2006 discharge: EC general budget, Economic and Social Committee

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PURPOSE: to present the final annual accounts of the European Communities for the financial year 2006 – Other institutions: section VI – European Economic and Social Committee (EESC).

CONTENT: this document establishes the level of expenditure and the balance sheet of the Council for 2006 and presents an analysis of its financial management.

The figures: the following figures are taken from the provisional annual accounts for the financial year 2006 concerning the European Economic and Social Committee. These figures may be subject to amendment after consolidation.

- **Authorised appropriations for 2006**: EUR 107 985 million;
- **Appropriations committed amount to**: EUR 104 821 million, a utilisation rate of 97.07%;
- **Appropriations paid amount to**: EUR 94.413 million;
- **Appropriations carried over from 2006 to 2007**: EUR 10.125 million;
- **Appropriations cancelled**: EUR 3.447 million.

Main axes of expenditure for 2006: in accordance with the political priorities of the Committee, 2006 expenditure mainly aimed to:

1. Implement and set up the monitoring of the priorities of the President of the EESC (Anne-Marie SIGMUND): to assist the President in taking up her roles and to adapt her priorities;

2. Prepare for the establishment of the new Committee (Autumn 2006) and ensure its enlargement to include Romanian and Bulgarian members;

3. Provide technical assistance to members (advice, information on members, setting up of an internet portal…);

4. Improve the quality of work of the EESC and increase its impact on other stakeholders; plan for an overall impact study of the Committee (to be done carried out in 2007);

5. Ensure a greater institutional role for the Committee vis-à-vis the other European institutions (for example, the European Parliament and the Presidencies of the Council as well as the Member States – particularly in the context of the Lisbon Treaty);

6. Strengthen the communication policy of the institution and continue the work that began in 2005 on “Communicating Europe”; organise a biannual conference on “Living in Europe: a challenge for civil society”;

7. Contribute to the implementation of the Sustainable Development Observatory;

8. Implement the conclusions and proposals of the EESC working group on the screening of actions undertaken by the Committee (in cooperation with the Committee of the Regions);

9. To renew the working methods of the Committee;

10. Improve the motivation of EESC staff and prepare a new cooperation agreement with the Committee of the Regions.

The main budgetary priorities of the Committee reflect these overall priorities. As a result, the Committee focused expenditure on increasing the visibility of its activities as well as on improving its legitimacy as a European institution.

The highlights of the implementation of the EESC's budget can be summarised as follows:

Title I (staff costs): this budget heading is mainly highlighted by the delays in recruitment of enlargement related staff. As a consequence, the budget implementation showed less significant expenditure for mission costs and staff training, etc.

There was also a decrease in interpretation costs and an increase in translation costs, due to the arrival of the first translations in Romanian and Bulgarian.

Title II (operating expenditure): this budget heading is mainly highlighted by the Institution's building policy. At 31/12/2006, the EESC and the Committee of the Regions together had 5 buildings under long term leases: (1) the Bertha Von Suttner (BvS) building - Rue Montoyer 92-102; (2) the Jacques Delors (JDE) building – 103-113; (3) Rue Belliard 68-72; (4) the Rue de Trèves building – 74; (5) the Remorquer (REM) building - Rue Belliard 93. All of the buildings were subject to long-term financing. The total value of the buildings is estimated at EUR 243 878 million, EUR 148.607 million of which belongs to the EESC. The total amount of debt for all of the buildings is EUR 219.36 million (around EUR 132 million of which belongs to the EESC).

As in previous years, the EESC prepaid a significant proportion of its real estate debt, a total amount of EUR 8.162 million (notably for the 74 Rue de Trèves building and the Remorqueur).

The year was also characterised by the inventory of the different buildings.

At the same time, the report indicates that a series of invitations to tender could not be finalised in a more cost-effective way, for the two committees (particularly for the relocation of the Van Maerlant building), and were therefore cancelled. The report also draws attention to the net reduction of expenses related to the renting and maintenance of the EESC's car fleet (a long-term leasing contract for cars should be finalised as of 2006).

Once again, the continuation of **interinstitutional cooperationbetween the EESC and the Committee of the Regions** proved to be very profitable, enabling large-scale savings (the main areas of cooperation concerning the use of human resources, computer hardware and telecommunications). For information purposes, a study evaluated the net cost of non-cooperation between the two committees to be EUR 34 million. The EESC is, therefore, broadly in favour of continued cooperation with the Committee of the Regions. For this reason, the EESC called for the extension of the cooperation agreement with the Committee of the Regions on the same grounds as the existing agreement and for several years (the Committee of the Regions would have preferred an extension of the existing agreement but for a shorter period of time). Lastly, it was decided to extend the existing agreement for six months. During this period a new cooperation agreement should be negotiated.