2007 budget: other sections

2006/2018B(BUD) - 17/07/2006 - Council draft budget

The Council adopted, by qualified majority, the draft general budget of the other institutions for the financial year 2007. The Council used the preliminary draft budget of the European Communities for 2007, submitted by the Commission, as the basis for establishing the draft budget (refer to the summary dated 15/07/2006). It also drew upon the debates in conciliation (refer to Council activities 17/07/2006).

The draft budget of the other institutions (except the Commission) is characterised by the following elements:

A. Generally:

- § setting an appropriate level for the administrative budget of each institution taking into account their own specificities and their real and justified needs;

- § applying targeted reductions by limiting requested increases to 2% in comparison to 2006 for some types of expenditure such as Information Technology services and by retaining specific decreases on some other individual budget lines taking into account real needs;

- § applying a differentiated rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional cooperation (between 1.5% to 2.5% taking into account the past implementation in 2004 and 2005) on budget lines which have not been subject to specific reductions;

- § increasing the standard flat rate abatement on salaries for most institutions, taking into account their current vacancy rate.

As regards recruitment in relation with the 2004 enlargement, the Council approved a declaration in which it notes with great concern the information provided by the institutions regarding the recruitment process on new posts granted in 2004, 2005 and 2006, in particular regarding the slowing down of the recruitment process in 2006. The Council insists that all efforts should be made by the institutions as well as by EPSO to ensure that the recruitment process is sufficiently and speedily carried forward at every stage in order to occupy the posts granted as soon as possible. It intends to monitor closely the ongoing recruitment process. To this effect, it requests each institution and EPSO to provide quarterly information to the Budgetary Authority on the state of affairs regarding recruitments in relation with the 2004 enlargement. It invites the Secretaries-general of the institutions to present a report on the progress made in this field before its second reading of the 2007 budget in November 2006.

Furthermore, the Council accepts some new posts requested by the institutions for new tasks on the basis of justified needs. It intends to obtain an agreed Budgetary Authority policy on **freezing half of the posts becoming vacant in 2007 following the retirement of the incumbent** (not including language posts and AD 13 to AD 16 posts) in view of their deletion in the 2008 budget, if the Budgetary Authority were to agree such a policy, a target total of 200 posts is estimated to be affected (Council 24, Commission 170, Court of Justice 1, Court of Auditors 2, European and Social Committee 3).

In the context of this "productivity gains programme for years 2007-2013", the Council made a second statement in which it stresses the need to ensure real productivity gains in the EU administration throughout the new financial framework period. It also recalls the importance of ensuring that institutions' budgetary estimates be based on real, justified and demonstrated needs. Productivity gains should also be

brought about by redeployment and reorganisation of the administrative structures of EU institutions, and saving should be achieved, inter alia, through staffing levels, building policy, tendering for utilities and supplies and IT investments.

The Council invites the institutions to present by the end of 2006 a comprehensive outline of the composition of current cost-bases and their plans for assessing and realising gains on administrative costs for the period 2007-2013 including all administrative expenditure.

B. Expenditure authorised by the Council for each institution (except 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 Communities for the financial year 2007 without any changes; the estimate represents an increase of EUR 56 100 000 (+ 4.24%) over the 2006 budget.

§ **Council - Section II**: EUR 593 528 788, which represents an increase of EUR 1 775 259 (+0. 30%) over the 2006 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. The rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 1.7%. Targeted reductions were retained by applying a specific decrease on Information Technology, on the SESAME project and on the contingency reserve. As regards staffing, for its section of the budget, the Council approved the creation of 20 new posts for new tasks and 37 posts for enlargement. It also approved the transformations for career development as requested and it accepted the transformation of 13 temporary posts into permanent posts. It rejected the request for a further 39 new posts.

§ **Court of Justice - Section IV**: EUR 267 585 990, which represents an increase of EUR 17 247 388 (+6.89) over the 2005 budget. The standard flat rate abatement on salaries has been fixed at 4.5%. The rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 2.2%. As regards staffing, the Council approved the creation of 8 new posts for new tasks, 115 new posts in view of the enlargement to Romania and Bulgaria and 2 new posts requested in relation to the translation into Irish. It accepted the transformations for career development as requested. The Council also agreed on the removal of 5 posts. In view of the forthcoming accession of Romania and Bulgaria, it also accepted the appropriations requested for employment of 7 contract agents. However, the Council could not accept the request for 5 other posts.

§ **Court of Auditors - Section V**: EUR 117 500 271, which represents an increase of EUR 4 303 780 (+3.80%) over the 2006 budget. The standard flat rate abatement on salaries has been fixed at 4.5%. The rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 2.5%. Targeted reductions were retained by applying a specific decrease on Information Technology. As regards staffing, the Council accepted the creation of 3 new posts for new tasks and a further 41 new posts, as well as the appropriations for employment of contract agents, in view of the enlargement to Romania and Bulgaria. It approved the transformations for career development as requested. The Council also agreed on the removal of 2 temporary posts.

§ **Economic and Social Committee - Section VI**: EUR 111 165 227, which represents an increase of EUR 3 180 422 (+2.95%) over the 2006 budget. The standard flat rate abatement on salaries has been fixed at 4%. The rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 2.3%. Targeted reductions were retained by limiting the increase to 2% in comparison to 2006 on Information Technology and by applying a specific decrease on other expenditure on buildings, taking into account real needs.

With regard to staff level, the Council approved the creation of 2 new posts for new tasks, 11 new posts requested in relation to the 2004 enlargement and 6 new posts in view of the enlargement to Romania and Bulgaria. It approved the transformations for career development as requested.

§ **Committee of the Regions - Section VII**: EUR 66 520 009, which represents an increase of EUR 3 157 339 (+4.98%) over the 2006 budget. The standard flat rate abatement on salaries has been fixed at 5%. The rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 2.5%. Targeted reductions were retained by limiting the increase to 2% in comparison to 2006 on Information Technology and by applying a specific decrease on other expenditure relating to persons working with the institutions, taking into account real needs. With regard to staff levels, the Council approved the creation of 3 new posts for new tasks. It accepted the transformations for career development as requested. However, the Council could not accept the request for 6 other posts.

§ **European Ombudsman - Section VIII-A**: EUR 8 003 447, which represents an increase of EUR 320 909 (+4.18%) over the 2006 budget. The rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 2.5%. Targeted reductions were retained by applying a specific decrease on the National Ombudsmen Biennal Seminar. The Council approved the requested transformations for career development as requested.

§ **European Data Protection Supervisor - Section VIII-B**: EUR 4 796 880, which represents an increase of EUR 1 213 047 (+33.85%) over the 2006 budget. However, taking into account DAB No. 3/2006, the increase over the 2006 budget is 15.91%. The standard flat rate abatement on salaries has been fixed at 1.8% and the rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 2.5%. With regard to staff levels, the Council approved the creation of 3 new posts and rejected the request for any others.