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European Union

Brussels, 8 June 2023  
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#### COVER NOTE

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| From:            | Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director |
| date of receipt: | 8 June 2023   |
| To:              | Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union         |

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|----------------|---|
| No. Cion doc.: | COM(2023) 311 final   |
| Subject:       | ANNEX 2 to the COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN COURT OF JUSTICE, THE EUROPEAN CENTRAL BANK, THE EUROPEAN COURT OF AUDITORS, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS<br>Proposal for an interinstitutional ethics body |

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Delegations will find attached document COM(2023) 311 final, Annex 2.

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Encl.: COM(2023) 311 final, Annex 2



Brussels, 8.6.2023  
COM(2023) 311 final

ANNEX 2

ANNEX

*to the*

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN  
COURT OF JUSTICE, THE EUROPEAN CENTRAL BANK, THE EUROPEAN  
COURT OF AUDITORS, THE EUROPEAN ECONOMIC AND SOCIAL  
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**Proposal for an interinstitutional ethics body**

## ANNEX

### SIMPLIFIED FINANCIAL STATEMENT

(to be used for any internal Commission decision of general significance with a budgetary impact on appropriations of an administrative nature or on human resources, when use of any other type of financial statement is not appropriate – Article 56 of the Commission decision on the internal rules for the implementation of the Commission section of the general budget of the European Union)

#### 1. Title of draft decision:

Agreement between the European Parliament, the European Council, the Council, the European Commission, the Court of Justice of the European Union, the European Central Bank, the Court of Auditors, the Economic and Social Committee and the Committee of the Regions, establishing an Interinstitutional Ethics Body.

#### 2. Policy area(s) and ABB activity(ies) concerned:

##### European Commission

Commission's policy coordination and legal advice – Title 20. Administrative expenditure – Chapter 20 01 Members, officials and temporary staff and Chapter 20 02 Other staff and expenditure relating to persons (Heading VII).

#### 3. Legal basis

Administrative autonomy

Other (*specify*): \_\_\_\_\_

#### 4. Description and grounds:

The Commission is proposing an agreement to set up an ethics body common to the European Parliament, the European Council, the Council, the Court of Justice of the European Union, the European Central Bank, the European Court of Auditors, the Economic and Social Committee and the Committee of the Regions (all together, the “Parties”). Upon its request, the European Investment Bank may also become a Party to this Agreement after it enters into force.

The tasks of the Body are exclusively related to the ethical obligations of the members of the institutions and two advisory bodies. The concrete tasks of the Body are (i) to be a formal mechanism for coordination and exchange of views between the parties, (ii) to prepare common ethical minimum standards for the conduct of members of the parties and (iii) to hold exchanges of views on the basis of the assessment made by a Party of the alignment of its own internal rules with the recommended standards referred to above.

Union bodies, offices and agencies, other than the participating institutions, may voluntarily apply the complete set of common minimum standards developed or to be developed by the Ethics Body. In this case, they will have the possibility to take part to an exchange of views with the members of the Ethics Body on their internal rules related to areas where standards have been developed.

The Body shall consist of one representative from each Party, in principle, at the level of a Vice-President. Each Party will designate a full member and an alternate. Flexibility is given to appoint a representative other than a Vice-President, where no such function exists within the Party, or such a choice would be inappropriate. Any expense incurred by a member of the Body or his or her alternate in connection with his or her duties in the Body shall be covered by the institution to which he or she belongs.

The Body's work shall be informed by five independent experts who shall act as observers and shall advise on any ethical question related to the mandate of the Body. They shall attend each meeting of the Body and provide an opinion for an exchange of views of the Body on the alignment of the internal rules of Party with the recommended standards. The independent experts shall receive the status of Special Adviser by the Commission and be attached to the Commission for administrative reasons. They shall be reimbursed the travelling and accommodation expenses they incur when carrying out their duties. They shall receive a per diem per day of work equivalent to the remuneration of an official in grade AD12. All parties shall provide an annual financial compensation to the Commission at the beginning of the financial year to cover all administrative expenses incurred by the Commission for the Independent experts (per diem, travel and accommodation expenses, daily allowance as well as all other operational and logistical expenses (IT equipment, etc.)).

The members of the Body will be supported by a secretariat. The secretariat will report to the Body, prepare its meetings, provide operational assistance in its tasks, prepare the reports that follow the exchanges of views on the self-assessments made by the Parties, prepare the draft annual report, carry out any other activities necessary for the effective implementation of this Agreement; direct all incoming and outgoing correspondence with the Body to its Chair and/or the Party concerned by the correspondence.

The secretariat will be a joint operational structure but will be formally hosted in the Commission. It shall be made up of the heads of unit, or equivalent, responsible for ethics for members in each participating institution. The person holding that position at the Commission shall act as the "Coordinator" for the secretariat unless another person is designated by the Commission in agreement with the Parties.

The Body shall manage a public website in which all the information relevant to its activities shall be made publicly available, including its composition as well as the calendar of meetings and meeting agendas.

The creation of the Body should translate into a small increase of human resources.

One additional full-time equivalent (1 AD) is required within each institution which is a party to the agreement. While remaining assigned in their respective institution of assignment, they will be available to assist the Secretariat based on the needs.

In addition, two full-time equivalents (2 AST) are required, to provide administrative support to the secretariat, to the independent experts (for example, organisation of their missions) but also to ensure the maintenance of the public website of the Body, including keeping the information available updated.

Subject to the prerogatives of the Union's budgetary authority, the Union institutions and advisory bodies participating in this Arrangement with the exception of the European Court of Auditors, the European Central Bank and the European Investment Bank, if it becomes a

Party to the agreement, shall assign to the Commission two AST posts on an annual rotating basis corresponding to the annual rotation of the Presidency of the Body.

In the year when they hold the Presidency, the European Court of Auditors, the European Central Bank and the European Investment Bank, if it becomes a Party to the agreement, shall provide an annual financial compensation at the beginning of the financial year in which they hold the Presidency. In these cases human resources will be provided by the Commission.

## 5. Duration and estimated financial impact:

### 5.1 Period of application:

- Decision with a limited duration: decision in force from [date] to [date]  
 Decision with an indefinite duration: decision in force from [date] to [date]

### 5.2 Estimated budgetary impact:

The draft decision entails:

- savings  
 additional costs (if so, specify the heading(s) of the multiannual financial framework concerned): Heading VII

*Complete the estimated financial impact table in the annex for appropriations of an administrative nature or for human resources. If the draft decision is of indefinite duration, the costs must be indicated for each year of development and then for each year of operation at full capacity (in the column 'Total/annual cost').*

### 5.3 Third-party contributions to the financing of the draft decision:

*If the proposal provides for co-financing by Member States or other bodies (please specify which), you should give an estimate of the level of co-financing, if known.*

appropriations in EUR million (to 3 decimal places)

|  | Year<br>n | Year<br>n+1 | Year<br>n+2 | Year<br>n+3 | Year<br>n+4 | Year<br>n+5 | Year<br>n+6 | Total |
|--|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------|
| <i>Specify cofinancing source/body</i> |           |             |             |             |             |             |             |       |
| TOTAL appropriations cofinanced        |           |             |             |             |             |             |             |       |

### 5.4 Explanation of figures:

Average staff costs are shown at the foot of page

<https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/financial-statement.aspx>

The decision will lead to the following additional human resources: 2 AST (342.000 €/year to be shared equally amongst the Parties / to be shared amongst the Parties over time)+ 1 AD per participating institution (171.000 €/year/participating institution).

6. Compatibility with the current multiannual financial framework:

The proposal/initiative:

- can be fully financed through redeployment within the relevant heading of the Multiannual Financial Framework (MFF).

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts. Please provide an excel table in the case of major reprogramming.

[...]

- requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation.

Explain what is required, specifying the headings and budget lines concerned, the corresponding amounts, and the instruments proposed to be used.

[...]

- requires a revision of the MFF.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

[...]

7. Impact of savings or additional costs on the allocation of resources:

- Resources to be obtained by means of internal redeployment within departments
- Resources already allocated to the department(s) concerned
- Resources to be requested during the next allocation procedure

**The human and administrative resources required will be met by resources which are already assigned to the management of the action and/or have been redeployed within the institution holding presidency.**

**In this context it is important to recall that all Heading 7 institutions are operating in the context of stable staffing. Consequently, any increases in staffing will only be possible by reductions elsewhere, with the emphasis on reallocation and redeployment within the services.**

ANNEX:

**ESTIMATED FINANCIAL IMPACT (savings or additional costs) FOR APPROPRIATIONS OF AN ADMINISTRATIVE NATURE OR FOR HUMAN RESOURCES**

FTE=Full-Time Equivalent

XX is the policy area or title concerned

EUR million (to three decimal places)

| FTE in persons/year  | Year 2023 |              | Year 2024 |              | Year 2025 |              | Year 2026 |              | Year 2027 |              |          |              |
|--|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|----------|--------------|
|  | FT E      | approp.      | FT E      | approp.      | FT E      | approp.      | FT E      | approp.      | FT E      | approp.      |          |              |
| <b>Heading 7</b>   |           |              |           |              |           |              |           |              |           |              |          |              |
| Establishment plan posts (officials and/or temporary staff)                  |           |              |           |              |           |              |           |              |           |              |          |              |
| 20 01 02 01 and 20 01 02 02<br>(- cumulative impact for all H7 institutions) | 3         | 0,513        | 3         | 0,513        | 3         | 0,513        | 3         | 0,513        | 3         | 0,513        | 3        | 2,565        |
| 20 01 02 03 (Delegations)  |           |              |           |              |           |              |           |              |           |              |          |              |
| External staff   |           |              |           |              |           |              |           |              |           |              |          |              |
| 20 02 01 ('global envelope')   |           |              |           |              |           |              |           |              |           |              |          |              |
| 20 02 03 (Delegations)   |           |              |           |              |           |              |           |              |           |              |          |              |
| 20 02 05 (Special Advisors)  |           | 0,107        |           | 0,107        |           | 0,107        |           | 0,107        |           | 0,107        |          | 0,535        |
| Other budget lines (specify)   |           |              |           |              |           |              |           |              |           |              |          |              |
| <b>Subtotal – Heading 7</b>  | <b>3</b>  | <b>0,620</b> | <b>3</b>  | <b>0,620</b> | <b>3</b>  | <b>0,620</b> | <b>3</b>  | <b>0,620</b> | <b>3</b>  | <b>0,620</b> | <b>3</b> | <b>3,100</b> |
| <b>Outside Heading 7</b>   |           |              |           |              |           |              |           |              |           |              |          |              |
| Establishment plan posts (officials and/or temporary staff)                  |           |              |           |              |           |              |           |              |           |              |          |              |
| 01 01 01 01 (Horizon Europe Indirect research)                               |           |              |           |              |           |              |           |              |           |              |          |              |
| 01 01 01 11 (Horizon Europe Direct research)                                 |           |              |           |              |           |              |           |              |           |              |          |              |
| 01 01 02 01 (Euratom R&T Indirect research)                                  |           |              |           |              |           |              |           |              |           |              |          |              |
| 01 01 02 11 (Euratom R&T Direct research)                                    |           |              |           |              |           |              |           |              |           |              |          |              |
| 01 01 03 01 (ITER)   |           |              |           |              |           |              |           |              |           |              |          |              |
| 13 01 02 01 (Defence Fund - research)  |           |              |           |              |           |              |           |              |           |              |          |              |
| External staff   |           |              |           |              |           |              |           |              |           |              |          |              |
| Budget line(s) (former 'BA' lines) (specify)                                 |           |              |           |              |           |              |           |              |           |              |          |              |
| - at Headquarters  |           |              |           |              |           |              |           |              |           |              |          |              |
| - in Delegations   |           |              |           |              |           |              |           |              |           |              |          |              |
| 01 01 01 02 (Horizon Europe Indirect research)                               |           |              |           |              |           |              |           |              |           |              |          |              |
| 01 01 01 12 (Horizon Europe Direct research)                                 |           |              |           |              |           |              |           |              |           |              |          |              |
| 01 01 02 02 (Euratom R&T indirect research)                                  |           |              |           |              |           |              |           |              |           |              |          |              |
| 01 01 02 12 (Euratom R&T direct research)                                    |           |              |           |              |           |              |           |              |           |              |          |              |
| 01 01 03 02 (ITER)   |           |              |           |              |           |              |           |              |           |              |          |              |
| 13 01 02 02 (Defence Fund – research)  |           |              |           |              |           |              |           |              |           |              |          |              |
| Other budget lines (specify)   |           |              |           |              |           |              |           |              |           |              |          |              |

|                                     |  |  |  |  |  |  |  |
|-------------------------------------|--|--|--|--|--|--|--|
| <b>Subtotal – Outside Heading 7</b> |  |  |  |  |  |  |  |
| <b>TOTAL</b>                        |  |  |  |  |  |  |  |

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

*Other administrative appropriations*  
million (to three decimal places)

EUR

|  | Year<br><b>2023</b> | Year<br><b>2024</b> | Year<br><b>2025</b> | Year<br><b>2026</b> | Year<br><b>2027</b> | <b>TOTAL</b> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| <b>Heading 7</b>   |                     |                     |                     |                     |                     |              |
| <u>Headquarters:</u>   |                     |                     |                     |                     |                     |              |
| 20 02 06 01 - Mission and representation expenses  | -                   | -                   | -                   | -                   | -                   |              |
| 20 02 06 02 - Conference and meeting costs   |                     |                     |                     |                     |                     |              |
| 20 02 06 03 - Committees   |                     |                     |                     |                     |                     |              |
| 20 02 06 04 - Studies and consultations  |                     |                     |                     |                     |                     |              |
| 20 04 – ICT equipment and services <sup>1</sup>  | 0,038               | 0,038               | 0,038               | 0,038               | 0,038               | <b>0.19</b>  |
| Other budget lines ( <i>specify where necessary</i> )  |                     |                     |                     |                     |                     |              |
| <u>Delegations:</u>  |                     |                     |                     |                     |                     |              |
| 20 02 07 01 – Missions and representation expenses   |                     |                     |                     |                     |                     |              |
| 20 02 07 02 - Further training of staff  |                     |                     |                     |                     |                     |              |
| 20 03 05 01 and 20 03 05 02 – Acquisition, renting and related expenditure   |                     |                     |                     |                     |                     |              |
| 20 03 05 03 - Equipment, furniture, supplies and services  |                     |                     |                     |                     |                     |              |
| <b>Subtotal – Heading 7</b>  | <b>0,038</b>        | <b>0,038</b>        | <b>0,038</b>        | <b>0,038</b>        | <b>0,038</b>        | <b>0.19</b>  |
| <b>Outside Heading 7</b>   |                     |                     |                     |                     |                     |              |
| <u>Budget line(s) (specify)– Expenditure on technical and administrative assistance (not including external staff) from operational appropriations (former 'BA' lines)</u> |                     |                     |                     |                     |                     |              |
| - at Headquarters  |                     |                     |                     |                     |                     |              |
| - in Delegations   |                     |                     |                     |                     |                     |              |
| 01 01 01 03 - Other management expenditure for Horizon Europe indirect research  |                     |                     |                     |                     |                     |              |
| 01 01 01 13 - Other management expenditure for Horizon Europe direct research  |                     |                     |                     |                     |                     |              |
| 01 01 02 03 (Other management expenditure for Euratom R&T indirect research)   |                     |                     |                     |                     |                     |              |
| 01 01 02 13 (Other management expenditure for Euratom R&T direct research)   |                     |                     |                     |                     |                     |              |
| 01 01 03 03 (Other management expenditure for ITER)  |                     |                     |                     |                     |                     |              |
| 13 01 02 03 (Other management expenditure for Defence Fund – research)   |                     |                     |                     |                     |                     |              |
| Other budget lines ( <i>specify where necessary</i> )  |                     |                     |                     |                     |                     |              |
| <b>Subtotal – Outside Heading 7</b>  |                     |                     |                     |                     |                     |              |
| <b>GRAND TOTAL</b>   | <b>0,658</b>        | <b>0,658</b>        | <b>0,658</b>        | <b>0,658</b>        | <b>0,658</b>        | <b>3,29</b>  |

<sup>1</sup> ICT: Information and Communication Technologies. DIGIT must be consulted.



The administrative appropriations required will be met by the appropriations which are already assigned to management of the action and/or which have been redeployed, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of existing budgetary constraints.