2004 discharge: EC general budget, Committee of the Regions

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PURPOSE : presentation of the final annual accounts of the European Community for the financial year 2004 – Other institutions : Section VII – Committee of the Regions.

CONTENT : this document sets out the amount of expenditure and the financial statement of the Committee of the Regions (CoR) for 2004 and presents an analysis of its financial management. The available appropriations set out in the Committee's 2004 budget amounted to EUR 59,6 million (taking account of a supplementary and amending budget of EUR 600.000), with a 83,6% utilisation rate.

Main axes of 2004 expenditure : the budget implementation can be characterised as follows :

- Effects of the enlargement process : 95 new Members and 10 new Member State delegations;
- The consolidation of the institutional role of the CoR;
- The implementation of complementary actions aiming to enhance the CoR's profile.

It should also be noted that the budget has been increased for the Committee's 4 political groups (PES, EPP, ALDE and UEN-EA) in particular for their meetings, activities and publications.

Among the main activities in 2004, one notes in particular:

1. the strengthening of its **consultative activities** (5 plenary session with a total of 55 opinions), the participation of Members at conferences/seminars throughout Europe, including one in Berlin on the Constitution as well as the organisation of various events;
2. the implementation of a new **communication policy** : improving interinstitutional relations, improving the CoR's profile, promoting its consultative activities (press releases, information notes, the conception of a new website);
3. the strengthening the Institution's "**greffe"** service which aims to assist the members and national delegations in their daily tasks and to help ease the workload relating to enlargement.

The main issues of the 2004 budget implementation can be summarised as follows:

Title I (Staff costs) : this budget item shows the effects of the enlargement process. The institution's budget, and in particular DG Administration, was nearly doubled to deal with the arrival of the new Members (+ 43% compared to 2003). 156 new posts were established which meant that there was roughly a 63% increase in staff.

In comparison to the proposed initial budget, the main items which were subject to an under-utilisation were as follows:

- Members' costs and allowances : travel expenses, various allowances, language classes,
- Payment of staff in activity and other recruitment costs : 60 "enlargement" positions still have to be filled out of the 156,
- Staff mission costs,
- Free lance interpreters fees (cancellation of numerous meetings,…).

It should be added that the annual report presents a table showing the participation rate of the Members and the substitutes at the plenary sessions: over 2004, the average participation rate reached 77%.

Title II (Operational expenditure) : this heading was characterised by the following :

1. Building projects in 2004: the change of address of the CoR and the ESC. The initial budget was respected;
2. New requirements following the enlargement process: the requirements are estimated at 15.000m² for the 2 Committees. These costs are divided between 3 new buildings : "Belliard 68", "Trèves 74" and a third building. These buildings will not be available at the same time : only Belliard I and II and Belliard 68 were ready in 2004. Trèves 74 should be finished in 2006. It should be noted that the contract for the former CoR building (Ravenstein) was terminated mid-2004.

In addition, the following should be noted:

- the carry over of a budget line to 2005 for the creation of a "Interinstitutional Library" in Brussels for the sum of EUR 30.473;
- advanced payment of appropriations in order to reduce the budgetary pressure under heading 5 of the financial perspectives : advanced payments in 2004 of ground rent for the "Belliard I" and "Trèves 74" building for a sum of roughly EUR 2,3 million;
- an under-utilisation of appropriations relating to building security issues, meeting and conference costs, technical material and transport costs (call for tender for the rental of cars carried over to 2005) and other running costs (newspaper subscriptions, telephone, press conferences).

DETAILED SYNTHESIS OF 2004 EXPENDITURE: this detailed synthesis analyses the breakdown of the Committee of the Regions expenditure for the financial year 2004. The figures mentioned can also be found in the "Final annual accounts of the European Communities - Financial year 2004 – Volume III".

Implementation rate in 2004 :

- Appropriations available for 2004 : **EUR 59.413.031** (with an interinstitutional amending budget of EUR 600.000 to fund the correction of increased salaries);
- Appropriations committed amounted to EUR de 49.654.384, an **83,57%** utilisation rate;
- Appropriations paid amounted to EUR 44.072.451;
- Appropriations carried over from 2003 to 2004 : EUR 5.061.468,05.

Main budget items and the use of commitment appropriations (Titles I and II):

- I : Institutional costs (Members and active staff) : EUR 30,9 million;
- II : Operational costs (buildings and materials) : EUR 18,8 million.