

2005 discharge: EC general budget, Economic and social Committee ESC

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PURPOSE: presentation of the final annual accounts of the European Community for the financial year 2005 – 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 2005 and presents an analysis of its financial management. The available appropriations set out in the Court's 2005 budget amounted to **EUR 103 million** of which EUR 99 million was spent (a take-up rate of 95.94%).

Main axes of 2004 expenditure: budget implementation of the ESC can be characterised by the following :

- enhancing the Committee's credibility through selectivity in its work programme, choice of opinions and forward studies;
- playing a key role in the Communicating Europe campaign;
- enhancing the EESC's visibility by an initiative aimed at the general public and by giving prominence to the role played by its members;
- ensuring maximum transparency for its work;
- enhancing the members' status commensurate with their value and highlighting their political responsibility;
- asserting the EESC's role as an institutional partner in civil dialogue and guarantor of participatory democracy;
- contributing to the general debate on the future of Europe and European identity, more specifically through a series of conferences and cultural events and by awarding a civil society prize.

On an internal level, the Committee continued to implement its 2003-2005 medium-term development plan in accordance with several lines of action:

- improving the service provided to members by cultivating a genuine partnership;
- continuing the implementation of modern working methods with the active support of the entire staff, whilst maintaining quality of life at work;
- strengthening interinstitutional cooperation and developing activities to make it more open and visible externally;
- implementing an ambitious and dynamic communication policy.

It should also be noted that in many sectors, a number of activities were achieved which were not foreseen at the start of the year.

Title I (Staff costs): this budget heading is mainly highlighted by the delays in recruitment of enlargement related staff. As a consequence, the budget implementation showed less significant expenditure for mission costs; staff training, etc. One also notes the costs relating to contract staff. Given that the budget for contract staff was drawn up for the first time for the 2005 financial year, the need was over estimated by 48%. This under-use can be explained in part by the application of guidelines requiring a minimum recruitment period of three months, and partly by the additional administrative work involved in recruiting contract as opposed to auxiliary.

2005 was also marked by a change in policy as regards compensation for overtime. Moreover, the demand for translations was much lower than in 2004.

Title II (Operational expenditure) : notably building policy, at 31.12.2005, the EESC and the Committee of the Regions together had 5 buildings under long term leases (Rue Montoyer 92-102; Rue Belliard 68-72 and 103-11; Rue de Trèves 74 and Rue Belliard 93). Following the new accounting rules, the balance sheet was recalculated at 1 January 2005. The net values of the buildings were decreased because the future variable price index addition to payments no longer added to the net present value. At the same time, the net value of Rue de Trèves, EUR 10 396 943 was added as the contract was signed in 2004.

In parallel, on 2 December 2005, a new long lease was signed jointly by the EESC and the Committee of the Regions concerning the “Rue Belliard 93” building. The EESC’s share, which is 50%, amounts to EUR 5 736 656 and is recorded in the EESC balance sheet from 31 December 2005 onwards.

The continuation of interinstitutional cooperation should also be noted. Pursuant to a cooperation agreement concluded with the Committee of the Regions, the agreements on invoicing between the committees has been simplified the management of appropriations and the settlement of bills.

For further details concerning the Economic and Social Committee’s budget in 2005, please refer to the annexed detailed analysis of expenditure.