

Bruxelles, 7. listopada 2022.
(OR. en)

13320/22

FIN 1045

POP RATNA BILJEŠKA

Od: Johannes HAHN, član Europske komisije
Datum primitka: 7. listopada 2022.
Za: Jiří GEORGIEV, predsjednik Vijeća Europske unije
Predmet: Prijenos odobrenih sredstava br. DEC 21/2022 u okviru dijela III. –
Komisija – općeg proračuna za 2022.

Delegations will find attached Commission document DEC 21/2022.

Encl.: DEC 21/2022



BRUSSELS,

GENERAL BUDGET - 2022
SECTION III - COMMISSION TITLE: 20

TRANSFER OF APPROPRIATIONS N° **DEC 21/2022**

FROM

CHAPTER - 2002 Other staff and expenditure relating to persons

ITEM - 20 02 06 01 Mission and representation expenses	Non-Diff	-4 383 089,00
ITEM - 20 02 06 02 Meetings, expert groups and conference's expenses	Non-Diff	-4 571 492,00
ITEM - 20 02 06 03 Meetings of committees	Non-Diff	-1 745 419,00

TO

CHAPTER - 2001 Members, officials and temporary staff

ITEM - 20 01 02 01 Remuneration and allowances -- Headquarters and Representation offices	Non-Diff	4 300 000,00
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CHAPTER - 2003 Administrative Operating expenditure

ITEM - 20 03 12 01 Technical equipment and services for the Commission conference rooms	Non-Diff	4 400 000,00
ITEM - 20 03 13 01 Translation expenditure	Non-Diff	2 000 000,00

I. DECREASE

I.1

a) Heading

20 02 06 01 - Mission and representation expenses

b) Figures at 03/10/2022

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	44 731 640,00
2 Transfers	1 612 229,00
3 Total appropriations for the year (1+2)	46 343 869,00
4 Appropriations already used	39 478 293,00
5 Appropriations available (3-4)	6 865 576,00
6 Decrease proposed	4 383 089,00
7 Total appropriations up to year end (5-6)	2 482 487,00
8 Decrease as percentage of appropriations in budget (6/1)	9,80 %
9 Decrease, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	1 134 913,60
2 Appropriations available on 03/10/2022	18 836,12
3 Implementation rate [(1-2)/1]	98,34 %

d) Detailed grounds for the decrease

At the moment of the preparation and adoption of the 2022 budget, there was little certainty on the rhythm with which normal mission and representation patterns could resume following the COVID-19 outbreak and related restrictions. There are clear signs of resumption of general activity by the end of the year, and essential missions in certain policies have resumed or even increased in some cases.

However, the current implementation and the prospects until year-end on those budget lines open the possibility to transfer from mission and representation expenses to areas requiring reinforcement.

I.2

a) Heading

20 02 06 02 - Meetings, expert groups and conference's expenses

b) Figures at 03/10/2022

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	17 638 320,00
2 Transfers	-3 838 685,00
3 Total appropriations for the year (1+2)	13 799 635,00
4 Appropriations already used	7 078 259,43
5 Appropriations available (3-4)	6 721 375,57
6 Decrease proposed	4 571 492,00
7 Total appropriations up to year end (5-6)	2 149 883,57
8 Decrease as percentage of appropriations in budget (6/1)	25,92 %
9 Decrease, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	223 745,32
2 Appropriations available on 03/10/2022	56 261,20
3 Implementation rate [(1-2)/1]	74,85 %

d) Detailed grounds for the decrease

At the moment of the preparation and adoption of the 2022 budget, there was little certainty on the rhythm with which physical and/or hybrid meeting and conference patterns could resume following the COVID-19 outbreak and related restrictions. There are clear signs of resumption of general activity this year, and compared to 2021, a higher number of hybrid meetings and conferences have been organised, which led to a greener and less expensive meetings implementation.

However, the current implementation and the prospects until year-end on those budget lines open the possibility to transfer from meetings, expert groups and conferences' expenses to areas requiring reinforcement.

I.3

a) Heading

20 02 06 03 - Meetings of committees

b) Figures at 03/10/2022

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	7 980 000,00
2 Transfers	-2 672 556,00
3 Total appropriations for the year (1+2)	5 307 444,00
4 Appropriations already used	3 048 678,00
5 Appropriations available (3-4)	2 258 766,00
6 Decrease proposed	1 745 419,00
7 Total appropriations up to year end (5-6)	513 347,00
8 Decrease as percentage of appropriations in budget (6/1)	21,87 %
9 Decrease, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	1 405,44
2 Appropriations available on 03/10/2022	904,23
3 Implementation rate [(1-2)/1]	35,66 %

d) Detailed grounds for the decrease

At the moment of the preparation and adoption of the 2022 budget, there was little certainty on the rhythm with which physical and/or hybrid meeting of committees patterns could resume following the COVID-19 outbreak and related restrictions. There are clear signs of resumption of general activity this year, and compared to 2021, a higher number of hybrid meetings of committees have been organised, which led to a greener and less expensive meetings implementation.

However, the current implementation and the prospects until year-end on those budget lines open the possibility to transfer from meetings of committees expenses to areas requiring reinforcement.

II. INCREASE

II.1

a) Heading

20 01 02 01 - Remuneration and allowances -- Headquarters and Representation offices

b) Figures at 03/10/2022

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	2 304 857 000,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	2 304 857 000,00
4 Appropriations already used	2 017 329 000,00
5 Appropriations available (3-4)	287 528 000,00
6 Increase requested	4 300 000,00
7 Total appropriations up to year end (5+6)	291 828 000,00
8 Increase as percentage of appropriations in budget (6/1)	0,19 %
9 Increase, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	31 674 667,86
2 Appropriations available on 03/10/2022	0,00
3 Implementation rate $[(1-2)/1]$	100,00 %

d) Detailed grounds for the increase

The additional appropriations are aimed to cover part of the expected salary update for 2022, in addition to the amount requested in DAB 5/2022 (EUR 11,7 million).

In accordance with articles 64 and 65 of the Staff Regulations, the remuneration of the officials and other servants of the European Union is updated each year, in the light of a report presented by the Commission, based on statistical data prepared by Eurostat in agreement with the national statistical offices of the Member States, reflecting the situation in the Member States at 1 July.

The calculation of the update is based on the principle of parallelism between the evolution of real (net of inflation) remuneration of EU officials and national civil servants of the Member States. It reflects the combined effect of two main variables:

- 1) The annual evolution of real salaries of civil servants in the central governments of a sample of ten Member States representing more than 75 % of the Union GDP.
- 2) Annual inflation in Brussels and Luxembourg calculated by weighting national consumer price inflation as measured by the Belgium HICP and Luxembourg CPI according to the distribution of EU staff serving in those Member States.

In the 2022 budget, the forecasted salary update rate to be applied retroactively as from 1 July 2022 was 2.5 % (six months impact). This rate was calculated by Commission services in November 2021, based on the estimated evolution of the purchasing power and cost of living for the reference period (1.7.2021 - 30.6.2022), according to the method prescribed in the Staff Regulations.

In line with the provisions set out in Annex XI of the Staff Regulations, the Eurostat report for the current exercise will be issued on 31 October, and it will set out the adjustment of the nominal net remuneration of EU officials in Brussels and Luxembourg with effect from July 2022. The adjustment will be necessary to maintain a parallel development of purchasing power with the civil servants in the Member States.

Whereas the Commission report to the Council and the European Parliament will be adopted in November, it is appropriate to review the situation, and, without prejudice to that final report, the probability of a salary update higher than that used to establish the budget 2022 is high. Notably, the published official measure of inflation in Belgium and Luxembourg for the relevant period is significantly higher than originally forecast (8.6 %). At the same time, it is estimated that the purchasing power in the 10 reference Member States will decrease by -3.9 %. Furthermore, according to the latest economic projections, it is estimated that the EU GDP will reach in 2022 the 'pre-crisis' level of 2019, thus triggering the unwinding of the 2020 'suspended' update of the purchasing power of 2.5 %, in line with article 11 of Annex XI of the Staff Regulation. In addition, the intermediate update of salaries and pensions of 2.4 % led to additional expenditure for the first six months of 2022, which had not been included in the 2022 budget.

Since the timing of the report is clearly set out in Annex XI of the Staff Regulations as end October, it seems prudent to already increase the budgetary appropriations related to salaries with a view to cover part of the outstanding needs for salaries for officials and temporary agents until end 2022.

II.2

a) Heading

20 03 12 01 - Technical equipment and services for the Commission conference rooms

b) Figures at 03/10/2022

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	5 000 000,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	5 000 000,00
4 Appropriations already used	3 103 674,50
5 Appropriations available (3-4)	1 896 325,50
6 Increase requested	4 400 000,00
7 Total appropriations up to year end (5+6)	6 296 325,50
8 Increase as percentage of appropriations in budget (6/1)	88,00 %
9 Increase, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	2 358 760,17
2 Appropriations available on 03/10/2022	167,66
3 Implementation rate [(1-2)/1]	99,99 %

d) Detailed grounds for the increase

The Commission is pursuing the roll out of the updated Corporate Strategy for the renovation and management of Commission meeting spaces as approved in late 2021. The requested budget reinforcement of EUR 3,5 million would enable DG SCIC to finance the renovation of a number of meeting spaces for several Commission DGs, thus optimising the use of buildings and allowing for hybrid meetings in all the renovated rooms. This reinforcement will also finance the necessary improvements in the sound quality in the meeting rooms equipped with interpretation facilities in Brussels, in order to align them to the applicable ISO standard requirements for delivering interpretation also through digital platforms, and to hold hybrid meetings with remote participants. Remote interpretation via digital platforms is increasingly used as it reduces the need for travels of interpreters (and the related mission budget), the carbon footprint of the Commission, and the travel costs for participants and delegates.

Moreover, an amount of EUR 650 000 is requested to cover a priority project for the creation of a special 'secure room' in the Berlaymont building in Brussels to be used for sensitive meetings by the President and the members of the College.

Finally, to ensure an enhanced and smooth communication with the citizens and the media there is an urgent need to replace the projectors by a video-wall in the press room in the Berlaymont building in Brussels (EUR 250 000). The urgency of this need is due to the normal life cycle of the current equipment and to the important delays (6-9 months) in the delivery of the new audio-visual equipment.

II.3

a) Heading

20 03 13 01 - Translation expenditure

b) Figures at 03/10/2022

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	13 000 000,00
2 Transfers	3 000 000,00
3 Total appropriations for the year (1+2)	16 000 000,00
4 Appropriations already used	16 000 000,00
5 Appropriations available (3-4)	0,00
6 Increase requested	2 000 000,00
7 Total appropriations up to year end (5+6)	2 000 000,00
8 Increase as percentage of appropriations in budget (6/1)	15,38 %
9 Increase, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	436 851,37
2 Appropriations available on 03/10/2022	0,00
3 Implementation rate [(1-2)/1]	100,00 %

d) Detailed grounds for the increase

The Commission had to adjust its production forecast to 2.7 million pages for 2022. We anticipate that 1.65 million pages out of this total production will be translated internally by DGT (ca 61 %), and only ca 39 % will be outsourced. We are currently facing a 6.8 % unexpected rise in outsourcing prices on top of the already foreseen 2 % increase. This results in an overall growth of 8.8 % on prices for external translation due to the automatic adaptation to a rising inflation rate. Translations are primarily addressed by Commission staff-translators, already delivering at its full capacity - beyond this, translations are outsourced. Currently, the translation of voluminous files is ongoing and new demands are expected, such as the addition of the Recovery and Resilience Facility exercise to the European Semester. The exceptional workload has to be seen in the context of the expected traditional peak of translations demand during the autumn. Existing appropriations for outsourcing of translation are not sufficient to cover the expenditure foreseen until the end of the year requiring a reinforcement of the budget line for external translation of EUR 2 million.