2010 budget: other sections

2009/2002B(BUD) - 20/07/2009 - Council draft budget

The Council unanimously established the draft budget of the other institutions for 2010 at 1st reading. The Council used the preliminary draft budget of the other institutions as its basis.

The main issues are as follows:

A. Generally: in establishing the draft budget for 2010, the Council followed a number of guidelines:

- establishing the global increase of the EU administrative expenditure at a level near the inflation rate;
- setting the administrative budget of each institution at the appropriate level, taking into account their specificities and real and justified needs;
- carrying out targeted reductions under certain budget lines for all the institutions, taking into account the 2008 budget outturn and real needs;
- increasing the standard flat rate abatement on salaries for most of the institutions, taking into account their current vacancy rate;
- insisting on the need to fill all vacant posts (a joint declaration on recruitment in relation with the 2004 and 2007 enlargement was approved by the Council on 10 July 2009);
- not accepting any new post requested by the institutions for new activities;
- accepting requested conversions, transformations and upgradings;
- excluding expenditure related to the implementation of the Treaty of Lisbon.

When examining the administrative budgets, the Council also focused on administrative expenditure linked to operational programmes and on administrative expenditure of the executive agencies. In this respect, it was decided to carry out targeted reductions, in particular on the basis of the 2008 budget outturn. This approach has resulted in a margin of EUR 276.15 million available under the ceiling of heading 5 of the financial framework, which is deemed sufficient to respect the requirements of the IIA and in the interest of sound financial management.

Building policy of EU institutions and bodies: a thorough examination of the building policy of the institutions was also done. In this context, a unilateral declaration on building policy of EU Institutions and bodies was also approved by the Council which may be summarised as follows:

- Acknowledging that building costs represent a significant part of the overall administrative expenditure of the EU Institutions, the Council considers that a sound financial management of building expenses is essential. It reiterates the importance of a strong interinstitutional cooperation in this field. It underlines the need for the Institutions to cooperate to the highest possible extent and to **join their forces, both for the rental or purchase of buildings** and for connected current expenses. It invites the Institutions to share facilities whenever appropriate in order to limit building expenses to the necessary minimum. The Council asks the Institutions to look into the potential for further interinstitutional cooperation which could include sharing of premises, joint management of premises and the scope for a possible **interinstitutional buildings office**.
- The Council calls on the Institutions to establish long-term building strategies, based on realistic estimates of future staff numbers and ensuring the necessary flexibility by means of an equilibrium between owned and rented buildings, in order to avoid as far as possible any ad-hoc decisions on buildings.
- The Council attaches great importance to receive the information required by the relevant provisions of the Financial Regulation as soon as possible. The information should include thorough

need assessments and comprehensive cost-benefit analyses, the various alternatives, outlining the options to rent or buy as well as the alternative financing possibilities, and taking all financing costs into account. Well before decisions need to be taken, the information should be made available to both arms of the budgetary authority, so that they can establish their position without time pressure.

- The Council asks the Institutions to pursue their work towards harmonising this **information** through common definitions and indicators to allow comparisons of building space and building costs between the different Institutions, including the common understanding of the method for calculating annual costs of own property spread over the entire period of their utilisation.

It should be noted that the **European Parliament** expressed its willingness to seek for a common approach on this issue and indicated its readiness to continue working on a joint declaration that could be agreed at a later stage.

B. Amounts allocated by the Council for each institution (except for the Commission):

- **European Parliament - Section I**: under the "gentlemen's agreement", the Council included the European Parliament estimate in the draft general budget of the European Union for the financial year 2010 without any changes; the estimate represents an increase of EUR 60 041 796 (+3.92%) over the 2009 budget. **Council - Section II**: EUR 610 052 000, representing an increase of EUR 7 200 000 (+1.19%) over the 2009 budget. The standard flat rate abatement on salaries has been maintained at 7% as proposed in the PDB, taking into account the current vacancy rate. Targeted reductions were retained by applying a specific decrease to appropriations related to outside assistance for the operation and development of computer systems, cleaning and maintenance, publications in the Official Journal, purchase and replacement of technical equipment and installations, mission expenses and allowances of national experts seconded in connection with the ESDP/CFSP, as well as to the remuneration of other staff (contract agents). With regard to staff levels, the Council approved the transformations for career development. It accepted the appropriations requested to employ 38 new external contract staff. The Council also accepted the conversion of 15 AST posts into 15 AD posts proposed in the context of the adjustment of structure and grades.
- **Court of Justice - Section IV**:EUR 322 869 003, representing an increase of EUR 7 914 570 (+2. 51%) over the 2009 budget. The standard flat rate abatement on salaries was maintained at 2.5% as proposed in the PDB, taking into account the current vacancy rate. Appropriations requested for officials and temporary staff and for other staff and external staff were decreased by 3%, given the under-implementation in previous years. Targeted reductions were retained by applying a specific decrease to appropriations related to expenditure on information technology. With regard to staff levels, the Council approved the transformations for career development. The Council also accepted the conversion of 4 AST posts into appropriations and the conversion of 6 AST posts into 6 AD posts.
- **Court of Auditors - Section V**: EUR 146 292 216, representing a decrease of EUR 41 352 080 (-22.04%) in comparison with the 2009 budget, which included a significant amount of extraordinary expenditure. The standard flat rate abatement on salaries was fixed at 6.3%, taking into account the current vacancy rate. Appropriations related to the renewal of the members' mandates were adjusted in accordance with the latest available information. Proposed additional appropriations related to studies for audits were accepted for a part while the increases in appropriations requested for training and missions, meetings and conferences, new furniture, IT tools, as well as publications including the Official Journal were not accepted. With regard to staff levels, the Council approved the transformations for career development. The Council also accepted the conversion of 3 temporary AST posts into appropriations and the transformation of one AST8 post into an AD8 post resulting from the application of Article 47(1) of the Financial Regulation. On the other hand, it rejected the request for 20 new permanent non-enlargement AD7 posts for auditors for 4 months.

- **Economic and Social Committee - Section VI**: EUR 122 284 695, representing an increase of EUR 1 573 886 (+1.30%) over the 2009 budget. The standard flat rate abatement on salaries was fixed at 5.5%, taking into account the recruitment difficulties encountered. Appropriations requested for other staff and outside services, building maintenance and renovation projects, as well as for data processing, equipment and furniture were reduced, since they were deemed to have been overestimated. A minor targeted reduction was retained by applying a specific decrease to appropriations for other expenditure relating to persons working with the institution, given the under-implementation in the last two years. With regard to staff levels, the Council approved the transformations for career development. The Council also accepted the other changes (9 reclassifications) to the establishment plan. On the other hand, it rejected the request for 10 additional permanent non-enlargement posts (6 AD5, 3 AST3 and 1 AST1).
- **Committee of the Regions - Section VII**: EUR 77 986 675, which represents an increase of EUR 1 534 955 (+2.01 %) over the 2009 budget. The standard flat rate abatement on salaries was fixed at 6%, taking into account the current vacancy rate. The amount requested for appropriations related to members was reduced since travel expenses and subsistence allowances were deemed to have been overestimated. Appropriations requested for other staff and outside services, other expenditure relating to persons working with the institution, data processing, equipment and furniture, as well as for meetings and conferences and expertise and information, were deemed to have been overestimated and were reduced accordingly. Targeted reductions were also retained by applying a specific decrease to appropriations related to building maintenance and renovation projects, as well as by rejecting the creation of a new item intended for an interinstitutional mobility project. With regard to staff levels, the Council approved the transformations for career development. On the other hand, the Council rejected the request for 10 additional non-enlargement posts (5 AD5, 3 AST3 and 2 AD5T).
- **European Ombudsman – Section VIII**: EUR 8 907 275, which nearly corresponds to the 2009 budget. Appropriations requested for officials and temporary staff were decreased by 5%, given the under-implementation in previous years. Targeted reductions were retained by applying a specific decrease to appropriations relating to expenditure on training. The requests for a potential change of Ombudsman were not accepted, as they were already financed in the 2009 budget. With regard to staff levels, the Council approved the transformations for career development.
- **European Data Protection Supervisor – Section IX**: EUR 6 684 351 (+0.32% compared to 2009). The amount intended for salaries was reduced by not accepting the increase requested with respect to the 2009 budget, taking into account the under-implementation in the last two years. The amounts of the increases requested by the institution for appropriations relating to traineeships and staff exchanges, services and work to be contracted out, mission expenses, travel expenses and other ancillary expenditure, further training, as well as translation and interpretation costs were reduced accordingly, taking into account the under-implementation in the last two years. With regard to staff levels, the Council approved the transformations for career development under Article 6 of the Staff Regulations and Articles 6, 9 and 10 of Annex XIII thereto. On the other hand, the Council rejected the request for 4 additional permanent non-enlargement posts (2 AD5, 1 AST2 and 1 AST4).