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COMMISSION

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**DRAFT AMENDING BUDGET No 3
TO THE GENERAL BUDGET 2016**

Security of the Institutions

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,
- Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union¹, and in particular Article 41 thereof,
- the general budget of the European Union for the financial year 2016, as adopted on 25 November 2015²,
- Amending budget No 1/2016³, adopted on 14 April 2016,
- Draft amending budget No 2/2016⁴, adopted on 15 April 2016,

The European Commission hereby presents Draft amending budget No 3 to the 2016 budget to the European Parliament and to the Council.

CHANGES TO THE STATEMENT OF REVENUE AND 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 this statement is attached for information as a budgetary annex.

¹ OJ L 298, 26.10.2012, p. 1.

² OJ L 48, 24.2.2016, p. 1.

³ OJ L 143, 31.5.2016, p. 1.

⁴ COM(2016) 227 final.

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1. INTRODUCTION

Following the November 2015 attacks in Paris and those of March 2016 in Brussels, all institutions have reviewed their security needs in the short to medium term. The draft budget for 2017 incorporates additional elements related to security for almost all institutions. However, in some cases the need to accelerate the reinforcement of security measures and installations requires additional resources in 2016 already.

Draft amending budget (DAB) No 3 for the year 2016 proposes to reinforce the budget for security for a total of EUR 15,8 million, as follows:

In EUR million, rounded figures

Institution	Reinforcements requested
European Schools	3,5
European Parliament	0,2
European Commission	5,0
Court of Justice	1,8
European Court of Auditors	2,1
European Economic and Social Committee	0,4
Committee of the Regions	0,3
European External Action Service	2,5
Total	15,8

The result is an increase of non-differentiated expenditure in the 2016 budget for heading 5 Administration. However, it is proposed to redeploy the necessary payment appropriations from the ITER operational line in heading 1a to avoid any impact on the global level of payments.

2. SECTION III – COMMISSION, INCLUDING THE EUROPEAN SCHOOLS

2.1 Commission

The Commission's total budget concerning the security of persons, guarding of buildings and information security amounts to EUR 60,6 million in 2016. The increase now proposed in the context of the worsening security environment, brings the total budget for 2016 to EUR 65,6 million. If these additional investments can be made in 2016, the budget request for 2017 can be maintained at almost the same level i.e. EUR 66,3 million (excluding additional expenditure related to the re-housing of the services located in the Jean Monnet building in Luxembourg).

The additional requirements for 2016 can be broken down as follows:

Security of information (EUR 0,59 million)

- Significant investments in the *CommisSign Public Key Infrastructure* amounting to EUR 0,45 million. The existing hardware and software is old, and does not support the latest encryption-related protocols, which will become mandatory in 2016. Moreover, it is important that the Commission upgrades its internal systems according to the requirements laid down in the "Regulation on electronic identification and trust services for electronic transactions in the internal market"⁵. Upgrading CommisSign PKI will also improve the security and usability of secured e-mails for mobile phones. Other institutions are also upgrading their systems and it is crucial that the Commission's CommisSign PKI is inter-operational with their future systems for handling EU classified information.

⁵ OJ L 257, 28.8.2014, p. 73.

- The Commission's IT systems are under constant attack by hackers, and an additional EUR 0,05 million is requested for specific hardware and software to improve and develop investigative capabilities regarding malware analysis, especially on smart phones.
- EUR 0,09 million is required to reinforce counter-intelligence capacities at the technical level, by upgrading the internal case management system and the IT equipment for the Commission's Security Directorate's EU classified information (EUCI) Registry.

Security of persons (EUR 0,24 million)

- EUR 0,12 million for the equipment of the close protection team. The Enhanced Security Measures (ESM) Action Plan was launched by the Vice President responsible for security at the beginning of 2015. Due to the heightened security environment, ten new close protection officers are to be recruited under the ESM, with two arriving at end 2015, and eight to be recruited in 2016. The additional appropriations requested will be used to provide them with the necessary equipment to fulfil their duties (bullet proof vests etc.).
- EUR 0,12 million for security training for VIP drivers, to provide security training tailored to their function, and better protect the Commission.

Security of buildings (EUR 4,13 million)

- EUR 1,1 million to accelerate the global building securisation project, as well as EUR 1 million to cover urgent securisation projects for buildings not currently included in this project, including the securing of several IT network rooms, upgrading the Commission's CCTV camera installations, and securing the private lodgings of several College members.
- Purchasing additional X-ray machines to cover more buildings in Brussels (EUR 1,4 million).
- A small additional amount for the ESM measures related to the replacement of identification badges and parking permits, and upgrading of the IT systems for access control (EUR 130 000).
- EUR 0,5 million for the sites in Luxembourg to cover additional equipment (EUR 0,1 million for the Drosbach building and Early Childhood Centre) and the impact of a higher level of building protection (EUR 0,4 million).

2.2 European Schools

The European Schools have also identified the need for an additional EUR 3,5 million in 2016 to cover the costs linked to the higher alert level in force since the reinforcement of the security measures in Belgium as from November 2015, as well as for improving security, following inspections and recommendations made by the Commission's Security Directorate. This amount covers the needs of all fourteen schools, with a total population of 26 000 pupils. The main items are as follows:

- Reinforcement of the guards by EUR 1,8 million, of which EUR 1,3 million for the Brussels schools.
- Installation of security equipment identified as priority by the Security Directorate, following inspections (EUR 1,3 million).
- Other measures recommended by the Security Directorate, such as training and security studies (EUR 0,4 million).

Such measures are financed via the EU balancing contribution to the schools, in accordance with the European Schools Intergovernmental Convention. Equipment and installations which should be financed by the host countries are not included in this request, in accordance with their obligations as set out in the Convention.

3. OTHER SECTIONS

3.1 European Parliament

The proposed increase for Section I – European Parliament amounts to EUR 225 383 for the creation of 35 additional posts (1 at AD5 level and 34 at AST/SC1 level) for the recruitment of additional security agents in order to provide armed protection of the strategic points inside the European Parliament's buildings in all three duty stations.

3.2 The Court of Justice

The proposed increase for Section IV – Court of Justice amounts to EUR 1,8 million to cover the following elements:

- Upgrading of security equipment (EUR 655 000): Following external expertise, several additional measures are necessary in order to bring the security installations of the Court up to an appropriate level, such as the installation of additional cameras, an upgrade of the video wall for the central security post, the installation of alarm buttons in the courtrooms and for court ushers, the installation of a reading system for number plates, an upgrade of mechanical access controls at head-height, and the opacification of the windows in the Members' offices.
- Technical equipment and installations (EUR 160 000): Additional material, such as mobile screening equipment, mobile x-ray machines, and software relating to motion tracking, is also required.
- Securing buildings (EUR 500 000): Investments in the Court's building infrastructure are necessary in order to enhance security of the premises. This requires an architectural and technical study, with the aim of determining the precise needs and providing an estimate of the total cost.
- Reinforcement of guarding to strengthen security for persons and buildings (EUR 500 000).

3.3 The European Court of Auditors

The proposed increase for Section V – European Court of Auditors amounts to EUR 2,1 million as follows:

- Recruitment of additional security agents (contract agents) for an increased surveillance of the three Court buildings (EUR 45 000).
- Secondment of a police agent from a Member State to work within the Court's security team to undertake related tasks with the aim of enhancing the Court's security measures (EUR 25 000).
- Securing buildings (EUR 2 000 000): Following the comprehensive Security Plan for the Court premises, significant investments will be necessary, including the construction of a perimeter fence around the campus, as well as an access and accreditation secured centre, rearranging the circulation of people and vehicles in the campus, installation of additional cameras, acquisition of new software for monitoring and controlling of risks, building of a new security control room, installation of a new secured access to the K1 building, and expenditure on project management relating to these works.

3.4 European Economic and Social Committee and Committee of the Regions

The combined request for the two Committees totals EUR 712 605 and takes account of the sharing of premises. The split is EUR 415 000 for the EESC and EUR 297 605 for the CoR. The overall result is to increase the combined security budget for the two Committees in 2016 from EUR 4,2 million to EUR 4,9 million.

The increase will cover the following elements:

- Upgrading of access control (EUR 260 000): The existing mechanical access control needs to be upgraded, to continue to guarantee that access is only allowed to authorised persons (Members and staff). A mechanical access control at entrances and for particular zones saves the recruitment of additional staff.
- Security equipment (EUR 20 000): In the framework of reinforcing security additional x-ray equipment is required (control of luggage, packages, etc.), as well as cameras linked to the CCTV system in order to visualise (possibly suspect) movements.
- Protection and securisation of buildings (EUR 400 000): In order to protect and secure the internal and external perimeters of the buildings, works on the façade of the JDE building are needed. Moreover it is important to better protect the surroundings (bollards) as well as to reinforce the entrances and within the building itself.
- The request also includes the cost of employing two contract agents for four months (EUR 48 000) to strengthen the capacity of the security team.

The overall impact on the budget of the Committee of the Regions is however very slightly reduced (- EUR 15 395) when the effect of a modification of the establishment plan by means of Article 50(1) of the Financial Regulation is taken into account.

3.5 European External Action Service

The proposed increase for Section X – European External Action Service amounts to EUR 2,5 million, to cover:

- Regional security officers (RSOs) (EUR 525 000): The Country Threat Assessment calculations show a clear deterioration in the Middle East and North Africa. The existing 34 RSOs have become overstretched as the number of countries in the categories of "significant", "high" and "critical" risk has increased from 26 to 33. To extend coverage so that there will be one RSO in all countries with "high" or "critical" risks (Middle-East, Sahel and others) would require 14 additional contract agents for the 14 delegations where there is not presently an RSO. Six further delegations which are already at "significant risk" are likely to be reclassified as "high" due to oil and commodity price decline, economic deterioration, regime change and increasing terrorism risks. These would require six additional contract agents. To anticipate the reopening of a delegation in Libya and to provide coverage for RSOs absent due to leave, training or illness, another 4 RSO agents would be required, bringing the total to 24 contact agents. The amount requested covers the salaries and mission expenses.
- Armoured vehicles (AV) (EUR 1 750 000): The deteriorating security situation now requires that AVs are placed in additional delegations, such as Uganda (1 AV) and the Gaziantep office (1 AV). Furthermore, some existing vehicles require replacement, and in some cases the delegation needs an additional vehicle to cover increased usage. This concerns the situation for Burundi, Ethiopia, Mauritania, Nigeria and Sudan (1 AV each). The cost of the seven additional AVs amounts to EUR 1,75 million.
- Security equipment and works linked to local security infrastructure (EUR 51 000): There are at least ten delegations in high-risk countries for which the security installations should be upgraded. The implementation of those security works would need to be accompanied by local works which would have to be organised at the delegation level; such as guard houses, sentry blocks, road blocks and other physical barriers (blast walls, fences) etc. The implementation should be supervised by a contract agent with the appropriate expertise, and the related mission expenditure must also be budgeted.
- Local security and related training (EUR 165 000): These additional appropriations will cover more specific professional training in delegations (EUR 45 000); Hostile Environment Awareness Training (EUR 100 000); and specialised external security training for HQ security colleagues and RSOs (EUR 20 000).

- Risk management capacity (EUR 11 000): To build up risk management capacity one additional contract agent is requested at headquarters. The person would ensure, in close coordination with the Commission and Council, the swift handling of security risks, based on a comprehensive security risk assessment.

4. FINANCING

The increase in commitment appropriations is proposed to be accommodated under the margin of heading 5 Administration. Reallocation of commitment appropriations from existing resources is not possible, given the need to address the impact of the larger than forecast update for salaries and pensions.

The corresponding payment appropriations can however be redeployed. At the end of 2015 the ITER budget item 32 05 01 02 received an amount of assigned revenue which corresponds to the outturn balance from the year 2014 of the European Joint Undertaking for ITER – Fusion for Energy. Since these appropriations are available, an equivalent amount in fresh payment appropriations can be redeployed elsewhere in the 2016 budget.

As the requirements of this DAB in heading 5 are for non-differentiated appropriations, the amount of payment appropriations needed must correspond to the commitments, thus the Commission proposes to offset the increase of EUR 15,8 million in payment appropriations in heading 5 by a reduction of the same amount from budget item 32 05 01 02 in heading 1a.

5. SUMMARY TABLE BY MFF HEADING

Heading	Budget 2016 (incl. AB 1 & DAB 2/2016)		Draft Amending Budget 3/2016		Budget 2016 (incl. AB 1, DAB 2& 3/2016)	
	CA	PA	CA	PA	CA	PA
1. Smart and inclusive growth	69 841 150 263	66 262 537 636		- 15 839 988	69 841 150 263	66 246 697 648
<i>Of which under global margin for commitments</i>	<i>543 000 000</i>				<i>543 000 000</i>	
<i>Ceiling</i>	<i>69 304 000 000</i>				<i>69 304 000 000</i>	
<i>Margin</i>	<i>5 849 737</i>				<i>5 849 737</i>	
1a Competitiveness for growth and jobs	19 010 000 000	17 418 263 582		- 15 839 988	19 010 000 000	17 402 423 594
<i>Of which under global margin for commitments</i>	<i>543 000 000</i>				<i>543 000 000</i>	
<i>Ceiling</i>	<i>18 467 000 000</i>				<i>18 467 000 000</i>	
<i>Margin</i>						
1b Economic social and territorial cohesion	50 831 150 263	48 844 274 054			50 831 150 263	48 844 274 054
<i>Ceiling</i>	<i>50 837 000 000</i>				<i>50 837 000 000</i>	
<i>Margin</i>	<i>5 849 737</i>				<i>5 849 737</i>	
2. Sustainable growth: natural resources	62 484 234 833	55 120 803 654			62 484 234 833	55 120 803 654
<i>Ceiling</i>	<i>64 262 000 000</i>				<i>64 262 000 000</i>	
<i>Margin</i>	<i>1 777 765 167</i>				<i>1 777 765 167</i>	
Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	42 220 335 824	42 212 046 297			42 220 335 824	42 212 046 297
<i>Sub-ceiling</i>	<i>43 950 000 000</i>				<i>43 950 000 000</i>	
<i>Net transfer between EAGF and EAFRD</i>	<i>718 000</i>				<i>718 000</i>	
<i>Margin</i>	<i>1 728 946 176</i>				<i>1 728 946 176</i>	
3. Security and citizenship	4 051 966 698	3 022 287 739			4 051 966 698	3 022 287 739
<i>Of which under Flexibility Instrument</i>	<i>1 505 966 698</i>				<i>1 505 966 698</i>	
<i>Ceiling</i>	<i>2 546 000 000</i>				<i>2 546 000 000</i>	
<i>Margin</i>						
4. Global Europe	9 167 033 302	10 155 590 403			9 167 033 302	10 155 590 403
	24 033 302				24 033 302	
<i>Ceiling</i>	<i>9 143 000 000</i>				<i>9 143 000 000</i>	
<i>Margin</i>						
5. Administration	8 935 176 052	8 935 076 052	15 839 988	15 839 988	8 951 016 040	8 950 916 040
<i>Ceiling</i>	<i>9 483 000 000</i>				<i>9 483 000 000</i>	
<i>Margin</i>	<i>547 823 948</i>				<i>531 983 960</i>	
Of which: Administrative expenditure of the institutions	7 122 580 572	7 122 480 572	12 288 988	12 288 988	7 134 869 560	7 134 769 560
<i>Sub-ceiling</i>	<i>7 679 000 000</i>				<i>7 679 000 000</i>	
<i>Margin</i>	<i>556 419 428</i>				<i>544 130 440</i>	
Total	154 479 561 148	143 496 295 484	15 839 988		154 495 401 136	143 496 295 484
<i>Of which under Flexibility Instrument</i>	<i>1 530 000 000</i>	<i>832 817 382</i>			<i>1 530 000 000</i>	<i>832 817 382</i>
<i>Of which under global margin for commitments</i>	<i>543 000 000</i>				<i>543 000 000</i>	
<i>Ceiling</i>	<i>154 738 000 000</i>	<i>144 685 000 000</i>			<i>154 738 000 000</i>	<i>144 685 000 000</i>
<i>Margin</i>	<i>2 331 438 852</i>	<i>2 021 521 898</i>			<i>2 315 598 864</i>	<i>2 021 521 898</i>
Other special Instruments	524 612 000	389 000 000			524 612 000	389 000 000
Grand Total	155 004 173 148	143 885 295 484	15 839 988		155 020 013 136	143 885 295 484