

COMMISSION OF THE EUROPEAN COMMUNITIES

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GENERAL BUDGET OF THE EUROPEAN COMMUNITIES FOR 1977

INITIAL LIST OF REQUESTS FOR THE CARRY-OVER OF
APPROPRIATIONS FROM THE 1977 TO THE 1978 FINANCIAL
YEAR, FOR SUBMISSION TO THE COUNCIL AND COMMUNICATION
TO THE EUROPEAN PARLIAMENT (NON-AUTOMATIC CARRY-OVERS)

(Pursuant to Article 6(3) of the Financial Regulation of
21 December 1977 applicable to the General Budget of the
European Communities)

SUMMARY

| | | |
|----------|-------------|---------------------|
| PART A : | SECTION I | (PARLIAMENT) |
| PART B : | SECTION II | (COUNCIL) |
| PART C : | SECTION III | (COMMISSION) |
| PART D : | SECTION IV | (COURT OF JUSTICE) |
| PART E : | SECTION V | (COURT OF AUDITORS) |

A. SECTION I - PARLIAMENT

Chapter 12 - ALLOWANCES AND EXPENSES ON ENTERING AND ON LEAVING THE SERVICE AND ON TRANSFER

Article 120 - Miscellaneous expenditure on staff recruitment

Sums to be carried forward: 2.800 u.a.; 3.500 EUA.

Chapter 21 - RENTAL OF BUILDINGS AND ASSOCIATED EXPENDITURE

Article 214 - Fitting out of premises

Sums to be carried forward: 81.000 u.a.; 101.250 EUA.

Chapter 22 - MOVABLE PROPERTY AND ASSOCIATED EXPENDITURE

Article 221 - Furniture

Item 2210 - New purchases

Sums to be carried forward: 15.000 u.a.; 18.750 EUA.

Article 222 - Technical equipment and installations

Item 2220 - New purchases

Sums to be carried forward: 915.000 u.a.; 1.143.750 EUA.

TOTAL: 1.013.800,00 u.a.; 1.267.250,00 EUA.

B. SECTION II -- COUNCIL

The Council has no carry-overs of appropriations from the 1977 to the 1978 financial year which require the approval of the Budgetary Authority

C. SECTION III - COMMISSION

C.1 Reasons

I. Chapter 37 - EXPENDITURE IN THE INDUSTRIAL AND TRANSPORT SECTORS

Article 370 - Project in the data-processing sector

Item 3700 - First programme

Sums to be carried forward: 68 989.32 u.a.; 85 538.44 EUA

Reasons

In 1977, the Commission committed 88% of the appropriations (non-differentiated) entered against Item 3700 in 1977 in order to complete the first data-processing programme. The balance of 68 989 u.a. was not committed as expected. Indeed, this amount was originally intended to cover the preparatory and starting-up work in respect of contracts. It later became clear that the more efficient use of this initial programme necessitated concentrating on monitoring the progress of the contracts and exploiting the results with a view to their utilization in subsequent programmes. This shift in management effort, designed to optimize the benefits accruing from the projects under Item 3700, has led the Commission to request the non-automatic carry-over of the abovementioned amount which is needed to ensure the successful completion in 1978 of the work described.

Conversion into EUA

By far the largest part of the expenditure to be covered by this carry-over will be in Belgian francs; the remainder will be in DM and Fl. Conversion will thus be on the basis of the Bfr at the rate adopted for January 1978, i.e. 1 u.a. = Bfrs 40.3265.

II. Chapter 37 - EXPENDITURE IN THE INDUSTRIAL AND TRANSPORT SECTORS

Article 371 - Operations in the aerospace sector

Item 3710 - Basic research

Sums to be carried forward: 8 000 000 u.a.; 8 000 000 EUA

Reasons

The Commission put forward a proposal for an aerospace research programme to the Council and to the European Parliament on 2 August 1977. The Economic and Social Committee delivered a favourable opinion on this proposal on 24 November 1977.

CREST, instructed by the Council to examine this proposal, stated however that it was not competent to deliver an opinion given the essentially industrial nature of the proposed programme. Nevertheless, it did submit a report to COREPER on 20 December 1977, in which it outlined the positions of the Member States' delegations, the majority of whom delivered a favourable opinion. Furthermore, the report stated that, on CREST's instructions, the Commission had reduced the overall budget for the programme to a total not exceeding 28 m EUA. On 17 January 1978, the European Parliament passed a unanimous vote in favour of the Commission proposal.

The Council should reach a decision in the near future, and this will make it possible to commit this sum, which is indispensable for the proposed operation.

As stated in the Resolution of 20 January 1978 setting out the Opinion of the European Parliament on the proposal to transfer these appropriations from Chapter 100 to Chapter 37 within the 1977 Budget, the carry-over of these appropriations comes under the agreement reached between the institutions for the 1978 Budget. This transfer is now deemed to have been approved. Nevertheless, the Commission does not intend to use the amount until the 1978 appropriations shown in Chapter 100 has been transferred to Item 3710.

Conversion into EUA

Since the destination in national currencies of this carry-over is unknown, it was converted into EUA at the rate adopted for the calculation of the appropriation for 1977 in EUA, for purposes of comparison with the appropriation proposed by the Commission in the Preliminary Draft Budget for 1978, i.e. rate no 2: 1 u.a. = 1 EUA.

III. Chapter 94 - SPECIFIC MEASURES FOR FINANCIAL AND TECHNICAL COOPERATION WITH DEVELOPING COUNTRIES

Article 940 - Expenditure resulting from the Agreement between the EEC and UNRWA

Sums to be carried forward: 2.678.571 u.a.; 2.436.370 EUA.

Reasons

The appropriations are for the payment of the contribution in cash to the UN Relief and Works Agency for Palestinian Refugees (UNRWA). This contribution, which is in addition to contributions in kind provided from food aid appropriations, serves to cover the implementation in 1977 of the Agency's supplementary food programme, pursuant to the Agreement between the Community and UNRWA: purchase of foodstuffs in Europe and on the spot and administration and distribution costs.

Since UNRWA recorded certain surpluses in the 1975 and 1976 financial years with respect to the Community's contributions, the Commission thought it appropriate not to propose renewal of the Agreement in 1977 before receiving precise information on the real needs for the financial year in question.

Despite repeated requests by the Commission, UNRWA was unable to provide the information asked for before the end of the financial year, mainly because of events in the Lebanon and the temporary transfer of its headquarters from Beirut to Vienna.

It was not until 2 February 1978 that UNRWA was able to inform the Commission by telex that, in all probability, the cost of implementing the supplementary food programme for 1977 will have amounted to \$3.000.000 (2.678.571 u.a.). Since UNRWA is in a critical financial situation and has had to advance the appropriations needed to carry out the supplementary programme, there is no doubt that the Community must renew the Agreement with UNRWA for 1977 (a proposal to this end has been submitted to the Council).

For these reasons, a non-automatic carry-over of 2.678.571 u.a. is requested. It must be stressed that this sum is appreciably lower than the appropriations entered in the 1977 Budget, which amounted to 3.291.000 u.a.

Conversion into EUA

Since the destination in national currencies is known, the carry-over has been converted into EUA at the rate adopted for January 1978, i.e. 1 EUA = US \$1,23134.

1977 BUDGET
SECTION III - COMMISSION

PATTERN OF UTILIZATION IN THE 1977 FINANCIAL YEAR OF THE APPROPRIATIONS FOR THE BUDGET ITEMS FOR WHICH CARRY-OVERS ARE REQUESTED

| Exp. | Article Item | Heading | Appropriations entered in the 1977 Budget * (1) | Transfers (2) | Appropriations available (3) | Commitments made (4) | Payments made (5) | Appropriations not committed col.3-col.4 (6) | Automatic carry-overs col.4-col.5 (7) | in u.a. | | in ECU |
|------|--------------|---|---|---------------|------------------------------|----------------------|-------------------|--|---------------------------------------|-------------------------------|---|--------------------------------|
| | | | | | | | | | | Non-automatic carry-overs (8) | Appropriations not utilized col.6-col.8 (9) | Non-automatic carry-overs (10) |
| 37 | | EXPENDITURE IN THE INDUSTRIAL AND TRANSPORT SECTORS | | | | | | | | | | |
| | 370 | Projects in the data-processing sector | | | | | | | | | | |
| | 3700 | First programme | 560.000,00 | - | 560.000,00 | 491.010,68 | 3.013,34 | 68.989,32 | 487.997,34 | 68.989,32 | - | 85.538,44 |
| | 371 | Operations in the aerospace sector | | | | | | | | | | |
| | 3710 | Basic research | - | 8.000.000,00 | 8.000.000,00 | - | - | 8.000.000,00 | - | 8.000.000,00 | - | 8.000.000,00 |
| 34 | | SPECIFIC MEASURES FOR FINANCIAL AND TECHNICAL COOPERATION WITH DEVELOPING COUNTRIES | | | | | | | | | | |
| | 340 | Expenditure resulting from the Agreement between the EEC and the UERWA | 3.291.000,00 | - | 3.291.000,00 | - | - | 3.291.000,00 | - | 2.678.571,00 | 612.429,00 | 2.436.370,00 |
| 35 | | COOPERATION WITH NON-MEMBER COUNTRIES | | | | | | | | | | |
| | 354 | Cooperation with the Arab countries at regional level | token entry | 891.000,00 | 891.000,00 | - | - | 891.000,00 | - | 891.000,00 | - | 891.000,00 |
| | | TOTALS | | | | | | | | 11.638.560,32 | | 11.331.595,44 |

(*) Including Amending and Supplementary Budgets Nos 1 and 2

IV. Chapter 96 - COOPERATION WITH NON-MEMBER COUNTRIES

Article 964 - Cooperation with the Arab countries at regional level

Sums to be carried forward: 891.000 u.a.; 809.687 EUA

Reasons

At a meeting on 21 December 1977, the Council approved the transfer from Chapter 101 to Chapter 96 (Article 964, which had a token entry) of the appropriation of 891.000 u.a. intended to cover the financing from the European side of the first series of studies and activities to be carried out as part of the Euro-Arab dialogue. The contribution from the European side had been set at \$997.000. These studies and activities were examined and approved by the General Committee on the Euro-Arab dialogue at its third meeting in Brussels, 26-28 October 1977. However, this decision by the General Committee was made subject to later approval by the Working Committee on Financing the Dialogue, which is responsible for approving the financing conditions of these studies and activities.

At the same time, the General Committee decided that the operations to be financed under the dialogue should be implemented in accordance with a code of procedures determining the conditions for awarding and approving contracts (drawing up a short list of consultancies, issuing a call for tenders, letting of the contract).

However, it proved impossible, between the Council's agreement to the transfer of 891.000 u.a. and the end of the financial year, to convene the Working Committee on Financing the Dialogue and award the contracts in accordance with the procedures laid down, with the result that no commitment could be made. This is why a request for the non-automatic carry-over of the sum of 891.000 u.a. is being made. It should be pointed out that, when the transfer was approved, it was agreed that, if no commitments were made before the end of 1977, a request would be made to carry the sum transferred over to the 1978 financial year (Doc. R/3318/77).

Conversion into EUA

As the destination in national currencies is known, the carry-over has been converted into EUA at the rate adopted for January 1978, i.e.
1 EUA = US \$1,23134.

C.2 Synoptic table enclosed.

D. SECTION IV - COURT OF JUSTICE

The Court of Justice has no carry-overs of appropriations from the 1977 to the 1978 financial year which require the approval of the Budgetary Authority.

E. SECTION V - COURT OF AUDITORS

Chapter 12 - ALLOWANCES AND EXPENSES ON ENTERING AND ON LEAVING THE SERVICE AND ON TRANSFER

Article 122 - Installation, resettlement and transfer allowances

Item 1220 - Members of the Institution

Sums to be carried forward: 262,92 u.a.; 325,99 EUA

Reason

Additional payments following the Council's decision on remunerations.

Article 123 - Removal expenses

Item 1230 - Members of the Institution

Sums to be carried forward: 4.857,10 u.a.; 6.022,22 EUA

Reason

Estimates for Members who have not yet submitted their requests for reimbursement.

Article 124 - Temporary daily subsistence allowances

Item 1241 - Staff

Sums to be carried forward: 2.632,70 u.a.; 3.264,23 EUA

Reason

Estimates for staff recruited in 1977.

Chapter 13 - EXPENDITURE RELATING TO MISSIONS AND DUTY TRAVEL

Article 130 - Mission expenses, duty travel expenses and other incidental expenditure

Item 1301 - Staff

Sums to be carried forward: 21.551,66 u.a.; 26.721,46 EUA

Reason

Increase requested to meet requirements arising as the Court's activities gradually get under way.

Chapter 15 - ORGANIZATION OF TRAINING COURSES AND FURTHER VOCATIONAL TRAINING OF STAFF

Article 151 - Language courses, refresher courses, further vocational training and information of staff

Sums to be carried forward: 2.000 u.a.; 2.479,76 EUA

Reason

No expenditure was committed in 1977.

Chapter 22 - MOVABLE PROPERTY AND ASSOCIATED EXPENDITURE

Article 222 - Technical equipment and installations

Item 2220 - New purchases

Sums to be carried forward: 1.187,44 u.a.; 1.472,28 EUA

Reason

Estimate for reimbursement to the Institutions of expenditure caused by the setting up of the Court.

Article 223 - Transport equipment

Item 2230 - New purchases

Sums to be carried forward: 5.935,60 u.a.; 7.359,43 EUA

Reason

The appropriation carried forward is intended for the purchase of a service vehicle which should have been bought in 1977 but which had not been ordered by 31 December 1977. The balance of the appropriation - 3.253,24 u.a. - will be cancelled.

Article 225 - Documentation and library expenditure

Item 2250 - Library expenses, purchase of books

Sums to be carried forward: 880,64 u.a.; 1.091,89 EUA

Reason

Appropriation almost entirely unused in 1977.

Item 2252 - Subscriptions to newspapers and periodicals

Sums to be carried forward: 870,18 u.a.; 1.078,92 EUA

Reason

Delayed invoicing by some suppliers.

Chapter 23 - CURRENT ADMINISTRATIVE EXPENDITURE

Article 230 - Stationery and office supplies

Sums to be carried forward: 1.211,12 u.a.; 1.501,64 EUA

Reason

Estimate for reimbursement to the Institutions in Luxembourg of expenditure caused by the setting up of the Court.

Article 231 - Postal charges and telecommunications

Item 2310 - Postage on correspondence and delivery charges

Sums to be carried forward: 130,54 u.a.; 161,85 EUA

Reason

Increase regarded as necessary in the light of the first invoices.

Item 2311 - Telephone, telegraph, telex

Sums to be carried forward: 1.996,80 u.a.; 2.475,79 EUA

Reason

Increase regarded as necessary in the light of the first invoices.

Article 235 - Other administrative expenditure

Item 2352 - Miscellaneous expenditure on internal meetings

Sums to be carried forward: 857,32 u.a.; 1.062,97 EUA

Reason

Amounts now being invoiced by the Commission.

Item 2354 - Small items of expenditure

Sums to be carried forward: 468,26 u.a.; 580,59 EUA

Reason

Sums under the 1977 financial year still to be settled.

Article 239 - Loan of services between Institutions

Item 2391 - Joint interpreting service

Sums to be carried forward: 5.000 u.a.; 6.199,40 EUA

Reason

Sum now being invoiced by the Commission.

TOTAL: 49.842,28 u.a.; 61.798,42 EUA