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## REPORT

on the Draft Supplementary and Amending Budget 2/2001 of the European Union for the 2001 financial year  
(7460/2001 - C5-0153/2001 - 2001/2026(BUD))

Section II - Council

Committee on Budgets

Rapporteur: Markus Ferber



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## PROCEDURAL PAGE

In connection with the budgetary procedure for the financial year 2001, the Committee on Budgets appointed Markus Ferber rapporteur at its meeting of 28 July 1999.

The Commission presented the Preliminary Draft Supplementary and Amending Budget 2/2001 of the European Union for the 2001 financial year on 15 March 2001 and forwarded it to Parliament (SEC(2001) 378).

The Council established the Draft Supplementary and Amending Budget 2/2001 of the European Union for the 2001 financial year on 9 April 2001 and forwarded it to the Parliament by letter of 11 April 2001 (7460/2001).

At the sitting of 2 May 2001 the President of Parliament will announce that she had referred the Draft Supplementary and Amending Budget 2/2001 to the Committee on Budgets as the committee responsible and to all committees interested in giving their opinion (C5-0153/2001 - 2001/2026(BUD)).

The committee considered the Draft Supplementary and Amending Budget 2/2001 together with the 'note explicative' of 10 April 2001 presented by the Council and the draft report at its meeting of 25 April 2001.

At this meeting it adopted the motion for a resolution by 25 votes to 2 with no abstentions.

The following were present for the vote: Terence Wynn chairman; Bárbara Dührkop Dührkop vice-chairman; Markus Ferber rapporteur; Ioannis Averoff, Jean-Louis Bourlanges, Kathalijne Maria Buitenweg, Joan Colom i Naval, Carlos Costa Neves, Den Dover, James E.M. Elles, Göran Färm, Salvador Garriga Polledo, Catherine Guy-Quint, Jutta D. Haug, Anne Elisabet Jensen, Wilfried Kuckelkorn, Armin Laschet, John Joseph McCartin, Juan Andrés Naranjo Escobar, Giovanni Pittella, Heide Rühle, Esko Olavi Seppänen (for Chantal Cauquil), Ioannis Souladakis (for Paulo Casaca), Per Stenmarck, Kyösti Tapio Virrankoski, Ralf Walter and Brigitte Wenzel-Perillo.

The opinion of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy is attached.

The report was tabled on 26 April 2001.

The deadline for tabling amendments is noon on 10 May 2001.

## MOTION FOR A RESOLUTION

### **European Parliament resolution on the Draft Supplementary and Amending Budget 2/2001 of the European Union for the 2001 financial year - Section II - Council (7460/2001 - C5-0153/2001 - 2001/2026(BUD))**

*The European Parliament,*

- having regard to Article 272 of the EC Treaty, Article 78 of the ECSC Treaty, and Article 177 of EAEC Treaty,
  - having regard to the Financial Regulation of 21 December 1977 applicable to the general budget of the European Union, as last amended by Regulation (EC, ECSC, Euratom) No 2673/1999<sup>1</sup> of 13 December 1999,
  - having regard to Supplementary and Amending Budget 2/1999, adopted on 23 July 1999,
  - having regard to Supplementary and Amending Budget 2/2000 adopted on 6 July 2000,
  - having regard to the general budget of the European Union for the 2001 financial year, finally adopted on 14 December 2000<sup>2</sup>,
  - having regard to the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure<sup>3</sup>,
  - having regard to the Preliminary Draft Supplementary and Amending Budget 2/2001 of the European Union for the 2001 financial year presented by the Commission on 15 March 2001 (SEC(2001) 378),
  - having regard to the Draft Supplementary and Amending Budget 2/2001, as established by the Council on 9 April 2001 (7460/2001 - C5-0153/2001),
  - having regard to Rule 92 of and Annex IV to its Rules of Procedure,
  - having regard to the 'note explicative' concerning the Draft Supplementary and Amending Budget 2/2001 - Section II - Council, presented by the Council on 10 April 2001,
  - having regard to the report of the Committee on Budgets and the opinion of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy (A5-0138/2001),
- A. whereas the Draft Supplementary and Amending Budget 2/2001 deals with the further development of the common European security and defence policy and with the creation of three directorates within its General Secretariat to set up the structure for crisis management in particular,
- B. whereas the Draft Supplementary and Amending Budget 2/2001 concerns the recruitment

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<sup>1</sup> OJ L 326, 18.12.1999, p.1.

<sup>2</sup> Minutes of sitting of 14 December 2000, item 5 (2001 budget).

<sup>3</sup> OJ C 172, 18.06.1999, p.1.

of 51 staff, daily allowances for seconded national military experts and the purchase of telecommunication and data protection equipment, for which a total amount of € 9 846 000 is needed; whereas through redeployment, local recruitment and secondment of national experts another 90 staff approximately will work in the directorates mentioned,

- C. whereas Article 21 of the Treaty on the European Union foresees that the '*Presidency shall consult Parliament on the main aspects and the basic choices of the common foreign and security policy and shall ensure that the views of the European Parliament are duly taken into consideration*',
- D. whereas it is Parliament's legitimate right to ask for the transparency of Council decisions concerning the common European security and defence policy (ESDP),
- E. whereas the Council has presented a 'note explicative' to the chairman of the Committee on Budgets on 10 April 2001 in which detailed information on and justification for the present Draft Supplementary and Amending Budget are given,
- F. whereas the remaining margin in heading 5 of the financial perspective ('*Administrative expenditure*') is € 34.7 million, and whereas Article 12 of the Interinstitutional Agreement of 6 May 1999<sup>1</sup>, second paragraph requires that '*(...) the institutions will ensure (...) that sufficient margins are left available beneath the ceilings for the various headings*',
1. Welcomes Council's decision to launch with this SAB a new European defence policy but regrets that this policy is not more integrated in the first pillar and fears a possible overlapping of responsibilities and initiatives;
  2. Recalls that the inclusion of administrative expenditure of the CFSP/ESDP in the budget, in accordance with Article 28 of the Treaty on European Union, is the only way of ensuring democratic control over this policy;
  3. Takes note of Council's commitment, during the trialogue of 29 March 2001, to study jointly with Parliament and Commission the long-term effects of new initiatives under heading 5 of the Financial Perspective; considers that the current ceiling of heading 5 should not refrain the Institutions from launching new initiatives (i.e. following the implementation of the Nice Treaty), where justified and appropriate, and that a procedure for the revision of the ceiling is foreseen in the IIA;
  4. Is of the opinion that the Council has not provided in its DSAB 2/2001 the transparency that Parliament considers necessary to judge properly the need for the appropriations requested, but welcomes the Council decision to create in the budget for 2002 a special Title with different chapters for the administrative expenditure related to CFSP/ESDP; notes that all the administrative expenditure related to this sector will be entered in this Title;
  5. Considers, nevertheless, that the Council has presented the required transparency and justification in the aforementioned 'note explicative';
  6. Regrets that this 'note explicative' does not contain a separate establishment plan for the common European security and defence policy; requests that such an establishment plan be

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<sup>1</sup> OJ C 172, 18.06.1999, p. 3

presented together with 2002 estimates of the Council;

7. Urges the Council to guarantee that no overlapping structures in the Council and the Commission will be created, especially concerning tasks of the first pillar, such as crisis prevention and civilian crisis management;
8. Is of the opinion that the further development of the common European security and defence policy risks elbowing out and jeopardising the normal administrative expenditure in heading 5 of the Financial Perspective;
9. Recalls, in any case, that the maximum number of new posts to be allocated to the administrative sector of CFSP/ESDP shall never exceed, in the future, the total number proposed in this SAB, without prior consent of the European Parliament;
10. Notes that the 'gentlemen's agreement' between the Council and the Parliament has up to now concerned 'classic' administrative expenditure; considers that the so-called administrative expenditure that is used to set up and maintain the second (and third) pillar(s) of Community policy has a different status;
11. Insists that the Council should properly implement points 39 and 40 of the Interinstitutional Agreement on budgetary discipline of 6 May 1999, in particular as regards the Council's obligation to send to the European Parliament the financial statement, each time it decides on an action or operation under CFSP/ESDP;
12. Approves the Draft Supplementary and Amending Budget 2/2001 without amendments;
13. Instructs its President to forward this resolution to the Council, to the Commission and to the other institutions concerned.

## EXPLANATORY STATEMENT

### 1. Background

The decisions on how to put in place the Community's security and defence policy were taken by the summits in Helsinki (December 1999), Santa Maria da Feira (June 2000) and Nice (December 2000).

In June 1999 the Secretary-General/High Representative was appointed. SAB 2/1999 was, therefore, adopted to create the post for the Secretary-General/High Representative and his staff. This concerned: 1 permanent non-category post (for the Secretary-General/High Representative), 3 temporary posts (1 A2 T, 1 A3 T and 1 B1 T) and 7 permanent posts (3 A and 4 C). There were no additional appropriations made available as the Council was able to meet the budget requirements within its total budget for 1999 (Report by Mr T. Wynn (A5-0001/99)). The President of the Parliament signed the SAB 2/1999 on 23 July 1999.

SAB 2/2000 was intended to implement the conclusions of the Helsinki European Council, particularly to set up '*interim bodies*' and to strengthen the Council secretariat with military experts on secondment from the Member States. The Council's 2000 budget received the following additional appropriations:

**Table 1: Summary of SAB 2/2000**

Chapter	Heading	Details	Amount
11	Staff in active employment	To pay for the 45 experts as „special advisers“ through Item 1113 of the Council's budget.	471 000
20	Immovable property	For the rent (€ 3,1 million on an annual basis, but for 2000 only 2 months), the refurbishment of the building (€ 3.6 million), and security measures.	5 092 000
22	Movable property	Technical equipment and furniture	1 072 000
<b>Total</b>			<b>6 635 000</b>

SAB 2/2000 was adopted in one single reading at the July part-session and signed by the President of the Parliament on 6 July 2000 (Report by Mr K. Virrankoski A5-0192/2000).

### 2. The Draft Supplementary and Amending Budget 2/2001

The Council is again presenting a Draft Supplementary and Amending Budget and again using the argument that in the last budget procedure the requests set out in the SAB had not been dealt with. The Council is requesting a total of 51 new posts. Other posts needed are made available through redeployment, local recruitment or by secondment of national experts.

The Council is going to set up three directorates within its General Secretariat to implement the common European security and defence policy. These three directorates are:

1. Political Affairs Directorate
2. Operations and Exercises Directorate



### 3. External Action Mechanisms Directorate.

The resulting staff needs can be summarised as follows:

**Table 2: Additional staff to be employed for the European security and defence policy**

Needs	Posts needed	Of which through redeployment, local recruitment or by secondment of national experts	New posts requested
Creation of 3 new directorates in the Council's secretariat	<b>65</b> (39 A, 2 B and 24 C)	<b>42</b> (22 A and 20 C)	<b>23</b> (17 A, 2 B1 and 4 C1)
Additional needs	<b>28</b> (8 A, 14 B and 6 C)		<b>28</b> (8 A, 14 B and 6 C)
Total needs of setting up	<b>93</b> (47 A, 16 B and 30 C)	<b>42</b> (22 A and 20 C)	<b>51</b> (25 A, 16 B and 10 C)

At a meeting between a delegation of the Council and the Parliament on 29 March 2001 the Deputy Secretary-General of the Council explained that, in the three directorates together, about 50 A staff will work, assisted by 17 other staff. For technical assistance another 50 staff are needed. In total about 140 staff will work for the common European security and defence policy.

The DSAB 2/2001 can be summarised as follows:

**Table 3: Summary of DSAB 2/2001**

Article	Heading	Details	Amount
110	Permanent and temporary Staff in active employment	<b>Salaries</b> for the additional permanent and temporary staff	1 604 000
111	Other agents	<b>Salaries</b> for the special advisers	1 105 000
113,114,115, 118 and 119	Other articles in chapter 11 („ <i>Staff in active employment</i> “)	<b>Salary related</b> costs (insurance, allowances and other staff related costs)	688 000
1	<b>Total Title 1 (Staff)</b>		<b>3 447 000</b>
182	Professional training		50 000
221	Furniture		200 000
222	Technical equipment and installations	Security and Communications <b>equipment</b>	2 415 000
235	Other operating expenditure		15 000
241	Telephone, telegraph, telex, television	Purchase of highly secured <b>equipment</b>	400 000
2	<b>Total Title 2 (Buildings, equipment and miscellaneous operating expenditure)</b>		<b>3 030 000</b>
100	Contingency reserve	<b>Daily allowances for the seconded national experts</b>	<b>3 369 000</b>
<b>Total</b>			<b>9 846 000</b>

The Council considers all the appropriations requested are of an administrative nature.

### 3. Appraisal

Parliament is concerned about two issues in particular: transparency and the margin left in heading 5 of the financial perspective.

### **3.1. Transparency**

As far as the first issue is concerned, it should be pointed out that it is now the third year in a row that a supplementary and amending budget has been presented for expenditure related to the common European security and defence policy, but no general overview of the costs of the ESDP or of the staff employed for that policy has yet been presented! It was only at the meeting mentioned above that the delegation of the Committee on Budgets learned that the total number of staff working in the three directorates of the 'politico-military' structure is around 140.

On 29 March 2001 a meeting took place between, on the one hand, a delegation of the Committee on Budgets and the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, and on the other hand, Mr Malmborg, State Secretary (President-in-Office of the Council), and the Deputy Secretary-General of the Council. The Deputy Secretary-General gave a commitment to present an 'informal note' which would provide much more detailed information than the explanatory statement of the DSAB. The delegation made clear that adoption of the DSAB, as presented by the Council in the estimates thereon, would be out of the question due to lack of transparency. The requested information was received on 10 April 2001 and the 'note explicative' reveals the budget structure of the ESDP which will be presented by the Council in its 2002 estimates. The Council will create a Title 3 (*'Expenditure resulting from the performance by the institution of specific tasks'*), containing a chapter 31 (*'Emoluments for the European Union Military Staff set up within the framework of the ESDP and for national experts seconded as part of related activities'*), a chapter 32 (*'Operating expenses of the EUMS within the framework of the ESDP'*), a chapter 33 (*'Specific infrastructure spending relating to implementation of the ESDP'*) and a chapter 34 (*'Costs of meetings and convocation'*). These chapters are sub-divided into articles and items. Together with the amounts per line for the ESDP in the DSAB 2/2001, the amounts per item for the ESDP already in the 2001 budget are also mentioned. In an activity-based budget presentation it is stated that in the 2001 budget the ESDP requires an amount of € 3 099 500 for Title 1 (*'Expenditure relating to persons working with the Institution'*) and an amount of € 7 020 643 for Title 2 (*'Buildings, equipment and miscellaneous operating expenditure'*). Together with the DSAB 2/2001 the total expenditure for the ESDP in the 2001 budget is therefore € 19 966 143.

It is to be regretted that the Council did not present a separate establishment plan for the ESDP, but the rapporteur hopes that the Council's 2002 estimates will contain such an establishment plan. The rapporteur remarks that the Council has presented this 'note explicative' following heavy pressure from the rapporteur and Parliament's delegation. If this information had not been forthcoming the rapporteur would have had no other option but to propose that the Committee on Budgets reject the DSAB 2/2001.

### **3.2. The margin in heading 5**

Another matter, which Parliament considers of key importance, is the fact that the growing expenditure for the ESDP risks elbowing out what could be called the traditional administrative expenditure. The margin in heading 5 is rather small (about € 24 million, after this DSAB), and one has to expect further increases over the coming years as the DSAB takes

only account of the staff costs of a part of the financial year 2001. Moreover, the Commission's additional staff resources resulting from the reform of the Commission will also increase further. It might therefore be useful if the two arms of the budgetary authority, together with the Commission, considered the consequences of the growth of the ESDP policy for the ceiling of heading 5.

### **3.3. The gentlemen's agreement**

Your rapporteur is of the opinion that the expenditure for the ESDP, whether it is considered as operational or administrative, is in any case of a different nature than the normal or traditional administrative expenditure of the institutions. Consequently, the rapporteur is of the opinion that the expenditure for the ESDP does not fall under the gentlemen's agreement between Parliament and the Council not to modify each other's budgets.

### **3.4. Level of recruitment**

A final remark that can be made is that the Council does not follow the normal practice in requesting its new posts. Normally, new posts are created in the lowest grade of a career bracket, so C5, B5 or A7 or A8. In this DSAB the Council asks for new posts on the level of C1, B1 and A7 to A2. It seems likely that the staff to be recruited are very specialised and more senior and therefore the Council may well ask in a couple of years time that those posts be upgraded to provide for an additional career step for these staff. One might wonder whether the Council has not been too generous in its proposals. Moreover, there exists the danger that this recruiting practice will set a dangerous and expensive precedent for future recruitments in the ESDP and maybe also other policy areas.

## **4. Conclusion**

The rapporteur is of the opinion that the Parliament can accept the present DSAB 2/2001 because the transparency necessary to evaluate the requested appropriations was given in the additional 'note explicative'. This 'note explicative' was presented following heavy pressure of the rapporteur and the delegation as mentioned in paragraph 3.1.

Nevertheless, the Parliament is concerned by the elbowing out of the normal administrative expenditure in heading 5 by expenditure for the common European Security And Defence Policy which has so far grown annually.

The rapporteur is also of the opinion that the gentlemen's agreement between the Council and the Parliament not to modify each other's budgets can only apply to normal administrative expenditure, but not to expenditure for the common European Security And Defence Policy.

23 April 2001

**OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS, HUMAN RIGHTS,  
COMMON SECURITY AND DEFENCE POLICY**

for the Committee on Budgets

on the Supplementary and Amending Budget 2/2001 of the European Union for the 2001 financial year  
(7460/2001 - C5-0153/2001 - 2001/2026(BUD))

Draftsman: Bertel Haarder

**PROCEDURE**

The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy appointed Mr Bertel Haarder draftsman at its meeting of 27 February 2001.

It considered the draft opinion at its meetings of 27 February, 19 March and 23 April 2001.

At the latter it adopted the following conclusions by 23 votes in favour, with 1 abstention and 1 vote against. The following were present for the vote: Elmar Brok, chairman; William Newton Dunn, second vice-chairman; Bertel Haarder, draftsman; Alexandros Alavanos (for Efstratios Korakas), Alexandros Baltas, Bastiaan Belder, John Walls Cushman, Michael Gahler, Vasco Graça Moura (for Jas Gawronski), Klaus Hänsch, Glenys E. Kinnock (for Linda McAvan), Jan Joost Lagendijk, Alain Lamassoure, Armin Laschet (for Hans-Gert Poettering), Hanja Maij-Weggen (for Arie Oostlander), Philippe Morillon, Jacques F. Poos, Luís Queiró, Ioannis Soulidakis, Ursula Stenzel, Hannes Swoboda, Gary Titley, Geoffrey Van Orden, Demetrio Volcic (for Pasqualina Napoletano), Christos Zacharakis.

## SHORT JUSTIFICATION

### THE DRAFT SUPPLEMENTARY AND AMENDING BUDGET (SAB)

- 1 The Commission's Preliminary Draft for a Supplementary and Amending Budget 2/2001 (PDSAB) proposes, among other things, the reinforcement of the existing civil administrative structure of the Council dealing with the civil aspects of crisis prevention and civil crisis management (CFSP/ESDP).
- 2 For this purpose, the Council intends to add to the existing services of its General Secretariat, 3 new Directorates (Political Affairs, Operations and Exercises, and External Actions Mechanism). The creation of these new administrative structures is accompanied by the proposal to create 51 new administrative posts. This will, according to the Committee on Budgets, add to the 42 posts already allocated to CFSP/ESDP, thus bringing the total number of staff to at least 93 people.
- 3 The Commission's Preliminary Draft SAB also proposed to increase the expenditure related to other sectors of the General Secretariat of the Council, in order to adapt its facilities to the new tasks linked to CFSP/ESDP.
- 4 The Council was requested by the EP delegation at the **Trialogue of 29 March** to adopt a Draft Supplementary and Amending Budget 2/2001 (DSAB 2/2001) presenting the administrative expenditure related to CFSP/ESDP in a separate title of the Council's budget (or in an annex), in order to achieve the minimum of transparency requested by the European Parliament.
- 5 The Council's first reading of 9 April does not modify the Commission's Preliminary Draft for a Supplementary and Amending Budget. It maintains the lack of transparency rejected by the EP delegation, as well as the total number of new posts proposed by the Commission and related expenditure.

## **MAIN PROBLEMS RAISED BY THIS SAB**

### ***Overlapping and reduction of Commission's powers***

- 6** The first priority is to examine to what extent there is the risk of overlapping between the Commission and the Council's administrative structures related to crisis prevention and civil crisis management. It is also necessary to evaluate to what extent adopting this SAB will enable the Council to reduce the Commission's powers for crisis prevention and civil crisis management.
- 7** By letter of 16 March to the Committee, Commissioner Patten presented the Commission's administrative structure for crisis prevention and civil crisis management and informed that, according to him, there is no risk of overlapping between the Council's administrative structure proposed and the Commission services; further, no risk of reducing the Commission's action capacity exists either.
- 8** At the debate in the March part session on crisis prevention and civil crisis management, the Commission had the opportunity to clarify the relations between the Commission's services and the administrative structure of the Council in the management of CFSP/ESDP.
- 9** Following these clarifications, the draftsman is, however, of the opinion that the information transmitted by the Commission is not clear enough and that no indication has yet been given regarding the necessary co-ordination between the Commission and the Council services. Furthermore, the administrative structure proposed for the Council under SAB is too large and complex for services that should have simple contact and administrative tasks (about 51 new posts to be added to the already existing 42).
- 10** The Draftsman considers that the information transmitted by Commissioner Patten could be seen as a diplomatic answer related to an important power game between the Commission and the Council: the Commission does not seem to be as strong, as it should be, in using its implementation and management competence for first pillar instruments linked to crisis prevention and civil crisis management.

### ***Budget transparency***

**11** The Draft Supplementary Budget proposed by the Council is not at all transparent as regards the presentation of the administrative expenditure for CFSP/ESDP. The Committee on Foreign Affairs has always underlined the importance of budgetary transparency for this policy. Therefore, it was necessary to insist with the Council, before its first reading, to present the administrative expenditure related to CFSP/ESDP in a special chapter. This should allow identifying the administrative costs of this policy and serve as a first step towards an activity based budgeting for this sector.

12 At the Trialogue of 29 March, the Presidency of the Council confirmed that it will do its utmost to improve budget transparency. However, the Council did not wish to do it in this SAB as it intends to do it for the year 2002.

***Political and legal framework***

13 This Supplementary and Amending Budget has to be examined in the light of the "**Gentlemen's Agreement**" from 1970, according to which both institutions (Council and EP) agreed not to interfere in each other's administrative budget. This means that, as a rule, the EP does not (and should not) table amendments to the Council's first reading on this SAB.

14 On the other hand, this SAB also has to be examined in the light of the European Parliament interest in avoiding taking any decision that could jeopardise, in short or medium term, the "**Interinstitutional Agreement**" (IAA) of May 1999, between the Council and the EP. According to the IAA the annual operational expenditure relating to CFSP/ESDP (second pillar) is decided by agreement between the Council and the EP (this in spite of being non-compulsory).

15 This "interinstitutional agreement" (IAA) was adopted in order to prevent the Council from establishing, during a previous revision of the Treaty, that CFSP/ESDP operational expenditure (second pillar) would be qualified as compulsory and as such decided by the Council on its own.

16 This "Interinstitutional Agreement" (IAA) has been a key instrument for the EP to get information and to monitor the implementation of CFSP/ESDP (points 39 and 40 of the IAA).

17 The Chairman of the Committee on Budgets addressed to the President of the EP a letter, in which he indicates that this Committee will request the Council to agree that the "Gentlemen's Agreement" should not apply to the administrative expenditure related to CFSP/ESDP; and that the CFSP/ESDP administrative expenditure should be decided by agreement between the EP and the Council (as it is the case today for the operational one). This letter also mentioned the possibility for the EP to amend the SAB and by that rejecting the existing "Gentlemen's Agreement".

18 It must be underlined that if the EP amends this SAB, there is the risk that the Council will retaliate and will, in the coming revision of the Treaty, if not before, establish that the operational expenditure related to CFSP/ESDP (second pillar) is compulsory. This means that it will decide, on its own, on the annual amount for this sector.

19 The exchanges of views held in the Committee on Foreign Affairs indicated that the adoption of this SAB (including the 51 new posts), should only be accepted upon the following conditions :

- no overlapping with the Commission's services will occur and the power of the Commission will not be reduced with the creation of these three new Directorates in the Council;
- the presentation of the administrative budget of CFSP/ESDP should be done in a

transparent way (special chapter);

- each year the Council should decide, after the EP consents, the administrative expenditure to CFSP/ESDP;
- as the tasks of the Council 's administrative structure should be mainly contact ones, the number of posts proposed for 2001 is too many;
- a maximum of 51 new posts can be agreed for the administrative structure for CFSP/ESPD in the Council. In case it is accepted, in the framework of an agreement with the Council, to create these additional 51 posts, it will be necessary to ensure that this is a maximum number (preventing that any new post will be added to this structure in the future without the consent of the EP).

## CONCLUSIONS

- I. The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy calls on the Committee on Budgets, as the committee responsible, to incorporate the following paragraphs in its motion for a resolution:

### *The European Parliament*

- a) Insists that the Council should properly implement points 39 and 40 of the Interinstitutional Agreement on Budgetary discipline of 6 May 1999, in particular as regards the Council obligation to send to the European Parliament the financial statement, each time it decides on an action or operation under CFSP/ESDP;
  - b) Urges the Council to create a special Title in the budget with different chapters for the administrative expenditure related to CFSP/ESDP; insists that all the administrative expenditure related to this sector will be entered in this Title; underlines that such a decision will be a first important step in the implementation of an activity based budget;
  - c) Considers that the number of new posts proposed by the Council for 2001 is too many (51) for the kind of tasks, which normally will be requested (contact and administrative tasks); notes that no clear assurance was given to avoid overlapping between Council's new administrative structure and the Commission's one ;
  - d) Decides, therefore, to reduce the expenditure proposed for the new posts and linked expenditure ;
  - e) Recalls, in any case, that the maximum number of new posts to be allocated to the administrative sector of CFSP/ESDP shall never exceed, in the future, the total number proposed in this SAB, without prior consent of the European Parliament;
- II. The Committee on Foreign Affairs also requests the Committee on Budgets to adopt the budgetary amendment attached.