

# 2010 budget: section III, Commission

2009/2002(BUD) - 26/11/2009 - Document attached to the procedure

**PURPOSE:** presentation of amending letter No. 3 to the Preliminary Draft Budget (PDB) for the 2010 financial year.

**CONTENT:** this **letter of amendment No. 3** to the preliminary draft budget of the Council for the financial year 2010 presents an estimate of the appropriations needed to finance the consequences of the entry into force of the Treaty of Lisbon for the **functioning of the European Council and the Council in 2010**.

It should be stressed that, as far as the European Council and its President are concerned, this is an initial estimate for the start up phase. And that the resource requirements for this new institution may evolve in the future.

The envisaged provision is of **EUR 23.5 million** which would cover:

1) **The creation of the European Council as an Institution:** the direct consequence of the creation of the European Council as an Institution is that the events to which participate the Heads of State and Government and which were organised by the Member State holding the Presidency in the past, will be organised in principle by the new Institution in the future. The cost of these events shift thus from the budget of the Member State in question **to the EU budget**. This affects, in the first place, the organisation of the meetings of the European Council. Until now, the available resources (building, staff) of the Council have covered, to a large extent, the activities of the European Council.

The incremental costs of summits have so far been financed by the Member State ensuring the presidency and administered by the General Secretariat of the Council (GSC).

On the basis of experience of previous years:

- the incremental cost of a session of the European Council may be estimated to EUR 1.3 million. The current proposal foresees the expenditure to cover the cost of the organisation of 5 summits, which corresponds to an amount of **EUR 6.5 million**;
- the cost of summits with third countries has until now been borne exclusively by the Member State holding the rotating Presidency. The technical estimate<sup>5</sup> for these meetings, which in the future will be organised by the President of the European Council amounts to **EUR 2.5 million**;
- since a large part of the above-mentioned events will be organised in the premises of the European Council and the Council, investment in infrastructure has to be foreseen. A provision for refurbishment, technical and IT equipment, furniture and transportation means an amount of **EUR 3.1 million** is envisaged.

2) **The creation of the function of President of the European Council:** the means allowing the President to act should be foreseen in the budget for 2010. The provision should cover the emoluments of the President, the staffing of his Private Office, the security and the press service as well as mission expenditure. The expenditure estimate is broken down as follows:

- function of the president: **EUR 1.5 million** including his travel and representation costs;
- staffing of his Private Office and his personal security: **EUR 4.5 million**, including remuneration (EUR 3.9 million), mission costs (EUR 0.4 million) and other expenditure (EUR 0.2 million).

3) **Increase of codecision: as a consequence of the Treaty**, the volume of codecision procedures will increase significantly. This means that it is necessary to reinforce the existing resources of the Council (e. g. preparation of legislation, Irish translation). The estimate for this reinforcement amounts to **EUR 1.9 million**.

4) **Reserve:** an amount of **EUR 3.5 million** is placed in a reserve since it is not possible at the moment to foresee how the activities of the European Council and its President will develop.

In summary, **the GSC proposes to increase the budget for 2010 by an overall amount of EUR 23.5 million and an increase of the establishment plan with 60 posts**. Compared to the preliminary draft budget established in April 2009, the proposal would lead to a budget of section II of EUR 638,652 million (compared to the original PDB 2010, an increase of 3.8 %).

The fixed costs for the functioning of the European Council (buildings, operational expenditure, and staff) have always been provided for under section II of the budget of the European Union. According to Article 235.4 of the TFEU (Lisbon Treaty), this approach will be maintained. The incremental cost of the creation of the European Council as an institution will be added to the existing resources. These additional resources will be presented in **section II of the general budget**, entitled "Council and European Council".

It should be noted that Amending Letter No. 3 provides a table of the various expenditures by type and budgetary chapter in question.