

# COMMISSION OF THE EUROPEAN COMMUNITIES

GENERAL BUDGET - FINANCIAL YEAR 1981

SECTION III - COMMISSION

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Brussels, 27th february 1981

TRANSFER OF APPROPRIATIONS Nr 2/81

(non-compulsory expenditure)

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<u>FROM CHAPTER 100</u>	-	PROVISIONAL APPROPRIATIONS	1 000 000 ECU
<u>FROM CHAPTER 101</u>	-	CONTINGENCY RESERVE	1 000 000 ECU
<u>TO CHAPTER 26</u>	-	EXPENDITURE ON STUDIES, SURVEYS AND CONSULTATIONS	
Article 260		<u>Limited consultations, studies and surveys</u>	1 000 000 ECU
Article 262		<u>Comprehensive Community studies and general surveys</u>	1 000 000 ECU

The Financial Controller approved this proposal on 17 February 1981 in accordance with Article 21(4) of the Financial Regulation and certified that appropriations are available.



## JUSTIFICATION

1. During the 1981 budget process, Parliament passed an amendment inserting an appropriation of 1 000 000 ECU in Chapter 100 while awaiting a convincing explanation from the Commission of the usefulness of studies under Article 260.

By definition, the appropriation in question covers consultations, studies and surveys of a limited nature. Its main purpose is to permit the Commission to have specialized studies carried out by highly qualified experts in those exceptional cases where its own staff is unable to do so. The appropriations under Article 260 provide the Commission with a means of meeting urgent, short-term needs for legal, economic, scientific or technical documentation. These appropriations are used mainly in the following areas:

- (i) the collection of economic, technical and scientific data which are required for the preparation of proposals for Council or Commission regulations, decisions or directives;
- (ii) economic surveys (e.g. sectoral competitiveness and performance of European industry, industrial innovation, technological development, regional studies);
- (iii) compliance with a Community requirement (e.g. the report on the social situation in the Member States required by Article 122 of the EEC Treaty);
- (iv) monitoring compliance with Community law (e.g. regular reports on freedom of movement, restrictions on competition, access to capital markets in the Member States).

The cost of the Commission's present programme is about 1 800 000 ECU for some fifty study projects. It therefore seems essential that the appropriations in Chapter 100 (1 000 000 ECU) should be transferred to Article 260 so that the most important studies and surveys can be carried out subject to the considerations contained in 2 below.

2. In view of the situation in the European steel industry, which was declared to be in a state of manifest crisis in October 1980, the Commission has established a system for checking steel production quotas in the Community under Article 58 of the ECSC Treaty.

To do this, the Commission must engage about a hundred production engineers seconded from steel firms to carry out on-the-spot investigations and some forty financial experts from auditing firms for the period during which these controls apply (November 1980 to July 1981).

Since the cost of these anti-crisis measures can be charged to appropriations for studies, the Commission has decided to pay for them from Article 262 which covers those comprehensive studies and surveys which are of a specifically Community nature.

The total cost of this operation is estimated at 9 000 000 ECU.

Thanks to swingeing cuts in Chapter 26 and savings in Chapter 28, the Commission has, since the end of 1980, succeeded in allocating sufficient funds to Article 262 to provide an initial sum of 2 000 000 ECU for this operation.

It is clear that the outstanding amount for the 1981 financial year, 7 000 000 ECU, can only be partly covered by Chapter 26. The Commission does not consider that more than 2 000 000 ECU can be provided under this Chapter; of this, 1 300 000 ECU will come from Article 262 and 700 000 ECU from Article 263 which deals with studies in the steel industry.

A further 5 000 000 ECU must therefore be allocated to article 262.

The Commission considers that the unforeseen nature of this operation justifies a transfer of 1 000 000 ECU from Chapter 101 (Contingency reserve).

A further request for transfer will be made later to cover the remainder.

The Commission therefore requests the budgetary authority to approve the following measures:

- (a) the transfer to Article 260 of 1 000 000 ECU from the appropriations for limited consultations, studies and surveys at Chapter 100;
- (b) the transfer to Article 262 of 1 000 000 ECU of the Contingency reserve of 5 000 000 ECU at Chapter 101.