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OPINION

of the Committee on Budgets on the proposal from the Commission of the European Communities to the Council (Doc. 1-522/83-COM(83)327 final) for a Decision adopting a research programme to be implemented by the Joint Research Centre for the European Atomic Energy Community and for the European Economic Community (1984 - 1987)

Draftsman: Mr E. KELLETT-BOWMAN

PE 85.104/fin./Ann.

O P I N I O N

of the Committee on Budgets

Draftsman: Mr E. Kellett-Bowman

On 20 January 1983, the Committee on Budgets appointed Mr Kellett-Bowman draftsman of the opinion.

The Committee considered the draft opinion at its meeting of 28/29 September 1983 and adopted it by 9 votes to 1 with no abstentions.

The following took part in the vote: Mr LANGE, Chairman; Mr NOTENBOOM, Vice-Chairman; Mr ROSSI, Vice-Chairman; Mr KELLETT-BOWMAN, draftsman; Mr ARNDT, Mrs KELLETT-BOWMAN (deputizing for Mr PRICE), Mr LOUWES, Mr O'MAHONY, Mr Konrad SCHON, Mrs SCRIVENER and Mr SIMONNET.

Introduction

1. The Joint Research Centre (JRC) is currently implementing the 1980-83 multiannual programme. The decision of 12 March 1980⁽¹⁾ defining this programme provided for it to be revised in its last year (i.e. 1983) so as to smooth the transition to the new programme.⁽²⁾ The new 1984-87 programme is the subject of this opinion for the Committee on Energy, Research and Technology.

2. In May 1982, the Commission proposed "new guidelines" for the 1984-87 JRC programme,⁽³⁾ and made a further communication on "future activities" in March 1983.⁽⁴⁾ The balance of these proposals was upset when Council decided on 10 March 1983 not to continue with the Super Sara project. Council also concluded that the JRC should continue to play a central role, that a study should be made of using the Ispra site of the JRC for major projects, and that - for 1984-87 - a staff complement of 2,260 and a level of resources equivalent to that currently observed would be appropriate. However justified as part of the political decision to cancel the Super Sara project, these latter conclusions pre-empt the current consultation of Parliament.

Content of the proposed 1984-87 programme

3. The Commission clearly intends the 1984-87 JRC programme to be a "fresh start", both after the Super Sara debacle and as part of its new research strategy. In this context it is worrying that the programme shows little sign of being influenced either by the FAST exercise of forecasting scientific developments or indeed the framework programme for Community research incorporated in a Council resolution of 25 July 1983:⁽⁵⁾ around three-quarters of the proposed appropriations are for energy-related topics (virtually all nuclear).

(1) OJ L 72, 1980

(2) See PEDINI report, Doc. 1-775/82, and EP resolution of 22.11.82 (OJ C 304, 1982)

(3) COM(82) 250

(4) COM(83) 107

(5) See COM(83) 260; resolution OJ C 208

4. Nevertheless, the Commission is correct in proposing that the JRC's activities should be of a significant scale, that the JRC should not work in isolation and that it should be an instrument for realizing particular objectives of the research strategy. This leads the Commission to define the main themes of the JRC's work as (a) safety and the environment, and (b) standardization, and to concentrate on fewer topics forming part of action programmes covering both direct and indirect action. It is for the Committee on Energy, Research and Technology to judge if the new programme is a reorientation, or a reclassification of existing activities.

5. Expenditure for 1984-87 is estimated at 700 mECU (1983 prices). This compares with the previous 1980-83 programme as follows:

	<u>mECU</u>		
1980	116	} 596	{ actual commitments entered into (1980-82); budget plus carryovers for 1983. Corresponds to original programme decision of 511 mECU in <u>1980</u> prices plus transfer of 17.5 mECU in 1982
1981	135		
1982	178		
1983	<u>168</u>		
1984	179	} 700	(1983 prices)
1985	179		
1986	173		
1987	<u>169</u>		

The programme thus continues at roughly the same real level of resources. This corresponds to one of Council's conclusions of 10 March 1983, but it also reflects Parliament's view that the 1984-87 programme should be realistic.⁽¹⁾ In principle, therefore, funding the new programme in forthcoming budgets should not be difficult, providing that arrival at the limit of own resources does not necessitate major readjustments. It should also be observed that the framework programme foresaw a substantial increase in Community expenditure on research; the bulk of that increase will, by implication, be on indirect action.

6. The Court of Auditors has complained about changes in nomenclature in this sector making it difficult to trace the evolution of expenditure. Parliament has also pressed for a more logical nomenclature. The fact that the six main programmes proposed do not correspond with either the framework programme or the 1984 preliminary draft budget, hardly meets these criticisms. In addition, the only direct comparison with the 1980-83 programme concerns staff. The table below aims to fill the gap.

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(1) EP resolution on framework programme 10.6.83 OJ C 184, para 26

% of COMMITMENT
APPROPRIATIONS

STAFF

<u>1984-87 PROGRAMME</u>	80-83 ORIGINAL DECISION	80-83 ACTUAL EXP.	84-87	84-87 % BREAKDOWN	84-87 NUMBERS	% GROWTH NEW vs OLD
Industrial technologies	11.4 %	11.8 %	13.2%	12.9%	291	+ 18
Fusion	5.1	5.1	8.4	9.1	206	+ 66
Fission	48.7	50.7	50.4	51.8	1171	+ 2
Non-nuclear energy	7.2	6.4	5.5	6.5	147	- 25
Environment	10.2	9.9	14.1	16.3	368	+ 36
Scientific services						
- HFR	10.2	9.3	8.4	3.4	77	- 13
- sectoral support	7.1	6.8	*	*	*	*
	(100.0)	(100.0)	(100.0)	(100.0)	2260	

* Not shown separately in new programme; a sum equivalent to 1.8% of appropriations included mainly in "fusion" and "fission".

7. The new programme reflects the termination not only of Super Sara, but also the hydrogen programme, data-processing programme and the provision of services for third parties; work on nuclear fuels is reduced by some 20%. The staff released⁽¹⁾ will allow:

- (a) a fuller complement for certain reactor safety, nuclear waste and fusion programmes,
- (b) work on fast reactors, a European Accident code, and some nuclear waste programmes to be restarted.

The scale of these changes is difficult to estimate, for they are not necessarily linked to appropriations or programme title. There must, however, be a question mark over the usefulness of these programmes dropped or cut back in favour of Super-Sara when it is now not thought worthwhile to continue with that latter project.

(1) Geel will continue to concentrate on nuclear measurement, Petten on the HFR and Karlsruhe on actinides; some staff from the latter will go to Ispra, and non-HFR work at Petten is to be reviewed.

Staff

8. Two general questions concerning staff need to be addressed. Firstly, the number of staff required to carry out the 1984-87 programme. On this, the Council (10 March 1983) has already indicated that in its view a complement of around the current level⁽¹⁾ would be appropriate. The second is the unsatisfactory age distribution of research staff at the JRC, together with the fact that research is by definition specialised so it is difficult to change the orientation of the existing workforce. The cancellation of Super Sara exacerbates these problems.⁽²⁾

9. Amongst JRC research staff, the average age in 1983 is 49.6 years, and well over half the staff (61%) fall in the 45-55 age-bracket⁽³⁾ (these figures are for A-grade staff; the situation is little better for other categories). Staff tend to be at the end of their career bracket and, while experienced, are inevitably less innovative. In addition, the present staff cannot provide all the skills needed.

10. Natural turnover of staff is negligible and the Commission proposes releasing a number of existing officials and recruiting an equivalent number of younger officials, so as to start correcting the age distribution and bring in new skills. Around 100-120 officials are likely to be released. Compensation for such a measure (on the basis of Article 41 of the Staff Regulations) may well amount to 35-40 mECU spread over 10 years. This sum is not shown separately in the indicative financial breakdown.

11. The Commission seeks to allow the staff complement to rise for a transition period covering this release and recruitment. This "bulge" seems unnecessary as it will take some time to recruit new staff, and there is no real link between those leaving and those arriving. In any event, the maximum complement should not be 2,260, but 2,222 (i.e. 1982 level of 2,260 less the transfer of 38 to DG XII made subsequently).

(1) The current level is not 2,260 but 2,222, i.e. 2,260 less transfer 38 from JRC to DG XII, 1983 budget.

(2) 86 officials were already directly employed on this programme, with a further 149 in support and general staff. For comparison, the cancellation of other activities affects 134 directly and 151 indirectly. The total is 530, implying transfers for around 30% of the Ispra establishment.

(3) Delpech report, Table 41

12. However, as Mr Delpech stresses,⁽¹⁾ staff policy should not be restricted to retirement and recruitment of new blood; better staff balance and improved mobility would result from long-term (3-5 years) exchanges with laboratories in member states, with a guaranteed "return-ticket". This has been successfully done with the JET programme. Apart from the exchange of ideas, this would help integrate the Community's research effort with that of the member states. Indeed, the Commission itself appeared to favour such an approach⁽²⁾ in 1982 as an alternative to the creation of permanent posts. This approach should be vigorously pursued now.

Other matters

13. In a special report on the JRC multiannual programmes,⁽³⁾ the Court of Auditors criticised the way in which the global amount was expressed in Council's decision on the 1980-83 programme (i.e. it was not in constant terms, nor were exceptions specified) and the lack of links to reconcile the programme decision with the annual budget. All this reinforces Parliament's view that only the annual budget can fix appropriations, with amounts in decisions being at most "indicative" (Council deleted "indicative" from the 1980-83 decision). This view was incorporated in the 30 June 1982 joint declaration. It should be noted, however, that for the 1980-83 programme, Council included in its minutes of 10 March 1980 a breakdown of the overall amount, in other words specified sums independently both of the budgetary procedure and the legal decision. Such a procedure is quite unacceptable.

14. The Commission has drawn up its new proposal in a way which will make it easier to identify the effects of inflation. The programme is now expressed in 1983 prices. Actual spending will differ from this because of (a) changes in salaries and the effect of inflation on other costs, and (b) deviations from the programme. In future, the annual budget will include an updating which will allow these two effects to be distinguished.

(1) Para 4.5 of his report

(2) See proposal for revision of 1980-83 programme, COM(82) 489 Annex

(3) Report 8/82, Court of Auditors

15. The Commission wants to have flexibility in executing the programme (to respond to new possibilities, for example) and envisages keeping 5% of the resources for this (i.e. 35 mECU). A four-year research programme cannot be rigidly defined in advance, but there are a number of objections to this proposal:

- the funds are not separately identified but pad-out the whole budget,
- the Commission already has exceptional powers to effect transfers (\pm 7%) between items in Article 730 (JRC programme) under Article 94(2) of the Financial Regulation,⁽¹⁾ and has been criticised for using this to transfer unexpected savings on staff appropriations to operational appropriations,⁽²⁾
- Parliament has always been rather against non-specific reserve funds,
- the budget allocates funds by research project, but JRC costs are incurred according to function. The Court of Auditors has several times commented on the need to improve management control over this system, which can be rather flexibly administered in allocating costs.

16. Following prompting by both Parliament and Council, the Commission is taking a closer interest in the effectiveness of EC research and has now proposed an action plan.⁽³⁾ As the pilot projects undertaken virtually ignored external review of direct action research, it is a step forward that the proposed decision for the 1984-87 programme includes a critical analysis by outside experts for use by Council and Parliament. Welcome as this is, Mr Delpech and other authors⁽⁴⁾ have pointed out the limitation of such "peer evaluation" and the value of more objective methods of analysis.

Conclusions

1. The Committee on Budgets welcomes the proposed programme and the emphasis it places on setting objectives and concentrating resources and wishes to include the following paragraphs in the Linkohr report, namely that it

(1) OJ L 356 1977 and OJ L 160 1979

(2) Special report 8/82, Court of Auditors, paras. 3.4.3 and 3.5.6

(3) See COM(83) 1 and Council Resolution of 28.6.83 (OJ C 213, 1983)

(4) SPRU, University of Sussex, report for French Ministry of Research and Industry

- (a) insists that the proposed appropriations for the 1984-87 programme, which are approximately at the same level as before, can only be regarded as indicative,
- (b) agrees that a multiannual research programme has to be managed with some flexibility, but considers that considerable flexibility already exists; cannot accept an unspecified 5% reserve fund which is nowhere separately identified and considers the indicative level of appropriations to be correspondingly reduced,
- (c) approves the release of 100-120 older scientific staff to make way for new blood, and considers that, for budgetary clarity, the costs of this measure should be shown separately in the budget,
- (d) recalls the substantial advantages of attracting scientists to the JRC from laboratories in member states, on long-term exchange contracts, and proposes that at least half the staff recruitment during 1984-87 should be on this basis,
- (e) considers that the staff complement should not rise above the current level of 2,222, even temporarily, of whom at least 60 should be on exchange contracts.

Proposal for a Council Decision adopting a research programme to be implemented by the Joint Research Centre for the European Atomic Energy Community and for the European Economic Community (1984-87)

Text proposed by the Commission of
the European Communities

Amended Text

Preamble and recitals unchanged

Articles 1 to 6 unchanged

Article 7

Before the next proposal for a multiannual programme, the Commission shall transmit to the Council and to Parliament a critical analysis, carried out by independent experts, of the programmes launched by the Joint Research Centre.

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Before the next proposal for a multiannual programme, the Commission shall transmit to the Council and to Parliament a critical analysis, carried out by independent experts, of the programmes launched by the Joint Research Centre. This analysis shall comprise quantitative indicators of research performance.