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# European Communities

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## EUROPEAN PARLIAMENT

# Working Documents

1982-1983

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14 April 1982

DOCUMENT 1-97/82

### REPORT

drawn up on behalf of the Committee on Budgets

on the/ European Parliament's guidelines for the  
1983 budget of the European Communities

Rapporteur: Mr Robert JACKSON



In accordance with the procedure followed in previous years by the various Institutions in considering the main guidelines for the budgets of the following financial year, the Committee on Budgets discussed, at its meeting of 17 and 18 March 1982, the general guidelines for the 1983 budget for the European Communities.

At its meeting on 31 March and 1st April, it considered and adopted the motion for a resolution by 15 votes to nil with 6 abstentions.

The following participated in the vote: Mr Lange, chairman; Mr Notenboom, Mrs Barbarella, vice-chairman, Mr R. Jackson, rapporteur; Mr Abens, Mr Adam, Mr Arndt, Mr Fich, Mr Georgiadis, Mr Gouthier, Mr Habsburg, Mr Herman, Mr Ed. Kellett-Bowman, Mr Key, Mr Louwes, Mr Pfennig, Mr Saby, Mr Konrad Schön, Mr Simonnet, Mr Van Rompuy, Mr Woltjer.

The Explanatory Statement will be presented orally.



The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution:

MOTION FOR A RESOLUTION

on the European Parliament's Guidelines for the 1983 Budget

The European Parliament,

Notes

- Believing that the central theme of the 1983 Budget should be the fight against unemployment, both through direct Community action and through the closer coordination of Member State policies,
  - Reaffirming its commitment to a restructuring of the Community Budget so as to keep agricultural spending under control and to strengthen the development of other policies, (a)
  - Recalling its concern that the budget should contribute to greater convergence in the European economy, and to facilitating Enlargement, by reducing disparities and imbalances between regions and sectors, (b)
  - Having regard to the report on the Committee on Budgets (doc. 1-97/82),
1. Invites the European Commission to ensure that its Preliminary Draft Budget reflects the guidelines set out below; urges the Council to draw up a Draft Budget in conformity with these guidelines; and resolves that it will seek to draw up a Draft Budget according to these guidelines;

RESTRUCTURING BY EXPANSION

MEASURES AGAINST UNEMPLOYMENT

2. While the accent in terms of the appropriation of large financial volumes, must obviously be placed on the most developed Community instruments where a satisfactory rate of utilisation is most likely to be achieved, the Community must foster the development of those policies which at present make very modest claims on the budget. Parliament's calls upon the Commission and the Council in these regards (paras 13 - 30 below) should be seen against the background of the relative financial magnitudes at stake.

3. In responding to the Parliament's call to make the fight against unemployment the central theme of the 1983 Budget, the Community should seek the greatest effectiveness in deploying the whole range of policy instruments directly available to it.

With regard to Social Policy

4. The Social Fund is an important instrument of direct Community action against unemployment. Parliament therefore calls upon the Commission and the Council to work with it in achieving a considerable increase in the size of the Social Fund in 1983. (c)
5. In particular Parliament wishes to support those aspects of the Social Fund which have a catalytic role in stimulating action in Member States and encouraging convergence of their policies for training and employment promotion. The Community should work towards rapid implementation of the concept that no unemployed school-leaver under the age of 19 should be without the opportunity for training for employment and in particular Parliament wishes to emphasize the importance of training in relation to new technology. The Community should also concentrate on ensuring better access to the labour market for the young and on support from the Social Fund for small and medium-sized firms. The Commission and the Council should make better budgetary provision for a new line to enable the Social Fund to assist crisis areas struck by massive job losses. (d)
- (e)
- (f)

Parliament's approach to the specific allocation of additional appropriations will be influenced by the progress made in putting its views into effect in the review of the Social Fund Regulation which the Commission should complete by July 1982. (g)

(h)

6. Expenditure from the Social Fund must be additional to national efforts; it must be coordinated with Member States' measures in order to achieve an effective employment policy. Expenditure from the Social Fund should not be used to reduce national expenditure on employment policy.

7. In view of the foregoing, considers that the total amount of appropriations allocated to the Social Fund for 1983 should represent at the very least an overall increase of 130% over those allocated for 1982. (e)

8. With regard to steel social measures, Parliament welcomes (i) the decision to finance these measures by transferring funds from the general EEC Budget to the ECSC Budget; and it expects that the Commission will enter appropriations for a further tranche in the 1983 Preliminary Draft Budget.

With regard to Regional Policy (j)

9. The Regional Development Fund could be a very significant instrument for Community policy against unemployment, but its operation is ham-strung by the system of national quotas, the management structure, and the difficulty of ensuring that RDF expenditure complements existing national efforts. (k)

10. The Council must adopt a revised Regional Fund regulation, in time for the 1983 Budget, which makes real progress in overcoming these difficulties. There must also be a marked improvement in the implementation of the appropriations provided in the existing non-quota section. Parliament will decide its (l) attitude to appropriations for the RDF in the light of the progress it hopes will be made in these matters.

11. Parliament thinks it necessary to have integrated operations coordinating the efforts of the various Funds. It expects the Commission and the Council to provide increased appropriations under Item 5411 in this connection.

12. Parliament supports the extension of interest-rate subsidies tied to loans for productive investments in support of the Community's social, regional and industrial objectives. But it insists that steps be taken to ensure that such rebates are not simply retained by the Member States, as has been suggested is the case with interest-rate subsidies on Community loans to the less prosperous Member States participating in the exchange-rate mechanism of the European Monetary System. Its attitude to such appropriations will (m) be conditioned by the case made out by the Commission and the Council in this regard.

With regard to Agricultural Structural Policy (Guidance)

(n)

13. Agricultural Structural Policy should be an important instrument for maintaining and promoting employment, notably in the worst-off rural areas. Parliament has always sought a better balance between the Community's instruments for price Guarantees and Guidance, but it is concerned that the effort has not been better concentrated on the areas in greatest need. Parliament therefore calls upon the Commission to analyse in greater depth the effectiveness and scope of the measures financed by the Guidance Fund. Its proposals under this heading in the 1983 Preliminary Draft Budget should reflect this review. Parliament will be influenced in its attitude to appropriations in this sector for 1983 by progress in this regard, and by signs of the continuation of the progress made in 1981 in implementing the appropriations which it has voted. (o)
14. Further progress in this area is at present blocked by the "ceiling" of 3,755 mECU for the years 1980-84 imposed by the Council, and by the Commission's refusal to propose new measures until this constraint is removed. Parliament expects Council, and Commission, to take the necessary steps to ensure the further development and rationalization of this sector in the 1983 Budget. (p)

With regard to Industrial Policy

(r)

15. Industrial policy has a key role to play in overcoming the unemployment crisis. Yet this is an area in which Community activity is unbalanced and fragmentary: unbalanced as between support for declining sectors and the need for promotion of new industries; fragmentary in the sense that there is little rationale in the choice of sectors for assistance and for the amounts appropriated - which are in any case grossly inadequate. The record of implementation is also poor. (s)
16. Parliament expects the Commission to make proposals in the Preliminary Draft Budget for aid for certain crisis-hit industrial sectors (Article 772) directed to restoring their competitiveness. The Commission and the Council should act so as to ensure that the appropriations which may be provided under these articles in the 1983 Budget could be implemented. Action to stimulate innovation is quite inadequate, and the Commission and Council should ensure progress in this field

by providing adequate appropriations in the preliminary draft and draft budget for 1983, especially with regard to micro-electronics and telematics (Item 7710).

17. The 1983 Budget should make provision for the expansion by 3 billion ECU of the loan capacity of the New Community Instrument. (t)
18. The Commission should make proposals for Community loan guarantees and interest-rate subsidies to support industrial policy, and the Council should act upon them, in time for the inclusion of expanded financial provision in the 1983 Budget.

With regard to Energy Policy (u)

19. Recent studies have supported Parliament's view of the beneficial (v) effect of investment in energy-saving measures for employment and energy supplies. Although World oil markets have recently turned in favour of the consumer countries, the Community should continue to make every effort to achieve structural change in its energy consumption patterns. With regard to the Budget, action has long been promised for investment (Article 705) and for coal (Article 702). Commission and Council should act to enter funds in the 1983 Draft Budget, including provision for interest-rate subsidies for investment
20. Parliament notes the poor record of implementation in the energy (w) field. Its attitude to appropriations in 1983 will be influenced by the progress which has been made in this regard. In particular, while it continues to believe in the value of demonstration projects, and would like to see an increase in appropriations in the Draft Budget, it is concerned by the current failures in implementation arising from the management procedures.
21. The energy crisis can have only a global solution, and Parliament expects the Commission and the Council to provide appropriations to support the Community's hitherto inadequate efforts at cooperation with the Third World in this field. This should include not only energy programming (Article 706) but also project aid for both associated and non-associated developing countries.

With regard to Research Policy

(x)

22. Parliament reaffirms its continuing interest in research policy. It approves the priority which the Council has consistently given to nuclear research; and in the 1983 Budget procedure it expects the Council to fulfil its responsibilities, particularly in this sector. It expects the Commission to make proposals in the Preliminary Draft Budget for the expansion of the Community's efforts in respect of non-nuclear research programmes.
23. The lack of a clear industrial policy hampers the development of a strong and coherent research policy. Commission and Council must accept their responsibilities in developing such policies and meanwhile concentrate funds in those sectors which have already been identified as having priority, as well as furthering the administrative reforms under way. The division of funds for fusion research between different lines, and of coal research work between the EEC and ECSC Treaties, are unhelpful and should be corrected. (y)
24. The Information Market and Innovation are sectors where every effort should be made to tap Europe's strengths and overcome its weaknesses. In the Information Market, Parliament expects continued support for Articles 750 and 751 (with their Euronet and Diane programmes) so that the momentum already gained is not lost. (z)

With regard to Transport Policy

(aa)

25. Community transport policy, especially in respect of transport infrastructures, has a considerable potential role in stimulating the European economy - and thus reducing unemployment - and in furthering economic integration. Accordingly, Parliament calls upon the Commission and the Council to act so that the financing of the policies set out in the Commission's transport programme (October 1980) can begin in the 1983 Budget, by the adoption of regulations or by the tailoring of Regional Fund infrastructural investment and Community lending activity in this direction.
26. Parliament looks to the Commission and the Council to provide adequate appropriations in the Draft 1983 Budget for this purpose, and for studies in respect of transport infrastructures (Article 780), financial support for projects (Article 781), and observation of freight markets (Article 785).

With regard to Policy for the Environment, Public Health and  
Consumer Protection

(bb)

27. The Council should act so as to ensure that the 1983 Budget can reflect the development of Community policies in these sectors, particularly in respect of environmental measures (Items 6610 to 6614) and by making budgetary provision for the Third Action Programme on the Environment called for by Parliament.
28. Parliament expects the Commission to allocate more staff to its services in this area (see the section on Commission Staff).

With regard to Policy for Youth, Education and Culture

29. The Commission and the Council should make adequate provision in the 1983 Draft Budget for measures at Community level contributing to educational cooperation (Article 630) and the preparation of young people for working life (Article 631). They should make a substantial increase in the provision for vocational training and guidance (Article 633); anticipate the budgetary requirements of the European Foundation; provide for the promotion of youth exchange programmes; and substantially increase the provision for cultural projects and events (Article 670). In particular Parliament wishes to see adequate financial support provided for the activities of the Youth Forum and measures for the protection of the European Architectural Heritage.

(cc)

With regard to Development and Cooperation Policy

(dd)

30. Development and Cooperation policy should contribute to the fight against unemployment by promoting trade. Parliament expects to see increased appropriations in the 1983 Budget for cooperation with Mediterranean countries; in respect of cooperation with non-associated developing countries it expects the Council to provide sufficient payment appropriations to match commitments. In both areas, its attitude to appropriations for 1983 will be influenced by its assessment of progress in improving implementation. The Commission and the Council should make increased provision in 1983 for support for the developmental efforts of Non-Governmental Organizations.

(ee)

31. The 1983 Budget should make reasonable provision for aid for disasters; Parliament will always be ready to play its part in the speedy passage of transfers or supplementary budgets in respect of such action.

With regard to Food Aid

(ff)

32. Parliament has consistently expressed its support for the fight against world hunger. It believes that food aid should be considered as a policy in its own right, with its own medium- and long-term objectives, programmes and instruments, rather than simply as a means of reducing surpluses. Food aid should be cost-effective; it should not hinder the development of food production in the recipient countries; and the management procedures must be radically improved. (gg)
33. Parliament expects the appropriations proposed by the Commission in the Preliminary Draft Budget to reflect these principles. It notes the substantial appropriations voted by the Council for food aid in recent budgets, especially in respect of dairy products; and it will judge its own priorities for 1983 in this sector in the light of the progress the Council makes in acting on its demand that the conditions under which food aid is granted are improved. (hh)
- (ii)
- (jj)

With regard to Balance in the Community Budget

34. Parliament has repeatedly affirmed its view that the right solution to problems of balance in the Community Budget lies in the combination of a restructuring of Community policies with the introduction of either a generalized system of financial equalization or a progressive rate for VAT contributions. Parliament's judgement of the 1983 Budget will be conditioned in large measure by the extent to which it reflects progress in this direction. (kk)

35. Should it prove necessary, on a temporary and exceptional basis, excluding any consideration of *juste retour*, to intervene in the case of any particular Member State, the measures taken should be contained within the Budget, where they should be treated as non-obligatory expenditure, and they should be conditional (that is to say, strictly linked to the purpose for which they were adopted); temporary (with clearly and strictly determined expiry dates); and they should be compensatory (that is to say they should strengthen Community cohesion at least to the extent that the special case has weakened it).

(11)

The funds for these measures should appear in the Budget in a special chapter devoted to this purpose.

RESTRUCTURING BY IMPROVED CONTROL

36. Because so large a proportion of the European Budget is currently absorbed by measures to dispose of unwanted surplus agricultural production, an essential element in the effort to find resources for the restructuring of the Budget and for the fight against unemployment must be the improvement of cost-effectiveness in the framework and the management of the Common Agricultural Policy, while fully respecting the terms of Article 39 of the Rome Treaty. The objective should be that agriculture expenditure grows less rapidly than the Community's own resources, as has been the case over the last two years.

(mm)

37. In this context, Parliament notes the fact that the Commission has in recent years seriously over-estimated the appropriations necessary for the Guarantee policy. It is concerned about the quality of the Commission's forecasting. The Commission must avoid any tendency in the Preliminary Draft Budget to compensate for uncertainty by over-estimating; Parliament expects Council to show the same vigilance in this regard as it does with respect to other lines of expenditure.

(nn)

38. Parliament believes that the way to further control of expenditure in Guarantee activities lies in the termination of open-ended and unlimited price guarantees. The 1983 Budget should reflect progress in this direction.

(oo)

39. In pursuit of this end, the Commission and the Council should propose a Draft Budget for 1983 which reflects the financial consequences of the introduction of a global Community guarantee for each sector related to targets established for Community agricultural production for those products where the organization of the market is based primarily on intervention prices; and 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. (pp)
40. So as to strengthen Community action against rural unemployment, sufficient provision should be made in the 1983 Budget for direct compensatory payments for services which are necessary for regional policy, social policy and ecological reasons. (qq)
41. The 1983 Budget should reflect the implementation of a more flexible management of the system of export refunds, and of a vigorous review of the various premiums and aid arrangements. (rr)

#### MISCELLANEOUS

##### With regard to Commission Staff

42. The Commission should concentrate its staff deployment and any requests for additional staff on operational personnel, notably in those services corresponding to the priorities expressed in this motion for a resolution.
43. The Commission should supply information by 1st September concerning the allocation of the additional staff for whom appropriations were voted in the 1980, 1981 and 1982 Budgets, indicating the extent to which these allocations were in conformity with the views expressed by Parliament; the Commission should note that Parliament's attitude

to appropriations for Commission staff under the 1983 Budget will be influenced by its evaluation of the extent to which its views on the allocation of staff are being taken into account by the Commission.

With regard to Consultative activities of the Commission

44. The Treaties accord a primordial role to the European Parliament and the Economic and Social Committee as representative organs. 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. Parliament will take this review into account in determining its appropriations for these activities.

With regard to Studies

45. Parliament notes the proliferation of appropriations for "Studies". It invites the Commission to submit a report in time for its first reading, so that it can make a judgment of the utility of the appropriations accorded to these enquiries.

(ss)

BUDGET PROCEDURE

46. Parliament restates its view that the budget should include all the Communities' financial activities whatever their nature. In particular it insists yet again on the budgetisation of the Community's borrowing and lending activities in the 1983 Preliminary Draft Budget; the legislative basis for this action should be established in the context of the current revision of the Financial Regulation.

(tt)

Parliament also recalls the Council's commitment to consider the budgetization of the European Development Fund. Work on the successor to the Lome II Convention will begin in 1983; and the Parliament reminds the Council of its engagements in this regard.

47. Until the question of classification has been resolved by agreement between the Council and the Parliament, or by an authoritative interpretation of the legal provisions governing the matter, Parliament will continue to act on the basis of that definition of obligatory expenditure which is agreed by the three Institutions. It will judge how far to press its views in the light of its evaluation of the approach of its partner in the Budgetary Authority.

(uu)

NOTES ON THE EUROPEAN PARLIAMENT'S

GUIDELINES FOR THE 1983 BUDGET

PREAMBLE

- (a) Resolution on the Restructuring of Economic and Monetary Policies in connection with the Council Directive of 30 May 1980, 17.6.81 (GIAMAZZI Report) (OJ C 172 of 13.7.81) para 14c;

Resolution on the Community's own resources, 3.4.81 (SPINELLI Report) (OJ C 101 of 4.5.81) para 3;

- (b) Resolution of 17.6.81 op. cit., para 12(b); Resolution on the future of the Community Budget, 17.6.81 (PFENNIG Report) (OJ C 172 of 13.7.81) para 29;

SOCIAL POLICY

- (c) Opinion of the Social Affairs Committee on Guidelines for the 1983 Budget (PE 77/670/fin. (CLWYD Report)); Committee on Budgets Working Paper on Budgetary Aspects of Community Measures Against Unemployment (Working Paper No. 3, rapporteur Robert JACKSON, paras 7-12).

- (d) Development of the Social Fund Budget for commitments since 1978: grants and loans: MECU -

	<u>Amount</u> <u>Commitments</u>	<u>Absolute</u> <u>Increase</u>	<u>Percentage</u> <u>Increase</u>
1978	569.5	-	-
1979	695.5	+ 126	+ 22
1980	909	+ 213.5	+ 31
1981	963	+ 54	+ 6
1982	1,243	+ 280	+ 29

- (e) The "cost" of increasing the size of the Social Fund with respect to 1982 budget appropriations would be : MECU -

	<u>Commitments</u>	<u>Payments</u>
<u>Doubling</u>	+ 1,243	+ 911
+ <u>130</u> /o	+ 1,616	+ 1,184

- (f) On universal training opportunities for 16-18 year-olds, see the statement by the French Prime Minister on the occasion of his visit to the European Commission on 5 March 1982.

Resolution on the Repercussions of Energy Problems and Technological Developments on the level of employment in the European Community of 17.9.81 (SALISCH Report) (OJ C 260 of 12.10.81); para 22 of the resolution calls for an annual increase of 30 per cent in appropriations for the purpose of training for new technologies; PE 77.857/fin.

- (g) For a recent review of the implementation of Social Fund appropriations see Working Document of the Committee on Budgetary Control in connection with the granting of a discharge for 1980, PE 76.866, rapporteur P. MARCK; and Doc. 1-547/81 on the budgetary control aspects of the E.S.F., rapporteur K. WETTIG; and Committee on Budgets Working Paper on Failures in Implementing Budget Appropriations (Working Paper No. 2, PE 77.143 rev. Robert JACKSON);
- (h) The revision of the Social Fund regulation should be completed by the Council during 1982 so as to come into force at the beginning of 1983;
- (i) Steel social measures: At its meeting of 24.6.81, Council decided to make available 212 MECU for new measures to supplement intervention already authorized under Article 50 of the ECSC Treaty. The first tranche of 50 MECU of this aid was financed by direct contributions from the Member States; as a result of consistent pressure from Parliament a second tranche of 62 MECU was included in Supplementary Budget No. 2 1980 and 50 MECU has been entered in the 1982 Budget. Parliament would expect to see the remaining 50 MECU entered in the preliminary draft budget for 1983.

#### REGIONAL POLICY

- (j) Opinion of the Committee on the Regional Policy in the 1982 Budget exercise (S. MARTIN PE 74.917, Ann. II); Committee on Budgets Working Paper No. 3 op. cit; paras. 13-18;
- (k) Committee on Budgets Opinion for the Regional Policy Committee on proposals for amending the RDF Regulation (NOTENBOOM Report, PE 76/871), passim;
- (l) Committee on Budgets Working Paper No. 2, op. cit., para 16 shows how in 1980 delays in the Council led to no payments being made; in 1981 only 40 per cent of commitments were made and there were no payments from new money under Chapter 56.
- (m) Opinion of the Regional Development Committee on the 1982 Budget, op. cit., para 13.

## AGRICULTURAL STRUCTURAL POLICY

- (n) Draft Report for the Committee on Budgetary Control on the Tenth Financial Report on EAGGF Guidance, (FILIPPI Report, PE 75.399, Feb. 1982) ;
- (o) Op. cit. para 16;
- (p) See the specific criticisms made in the Court of Auditors Reports, 1979 and 1980;
- (q) FILIPPI, para 21.

## INDUSTRIAL POLICY

- (r) Opinion of the Committee on Economic and Monetary Affairs on the 1982 Budget (PE 74.917/fin/Ann.II; rapporteur D. SCHINZEL);
- (s) Committee on Budgets Working Paper No. 2, op. cit., para 17, note the citation from the Court of Auditors 1980 Report:

"A high percentage of appropriations allocated to the industrial sector were not used for the purpose originally approved by the Budgetary Authority."
- (t) For the impact of Community lending activities on employment see Committee on Budgets Working Paper No. 3, op. cit., paras 25-27.

## ENERGY POLICY

- (u) Report of the Committee on Energy and Research on guidelines for the 1983 Budget (GALLAND Report); resolution on the repercussions of energy and technological developments on the level of employment in the European Community (SALISCH Report) op. cit;
- (v) Two studies prepared for the Commission by Mr. Saint-Geours and entitled: "In favour of an energy-efficient society" (June 1979); "Investment and employment in an energy-efficient society" (April 1981).
- (w) Committee on Budgets, Working Paper No. 2, op. cit., para 17.

## RESEARCH POLICY

- (x) Galland op. cit. and Opinion of the Committee on Energy and Research in the 1982 Budget; ADAM Report, PE 74.917/fin/Ann.II;

- (y) Communication from the Commission to the Council COM(81) 574, of 12.10.81, on "Scientific and technical research and the European Community : proposals for the 1980's". This emphasized the need for a framework programme establishing priorities for Community research.
- (z) Parliament has reported on major items in this chapter, in particular the BEAZLEY Report on the 3rd Action Plan for Information and Documentation (Doc. 1-182/81) and the ADAM Report on automatic translation (Doc. 1-193/81).

#### TRANSPORT POLICY

- (aa) Resolution on Common Transport Policies, 10.3.82 (CAROSSINO Report, Doc. 1-996/81); opinion of the Committee on Transport on the 1982 Budget (PE 74.917/fin. Ann. II, Dame Shelagh ROBERTS Report).

#### ENVIRONMENT, PUBLIC HEALTH AND CONSUMER POLICY

- (bb) Resolution on the State of the Community Environment (ALBER Report) of 20.11.81; OJ C 327 of 14.12.81; Opinion of the Committee on Environment, Public Health and Consumer Protection on the 1983 Resolution (GHERGO Report)

#### YOUTH, EDUCATION AND CULTURAL POLICY

- (cc) Resolution on a Community programme in the field of education (GAJOTTI DE BIASE, Doc. 1-845/81), of 11.3.82, paras 8 and 13; resolution on youth activities of 12 March 1981, OJ C 77 of 6.4.81, paras 9, 21 and 31.

#### DEVELOPMENT AND COOPERATION POLICY

- (dd) Opinion of the Committee on Development and Cooperation on the 1982 Budget exercise (MICHEL Report, PE 74.917/fin./Ann.II);
- (ee) Committee on Budgets, Working Paper No. 2, para. 22, analyses the poor record in implementation in this sector.

#### FOOD AID

- (ff) Opinion cited in note (x); Report for the Committee on Budgetary Control on food aid (IRMER, PE 76.018); special report of the Court of Auditors on Food Aid of 30.10.80; Report drawn up by Mrs Katharina FOCKE for the ACP-EEC Consultative Assembly;
- (gg) Resolution on the European Community's contribution to the campaign to eliminate hunger in the world, of 18.5.80, OJ C 265 of 13.10.80 (FERRERO Report, Doc. 1-341/80); resolution on hunger in the world of 16.11.79, OJ C 309 of 10.12.79;

(hh) Resolution on Possible Improvements to the Common Agricultural Policy of 17.6.81, OJ C 172 of 13.7.81 (PLUMB Report, Doc. 1-250/81);

(ii) Food aid appropriations in 1980, 1981 and 1982

(1)	<u>Product</u>	<u>1980</u>	<u>%</u>	<u>1981</u>	<u>%</u>	<u>1982</u>	<u>%</u>
	Cereals	116.2	35	121	27.6	144.4	34
	Milk products	212.2	64	274.5	62.7	263	63.4
	Sugar	1.8	0.5	2.0	0.5	2.8	0.4
	Vegetable oil	-	-	40	9	5	1.2
		330.2		437.5		419.8	

(jj) Priorities in the budget procedure for 1982

	<u>PDB</u> <sup>(1)</sup>	<u>DB</u> <sup>(1)</sup>	<u>EP</u> <sup>I</sup>	<u>EP</u> <sup>II</sup>
Cereals	153.4	124.4	+ 37	144.4
Milk	263	263	- 8.4	263
Sugar	2.3	1.4	+ 1.4	2.8
Vegetable oil	10.0	p.m.	+ 10	5
Others	5.0	p.m.	+ 8.9	5

(1) Incl. letter of amendment

#### BALANCE IN THE COMMUNITY BUDGET

(kk) See the Resolution referred to in notes (a) and (b) above;

(ll) GIAVAZZI, op. cit.

#### EAGGF - Guarantee

(mm) One indication of the budgetary consequences of surplus production is given by the amounts devoted to export refunds, storage and withdrawal; the total cost of these measures in 1980 was 7367 mECU and the budgeted appropriations for 1981 were 7465 mECU;

(nn) The following table illustrates the magnitude of the forecasting error made in 1981:

	(1) <u>PDB</u>	(2) <u>Budget as adopted</u>	(3) <u>Suppl/amending budgets</u>	(4) <u>Outturn</u>	(1)-(4) <u>Forecasting error</u>
1981	12,941	12,870	-1,290	10,967	1,974

It is understood that the problem of over-estimation is recurring in 1982.

PE 77:857/fin.

- (oo) Resolution on Possible Improvements to the CAP, op. cit., para 8;
- (pp) op. cit., paras 16 and 17;
- (qq) op. cit., para 19;
- (rr) op. cit. paras 36, 55;
- (ss) The Rapporteur has written to the Commission requesting that such a study be initiated;
- (tt) Resolution on the inter-institutional dialogue on certain budgetary questions, of 10.4.81, OJ C 101, para 4 and Resolutions on the draft budgets for 1980, 1981 and 1982;
- (uu) Resolution on the inter-institutional dialogue on certain budgetary questions of 10.4.81 : OJ C 101.