%
Intangible fixed assets 0,02%
Plant and Equipment 0,42%
Furniture and Vehicles 0,36%
Computer Hardware 0,54%
Long-term receivables 0,04%
Current receivables 0,04%
Sundry receivables 0,05%
Deferred charges 5,52%
Cash & cash equivalents 1,30%

5. STATEMENT OF CHANGES IN NET ASSETS

	Accumulated Surplus/(Deficit)	Economic Outturn of the Year	Total Net Assets
Balance as of 31 December 2007	**26.601.200**	**(6.842.544)**	**19.758.656**
Allocation of the Economic Outturn 2007	(6.842.544)	6.842.544	0
Economic Outturn of 2008	0	7.485.525	7.485.525
Balance as of 31 December 2008	**19.758.656**	**7.485.525**	**27.244.181**

Note: The European Economic and Social Committee has no share capital or previously injected capital. The Net Assets is exactly that – the difference between the valuation of the assets and the valuation of the liabilities. The main differences are between the principles for depreciation on buildings and the payment profile on the liabilities regarding the buildings held under long leases.

6. THE CASHFLOW STATEMENT

	2008	2007
Cashflows from ordinary activities		
Surplus/(Deficit) from ordinary activities	**7.485.525**	**(6.842.544)**
Operating Activities		
Amortisation	12.511	14.565
Depreciation	5.231.653	5.177.540
Increase/(decrease) in value reduction for doubtful debts	(4.521)	(6.075)
(Increase)/decrease in long-term receivables	3.599	(20.669)
(Increase)/decrease in short-term receivables	(1.954.510)	11.179
Increase/(decrease) in other long-term liabilities	(7.245.517)	(2.954.914)
Increase/(decrease) in accounts payable	(3.737.790)	2.491.150
Other non-cash movements	(99.146)	8.967
Net cash-flow from operating activities	**(308.196)**	**(2.120.800)**
Investing activities		
(Increase)/decrease in intangible & tangible fixed assets	(240.009)	(955.971)
Net cash-flow from investing activities	**(240.009)**	**(955.971)**
Net Increase/(decrease) in cash & cash equivalents	**(548.205)**	**(3.076.771)**
Cash & cash equivalents at the beginning of 2008	2.044.453	5.121.224
Cash & cash equivalents at the end of 2008	**1.496.248**	**2.044.453**

7. NOTES

NOTE 1
Operating Revenue

	2008	2007
Operating Revenue		
Funds transferred from the Commission	**112.866.166**	**89.156.299**
Revenue from staff	10.661.621	9.014.558
Other administrative revenue	3.621.232	3.500.621
Revenue from administrative operations	**14.282.853**	**12.515.179**
Other operating revenue	58.805	68.041
Exchange rate gains	21.519	2.861
Other operating revenue	**80.325**	**70.902**
	127.229.343	**101.742.379**

NOTE 2
Financial Expense

	2008	2007
Financial Expenses		
Other interest expenses	(10.837.818)	(7.746.752)
Other financial expenses (bank charges)	(15.525)	(7.088)
	(10.853.343)	**(7.753.840)**

NOTE 3
Intangible Fixed Assets

	31/12/2008	31/12/2007
Computer Software		
Gross carrying amount 1. January	522.716	503.017
Additions	2.674	19.699
Gross carrying amount 31. December	**525.390**	**522.716**
Accumulated amortization 1. January	(493.632)	(479.067)
Amortization	(12.511)	(14.565)
Accumulated amortization 31. December	**(506.143)**	**(493.632)**
Net Carrying Amount 31. December	**19.247**	**29.084**

NOTE 4
Tangible Fixed Assets

	31/12/2008	31/12/2007
Buildings under Financial Leasing		
Gross carrying amount 1. January	163.085.358	163.085.358
Additions	0	0
Gross carrying amount 31. December	**163.085.358**	**163.085.358**
Accumulated amortization 1. January	(18.976.530)	(14.478.206)
Depreciation	(4.553.519)	(4.498.324)
Accumulated amortization 31. December	**(23.530.049)**	**(18.976.530)**
Net Carrying Amount 31. December	**139.555.309**	**144.108.828**

Tangible Fixed Assets

	Capital	Interest
Distribution of charges		
Cumulative charges paid	41.828.001	58.252.249
Charges to be paid		
< 1 year	3.036.754	6.525.554
1-5 years	14.142.995	24.206.841
> 5 years	104.077.609	50.995.714
	121.257.358	81.728.109
Gross Carrying Amount 31. December	**163.085.359**	**139.980.358**

At 31 December 2008, the European Economic and Social Committee and the Committee of Regions together had five buildings[2] under long-term leases:

	TOTAL NET ASSET VALUE	TOTAL DEBT
Building Bertha von Suttner (BvS), Rue Montoyer 92-102	50.406.604	52.836.661
Building Jacques Delors (JDE), Rue Belliard 103-113	123.395.823	99.873.171
Building Remorqueur (REM), Rue Belliard 93	9.783.929	0
Rue Belliard 68-72	24.147.553	24.420.818
Rue de Trèves 74	21.391.741	22.933.606
TOTAL	**229.125.650**	**200.064.256**

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

The EESC-part of the total net-asset-value is EUR 139.555.309. On the liability-side the EESC-part of the total debt is EUR 121.257.358 (other long term liabilities EUR 118.220.604 and long-term liabilities falling due within 1 year EUR 3.036.754).

In 2009, the EESC and the CoR signed an agreement as follows:

- According to the practice in previous years, each Committee's share in the net asset values and the liabilities of these five buildings is fixed as follows:

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

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

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

NOTE 5
Tangible Fixed Assets

	31/12/2008	31/12/2007
Plant & Equipment		
Gross carrying amount 1 January	3.418.625	3.340.058
Additions	1.793	251.718
Disposals	(991.158)	(130.675)
Other changes	137.879	(42.476)
Gross carrying amount 31. December	**2.567.140**	**3.418.625**
Accumulated amortization 1. January	(2.755.213)	(2.667.839)
Depreciation	(237.993)	(227.761)
Disposals	990.445	130.675
Other changes	(74.301)	9.712
Accumulated amortization 31. December	**(2.077.061)**	**(2.755.213)**
Net Carrying Amount 31. December	**490.079**	**663.412**

NOTE 6
Tangible Fixed Assets

	31/12/2008	31/12/2007
Furniture & Vehicles		
Gross carrying amount 1. January	1.996.920	2.050.683
Additions	163.842	77.058
Disposals	(258.987)	(237.431)
Other changes	192.761	106.610
Gross carrying amount 31. December	**2.094.535**	**1.996.920**
Accumulated amortization 1. January	(1.429.039)	(1.452.415)
Depreciation	(125.145)	(127.224)
Disposals	216.114	232.317
Other changes	(186.536)	(81.718)
Accumulated amortization 31. December	**(1.524.607)**	**(1.429.039)**
Net Carrying Amount 31. December	**569.929**	**567.880**

NOTE 7
Tangible Fixed Assets

	31/12/2008	31/12/2007
Computer Hardware		
Gross carrying amount 1. January	2.509.043	1.947.740
Additions	71.700	607.496
Disposals	(123.668)	(59.176)
Other changes	164.406	12.984
Gross carrying amount 31. December	**2.621.481**	**2.509.043**
Accumulated amortization 1. January	(1.667.762)	(1.393.742)
Depreciation	(314.997)	(324.231)
Disposals	121.980	58.765
Other changes	(89.789)	(8.554)
Accumulated amortization 31. December	**(1.950.567)**	**(1.667.762)**
Net Carrying Amount 31. December	**670.914**	**841.281**

NOTE 8
Long-Term Receivables

	31/12/2008	31/12/2007
Other (Advances to Members)	66.983	70.582
	66.983	**70.582**

NOTE 9

Current Receivables

	31/12/2008	31/12/2007
Customers		
Gross total	6.495	28.821
Amounts written down	0	(4.521)
Net Value	**6.495**	**24.300**
Member States		
Gross total	13.035	13.331
Amounts written down	0	0
Net Value, VAT to be recovered	**13.035**	**13.331**
Other Institutions		
Gross total	43.693	16.576
Amounts written down	0	0
Net Value	**43.693**	**16.576**
OPOCE		
Gross total	2.784	4.273
Amounts written down	0	0
Net Value	**2.784**	**4.273**
	66.007	**58.479**

NOTE 10

Other Long-Term Liabilities

	31/12/2008	31/12/2007
Buildings under Financial Leasing (*)	118.220.604	125.936.775
Staff Regulation art. 50 (2010 – 2012)	470.654	0
	118.691.258	**125.936.775**

(*)Part of the charges (capital) that has to be paid after 1 year.
See also Note 4.

NOTE 11
Short-Term Provisions For Risks And Charges

	31/12/2008	31/12/2007
Untaken annual leave (moved to accrued charges)	0	900.000
	0	**900.000**

NOTE 12
Current Payables

	31/12/2008	31/12/2007
Vendors		
Gross total	**39.681**	**735.495**
Other Institutions		
European Commission	272.500	3.065.623
European Parliament	0	50.520
European Council	79.704	0
Committee of the Regions	30.165	30.233
Other agencies etc.	9.349	1.665
Gross total	**391.719**	**3.148.042**
	431.401	**3.883.537**

NOTE 13
Long Term Liabilities Falling Due Within The Year

	31/12/2008	31/12/2007
Buildings under Financial Leasing	3.036.754	2.954.914
	3.036.754	**2.954.914**

Part of the charges (capital) that has to be paid within 1 year
See also Note 4

NOTE 14
Contingent Assets

	31/12/2008	31/12/2007
Performance guarantees	945.450	1.005.009
	945.450	**1.005.009**

NOTE 15
Contingent Liabilities and Commitments for future funding

	31/12/2008	31/12/2007
Commitments for future funding		
Commitments against appropriations not yet consumed (RAL)	2.910.167	4.888.441
Operating leases	18.214.205	37.435.651
Other (*)	78.806.898	76.726.712
	99.931.270	**119.050.804**

(*) As the EESC and the CoR have jointly signed the long-lease contracts on the buildings, they are responsible in solidarity for the payments.

Therefore, the difference between the total liability and the booked liability is recognised as a contingent liability.

It can be calculated like this:

Total liability 31/12/2008:	200.064.256
Booked by EESC:	
debt	(121.257.358)
	78.806.898

III.

PART III

Annual Budgetary Accounts 2008 (Modified Cash Accounting Principle)

&

Report on Budgetary and Financial Management

PART III

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1. General remarks on the budget outturn

The 2008 budget amounted to EUR 114 (113) million, of which EUR 110 (104) million was spent (a take-up rate of 95.73% (91.93)), if the final appropriations for the financial year (C1) and the appropriations carried over as of right from 2008 to 2009 are taken into account – see table in paragraph 4: "Use of final appropriations".

(The numbers in brackets are 2007-figures for reference purposes).

1.1 Establishing the budget

The EESC submitted 2008 budget estimates for a total amount of EUR 117,073,473 – 3.9% up on the 2007 budget.

10 new posts were requested.

At the first reading of the preliminary draft budget, the Council reduced the total to EUR 114,197,998 and rejected all requested posts, increasing the standard abatement on salaries to 4% and reducing appropriations for logistics (costs associated to buildings) and interpretation.

The European Parliament's Committee on Budgets partly restored the appropriations cut by the Council, bringing the total to EUR 114,744,176, an increase of 1.8% over the 2007 budget. The Parliament also accepted 5 new posts. The Parliament also put € 2,302,401, pending the signature of the cooperation agreement with the Committee of the Regions.

1.2 Use of C8 appropriations carried over from 2007 to 2008

The appropriations carried over as of right from 2007 to 2008 were used to a slightly lower extent than the year before (take-up rate of 82.36% (85.72)). For details, see paragraph 5 below.

1.3 Inter-institutional cooperation

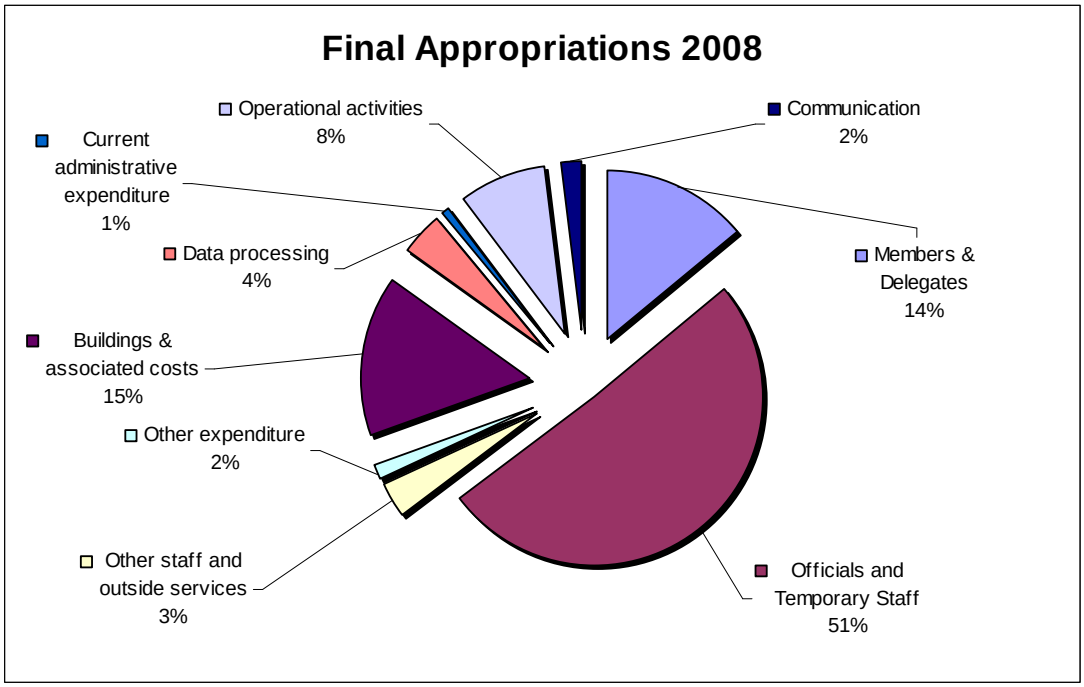
The new cooperation agreement between the Committee of the Regions (CoR) and the European Economic and Social Committee (EESC) signed on 17 December 2007 has been implemented in the beginning of 2008.

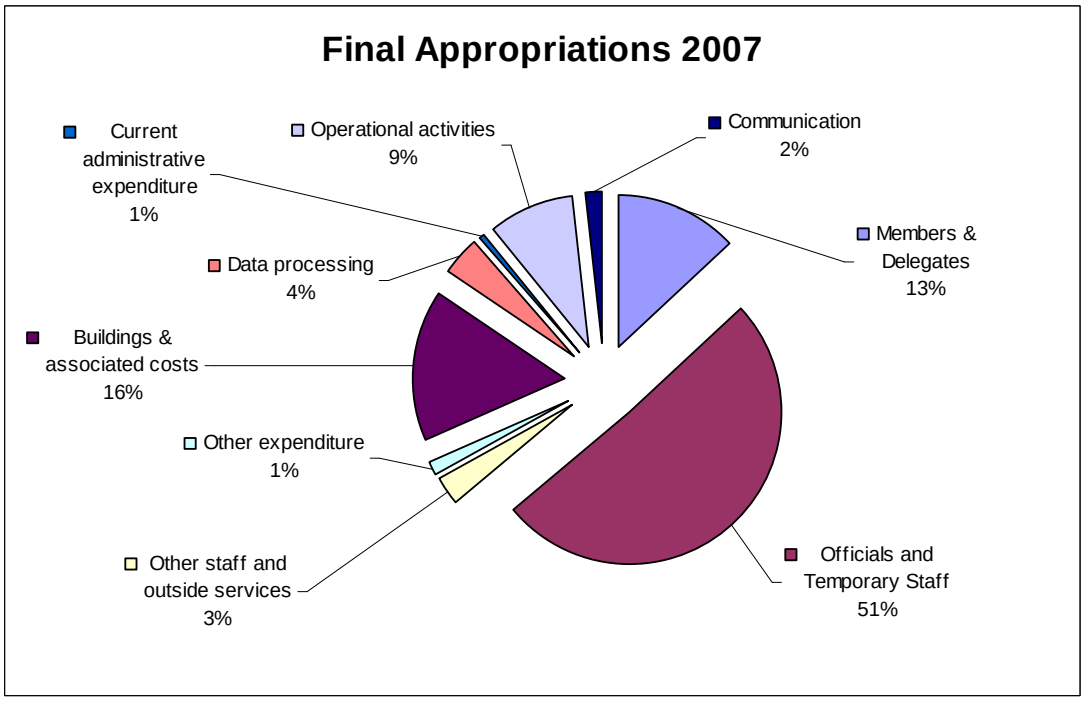
2. REVENUE

	Note	2008	2007
Revenue from staff			
Taxation on salaries and pensions		3.895.752	3.830.447
Special levy		502.839	441.395
Contribution to the pension scheme		4.799.674	4.430.858
Transfer or purchase of pension rights		1.462.052	311.858
Contribution des CCP aux pensions		1.304	0
	1	**10.661.621**	**9.014.558**
Other administrative revenue			
Sale of vehicles - Assigned revenue		0	6.500
Sale of other movable property - Assigned revenue		579	2.300
Sale of publications, printed works and films		60.294	71.960
Proceeds from letting and subletting immovable property		1.242.400	980.000
Investments or loans granted, bank and other interest on the institution's accounts		78.728	160.233
Supply of services and works to others institutions		2.263.357	1.829.612
Repayment of amounts wrongly paid - Assigned revenue		24.557	150.056
Other contributions and refunds in connection with the administrative operation of the institution - Assigned revenue		59.258	474.137
Insurance payments received - Assigned revenue		0	31.382
Other revenue from administrative operations		857	41.278
Miscellaneous revenue		30.226	20.199
	1	**3.760.254**	**3.767.658**
		14.421.874	**12.782.215**

3. FINAL APPROPRIATIONS

	Note	2008	2007
Human resources			
Members & Delegates		15.874.049	14.619.530
Officials and Temporary Staff		58.235.804	57.474.649
Other staff and outside services		3.721.951	3.409.784
Other expenditure		1.747.116	1.620.844
	2	**79.578.920**	**77.124.807**
Other resources			
Buildings & associated costs		17.567.170	17.942.858
Data processing		4.719.610	4.653.065
Current administrative expenditure		837.861	731.234
Operational activities		9.498.603	10.291.848
Communication		2.223.750	1.950.530
	3	**34.846.994**	**35.569.535**
		114.425.914	**112.694.342**


Final Appropriations 2008
Operational activities 8%
Communication 2%
Current administrative expenditure 1%
Data processing 4%
Members & Delegates 14%
Buildings & associated costs 15%
Other expenditure 2%
Other staff and outside services 3%
Officials and Temporary Staff 51%


Final Appropriations 2007
Current administrative expenditure 1%
Operational activities 9%
Communication 2%
Members & Delegates 13%
Data processing 4%
Buildings & associated costs 16%
Other expenditure 1%
Other staff and outside services 3%
Officials and Temporary Staff 51%

4. USE OF FINAL APPROPRIATIONS

	Note	Final Appropriations	Committed	Percentage Committed	Payments	Appropriations carried over to 2009	Cancellation of Appropriations	Cancellation Percentage
Human resources								
Members & Delegates		15.874.049	15.804.049	99,56%	15.446.976	357.073	70.000	0,44%
Officials and Temporary Staff		58.235.804	56.085.006	96,31%	56.077.194	7.812	2.150.798	3,69%
Other staff and outside services		3.721.951	3.640.839	97,82%	3.408.855	231.984	81.112	2,18%
Other expenditure		1.747.116	1.608.965	92,09%	960.931	648.034	138.151	7,91%
	4	**79.578.920**	**77.138.859**	**96,93%**	**75.893.956**	**1.244.902**	**2.440.061**	**3,07%**
Other resources								
Buildings & associated costs		17.567.170	17.000.527	96,77%	15.778.244	1.222.283	566.643	3,23%
Data processing		4.719.610	4.499.770	95,34%	3.243.089	1.256.680	219.840	4,66%
Current administrative expenditure		837.861	696.303	83,10%	544.620	151.683	141.558	16,90%
Operational activities		9.498.603	8.025.481	84,49%	7.562.645	462.837	1.473.122	15,51%
Communication		2.223.750	2.175.130	97,81%	1.298.654	876.476	48.620	2,19%
	5	**34.846.994**	**32.397.211**	**92,97%**	**28.427.253**	**3.969.958**	**2.449.783**	**7,03%**
		114.425.914	**109.536.070**	**95,73%**	**104.321.209**	**5.214.861**	**4.889.844**	**4,27%**

5. USE OF APPROPRIATIONS AUTOMATICALLY CARRIED OVER FROM 2007 TO 2008

	Note	Appropriations carried over	Paid in 2008	Percentage paid	Cancellation of Appropriations	Cancellation Percentage
Human resources						
Members & Delegates		54.000	46.293	85,73%	7.707	14,27%
Officials and Temporary Staff		19.224	19.224	100,00%	0	0,00%
Other staff and outside services		253.947	188.764	74,33%	65.183	25,67%
Other expenditure		433.878	391.436	90,22%	42.442	9,78%
	6	**761.048**	**645.716**	**84,85%**	**115.332**	**15,15%**
Other resources						
Buildings & associated costs		1.963.356	1.746.817	88,97%	216.540	11,03%
Data processing		1.624.263	1.453.451	89,48%	170.811	10,52%
Current administrative expenditure		133.666	102.841	76,94%	30.824	23,06%
Operational activities		811.677	628.294	77,41%	183.383	22,59%
Communication		1.095.078	685.176	62,57%	409.902	37,43%
	7	**5.628.039**	**4.616.579**	**82,03%**	**1.011.460**	**17,97%**
		6.389.088	**5.262.295**	**82,36%**	**1.126.792**	**17,64%**

6. USE OF ASSIGNED REVENUE IN 2008 (C4)

	Note	Final Appropriations	Committed	Percentage Committed	Payments	Payment percentage	Outstanding commitments	Available credits	Available Percentage
Human resources									
Members & Delegates		7.317	0	0,00%	0		0	7.317	100,00%
Other expenditure		21.252	21.068	99,13%	4.286	20,35%	16.782	184	0,87%
	8	**28.569**	**21.068**	**73,74%**	**4.286**	**20,35%**	**16.782**	**7.501**	**26,26%**
Other resources									
Buildings & associated costs		3.075.574	3.075.393	99,99%	2.813.345	91,48%	262.048	180	0,01%
Data processing		423.557	339.351	80,12%	292.818	86,29%	46.533	84.206	19,88%
Current administrative expenditure		46.800	46.800	100,00%	46.800	100,00%	0	0	0,00%
Operational activities		2.813	2.744	97,56%	2.000	72,89%	744	69	2,44%
Communication		60.294	51.987	86,22%	15.987	30,75%	36.000	8.307	13,78%
	9	**3.609.037**	**3.516.275**	**97,43%**	**3.170.950**	**90,18%**	**345.325**	**92.762**	**2,57%**
		3.637.606	**3.537.343**	**97,24%**	**3.175.236**	**89,76%**	**362.107**	**100.263**	**2,76%**

7. RE-USED 2007-APPROPRIATIONS (C5)

	Note	Final Appropriations	Committed	Percentage Committed	Payments	Payment percentage	Outstanding commitments	Available credits	Available Percentage
Human resources									
Members & Delegates		12.168	12.168	100,00%	12.168	100,00%	0	0	0,00%
Officials and Temporary Staff		185	185	100,00%	185	100,00%	0	0	0,00%
Other staff and outside services		116	116	100,00%	116	100,00%	0	0	0,00%
Other expenditure		9.880	9.880	100,00%	9.880	100,00%	0	0	0,00%
	10	**22.350**	**22.350**	**100,00%**	**22.350**	**100,00%**	**0**	**0**	**0,00%**
Other resources									
Buildings & associated costs		362.795	361.835	99,74%	358.819	99,17%	3.016	961	0,26%
Data processing		355.224	355.224	100,00%	340.540	95,87%	14.683	0	0,00%
Current administrative expenditure		8.314	8.314	100,00%	8.096	97,37%	219	0	0,00%
Operational activities		616.973	447.061	72,46%	408.895	91,46%	38.166	169.912	27,54%
Communication		64.555	64.555	100,00%	61.953	95,97%	2.602	0	0,00%
	11	**1.407.861**	**1.236.988**	**87,86%**	**1.178.303**	**95,26%**	**58.686**	**170.873**	**12,14%**
		1.430.211	**1.259.338**	**88,05%**	**1.200.652**	**95,34%**	**58.686**	**170.873**	**11,95%**

8. NOTES

NOTE 1: BUDGET OF REVENUE

	Budget 2008	2008
Revenue from staff		
Taxation on salaries and pensions	4.340.041	3.895.752
Special levy	626.635	502.839
Contribution to the pension scheme	5.020.330	4.799.674
Transfer or purchase of pension rights	p.m.	1.462.052
Contribution des CCP aux pensions	p.m.	1.304
	9.987.006	**10.661.621**
Other administrative revenue		
Sale of vehicles - Assigned revenue	p.m.	0
Sale of other movable property - Assigned revenue	p.m.	579
Sale of publications, printed works and films	p.m.	60.294
Proceeds from letting and subletting immovable property	p.m.	1.242.400
Investments or loans granted, bank and other interest on the institution's accounts	64.000	78.728
Supply of services and works to others institutions	p.m.	2.263.357
Repayment of amounts wrongly paid - Assigned revenue	p.m.	24.557
Other contributions and refunds in connection with the administrative operation of the institution - Assigned revenue	p.m.	59.258
Insurance payments received - Assigned revenue	p.m.	0
Other revenue from administrative operations	p.m.	857
Miscellaneous revenue	p.m.	30.226
	64.000	**3.760.254**
	10.051.006	**14.421.874**

NOTE 2: APPROPRIATIONS - HUMAN RESOURCES

	Initial Appropriations	Transfers 2008	Final Appropriations 2008
Members and Delegates			
Salaries, allowances and insurance	99.000	0	99.000
Travel and subsistence allowances	13.700.000	1.600.000	15.300.000
Travel and subsistence allowances, CCMI	436.549	0	436.549
Further training, language courses and other training	38.500	0	38.500
	14.274.049	**1.600.000**	**15.874.049**
Officials and Temporary Staff			
Remuneration and allowances	57.615.735	(1.273.072)	56.342.663
Paid overtime	60.000	(410)	59.590
Entering, transfers and leaving the service	898.106	(6.403)	891.703
Staff retired in the interests of the service	0	65.000	65.000
Provisional appropriation	883.902	(7.054)	876.848
	59.457.743	**(1.221.939)**	**58.235.804**
Other staff and outside services			
Other staff	1.626.518	137.851	1.764.369
Graduate traineeships, grants and exchanges of officials	788.756	(66.174)	722.582
Entering, transfers and leaving the service	0	32.000	32.000
Supplementary services for the translation service	528.000	0	528.000
Expert advice connected with consultative work	675.000	0	675.000
	3.618.274	**103.677**	**3.721.951**
Other expenditure			
Recruitment	70.000	(9.000)	61.000
Further training	447.000	9.000	456.000
Mission expenses	437.000	0	437.000
Social welfare	30.000	(9.000)	21.000
Social contacts between members of staff	192.116	(3.500)	188.616
Medical service	44.000	12.500	56.500
Early Childhood Centre and approved day nurseries	527.000	0	527.000
	1.747.116	**0**	**1.747.116**
	79.097.182	**481.738**	**79.578.920**

NOTE 3: APPROPRIATIONS - OTHER RESOURCES

	Initial Appropriations 2008	Transfers 2008	Final Appropriations 2008
Buildings & associated costs			
Rent	1.870.000	137.600	2.007.600
Annual lease payments and similar expenditure	8.508.200	1.284.400	9.792.600
Fitting-out of premises	180.000	(50.000)	130.000
Other expenditure on buildings	27.000	0	27.000
Cleaning and maintenance	2.234.920	120.500	2.355.420
Energy consumption	1.050.000	0	1.050.000
Security and surveillance	1.688.250	390.000	2.078.250
Insurance	148.800	(22.500)	126.300
	15.707.170	**1.860.000**	**17.567.170**
Data processing			
Purchase, servicing and maintenance of equipment and software	968.178	343.971	1.312.149
Outside assistance	1.447.079	158.171	1.605.250
Telecommunications	649.475	(199.741)	449.734
Furniture	164.160	0	164.160
Technical equipment and installations	859.171	240.000	1.099.171
Vehicles	89.146	0	89.146
	4.177.209	**542.401**	**4.719.610**
Current administrative expenditure			
Stationary, office supplies and miscellaneous consumables	324.081	0	324.081
Financial charges	11.000	0	11.000
Legal costs and damages	20.000	20.000	40.000
Postage on correspondence and delivery charges	336.000	0	336.000
Other administrative expenditure	126.780	0	126.780
	817.861	**20.000**	**837.861**

NOTE 3: APPROPRIATIONS - OTHER RESOURCES (Continued)

	Initial Appropriations 2008	Transfers 2008	Final Appropriations 2008
Operational activities			
Internal meetings	180.000	(5.000)	175.000
Organisation of and participation in conferences, congresses and meetings	500.000	0	500.000
Organisation of CCMI	79.603	0	79.603
Entertainment and representation obligations	159.000	40.000	199.000
Interpreting	9.500.000	(955.000)	8.545.000
	10.418.603	**(920.000)**	**9.498.603**
Communication			
Communication	654.000	30.000	684.000
Publishing and promotion of publications	395.500	(30.000)	365.500
Official Journal	860.000	0	860.000
Studies, research and hearings	102.000	0	102.000
Documentation and library	180.150	0	180.150
Archiving and related work	32.100	0	32.100
	2.223.750	**0**	**2.223.750**
Provisional appropriations			
Provisional appropriations	2.302.401	(2.302.401)	0
	2.302.401	**(2.302.401)**	**0**
	35.646.994	**(800.000)**	**34.846.994**

NOTE 4: USE OF FINAL APPROPRIATIONS (C1) - HUMAN RESOURCES

	Final Appropriations	Committed	Percentage Committed	Payments	Appropriations carried over to 2009	Cancellation of Appropriations	Cancellation Percentage
Members and Delegates							
Salaries, allowances and insurance **(a)**	99.000	69.000	69,70%	56.628	12.372	30.000	30,30%
Travel and subsistence allowances	15.300.000	15.300.000	100,00%	15.001.506	298.494	0	0,00%
Travel and subsistence allowances, CCMI **(b)**	436.549	396.549	90,84%	369.782	26.767	40.000	9,16%
Further training, language courses and other training	38.500	38.500	100,00%	19.060	19.440	0	0,00%
	15.874.049	**15.804.049**	**99,56%**	**15.446.976**	**357.073**	**70.000**	**0,44%**
Officials and Temporary Staff							
Remuneration and allowances	56.342.663	55.260.519	98,08%	55.260.519	0	1.082.144	1,92%
Paid overtime **(c)**	59.590	31.760	53,30%	31.760	0	27.830	46,70%
Entering, transfers and leaving the service **(d)**	891.703	728.630	81,71%	720.818	7.812	163.073	18,29%
Staff retired in the interests of the service	65.000	64.097	98,61%	64.097	0	903	1,39%
Provisional appropriation **(e)**	876.848	0	0,00%	0	0	876.848	100,00%
	58.235.804	**56.085.006**	**96,31%**	**56.077.194**	**7.812**	**2.150.798**	**3,69%**

NOTE 4: USE OF FINAL APPROPRIATIONS (C1) - HUMAN RESOURCES (Continued)

	Final Appropriations	Committed	Percentage Committed	Payments	Appropriations carried over to 2009	Cancellation of Appropriations	Cancellation Percentage
Other staff and outside services							
Other staff	1.764.369	1.730.833	98,10%	1.705.733	25.100	33.536	1,90%
Graduate traineeships, grants and exchanges of officials **(f)**	722.582	680.844	94,22%	639.153	41.691	41.738	5,78%
Entering, transfers and leaving the service **(g)**	32.000	26.296	82,18%	26.296	0	5.704	17,82%
Supplementary services for the translation service	528.000	527.866	99,97%	425.695	102.171	134	0,03%
Expert advice connected with consultative work	675.000	675.000	100,00%	611.978	63.022	0	0,00%
	3.721.951	**3.640.839**	**97,82%**	**3.408.855**	**231.984**	**81.112**	**2,18%**
Other expenditure							
Recruitment **(h)**	61.000	54.860	89,93%	46.193	8.667	6.140	10,07%
Further training	456.000	453.537	99,46%	266.563	186.974	2.463	0,54%
Mission expenses	437.000	437.000	100,00%	414.404	22.596	0	0,00%
Social welfare **(i)**	21.000	7.000	33,33%	2.071	4.929	14.000	66,67%
Social contacts between members of staff **(j)**	188.616	76.114	40,35%	37.565	38.549	112.502	59,65%
Medical service	56.500	56.500	100,00%	20.578	35.922	0	0,00%
Early Childhood Centre and approved day nurseries	527.000	523.954	99,42%	173.556	350.398	3.046	0,58%
	1.747.116	**1.608.965**	**92,09%**	**960.931**	**648.034**	**138.151**	**7,91%**
	79.578.920	**77.138.859**	**96,93%**	**75.893.956**	**1.244.902**	**2.440.061**	**3,07%**

For all budget lines having uncommitted appropriations of more than € 5.000, representing more than 5% of the final appropriations, more detailed information is provided below.

(a) Salaries, allowances and insurance

	2008 (EUR):	2007 (EUR):
Final appropriations:	99,000	76,000
Appropriations committed:	69,000	66,000
Percentage committed:	69.70%	86.84%

The low commitment rate in 2008 is due to a substantial rebate, covering the years 2003-2006, received in 2008 from the insurance company. Also, this item covers specific interventions in favour of disabled members, which is intrinsically unpredictable and therefore a safety margin must be foreseen.

(b) Travel and subsistence allowance, CCMI

	2008 (EUR):	2007 (EUR):
Final appropriations:	436,549	383,780
Appropriations committed:	396,549	383,780
Percentage committed:	90.84%	100.00%

Uptake of appropriations under this item depends on the meetings planned and on the turnout of CCMI delegates at those meetings. Travel expenses were reimbursed in accordance with requests received.

(c) Paid overtime

	2008 (EUR):	2007 (EUR):
Final appropriations:	59,590	102,500
Appropriations committed:	31,760	26,487
Percentage committed:	53.30%	25.84%

The practice of encouraging staff to take compensation for overtime worked in time was continued in 2008. In compliance with this policy, the appropriations had been reduced by +/- 40% compared to 2007 (which accounts for less than 0,1% of staff remuneration and allowances) As a consequence, the percentage of committed appropriations was considerably higher than in 2007. Given the small amounts involved, a single extraordinary activity

requiring substantial overtime could have a significant budgetary impact. Therefore, a sufficient safety margin must be kept.

(d) Entering, transfers and leaving the service

	2008 (EUR):	2007 (EUR):
Final appropriations:	891,703	1,277,106
Appropriations committed:	728,630	594,130
Percentage committed:	81.71%	46.52%

These appropriations cover costs for removals for officials and temporary agents. Estimates of costs are bound to be inaccurate as removals can take place up to three years after recruitment. Due to the low utilization rate in previous years the 2008 budget was reduced by a third compared to 2007.

(e) Provisional appropriation

	2008 (EUR):	2007 (EUR):
Final appropriations:	876,848	633,241
Appropriations committed:	0	0
Percentage committed:	0.00%	0.00%

This amount constitutes a reserve to cover salary adaptations throughout the year. As it was possible to cover the salary adaptation in 2008 with "Remunerations and allowances", there was no need to draw on the reserve.

(f) Graduate traineeships, grants and exchanges of officials

	2008 (EUR):	2007 (EUR):
Final appropriations:	722,582	646,000
Appropriations committed:	680,844	556,971
Percentage committed:	94.22%	86.22%

In 2008, not all appropriations were used since:
1) not all traineeship posts were be occupied due to cancellations
2) travel allowances depend on the distance to the trainee's place of residence, which makes it impossible to make an exact forecast.

(g) Entering, transfers and leaving the service

	2008 (EUR):	2007 (EUR):
Final appropriations:	32,000	58,000
Appropriations committed:	26,296	51,255
Percentage committed:	82.18%	88.37%

These appropriations cover costs for removals for other staff. Estimates of costs are bound to be inaccurate as removals can take place up to three years after recruitment. Given the small amount of the appropriations on this item, even a single case could have a significant budgetary impact. Therefore, a sufficient margin must be kept.

(h) Recruitment

	2008 (EUR):	2007 (EUR):
Final appropriations:	61,000	95,000
Appropriations committed:	54,860	51,255
Percentage committed:	89.93%	53.95%

These appropriations mainly cover travel expenses of candidates (officials, other agents, detached national experts) and publication costs for vacant posts. Actual uptake depends on the number of vacancies and candidates, and their place of residence. Therefore, the exact amount required cannot possibly be established on beforehand with great accuracy.

(i) Social welfare

	2008 (EUR):	2007 (EUR):
Final appropriations:	21,000	5,000
Appropriations committed:	7,000	5,000
Percentage committed:	33.33%	100.00%

These appropriations are intended for additional help to handicapped people and people in difficult situations. It is very difficult to foresee the number of potential requests and to forecast the corresponding amount. In 2008, only two requests were made and the amount involved was low. However, the costs of such measures can potentially be significant, even for a single case. Therefore, a sufficient safety margin must be kept.

(j) Social contacts between members of staff

	2008 (EUR):	2007 (EUR):
Final appropriations:	188,616	69,600
Appropriations committed:	76,114	64,425
Percentage committed:	40.35%	92.56%

These appropriations cover different types of expenditure: General matters such as social events or support for the Staff Committee, medical assistance like family help or psychological assistance, and other social support, for family members, legal assistance and other initiatives.

For 2008, EUR 120,000 was scheduled to cover the contributions for public transportation under the mobility plan of the EESC. As this plan could only be applied as from October 2008, a major part of the available appropriations were not committed.

NOTE 5: USE OF FINAL APPROPRIATIONS - OTHER RESOURCES

	Final Appropriations	Committed	Percentage Committed	Payments	Appropriations carried over to 2009	Cancellation of Appropriations	Cancellation Percentage
Buildings & associated costs							
Rent	2.007.600	1.988.777	99,06%	1.742.831	245.946	18.823	0,94%
Annual lease payments and similar expenditure	9.792.600	9.790.337	99,98%	9.790.337	0	2.263	0,02%
Fitting-out of premises **(a)**	130.000	81.929	63,02%	0	81.929	48.071	36,98%
Other expenditure on buildings **(b)**	27.000	7.250	26,85%	4.350	2.900	19.750	73,15%
Cleaning and maintenance **(c)**	2.355.420	2.102.476	89,26%	1.545.631	556.845	252.944	10,74%
Energy consumption **(d)**	1.050.000	866.101	82,49%	866.101	0	183.899	17,51%
Security and surveillance	2.078.250	2.039.080	98,12%	1.704.418	334.662	39.170	1,88%
Insurance	126.300	124.576	98,63%	124.576	0	1.724	1,37%
	17.567.170	**17.000.527**	**96,77%**	**15.778.244**	**1.222.283**	**566.643**	**3,23%**
Data processing							
Purchase, servicing and maintenance of equipment and software	1.312.149	1.312.141	100,00%	910.462	401.679	8	0,00%
Outside assistance	1.605.250	1.605.250	100,00%	1.125.602	479.647	0	0,00%
Telecommunications	449.734	449.734	100,00%	421.818	27.917	0	0,00%
Furniture	164.160	164.031	99,92%	95.105	68.926	129	0,08%
Technical equipment and installations **(e)**	1.099.171	880.911	80,14%	612.646	268.264	218.260	19,86%
Vehicles	89.146	87.703	98,38%	77.457	10.247	1.443	1,62%
	4.719.610	**4.499.770**	**95,34%**	**3.243.089**	**1.256.680**	**219.840**	**4,66%**

NOTE 5: USE OF FINAL APPROPRIATIONS - OTHER RESOURCES (Continued)

	Final Appropriations	Committed	Percentage Committed	Payments	Appropriations carried over to 2009	Cancellation of Appropriations	Cancellation Percentage
Current administrative expenditure							
Stationary, office supplies and miscellaneous consumables **(f)**	324.081	284.887	87,91%	239.140	45.747	39.194	12,09%
Financial charges **(g)**	11.000	11.000	100,00%	7.996	3.004	0	0,00%
Legal costs and damages	40.000	33.237	83,09%	13.988	19.249	6.763	16,91%
Postage on correspondence and delivery charges **(h)**	336.000	264.350	78,68%	210.264	54.086	71.650	21,32%
Other administrative expenditure **(i)**	126.780	102.828	81,11%	73.232	29.597	23.952	18,89%
	837.861	**696.303**	**83,10%**	**544.620**	**151.683**	**141.558**	**16,90%**
Operational activities							
Internal meetings **(j)**	175.000	155.569	88,90%	118.336	37.233	19.431	11,10%
Organisation of and participation in conferences, congresses and meetings **(k)**	500.000	353.895	70,78%	327.454	26.440	146.105	29,22%
Organisation of CCMI **(l)**	79.603	68.455	85,99%	28.822	39.633	11.148	14,01%
Entertainment and representation obligations **(m)**	199.000	174.396	87,64%	146.159	28.236	24.604	12,36%
Interpreting **(n)**	8.545.000	7.273.167	85,12%	6.941.873	331.294	1.271.833	14,88%
	9.498.603	**8.025.481**	**84,49%**	**7.562.645**	**462.837**	**1.473.122**	**15,51%**

NOTE 5: USE OF FINAL APPROPRIATIONS - OTHER RESOURCES (Continued)

	Final Appropriations	Committed	Percentage Committed	Payments	Appropriations carried over to 2009	Cancellation of Appropriations	Cancellation Percentage
Communication							
Communication	684.000	682.802	99,82%	441.679	241.123	1.198	0,18%
Publishing and promotion of publications	365.500	349.346	95,58%	187.429	161.916	16.154	4,42%
Official Journal	860.000	860.000	100,00%	567.188	292.812	0	0,00%
Studies, research and hearings	102.000	99.808	97,85%	20.997	78.811	2.192	2,15%
Documentation and library **(o)**	180.150	151.086	83,87%	68.064	83.022	29.064	16,13%
Archiving and related work	32.100	32.089	99,96%	13.296	18.793	12	0,04%
	2.223.750	**2.175.130**	**97,81%**	**1.298.654**	**876.476**	**48.620**	**2,19%**
	34.846.994	**32.397.211**	**92,97%**	**28.427.253**	**3.969.958**	**2.449.783**	**7,03%**

For all budget lines having uncommitted appropriations of more than € 5.000, representing more than 5% of the final appropriations, more detailed information is provided below.

(a) Fitting-out of premises

	2008 (EUR):	2007 (EUR):
Final appropriations:	130,000	190,000
Appropriations committed:	81,929	136,214
Percentage committed:	63.02%	71.69%

The amount left uncommitted is explained by the fact that two calls for tender for fitting-out projects (the passageway between the B68 and Trèves 74 buildings and the sliding doors in the VMA building) were scheduled to be awarded in 2008, but couldn't, given that in one case, no tenders were received and in the other case, the tenders were considered too expensive (more than twice the amount estimated).

(b) Other expenditure on buildings

	2008 (EUR):	2007 (EUR):
Final appropriations:	27,000	33,000
Appropriations committed:	7,250	24,442
Percentage committed:	26.85%	74.07%

It was scheduled to award a framework contract to an engineering company in the second half of 2008, with a view of ordering, in 2008, studies regarding several future projects. Since the framework contract could only be awarded in early 2009, the studies could not be commissioned in 2008 and this accounts for the uncommitted appropriations.

(c) Cleaning and maintenance

	2008 (EUR):	2007 (EUR):
Final appropriations:	2,355,420	2,358,000
Appropriations committed:	2,102,476	2,244,235
Percentage committed:	89.26%	95.18

The uncommitted appropriations are mainly explained by

1. A maintenance contract for the technical equipment of the Committee's buildings, providing extensive omnium cover, entered into force in April 2008, instead of January as originally scheduled.
2. Following the authorising officer's decision to align the period covered by orders for cleaning services with the calendar year, budget cover for only nine months, instead of twelve, was required.

(d) Energy consumption

	2008 (EUR):	2007 (EUR):
Final appropriations:	1,050,000	891,000
Appropriations committed:	866,101	863,235
Percentage committed:	82.49%	96.88%

In 2007, the percentage committed (97%) was at a high level. This expenditure is inherently variable, both with regard to energy consumption (e.g. heating depends on outside temperatures) as well as to energy prices. In order to keep a sufficient safety margin, appropriations for 2008 were increased by 15%, compared to 2007. Energy prices did increase in 2008 but stabilised later in the year, leaving a substantial amount unused on this item.

(e) Technical equipment and installations

	2008 (EUR):	2007 (EUR):
Final appropriations:	1,099,171	1,096,420
Appropriations committed:	880,911	948,699
Percentage committed:	80.14%	86.53%

Following the EESC's decision in 2008 to stop sending paper documents to its members, the cost related photocopiers has gone down significantly. The purchase of an offset press in the course of 2008 had been considered, but has now been put on hold. Also, the new maintenance contract for the technical equipment of the Committee's buildings (for which

the expenditure is on another item, "Cleaning and maintenance" provides full cover for repair works. This reduces costs on this item.

(f) Stationery, office supplies and miscellaneous consumables

	2008 (EUR):	2007 (EUR):
Final appropriations:	324,081	251,332
Appropriations committed:	284,887	203,241
Percentage committed:	87.91%	80.87%

In the course of 2008, the ordering of office supplies was reorganized (more centralized, allowing better tracking and follow-up). This resulted in significant economies on this item, estimated at € 35.000.

(g) Legal costs and damages

	2008 (EUR):	2007 (EUR):
Final appropriations:	40,000	20,000
Appropriations committed:	33,237	10,938
Percentage committed:	83.09%	54.69%

This budget item is by definition highly variable and unpredictable from one year to the other. One single case can indeed have a significant budgetary impact.

(h) Postage on correspondence and delivery charges

	2008 (EUR):	2007 (EUR):
Final appropriations:	336,000	335,000
Appropriations committed:	264,350	228,840
Percentage committed:	78.68%	68.31%

The low uptake is explained by the EESC's policy to increasingly replace paper transmission of documents by electronic transmission. Therefore, the 2009 appropriations on this budget item were reduced to € 315,000. The amount requested for 2010 is further substantially reduced to € 200,000.

(i) Other administrative expenditure

	2008 (EUR):	2007 (EUR):
Final appropriations:	126,780	114,902
Appropriations committed:	102,828	108,476
Percentage committed:	81.11%	94.41%

During 2008, the Infrastructure Unit introduced better planning mechanisms for removals and applied more rigorous criteria. This resulted in savings in the order of € 10.000 Furthermore, expenses for service clothing were lower than foreseen.

(j) Internal meetings

	2008 (EUR):	2007 (EUR):
Final appropriations:	175,000	170,000
Appropriations committed:	155,569	143,843
Percentage committed:	88.90%	84.61%

This budget item covers miscellaneous expenditure on internal meetings, mainly drinks. It is impossible to predict the exact number of meetings, their duration and attendance at the time the budget is finalised. The margin applied is necessary in case the EESC's meeting activity during a given year turns out to be higher than originally expected.

(k) Organisation of and participation in conferences, congresses and meetings

	2008 (EUR):	2007 (EUR):
Final appropriations:	500,000	420,000
Appropriations committed:	353,895	313,042
Percentage committed:	70.78%	74.53%

This budget item covers the organisation of and participation in conferences, congresses and meetings involving third parties. The corresponding expenditure is highly dependant on the EESC's work programme, which cannot be established with great accuracy at the time the budget is finalised. Also, the cost of travel can vary considerably, depending on the countries of origin of participants. Often, low-cost airlines are used or travel costs are covered by the participant's own organisation, but it is impossible to take this into account long time before the event. Hence, in compliance with the Financial Regulations, a sufficient provision must be made to cover the "worst case" situation.

(l) Organisation of CCMI

	2008 (EUR):	2007 (EUR):
Final appropriations:	79,603	77,848
Appropriations committed:	68,455	74,460
Percentage committed:	85.99%	95.65%

This budget item covers expenses linked to the organisation of the CCMI's work (Consultative Commission on Industial Change): Insurance cover for CCMI Delegates during their mandate, costs related to activities designed to promote the ongoing work and results of the CCMI as well as costs related to consultative work (e.g. hearings, studies). It is by definition not predictable with great accuracy at the time the budget is finalised.

(m) Entertainment and representation obligations

	2008 (EUR):	2007 (EUR):
Final appropriations:	199,000	143,000
Appropriations committed:	174,396	128,850
Percentage committed:	87.64%	90.10%

Expenditure on this budget item is inherently variable.

(n) Interpreting

	2008 (EUR):	2007 (EUR):
Final appropriations:	8,545,000	9,481,000
Appropriations committed:	7,273,167	7,331,122
Percentage committed:	85.12%	77.32%

The under-utilisation of appropriations under this budget item can be explained by the frequent unavailability of several requested languages for meetings. This is an unpredictable and certainly undesirable phenomenon which, it is hoped, will become less evident in future, as the Interpreting Directorate General of the Commission recruits up to full strength in all languages. As matters currently stand, the Committee is bound to budget for full language provision, even if the current reality falls some way short of this ideal. Also, the new tariff system, introduced by the Commission (which was agreed after the preparation of the 2008 budget), is more adapted to the needs of the EESC and, hence, more economical.

(o) Documentation and library

	2008 (EUR):	2007 (EUR):
Final appropriations:	180,150	157,430
Appropriations committed:	151,086	148,872
Percentage committed:	83.87%	94.56%

Expenses for periodicals were lower than initially foreseen. Dictionaries are increasingly purchased in electronic format which is cheaper than paper copies. Also, the management of dictionaries purchases was transferred from the Library to the Translation Directorate in the middle of 2008, which caused a temporary slowdown in ordering.

NOTE 6: USE OF APPROPRIATIONS AUTOMATICALLY CARRIED OVER FROM 2007 TO 2008 - HUMAN RESOURCES

	Appropriations carried over	Paid in 2008	Percentage paid	Cancellation of Appropriations	Cancellation Percentage
Members and Delegates					
Salaries, allowances and insurance	12.977	10.273	79,16%	2.704	20,84%
Travel and subsistence allowances	20.399	20.398	100,00%	1	0,00%
Travel and subsistence allowances, CCMI	7.832	7.832	100,00%	0	0,00%
Further training, language courses and other training **(a)**	12.791	7.789	60,89%	5.002	39,11%
	54.000	**46.293**	**85,73%**	**7.707**	**14,27%**
Officials and Temporary Staff					
Entering, transfers and leaving the service	19.224	19.224	100,00%	0	0,00%
	19.224	**19.224**	**100,00%**	**0**	**0,00%**
Other staff and outside services					
Other staff	25.496	24.505	96,11%	991	3,89%
Graduate traineeships, grants and exchanges of officials	49.514	47.701	96,34%	1.813	3,66%
Supplementary services for the translation service	45.913	42.992	93,64%	2.921	6,36%
Expert advice connected with consultative work **(b)**	133.024	73.565	55,30%	59.459	44,70%
	253.947	**188.764**	**74,33%**	**65.183**	**25,67%**

NOTE 6: USE OF APPROPRIATIONS AUTOMATICALLY CARRIED OVER FROM 2007 TO 2008 - HUMAN RESOURCES (Continued)

	Appropriations carried over	Paid in 2008	Percentage paid	Cancellation of Appropriations	Cancellation Percentage
Other expenditure					
Recruitment	4.570	4.261	93,24%	309	6,76%
Further training **(c)**	232.484	225.702	97,08%	6.782	2,92%
Mission expenses **(d)**	78.925	52.088	66,00%	26.837	34,00%
Social welfare	5.000	5.000	100,00%	0	0,00%
Social contacts between members of staff	21.495	18.170	84,53%	3.325	15,47%
Medical service	21.404	18.822	87,94%	2.582	12,06%
Early Childhood Centre and approved day nurseries	70.000	67.392	96,27%	2.608	3,73%
	433.878	**391.436**	**90,22%**	**42.442**	**9,78%**
	761.048	**645.716**	**84,85%**	**115.332**	**15,15%**

For all budget lines having cancelled appropriations of more than € 5.000, more detailed information is provided below.

(a) Further training, language courses and other training

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	12,791	10,464
Paid in 2008:	7,789	1,800
Cancelled appropriation:	5,002	8,664

Members can be given authorisation to follow language courses and certain other training. Reimbursement is made subject to attendance. At the end of 2007, the appropriations corresponding to all pending training authorisations were carried over. In 2008, it turned out that some members ultimately did not attend their course authorised in 2007 and the corresponding appropriations (+/- € 5.000) were cancelled.

(b) Expert advice connected with consultative work

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	133,024	0
Paid in 2008:	73,565	0
Cancelled appropriation:	59,459	0

Reimbursement claims for meetings in 2007 can still be submitted in 2008. Therefore, a sufficient amount must be carried over in order to cover 2007 expenditure by 2007 appropriations, according to the annuality principle. This inevitably leads to the cancellation of some of the appropriations having been carried over.

(c) Further training

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	232,484	186,365
Paid in 2008:	225,702	184,462
Cancelled appropriation:	6,782	1,903

Some courses, ordered in 2007 but scheduled in early 2008, were either cancelled or were attended less than originally foreseen (resulting in a lower cost)

(d) Mission expenses

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	78,925	60,519
Paid in 2008:	52,088	44,113
Cancelled appropriation:	26,837	16,406

To be on the safe side, the estimates were based on a worst case scenario regarding missions that took place in 2007, but for which cost reimbursements were not settled at the end of 2007. In the meantime, the procedure to evaluate the amount to be carried over has been refined. As a consequence, only a very minor amount of appropriations carried over from 2008 to 2009, if anything at all, will need to be cancelled.

NOTE 7: USE OF APPROPRIATIONS AUTOMATICALLY - CARRIED OVER FROM 2007 TO 2008 - OTHER RESOURCES

	Appropriations carried over:	Paid in 2008:	Percentage paid	Cancellation of Appropriations	Cancellation Percentage
Buildings & associated costs					
Rent **(a)**	242.617	129.367	53,32%	113.250	46,68%
Fitting-out of premises	106.242	103.935	97,83%	2.307	2,17%
Other expenditure on buildings **(b)**	25.176	8.697	34,55%	16.478	65,45%
Cleaning and maintenance **(c)**	1.313.141	1.240.539	94,47%	72.602	5,53%
Security and surveillance **(d)**	276.181	264.278	95,69%	11.903	4,31%
	1.963.356	**1.746.817**	**88,97%**	**216.540**	**11,03%**
Data processing					
Purchase, servicing and maintenance of equipment and software **(e)**	174.876	168.052	96,10%	6.824	3,90%
Outside assistance **(f)**	869.966	813.434	93,50%	56.532	6,50%
Telecommunications **(g)**	133.174	47.677	35,80%	85.497	64,20%
Furniture	35.351	35.351	100,00%	0	0,00%
Technical equipment and installations **(h)**	405.808	385.469	94,99%	20.338	5,01%
Vehicles	5.087	3.468	68,17%	1.619	31,83%
	1.624.263	**1.453.451**	**89,48%**	**170.811**	**10,52%**
Current administrative expenditure					
Stationary, office supplies and miscellaneous consumables	61.598	60.755	98,63%	843	1,37%
Financial charges	1.837	1.837	100,00%	0	0,00%
Legal costs and damages **(i)**	8.034	1.664	20,71%	6.370	79,29%
Postage on correspondence and delivery charges **(j)**	28.484	14.916	52,37%	13.568	47,63%
Other administrative expenditure **(k)**	33.713	23.669	70,21%	10.043	29,79%
	133.666	**102.841**	**76,94%**	**30.824**	**23,06%**

NOTE 7: USE OF APPROPRIATIONS AUTOMATICALLY - CARRIED OVER FROM 2007 TO 2008 - OTHER RESOURCES (Continued)

	Appropriations carried over:	Paid in 2008:	Percentage paid	Cancellation of Appropriations	Cancellation Percentage
Operational activities					
Internal meetings	25.636	22.604	88,17%	3.032	11,83%
Organisation of and participation in conferences, congresses and meetings **(l)**	100.139	66.471	66,38%	33.668	33,62%
Organisation of CCMI	54.131	52.444	96,88%	1.688	3,12%
Entertainment and representation obligations **(m)**	46.114	31.283	67,84%	14.831	32,16%
Interpreting **(n)**	585.658	455.492	77,77%	130.165	22,23%
	811.677	**628.294**	**77,41%**	**183.383**	**22,59%**
Communication					
Communication **(o)**	307.146	214.687	69,90%	92.459	30,10%
Publishing and promotion of publications **(p)**	191.558	164.482	85,87%	27.076	14,13%
Official Journal **(q)**	502.545	233.051	46,37%	269.494	53,63%
Studies, research and hearings	22.360	18.992	84,94%	3.369	15,06%
Documentation and library **(r)**	62.692	45.210	72,12%	17.481	27,88%
Archiving and related work	8.777	8.753	99,73%	23	0,27%
	1.095.078	**685.176**	**62,57%**	**409.902**	**37,43%**
	5.628.039	**4.616.579**	**82,03%**	**1.011.460**	**17,97%**

For all budget lines having cancelled appropriations of more than € 5.000, more detailed information is provided below.

(a) Rent

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	242,617	20,406
Paid in 2008:	129,367	18,311
Cancelled appropriation:	113,250	2,095

This item covers rent and related service charges for the building, situated Rue Van Maerlandt, 2. It is rented from the Commission. Service charges cover maintenance, cleaning, energy etc. The Commission sends its balance statement for the amounts due in 2007 only in 2008. A sufficient safety margin must be kept in order to be able to fulfill all contractual obligations. The indexation of several of these charges was less than anticipated and energy consumption was also lower than estimated.

(b) Other expenditure on buildings

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	25,176	0
Paid in 2008:	8,697	0
Cancelled appropriation:	16,478	0

In 2007, the Committee ordered legal assistance services related to buildings, some of which took place in 2008. As it turned out, a lesser volume than originally estimated was needed.

(c) Cleaning and maintenance

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	1,313,141	750,912
Paid in 2008:	1,240,539	703,475
Cancelled appropriation:	72,602	47,437

In 2007, the Committee ordered some "time and material" maintenance services, some of which were not finished by the end of 2007. Consequently, appropriations had to be carried over. It is however impossible to know the exact amount to be carried over as the exact volume of services that will still be provided is not be known in advance. A sufficient safety margin must be kept.

(d) Security and surveillance

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	276,181	244,687
Paid in 2008:	264,278	234,471
Cancelled appropriation:	11,903	10,216

A small amount of the appropriations carried over was not used due to the fact that invoices for December services, received in January, are thoroughly checked and compared to timesheets indicating services actually provided. These are sometimes a bit lower than forecast, due to unavailabilities or a lesser need than originally scheduled

(e) Purchase, servicing and maintenance of equipment and software

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	174,876	1,326,099
Paid in 2008:	168,052	1,324,319
Cancelled appropriation:	6,824	1,779

A small amount was cancelled, mainly due to the non-availability of a particular product.

(f) Outside assistance

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	869,966	198,280
Paid in 2008:	813,434	197,528
Cancelled appropriation:	56,532	752

Appropriations carried over were underused since some external service suppliers ultimately did not deliver the entire services ordered (IT Help Desk).

(g) Telecommunications

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	133,174	59,458
Paid in 2008:	47,677	24,869
Cancelled appropriation:	85,497	34,589

The amount of the December telecommunications invoice is not known until the beginning of the following year. Therefore the amount carried over must include a sufficient safety margin to cover the worst case situation. Also, Members are entitled to a contribution to co-finance telecommunications equipment. As they can file a claim in the following year, a provision must be made by carrying over the corresponding appropriations. As it turned out, a substantial number of Members did not file a claim after all.

(h) Technical equipment and installations

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	405,808	762,448
Paid in 2008:	385,469	696,807
Cancelled appropriation:	20,338	65,641

The cancelled appropriations (+/- 5%) are mainly due to repair works for the restaurant, which were ordered with a "time and material" formula. As exact costs are not known on beforehand, a safety margin must be kept at the time the amount of the carry over must be established.

(i) Legal costs and damages

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	8,034	15,577
Paid in 2008:	1,664	10,444
Cancelled appropriation:	6,370	5,133

Lawyer fees due, but not paid, at the end of 2007 turned out to be lower than expected. Also, in the course of 2007, a provision for reimbursment of legal fees to a former official had to be made. The case was settled in 2008 without having to resort to this provision.

(j) Postage on correspondence and delivery charges

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	28,484	38,793
Paid in 2008:	14,916	31,115
Cancelled appropriation:	13,568	7,678

Delivery services of DHL vary between EUR 10 000 and EUR 30 000 per month. The December invoice is only sent in January. To be on the safe side, the amount carried over (covering December 2007) could cover the worst case.

(k) Other administrative expenditure

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	33,713	25,244
Paid in 2008:	23,669	17,353
Cancelled appropriation:	10,043	7,891

At the end of 2007, the EESC had a pending dispute with a removal company. As a matter of precaution, the appropriations involved (+/- € 6.000) were carried-over to 2008. The dispute was brought to Court, but there is no verdict yet, so payment to the removal company, if due, could not be made in 2008. Also, the balance payments of some removal services provided at the end of 2007 and invoiced in 2008 turned out to be lower than initially foreseen.

(l) Organisation of and participation in conferences, congresses and meetings

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	100,139	75,583
Paid in 2008:	66,471	56,524
Cancelled appropriation:	33,668	19,059

Appropriations carried over cover the expenditure that could not be settled at the end of 2007. It does usually take a while until all reimbursement claims are received, the cost of which can vary considerably (e.g. low-cost airline vs. mainstream airline). In some cases, a participant to an event ultimately does not make a claim at all, since his own organisation paid for it. Since the Financial Regulations require that the worst case must be covered, some of the appropriations carried over to 2008 were cancelled.

(m) Entertainment and representation obligations

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	46,114	17,339
Paid in 2008:	31,283	13,278
Cancelled appropriation:	14,831	4,061

The amounts committed and subsequently carried over to cover entertainment and representation costs included a safety margin, because claims for expenses authorised in 2007 could differ from the amount initially expected and reimbursement claims for 2007 advanced by those entitled to entertainment and representation expenses could still be introduced in 2008.

(n) Interpreting

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	585,658	1,698,785
Paid in 2008:	455,492	1,391,939
Cancelled appropriation:	130,165	306,846

The EESC, in cooperation with the Interpreting Directorate General of the Commission, has thoroughly reviewed its interpreting expenditure planning and invoicing process. It has been possible to reduce the amount carried over by two thirds, compared to 2006/2007. For services rendered in December, the Commission submits a balance in the beginning of the following year, which the EESC then checks against its own records. The amount carried over was based on the volume of services ordered, but the volume of services actually rendered can be substantially lower. The difference results in appropriations carried over being cancelled.

(o) Communication

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	307,146	47,730
Paid in 2008:	214,687	40,421
Cancelled appropriation:	92,459	7,309

In November 2007, the EESC organized a Press Officers Seminar. Travel expenses and hotel accommodation for the participants were covered by the EESC, but most of the invoices were only received in 2008. Also, several participants had their costs reimbursed by their

own organisation and, consequently, they didn't invoice the EESC after all. This resulted in cancelled appropriations in the order of € 70.000.

The EESC signed a new contract with a photographer in July 2007. On that occasion, an amount of € 20.000 was reserved for those services. At the end of 2007, the amount remaining on that budgetary reservation was carried over in its entirety, which led to cancelled appropriations in the order of € 14.000.

(p) Publishing and promotion of publications

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	191,558	125,988
Paid in 2008:	164,482	88,793
Cancelled appropriation:	27,076	37,205

Whenever the EESC places an order for its CESEInfo publication, a safety margin of 10% is included. This safety margin can be called upon in case there are unpredictable modifications required or extra charges for last minute delivery services etc. For the 2007 services that weren't paid at the end of 2007, not only was the safety margin not needed, but the production cost actually went down due to a change to environment-friendly (and cheaper) paper.

Also, some services for the publication of the EESC's historical book were not rendered. After some discussions with the supplier, the invoices were adapted downwards in 2008.

(q) Official Journal

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	502,545	227,786
Paid in 2008:	233,051	212,646
Cancelled appropriation:	269,494	15,140

The Publications Office sometimes send its invoices, of which the amounts vary substantially, with considerable delay. This makes budgetary planning difficult and therefore, as a matter of precaution, all of the appropriations, committed in 2007 were carried over. A more refined planning mechanism is under development.

(r) Documentation and library

	2008 (EUR):	2007 (EUR):
Appropriations automatically carried over from 2007 to 2008:	62,692	54,618
Paid in 2008:	45,210	44,288
Cancelled appropriation:	17,481	10,330

Appropriations were cancelled due to the non-delivery of ordered goods (out of stock, books announced and ordered but never published, etc.)

NOTE 8: USE OF ASSIGNED REVENUE IN 2008 (C4) - HUMAN RESOURCES

	Final Appropriations	Committed	Percentage Committed	Payments	Payment percentage	Outstanding commitments	Available credits	Available Percentage
Members and Delegates								
Salaries, allowances and insurance	7.317	0	0,00%	0		0	7.317	100,00%
	7.317	**0**	**0,00%**	**0**		**0**	**7.317**	**100,00%**
Officials and Temporary Staff								
	0	**0**		**0**		**0**	**0**	
Other staff and outside services								
	0	**0**		**0**		**0**	**0**	
Other expenditure								
Mission expenses	21.252	21.068	99,13%	4.286	20,35%	16.782	184	0,87%
	21.252	**21.068**	**99,13%**	**4.286**	**20,35%**	**16.782**	**184**	**0,87%**
	28.569	**21.068**	**73,74%**	**4.286**	**20,35%**	**16.782**	**7.501**	**26,26%**

NOTE 9: USE OF ASSIGNED REVENUE IN 2008 (C4) - OTHER RESSOURCES

	Final Appropriations	Committed	Percentage Committed	Payments	Payment percentage	Outstanding commitments	Available credits	Available Percentage
Buildings & associated costs								
Rent	1.242.400	1.242.400	100,00%	1.184.000	95,30%	58.400	0	0,00%
Cleaning and maintenance	508.027	508.027	100,00%	449.729	88,52%	58.298	0	0,00%
Security and surveillance	1.324.966	1.324.966	100,00%	1.179.616	89,03%	145.350	0	0,00%
Insurance	180	0	0,00%	0		0	180	100,00%
	3.075.574	**3.075.393**	**99,99%**	**2.813.345**	**91,48%**	**262.048**	**180**	**0,01%**
Data processing								
Purchase, servicing and maintenance of equipment and software	579	579	100,00%	0	0,00%	579	0	0,00%
Outside assistance	79.520	16.576	20,85%	16.576	100,00%	0	62.944	79,15%
Telecommunications	222.258	200.996	90,43%	155.042	77,14%	45.954	21.262	9,57%
Technical equipment and installations	121.200	121.200	100,00%	121.200	100,00%	0	0	0,00%
	423.557	**339.351**	**80,12%**	**292.818**	**86,29%**	**46.533**	**84.206**	**19,88%**
Current administrative expenditure								
Stationary, office supplies and miscellaneous consumables	46.800	46.800	100,00%	46.800	100,00%	0	0	0,00%
	46.800	**46.800**	**100,00%**	**46.800**	**100,00%**	**0**	**0**	**0,00%**

NOTE 9: USE OF ASSIGNED REVENUE IN 2008 (C4) - OTHER RESOURCES (Continued)

	Final Appropriations	Committed	Percentage Committed	Payments	Payment percentage	Outstanding commitments	Available credits	Available Percentage
Operational activities								
Internal meetings	69	0	0,00%	0		0	69	100,00%
Organisation of and participation in conferences, congresses and meetings	744	744	100,00%	0	0,00%	744	0	0,00%
Entertainment and representation obligations	2.000	2.000	100,00%	2.000		0	0	0,00%
	2.813	**2.744**	**97,56%**	**2.000**	**72,89%**	**744**	**69**	**2,44%**
Communication								
Publishing and promotion of publications	51.987	51.987	100,00%	15.987	30,75%	36.000	0	0,00%
Official Journal	8.307	0	0,00%	0		0	8.307	100,00%
	60.294	**51.987**	**86,22%**	**15.987**	**30,75%**	**36.000**	**8.307**	**13,78%**
	3.609.037	**3.516.275**	**97,43%**	**3.170.950**	**90,18%**	**345.325**	**92.762**	**2,57%**

NOTE 10: RE-USED 2007 APPROPRIATIONS (C5) - HUMAN RESOURCES

	Final Appropriations	Committed	Percentage Committed	Payments	Payment percentage	Outstanding commitments	Available credits	Available Percentage
Members & Delegates								
Salaries, allowances and insurance	8.963	8.963	100,00%	8.963	100,00%	0	0	0,00%
Travel and subsistence allowances	3.204	3.204	100,00%	3.204	100,00%	0	0	0,00%
	12.168	**12.168**	**100,00%**	**12.168**	**100,00%**	**0**	**0**	**0,00%**
Officials and Temporary Staff								
Remuneration and allowances	185	185	100,00%	185	100,00%	0	0	0,00%
	185	**185**	**100,00%**	**185**	**100,00%**	**0**	**0**	**0,00%**
Other staff and outside services								
Expert advice connected with consultative work	116	116	100,00%	116	100,00%	0	0	0,00%
	116	**116**	**100,00%**	**116**	**100,00%**	**0**	**0**	**0,00%**
Other expenditure								
Further training	2.259	2.259	100,00%	2.259	100,00%	0	0	0,00%
Mission expenses	7.621	7.621	100,00%	7.621	100,00%	0	0	0,00%
	9.880	**9.880**	**100,00%**	**9.880**	**100,00%**	**0**	**0**	**0,00%**
	22.350	**22.350**	**100,00%**	**22.350**	**100,00%**	**0**	**0**	**0,00%**

NOTE 11: RE-USED 2007 APPROPRIATIONS (C5) - OTHER RESOURCES

	Final Appropriations	Committed	Percentage Committed	Payments	Payment percentage	Outstanding commitments	Available credits	Available Percentage
Buildings & associated costs								
Annual lease payments and similar expenditure	17.863	17.863	100,00%	17.863	100,00%	0,00	0	0,00%
Cleaning and maintenance	4.220	3.997	94,72%	982	24,55%	3.015,80	223	5,28%
Energy consumption	72.299	72.299	100,00%	72.299	100,00%	0,00	0	0,00%
Security and surveillance	268.413	267.675	99,73%	267.675	100,00%	0,00	738	0,27%
	362.795	**361.835**	**99,74%**	**358.819**	**99,17%**	**3.015,80**	**961**	**0,26%**
Data processing								
Purchase, servicing and maintenance of equipment and software	8.701	8.701	100,00%	8.701	100,00%	0,00	0	0,00%
Outside assistance	62.944	62.944	100,00%	62.944	100,00%	0,00	0	0,00%
Telecommunications	276.450	276.450	100,00%	261.767	94,69%	14.683,12	0	0,00%
Vehicles	7.129	7.129	100,00%	7.129	100,00%	0,00	0	0,00%
	355.224	**355.224**	**100,00%**	**340.540**	**95,87%**	**14.683,12**	**0**	**0,00%**
Current administrative expenditure								
Stationary, office supplies and miscellaneous consumables	8.096	8.096	100,00%	8.096	100,00%	0,00	0	0,00%
Legal costs and damages	219	219	100,00%	0		218,64	0	0,00%
	8.314	**8.314**	**100,00%**	**8.096**	**97,37%**	**218,64**	**0**	**0,00%**

NOTE 11: RE-USED 2007 APPROPRIATIONS (C5) - OTHER RESOURCES (Continued)

	Final Appropriations	Committed	Percentage Committed	Payments	Payment percentage	Outstanding commitments	Available credits	Available Percentage
Operational activities								
Organisation of and participation in conferences, congresses and meetings	585.582	415.670	70,98%	377.504	90,82%	38.166,17	169.912	29,02%
Entertainment and representation obligations	3.551	3.551	100,00%	3.551	100,00%	0,00	0	0,00%
Interpreting	27.840	27.840	100,00%	27.840	100,00%	0,00	0	0,00%
	616.973	**447.061**	**72,46%**	**408.895**	**91,46%**	**38.166,17**	**169.912**	**27,54%**
Communication								
Publishing and promotion of publications	64.555	64.555	100,00%	61.953	95,97%	2.602,06	0	0,00%
	64.555	**64.555**	**100,00%**	**61.953**	**95,97%**	**2.602,06**	**0**	**0,00%**
	1.407.861	**1.236.988**	**87,86%**	**1.178.303**	**95,26%**	**58.686**	**170.873**	**12,14%**

IV.

PART IV

APPENDICES

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Appendix A
INTERNAL CONTROL ENVIRONMENT

The European Economic and Social Committee (EESC)'s Internal Financial Rules (IFR) define a strong control framework for all budgetary transactions. As an example, the Financial Regulation (FR) allows an authorising officer to conduct the verification of a budgetary transaction personally. The EESC's internal financial rules stipulate that verification be conducted by a verifying agent, appointed for this purpose by the secretary-general and independent of the authorising officer for all essential transactions (a detailed list of such transactions is included in point 1.3 below).

The role of the different financial actors, the framework for their assistance and details of the budgetary procedures are specified in the EESC's Internal Financial Rules. They are detailed below:

1. Powers of financial officers

1.1 Authorising officer

The authorising officer by delegation may subdelegate the powers of the authorising officer to one or more EESC staff members covered by the Staff Regulations. They usually occupy AD grade positions. They may act only within the limits of the powers expressly conferred upon them in the subdelegation decision. They may not subdelegate the powers of the authorising officer.

1.2 Managing officer

Managing officers are persons subject to the Staff Regulations who assist the authorising officer within the meaning of FR Art. 59(4). They are responsible, inter alia, for initiating budgetary operations within the meaning of FR Art. 60(4). Managing officers are appointed by the authorising officer they assist.

Managing officers are appointed according to a formal procedure:

a) before appointing a managing officer, the authorising officer:

- confirms the managing officer's management abilities, his/her actual involvement in managing (in the true sense of the word) the sector, and ensures

compatibility between financial/administrative management and operational management;

- consults the Directorate for Human and Financial Resources (DHFR), which validates the proposed managing officer's management abilities (including training: introduction seminar to the Financial Regulation and training course ABAC, "managing officer" module) and the compatibility of his/her appointment with the verifier (the corresponding verifier must not be subordinate to the managing officer).

b) after the appointment of a managing officer, the authorising officer reports this appointment and ensures that management quality is maintained by the managing officer and that he/she continues to receive training in the field of financial and administrative management.

1.3 Verifier

Theoretically, in the absence of internal rules specifying otherwise, the authorising officer is not prohibited from acting simultaneously as verifier. However, in order to ensure optimum guarantees, this role may only be carried out by a staff member who has been appointed verifier by the secretary-general, in accordance with the Internal Financial Rules.

During the last years, there were two verification units: one for the organisational structure of the EESC, and one for the Joint Services, shared with the Committee of Regions (CoR). When the new Cooperation Agreement with the CoR entered into force on 01/01/08, the verification unit in charge of the Joint Services was split and its EESC part integrated into the own EESC verification unit.

A code of professional standards for verification has been adopted.

The following operations must be verified **on beforehand** by a verifier:

- commitment of budgetary expenditure;
- legal commitments (such as purchase orders, contracts and amendments, framework contracts etc.);
- authorisation of payment (payment orders);
- estimate of entitlements to be recovered (debit notes);
- recovery orders;
- waiver of established entitlements;

- carry-over of appropriations as of right;
- application for a decision on the transfer of appropriations;
- recruitment of staff covered by the Staff Regulations, and changes to contracts;
- establishment of, and changes to, the rights of staff covered by the Staff Regulations (in the broad sense, including promotion, reclassification etc.);
- application for the establishment of an imprest account;
- assignment without payment of immovable property or large installations (Implementing Rules for the Financial Regulation (IPR) Art. 227);
- writing-off of items on the inventory.

On top of ex-ante verification of the above operations, the verifier is responsible for:

- at the request of the authorising officer, the ex-ante verification of other operations
- ex-post verifications (FR Art. 27(4), IPR Art. 21)

Verifications include, but are not confined to, establishing the legality and regularity of all proposed operations with a budgetary impact and establishing compliance with the principles of economy and sound financial management, referred to in FR Art. 27. Verifiers take account of any comments set out in the discharge decisions.

Verifiers enjoy functional independence in the exercise of their verification tasks.

The duties of accounting officer, accounting officer by delegation and imprest administrator on the one hand, and those of verifier on the other hand, are mutually incompatible.

The verifier must give an opinion on any matter referred to him. The opinion may be favourable or negative. A favourable opinion may not be conditional, but it may include comments. Any negative opinion must be documented and include a statement of reasons.

In the event of a negative opinion by the verifier, the authorising officer may:

- refuse the dossier;
- overrule the negative opinion, if the amount involved is less than € 5,000. The decision to overrule must be accompanied by reasons and documentation, and it must be communicated to the verifier and the internal auditor;
- submit the dossier to the appeal authority, which may authorise him to overrule the negative opinion of the verifier. If the dossier falls within the remit of the authorising officer by delegation, the directors' meeting constitutes the appeal authority. The authorising officer by delegation acts as the appeal authority in other cases. Any decision by the appeal authority must be accompanied by

reasons and documentation, and it must be communicated to the verifier and the internal auditor.

Thus, the EESC has chosen to adopt a cautious approach by applying this system for all its essential budgetary operations (see the above-mentioned list).

1.4 Specialised financial irregularities panel

The specialised financial irregularities panel, referred to in FR Art. 66(4), comprises five members, one of whom is from outside the EESC (Commission director), appointed by the secretary-general. The legal service is represented by one member. Panel members enjoy functional independence in their activities on behalf of the panel. They enjoy complete and unlimited access to any information required for the performance of their duties.

The panel draws up an opinion for the institution on the action to be taken, in accordance with the terms of the second paragraph of FR Art. 66(4). The internal auditor, or his representative, may participate in the work of the panel as an observer. The operation of the panel is subject to rules of procedure.

1.5 The internal auditor

The internal auditor is appointed by the president.

In addition to the powers and responsibilities specified in the Financial Regulation, the internal auditor is consulted on:

- the establishment and modification of accounting, inventory and computerised financial management systems;
- any draft regulation or general instructions with financial implications.

1.6 Audit Committee

The Audit Committee is composed of 3 Members of the EESC and 1 external personality with a vast experience in internal auditing. Its mission is to ensure the independence of the internal auditor and to monitor the implementation of the internal auditor's work programme as well as the follow-up of agreed actions resulting from internal audit reports.

1.7 Staff members responsible for managing access to the budget management software (ABAC)

These staff members are appointed by the secretary-general. They may not perform the function of managing officer, verifier, authorising officer, accounting officer, accounting officer by delegation, imprest administrator or internal auditor.

2. Assistance to the financial actors

2.1 Assistance/advice function

Technical assistance (e.g. use of ABAC) is provided by the Finance and Financial Verification Unit.

Assistance with rules and procedures is provided by the verifiers. With regard to the contract award procedure, the principle of sound financial management requires that the authorising officer consult a verifier, or arrange for him to be consulted, during the preliminary phase of the procedure.

Legal assistance is provided by the legal service.

2.2 Training

The following training modules are organised by the EESC departments:

- financial management;
- using the ABAC budget management software.

Other courses (e.g. public procurement) are organised in cooperation with the Commission.

2.3 EESC intranet (CESnet)

Financial officers can consult the "financial management" section on CESNET, which includes regulatory texts, standard documents, forms, etc. in the field of financial, budget and contract management. Specific needs of the Joint Services are covered in an own section on CESNET.

Checklists for financial transactions are also included and can be consulted by financial officers.

Appendix B

MAIN RECOMMENDATIONS OF THE INTERNAL AUDITOR CONTAINED IN AUDIT REPORTS PRODUCED IN 2008 AND ACTION TAKEN (AT THE DATE OF THIS REPORT)

1. Audit report on training policy

This audit focuses on the adequacy and efficiency of the EESC's training policy.

This audit report confirmed positively the broad training offer as well as the improved training framework (training policy 2008-2010 adopted; associated training rules prepared).

It also identified the need for improvement in the following fields:

- Incorporating training in individuals' career development plans
- Customizing training programmes by target group
- Increasing attention to non-language training
- Improving communication of the training offer

The action plan agreed with the audited Unit comprises all but two measures proposed in the audit report. Several recommendations require a more elaborate personnel administration IT system (currently "Centurio"). Their implementation will inevitably be determined by the future of this IT system (replacement or enhancement)

The new head of Unit, in charge of training, has positively welcomed the vast majority of recommendations. However, since the action plan was agreed in November, it is too early to evaluate the implementation of the recommendations.

2. Follow-up audit on the implementation of the security guards audit of June 2008

The audit on the security guards had focused on the efficiency of the externally supplied security guards services. Therefore, when evaluating the status of implementation of the agreed action plan, Internal Audit focused on the achieved cost savings. Of the planned 1.4

Mio € cost reduction (EESC + CoR), ~40% had been achieved until mid 2008. The effect of the investment related measures (another 50%) had been delayed (partly due to a contractor's unsatisfactory performance), and is now expected to take effect in the course of 2009. Additional savings are expected for 2010.

Cost reductions were partially offset by price increases due to indexation since 2006 (~10%) and additional security guard services (Van Maerlant building). Together with some delays in the implementation, this led to the situation that effective cost reductions had not matched the reductions already made in the budget. Internal Audit will continue to monitor the implementation progress.

3. Audit report on the salary payment procedure

This audit report and its follow-up will be reported on in the 2009 activity report

4. Audit report on the printing/distribution Unit

This audit report and its follow-up will be reported on in the 2009 activity report

Appendix C

DISPOSING OF FIXED ASSETS 2008

1. Financial regulation

Art. 138: Property Inventories.

1.1 "Each institution and each body referred to in Article 121 shall keep inventories showing the quantity and value of the Communities' tangible, intangible and financial assets in accordance with a model drawn up by the accounting officer of the Commission.

Each institution and each body referred to in Article 121 shall check that entries in the inventories correspond to the actual situation."

1.2 The sale of movable property shall be suitably advertised.

2. Implementing rules

Art. 227: Procedure for disposing of fixed assets.

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

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

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

3. Disposing of immovable property or major installations free of charge in 2008

No immovable property or major installations were made available free of charge by the European Economic and Social Committee during 2008.

Appendix D

KEY PERFORMANCE AND ACTIVITY INDICATORS ("KAPIs")

1. Introduction

According to the Financial Regulation, every institution must define and report annually on a set of performance indicators.

Thus, in 2007 the EESC Secretariat developed a set of indicators for all of its directorates. Some indicators measure a level of performance (e.g. payment lead times), others measure a certain level of activity (e.g. a production volume). This is why the EESC's indicators are referred to as Key Activity and Performance Indicators (KAPIs).

2. Scope and interpretation

The KAPIs were identified in close cooperation with the services involved. Nearly all indicators are now well defined and for many, data are becoming available on an automatic and regular basis.

The KAPI initiative is certainly not a top-down exercise. It is, first and foremost, a management tool for the competent services and heads of units. KAPIs are also a means to raise awareness amongst all officials in the Secretariat. Moreover, the exercise gives transparency to our work, not only for members or senior management, but also vis-à-vis the other institutions.

KAPIs are tools. Care should be taken when interpreting them, for there cannot be any automatic conclusions. It is not so much their absolute values as their evolution over time that can reveal and confirm trends which may need attention and action.

3. Presentation

KAPIs are presented by the directorate and unit monitoring them, but it should be stressed that these units cannot necessarily be held accountable for the indicators in question (e.g. the absence rate is monitored by the "Working conditions" Unit but reflects an overall situation).

For internal purposes, most KAPIs are measured on a monthly basis. On one page they show relevant figures and a graphical presentation. This allows for analysis of short-term trends (within the year) as well as medium-term trends (including the previous three years). For this

annual activity report, only the KAPI's annual data have been included. One example of a complete monthly KAPI report is included as well (see KAPI 32).

4. Further development

The set of KAPIs will evolve along with the Secretariat's activities and organisation. They are reviewed annually. In some cases, definitions will need rewording, in other cases a KAPI will lose its relevance or a new one may appear to be useful.

During 2009, progress will be made along the following tracks:

4.1 Possible integration in the wider context of the Common Assessment Framework (CAF)

Since 2007, it has been decided to streamline the KAPIs with the annual work programme and activity report. In this context, CAF[1] would come as a further step towards quality management and continuous improvement for the Committee. It has been chosen by the European Commission as its standard for total quality management in public administration and is under scrutiny for its possible adoption by the Committee.

4.2 Better aligning the KAPIs with the strategic planning and reporting cycle.

During 2009, in the context of continuous improvement, KAPIs will be reviewed in order to better streamline them with the planning and reporting cycle.

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[1] The Innovative Public Services Group (IPSG) was established in 1999 with representatives from all 15 EU Member States. As permanent expert observers European Institute of Public administration (EIPA), EFQM and the German University of Administrative Sciences Speyer have also been taking part in this work since the very beginning.

The focus of the IPSG is the quality improvement of public services. It aims at developing new tools and activities to support this goal in the Member States. Current IPSG products and activities include:

- the Quality Conferences for Public Administrations in the EU
- the Common Assessment Framework (**CAF**)
- facilitating self-assessments on the basis of **CAF**
- benchmarking by means of exchanging good practices.

IPSG is part of EPAN network steered by the Ministers and the Directors General of Public Administration. Other permanent working groups of the network are the e-Government Group and the Human Resource Management Group.

4.3 Sharing KAPIs with the CoR and Bringing them closer to the contributors

The CoR has shown some interest to use this type of KAPI and share some with the EESC. Decision will be taken about which KAPIs are of common interest and what could be the best technical approach to enhance the robustness of the underlying technology, as well as the way to facilitate their collection by bringing the tools closer to the first hand contributors.

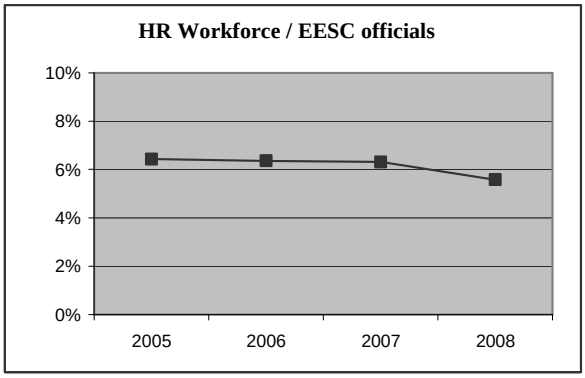
5. Key Performance and Activity Indicators 2008

5.1. DIRECTORATE FOR HUMAN AND FINANCIAL RESOURCES

KAPI 1 HR workforce

This indicator measures the ratio between resources of the HR department, in "Full-time equivalents" (FTEs) and the total headcount (establishment plan) of the Committee. It is an indicator for the adequacy of the resources in this area.

	HR Workforce	EESC officials	HR Workforce / EESC officials
2008	**39**	**700**	**5,57%**
2007	44	695	6,32%
2006	43	671	6,36%
2005	41	636	6,43%



5.1.1. Recruitment, careers, training Unit

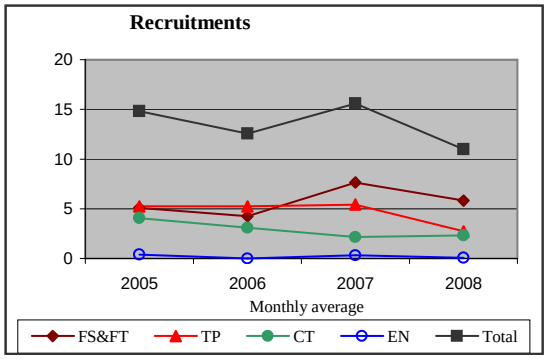
For the indicators in this area, the following codes are used to identify the different categories of staff:

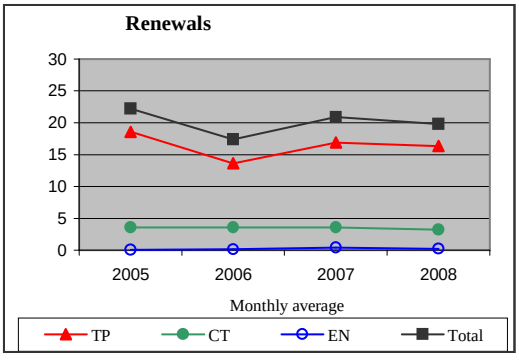
FS = officials on probation
FT = established officials
TP = temporary agents
CT = contract agents (CT-S= structural contract agent)
EN = seconded national experts

KAPI 2 Number of recruitments/renewals

This indicator measures the number of recruitments and renewals by type of contract. It is an indication for the workload of the unit.

	Recruitments					Renewals			
	FS&FT	TP	CT	EN	Total	TP	CT	EN	Total
2008	**70**	**33**	**28**	**1**	**132**	**196**	**39**	**3**	**238**
2007	92	65	26	4	187	203	43	5	251
2006	51	63	37	0	151	164	43	2	209
2005	61	63	49	5	178	223	43	1	267

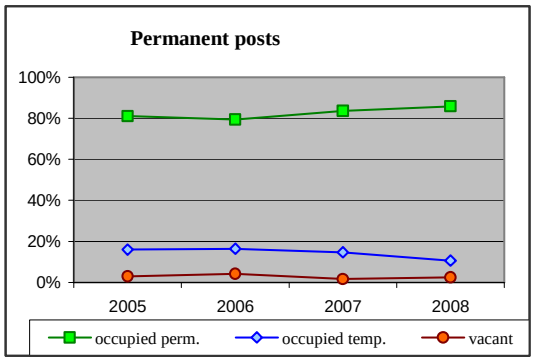


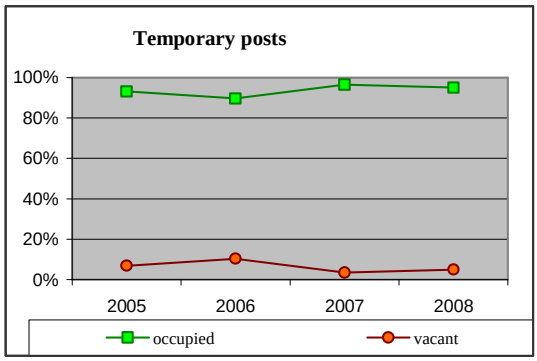


KAPI 3 Post occupation rate

This indicator measures the average occupation rate, based on "Full-time equivalents" (FTEs), of the Committee's posts. It distinguishes between an occupation by officials and by temporary agents (Temporary occupation due to CCP or parental leave of an official for less than 6 months is considered as permanently occupied). It is an indication of the efficiency of the Recruitment process (efficiency of the recruitment Unit, availability of reserve lists, continuity of staff, etc.).

	Total number of posts	Permanent posts						Temporary posts		
		all	AD	AST	occupied perm.	occupied temp.	vacant	all	occupied	vacant
2008	**700**	**672**	**213**	**240**	**577**	**71**	**16**	**28**	**27**	**1**
2007	695	666	311	355	557	98	11	29	28	1
2006	671	642	299	343	510	105	27	29	26	3
2005	635	606	275	331	491	97	18	29	27	2

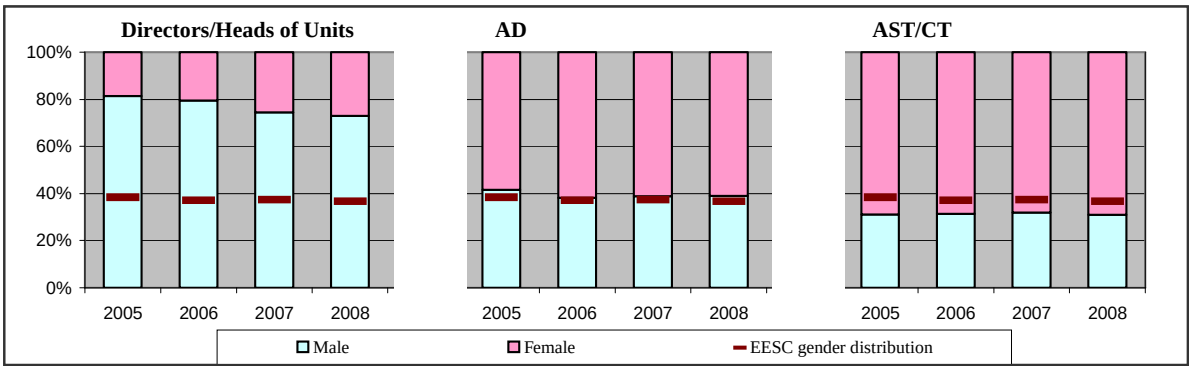




KAPI 4 Staff pyramid and equal opportunities

This indicator measures, at the end of the year, the distribution of the Committee's staff by gender and nationality (grouped by category: head of unit, AD, AST/CT). It indicates the level of diversity and equal opportunities.

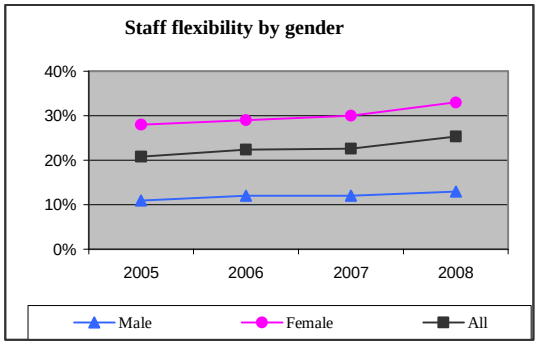
	Directors/Heads of Unit				AD				AST			
	Number	% M	% F	% of total	Number	% M	% F	% of total	Number	% M	% F	% of total
2008	**45**	**73,0%**	**27,0%**	**6,1%**	**292**	**39,0%**	**61,0%**	**39,5%**	**402**	**31,0%**	**69,0%**	**54,4%**
2007	47	74,5%	25,5%	6,2%	307	38,8%	61,2%	40,5%	404	31,9%	68,1%	53,3%
2006	44	79,5%	20,5%	6,2%	283	38,2%	61,8%	39,6%	388	31,4%	68,6%	54,2%
2005	43	81,4%	18,6%	6,4%	258	41,5%	58,5%	38,6%	367	31,1%	68,9%	55,0%

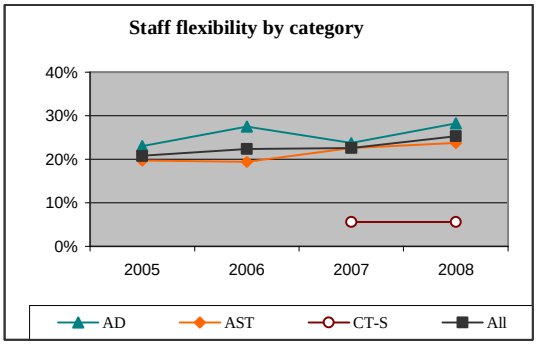


KAPI 5 Staff flexibility index

This indicator measures the proportion of permanent staff having worked part-time versus full-time, by gender and category (AD, AST, and CT-S). It indicates the level of flexibility of the Committee towards its staff.

	By Gender				By Category						All	
	M		F		AD		AST		CT-S			
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
2008	**33**	**13,0%**	**131**	**33,0%**	**84**	**28,2%**	**79**	**23,7%**	**1**	**5,6%**	**164**	**25,3%**
2007	29	12,0%	110	30,0%	66	23,7%	72	22,6%	1	5,6%	139	22,6%
2006	28	12,0%	97	29,0%	67	27,5%	58	19,4%			125	22,4%
2005	23	11,0%	85	28,0%	51	23,0%	57	19,7%			108	20,8%

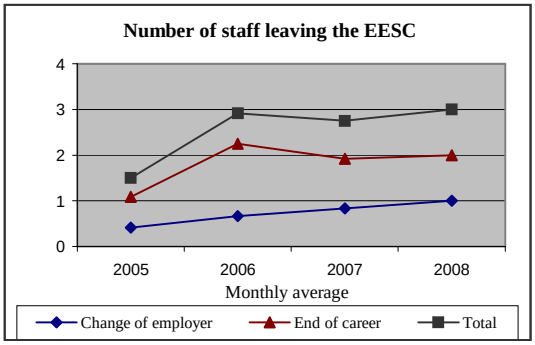


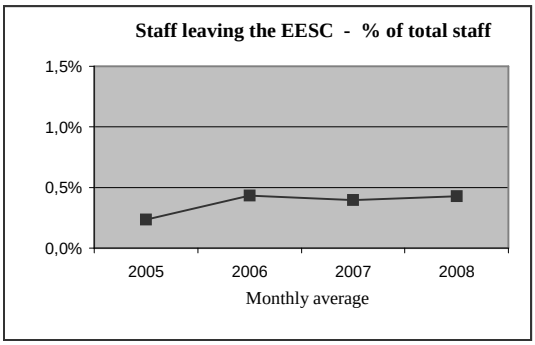


KAPI 6 Staff turnover

This indicator measures the number of permanent staff (officials and structural contract agents) who left the Committee during the last year, by reason of departure. It indicates the degree of satisfaction of staff, as well as the level of continuity of the Secretariat.

	Staff leaving the EESC			
	Change of employer	End of career	Total	% of total staff
2008	**12**	**24**	**36**	**5,1%**
2007	10	23	33	4,7%
2006	8	27	35	5,2%
2005	5	13	18	2,8%

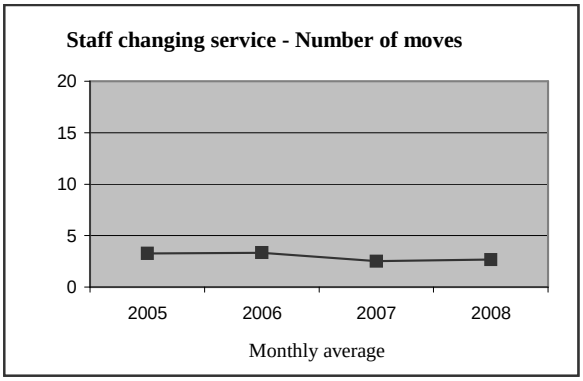


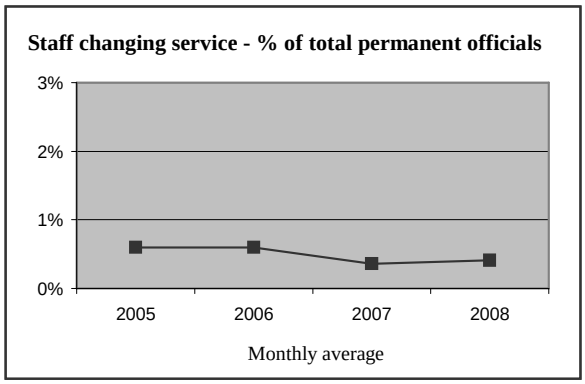


KAPI 7 Staff internal mobility

This indicator measures the number of moves of permanent officials (FS, FT) from one sector to another within the Committee. Mobility is an important component in the personal development of staff. It is also essential for the Committee to keep its Secretariat dynamic and to adapt to evolving needs.

	Staff changing service	
	Number of moves	% of total permanent officials
2008	**32**	**4,92%**
2007	30	4,32%
2006	40	7,17%
2005	39	7,16%

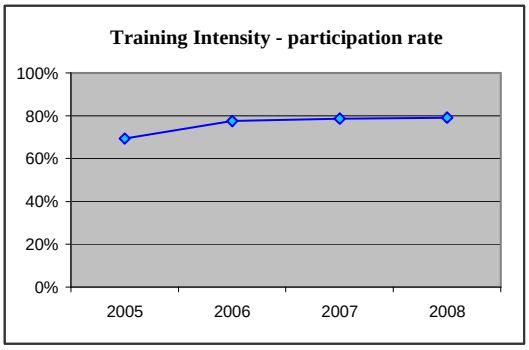


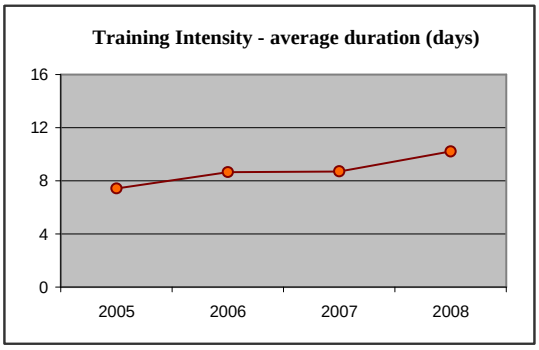


KAPI 8 Training intensity

This indicator measures the percentage of staff having followed training and the average number of days of training. It indicates the commitment of staff to its professional development, its increase of skills and its capability to adapt to evolving needs.

	Training Intensity	
	% particip.	avg. duration
2008	**79%**	**10,2**
2007	79%	8,7
2006	78%	8,6
2005	69%	7,4



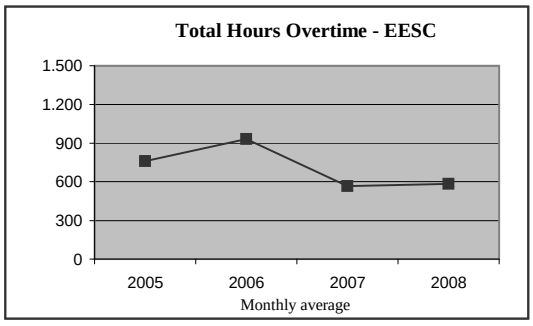


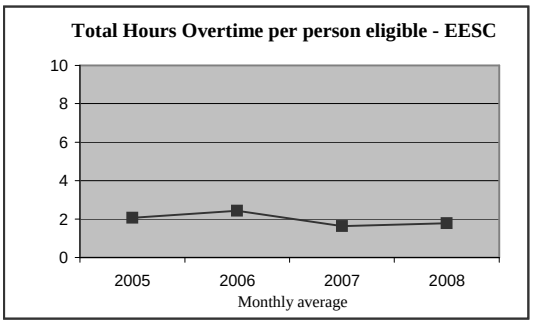
5.1.2. Staff regulations, working conditions and social measures Unit

KAPI 9 Overtime follow-up

This indicator measures the number of hours of overtime per member of staff eligible for overtime (according to the Staff Regulations). It indicates to what extent the Secretariat is able to spread workload equally over time.

	Hours Overtime		
	eligible staff	total hours	per person
2008	**331**	**5.832**	**17,8**
2007	348	6.803	19,5
2006	384	11.171	29,1
2005	369	9.119	24,7

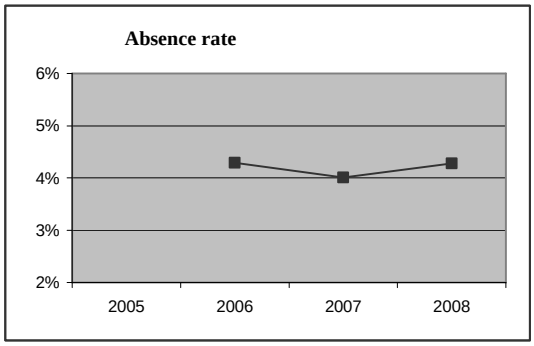




KAPI 10 Absence rate

This indicator measures the absence rate according to the interinstitutional definition (adopted 2001: total absence in calendar days, divided by 365 and by the number of staff at the end of the year). It can be an indicator of the level of motivation of staff and the effectiveness of the Committee to deal with this issue. Data are available as of 2006.

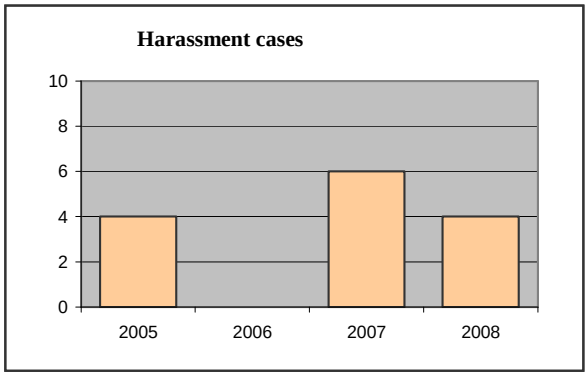
	Absence rate
2008	**4,28%**
2007	4,01%
2006	4,29%
2005	



KAPI 11 Harassment cases

This indicator measures the number of reported harassment cases. It could indicate to what extent the problem of harassment is under control.

	Number of cases
2008	**4**
2007	6
2006	0
2005	4

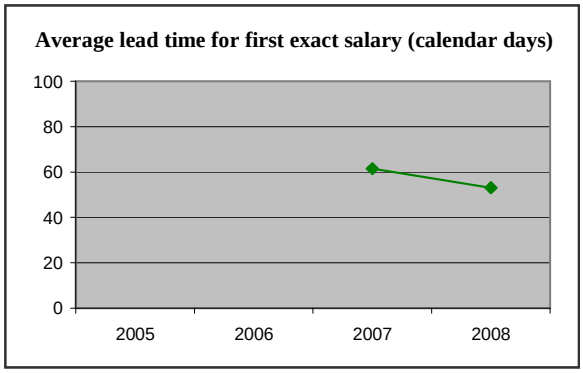


5.1.3. Budget, service for members, compensations Unit

KAPI 12 Average lead time provisional salaries

On arrival of a new staff member who falls under the Staff Regulations, the exact salary cannot be determined until all his/her rights have been established. Until this is done, he/she receives a provisional salary. This indicator measures the average lead time (in calendar days) between the start date of the contract of a new agent and the date at which he/she receives his/her exact salary. The exact salary is the salary as it is established in the notification decision that is addressed to the new staff member once all his/her rights have been fixed. It indicates the efficiency of the payroll and rights fixation process. Data are available as of 2007.

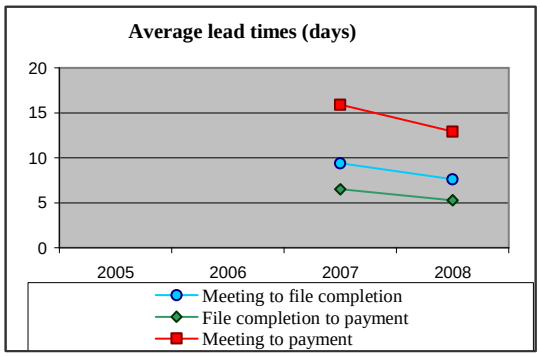
	Average lead time for first exact salary (calendar days)
2008	**53,2**
2007	62
2006	
2005	



KAPI 13 Members expenses – payment lead time

EESC members receive a compensation for their expenses incurred in that capacity. This indicator measures the average lead times between the meeting date and the completion of the file and between the latter and the payment date. It indicates the efficiency of the actors involved in this process. All lead times are in working days. Data are available as of 2007.

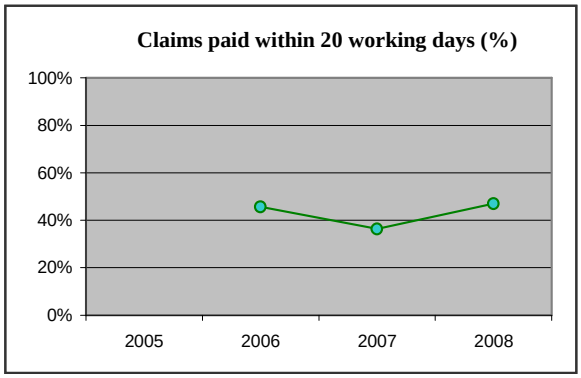
	Average lead times (days)		
	Meeting to file completion	File completion to payment	Meeting to payment
2008	**7,6**	**5,3**	**12,9**
2007	9,4	6,5	15,9
2006			
2005			



KAPI 14 Mission costs reimbursement lead time

This indicator measures the percentage of mission costs reimbursement claims that have been settled within 20 working days of their reception. It indicates the efficiency of the department dealing with mission expenses. Data are available as of 2006.

	Rate of claims paid within 20 working days
2008	**47,0%**
2007	**36,3%**
2006	**45,7%**
2005	

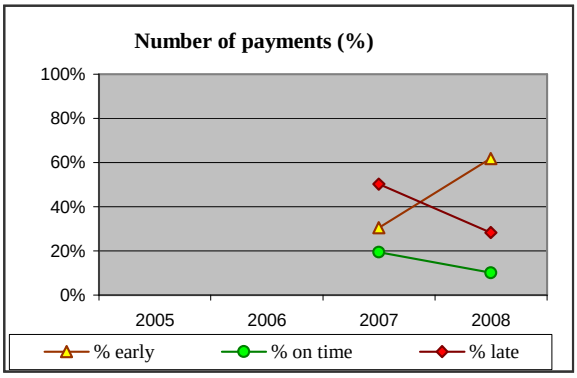


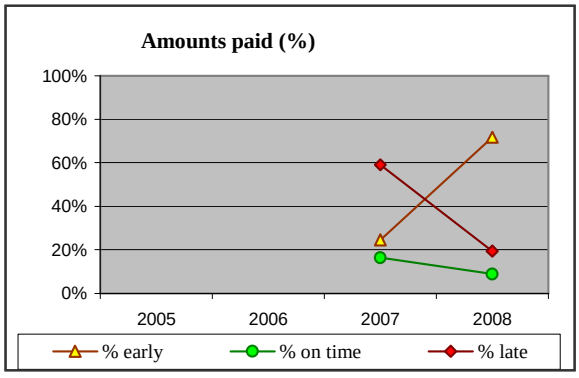
5.1.4. Accounting Unit

KAPI 15 Just-in-time payments

This indicator measures the percentage of invoice-based payments made early (over five days before payment deadline) or late (after payment deadline). Ideally, all payments should be made just-in-time. The indicator shows to what extent payments were made just-in-time. Data are available as of 2007.

	Number of payments				Amounts paid			
	total	% early	% on time	% late	total (€)	% early	% on time	% late
2008	**3.462**	**61,8%**	**10,0%**	**28,2%**	**16.857.445**	**71,7%**	**8,9%**	**19,5%**
2007	3.017	30,4%	19,4%	50,2%	23.916.307	24,5%	16,4%	59,1%
2006								
2005								

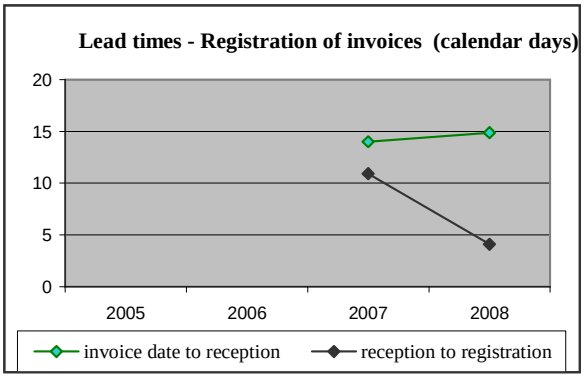


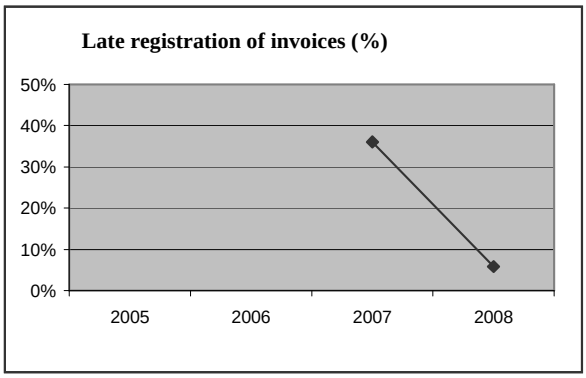


KAPI 16 Registration of invoices

This indicator measures the average lead time between the reception of invoices and their registration and the number and percentage of invoices for which this registration took more than seven calendar days. It indicates the efficiency of the accounting Unit in this respect.

	Average lead times (calendar days)		Late registration (> reception + 7 calendar days)	
	invoice date to reception	reception to registration	number late registration	% of total
2008	**14,9**	**4,1**	**262**	**5,9%**
2007	14,0	10,9	1.451	36,1%
2006				
2005				

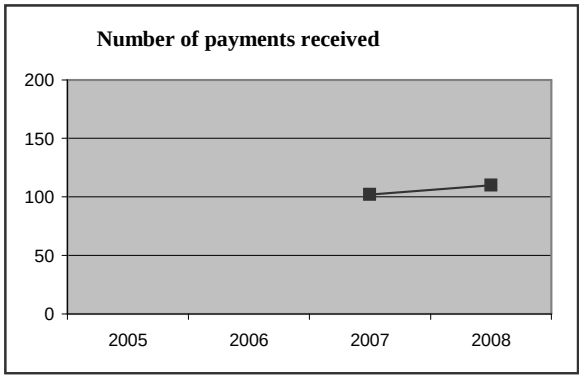


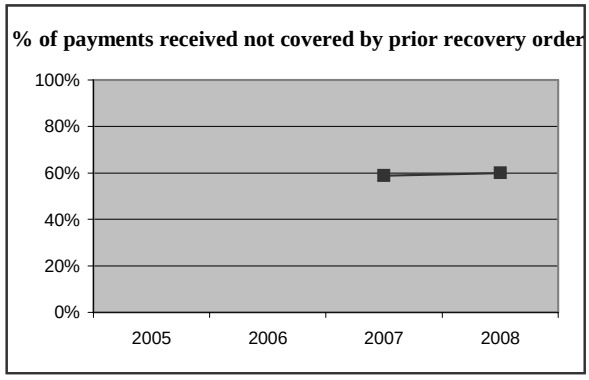


KAPI 17 Recovery regularisation ratio

According to the Financial Regulation, a forecast of revenue or a recovery order must be established when a third party owes an amount to the Communities. This should be done before the funds are collected. This indicator measures the percentage of recovery orders that were established in due time. It indicates how well the authorising officers are organised to deal with this. Data are available as of 2007.

	Number of payments received	% of payments received not covered by prior recovery order
2008	**110**	**60,00%**
2007	102	58,82%
2006		
2005		

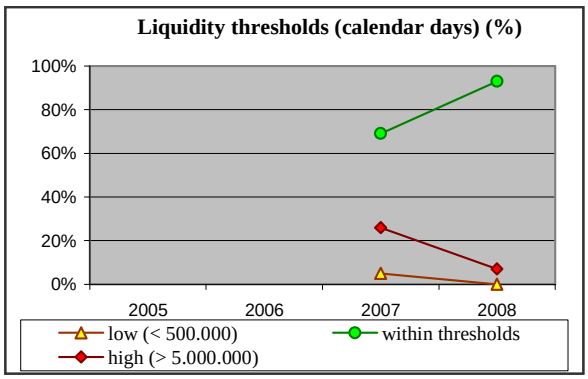




KAPI 18 Liquidity accuracy

The Committee's bank account should hold enough funds to make payments in time. At the same time, the amount of these funds 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) or more than EUR 5,000,000 (too much cash on hand). It indicates the efficiency of the accounting Unit in this respect. Data are available as of 2007.

	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	%
2008	**0**	**0%**	**327**	**93%**	**25**	**7%**
2007	20	5%	251	69%	94	26%
2006						
2005						



5.2. DIRECTORATE FOR LOGISTICS

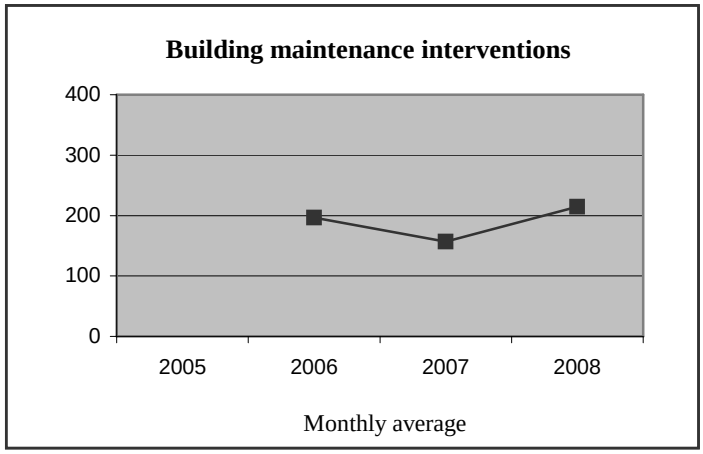
This directorate delivers services to both EESC and CoR. Unless mentioned explicitly, the following indicators relate to the activities of this directorate for both Committees.

5.2.1. Infrastructure unit

KAPI 19 Number of building maintenance interventions

This indicator measures the number of building maintenance interventions carried out by the Infrastructure unit. This reflects the workload of the unit. Also, an increasing number of interventions could indicate a degradation of the service delivered.

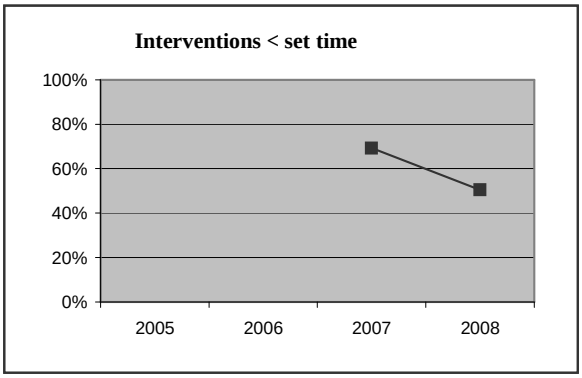
	Building maintenance interventions
2008	**2.576**
2007	1.885
2006	2.356
2005	



KAPI 20 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). It indicates the efficiency of the Infrastructure unit. Data are available as of 2007.

	Interventions < set time (%)
2008	**51%**
2007	69,3%
2006	
2005	

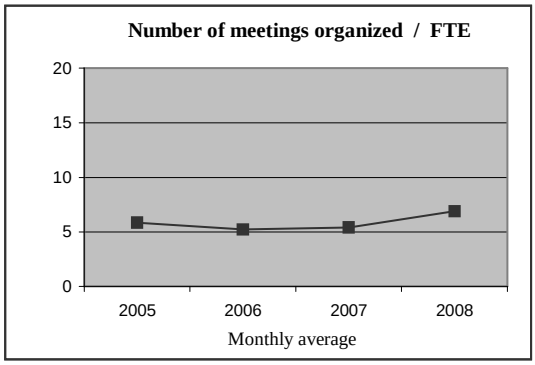


5.2.2. Internal Services Unit

KAPI 21 Meetings organised

This indicator measures the number of meetings taking place in the Committees' conference rooms (rooms equipped with interpretation facilities), divided by the number of relevant "Full-time equivalent" staff (FTEs) of the meetings services. It indicates the level of meeting activity of the Committees and performance of the meeting services as a whole.

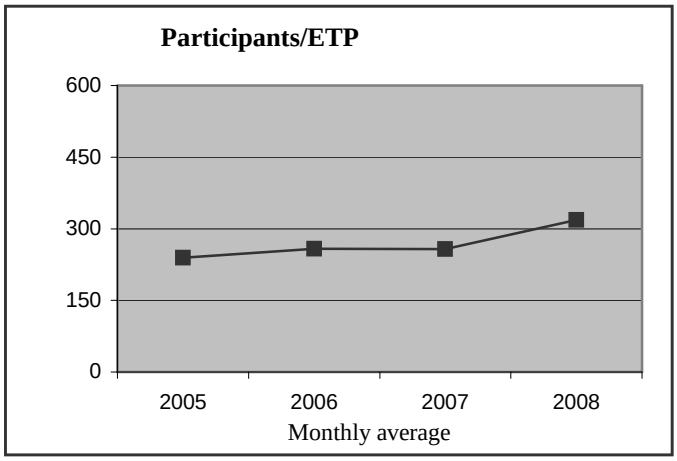
	Meetings organized	FTE Meeting Services	Meetings / FTE
2008	**2.104**	**25,5**	**83**
2007	1.871	28,8	65
2006	1.737	27,8	63
2005	1.757	25,0	70



KAPI 22 Meeting participants

This indicator measures the number of participants at meetings in the Committees' conference rooms, divided by the number of "Full-time equivalent" staff (FTEs) of the meetings services. It indicates the performance of the meeting services as a whole.

	Total number of participants	EFT "Meeting service"	Participants / EFT
2008	**99.240**	**25,7**	**3.504**
2007	88.518	28,8	3.090
2006	85.956	27,8	3.098
2005		25,0	2.868



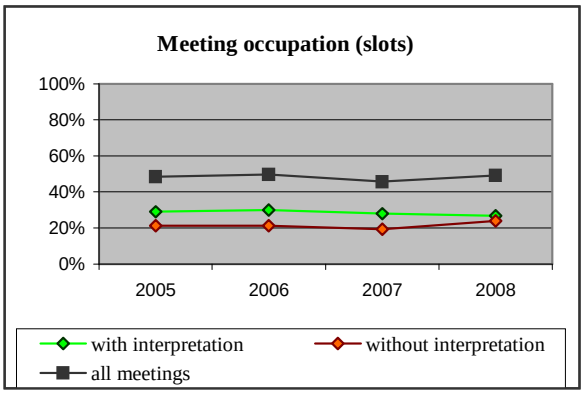
KAPI 23 Meeting room occupation rate

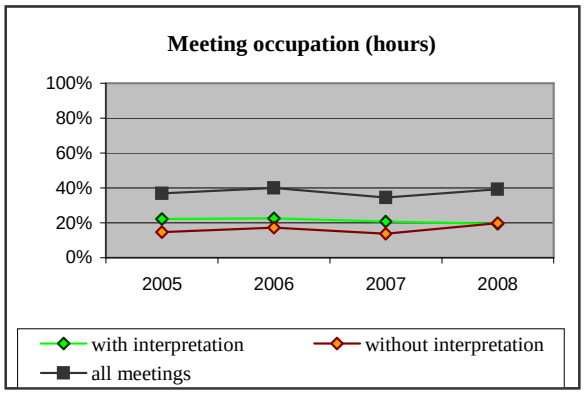
This indicator measures the effective occupation rate of the Committees' conference meeting rooms. It indicates to what extent the Committee's conference infrastructure is used and alerts possible capacity problems. This indicator contains two different rates :

a) occupation of available slots (a half-day each, until 1:00pm and from 1:45pm onwards: also shorter occupations block the whole slot)

b) occupation rate in terms of hours, based on 37.5 hours per week

	Meetings with interpretation		Meetings without interpretation		All meetings	
	% slots	% hours	% slots	% hours	% slots	% hours
2008	**26,7%**	**19,5%**	**24,0%**	**19,7%**	**49,1%**	**39,2%**
2007	27,9%	20,7%	19,3%	13,8%	45,8%	34,5%
2006	29,9%	22,6%	21,3%	17,3%	49,6%	39,9%
2005	29,0%	22,2%	21,2%	14,7%	48,5%	36,9%

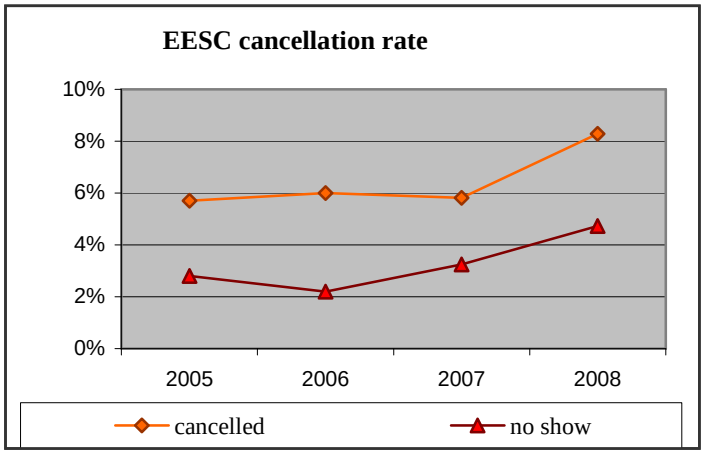




KAPI 24 Meeting room cancellation rate

This indicator measures the percentage of cancellations of earlier EESC meeting room bookings. The cancellation of a meeting room booking, especially at a late stage, reduces the possibilities of organising meetings and, hence, must be limited as much as possible. Both the rates of "Cancellations" and "No shows" (cancellation after the conference rooms operators' programme is fixed or not taken place without cancellation) are calculated.

	Cancellations	No-shows
2008	**8,3%**	**4,7%**
2007	5,8%	3,2%
2006	6,0%	2,2%
2005	5,7%	2,8%

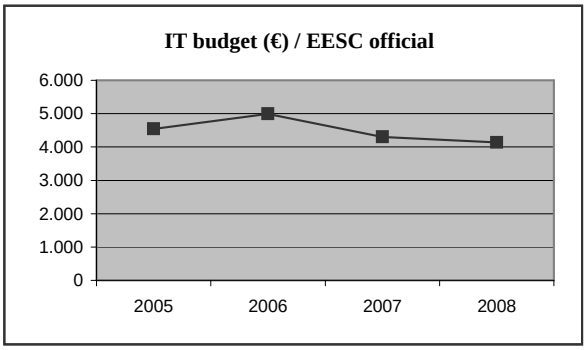


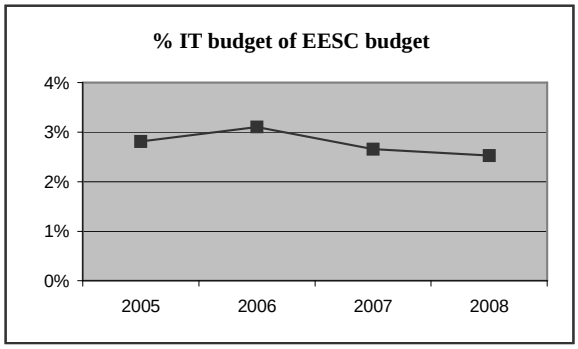
5.2.3. IT and Telecommunications Unit

KAPI 25 IT costs per user

This indicator measures the ratio between the total operational IT budget (equipment, external sub-contractors, telecommunication costs; excluding the cost of statutory IT staff) and the total headcount (establishment plan). It also measures the proportion of this budget vs. the overall EESC budget. It can be used as a benchmark and enables the evolution of IT costs to be kept under control.

	EESC IT budget (€)	EESC officials	EESC IT budget (€) / EESC official	EESC budget (€)	% IT budget
2008	**2.895.573**	**700**	**4.137**	**114.744.176**	**2,52%**
2007	2.991.845	695	4.305	112.694.342	2,65%
2006	3.348.004	671	4.990	107.984.805	3,10%
2005	2.887.646	636	4.540	102.836.216	2,81%

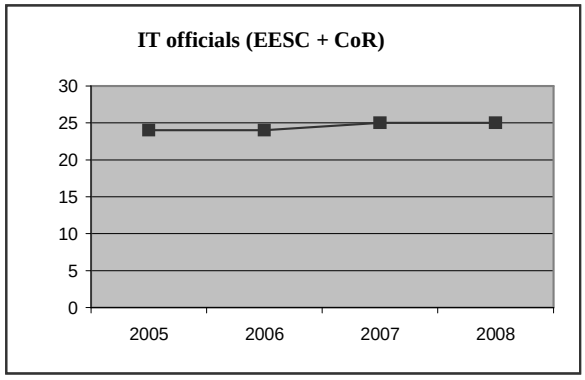


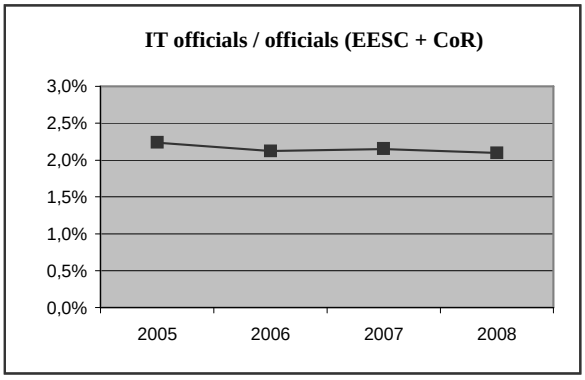


KAPI 26 IT Unit workforce

This indicator measures the ratio between statutory resources of the IT Unit and the total headcount (posts, according to establishment plan) of the two Committees. It is an indicator for the efficiency of this unit.

	EESC + CoR IT officials	EESC + CoR officials	EESC + CoR IT officials / officials
2008	**25**	**1.191**	**2,10%**
2007	25	1.161	2,15%
2006	24	1.130	2,12%
2005	24	1.072	2,24%

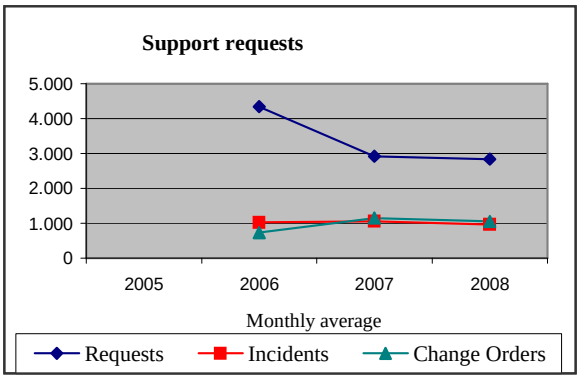


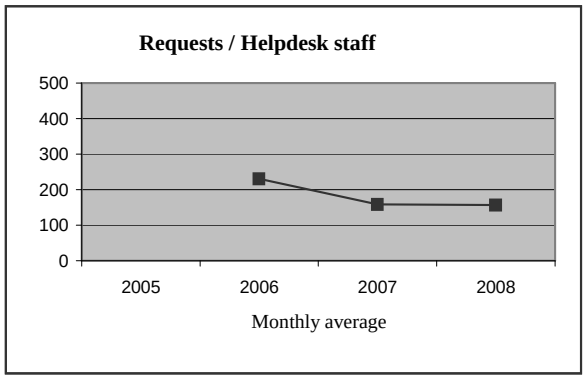


KAPI 27 IT user support requests

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 may give rise to an "incident" (e.g. repairing a broken hard disk) or to a "change request" (e.g. moving a PC). It indicates the performance of the IT user support service as a whole. Detailed figures are available as of 2006.

	Requests	Incidents	Change Orders	Helpdesk staff (FTE)	Requests / Helpdesk staff
2008	**34.057**	**11.637**	**12.585**	**18,1**	**1.907**
2007	35.071	12.668	13.832	18,5	1.896
2006	52.181	12.346	8.764	18,8	2.771
2005					

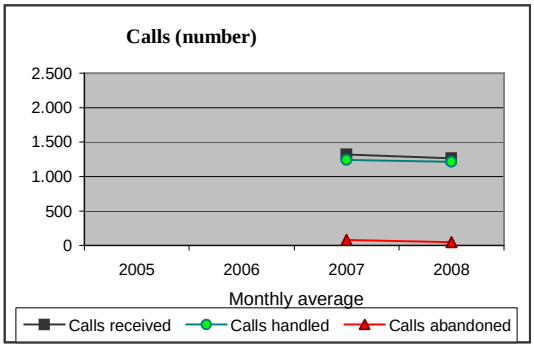


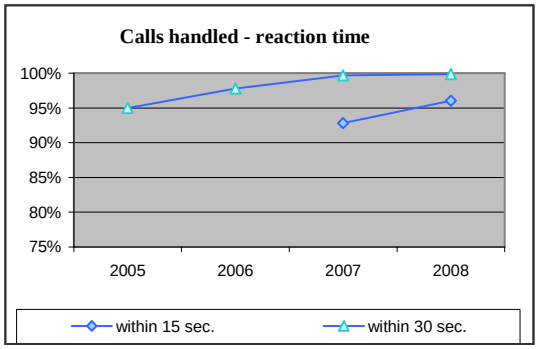


KAPI 28 IT helpdesk reaction

This indicator measures the calls received by the IT helpdesk and the proportion of calls handled within a set time. It shows the reaction time of the IT helpdesk. Detailed data are available as of 2007.

	Calls received	Calls handled			
		number	% of calls received	handled within 15 sec.	30 sec.
2008	**15.171**	**14.562**	**96,1%**	**96,1%**	**99,8%**
2007	15.869	14.911	94,0%	92,8%	99,7%
2006					97,8%
2005					95,0%

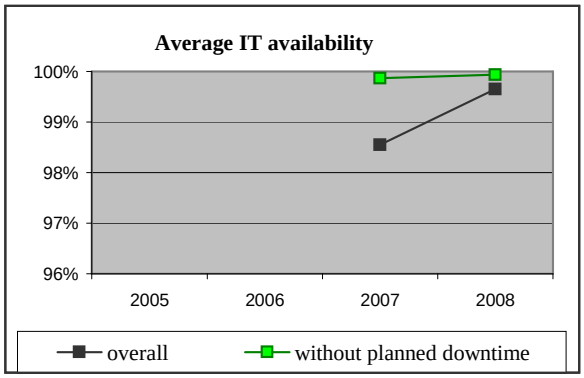




KAPI 29 IT availability

This indicator measures the availability of each of the main components of the IT infrastructure (network, telephony, data bases, office automation servers), as well as their average. Availability is calculated based on 24 hours per day and 365 days per year. Availability is also measured taking planned downtime into consideration. Data are available as of 2007.

	IT availability					IT availability - without planned downtime				
	Network	Telephony	Data bases	Office automation servers	Average	Network	Telephony	Data bases	Office automation servers	Average
2008	**99,29%**	**99,68%**	**99,74%**	**99,89%**	**99,65%**	**99,77%**	**99,99%**	**100,00%**	**99,98%**	**99,94%**
2007	99,67%	99,91%	94,78%	99,83%	98,55%	99,85%	100,00%	99,79%	99,83%	99,87%
2006										
2005										

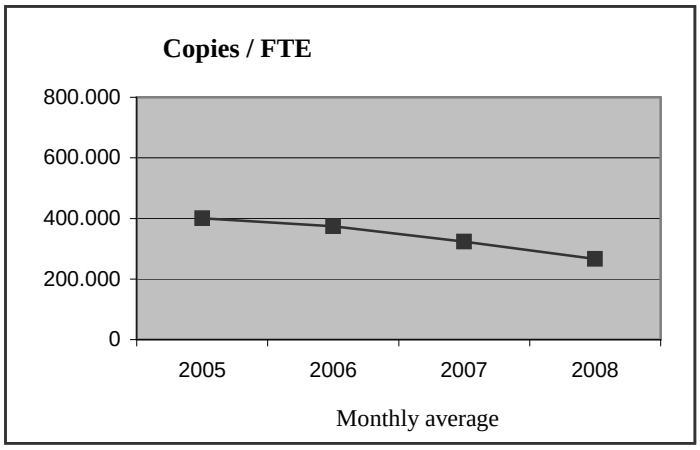


5.2.4. Printing and distribution Unit

KAPI 34 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. It indicates the productivity of the team.

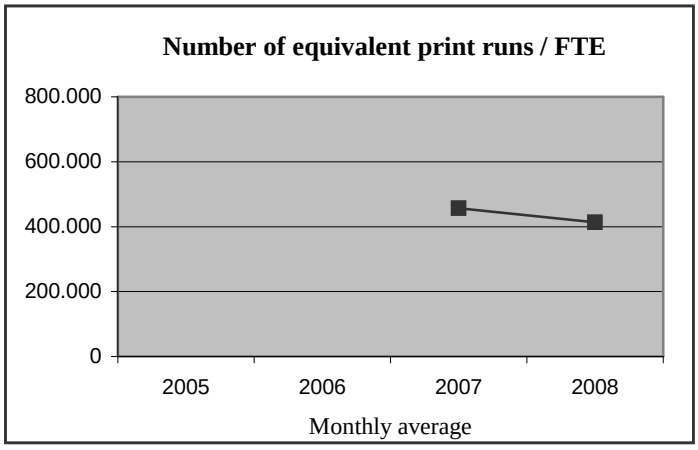
	Copies / FTE
2008	**3.193.296**
2007	3.881.439
2006	4.495.310
2005	4.804.653



KAPI 35 Offset productivity

This indicator measures the number of equivalent print runs, that is print runs (sheets) and "settings" (initialisation of a print run; 1 "setting" accounts for 3,700 print runs) produced by the offset team, divided by the number of staff in "Full-time equivalent" staff (FTEs) in that team. It indicates the productivity of the team. Data are available as of 2007.

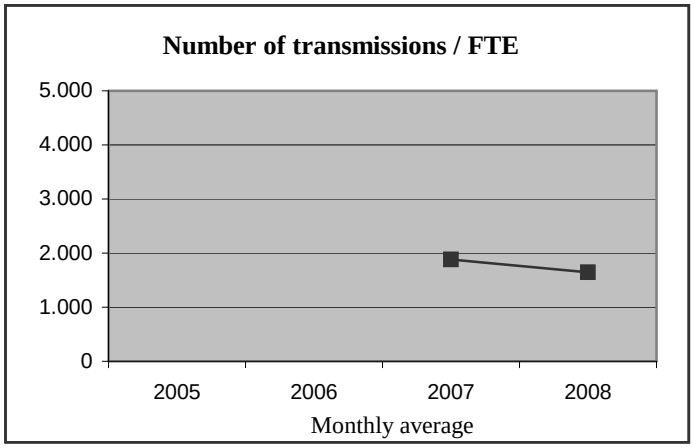
	print runs (equiv.) / FTE
2008	**4.961.614**
2007	5.485.295
2006	
2005	



KAPI 36 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. It indicates the productivity of the team. Data are available as of 2007.

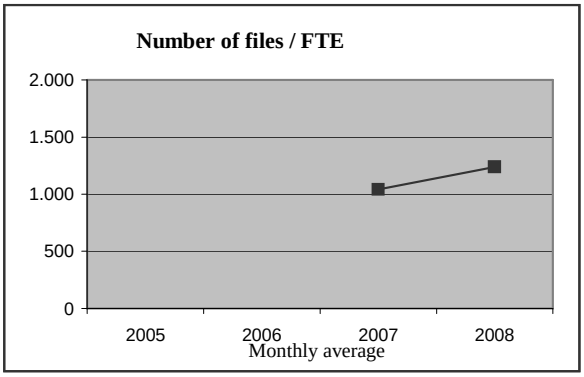
	transmissions / FTE
2008	**19.724**
2007	108.252
2006	
2005	



KAPI 37 Internal distribution productivity

This indicator measures the number of files for members that the internal distribution team made in preparation for their meetings, divided by the number of "Full-time equivalent" staff (FTEs) in that team. It indicates the productivity of the team. Data are available as of 2007.

	files / FTE
2008	**14.855**
2007	56.099
2006	
2005	

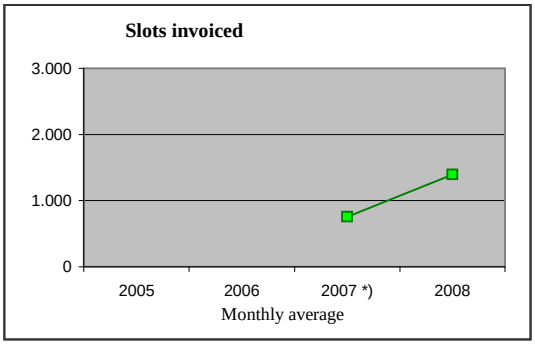


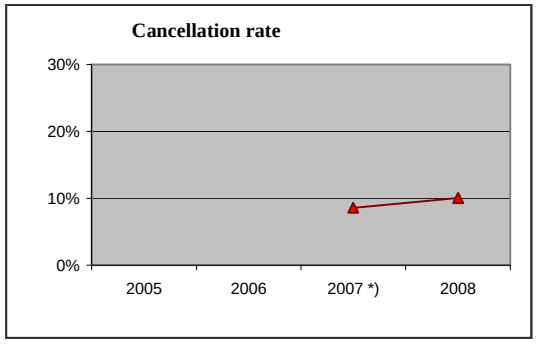
5.3. DIRECTORATE FOR GENERAL AFFAIRS

KAPI 38 Interpretation activity and cancellation rate

This indicator measures the number of interpretation slots invoiced by the JICS, as well as the number and proportion of interpretation slots that were cancelled later than 1 month before their scheduled date, and, hence, were invoiced. A slot is a half day (morning or afternoon). Also, extra slots are invoiced when interpreters are sent on missions or when they work very late at night (marginal impact). The JICS establishes a monthly statement which, after validation, serves as the basis for this indicator. It indicates the level of JICS interpretation activity at the EESC, as well as the level of JICS services paid but not rendered. Data are available as of 1 June 2007.

	Slots invoiced		Slots cancelled		Cancellation rate
	number	amount (€)	number	amount (€)	
2008	**16.704**	**6.882.872**	**1.682**	**692.976**	**10,1%**
2007	9.058	3.695.664	776	316.948	8,6%
2006					
2005					

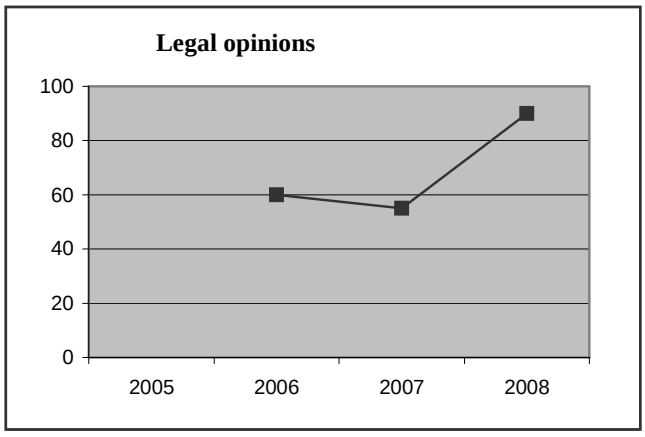




KAPI 39 Legal opinions

This indicator measures the number of legal opinions issued by the legal unit (including advice on public procurement). It indicates the level of activity in that sector. Data are available as of 2006.

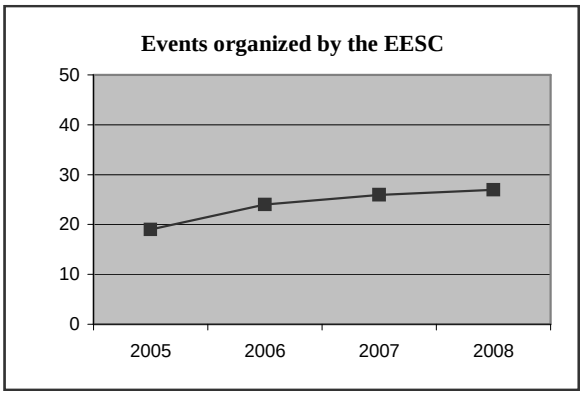
	Legal opinions
2008	**90**
2007	55
2006	60
2005	

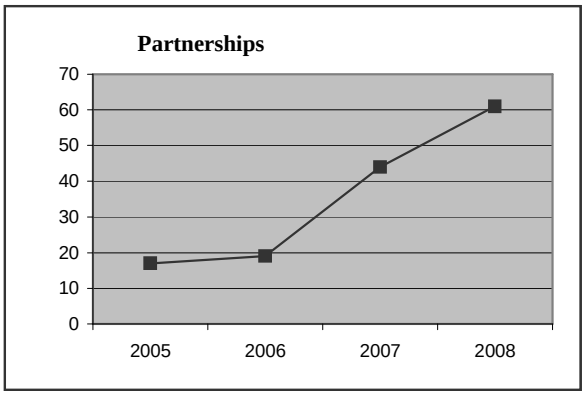


KAPI 40 Events and partnerships

This indicator measures the number of events (conferences, round tables, seminars, etc.) organised by the EESC, as well as the number of events organised by external organizations in partnership. It indicates the EESC's level of activity in this respect.

	Events organized by the EESC	Partnerships
2008	**27**	**61**
2007	26	44
2006	24	19
2005	19	17



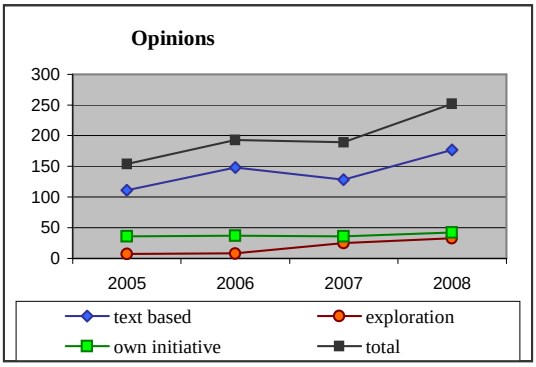


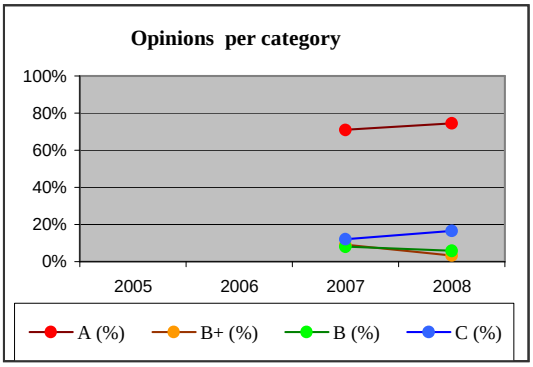
5.4. DIRECTORATES FOR CONSULTATIVE WORK

KAPI 41 Opinions

This indicator measures the number of opinions issued by the Committee (text based, exploration, own initiative). It also indicates, as of March 2007, the breakdown by category: A (study group), B+ (drafting group), B (rapporteur working alone) or C (simple letter). It indicates the level of activity of the Committee and the Secretariat.

	Opinions				Opinions per category			
	text based	exploration	own initiative	total	A (%)	B+ (%)	B (%)	C (%)
2008	**177**	**33**	**42**	**252**	**74,5%**	**3,3%**	**5,8%**	**16,5%**
2007	128	25	36	189	71,0%	9,0%	8,0%	12,0%
2006	148	8	37	193				
2005	111	7	36	154				

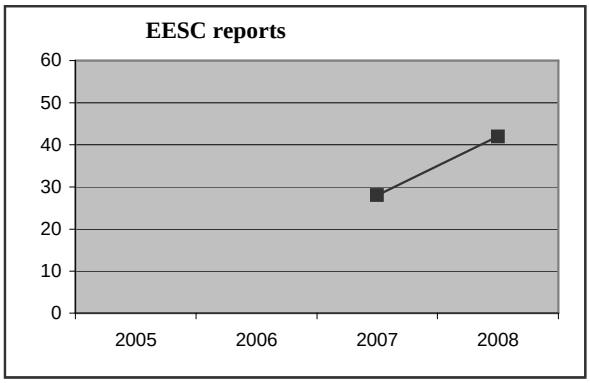




KAPI 42 Reports

This indicator measures the number of reports by type (Information, Joint Consultative Committee, Round Table, Follow-up Committee, Other), issued by the EESC. It indicates the activity in this area. Data are available as of 2007.

	Type of report					
	Information	Joint Consultative Committee	Round Table	Follow-up Committee	Other	Total
2008	**3**	**16**	**8**	**0**	**15**	**42**
2007	4	10	9	0	5	28
2006						
2005						

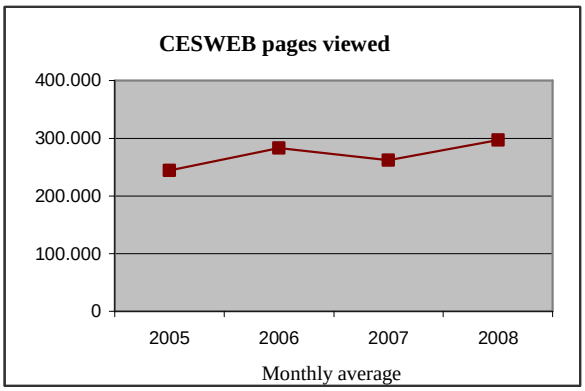


5.5. COMMUNICATION

KAPI 43 Internet Site Visits

This indicator measures the number of pages viewed on the Internet site of the Committee. It indicates the use that is being made of this communication channel.

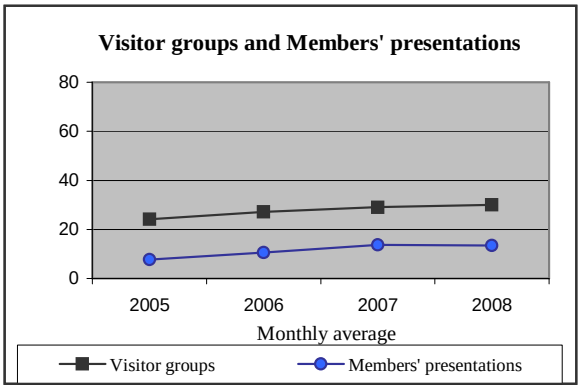
	CESWEB pages viewed
2008	**3.564.134**
2007	3.144.115
2006	3.397.780
2005	2.929.341

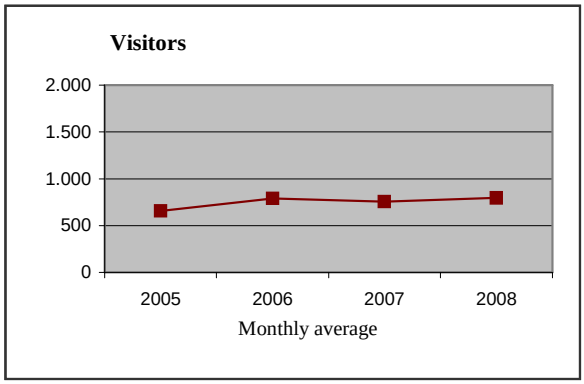


KAPI 44 Visitor Groups

This indicator measures the number of visitor groups, of visitors, as well as the number of members who have given presentations to visitor groups. It indicates the activity level in that area.

	Visitor groups	Members' presentations	Visitors
2008	**360**	**160**	**9.561**
2007	348	163	9.093
2006	326	126	9.472
2005	289	92	7.908

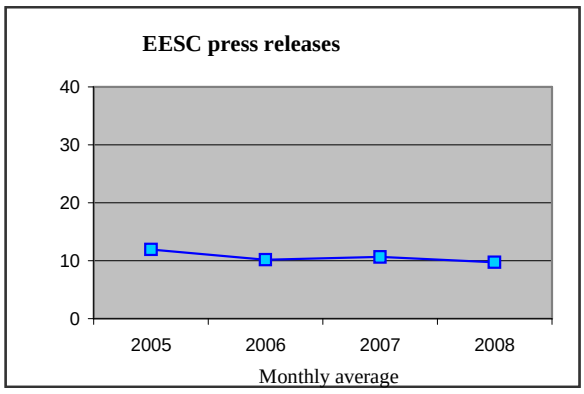


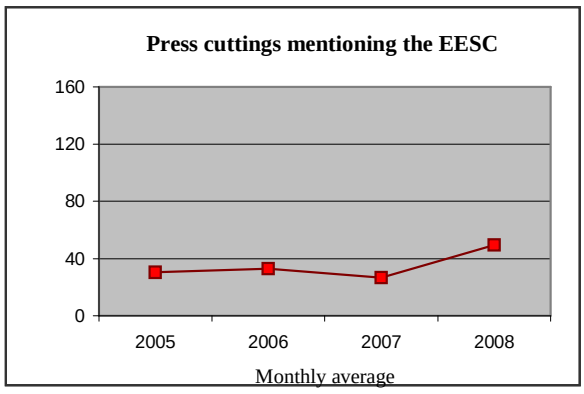


KAPI 45 Press activities

This indicator measures the number of press releases issued by the Committee and the number of press cuttings reported in which the Committee is mentioned. It indicates the activity level in that area.

	EESC press releases	Press cuttings mentioning the EESC
2008	**117**	**594**
2007	128	320
2006	122	393
2005	143	363

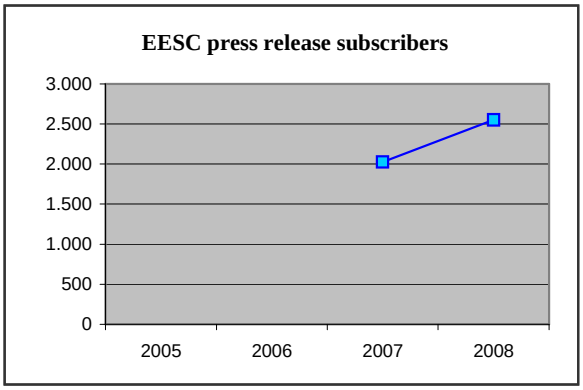


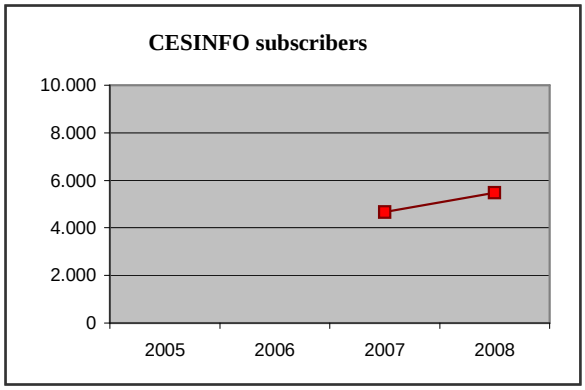


KAPI 46 Information subscribers

This indicator measures the number of subscribers to the EESC's press releases and to CESINFO. It indicates the level of interest generated by the Committee's activities. Data are available as of 2007.

	EESC press release subscribers	CESINFO subscribers
2008	**2.393**	**5.176**
2007	2.024	4.668
2006		
2005		





5.6. DIRECTORATE FOR TRANSLATION

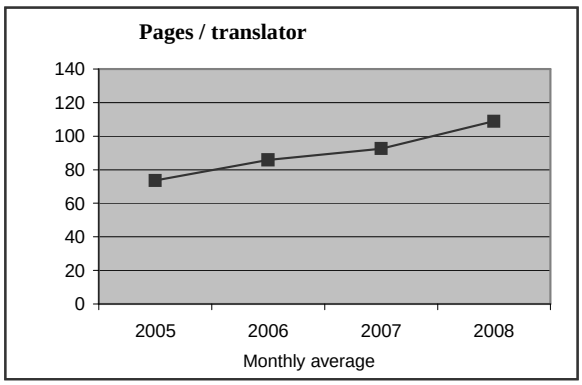
This directorate delivers services to both EESC and CoR. Unless mentioned explicitly, the following indicators relate to the activities of this directorate for both Committees.

5.6.1. Translation Units

KAPI 30 Internal translation productivity

This indicator measures the total number of pages translated per translator post in the establishment plan. It indicates the performance of the translation department as a whole. A page is defined as 1500 characters without spaces and including footnotes. (See also KAPI 31)

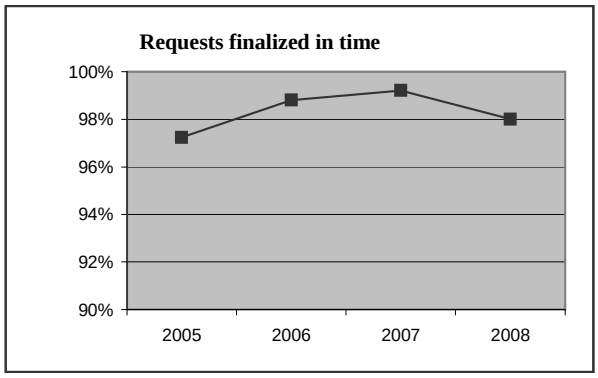
	Pages / translator
2008	**1.307**
2007	1.111
2006	1.032
2005	883



KAPI 31 Translation deadline compliance rate

This indicator measures the percentage of translation requests that were finalised within the requested deadline. It is an indicator for the efficiency of the translation units. (See also KAPI 30)

	Requests finalized in time
2008	**98,0%**
2007	99,2%
2006	98,8%
2005	97,2%



Model of a monthly KAPI report

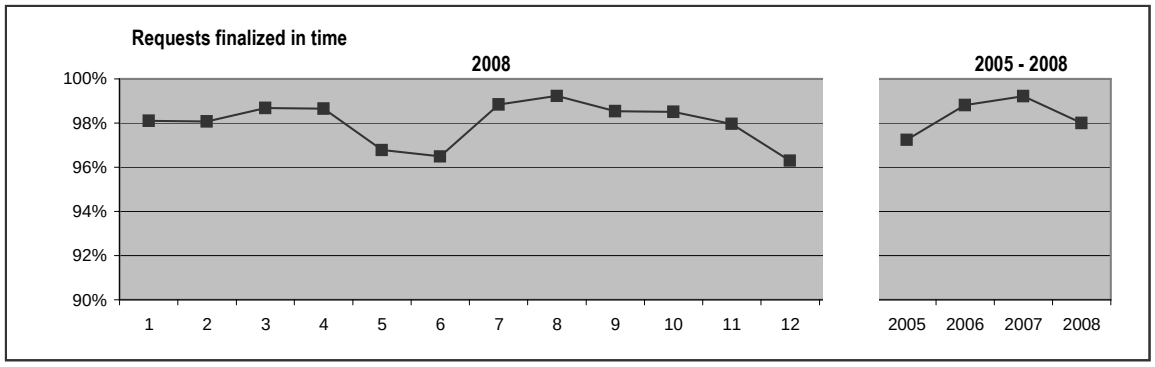
2008 ***EESC - KAPI***

DT 2	Translation deadline compliance rate	*Performance Indicator*	*Monthly*

December 2008

Definition: This indicator measures the percentage of translation requests that were finalized within the requested deadline. It is an indicator for the efficiency of the translation Units.

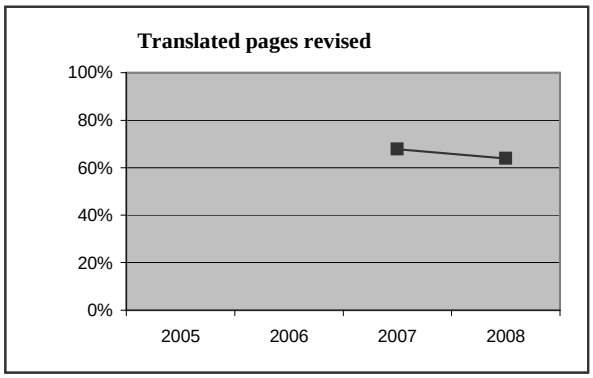
2008	Requests finalized in time
January	98,1%
February	98,1%
March	98,7%
April	98,7%
May	96,8%
June	96,5%
July	98,8%
August	99,2%
September	98,5%
October	98,5%
November	98,0%
December	96,3%
Average 2008	**98,0%**
2007	99,2%
2006	98,8%
2005	97,2%



KAPI 32 Translation revision rate

This indicator measures the percentage of pages that have been revised. A low percentage indicates a risk in the quality of the translation. A high percentage can indicate that available resources are not used in an optimal manner. Data are available as of 2007.

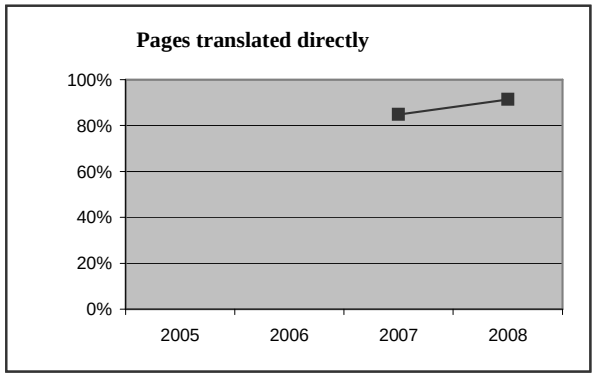
	Translated pages revised
2008	**63,9%**
2007	67,8%
2006	
2005	



KAPI 33 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. It is an indication of the degree of source language coverage in the translation units. Data are available as of 2007.

	Pages translated directly
2008	**91,4%**
2007	84,9%
2006	
2005	



Appendix E

RESULTS OF EX-POST CONTROLS 2008

Financial Regulation (FR)

Art. 60.7: Duties of the authorising officer by delegation

"The authorising officer by delegation shall report to his/her institution on the performance of his duties in the form of an annual activity report together with financial and management information confirming that the information contained in the report presents a true and fair view except as otherwise specified in any reservations related to defined areas of revenue and expenditure.

That report shall indicate the results of the operations by reference to the objectives set, the risk associated with these operations, the use made of the resources provided and the efficiency and effectiveness of the internal control system. The internal auditor shall take note of the annual report and any other pieces of information identified. No later than 15 June each year, the Commission shall send to the budgetary authority a summary of the annual reports for the previous year."

Implementing rules (IPR)

Art. 52: Ex post verification and annual activity report

"The result of the ex post verifications shall, with other matters, be set out in the annual activity report submitted by the authorising officer by delegation to his institution."

Results of ex post verification regarding 2008

Ex-post controls are done by sampling, based on an assessment of the risk. They are done by a verifying agent, other than the one who did the ex-ante verification. Please refer also to Appendix A, describing the internal control environment of EESC.

As can be seen from the table below, the 2008 ex-post controls confirmed that the EESC's internal control system works satisfactorily and only a few minor issues required follow-up.

Appendix E

Type of expenditure	Ex-post control	Verifiers' observations	Conclusions
Payment of salaries	Ten employees representing different profiles were selected (e.g.: differences in contract of employment, grade and step change, part-time and parental leave, allowances) and each payslip of each month was checked.	Correct application of the Staff Regulations	No action required
Payments to members	The verifiers selected two folders randomly: File 48 of 25/02/2008 (94 payments) File 114 of 06/06/2008 (137 payments)	Correct application of Financial Regulations, with some minor remarks, mainly of a formal nature.	No action required
Reimbursement of mission expenses	The verifiers selected 55 missions related to two Bureau meetings and to eight various other events	Correct application of the Financial Regulations	No action required
IT Helpdesk (external assistance) framework contract	Payments of all services rendered between September 2007 and March 2008, all of which were settled in 2008, were reviewed, as well as all corresponding budgetary and legal commitments	All transactions were made in compliance with the Financial Regulations and the provisions of the framework contract The administrative management requires some attention though (ordering dates, guaranties, completion of invoices, encoding of some dates in the budgetary management system)	The managing service implements the specific recommendations regarding administrative management
Paper and printing consumables	All payments made in 2008, of a value less than € 25.000 and not covered by a framework contract, were reviewed	All payments were made in compliance with the Financial Regulations A significant proportion of orders was made "ad-hoc", without framework contract	In the meantime, the managing service applies the inter-institutional framework contract with Lyreco, in which the EESC participates, to cover the vast majority of its orders for paper and printing consumables

Appendix E

Type of expenditure	Ex-post control	Verifiers' observations	Conclusions
Removal services	All payments for services rendered between January and December 2008 were reviewed The ex-post verification paid special attention to the control measures with regard to the volume of services rendered (e.g. timesheets)	All payments were made in compliance with the Financial Regulations, with a minor reserve for the fact that, occasionally, the team leader had signed the timesheet on behalf of some of his team members	Care is now taken that every individual service supplier signs his own timesheet, on the same day the services are provided
Administrative agreement with the Commission regarding the rental of the Van Maerlant building	All 6 invoices of 2008 for rent and building charges (maintenance, water, gas, electricity, management, etc) from the Commission were examined	The invoices from the Commission were all compliant with the administrative agreement and were properly handled by the Committee's managing service	No action required
Invoicing agreements between the EESC and the CoR[1]	All 9 invoicing agreements (for a total amount of € 26.148.429), concluded in 2008, have been reviewed. For most agreements, the EESC acts as paying agent on behalf of the two Committees	All payments were made in compliance with the Financial Regulations and with the cooperation agreement.	No action required

1 Some expenditure is shared with the Committee of the Regions. In that case, both Committees contribute according to a sharing key, established on beforehand, in compliance with the cooperation agreement between the two Committees. Normally, every Committee will pay a given expenditure in turn, so that, over time, the sharing key is respected. In some cases however, the amount required for a single expenditure is higher than either of the two Committee's budgets. One Committee then pays its contribution to the other Committee.and the latter then acts as a paying agent on behalf of both Committees. This system is called "invoicing between Committees" , also known by its French acronym FEC ("facturation entre Comités").

Appendix F
REPORT ON BUILDING CONTRACTS 2008

1. Financial Regulation (FR)

Art. 90: Publication

1. "All contracts exceeding the thresholds provided for in Art.105 or Art.167 shall be published in the Official Journal of the European Union.

   Contract notices shall be published in advance except in the cases referred to in Art.91(2) of this Regulation, as specified in the implementing rules, and for the service contracts covered by Annex IIB to Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts.

   Publication of certain information after the contract has been awarded may be dropped where it would hinder application of the law, would be contrary to the public interest or would harm the legitimate business interests of public or private undertakings or could distort fair competition between them.

2. Contracts with a value below the thresholds provided for in Art.105 or Art.167 and the service contracts referred to in Annex IIB to Directive 2004/18/EC shall be advertised by appropriate means, as specified in the implementing rules."

2. Implementing rules (IPR)

Art. 119(2): Advertising of contracts not covered by Directive 2004/18/EC, and of the contracts referred to in Annex IIB thereto

"A list of contractors to whom building contracts and contracts declared secret in accordance with Art. 126 (1)(j) are awarded shall be published only once a year, with an indication of the subject and value of the contracts awarded. That list shall be sent to the budgetary authority."

3. Building contracts 2008

No building contracts were awarded in 2008.

Appendix G
RISK ANALYSIS GUIDE

1. Introduction

The Financial Regulation (FR) Art. 60 (4):

> The authorising officer by delegation shall put in place, in compliance with the minimum standards adopted by each institution and having due regard to the risks associated with the management environment and the nature of the actions financed, the organisational structure and the internal management and control procedures suited to the performance of his/her duties, including where appropriate ex post verifications.

FR Art. 60 (7):

> That report [the Annual Activity Report by the authorising officer by delegation = the secretary-general] shall indicate the results of the operations by reference to the objectives set, the risk associated with these operations, the use made of the resources provided and the efficiency and effectiveness of the internal control system. The internal auditor shall take note of the annual report and any other pieces of information identified. No later than 15 June each year, the Commission shall send to the budgetary authority a summary of the annual reports for the previous year."

Implementation Rules of the Financial Regulation (IPR) Art. 47 (4):

> …These [ex-post] verifications may be organised on a sample basis using risk analysis.

Internal Control Standard 11 states that the institution shall analyse the risks connected with its main activities at least once a year.

In past audits the Court of Auditors has noted that the risk level relating to the administrative expenditure of the European institutions is low, since the management of this expenditure is not delegated to a third party and transactions do not concern subsidies. In addition, the Court of Auditors also notes that its previous audits in this area discovered mostly errors of form, and not serious failures in the control environment.

It should be noted that the EESC has formalised and set up a solid verification process, in which operations must be endorsed by an independent verifier. Normally, this system should only be used for operations in a high-risk environment, but the EESC has chosen to adopt a cautious approach by adopting this system for all its budgetary operations - including those with a low risk - until further notice (Article 19 of the Internal Financial Rules (IFR) contains a long list of these).

To conclude, the aim of this exercise is to identify the main risks, in accordance with Articles 60 (4) and 60 (7) of the Financial Regulation and in accordance with Internal Control Standard 11. The exercise also covers the considerations and actions relating to Internal Control Standards 5 (Sensitive functions) and 15 (Documentation of procedures) and the programming of a posteriori controls (Detailed Rules, Art.52), which are all connected with the identified risks.

2. Sensitive functions

Internal Control Standard 5 states that:

> Each Directorate shall draw up an inventory of sensitive functions in its service and define an appropriate rotation policy.

So, each directorate draws up an inventory of sensitive functions in its service and proposes an appropriate rotation policy (name of the staff member, nature of the sensitive function, seniority in the post, proposed rotation plan); this inventory should only include functions, which remain sensitive after all possible risk-reduction controls have been applied.

At the very least, the following functions must be considered as potentially sensitive:

- Financial scheduling
- Management of the awarding and performance of public contracts
- Receipt of supplies and monitoring of service performance
- Physical management of property
- Access to IT systems with financial implications (at "user" and access management level)

The following questions may serve as a (non-exhaustive) guide for this analysis:

- Is the activity performed by a single person?
- Has there been a risk analysis? Have the probability and impact of the identified risks been taken into account?

- Have responsibilities, authorisation procedures and arrangements for delegation been identified and made known?
- What level of monitoring is performed by the hierarchy? Is this in keeping with the identified risks?
- Is there expenditure? What is its annual amount?
- What is the value of the goods/services involved?
- Have problems been encountered in the past?
- Is there confidential or sensitive information involved?
- What is the scale and nature of relations between the agent and the contractor?
- Have objectives and methods of evaluation been defined?

For each function considered as sensitive, the type of sensitivity should be identified (e.g. over-concentration of responsibility, lack of transparency, large sums of money involved) and measures envisaged in accordance with the model hereafter. Bearing in mind the size of the institution, job rotation after a certain period (e.g. 5 years) need not necessarily be automatic. However, other measures may be necessary to reduce risks. The analysis of sensitive functions is not an assessment of the people performing them.

3. Risk analysis

"What are the possible risks and how can they be reduced?"

The results of this analysis are presented in accordance with the model hereafter.

3.1 Identification of risks

3.1.1 Nature of risks

Financial risks:

- Property losses (e.g. buildings badly/not insured);
- Credit losses;
- Bad quality/price ratio;
- Error with detrimental financial impact on the EESC (e.g. payment of an undue amount, double payment);
- Insufficient appropriations;
- Out-of-date equipment;
- Fraud;

- Other.

Risks with repercussions on policy/reputations:

- Non-observance of rules (e.g. no prior budgetary commitment, incomplete files, wrongful charging);
- Inadequate management of human and/or financial resources;
- Systematic unjustified budget surplus;
- Incomplete or erroneous financial statements;
- Indiscretions;
- Violation of privacy;
- Other.

Operational risks:

- Interruption of activities;
- Unavailability of infrastructure;
- Serious failure in the implementation of contracts;
- Total lack of stock;
- Inadequate access control;
- Other.

3.1.2 Internal risk factors

Staff:

- Bad recruitment;
- Skills/job mismatch;
- Too much dependence on one person/concentration of responsibilities;
- Slack management;
- Lack of training;
- Loss of competent staff;
- Unsuitable working conditions (health/safety);
- Fraudulent acts;
- Other.

Infrastructure:

- Substantial unforeseen repair costs;
- Reliability of facilities insufficient;
- Capacity of facilities insufficient;
- Other.

Failures of internal control systems:

- Procedures inadequate or non-existent;
- Inadequate documentation, communication, knowledge and application of procedures;
- Inadequate task segregation; incompatible accumulation of duties;
- Poor definition and knowledge of responsibilities and lack of respect for them;
- Other.

3.1.3 External risk factors

- Natural disasters;
- Attacks/theft
- Changes in policy and/or rules (e.g. budget cuts, changes to terms of reference);
- Other.

3.2 Risk assessment

The aim here is to prioritise the major risks in the light of their frequency and their potential impact.

3.3 Reaction to risks

Types of reaction:

- Risk acceptance;
- Risk avoidance;
- Risk sharing;
- Risk reduction.

Preventive controls:

- Independent *ex-ante* controls (= verification) (task segregation);
- Development, documentation and implementation of procedures and rules (Identification and documentation of responsibilities; who does what and when);
- Use of software which guarantees the correct application of procedures (e.g. ABAC);
- Training for those involved;
- Contingency plans;
- Maximum competition;
- Other.

Detection:

- *A posteri*ori controls;
- Regular reconciliation
- Regular reports of exceptions (e.g. inspectors' annual report; report on negotiated procedures);
- Physical inventory;
- Other.

3.4 Monitoring/follow-up

- Reporting by the authorising officer responsible for the state of implementation of the measures identified (e.g. mention of the results of *a posteriori* controls in the annual report of the authorising officer, assessment of the results in the following risk analysis exercise);
- Internal audit, external audit (by the Court of Auditors), etc.

RESULTS OF THE "SENSITIVE POST" ANALYSIS

1	Description of post considered sensitive	
	Incumbent	
	Since	
	Nature of sensitivity	
	Measures (+timeframes)	

RESULTS OF THE RISK ANALYSIS

1	Description of risk	
	Category	
	Assessment	
	Measures (+timeframes)	
	Monitoring	

Appendix H

INSTRUCTIONS GIVEN REGARDING DECISIONS WHICH ARE IRREGULAR OR CONTRARY TO THE PRINCIPLES OF SOUND FINANCIAL MANAGEMENT DURING 2008

Financial Regulation (FR)

Art. 66 (2): Rules applicable to authorising officers by delegation and subdelegation

"An authorising officer by delegation or subdelegation who considers that a decision which it is his/her responsibility to take is irregular or contrary to the principles of sound financial management shall inform the delegating authority in writing.

If the delegating authority then gives a reasoned instruction in writing to the authorising officer by delegation or subdelegation to take the decision in question, the authorising officer may not be held liable."

Implementing rules (IPR)

Art. 73 (3): Confirmation of instructions

"Any instructions confirmed in the circumstances described in Article 66 (2) of the Financial Regulation shall be recorded by the authorising officer by delegation responsible and mentioned in his annual activity report."

Article 66 (2) instructions received in 2008

The delegating authority has not issued any such instructions in 2008.

Appendix I

WAIVING OF RECOVERY OF AMOUNTS RECEIVABLE INVOLVING EUR 100,000 OR MORE IN 2008

Financial Regulation (FR) Art. 73 (2): Recovery

“Where the responsible authorising officer by delegation is planning to waive or partially waive recovery of an established amount receivable, he/she shall ensure that the waiver is in order and complies with the principle of sound financial management and proportionality in accordance with the procedures and the criteria laid down in the implementing rules.

The waiver decision must be substantiated.

The authorising officer may delegate the decision only as laid down in the implementing rules.

The responsible authorising officer may furthermore cancel or adjust an established amount receivable, in accordance with the conditions set out in the implementing rules."

Implementing rules (IPR) Art. 87 (5): Waiving of recovery of an established amount receivable

“Each institution shall send to the budgetary authority each year a report on the waivers …….involving EUR 100,000 or more.”

Waiving of recovery of amounts receivable involving EUR 100,000 or more in 2008

The European Economic and Social Committee has made no waivers of recovery of amounts receivable involving EUR 100,000 or more in 2008.

Appendix J

REPORT ON ORDERS/CONTRACTS AND NEGOTIATED PROCEDURES 2008

Financial regulation

Financial regulation (FR) Art. 60.7: Duties of the authorising officer by delegation

"The authorising officer by delegation shall report to his/her institution on the performance of his duties in the form of an annual activity report together with financial and management information confirming that the information contained in the report presents a true and fair view except as otherwise specified in any reservations related to defined areas of revenue and expenditure.

That report shall indicate the results of the operations by reference to the objectives set, the risk associated with these operations, the use made of the resources provided and the efficiency and effectiveness of the internal control system. The internal auditor shall take note of the annual report and any other pieces of information identified. No later than 15 June each year, the Commission shall send to the budgetary authority a summary of the annual reports for the previous year."

Implementing rules (IR) Art. 54: Report on negotiated procedures

"Authorising officers by delegation shall record, for each financial year, contracts concluded by the negotiated procedures referred to in Articles 126(1)(a) to (g), 127(1)(a) to (d), 242, 244, and 246.

If the proportion of negotiated procedures in relation to the number of contracts awarded by the same authorising officer by delegation increases appreciably in relation to earlier years or if that proportion is distinctly higher than the average recorded for the institution, the authorising officer responsible shall report to the institution setting out any measures taken to reverse that trend.

Each institution shall send a report on negotiated procedures to the budgetary authority."

Implementing rules (IR) Art. 119: Report on contracts awarded

Contracts with a value below the thresholds laid down in Article 158 and the service contracts referred to in Annex IIB to Directive 2004/18/EC shall be advertised by

appropriate means in order to ensure competitive tendering and impartiality of the procurement procedure. Such advertising shall involve:

(a) (…)

(b) the annual publication of a list of contractors, specifying the subject and the value of the contract awarded, for contracts with a value greater than EUR 25 000.

IV.

Appendix J

Report according to Article 54 of the Implementing Rules for the Financial Regulation

Contractor	Subject	Overall amount or estimated total	Type of legal commitment	Type of contract	FR: relevant article	Comments
DHL	Express mail – courier services outside Belgium (amendment 1/6/2008-30/10/2008 and amendment 1/11/2008-28/2/2009), specific needs not covered by the inter-institutional framework contract	450 000.00 €	Amendment	Negotiated procedure	126.1 (c)	Extension of one-year contract to include services not covered in the inter-institutional framework contract, during the preparation of an open procedure (in progress) aimed at covering the needs in question
IHT	All-purpose maintenance of facade-access lifting equipment and cradles	167 000.00 €	Framework contract	Negotiated procedure without publication	126.1 (a)	In the absence of a valid candidate in a preliminary open procedure
	Total	**617 000.00 €**				

Of the contracts with a value of more than EUR 60 000, 2 out of 10 (20%) were handled as negotiated procedures in 2008 (2007: 14 out of 51 = 27.5%).

IV.

Appendix J

Report according to Article 119 of the Implementing Rules for the Financial Regulation

Contractor	Subject	Period covered	Overall amount or estimated total (/maximum duration of contract)	Type of legal commitment
DHL *[1]	Express mail – courier services outside Belgium (amendment 1/6/2008-30/10/2008 and amendment 1/11/2008-28/2/2009), specific needs not covered by the inter-institutional framework contract	1/6/2008-28/2/2009	450 000.00 €	Amendment
IHT *	All-purpose maintenance of facade-access lifting equipment and cradles	31/3/2008-30/3/2012	167 000.00 €	Framework contract
Rinaldi *	Finishing work on buildings and other related services, minor demolition and masonry work, waterproofing of roofs and facades of Committee buildings	16/4/2008-15/4/2012	2 407 000.00 €	Framework contract
IPSO *	Checks on cleaning services in the buildings	9/7/2008-8/7/2012	95 000.00 €	Framework contract
DTC *	Technical and engineering assistance for quality checks on maintenance services for technical equipment of the administrative buildings	16/6/2008-15/6/2012	190 000.00 €	Framework contract
IBEVE *	Sampling and analysis by an accredited laboratory	23/5/2008-22/5/2012	60 000.00 €	Framework contract

1 For all contracts marked with an *: under the cooperation agreement between the European Economic and Social Committee and the Committee of the Regions, this contract was awarded on behalf of the two committees and so the estimated overall amount for the duration of the contract corresponds to the estimated expenditure of the two committees.

IV.

Appendix J

Contractor	Subject	Period covered	Overall amount or estimated total (/maximum duration of contract)	Type of legal commitment
SDTI	Hire of wireless electronic voting system for the EESC plenary sessions in September and December 2008	2008	35 972.00 €	Contract
P.C. PODIMATAS	Hire of technical equipment for the biannual conference in Athens	2008	44 522.00 €	Contract
Eworx, Gopa-Cartermill/Qwentes	Provision of Web (Internet) services for hosting of sites and associated services	10/3/2008-10/3/2012	500 000.00 €	Framework contract
European Service Network (ESN)	Publications and other visual aids	10/3/2008-10/3/2012	600 000.00 €	Framework contract
	Audiovisual and photographic productions	10/3/2008-10/3/2012	800 000.00 €	Framework contract
Eu-Turn	Organisation and promotion of EESC events	10/3/2008-10/3/2012	800 000.00 €	Framework contract
Sail for Europe	Sail for Europe – Promotion of the EESC in connection with 50th anniversary celebration using the yacht *Traité de Rome* as promotional support	2008	40 000.00 €	Contract
Drukkerij Sintjoris N.V	Production and printing of a historical book on the EESC's 50 years of existence to tie in with the Committee's 50th anniversary	2008	56 511.52 €	Contract
Spin Communications	Media coverage of Athens biannual conference – writing of articles and promotion in Greek media	2008	50 000.00 €	Contract
Agence Europe	News Intranet – publication of Agence Europe on the intranet (EESC's internal website)	2008	25 500.00 €	Contract
	Total		**6 321 505.52 €**	

Appendix K

FOLLOW-UP TO OBSERVATIONS IN PARLIAMENT'S 2007 DISCHARGE RESOLUTION

1. *Notes that in 2007 the European Economic and Social Committee (EESC) had commitment appropriations available amounting to a total of EUR 116 million (2006: EUR 112 million), with a utilisation rate of 91,64%, below the average of the other institutions (93,82%);*

   In 2008, the utilisation rate was above 95%. The main items – "Remuneration and allowances", "Annual lease payments" and "Rent" and "Travel and subsistence allowances" have very high utilisation rates and are closely monitored. (A new system of decentralised management with reporting and control on a central level has been introduced for item "Other staff" in 2009).

2. *Welcomes the signature in December 2007 of a new Administrative Cooperation Agreement between the EESC and the Committee of the Regions (CoR) for the period 2008 to 2014; is convinced that cooperation between the two institutions will be financially advantageous to European taxpayers; regrets, however, that, according to the EESC's annual activity report, negotiations on the new Cooperation Agreement have paralysed or slowed down some initiatives scheduled in the 2007 Work Programme;*

   The negotiations were very time consuming and were led with a partner who - in many areas - took the initial position of full separation of services. This inevitably consumed much energy of the negotiators and managerial staff in the services concerned. In retrospective, the positive results were well worth the effort.

3. *Welcomes the clear commitment of the two Committees to the aim of harmonising their internal control standards, based on best practices, as well as all other relevant financial procedures relating to the Joint Services;*

   This is an ongoing process. The cooperation committee set up on the basis of the cooperation agreement is considering proposals for further harmonisation and transmits these for decision by the Secretary-Generals were appropriate.

4. *Observes that the new Agreement keeps the most important areas (infrastructure, IT and telecommunications, as well as translation, including the production of documents) within the Joint Services' remit, while a limited number of services are de-coupled, such as internal services, the socio-medical service, the library and prepress;*

5. *Insists however that this de-coupling should be budget neutral and, therefore, urges the two Committees to carry out a joint analysis as part of the mid-term review of whether this shift of resources is beneficial to both; calls on the two Committees to keep Parliament informed of the evaluation in early 2009 of the mini-cooperation agreements in the areas affected by de-coupling;*

   The cooperation agreement foresees a mid-term review to take place after half of the term of the agreement has elapsed (in 2011).

   The mini-agreements foresee evaluation after one year of operation. They entered into force in March 2008 and preparations for evaluation are under way in the cooperation committee set up on the basis of the cooperation agreement.

6. *Points to the remark made by the European Court of Auditors in paragraph 11.10 of its above-mentioned annual report that, by continuing to apply a multiplication factor greater than 1 in the two years following promotion, rather than converting the balance over 1 into seniority in step, the EESC thereby grants its staff a financial advantage not granted by the other institutions;*

   The EESC believed that applying a multiplication factor greater than 1 rather than converting the balance into seniority in step to be closer to the letter and the spirit of the staff rules reform.

7. *Emphasises that the provisions of the Staff Regulations concerning the multiplication factor should be interpreted and implemented by all the institutions in the same way in order to ensure the equal treatment of their staff; awaits the Civil Service Tribunal's ruling on an appeal brought by a Commission official, and expects the EESC to align its practice (if necessary retroactively) to this ruling;*

   The EESC awaits the Civil Service Tribunal's ruling and will adapt its practice in conformity with this ruling.

8. *Notes with satisfaction that two new financial systems (ABAC WF and SAP) became operational in 2007 and have generally operated effectively; further welcomes the fact that the EESC has launched its EMAS (Eco-Management and Audit Scheme) certification;*

   The EESC wishes to make further progress in the area of interinstitutional cooperation in the area of IT systems and is currently in negotiations with the Commission – together with the Committee of the Region – on the use of the staff management system Sysper2.

9. *Welcomes the initiative by the EESC to develop a set of Key Activity and Performance Indicators (KAPIs) within its secretariat, which thus serve as a management tool for the competent services as well as improving transparency; encourages the EESC to further develop new indicators and use existing ones to show trends in the medium or longer term (five to ten years) as well;*

   The KAPI have proven to be useful information for management decisions and the EESC is ready to support other institutions with information on the experience gained in this context if they wish to develop similar indicators.

   Data on medium and long term trends will become only gradually available over the years.

10. *Notes with satisfaction the considerable reduction in the value of negotiated contracts as a proportion of the value of contracts awarded from 7,5% in 2006 to 2,5% in 2007, although the number of negotiated contracts has doubled; encourages the EESC to continue its efforts to further reduce this proportion;*

   The EESC is gradually moving away from negotiated contracts. Due to their higher impact on the value of contracts, high volume negotiated contracts are looked at first in the process of phasing out.

11. *Welcomes in this context the creation within the Joint Services of a Contracts Unit providing assistance to all operational departments in the Joint Services in the area of public procurement; notes that under the new Agreement, the verification service of the Joint Services has been transferred to each Committee's own services;*

   The EESC and the Committee of the Regions are distributing verification in Joint services on the basis of the "origin" of the authorising officer in charge from one Committee or the other. This system has worked to mutual satisfaction.

12. *Notes that a building contractor with which the EESC and the CoR had contractual relationships was arrested in March 2007 under suspicion of fraud; notes with satisfaction that an exhaustive audit was carried out of all contracts that the Committees had engaged in with this contractor since 2000, and that the subsequent audit report was transmitted to OLAF;*

   In its audit, the EESC found that it had entered into contractual relationships with six companies owned directly or indirectly by this contractor who had contractual relationships

also with other institutions. No irregularities were found regarding the contract award procedures. The audit report was communicated to OLAF.

13. *Considers it crucial that controls carried out, for example, by authorising officers, verifiers and auditors, are sufficiently rigorous; underlines in this context the importance of an adequate number of random checks in all sectors, in addition to those few strategic sectors that present a higher risk;*

    The EESC's internal rules foresee systematic ex-ante verification. In addition, random ex-post controls are carried out, particularly in areas with high volume.

14. *Welcomes the establishment of an audit committee made up of three EESC Members, assisted by an external auditor, whose tasks include, among others, the verification of the independence of the internal auditor and the assessment of actions taken in response to the recommendations contained in the internal audit reports;*

    The audit committee is working to everybody's satisfaction.

15. *Notes that the Belgian tribunal of first instance found a former EESC Member guilty of fraudulent claims for travel expenses (double reimbursement); welcomes in this context the fact that the EESC brought an appeal against the decision not to recognise it as a civil party;*

    Also the Belgian public prosecutor and the former EESC Member appealed against the decision of the first instance. The EESC is awaiting the proceedings of the appeal court.

16. *Notes that a general review of the rules for reimbursement of travel and meeting expenses of EESC Members was adopted on 25 September 2007, which aimed at improving and simplifying the procedures involved, while at the same time ensuring transparency and equal treatment for all Members and taking into account technological developments (such as e-tickets, online hotel reservations and video-conferencing); considers it necessary to look into this matter in the following discharge exercise (financial year 2008);*

17. *Further notes, concerning the new members' financial statute, that the EESC's Bureau, at its meeting of 12 November 2008, decided to establish an ad-hoc group including the quaestors which would be responsible for drafting proposals on revising the members' financial statute;*

    The ad-hoc group of the Bureau has concluded its work and the proposal is now subject to discussion in the appropriate bodies. Important principles in this context are transparency, simplification and cost-efficiency.

18. *Notes that Members of the EESC do not declare their financial interests or disclose relevant information on such things as declarable professional activities and remunerated posts or activities; suggests that the EESC introduce this obligation for all its Members; further proposes the appointment of an independent monitoring officer whose task would be to report annually and publicly on received declarations in order to ensure credible monitoring and control;*

    The EESC is dealing with this issue in its appropriate bodies and intends to communicate its position to Parliament in the coming months.

19. *Praises the EESC for the quality of its annual activity report; requests, however, the inclusion in its following activity report of a chapter giving a detailed account of the follow-up during the year to Parliament's earlier discharge decisions, including possible explanations for not having followed the recommendations.*

    The EESC is observing the recommendations in Parliament's discharge decisions, integrates these into its work programme and has implicitly reported on their implementation in its annual activity report. With this appendix the EESC intents to give a more explicit follow-up to Parliament's discharge decisions.

20. *Notes that, despite amendments to the Financial Regulation, its rules on procurement are still excessively cumbersome for smaller institutions, such as the EESC, especially in relation to tenders for contracts for relatively small amounts; invites the Commission - when carrying out its preliminary work prior to drawing up any future proposals for amendment to the Financial Regulation - to consult extensively with the Secretary-General of the EESC and its administration in order to ensure that their concerns are fully taken into account in the final draft.*

    The EESC is welcoming this recommendation and has in the meantime taken contact with the Commission with the aim of being consulted appropriately on the ongoing review of the Financial Regulation.