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DOCUMENT 1-410/82

REPORT

drawn up on behalf of the Committee on Budgets

on the Preliminary Draft Budget in the light
of the Parliament's Resolution on Guidelines
for the 1983 Budget

Rapporteur: Mr Robert JACKSON

Mr. Robert Jackson, nominated rapporteur for Section III (Commission) of the budget of the Communities for 1983 on 27/28 January 1982 submitted the following draft motion for a resolution on the 1983 Preliminary Draft Budget to the Committee on Budgets at its meeting on 22/23 June.

The Committee on Budgets decided to submit this resolution to Parliament at its plenary session of 5-9 July 1982 on the occasion of its debate on the Preliminary Draft Budget for 1983.

The draft motion for a resolution was adopted by 22 votes in favour with 5 abstentions at the above meeting.

The following were present: Mrs. Barbarella (Acting Chairman); Mr. R. Jackson (rapporteur); Mr. Adam (deputising for Mr. Abens); Mr. Adonnino; Mr. Arndt; Mr. Baillet; Mr. Balfe; Mr. Balfour; Mr. Bonde; Mrs. Boserup; Mrs. Clwyd (deputising for Mr. Lange); Mr. Enright (deputising for Mr. Lalumière); Mr. Fruh (deputising for Mr. Lega); Mr. Herman (deputising for Mr. Barbagli); Mrs Hoff; Mr. Georgiadis; Mr. Gouthier; Mr. Johnson (deputising for Mr. Kellett-Bowman); Mr. Langes; Mr. Louwes; Mr. Moreland (deputising for Mr. Simmonds); Mr. Newton-Dunn; Mr. Nord (deputising for Mr. Rossi); Mr. Price; Mr. Protopapadakis; Mr. Saby; Mr. Schmid (deputising for Mr. Cluskey); Mr. Konrad Schön; Mrs. Scrivener.

The opinion of the Committee of Inquiry into the Situation of Women in Europe on the Preliminary Draft Budget will be published separately.

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A

The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution together with explanatory statement.

MOTION FOR A RESOLUTION

on the Preliminary Draft Budget in the light of the Parliament's Resolution on Guidelines for the 1983 Budget

The European Parliament

- having regard to the Preliminary Draft Budget proposed by the Commission⁽¹⁾,
- recalling its Resolution of 22 April 1982 on Guidelines for the 1983 Budget, in which Parliament set out in detail its priorities for the coming budget year⁽²⁾,
- having regard to the meeting held on 11 May 1982 between a delegation from Parliament and Members of the Commission at which these Guidelines were discussed,
- having regard to the report of the Committee on Budgets (Doc. 1-410/82).

I WITH REGARD TO THE DRAFT BUDGET

1. Considers that the Commission's Preliminary Draft Budget for 1983 takes insufficient account of the main concerns of the European Parliament as expressed in its Guidelines Resolution; and believes that this Preliminary Draft Budget constitutes neither a budget of progress nor even one of transition, but one of stagnation; notes that this preliminary draft makes no attempt to introduce genuinely new measures although these are essential to the furtherance of European integration;
2. Urges Council to draw up a Draft Budget along the lines of Parliament's Guidelines Resolution, and charges its delegation to present this Resolution to Council at the conciliation meeting which takes place before the Draft Budget is established, insisting that the European Parliament's positions be given practical expression in the draft budget;

(1) COM (82) 200

(2) OJ C125 of 17.5.82, p 119

II WITH REGARD TO THE FIGHT AGAINST UNEMPLOYMENT

3. Reiterates its view that the central theme of the 1983 budget should be the fight against unemployment, making full use of all the appropriate instruments, in particular by means of a considerable increase in appropriations for the Social Fund and a significant increase in appropriations for the Regional Fund;
4. Regrets that the Commission's proposals for an increase in appropriations for the Social Fund do not differ in a truly significant way from its proposals for increases in this sector in previous years' Preliminary Draft Budgets; and considers that the Commission's proposals do not constitute an adequate increase for a Fund which has such an important role to play in fighting unemployment directly and which can use extra resources immediately⁽¹⁾;
5. Insists, therefore, in the light of the worsening employment situation and allowing for existing limits on Community resources - that a total of two thousand five hundred million (2,500,000,000) ECU be entered for the ESF in the 1983 draft budget, which will constitute 10.4% of the total 1983 budget.
6. Regrets similarly that the increase proposed for Regional Fund appropriations is scarcely greater than the proposed average increase in appropriations for non-obligatory expenditure and with the Commission's proposals in previous years⁽²⁾;
7. Calls on Council to put action behind the words of its many statements on unemployment so as to make fuller use of these and other budgetary instruments which can have the largest direct and indirect impact on unemployment;

III WITH REGARD TO THE RESTRUCTURING OF THE BUDGET

8. Repeats its insistence that there must be improved cost-effectiveness in the utilization of budgetary appropriations, especially within the framework and in the management of the Common Agricultural Policy so as to contribute to a more balanced structure;
9. Regrets that the proportion of the budget which is proposed in the Preliminary Draft Budget for the Guarantee section of the EAGGF falls by no more than 1 per centage point⁽³⁾, which suggests that the Commission has made no real progress in the direction of the control of Agricultural Guarantee expenditure, as demanded on many occasions by Parliament, and as foreseen in the Commission's own "Mandate" documents;

(1) The increases proposed for the Social Fund are 45% for commitments and 39% for payments. In the 1982 PDB the equivalent figures were 40% for commitments and 55% for payments.

(2) The increases proposed for the Regional Fund are 38% in commitments and 33.5% in payments. The increase in non-obligatory expenditure in 1983 as defined by the Commission is 34% for commitments and 25% in payments.

(3) Excluding the UK measures from the 1982 budget and taking account of the reduction of 500 mECU in agricultural spending, proposed in the Preliminary Draft Supplementary and Amending Budget No. 1 for 1982, EAGGF guarantee spending falls from 64.8% in the 1982 budget to 64.1% in the 1983 PDB.

10. Insists that the Council show the same vigilance in the agricultural sector, especially with regard to the Commission's forecasts of the necessary expenditure, as it does with respect to other lines of expenditure;

IV WITH REGARD TO THE DEVELOPMENT OF COMMUNITY POLICIES

11. Congratulates the Commission on following Parliament's Guidelines with respect to the energy and transport sectors, while noting that these proposals ~~should be~~ supported by new legislation, and, in the energy sector, by evidence that the present problems in utilising the available funds have been overcome;
12. Invites the Commission to come forward rapidly with the necessary proposals, including appropriate draft regulations, to make it possible in future to increase substantially items 6610 to 6614 (the 'Environment Fund'), as called for in the Alber Resolution adopted by Parliament.
13. Calls on Council to ensure that the relevant decisions are taken without delay for action on these important initiatives to start early in 1983;
14. While regretting the very small volume of resources devoted to these sectors, Parliament welcomes the evolution of appropriations proposed for the environment, information market, education and cultural sectors; but regrets the low rate of increase proposed for information policy (Article 272), especially in connection with the next European election;
15. Welcomes the fact that the Commission has drawn up an action programme on equality of opportunity but believes that if this programme is to be implemented, appropriations will have to be substantially increased and asks the Council to take the necessary decisions;
16. Regards the overall increases proposed for development and cooperation activities as insufficient for the implementation of the Ferrero and Michel reports whilst welcoming the increased budget for cooperation with the non-associated developing countries, for action through NGOs, and for cooperation with the Mediterranean region, especially where this will facilitate the enlargement of the Community; recalls its criticisms of the poor rate of implementation of funds voted in previous years; expects to see signs of considerable improvement in 1982;

17. **Recalls** the criticisms made of the management of food aid in its Guidelines Resolution and in the Resolutions on food aid of 20 April 1982⁽¹⁾ ⁽²⁾, and looks to Commission and Council to make the necessary improvements;
18. **Notes** the evolution of appropriations proposed for research and development; considers that there remains much to be done in putting activities in these sectors on a rational and effective footing;
19. **Is disturbed** by the continuing deficiencies in policy and management reflected in the proposed reduction of appropriations for Agricultural Guidance, running counter both to Parliament's desire for a better balance in expenditure on agricultural policy and to the urgent need to prepare for the Community's further enlargement⁽³⁾; Parliament calls once again for the removal of the ceiling on appropriations for 1980 to 1984 and for a review of Guidance measures to concentrate effort on areas of greatest need;
20. **Regrets** the proposed reduction in commitment appropriations for industrial policy⁽⁴⁾, which suggests that the Commission does not intend to implement the ideas expressed in its Mandate document on industrial policy; notes the absence of progress in establishing a more broadly based industrial policy, in encouraging innovation and in extending loan guarantees and interest rate subsidies to benefit especially the less-developed regions of the Community; notes that no proposals have been made to expand the New Community Instrument;
21. **Repeats** its request made in the Guidelines Resolution for a rigorous review of the consultative bodies and management committees established by the Commission and Council, and of the various studies charged to the budget;

(1) Resolution embodying the Opinion of the European Parliament on the proposals from the Commission of the European Communities to the Council for Regulations concerning food aid in 1982. OJ C 125/45 of 17.5.82. p. 24

(2) Resolution on problems in the implementation of Community food aid in the light of the report of the Court of Auditors. OJ C 125/40 of 17.5.82. p. 40

(3) EAGGF Guidance expenditure falls by 17 per cent in payments but increases by 3 per cent in commitments.

(4) Appropriations accorded to industrial policy are reduced by 24% for commitments but increased by 33% for payments.

V WITH REGARD TO THE PRESENTATION OF THE BUDGET

22. Regrets that the Commission has not proposed the full budgetization of borrowing and lending; insists that a changeover be made from simply improving the presentation of borrowing and lending activities in a budgetary annex to giving them a full and definitive place in the body of the budget; nevertheless welcomes the comprehensive review of Community lending operations included in the Preliminary Draft Budget;
23. Expresses its keen disappointment that the Commission has not retained the presentation of Chapters 90 and 91 relating to the European Development Fund which constituted a first step in the budgetization of that Fund; asks therefore that Chapters 90 and 91 be reinserted as a token of the often expressed commitment to enter the ESF definitively in the budget from the VIth Fund; repeats its previous assertions that Article 928, refunds in connection with Community food aid, should be restored to the EAGGF Guarantee Section;
24. Notes with disapproval that, in direct contradiction to the request made by Parliament in its Resolution, the Commission has not retained the presentation of the Common Fisheries Policy as a separate Title 4 established in the 1982 Budget;

VI CONCLUSION

25. Calls on Council to work closely with Parliament so that the inadequacies of the Preliminary Draft Budget can be made good; only in this way can the objective of directing the Community's resources against unemployment be attained;
26. Instructs its President to forward this Resolution to the Commission and to the Council.

EXPLANATORY STATEMENTI. INTRODUCTION

1. Parliament's Resolution of 22 April 1982 contained a comprehensive and detailed set of guidelines for the 1983 Budget. In drawing up this Resolution Parliament was fully aware of the Commission's right of initiative in preparing the Preliminary Draft Budget and of the expertise it acquires in implementing policies; but, having indicated its priorities, the first question that Parliament must pose in assessing the PDB is that of the extent to which the Commission has attempted to meet its views.

2. Parliament's clear message addressed both to the Commission in framing the PDB and to Council in adopting the Draft Budget was that the "central theme of the 1983 Budget should be the fight against unemployment" (preamble, first indent). To this end, Parliament recommended combining measures from all the relevant policies : and it placed particular emphasis on increased provision for the Social Fund - (calling for a "considerable increase" [paras 4 and 7]) - and the Regional Fund - (a "significant increase" [para 11]).

3. A second central idea which informed the Resolution was that of the "restructuring" of the Budget by improved control (paras 42 et seq) : it called for measures which, by improving "cost-effectiveness within the framework and in the management of the CAP" (para 42) would enable the balance of the Budget to be shifted so that the proportion of expenditure devoted to agriculture was diminished. This demand recalls arguments advanced in every recent resolution by Parliament on budget priorities and on the draft budgets.

4. The Commission's PDB must be judged by the extent to which it responds to these central propositions of the Resolution.

II. THE PDB AND UNEMPLOYMENTThe Social Fund

5. The Parliament's 1983 Guidelines Resolution emphasized the role of the Social Fund as an "instrument of direct Community action against unemployment"; it **seeks** a "considerable increase in the size of the Social Fund in 1983"; and, bearing in mind the forthcoming revision of the Social Fund regulation, it **lays** particular emphasis on a number of sectors of Social Fund action, notably concerned with combatting youth unemployment. It also calls for more money to be made available from the 1983 EEC Budget for steel social measures.

6. In the 1983 PDB Social Fund appropriations as a whole increase by 45% in commitments and 39% in payments. Within the Social Fund Items 6010 and 6011, which are the main vehicles for granting assistance to young people, receive increases of 59% and 53% respectively in commitments and 66% and 33% in payments. Item 6012 - special programmes for the creation of employment - which is aimed principally at young people, is granted only a token entry.

Appropriations in Article 605 - measures for women - increase by 40% in commitments and 103% in payments. Measures for the handicapped (Article 611) increase by 21% in commitments and 18% in payments. No new item is proposed to cover Parliament's request that provision be made to grant assistance to areas which have been subject to massive job losses.

7. In Article 650, the Commission has provided 50 mECU destined as a contribution to the ECSC budget for special social measures for the steel industry.

8. A measure of the adequacy of the Commission's response to Parliament's Guidelines Resolution is to compare the rate of growth of the Social Fund envisaged in the 1983 PDB with the rate of growth envisaged in earlier PDBs. In this connection, the proposed increases in 1983 of 45% in commitments and 39% in payments are not impressive when compared with the increases of 40% and 55% respectively proposed in 1982. The proposed increase in payments is therefore in fact 16% below the rate of increase in the 1982 PDB.

9. Commissioner Tugendhat has argued that the Parliament's priority for the Social Fund action against unemployment can be considered to have been met by the Commission if allocation of the proposed 215 mECU from the 1982 Preliminary Draft Amending and Supplementary Budget No. 1 is taken into account. When the two Budgets are seen together, the increases over the unamended 1982 Budget are 62% for payments and 62% for commitments. But these figures do not in fact mark any "considerable" advance over the 1982 PDB proposals of 40% and 55%; and, if the Commission's proposals for the Amending Budget are not accepted by Council, the 1983 PDB proposals will be exposed in all their inadequacy. Whether or not Parliament takes into account the 1982 Budget, it is clear that the increases are not of the order expected by Parliament and, once again, in 1983 the Social Fund is likely to be heavily over-subscribed.

The Regional Fund

10. Parliament's Resolution calls for a "significant increase in Regional Fund resources in 1983" so that this policy could also make its contribution to fighting unemployment in the Community (para 10). It calls for increased appropriations under Item 5411 for integrated operations (para 12); it recommends the extension of interest rate subsidies (para 13); and it makes its position on the Regional Fund conditional on a satisfactory outcome to the revision of the Regional Fund regulation (para 11).

11. It is proposed in the PDB that the appropriations for the Regional Fund be increased by 36% in commitments and 31% in payments. These increases do not compare well with proposals made in previous years. In the 1981 PDB, increases of 37% in commitments and 91% in payments were proposed; in 1982, the corresponding figures were 28% and 40%.

12. Some items within the Fund exhibit substantially higher rates of increase than the general figure. Most notably, the Commission's proposals for the quota-free section of the Regional Fund assume agreement on the reform of the Fund. The proposed reform would increase non-quota expenditure to 20% of the total Fund. This leads to percentage increases in the appropriations for Chapter 51 of 430 per cent in commitments and 117 per cent in payments. These increases, which result from a re-ordering of expenditure within the Regional Fund rather than a massive net expansion (see total ERDF increases in previous paragraph), will be welcomed by Parliament; but they depend on Council's agreeing to the reform of the Regional Fund.

13. Significant increases of 213 per cent in commitments and 130 per cent in payments are also proposed for integrated operations under Item 5411. This meets the concern registered in Parliament's Guidelines Resolution (para 12) for the development of these actions. Parliament also welcomes the proposal that 10 mECU should be devoted to preparation for integrated operations in the Mediterranean countries (Article 550).

III. THE PDB AND THE RESTRUCTURING OF THE BUDGET

The proportion of the Budget devoted to Guarantee expenditure

14. In the 1983 PDB, Agricultural Guarantee expenditure shifts from absorbing 62% of the 1982 Budget (60% if the proposed Amending Budget is taken into account) to absorbing 64%. The Commission attributes this negative trend to the fact that the 1983 PDB, unlike the 1982 Budget, makes no provision for UK supplementary measures. But, while the 1983 PDB contains only a token entry against the supplementary measures for the UK, a comparison between the 1982 Budget less the 500 mECU no longer required for the EAGGF Guarantee Sector and excluding the 1982 provision of 1,654 mECU for the UK shows a shift from 64.8% in 1982 to 64.1% in 1983. A reduction of 0.7% in the preponderance of agriculture spending, however desirable, can hardly be expected to satisfy those who wish to see the Communities' Budget develop into something more than a vast system of support for agricultural markets.

15. Parliament's Guidelines Resolution looked for progress in the 1983 Budget in the direction of "further control of expenditure in guarantee activities (through) ... the termination of open-ended and unlimited price guarantees". The rapporteur has not been able to make a study of detailed PDB proposals in this sector, but an examination of the proposed total expenditure on guarantee activities suggests that little account has been taken of any of Parliament's recommendations for such controls, whether as regards the introduction of a system of co-responsibility by means of a progressively reduced guarantee price for each tranche of output beyond the relevant guarantee, or the implementation of a more flexible management of the system of export refunds.

16. The tables in Annex III below suggest that the Commission's actions do not match its rhetoric. In this, as in other respects, there is very little in the Budget to set it apart from previous budgets. The restructuring proclaimed by the Commission turns out to be chimerical: the "Mandate" exercise has still not borne fruit.

IV. THE PDB AND THE DEVELOPMENT OF COMMUNITY POLICIES

Agricultural Structural Policy (Guidance)

17. Parliament's 1983 Guidelines Resolution refers to the "better balance between the Community's instruments for price guarantees and guidance (in agriculture)" which Parliament has always sought. Parliament's 1983 Guidelines Resolution (paras 15-18) indicates its support for the development of agricultural structural policy, emphasizing in particular the needs of the less-developed Member States, the importance of strengthening integrated development programmes, and the necessity of removing the "ceiling" on the five-year programme to enable further development of this policy area.

18. The rapporteur has not been able to examine in detail the allocation of appropriations proposed for this sector in the PDB; but certain preliminary conclusions may be drawn from the proposals for the total level of payments and commitments.

19. For 1983, the PDB proposes to reduce payment appropriations in this sector by 17%, and to increase commitment appropriations by only 3%. This drop in total payment appropriations is untimely, especially when it is recalled that the rate of implementation of these funds was steadily improving (87% of payments were used in 1981). But if these revised estimates form part of the reassessment of the effectiveness of existing programmes which Parliament has called for (para 15), and if the Commission and the Council can ensure that they will make full use of payments available in 1983, then Parliament may wish to support the line in the PDB on payments in 1983. Its judgment will, however, be largely conditioned by the extent to which its call for special emphasis on the areas in greatest need is met. The attribution of 6mECU to Article 429 covering common actions designed to improve living and working conditions in the least-favoured regions of Greece by means of integrated operations suggests that the Commission may be willing to respond to Parliament's wishes. But, it must also be noted that in the PDB Guidance expenditure (payments) falls from forming 5.6% of Guarantee expenditure in 1982 to 4.5% in 1983. Such a movement contradicts Parliament's desire to see a better balance of expenditure within the farm sector.

20. More disappointing is the paltry increase proposed for commitments, as it is commitment appropriations which set the pattern for new expenditure in future years. Even when the increase of 27 mECU in appropriations for specific actions is included, the rise in commitment appropriations in 1983 is only 6%. The derisory increase being proposed suggests that the Commission is not ready to meet the Parliament's call to Commission and Council to act to remove the "ceiling" on agricultural structural policy.

21. Parliament also asked for increased provision for integrated operations within the Guidance Fund. The items and increases are given in Annex V: they maintain rather than expand existing provision for two of the programmes and they have not, as requested in the Resolution, been granted a separate chapter in the PDB to underline their importance.

Industrial Policy

22. Parliament's 1983 Guidelines Resolution (paras 19-22) indicates strong support for action in this field but is highly critical of current efforts; it emphasizes the need for help for crisis sectors; for assistance in the modernization of less-developed Member States; and to aid innovation, with special regard to micro-electronics and telematics. To these ends, it calls for proposals for Community loan guarantees and interest rate subsidies.

23. Total appropriations proposed in the PDB have been reduced by 24% for commitments but increased by 33% for payments. While the rapporteur is glad to see the proposed development in this sector, he notes that implementation rates have been very poor in the past, especially for payments (32% in 1980 and 10% in 1981). The Commission proposed commitment appropriations of 73 mECU for industrial policy in its 1982 PDB, but it now expects to commit only 49 mECU in 1983. This is hardly an earnest of the Commission's intention to implement the ideas expressed in its "Mandate" document on industrial policy.

24. Little attention has been paid to Parliament's desire to see a more broadly based industrial policy and more action to stimulate innovation. No provision is made for Article 772 - aid for certain crisis-hit sectors - which falls in the hierarchy of budgetary non-provision from a "p.m." to a " - ". Provision for Item 7710, which covers micro-electronics and telematics is reduced; commitment appropriations of 40 mECU are replaced by a token entry and payments drop by 2 mECU.

25. No new provision seems to have been made to extend loan guarantees and interest rate subsidies, nor have new lines which are substantially tied to the less-developed Member States been created.

26. There are no proposals reflected in the PDB, to expand the New Community Instrument.

Energy Policy

27. Parliament's 1983 Guidelines Resolution (paras 23-25) strongly supports action in 1983 in this sector, with special regard to investment, including interest-rate subsidies, in coal and for cooperation with the developing countries.

28. The Commission should be congratulated on the extent to which its proposals in the PDB accord with Parliament's priorities. Parliament should especially welcome the appropriations proposed for Article 705 - promotion of energy investments - (12 mECU entered in Chapter 100) and Article 702 - Community projects concerning coal - (40 mECU in commitments and 33 mECU in

payments). The provision of 3.5 mECU in commitments and 2 mECU in payments for Article 706 - energy programming - goes some way to promote Community cooperation with the developing countries on energy.

29. Nevertheless, in supporting these proposals, Parliament must repeat the views expressed in its 1983 Guidelines Resolution concerning the poor rate of implementation in this sector (para 24). Parliament needs to emphasize to the Commission and Council that its support for increased appropriations on the scale envisaged in the PDB will be conditioned by the progress - of which it is looking for concrete indications - in removing in time for the 1983 Budget the present blocks on the expenditure of the funds already available.

Research Policy

30. Parliament's 1983 Guidelines Resolution (paras 26-28) emphasizes particularly the need to expand the Community's efforts in the non-nuclear field, with special reference to the information market and innovation.

31. Parliament should welcome the increases proposed in the PDB for commitment appropriations - 34% for research and investment and 28% for information market and innovation - and the corresponding increases of 41% and 28% in payments. These proposals respond to the priority Parliament has attached to these sectors, particularly regarding the continued support for the Euronet and Diane programmes covered in Articles 750 and 751.

Transport Policy

32. Parliament's 1983 Guidelines Resolution (paras 29-30) gives strong support to the development of transport policy, especially with regard to transport infrastructure prospects.

33. Accordingly, the Parliament should welcome the long overdue provision envisaged in the PDB of 52 mECU in commitments and 30 mECU in payments for transport infrastructure. It is, however, imperative that Commission and Council should act to enable these funds to be spent in 1983. Parliament's continued support for the Commission's proposals will depend upon its assessment of the probabilities in this regard.

34. An assessment of whether efforts have been made, as called for in Parliament's 1983 Guidelines Resolution, to tailor ERDF infrastructure investment and to tilt Community lending towards transport projects will be made by the rapporteur.

Environment, Public Health and Consumer Protection

35. Parliament's 1983 Guidelines Resolution advocates the development of policy in this area by making budgetary provision for the Third Action Programme on the Environment called for by Parliament; particular mention was made of Item 6610 through 6614. The Commission's proposals for these items show a general increase of 54% in commitments and 21% in payments. The figures in detail are given in Annex VI.

36. The absolute increases are very small and it is hard to believe that they will enable any major expansion of the programmes. but the percentage increases suggest that some account has been taken of Parliament's views.

37. The total increase for expenditure on the environment and consumer protection is 60% for commitments and 50% for payments. Although the absolute increase in payments is only 5.4 mECU, the percentage increases are of the magnitude Parliament would hope to see. The rapporteur has no information on whether the proposed allocation of new staff takes account of the Parliament's support for this sector.

Youth, Education and Culture

38. In its 1983 Guidelines Resolution Parliament calls for "a revitalized policy on education", better provision for young people preparing for working life, development of provisions for safeguarding our architectural heritage and provision for the European Foundation.

39. Starting from a tiny base, only 1.5 mECU in 1982, percentage increases are of little relevance in this sector. The Commission's proposals for the principal articles concerned are tabulated in AnnexVII. Appropriations are not dissociated.

40. The total increase of 75% in appropriations is the minimum which could satisfy Parliament, shifting as it does the proportion taken by this sector from only 0.05% of the total budget to 0.09%.

41. The classification of the European Foundation as non-obligatory expenditure is in line with Parliament's wishes as expressed in the Resolution.

Development, Cooperation Policy and Food Aid

42. Parliament's 1983 Guidelines Resolution calls for greater resources to be devoted to food aid, increased appropriations for the non-associated countries and NGOs; appropriations for cooperation in the energy sector and a replenishment of the International Fund for Agricultural Development (para 36). But it insists that "Food Aid should be considered in its own right ... rather than simply as a means of reducing surpluses" (para 37). The Resolution goes on to suggest ways in which the Food Aid programmes could be made more effective and states that "Parliament expects the appropriations proposed by the Commission in the PDB to reflect (these) principles".

43. Appropriations for food aid (Articles 920-925) increase by 18% in commitments and payments. To satisfy Parliament these increases must be accompanied by the policy reforms suggested in the Resolution and in the two Resolutions on food aid adopted by Parliament on 20 April 1982. ⁽¹⁾

44. Global increases for Title 9 are 18 % in commitments and 17% in payments. The largest increases in commitments, some 55%, occurs in Chapter 93 - Aid to non-associated developing countries - but is matched by only a 17% increase in payments, possibly reflecting the very large increase of 180% in budgeted payments for 1982. The attribution of appropriations for NGOs (Chapter 94), cooperation in the energy sector and the replenishing of the International Fund for Agricultural Development are shown in Annex VIII.

45. It is proposed that appropriations for Mediterranean countries (Ch. 96) be increased by 5% in commitments and 59% in payments. While these measures are in principle favoured by Parliament, especially as regards preparation for the enlargement of the Community, the rapporteur again notes the poor rate of utilization of payments in the past - 12.4% in 1981 and 4.1% in 1980 - and suggests that Parliament's position on this large increase (72 mECU) will be conditional on evidence of considerable improvements being made in the implementation of the funds in 1982.

Commission Staff

46. The rapporteur has as yet been unable to examine the Commission's staffing proposals for 1983.

(1) OJ C 125 of 17.5.82, p. 24 and p. 40.

Budgetization of Borrowing and Lending and the EDF

47. The Commission's proposals in this respect, although falling short of budgetization, provide a comprehensive review of Community lending comparable to that provided in 1982.

48. The rapporteur understands that the Commission has adopted the same presentation of the European Development Fund (EDF) as in the 1982 PDB. Thus it has not taken up the presentation of Chapters 90 and 91 which appears in the 1982 Budget established by Parliament where each line of the EDF is accorded a token entry.

The Presentation of the Budget

49. In paragraph 14 of its Resolution, Parliament requested the Commission to retain the budget presentation it established in the 1982 Budget with regard to the Common Fisheries Policy. Parliament has established a separate Title 4 for the Common Fisheries Policy to show its importance. The Commission has not complied with Parliament's request but has returned to the presentation it used in the 1982 PDB.

Information Policy

50. Parliament considered that the Budget should "contain the financial basis for a detailed information policy programme with a view also to the 1984 elections" (para 39).

Appropriations for Article 272 - Expenditure on the dissemination of information and on participation in public events - have been increased by 8 % from 12 mECU to 13 mECU. No funds have been accorded to Item 2729, which relates to direct elections; it is accorded a p.m.

Consultative activities of the Commission

51. The rapporteur would recall the request by Parliament in its Resolution that the "Commission should conduct a review of the consultative bodies and management committees it has established over the years with a view to a substantial reduction in the appropriations for such bodies in the 1983 Budget".

Appropriations to finance such committees have been increased by 5% to 6.8 mECU for Article 250 and by 21% to 6 mECU for Article 251.

Studies

52. Parliament's 1983 Guidelines Resolution invites the Commission to submit a report in time for its first reading, so that Parliament can make a judgement of the utility of the appropriations accorded to these enquiries.

V. CONCLUSION

53. It must be clear from the foregoing analyses that, in the rapporteur's judgment, the 1983 Preliminary Draft Budget does not come near to satisfying the wishes of Parliament as set out in its 1983 Guidelines Resolution. The Commission has made ambitious proposals for the development of new Community policies in certain areas to which the European Parliament attaches great importance; but this only concerns areas where the volume of appropriations which is envisaged is still relatively small.

54. As a whole, the PDB fails in three crucial respects :-

- (i) it does not propose the level of increase in the Social Fund which would make it possible for that Fund "considerably to increase" the effectiveness of the Communities' contribution to the battle against unemployment in 1983;
- (ii) it does not heed Parliament's wish to further emphasize aid to the regions both through a significant increase in the Regional Fund and by enhancing the regional dimension of other policies, notably Agricultural Guidance expenditure;
- (iii) it does not sufficiently redress the preponderance of EAGGF Guarantee expenditure in the total budget.

ALL FIGURES IN THE ANNEXES ARE IN MILLIONS OF ECUs.

ANNEX I

Proposals in the PDB for the Social Fund

Chapter	Description	1983 PDB		1982 Budget		Absolute increase		Percentage increase	
		C	P	C	P				
6.0	Expenditure under Article 4 of the Council Decision of 1.2.71.	873	640	575	411.5	298	228.5	51.8	55.5
61	Expenditure under Article 5 of the Council Decision of 1.2.71.	919	623.5	663.9	495.8	255.1	127.7	38	25.8
62	Pilot schemes and preparatory studies	7.4	1.0	3.9	4.0	3.5	-3	90	-75
60-62	Social Fund	1800	1264.5	1242.8	911.3	557	353	44.8	38.8

Item	Description	1983		1982		Absolute increase		Percentage incr.	
		C	P	C	P	C	P	C	P
Measures for young people:									
6010	Aid in the fields of vocational training and geographical mobility	540	399	340	239.42	200	159.6	59	67
6011	Aid to promote employment	210	136	137.6	102.4	72.4	33.6	53	33
6012	Special programme for the creation of employment	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.		
6102	Aid to improve the employment situation in certain economic sectors adapting to technical progress	100	58	53.53	35.95	46.47	22.05	86	61
Art. 605	Measures for women	32	29	22.8	14.3	9.2		40	103
Art. 611	Measures for handicapped persons	139.6	96	115.7	81.6	23.9	14.4	21	18

ANNEX II

Proposals in the PDB for the Regional Fund

Title Chapter	Description	1983 PDB		1982 Budget		Absolute increase		Percentage incr.	
		C	P	C	P	C	P	C	P
50	Community action in support of national policies	1920	1280	1669 [*]	1015 [*]	251	265	15	26
51	ERDF - Specific Community measures	480	130	90.5	60	389.5	70	430	117
54	Community measures in the framework of Integrated Operations	52.9	39.7	18.8	18.8	34.1	20.9	181	111
Item 5411	Cty measures in the framework of integrated operations	50 ^{**}	36.8 ^{**}	16	16	34	20.8	212.5	130
50,51,54	ERDF	2453	1450	1778	1093	675	376.5	38	33

* Of which 149 mECU in commitments and 125 mECU in payments are entered in Ch. 100

** Of which 19 mECU in commitments and 12 mECU in payments are entered in Ch. 100

ANNEX III

Proportion of the Budget in payments absorbed by the EAGGF Guarantee Section

Year	PDB	Budget adopted at end of procedure	After supplementary or amending budgets	Outturn
1978	-	-	-	72.4
1979	-	-	-	73.8
1980	68.8	74.8	71	70.4
1981	64.9	66.6	64	65.5
1982 (1)	62 66.9	62.2 67	59.9* 64.8	
1983	64.07	-	-	

(1) excluding UK measures

* Proposed supplementary and amending budget No. 1/82

ANNEX IV

Rate of growth of EAGGF expenditure contrasted with rate of growth
of own resources

Year	(1) EAGGF Guarantee	(2) Absolute increase	(3) Percentage increase	(4) Maximum own resources	(5) Absolute increase	(6) % Incr.	(6)-(3)
1980	11,292	-	-	18,529	-	-	-
1981	10,951	- 341	-3	20,012	1,483	8	11
1982	13,643	2692	25	22,811	2,789	14	-11
1983	14,050	407	3	24,702	1,891	8	+5
1980- 1983	-	2758	24.4	-	6,173	33	+8.9

ANNEX V

EAGGF Guidance - Integrated Operations

Item	Heading	C (1982) P		C (1983) P		C (% incr.) P
4234	Integrated Development Programme for the Lozère	0.50		0.2		-60
4260	Integrated Development Programme for the Western Islands of Scotland	p.m.		1.6		-
427	Integrated Development Programme for SE Belgium	1.0	0.3	1.0	0.3	-

ANNEX VI

Environment, Public Health and Consumer Protection

Item		1981		1982		Percentage Increase	
		C (mECU)	P	C (mECU)	P	C (mECU)	P
6610	Aid for the development of "clean" technologies	3.0	1.5	1.5	1.5	100	0
6611	Protection of the natural environment in certain sensitive areas of Community interest	3.5	1.8	2.5	1.0	40	80
6612	Implementation of Community rules and regulations governing certain forms of pollution	1.5	0.75	1.0	1.0	50	-25
6613	Environmental measures which can help to create new jobs	1.5	0.5	1.5	0.5	0	0
6614	Harmonization of environmental statistics	0.5	0.3	p.m.	p.m.	-	-
		10	4.85	6.5	4.0	54	21

ANNEX VII

Youth, Education and Culture

Item Article	Heading	1983	1982	Percentage Increase
630	Implementation of the education programme	4.6	3.45	33
631	Preparation of young people for working life	6.65	2.05	224
633	Community activities relating to vocational training and guidance	0.25	0.2	25
6400	Research and related measures on labour market trends	2.5	0.825	203
670	Cultural projects and events	0.785	0.6865	14
Item 6702	Contribution towards the conservation of the architectural heritage	0.12	0.1	20
676	European Foundation	1.0	p.m.	Classified as non-compulsory expenditure

ANNEX VIII

Development, Cooperation Policy and Food Aid

Article Chapter	Title	C (1983) P		C (1982) P		Percentage Increase
933	Cooperation with non-associated developing countries on energy	3.5	3.5	1.5	1.5	133
94	Aid to NGO's	29.8	28.3	20.96		42 35
943	Community pledge to the IFAD		p.m.		p.m.	-