

European Communities

EUROPEAN PARLIAMENT

Working Documents

1983-1984

24 October 1983

DOCUMENT 1-897/83

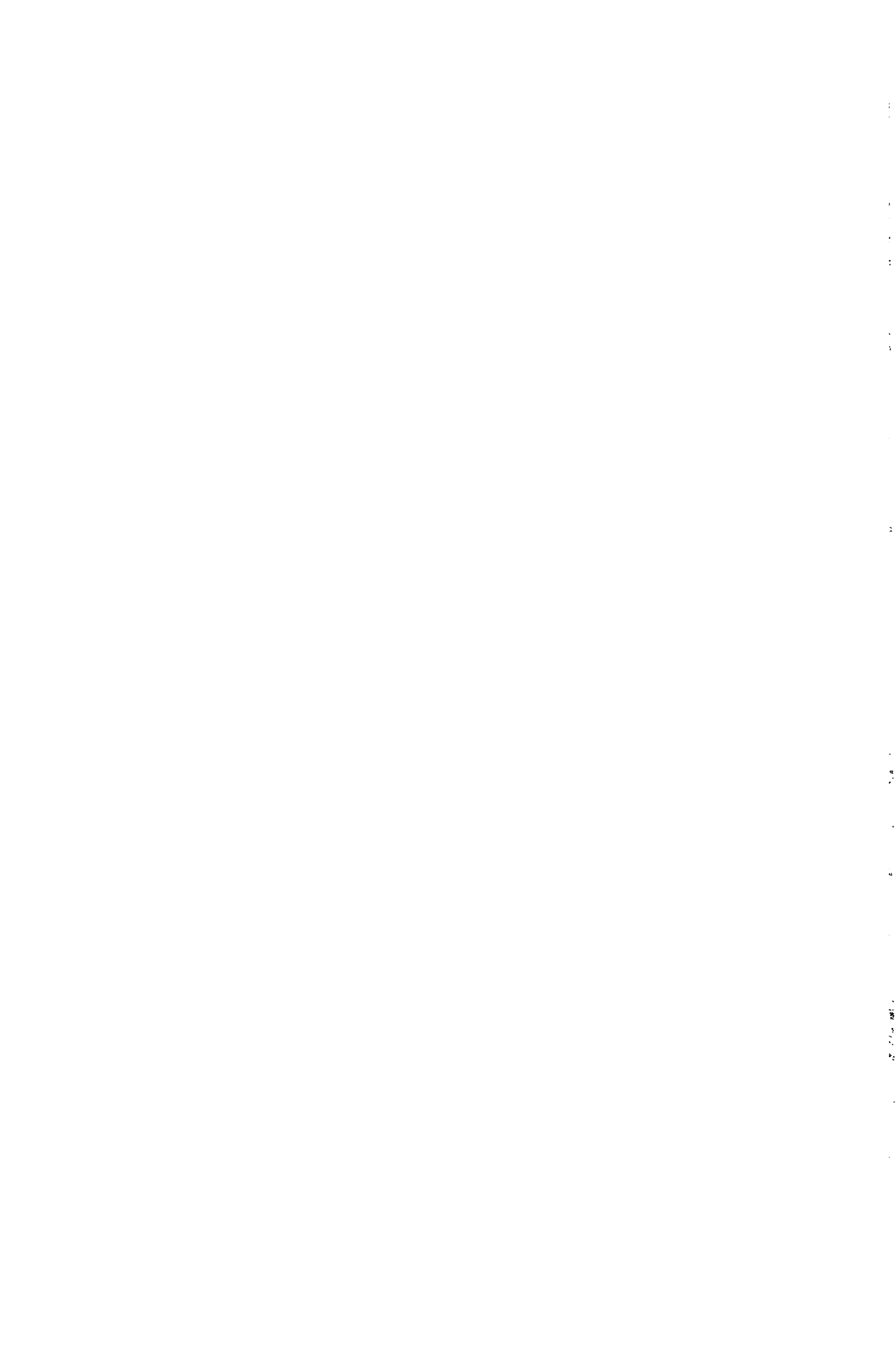
Report

drawn up on behalf of the Committee on Budgets

on ANNEX I (Economic and Social Committee) to
Section II - COUNCIL - of the draft general
budget of the European Communities for the
financial year 1984 (Doc. 1-800/83)

Rapporteur: Mr G. PFENNIG

PE 86.764/fin.



On 29 November 1982 the Committee on Budgets appointed Mr PFENNIG rapporteur on Section II - Council - Annex I (Economic and Social Committee) of the draft general budget of the European Communities for the financial year 1984.

At its meeting of 17 October 1983 the Committee on Budgets considered the attached draft amendments and adopted them.

At the same meeting it also adopted the following motion for a resolution by 15 votes to 2 with one abstention.

The following were present at the time of the vote: Mr Lange, chairman; Mr Notenboom, first vice-chairman; Mrs Barbarella, second vice-chairman; Mr Pfennig, rapporteur; Mr Adonnino, Mr Arndt, Mr Balfour, Mr Barbagli, Lord Douro, Mrs Hoff, Mr Kellett-Bowman, Mr Langes, Mrs Nebout, Mr Newton Dunn, Mr Kalliopi Nikolaou, Mr O'Mahony, Mr Saby and Mr Simonnet.

The report was tabled on 19 October 1983.

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Annex: Draft amendments No. 484, 485, 486, 487 and 488

The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on Annex I (Economic and Social Committee) to Section II 'Council' of the draft general budget of the European Communities for the financial year 1984

The European Parliament,

- having regard to the draft general budget for the financial year 1984 drawn up by the Council, Section II - Council - Annex (Economic and Social Committee) and the accompanying explanatory memorandum (Doc. 1-800/83),
 - having regard to the report of the Committee on Budgets (Doc. 1-897/83),
- A. whereas the policy of budgetary stringency being pursued at national and European level makes it necessary to economize to the utmost on administrative expenditure in all Community institutions without, however, preventing them from exercising their responsibilities under the Treaty,
- B. whereas for similar reasons there should be no increase in staff in general but only in exceptional cases for specialist staff of one kind or another,
- C. having regard to the unspent appropriations in all Community institutions in previous financial years,
1. Accepts and, following intensive consideration and talks with the appropriate bodies in the institution concerned, endorses the cuts made by the Council to the preliminary draft budget of the Economic and Social Committee;
 2. Retains therefore the overall appropriations for the budget proposed by the Council of 24,910,300 ECU;

3. Decides to increase the list of posts in the Economic and Social Committee by the minimum of specialist staff needed, namely two additional posts (1 B 3, 1 C 1); decides further in accordance with the amendments adopted by Parliament to provide 4 conversions of posts for this institution; points out, however, that this minimal increase in staff and conversion of posts involves no increase in overall expenditure in the budget for 1984 because of corresponding reductions in other items of the budget;
4. Calls on the Economic and Social Committee to incorporate in the remarks column the structure of the breakdown of certain budget lines introduced by means of a blanket amendment applicable to all the institutions and to inform the budgetary authority in time for the final reading of the corresponding breakdown of appropriations;
5. Calls on the Economic and Social Committee when drawing up its budget in future to apply the gross principle, i.e. to proceed in such a way that re-useable revenue is not set off against expenditure but shown in the revenue section of the budget;
6. Calls on the Economic and Social Committee to make all the budget documents available to Parliament at the same time as they are forwarded to the Council, together with expenditure and staffing situation reports as at 31 August of each financial year, and points out that it will not in future accept the ESC budget in the absence thereof;
7. Amends slightly the draft budget and the establishment plan of the Economic and Social Committee.

EXPLANATORY STATEMENT1. General considerations

Over recent years the total budget appropriations for the Economic and Social Committees have increased as follows:

from 1980 to 1981	6.8%
from 1981 to 1982	10%
from 1982 to 1983	1.2%
Planned increase from 1983 to 1984 (preliminary draft 8%)	5.2%

Against this it will be noted that in 1980, 1981 and 1982 the shortfall on expenditure was between 1.4 m ECU (in 1980) and 2.7 m ECU (in 1982).

As a percentage this represents surplus appropriations

in 1980 of approx. 7%
in 1981 of approx. 12%
in 1982 of approx. 12%.

2. Appropriations by the Council

The Economic and Social Committee proposed for its preliminary draft budget, appropriations of 25,566,400 ECU representing an increase over the previous financial year of 8%.

In its negotiations with the Economic and Social Committee when preparing the draft, the Council reduced this amount to 24,910,300 ECU giving an increase in the budget over the previous year of 5.2%.

It cannot be denied that the cuts across the board by the Council of 3.5% in Chapter 11 and of 4% in Chapter 12 are the highest in relative terms compared with other institutions, as the average rate of non-expenditure by the Economic and Social Committee of budget appropriations in these chapters in the period 1979 to 1982 was the lowest (6% in Chapter 11 and 7% in Chapter 12). Only experience will show whether these general cuts have been too severe.

The Council has, however, made no changes to Chapters 20 et seq., so that in some cases there remain considerable increases compared with 1982 expenditure.

3. Investigations by the rapporteur

In exhaustive talks with the appropriate bodies in the Economic and Social Committee, your rapporteur discussed at length the Council reductions and possible additional cuts. He came to the conclusion that there should be no further cuts in appropriations nor any increases. He therefore does not propose any reinstatement of the amounts cut by the Council in Chapters 11 and 12 and points out that if the appropriations really prove inadequate, transfers of appropriations from Chapters 20 et seq. would be possible in an emergency.

It is important to point out in this context, however, that the method of across the board cuts is unjustified and should be avoided in future.

As far as the contingency reserve is concerned, your rapporteur believes that all the institutions should cancel this item (as Parliament has already done). Instead it is suggested that the same level of appropriations should be provided in Chapter 100 for Chapter 12.

4. The establishment plan

Your rapporteur has also been cautious in his response to the Economic and Social Committee's wishes as regards staff recruitment, although the Economic and Social Committee's establishment plan is relatively well occupied. The only proposals are one B post for the introduction of new office technology and an additional C post for that section of the administration dealing with studies.

The proposals for 4 regradings of posts are primarily justified in terms of changes and improvements to organization and will at the same time offer qualified officials an opportunity for promotion, which will apply equally to all nationalities.

Your rapporteur wishes to point out once more that the two new posts and regrading of posts involve no additional costs for 1984 over the expenditure set out in the draft budget. They are covered by appropriate draft amendments for cuts in individual items and articles, in particular Article 270 'Official Journal', plus a slight increase in revenue.

5. Coordination of the procedure for scrutiny and standardization of the remarks in the budgets of the various institutions

The Committee on Budgets regretted that the Council had provided so few justifications and so little information on its draft to make it easier for the other branch of the budgetary authority to appreciate the Council's actions. It expects therefore that in future it will receive as a matter of course all documents produced in the extensive consultation between the Council and the Economic and Social Committee when drawing up the draft budget and that there will be extensive comment and justification for the allocation of appropriations to each budget heading.

Moreover, in considering the various draft budgets, your rapporteur has noticed good examples of classification of individual budget items in one institution or the other which should be adopted in the remarks by all institutions. An appropriate general draft amendment to this effect has been submitted.

As regards various items in which the remarks refer to estimates of re-useable revenue, your rapporteur believes that it is not desirable for this revenue to be separated from the budget and spent again. Instead he believes that, as in the case of Parliament's budget, what is known as the 'gross principle' should be employed, i.e. that re-useable revenue should no longer be set off against expenditure but appear in the revenue section of the budget.

6. Conclusions

The proposals of the Committee on Budgets may be summarized as follows,

- the draft budget drawn up by the Council should be retained as regards the level of appropriations,
- the establishment plan should be increased by 2 posts (1 B 3, 1 C 1) and 4 posts should be upgraded (1 A 5 to A 4, 1 B 4 to B 2, 1 C 2 to BS 5, 1 C 3 to C 2), without this having any effect on the overall level of the existing draft budget,
- the amounts in individual items of the budget should be broken down in a standardized manner in the remarks for all institutions to provide better transparency of the budget,
- the contingency reserve (in Chapter 101) should be deleted and the resources transferred to Chapter 100 - Provisional Appropriations.

Decisions of the Committee on Budgets of 17 October 1983

- The Committee on Budgets unanimously adopted the draft amendment concerning the breakdown of certain articles and items in the remarks.
- The amendment creating 1 B 3 post and 1 C 1 post (no financial implications) was adopted by 15 votes to 7.
- The amendment upgrading 6 posts was adopted only partially (13 votes to 6): the upgrading of 1 A 6 to 1 A 2 was rejected by 8 votes to 11, the upgrading of 1 A 3 to 1 A 2 ad personam was rejected by 9 votes to 12 with one abstention.
- The amendment to Item 2940 'Research and study grants' was adopted by 13 votes to one.
- The amendment to Chapter 100 in connection with the deletion of the appropriations in Chapter 101 was adopted with 10 votes in favour and 4 abstentions.

DRAFT AMENDMENT

E U R O P E A N P A R L I A M E N T

19 October 1983

Doc. 1-800/484

DRAFT
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1984

DRAFT AMENDMENT No. 484

tabled by Mr PFENNIG, rapporteur, on behalf of the Committee on Budgets

SECTION II - COUNCIL - Annex I - Economic and Social Committee

A - Expenditure

-

B - Compensation

-

C - Revenue

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REMARKS

The remarks relating to the items listed in the annex should be supplemented - if this has not already been done - by breaking down a number of 'global items' to show the individual amounts or the appropriate indications.

Justification

In the budgets of some of the institutions, the breakdown of appropriations or other items of information are shown in such an exemplary fashion that all of the other institutions should proceed in the same manner. They help to achieve greater budget transparency by introducing, for instance, the same requirements as far as the replacement life of office machinery or furniture is concerned.

Standard remarks to be incorporated in the budgets of the
institutions, followed by the appropriate figures

- Item 1100 Basic salaries ECU
 Breakdown of appropriations into:
 posts that are filled (number, amount of
 appropriation)
 vacant posts (previous budget years)
 vacant posts (current budget year)
 posts planned for 1984
- Article 115 Overtime
 Breakdown of overtime and allowances with
 indication of the reasons for payment
- Article 140 Restaurants and canteens
 Exact breakdown of expenditure, e.g.:
 - Staff costs
 - Equipment renewal and normal maintenance
 costs
 - Procurement of additional equipment
- Item 2000 Rentals
 Exact breakdown of rent and tax payments for
 individual buildings, rooms, store rooms,
 parking space, etc.
- Article 202 Water, gas, electricity and heating
 - Water ECU
 - Electricity ECU
 - Heating ECU
- Article 203 Cleaning and maintenance
 e.g. - Cleaning of offices
 - Technical equipment
 - Maintenance of lifts
 - Maintenance of air-conditioning units
 - Painting
- Article 204 Fitting out of premises
 following work:
- Item 2201 Replacement of office machinery
 - Typewriters which have been in service
 for at least 10 years
 - Calculators which have been in service
 for at least 8 years
 - Dictaphones which have been in service
 for at least 8 years
- Item 2211 Replacement of furniture
 Appropriations for the replacement of part
 of the furniture which has been in service
 for at least 15 years and which is no longer
 repairable as well as special items of
 furniture for archives

Item 2220	New purchases of technical equipment and installations exact breakdown of use of appropriations	ECU
Item 2221	Replacements exact indication of the equipment that needs replacing	
Item 2222	Hire of technical equipment and installations exact details of the items rented, e.g. - Photocopying machines - Telecopiers - Telephone system Word-processing machines, etc.	
Article 230	Stationery and office supplies exact breakdown of expenditure, e.g. - Offset paper - Writing and office material - Material required for postage - Photocopying costs - Printing costs	
Item 2311	Telephone calls, telegrams, telex This item should show the fixed costs of telephone rental and the charges for communications as well as for telegraph and telex communications The appropriation also covers: - The costs of the telephone maintenance contract - The telex maintenance contract - The rental of telephone lines - The rental of telephone cross connections for terminals Reusable revenue amounts to	

DRAFT AMENDMENT

E U R O P E A N P A R L I A M E N T

17 October 1983

Doc. 1-800/485

DRAFT
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1984

DRAFT AMENDMENT No. 485

tabled by Mr PFENNIG, rapporteur, on behalf of the Committee on Budgets

SECTION II - COUNCIL - Annex I - Economic and Social Committee

LIST OF POSTS

Amend the list of posts as follows:

Creation of posts: 1 B 3
 1 C 1

A - Expenditure

Increase expenditure (Chapters 11 and 12) by 30,000 ECU according to the attached breakdown

B - Compensation

Reduce Article 120 by 5,000 ECU
Reduce Article 270 by 20,000 ECU
Reduce Item 2710 by 5,000 ECU

C - Revenue

Increase revenue in Chapter 40 by 4,000 ECU according to the attached breakdown.

Justification

These two new posts are intended to satisfy the most urgent priorities of the Economic and Social Committee. The B 3 post is required to meet the needs arising from the introduction of new document production techniques. The C 1 post corresponds to the need to improve the functioning of certain units - and, in the immediate future, of one of these units - where staff numbers have remained stable for several years despite a considerable increase in their tasks (Personnel, Study and Research and Financial Control Divisions).

BUDGETARY IMPLICATIONS

LINE	HEADING	ECU
<u>EXPENDITURE</u>		
1100	Basic salaries	21,000
1101	Family allowances	2,000
1102	Expatriation allowances	3,000
1103	Secretarial allowances	500
1130	Insurance against sickness	500
1131	Insurance against accidents	100
1141	Travel expenses	500
119	Provisional appropriations	1,000
1221	Installation allowances	1,000
124	Daily allowances	400
TOTAL EXPENDITURE		30,000
<u>REVENUE</u>		
400	Taxation	2,000
401	Pensions	1,500
402	Levy	500
TOTAL REVENUE		4,000
NET IMPLICATIONS		26,000

EUROPEAN PARLIAMENT

17 October 1983
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Doc. 1-800/486

DRAFT
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1984

DRAFT AMENDMENT No. 486.

tabled by Mr PFENNIG, rapporteur, on behalf of the Committee on Budgets

SECTION II - COUNCIL - Annex I - Economic and Social committee

LIST OF POSTS

Amend the list of posts as follows:

Upgrading of posts: 1 A 5 to A 4
 1 B 4 to B 2
 1 C 3 to C 2
 1 C 2 to BS 5

A - EXPENDITURE

Increase expenditure (Chapters 11 and 12) by 52,000 ECU according to the attached breakdown

B - COMPENSATION

Reduce Article 120 by 3,000 ECU
Reduce Article 270 by 49,000 ECU

C - REVENUE

Increase revenue in Chapter 40 by 9,000 ECU according to the attached breakdown

Justification

The conversions result from the need to upgrade certain posts because of the increased responsibility and the additional requirements and specific functions entailed by the introduction of new document production techniques.

ANNEX

BUDGETARY IMPLICATIONS

<u>LINE</u>	<u>HEADING</u>	<u>ECU</u>
<u>EXPENDITURE</u>		
1100	Basic salaries	40,000
1101	Family allowances	4,000
1102	Expatriation allowances	5,000
1130	Insurance against sickness	1,000
119	Provisional appropriations	2,000
TOTAL EXPENDITURE		52,000
<u>REVENUE</u>		
400	Taxation	5,000
401	Pensions	3,000
402	Levy	1,000
TOTAL REVENUE		9,000
NET IMPLICATIONS		43,000

DRAFT AMENDMENT

E U R O P E A N P A R L I A M E N T

17 October 1983

Doc. 1-800/487

DRAFT
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1984

DRAFT AMENDMENT No. 487

tabled by Mr PFENNIG, rapporteur, on behalf of the Committee on Budgets

SECTION II - COUNCIL - Annex I - Economic and Social Committee

Item 2940 - Research and study grants

A - Expenditure

Increase expenditure by 2,000 ECU

B - Compensation

Reduce expenditure under Article 141 by 2,000 ECU

C - Revenue

-

REMARKS

This appropriation should make it possible to contribute on a limited scale to the realization of research projects in the fields of activity of the Economic and Social Committee which are of particular interest for European integration.



DRAFT AMENDMENT

E U R O P E A N P A R L I A M E N T

19 October 1983

Doc. 1-800/488

DRAFT
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1984

DRAFT AMENDMENT No. 488

tabled by Mr PFENNIG, rapporteur, on behalf of the Committee on Budgets

SECTION II - COUNCIL - Annex I: Economic and Social Committee

Chapter 100 - Provisional appropriations

PAYMENTS

A - Expenditure

Increase the appropriations in Chapter 100 by 45,000 ECU (from 0 to 45,000)

B - Compensation

Reduce the appropriations in Chapter 101 - Contingency reserve - by the same amount

C - Revenue

-

REMARKS

Provision should be made for increased expenditure for the following chapter and article:

- Chapter 12: Allowances and expenses on entering and leaving the service and on transfer - 30,000 ECU
- Article 202: Water, gas, electricity and heating, 15,000 ECU

Justification

In principle, a contingency reserve should no longer figure in the budget of any of the Institutions, but specific mention should be made of possible needs for contingency appropriations.

The earmarking of part of the appropriation for Chapter 12 can be justified by the fact that the Council has applied an additional and excessive across-the-board reduction of 4%

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