2011 budget: all sections, first version

2010/2001(BUD) - 15/09/2010 - Document attached to the procedure

PURPOSE: presentation of the amending letter No. 1 to the EU's Draft General Budget 2011 - Sections II (European Council and Council), III (Commission) and X (European External Action Service - EEAS).

CONTENT: the Treaty of the European Union (TEU) provides for the creation of a European external action service (or EEAS) to support the High Representative for Foreign Affairs and Security Policy in fulfilling her mandate. The EEAS was formally created on 26 July 2010 with the adoption of Council Decision 2010/427/EU establishing the organisation and functioning of the European External Action Service.

In order to become established, this new institution needs to have its own budget structure. However, the draft budget for 2011 was adopted without an EEAS section. This amending letter therefore proposes, in line with the amending budget No. 6/2010 to **create for the EEAS, this new budget section**, with corresponding expenditures, effective from 1 January 2011.

The present amending letter provides the budgetary resources allowing a viable and efficient start-up in view of an autonomous EEAS as from 2011, by creating a fully-fledged budget section for the EEAS, while ensuring the smooth functioning and continuity of all ongoing activities.

The EEAS will operate with the means transferred from the Commission and Council, which have been responsible for most of the tasks to be performed by the EEAS until now. This implies that this proposal does not only create the 2011 draft budget for the EEAS, but also amends the budget sections of the Commission and the Council.

An efficient organisational structure within a context of fiscal consolidation:the establishment of the EEAS has to be guided by the principles of cost-efficiency, budget neutrality, and sound and efficient management, also taking into account the impact of the current economic crisis on national public finances and the required efforts for fiscal consolidation. Transitional arrangements and **gradual build-up of capacity** will have to be used in the setting up of this service. Upon their transfer to the EEAS, each official will be assigned to a post in the function group corresponding to his/her grade. In addition, the EEAS will be gradually staffed with diplomats from Member States (temporary agents) and support staff. Once it reaches cruising speed, staff originating from the national diplomatic services is expected to represent one third of all AD staff.

Proposed budget for the EEAS in 2011: this proposal covers the transfer of staff and related appropriations from the budget sections of the Commission (Section III) and the Council (Section II) to the budget section of the EEAS (Section X). The budget sections of the Commission and the Council are reduced accordingly.

The amending letter also includes the full-year cost related to the additional staff requested in draft amending budget 6/2010 (see BUD/2010/2094), an additional requests for **18 additional new posts at headquarters** (EUR 2 million additional expenditure in 2011) and for **upgraded security of the EEAS premises** (EUR 3.275 million additional expenditure in 2011).

The resulting administrative expenditure for the EEAS in 2011 amounts to **EUR 475.8 million**, of which EUR 184.9 million at headquarters (Titles 1 and 2 of the section X of the general budget) and EUR 290.9 million in delegations (Title 3).

Staffing: the total number of posts in the establishment plan of the EEAS is **1 643**: 1 114 posts are transferred from the Commission, 411 from the Council, 100 new posts requested in draft amending budget 6/2010, and 18 new posts requested in this amending letter. The additional 18 new post are requested at this stage to address the most urgent needs in relation to increased workload resulting from taking over tasks previously carried out by the rotating presidency and other tasks flowing from the Lisbon Treaty, and to consolidate the EEAS's capacity to function autonomously.

In addition to the 1 643 posts in its own establishment plan, the EEAS will also have another estimated 2 077 full-time equivalent (FTE) human resources, including seconded national experts, contract agents, agency staff, and local agents (the latter only in delegations).

The establishment plans of Section II (European Council and Council) and Section III (Commission) of the general budget are reduced by the number of posts transferred to the EEAS, i.e. 1 114 posts from the Commission and 411 posts from the Council. The related appropriations are transferred to the EEAS from the relevant budget lines in the Council and Commission budget which are reduced accordingly.

Conclusion: this amending letter proposes amending Sections II (European Council and Council) and III (Commission) of the general budget to create a new section, Section X (European External Action Service) in the draft 2011 budget.

The proposed establishment plan of the EEAS includes:

- 1 643 posts, of which 1 114 are transferred from the Commission, 411 from the Council, + 1**00 new posts requested in draft amending budget 6/2010, and 18 additional new posts requested for 2011**;
- 2 077 full-time equivalent human resources, including seconded national experts, contract agents, agency staff, and local agents (the latter in delegations).

The resulting administrative expenditure for the EEAS in 2011 amounts to EUR 475.8 million, of which

- EUR 82.2 million transferred from Section II (European Council and Council),
- EUR 359.2 million from Section III (Commission),
- **EUR 29.2 million requested as additional appropriations in relation to the full-year cost of the new human resources** (100 new AD posts, 60 local agents in delegations and 10 contract agents at headquarters) requested in draft amending budget 6/2010,
- **EUR 5.2 million requested for 18 additional posts and strengthened security of the EEAS definitive premises in 2011.**

In total, amending letter 1/2011 provides for an increase to the 2011 budget of **EUR 34, 461,399**.