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COMMISSION OF THE EUROPEAN COMMUNITIES

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**PRELIMINARY DRAFT AMENDING BUDGET No 9  
TO THE GENERAL BUDGET 2008**

**STATEMENT OF EXPENDITURE BY SECTION  
Section VI – European Economic and Social Committee**

(presented by the Commission)

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Section VI – European Economic and Social Committee**

Having regard to:

- the Treaty establishing the European Community, and in particular Article 272 thereof,
- the Treaty establishing the European Atomic Energy Community, and in particular Article 177 thereof,
- Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>1</sup>, as last amended by Council Regulation (EC) No 1525/2007<sup>2</sup>, and in particular Article 37 thereof,

the European Commission hereby presents to the budgetary authority the Preliminary Draft Amending Budget No 9 to the 2008 budget.

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<sup>1</sup> OJ L 248, 16.9.2002, p. 1.

<sup>2</sup> OJ L 343, 27.12.2007, p. 9.

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### **CHANGES TO THE STATEMENT OF REVENUE AND EXPENDITURE BY SECTION**

The changes to the general statement of revenue and to the statement of revenue and expenditure by section are being forwarded separately via the SEI-BUD system. An English version of the changes to the general statement of revenue and to statement of revenue and expenditure by section is attached for information as a budgetary annex.

## **1. INTRODUCTION**

Preliminary Draft Amending Budget (PDAB) No 9 for the year 2008 concerns only the European Economic and Social Committee (EESC) and covers the budgetary adjustments resulting from the fact that the increase in salaries and pensions was lower than that used as a basis for drawing up the 2008 preliminary draft.

## **2. PURPOSE OF THE REQUEST**

The Preliminary Draft Budget (PDB) for 2008 presented by the EESC was based on an estimate of a 2.2% increase for pay and pensions (Commission memo of 14 February 2007).

On 17 December 2007 the Council, acting on a Commission proposal, adopted Regulation No 1558/2007 increasing with effect from 1 July 2007 the remuneration and pensions of officials and other servants of the European Communities by 1%. This is the increase that was applied to pay and pensions in 2007.

However, after the submission of the Commission proposal to the Council, Italy communicated new data concerning the increase in the remuneration of its civil servants with effect from 1 February 2007. Therefore the Commission presented a revised proposal increasing pay and pensions by a further 0.4% with effect from 1 July 2007.

The consequence for 2008 is that appropriations for pay and pensions can be reduced by about 0.6%. This is the result of two technical adjustments:

- the reduction of pay and pensions expenditure by about 0.8% due to the difference between the 2.2% estimated increase and the 1.4% actual increase;
- the increase of pay and pensions expenditure by about 0.2% due to the one-off backdated payment of 0.4% for the last six months of 2007.

## **3. IMPACT ON THE BUDGET**

According to the EESC's estimates, the impact on the budget resulting from the adjustment of salaries will come to €318 262 in expenditure and €48 265 in revenue. The effect on pensions is reflected in the Commission budget and has already been adjusted in amending budget No 3.<sup>3</sup> Only the indirect effect on revenue (contributions to the pension scheme) is contained in this PDAB for the EESC. The breakdown is shown in the table below.

- The 0.8% reduction in expenditure on remunerations comes to €430 648
- The 0.2% increase in expenditure on remunerations comes to €12 386.

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<sup>3</sup> OJ L 208, 5.8.2008, p. 2.

**PROPOSAL FOR AN AMENDING BUDGET FOR THE EESC**

**2008 – non-compulsory expenditure\***

| Article                                 | Initial appropriation incl. transfers | Commitments entered into | Payments   | Appropriations available for commitments | PDAB            | Appropriations available after PDAB |
|---|---------------------------------------|--------------------------|------------|--|-----------------|-------------------------------------|
| 120 Remuneration and other entitlements | 57 708 841                            | 55 775 000               | 32 477 242 | 1 933 841                                | -294 885        | 1 638 956                           |
| 129 Provisional appropriation           | 883 902                               | 0                        | 0          | 883 902                                  | -7 054          | 876 848                             |
| 140 Other staff and externals           | 2 415 274                             | 2 131 802                | 1 261 276  | 283 472                                  | -16 323         | 267 149                             |
|   |                                       |                          |            | <b>TOTAL</b>                             | <b>-318 262</b> |                                     |

\* (Budgetary situation at 16/07/2008)

**2008 - Revenue**

| Article  | Forecasts for the year | Amounts received | PDAB           | Forecasts for the year after PDAB |
|--|------------------------|------------------|----------------|-----------------------------------|
| 400 Proceeds from taxation on the salaries, wages and allowances of Members of the institution, officials, other servants and recipients of pensions | 4 257 886              | 2 248 294        | -21 289        | 4 236 597                         |
| 404 Proceeds from the special levy on the salaries of Members of the institutions, officials and other servants in active employment                 | 544 034                | 289 739          | -2 721         | 541 313                           |
| 410 Staff contributions to the pension scheme  | 4 851 062              | 2 660 863        | -24 255        | 4 826 807                         |
|  |                        | <b>TOTAL</b>     | <b>-48 265</b> |                                   |

**SUMMARY TABLE BY HEADING OF THE FINANCIAL FRAMEWORK**

| Financial framework<br>Heading/subheading                  | 2008 Financial framework |                        | Budget 2008 (incl. AB 1-5/2008 and PDAB 6-8/2008) |                        | PDAB 9/2008     |                 | Budget 2008 + AB 1-5/2008 and PDAB 6-9/2008 |                        |
|--|--------------------------|------------------------|---|------------------------|-----------------|-----------------|---|------------------------|
|  | CA                       | PA                     | CA  | PA                     | CA              | PA              | CA  | PA                     |
| <b>1. SUSTAINABLE GROWTH</b>                               |                          |                        |   |                        |                 |                 |   |                        |
| 1a. Competitiveness for growth and employment              | 10 386 000 000           |                        | 11 086 000 000                                    | 9 768 739 600          |                 |                 | 11 086 000 000                              | 9 768 739 600          |
| 1b. Cohesion for growth and employment                     | 47 267 000 000           |                        | 47 255 948 720                                    | 40 538 785 026         |                 |                 | 47 255 948 720                              | 40 538 785 026         |
| <b>Total Margin<sup>4</sup></b>                            | <b>57 653 000 000</b>    |                        | <b>58 341 948 720</b>                             | <b>50 307 524 626</b>  |                 |                 | <b>58 341 948 720</b>                       | <b>50 307 524 626</b>  |
|  |                          |                        | -188 948 720                                      |                        |                 |                 | -188 948 720                                |                        |
| <b>2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES</b> |                          |                        |   |                        |                 |                 |   |                        |
| Of which market related expenditure and direct payments    | 46 217 000 000           |                        | 41 006 490 000                                    | 40 889 550 500         |                 |                 | 41 006 490 000                              | 40 889 550 500         |
| <b>Total Margin</b>  | <b>59 193 000 000</b>    |                        | <b>55 564 715 538</b>                             | <b>53 241 270 053</b>  |                 |                 | <b>55 564 715 538</b>                       | <b>53 241 270 053</b>  |
|  |                          |                        | 3 628 284 462                                     |                        |                 |                 | 3 628 284 462                               |                        |
| <b>3. CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE</b>       |                          |                        |   |                        |                 |                 |   |                        |
| 3a. Freedom, Security and Justice                          | 747 000 000              |                        | 7 30 274 000                                      | 533 196 000            |                 |                 | 730 274 000                                 | 533 196 000            |
| 3b. Citizenship  | 615 000 000              |                        | 888 034 197                                       | 981 444 203            |                 |                 | 888 034 197                                 | 981 444 203            |
| <b>Total Margin<sup>5</sup></b>                            | <b>1 362 000 000</b>     |                        | <b>1 618 308 197</b>                              | <b>1 514 640 203</b>   |                 |                 | <b>1 618 308 197</b>                        | <b>1 514 640 203</b>   |
|  |                          |                        | 16 883 000  |                        |                 |                 | 16 883 000                                  |                        |
| <b>4. EU AS A GLOBAL PLAYER<sup>6</sup></b>                | <b>7 002 000 000</b>     |                        | <b>7 311 218 000</b>                              | <b>8 112 728 400</b>   |                 |                 | <b>7 311 218 000</b>                        | <b>8 112 728 400</b>   |
| <b>Margin</b>  |                          |                        | -70 000 000                                       |                        |                 |                 | -70 000 000                                 |                        |
| <b>5. ADMINISTRATION<sup>7</sup></b>                       | <b>7 380 000 000</b>     |                        | <b>7 279 525 455</b>                              | <b>7 280 085 455</b>   | <b>-318 262</b> | <b>-318 262</b> | <b>7 279 207 193</b>                        | <b>7 279 767 193</b>   |
| <b>Margin</b>  |                          |                        | 177 474 545                                       |                        |                 |                 | 177 792 807                                 |                        |
| <b>6. COMPENSATION</b>                                     | <b>207 000 000</b>       |                        | <b>206 636 292</b>                                | <b>206 636 292</b>     |                 |                 | <b>206 636 292</b>                          | <b>206 636 292</b>     |
| <b>Margin</b>  |                          |                        | 363 708   |                        |                 |                 | 363 708                                     |                        |
| <b>TOTAL Margin</b>  | <b>132 797 000 000</b>   | <b>129 681 000 000</b> | <b>130 322 352 202</b>                            | <b>120 662 885 029</b> | <b>-318 262</b> | <b>-318 262</b> | <b>130 322 033 940</b>                      | <b>120 662 566 767</b> |
|  |                          |                        | 3 564 056 995                                     | 9 573 450 956          |                 |                 | 3 564 375 257                               | 9 573 769 218          |

<sup>4</sup> The European Globalisation Adjustment Fund (EGF) is not included in the calculation of the margin under Heading 1a. The Flexibility Instrument has been mobilised for an amount of EUR 200 million.

<sup>5</sup> The European Union Solidarity Fund (EUSF) amount is entered over and above the relevant headings as foreseen by the IIA of 17 May 2006 (OJ C 139 of 14.6.2006).

<sup>6</sup> The 2008 margin for heading 4 does not take into account the appropriations related to the Emergency Aid Reserve. The Flexibility Instrument has been mobilised for an amount of EUR 70 million.

<sup>7</sup> For calculating the margin under the ceiling for heading 5, account is taken of the footnote (1) of the financial framework 2007-2013 for an amount of EUR 77 million for the staff contributions to the pensions scheme.