



EUROPEAN COMMISSION

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**AMENDING LETTER No 2
TO THE DRAFT GENERAL BUDGET 2012**

STATEMENT OF EXPENDITURE BY SECTION
Section I – Parliament
Section II – European Council and Council
Section III – Commission
Section VI – European Economic and Social Committee
Section VII – Committee of the Regions
Section VIII – European Ombudsman

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Having regard to:

- the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,
- the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹, and in particular Article 34 thereof,
- the draft general budget of the European Union for the financial year 2012 presented by the Commission on 26 May 2011²
- the amending letter No 1 to the draft general budget of the European Union for the financial year 2012 presented by the Commission on 17 June 2011³,

the European Commission hereby presents to the budgetary authority the amending letter No 2 to the draft general budget of the European Union for the financial year 2012 for the reasons set out in the explanatory memorandum.

¹ OJ L 248, 16.9.2002, p. 1.

² COM(2011)300

³ COM(2011) 372.

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STATEMENT OF EXPENDITURE BY SECTION

The changes to the statement of revenue and expenditure by section are available on EUR-Lex (<http://eur-lex.europa.eu/budget/www/index-en.htm>). An English version of the changes to these statements by section is attached for information as a budgetary annex.

1 INTRODUCTION

On 30th June 2011 the negotiations with Croatia were closed. Signature of the Accession treaty and Croatian referendum are both expected to take place in the second half of 2011 or first half of 2012. The ratification process by the Parliaments of all 27 EU Member States is expected to be concluded by the end of June 2013 allowing for an entry into force and accession of Croatia to the European Union to take place on July 1, 2013 as proposed by the Commission.

As announced in its Communication to the Council and the Parliament in 2008⁴, the Commission provided the two arms of the budgetary authority with a Communication on the financial package for the accession negotiations with Croatia⁵ including indicative estimates of additional administration costs for all Institutions up to 2013. The European Parliament and the Council are the only Institutions which already requested and obtained additional posts and/or appropriations linked to this enlargement in the budget 2011.

When presenting its draft budget for the financial year 2012⁶, the Commission announced that, since the date of future accessions remained unknown, its statement of estimates for 2012 did not include any request for additional resources linked to enlargement. For the sake of consistency, it also invited other Institutions⁷ not to include the additional resources required for the Croatian accession in their statement of estimates, announcing that this issue would be better dealt with in an amending letter once a decision on the accession date was taken.

Accordingly, based on the revised statement of estimates received from the Institutions⁸, the Commission presents this amending letter No 2 to the Draft Budget 2012 (AL 2/2012) to integrate the budgetary implications of Croatia's accession in their respective administrative expenditure. This amending letter addresses the most urgent needs before accession; remaining needs will be covered as from the draft budget 2013.

Revised establishment plans and affected budget lines are included in the enclosed budgetary annex. More detailed information is also available in the amended statement of estimates provided by each concerned institutions, and enclosed as supporting document.

2 SECTION I — PARLIAMENT

2.1 Evaluation of the needs

2.1.1 Observers

1) Rules of Procedure of the European Parliament (Article 11) stipulate that:

- *"Where a Treaty on the accession of a State to the European Union has been signed, the President, after obtaining the agreement of the Conference of Presidents, may invite the parliament of the acceding State to appoint from among its own members a number of **observers** equal to the number of future seats in the European Parliament allocated to that State.*

⁴ COM(2008)674.

⁵ COM(2009)595.

⁶ COM(2011)300 – May 2011 in Working Document Part II – Commission Human Resources –Point 2.1.1.

⁷ Letter of Commissioner Lewandowski of February 3, 2011, to all Institutions: Ares (2011) 118992

⁸ The Court of Justice, the Court of Auditors, the European Data Protection Supervisor and the European External Action Service have not submitted any request for additional resources linked to the enlargement to Croatia.

- *Those observers shall take part in the proceedings of Parliament pending the entry into force of the Treaty of Accession, and shall have a right to speak in committees and political groups. They shall not have the right to vote or to stand for election to positions in Parliament. Their participation shall not have any legal effect on Parliament's proceedings.*
- *Their treatment shall be assimilated to that of a Member of Parliament as regards the use of Parliament's facilities and **the reimbursement of expenses incurred in their activities as observers.***

2) As the signature of the Accession Treaty should take place before the end of the year, budgetary possibilities to allow for the possible invitation of observers as from January 2012, i.e. a presence for a 12 months period, have to be foreseen. Similarly to the operations during the EUR 10 and EUR 2 enlargements, the observers will receive reimbursement of their travel and subsistence expenses relating to their participation in the parliamentary work.

Needs: Item 1 4 0 6 — Observers + EUR 1 200 000

2.1.2 Additional staff

Establishment plan posts

3) The global staff needs for the enlargement to Croatia have been evaluated, as in the case of the EUR 10 and EUR 2 enlargements, at a total of 124 posts. 62 posts have already been created in the 2011 budget; therefore **62 additional posts still need to be created in the 2012 budget**. As these posts will only be definitely occupied by officials, i.e. permanent staff of Croatian origin, starting from the effective adhesion of Croatia expected for July 2013, no additional appropriations are requested for the salary budget line (item 1 2 0 0) in the 2012 budget.

Needs: Establishment plan 2012: +36 AD5, +26 AST1 (without appropriations)

Appropriations for contract agents

4) As for the previous enlargements, the Parliament has already started to recruit contract agents (2011 budget), in particular for the efficient preparation of the linguistic sectors and for assistance to the work of the observers. This practice will be continued in 2012 and should allow having 124 contract agents in place by the end of 2012. This includes 2-3 contract agents foreseen in the antenna in Zagreb (see section 2.1.3 below). The requested appropriations are equivalent to 95 full-time equivalent units, as a number of contract agents will be in place for 9 months only.

Needs: Item 1 4 0 0 — Other staff + EUR 2 500 000

2.1.3 Other budgetary needs

5) Other additional budgetary needs concern the following sectors:

- to cover the needs for external interpretation in Croatian, in particular in order to enable the observers to fruitfully participate in the parliamentary work: EUR 2,5 million,
- to cover the needs for external translation into Croatian: EUR 1,0 million,
- to allow for the opening of an antenna in Croatia while waiting for the opening of an information office: EUR 0,6 million.

Needs: Item 1 4 0 2 — Conference interpreters + EUR 2 520 000
 Item 1 4 2 0 — Outside services + EUR 968 000
 Item 2 0 0 0 — Rent + EUR 600 000

2.2 Impact on the establishment plan 2012

Function Group and Grade Permanent posts	2011 Budget	2012 DB	AL 2/2012	Amended 2012 DB
AD5	382	247	36	283
AST1	151	138	26	164

2.3 Impact on Draft Budget 2012

Budget Line	Description	2012 DB	AL 2/2012	Amended 2012 DB
1 4 0 0	Other Staff	33 120 000	2 500 000	35 620 000
1 4 0 2	Conference Interpreters	60 480 000	2 520 000	63 000 000
1 4 0 6	Observers	p.m.	1 200 000	1 200 000
1 4 2 0	Outside Services	23 402 000	968 000	24 370 000
2 0 0 0	Rent	33 531 999	600 000	34 131 999
Total			7 788 000	

3 SECTION II — EUROPEAN COUNCIL AND COUNCIL

3.1 Framework

In order to prepare the accession of Croatia, resources have to be foreseen already for 2012, notably for the Croatian language (translators and lawyer linguists) and for the publication of the *acquis communautaire* (hereafter *acquis*) in that language.

To face the requirements of the accession of Croatia, the General Secretariat of the Council (GSC) proposes an addition of EUR 1,4 million to its draft budget 2012.

3.2 Proposed amendments

3.2.1 Budget overview

The total additional amount of EUR 1,4 million is composed of the following elements:

- Contractual staff related expenditure: EUR 0,4 million,
- Official journal / *acquis*: EUR 0,6 million,
- Buildings, equipment and operating expenditure: EUR 0,4 million.

3.2.2 Staff related expenditures

The GSC proposes no changes in the establishment plan.

To prepare the necessary translations of the Accession Treaties and the supervision of the translation of the *acquis* into Croatian language, the GSC proposes to include an additional provision of EUR 0,4 million into its draft budget. The amount covers the recruitment of 9 contractual staff for the translation and quality control and 3 secretaries from 1/7/2012 onwards. The 2012 draft budget includes already an amount of EUR 0,5 million (4 lawyer linguists and 3 secretaries all for a full year). The amount for the contractual agents in 2012, needed for the accession of Croatia, would therefore total EUR 0,9 million.

3.2.3 *Translation of the acquis*

The Publications Office of the European Union has estimated that the Croatian translation of the *acquis* will cost EUR 1,2 million from which EUR 0,9 million should be covered in 2012 and EUR 0,3 million in 2013. The cost of the translation will be shared by the Council (61 %), the Commission (34 %) and the Parliament (5 %).

It is therefore proposed to include an amount of EUR 0,6 million in the amending letter for the Council.

3.2.4 *Buildings, equipment and operating expenditure*

A total amount of EUR 0,4 million is proposed to cover supplementary expenditure of the accession.

The amount breaks down as follows:

- Setting up a press, briefing and meeting rooms and an office for Croatia in the Council's Justus Lipsius building: EUR 350 000,
- External translation service to absorb the excessive workload related to the accession: EUR 25 000,
- Documentation, monographs, periodicals in Croatian language and access to legislative databases: EUR 25 000,
- Office furniture: EUR 25 000.

3.3 **Impact on Draft Budget 2012**

Budget Line	Description	2012 DB	AL 2/2012	Amended 2012 DB
1 2 0 0	Other Staff	7 352 000	400 000	7 752 000
1 2 0 4	Supplementary services for the translation service	152 000	25 000	177 000
2 0 0 3	Fitting-out and installation work	7 680 000	350 000	8 030 000
2 1 1	Furniture	921 000	25 000	946 000
2 2 1 0	Documentation and Library expenditure	488 000	25 000	513 000
2 2 1 1	Official Journal	4 626 000	550 000	5 176 000
Total			1 375 000	

4 **SECTION III — COMMISSION**

4.1 **Purpose and framework**

With this amending letter, the Commission

- requests the additional appropriations necessary in 2012 to ensure the appropriate and timely preparation of the foreseen enlargement to Croatia;
- provides the justification for the requested additional human resources by assessing needs according to the impact of the Croatia's accession on Commission activities, broken down by main groups of policy areas and by main work profiles;
- provides the timeframe for the phasing in.

The needs expressed by the Commission in the present Amending Letter to the 2012 draft budget are strictly limited to actions absolutely necessary at Headquarters some 18 months before accession. The other administrative costs, such as operating costs and the infrastructure expenditure necessary for the future representation office of the Commission in Zagreb will be taken into account in the 2013 Draft Budget request.

The Commission has pursued a zero growth of its human resources⁹ within the framework of a stable Union with 27 Members. Any enlargement of the European Union entails an uncompressible increase in workload for which the Commission requests, as in previous enlargements, new resources (less than 400 full-time equivalent units – here-after 'FTE' - per new Member State).

The impact of this new enlargement on the activities of the Commission has been evaluated in the context of previous enlargements and in view of maintaining equality of treatment between Member States.

4.2 Estimate of additional resources needed

4.2.1 Global picture

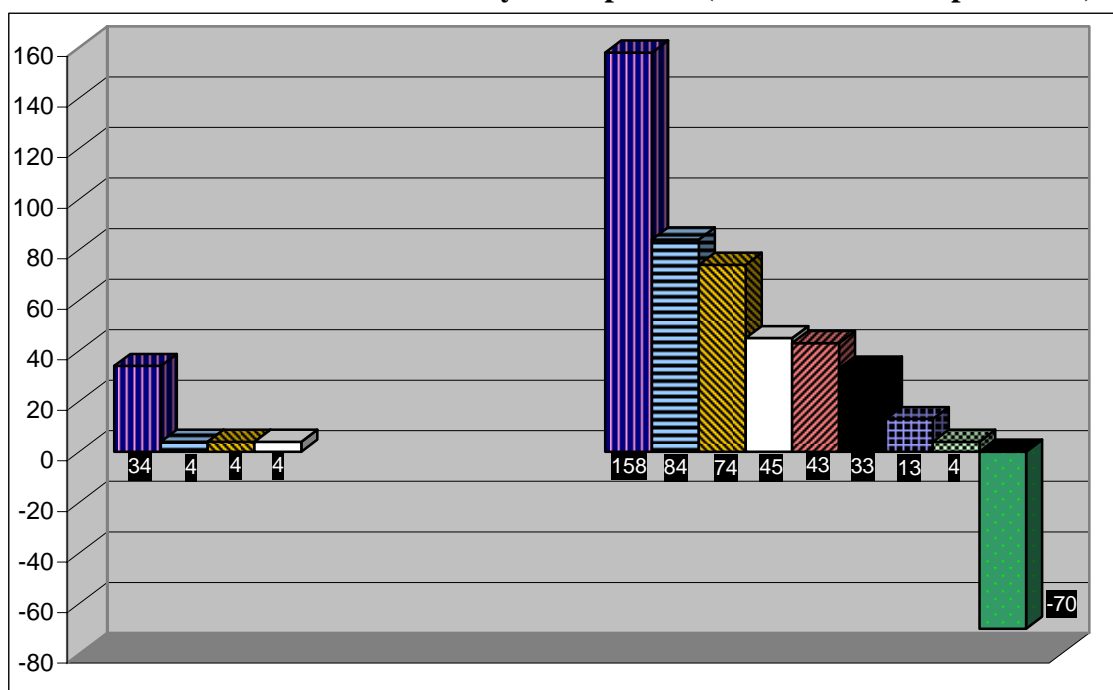
With Croatia's accession expected to take effect on July 1, 2013, the Commission will need additional resources mainly for linguistic, legal and programme management tasks. The Commission will ultimately need a net reinforcement of some **384 additional full time equivalent units** to manage the enlarged Union, with their phasing in to be completed by 2014. This is the net result of the difference between the number of human resources needed for the additional activities to be phased in (454 FTE) and those related to activities to be phased out (70 FTE).

At cruising speed, most of the FTE will be in the form of posts to be added to the establishment plan, though some contractual agents will also be needed in the first year(s) to be then converted into posts at a later stage. 46 FTE are required before the date of accession to address essentially linguistic requirements (see chart 1 below).

The additional posts will also facilitate the integration of Croatian nationals to ensure the geographical balance amongst Commission officials.

⁹ 'Planning and optimising Commission human resources to serve EU priorities' (SEC(2007)530 of 24.04.2007).










Chart 1 - Variation of FTE by work profile (administrative expenditure)



2012
(46 FTE)

Cruising speed
(384 FTE, incl. 46 of 2012)

Legend:

-  Linguistic
-  Law making, monitoring and enforcement
-  Policy making
-  Programme management
-  Administrative support
-  Communication
-  Budgetary management and antifraud
-  General coordination
-  Reduction of pre-accession activities

Based on previous experience, the Commission proposes a phasing in of the new 384 FTE over a 3-years period, as follows:

Budget 2012: 46 FTE (18 months before accession)

Budget 2013: 125 FTE

Budget 2014: 213 FTE

The sections below describe the main types of activities and work profiles affected by enlargement.

4.2.2 Cruising speed - Analysis by main activity

Language services

The relatively strong reinforcement needed in this area of activity (158 FTE for translation, interpreting and publications) is a direct consequence of a distinctive feature of the European integration, namely its linguistic regime under the Treaty and Regulation 1/1958. This characteristic is also part of the Europe 2020 agenda in the areas of citizenship and justice and constitutes the strict minimum increase required to guarantee multilingualism and promote the European Union legitimacy, transparency vis-à-vis citizens and efficiency in the EU's decision-making process.

Law making, monitoring and enforcement

Legislation is another central pillar of the Commission's work, an area of activity that includes not only production of legislation, but also the monitoring and enforcement needed to create a real "community of law". This area of work will be the second largest affected by the enlargement of the EU to Croatia, with needs estimated at an additional 84 FTE. The enlargement-led workload at most stages of the legislative process is directly proportional to the number of Member States rather than to their size. This is particularly true at the enforcement stage. The number of interested parties and their diversity also influence legislative drafting and maintenance.

Most of these FTE will be allocated to the internal policies whilst some FTE will be assigned to agriculture and rural development and to the legal service of the Commission. Usually, making law and enforcing that law in the new Member State are the two main factors driving staff increases in internal policies. From the day of accession, the *acquis* will be applicable in the new Member State and the whole legislative process will have to be adapted to include it in the consultation process on policy initiatives and legislative proposals. This domain covers tasks as diverse and complex as the internal market, the environment, competition, taxation and customs union, health and consumer protection.

Policy making

Drafting policy naturally becomes increasingly complex with any increase in the number of Member States and stakeholders. Policy-making needs will grow to reflect the importance of including a new member in all processes. Estimated needs stand at 74 FTE.

Some 40 % of this reinforcement will go to the internal policies, including for the surveillance of economic and fiscal risks and economic criteria for accession. There is a particular need to enhance macro/fiscal/structural surveillance in the run-up to accession and to strengthen it in line with European Union economic governance to ensure that Croatia has the right policies to avoid the emergence of imbalances.

Another 30 % will serve structural and cohesion policies and indirect research will be financed within the limits of the operational programmes concerned.

The remainder includes in particular new posts related to the Cabinet for a new Commissioner.

Programme management

The additional need for human resources for programme management is estimated at 45 FTE. Though Croatia is already eligible to pre-accession assistance, serious efforts have to be made to streamline the administrative procedures associated with programming. Part of the additional estimated needs for expanding programme management activities will be covered by progressive redeployment of resources currently needed for management and control of pre-accession instruments once their actual closure is achieved (N.B. follow up of implementation going well beyond the date of accession). Further needs arise for planning and coordination as well as for control functions under the programmes to which the new Member State will participate.

Most of these 45 FTE will be affected to internal policies, structural and cohesion policies, agriculture and the annual statistical programme.

Communication

The 33 FTE requested are aimed at covering the opening of a new representation office in Zagreb and the specific communication tasks resulting from this enlargement.

Support services and coordination

In a comprehensive enlargement strategy, support services and coordination have a decisive role to play and should receive adequate staffing for the smooth running of all operations. . Needs for those activities are estimated at 60 FTE which will be assigned to logistics, linguistic support, stepping up the recruitment process and reinforcing anti-fraud and audit capabilities in an enlarged Europe.

Phasing out of pre-accession activities

The above needs at cruising speed amount to a total of 454 FTE. However, 70 FTE will be covered by ultimately redeploying human resources currently dedicated to the preparation of accession and the management of pre-accession instruments at Headquarters and in the delegation in Zagreb, once the latter activities as well as any transitional facility have been phased out.

4.3 Impact on Draft Budget 2012

Even before the date of accession and as in previous enlargements, the Commission needs to create the conditions for accession to be effective as from day one. That means that in particular translation and interpretation capacities have to be enhanced to address needs related to the translation of the *acquis* and the implication of an additional official language.

The strict assessment of this need represents some 46 additional FTE to be phased in as from January 2012, i.e. some 18 months before accession. In practice, the Commission request takes the form of appropriations for 42 contract agents and 4 establishment plan posts. This reinforcement in contract agents (later to be possibly transformed into establishment plan posts once Croatia has become a Member State) will make it easier and quicker to identify and select the personnel required and to also allow early recruitment of Croatian nationals. These will be considered as an advance in new posts necessary at cruising speed after accession.

Within the 46 FTE units requested in this amending letter, 34 FTE (75 %) will be allocated to linguistic tasks i.e. translation and interpretation. The remaining 12 FTE will allow the Commission to mainly prepare the accession in agriculture, structural funds and other big spending programmes.

The impact foreseen on the 2012 budget for the 46 FTE units in terms of appropriations is estimated at **EUR 2,9 million**.

In addition to the necessary human resources, the total estimated appropriations relating to the production and publication of the *acquis* in Croatian amount to EUR 1,2 million and comprise of EUR 0,3 million for the necessary developments of the IT infrastructure that is to be incurred in 2012, and EUR 0,9 million for the production of the *acquis* which is to be divided between 2012 and 2013 on the basis of a ratio of 2/3 and 1/3. Thus the total cost for 2012 amounts to EUR 0,9 million and for 2013 EUR 0,3 million.

The burden-sharing of that cost among the three Institutions concerned – Parliament, Council and Commission - is similar to that of the last enlargement, namely: 61 % for the Council, 34 % for the Commission (Publications Office) and 5 % for the Parliament. For the Commission, the respective amount to be incorporated in this amending letter is **EUR 0,3 million**.

Drawing on the experience from previous enlargements, the Commission needs **384 additional full-time equivalent units (FTE)** in order to manage the Union enlargement

to Croatia, of which 46 FTE are already necessary in 2012 in order to prepare for its full membership as of July 1, 2013. The remaining additional posts are to be phased in by 2014.

The Commission therefore hereby requests appropriations for 42 contract agents and 4 new establishment plan posts for 2012; in addition EUR 0,3 million are required for the production and publication of the *acquis* in Croatian. The combined additional expenditure requested for 2012 is EUR 3,2 million compared to the 2012 draft budget.

In conclusion, the total additional appropriations requested by the Commission amount to **EUR 3,2 million** split between the following budget lines:

Budget Line	Description	2012 DB	AL 2/2012	Amended 2012 DB
XX 01 01 01	Expenditure related to staff in active employment working with the institutions	1 849 450 000	314 000	1 849 764 000
XX 01 02 01	External staff working with the institutions	128 258 304	2 136 504	130 394 808
26 01 11 01	Official journal of the European Union	11 500 000	306 000	11 806 000
A2 01 02 01	External staff	2 817 000	451 000	3 268 000
Total			3 207 504	

5 SECTION VI — EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

5.1 Framework

In case of enlargement, the European Economic and Social Committee (EESC), together with the Committee of the Regions (CoR), would need to set up a Croatian translation unit in their Joint services during the course of 2012 and 2013 in order to provide their new Members with key documents as from the start and to be fully operational as soon as the Croatian Members would take up their mandate. As this unit would be part of the EESC-CoR Joint services (as are all other existing translation units), only a part of the resources would be requested by the EESC, while the other part would be requested by the CoR. The number of staff, their recruitment dates and the additional needs for equipping the work places for the new staff, have been coordinated between the two Committees.

In order to prepare for enlargement on 1 July 2013 and to be able to provide the future Croatian Members of the two Committees with basic documents in time for their arrival, translation capacity will already have to be phased in the course of 2012. To this end, the EESC requests 2 AD5 posts and 1 AST3 post as well as the necessary appropriations to equip the new staff with furniture and IT equipment (detailed costs set out below). Additional appropriations, notably for the participation of new Members in the Committees' activities and provision of documents in Croatian in line with the practice for other languages, will have to be considered in the course of the 2013 budgetary procedure.

5.2 Estimated human resource and credit needs

A total of 3 additional posts (2 AD5 posts and 1 AST3 post) is required in 2012 with the recruitment date of 1 October 2012. For these 3 staff, an additional EUR 47 000 would be required on item 1 2 0 0 (Remuneration and allowances).

In order to set up the work places for the new staff, reinforcement of EUR 19 243 (EESC share) would also be needed.

5.3 Impact on Draft Budget 2012

Budget Line	Description	2012 DB	AL 2/2012	Amended 2012 DB
1 2 0 0	Remuneration and allowances	65 574 500	47 000	65 621 500
2 1 0 0	Purchase, servicing and maintenance of equipment and software, and related work	1 491 180	8 419	1 499 599
2 1 0 2	Outside assistance in connection with the operation, development and maintenance of software systems	1 900 815	2 806	1 903 621
2 1 2	Furniture	208 269	8 018	216 287
Total			66 243	

6 SECTION VII — COMMITTEE OF THE REGIONS

6.1 Introduction

The accession of a new Member State to the EU will have a direct effect on the Committee of the Regions (CoR) everyday functioning. Nine new Croatian Members will join the CoR as of the accession date. The integration of new members into the CoR activities requires, similar to previous enlargements, inviting the potential members as observers to main CoR activities (Plenary sessions, Bureau and Commission meetings) 12 months prior to the accession date. The arrival of the Croatian observers in mid 2012 requires the setting up of a Croatian linguistic unit within the CoR-EESC Joint Translation Service, i.e recruiting translators and installing the related working places. This needs to be prepared for the second half of 2012.

The arrival of new members (initially observers) also requires a necessary development of the CoR political activities and infrastructure in order to welcome and integrate the new Croatian members in the everyday work. As a result, there is a need (i) for non-linguistic Croatian staff that will support the observers, future members, and (ii) there is also a need to provide for members' travelling and subsistence allowances and for interpretation of CoR Plenary Sessions, Bureau and Commission meetings already in 2012 as well as for some funding of communication activities related to the enlargement event.

6.2 Estimated human resource and credit needs

6.2.1 Staff

New Croatian linguistic unit

A new Croatian linguistic unit needs to be set up within the CoR-EESC Joint Services. The recruitment process needs to be started already in the second half of the 2012. The unit has to be completely operational from the first day of accession (planned for 1 July 2013). The Head of the unit needs to be recruited at an early stage in order to be present and active during the setting up of his/her future unit.

As this unit is to be placed in the CoR-EESC Joint services (as all other existing translation units), part of the resources will be requested by the CoR, another part by the EESC. This request has been coordinated between the two Committees.

With regard to the linguistic unit, in total 21 posts – 16 AD posts and 5 AST posts are needed for the two Committees. Part of the posts are to be requested in 2012 (7 posts in total for both Committees), the remaining part in 2013.

Needs: 4 new Croatian linguistic posts are requested from 1 July 2012 (1 Head of Unit, grade AD9 ; 2 translators, grade AD5 ; 1 assistant, grade AST)

Non-linguistic Croatian posts

Apart from the linguistic posts, 5 new non-linguistic posts are needed by the CoR in order to support the Croatian observers, future members, in their participation in all CoR political activities and to accommodate the participation of Croatian local and regional authorities in CoR's consultative works and other political activities such as the EU 2020 monitoring platform, the subsidiarity monitoring platform, Euro-Mediterranean Regional and local Assembly and the Eastern partnership.

Needs: 3 Croatian non-linguistic posts are requested from 1 July 2012 (all of grade AD5)

The remaining 2 posts are planned to be requested in the 2013 budget procedure.

6.2.2 Funding

a) Expenditure related to the integration of the Croatian observers (future members) in the CoR political activities

Observers

The full participation of Observers from Croatia at CoR Plenary Sessions, Bureau and Commission meetings, underlying this amending letter, would need to be ensured as of 1 July 2012, i.e. 12 months prior the actual accession date. The Observers budget line would need to include the possibility for an appropriate number of members from the Croatian observer's delegation to participate in each of 3 CoR Plenary sessions. In addition, Croatian observers shall be able to participate in 15 commission meetings in the second half of 2012.

Needs: Item 2 5 4 1 — Observers + EUR 107 685

Interpretation

As the interpretation has to be provided for the participation of Croatian observers in 3 Plenary Sessions and 15 Commission meetings in the second half of 2012, the respective funding would need to be added to the interpretation budget line.

Needs: Item 1 4 0 2 — Interpretation + EUR 85 070

b) Funding for the salaries of the new staff

An additional EUR 329 099 would be needed for 7 new posts in 2012 in chapter 1 2 (4 linguistic and 3 non-linguistic staff):

Needs: Item 1 2 0 0 — Remuneration and allowances + EUR 273 595

Item 1 2 0 4 — Entitlements in connection with entering the service, transfer and leaving the service + EUR 55 110

Item 1 2 9 — Provision + EUR 394

c) Funding related to the set up of the working places for the new staff

Additionally, 3 budget lines would need to be reinforced by EUR 53 000 in total (CoR share) in order to set up the working places for the new Croatian staff, namely IT and office furniture:

Needs: Item 2 1 0 0 — Purchase, servicing and maintenance of equipment and software, and related work + EUR 21 000

Item 2 1 0 2 — Outside assistance in connection with software systems + EUR 7 000

Item 2 1 2 — Furniture + EUR 25 000

d) Expenditure related to communication activities regarding the Croatia enlargement

Some additional resources are also requested for communication activities to accompany the arrival of new members (initially observers) to the CoR:

Needs:	Item 2 6 0 0 — Expenditure on publishing, dissemination of information and participation in public events	+ EUR 20 000
	Item 2 6 0 2 — General publications	+ EUR 15 000
	Item 2 6 4 — Expenditure on publications, information and on participation in public events: information and communication activities	+ EUR 12 000

6.3 Impact on Draft Budget 2012

Budget Line	Description	2012 DB	AL 2/2012	Amended 2012 DB
1 2 0 0	Remuneration and allowances	45 598 732	273 595	45 872 327
1 2 0 4	Entitlements in connection with entering the service, transfer and leaving the service	520 000	55 110	575 110
1 2 9	Provisional appropriation	201 703	394	202 097
1 4 0 2	Interpreting services	4 453 451	85 070	4 538 521
2 1 0 0	Purchase, servicing and maintenance of equipment and software, and related work	1 131 805	21 000	1 152 805
2 1 0 2	Outside assistance in connection with the operation, development and maintenance of software systems	1 456 546	7 000	1 463 546
2 1 2	Furniture	151 399	25 000	176 399
2 5 4 1	Observers	56 566	107 685	164 251
2 6 0 0	Expenditure on publishing, dissemination of information and participation in public events	674 440	20 000	694 440
2 6 0 2	General publications	864 268	15 000	879 268
2 6 4	Expenditure on publications, information and on participation in public events: information and communication activities	408 000	12 000	420 000
Total			621 854	

7 SECTION VIII — EUROPEAN OMBUDSMAN

7.1 Framework

For the European Ombudsman, the 1 July 2013 (date proposed by the Commission for the accession of Croatia to the European Union) constitutes the starting point for a series of actions, some of which will need to be commenced already in 2012. These actions aim first at integrating a new member, the Croatian People's Ombudsman, into the European Network of Ombudsmen. Then, in co-operation with the Croatian People's Ombudsman and European authorities, such as the European Parliament, the Commission, and the European Data Protection Supervisor, the European Ombudsman will work to promote the capacity of the Croatian People's Ombudsman in supervising the full and correct administrative application of EU law, as well as enhance Croatian civil society's knowledge of, and capacity to exercise, the fundamental rights of citizenship of the Union and to understand and participate in the work of the European Institutions.

The experience of the 2004 and 2007 enlargements shows that, in the period leading up to accession, many citizens of future new Member States reach out to the European Ombudsman with complaints and requests for information in their own language. In previous accessions,

the Ombudsman's policy was to deal with such requests and complaints as soon as the linguistic capacity to do so became available, rather than to ignore the requests of future new citizens on the ground that they had not yet acquired the legal right that the Ombudsman should be active on their behalf.

The Ombudsman wishes to treat Croatia equally with the Member States that joined the Union in 2004 and 2007. He aims to do so by rapidly beginning cooperation with his Croatian counterpart, in order to enhance compliance with the rule of law and fundamental rights in that country and to launch the process of full integration, of Croatian citizens into the legal culture underpinning European citizenship.

7.2 Impact on Draft Budget 2012

In pursuit of this goal, the European Ombudsman requests an increase in his establishment plan for 2012 to provide (a) a new AD5 permanent post for recruiting a lawyer and (b) an AST1 permanent post. These posts address the anticipated increase in the workload related to complaints, co-operation with the Croatian People's Ombudsman and the general increase of work linked to the use of an additional official language (no additional appropriations related to these two posts are requested for 2012). However, in order to begin adequate preparations and to deal promptly and correctly with expected correspondence in the Croatian language in 2012, appropriations for a seconded national expert for six months are requested in budget line 1 4 0 4 (EUR 30 000).

The accession of Croatia also means an additional official language. It is crucial that the translation of the website (EUR 14 000), of the documentation for the information of the general public (EUR 1 000) and of the templates used in the complaints cycle (EUR 5 000) be ready as soon as possible (budget line 2 3 1).

Provision will also have to be made for the printing and distribution of the annual report 2012, which will be published in July 2013 and therefore will have to be ordered and paid in 2012 in the new official language of the Union (EUR 4 500 on budget line 3 2 1 0).

Budget Line	Description	2012 DB	AL 2/2012	Amended 2012 DB
1 4 0 4	Graduate traineeships, grants and exchanges of officials	183 000	30 000	213 000
2 3 1	Translation and interpretation	647 000	20 000	667 000
3 2 1 0	Communication and publications	342 500	4 500	347 000
Total			54 500	

8 CONCLUSION

The total appropriations requested by the European Parliament, the European Council and Council, the Commission, the European Economic and Social Committee, the Committee of the Regions and the European Ombudsman in this amending letter No 2 to the Draft Budget 2012 amount to EUR 13,1 million. The requested credits are necessary to cover expenditure for additional human resources that will carry out preparatory work in the linguistic and legal field relating to the enlargement to Croatia. Appropriations also include mission expenditure for Croatian observers in the European Parliament and the Committee of the Regions and will finance communication activities as well as additional equipment and operating expenditure linked to the recruitment of supplementary staff.

In total, 78 new establishment plan posts are requested by the European Parliament, the Commission, the European Economic and Social Committee, the Committee of the Regions

and the European Ombudsman. However, corresponding appropriations are only requested for 14 posts, since neither the Parliament (62 new posts) nor the European Ombudsman (2 posts) do request any appropriations for their respective new posts. Moreover, appropriations for 117 other agents (contract agents and seconded national experts) are requested until full membership of Croatia as of July 1, 2013.

9 SUMMARY TABLES

9.1 Summary table by institutions

Appropriations in EUR

Institutions	2012 DB	AL 2/2012	Amended 2012 DB
European Parliament	1 724 575 043	7 788 000	1 732 363 043
European Council and Council	538 545 000	1 375 000	539 920 000
Commission	3 314 917 804	3 207 504	3 318 125 308
European Economic and Social Committee	130 499 922	66 243	130 566 165
Committee of the Regions	86 524 132	621 854	87 145 986
European Ombudsman	9 472 000	54 500	9 526 500
Total	5 804 533 901	13 113 101	5 817 647 002

Additional human resources requested by Institutions

Institutions	AL 2/2012	
	Permanent posts	Other agents ¹
European Parliament ²	62	62
European Council and Council	—	12
Commission	4	42
European Economic and Social Committee	3	—
Committee of the Regions	7	—
European Ombudsman ³	2	1
Total	78	117

1. Number of full-time equivalent units.

2. The Parliament requests 62 new permanent posts but no related appropriations in 2012. At the same time, it requests appropriations for 62 contract agents, some of which for 9 months only.

3. The European Ombudsman requests appropriations for 1 seconded national expert (for 6 months only)

9.2 Summary table by heading of the financial framework

Financial framework Heading/subheading	2012 Financial Framework		Draft Budget 2012 (incl AL No 1/2012)		Amending Letter No 2/2012		DB 2012 + AL No 1 to 2/2012	
	CA	PA	CA	PA	CA	PA	CA	PA
1. SUSTAINABLE GROWTH								
1a. Competitiveness for growth and employment	14 853 000 000		15 223 600 752	12 566 134 008			15 223 600 752	12 566 134 008
1b. Cohesion for growth and employment	52 761 000 000		52 738 876 141	45 134 800 000			52 738 876 141	45 134 800 000
Total	67 614 000 000		67 962 476 893	57 700 934 008			67 962 476 893	57 700 934 008
<i>Margin¹</i>			<i>151 523 107</i>				<i>151 523 107</i>	
2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES								
Of which market related expenditure and direct payments	48 093 000 000		44 179 737 305	44 102 837 025			44 179 737 305	44 102 837 025
Total	60 810 000 000		60 158 443 305	57 948 376 981			60 158 443 305	57 948 376 981
<i>Margin²</i>			<i>651 556 695</i>				<i>651 556 695</i>	
3. CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE								
3a. Freedom, Security and Justice	1 406 000 000		1 340 381 000	868 333 500			1 340 381 000	868 333 500
3b. Citizenship ³	699 000 000		683 471 000	645 659 400			683 471 000	645 659 400
Total	2 105 000 000		2 023 852 000	1 513 992 900			2 023 852 000	1 513 992 900
<i>Margin</i>			<i>81 148 000</i>				<i>81 148 000</i>	
4. EU AS A GLOBAL PLAYER⁴	8 997 000 000		9 409 280 576	7 293 724 333			9 409 280 576	7 293 724 333
<i>Margin</i>			<i>-153 343 576</i>				<i>-153 343 576</i>	
5. ADMINISTRATION⁵	8 670 000 000		8 281 389 366	8 281 684 366	13 113 101	13 113 101	8 294 502 467	8 294 797 467
<i>Margin</i>			<i>472 610 634</i>		<i>459 497 533</i>		<i>459 497 533</i>	
TOTAL	148 196 000 000	141 360 000 000	147 835 442 140	132 738 712 588	13 113 101	13 113 101	147 848 555 241	132 751 825 689
<i>Margin</i>			<i>1 356 838 436</i>	<i>8 815 187 412</i>			<i>1 343 725 335</i>	<i>8 802 074 311</i>

1 The European Globalisation adjustment Fund (EGF) is not included in the calculation of the margin under Heading 1a.

2 After the transfer from modulation to Rural Development and from cotton and wine for restructuring in the respective regions (EUR 3 150,4 million).

3 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).

4 The 2012 margin for Heading 4 does not take into account the appropriations related to the Emergency Aid Reserve (EUR 258,9 million). EUR 153,3 million above the ceiling is financed by the mobilisation of the Flexibility instrument.

5 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 84 million for the staff contributions to the pensions scheme.