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Working Documents

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Report

drawn up on behalf of the Committee on Budgetary Control

on the measures taken in response to the comments contained in the resolution accompanying the decision granting a discharge in respect of the implementation of the 1977 budget

Rapporteur: Mr H. AIGNER

Pursuant to Article 85 of the Financial Regulation of 21 December 1977, reports were submitted by the Commission of the European Communities in document COM(80) 233 Annex forwarded on 10 June 1980, and by the Court of Auditors by letter of 12 September 1980, on the measures taken in response to the comments contained in the decision granting a discharge in respect of the implementation of the 1977 budget.

At its meeting of 30 September 1980 the Committee on Budgetary Control appointed Mr Aigner rapporteur.

On 3 November 1980 the President of the European Parliament gave authorization for the Committee on Budgetary Control to draw up a report on these documents and for the Committee on Development and Cooperation to deliver an opinion.

The Committee on Budgetary Control considered the draft report at its meetings of 24 and 25 November and 1 and 2 December 1980 and unanimously adopted it at the latter meeting.

Present: Mr Aigner, chairman and rapporteur; Mr Dankert, vice-chairman; Mrs Boserup, vice-chairman; Mr Colla, Mr Filippi, Mr Gabert, Mr Irmer, Mr Kellett-Bowman, Mr Key, Mr Notenboom, Mr Simonnet and Mr J. M. Taylor.

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The Committee on Budgetary Control hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement :

MOTION FOR A RESOLUTION

on the measures taken in response to the comments contained in the resolution accompanying the decision granting a discharge in respect of the implementation of the 1977 budget

The European Parliament,

- having regard to the ECSC Treaty, and in particular Article 78g thereof,
- having regard to the EEC Treaty, and in particular Article 206b thereof,
- having regard to the EAEC Treaty, and in particular Article 180b thereof
- having regard to the annual report of the Court of Auditors concerning the financial year 1977¹,
- having regard to the decisions granting a discharge of 16 November 1979 and the comments accompanying these decisions²,
- having regard to the report by the Commission on the measures taken in response to these comments³,
- having regard to the report of the Court of Auditors on the measures taken in response to these comments⁴,
- having regard to the report of the Committee on Budgetary Control (Doc. 1-672/80),
- whereas it is of fundamental importance for the effectiveness of the discharge procedure that the measures taken in response to these comments be monitored,

1. Considers it necessary to remind all the institutions of the Community of their obligation under the third and fourth paragraphs of Article 85 of the Financial Regulation to report to it, when requested to do so, on the measures taken in response to the comments accompanying the discharge decisions;
2. Notes that there has not been a satisfactory improvement in the Commission's willingness to utilize appropriations for new policies entered by Parliament by way of amendment and also to carry through these policies by implementing the budget. Parliament will take the necessary steps with a view to solving this problem in the context of the 1979 discharge;

¹ OJ No. C 313, 30.12.1978

² OJ No. L 331, 27.12.1979

³ COM(80) 233 Annex

⁴ PE 67.917

3. Notes that the call for harmonization of the institutions' recruitment procedures and for the organization of joint recruitment procedures has so far produced no practical effect and calls on the Commission to submit appropriate proposals by 1 July 1981;
4. Is pursuing the study of the institutions' accommodation problems and will in the near future consider a report by the Committee on Budgetary Control, in particular as regards
 1. compliance with Community procedures and
 2. observance of the requirements of proper financial management in the planning and use of new buildings for the institutions;
5. Emphasizes the progress that has been made, following pressure applied in the context of the discharge procedure, in regard to the rate of utilization of commitment and payment appropriations under the Social Fund;
6. Takes note of the Commission's assurances that, following the entry into force of the new Rules. The rate of utilization of appropriations will in future no longer be slowed down by procedures in the individual states;
7. Takes the view that the Commission's efforts to ensure that the principle of additionality is applied to aid under the Regional Fund are still inadequate;
8. Protests once again at the cancellation of the appropriation of 14 m EUA entered by Parliament by way of modification for food aid;
9. Notes the Commission's statements to the effect that the Court of Auditors will be permitted to discharge its audit powers in regard to the funds allocated to UNRWA for Palestinian refugees;
10. Instructs its President to forward this resolution to the Commission, the Council, the Court of Justice and the Court of Auditors.

EXPLANATORY STATEMENT

1. The decision granting a discharge in respect of the implementation of the 1977 budget was taken on 16 November 1979, more than six months after the deadline laid down in the Financial Regulation.

This was because of the Council's inability to forward the recommendation provided for in the Treaties until 10 May 1979.

2. In the course of the discussion within Parliament a sharp controversy arose with regard to the consequences that should follow the severe criticism of the Commission's financial management in 1977, in particular in connection with the implementation of the amendments adopted by Parliament. Whereas everyone took a very grave view of the criticism it was impossible, before the direct elections to Parliament of 10 June 1979, to obtain agreement on the substance of the decision in question.
3. The directly elected Parliament, which set up the Committee on Budgetary Control, took up the matter again. It fully endorsed the criticism levelled at the Commission. At the same time, it took the view that relations with the Commission had changed fundamentally after the elections.
4. Although Parliament granted the Commission a discharge in respect of the 1977 financial year, it underlines the circumstances in which this decision was reached.
5. Attention is called to the fact that of the 29 amendments to the payments side of the budget, increasing payments,
 - 21 were not implemented at all,
 - 5 were implemented to a small degree (less than 50%),
 - 2 were more fully implemented,
 - only 1 out of the 29 was implemented in full.

Implementation of Parliament's amendments (payments) for the financial year 1977
by the Commission

(in u.a.)

Budget item	Effect of EP amendments (payments)	Total appropriations available for the financial year (payments)	Total payments effected	Total unspent (either carried forward or cancelled)	% of EP amendment implemented in 1977
2243/Data processing	+500,000	3,453,000	565,000	2,888,000	0
254/Action for young people	+ 60,000	190,000	70,600	120,000	0
2653/Nuclear fuel	+ 60,000	100,000	24,600	75,300	0
2729/Information EP elections	+600,000	1,000,000	454,000	545,700	9
282/Economic Analysis and Research Institute	+1,000,000	1,000,000	0	1,000,000	0
291/Subsidies to European movements	+ 3,600	136,700	126,900	9,800	0
3031/Action for migrant workers	+500,000	500,000	12,600	487,400	2.5
3050/Employment analysis	+130,000	400,000	79,100	320,800	0
316/Vocational Training of farmers	+ 60,000	100,000	100,000	-	100
3200/Hydrocarbons	+15,000,000 (12,000,000 frozen)	23,000,000	2,743,000	20,257,000	0
3201/Oil prospecting	+9,000,000	9,000,000	0	9,000,000	0
321/Prospecting for hydrocarbons	+2,000,000	2,000,000	0	2,000,000	0
3380/Euratom	+139,800	17,400 ⁽¹⁾	15,200	2,200	0
3383/JRC operations	+53,746,241	0 ⁽¹⁾	0	0	0

⁽¹⁾ After transfers and supplementary budgets.

TABLE (cont'd)

Budget item	Effect of EP amendments (payments)	Total appropriations available for the financial year (payments)	Total payments effected	Total unspent (either carried forward or cancelled)	% of EP amendment implemented in 1977
3390/JRC staff	2,344,000	0 ⁽¹⁾	0	0	0
351/Health and water safety	+ 40,000	480,000	202,800	277,200	0
3540/Environmental studies	+112,000	1,412,000	445,600	966,300	0
3541/Environmental studies	+ 30,000	150,000	62,400	87,600	0
3550/Consumer protection	+ 20,000	180,000	56,600	123,300	0
3551/Consumer projects	+ 30,000	240,000	0	240,000	0
356/Humanizing of work	+ 50,000	50,000	20,000	30,000	40
3621/Scientific information	+500,000	500,000	144,900	355,100	28.9
3701/Second transport programme	+2,836,000	2,836,000	0	2,836,000	0
3710/Basic transport research	+8,000,000	8,000,000	0	8,000,000	0
393/Architectural heritage	+100,000	100,000	91,200	8,800	91.2
59/Aid to disaster victims	+5,000,000	5,000,000	4,000,000	1,000,000	80
930/Coop with non-associated developing countries	+45,000,000	45,000,000	0	45,000,000	0
931/Trade with non-associated developing countries	+1,500,000	5,000,000	1,815,000	3,185,000	0
9431/Commission delegations in Maghreb countries	+681,000	681,000	200,000	481,000	30

(1) After transfers and supplementary budgets.

