2008 discharge: EU 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 2008 - Other institutions: section VI - Economic and Social Committee.

CONTENT: this document sets out the amount of expenditure and the financial statement of the Economic and Social Committee (ESC) for 2008. It presents an analysis of the institution's financial management as well as its main axes of expenditure.

The figures mentioned hereafter are taken from volume I of the consolidated annual accounts of the European Communities for the year 2008:

Commitments

- authorised commitments: EUR 118 million;
- commitments made in 2008: EUR 113 million (implementation rate of 95.64%);
- appropriations lapsing: EUR 5 million (4.13% of the budget).

Payments

- authorised payments: EUR 126 million;
- amounts paid in 2008: EUR 114 million, a budget implementation rate of 90.74%;
- payments lapsed: EUR 6 million, or 4.56% of the budget.

Main axes of expenditure in 2008 (according to the Economic and Social Committee's Annual Activity Report 2008): 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.

Other major policy priorities of 2008 focused on the following 7 themes as defined by the 2008 EESC's work programme.

- assistance for members;
- interinstitutional cooperation;
- communication;
- implementation of the cooperation agreement with the Committee of the Regions (CoR);
- management of the secretariat (see below);

- human resources policy;

- ensuring smooth transition under the new Secretary-General.

Regarding the activities of the Secretariat of the EESC, the report draws attention to the following facts:

- **formulating the secretariat's key activity and performance indicators**: they were finalised in 2008 and were included in the annual activity report;

- **inventory of all decisions in force within the Secretariat**: this work was carried out by the internal auditor in 2007 in cooperation with the directorates concerned. They are accessible to all through 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;

- **internal cooperation within the Secretariat 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. Lastly, 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.

The other main points concerning the implementation of the EESC budget can be summarised as follows:

Title I *(staff expenditure):* this Title was characterised by:

- a net decrease in overtime costs due to the revision of policy in this area;

- an improvement of the implementation costs related to staff training;

- the strengthening of the means allocated to measures aimed at disabled staff;

- the strengthening of the Committee’s medical service.

Title II *(operating expenditure):* this budget heading has been mainly characterised by the achievement of the Economic and Social Committee and the Committee of the Regions’ building projects. The most important work involved the fitting out of the premises for which calls for tender had been launched. The large amount left uncommitted is explained by the fact that two calls for tender for fitting-out projects 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).

The following should also be noted:

- the revision of the cleaning and maintenance contracts which lead to savings;

- insufficient implementation of conference appropriations (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);

- the under-utilisation of appropriations under the interpretation budget item (due to the frequent unavailability of several requested languages for meetings).

Lastly, the report notes a net increase as regards the rent and related service charges for the building, situated Rue Van Maerlandt, 2. This building 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 which as a result increased the appropriations under this item. A sufficient safety margin must be kept in order to be able to fulfil all contractual obligations.