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DOCUMENT 1-963/82

REPORT

drawn up on behalf of the Committee on Development
and Cooperation

on the proposal from the Commission of the European
Communities to the Council (Doc. 1-765/82 - COM(82) 614 final)
for a decision determining the general guidelines for 1983
concerning financial and technical aid to non-associated developing
countries

Rapporteur: Mrs T. CARETONI ROMAGNOLI

By letter of 18 October 1982 the President of the Council of the European Communities requested the European Parliament, pursuant to Council Regulation (EEC) No. 442/81 of 17 February 1981, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a decision determining the general guidelines for 1983 concerning financial and technical aid to non-associated developing countries.

The President of the European Parliament referred this proposal to the Committee on Development and Cooperation as the committee responsible and to the Committee on Budgets and the Committee on Budgetary Control for their opinions.

On 23 November 1982 the Committee on Development and Cooperation appointed Mrs Carettoni Romagnoli rapporteur.

It considered this proposal at its meetings of 23 November 1982 and 30 November 1982.

At its meeting of 30 November 1982 the committee unanimously adopted the motion for a resolution and the explanatory statement.

Present: Mr Poniatowski, chairman; Mr Bersani and Mr Kühn, vice-chairmen; Mrs Carettoni Romagnoli, rapporteur; Mrs Baduel Glorioso (deputizing for Mr Vergès), Mr Baillot (deputizing for Mr Denis), Mrs Cassanmagnago Cerretti, Mrs Castellina, Mr Cohen, Mr de Courcy Ling, Mr De Gucht, Mrs Dury, Mr Enright, Mrs Focke, Mr Irmer, Mr C. Jackson, Mr Kellett-Bowman (deputizing for Sir Henry Plumb), Mr Lagakos (deputizing for Mr Fuchs), Mr Lemmer (deputizing for Mr Wedekind), Mr Lezzi, Mr Pearce, Mrs Pruvot (deputizing for Mr Sablé), Mrs Rabbethge, Mr Rinsche (deputizing for Mr Luster), Mr Seefeld (deputizing for Mr Fellermaier), Mr Sherlock and Mr Vankerkhoven (deputizing for Mr Narducci).

The opinion of the Committee on Budgetary Control is attached. The opinion of the Committee on Budgets will be published separately.

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

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a decision determining the general guidelines for 1983 concerning financial and technical aid to non-associated developing countries.

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council¹,
- having been consulted by the Council pursuant to Council Regulation (EEC) No. 442/81² (Doc. 1-765/82),
- having regard to the report of the Committee on Development and Cooperation and the opinions of the Committee on Budgetary Control and the Committee on Budgets (Doc. 1-963/82),
- having regard to the result of the vote on the Commission's proposal,
 - (a) having regard to Council Regulation (EEC) No. 442/81² on financial and technical aid to non-associated developing countries,
 - (b) having regard to the fifth report from the Commission of the European Communities to the Council on the implementation of the programme of financial and technical assistance to non-associated developing countries (COM(82) 500 final),
 - (c) having regard to its previous resolutions on this subject, notably,
 - on the communication from the Commission to the Council on Community financial and technical aid to non-associated developing countries, 1976 to 1980³,
 - on a proposal for a regulation on financial and technical aid to non-associated developing countries⁴,

¹ OJ No. C 276, 19.10.1982, p.9

² OJ No. L 48, 21.2.1981

³ Report by Mr Härzschel, Doc. 133/75, OJ No. C 157, 14.7.75, p. 30

⁴ Report by Mr Nolan, Doc. 34/77, OJ No. C 118, 16.5.1977, p. 60

and in particular its resolution

- on the proposal from the Commission to the Council on the general guidelines for the 1982 programme of financial and technical cooperation with the non-associated developing countries and on Community financial and technical aid to non-associated developing countries¹,

1. Notes with approval that the proposed general guidelines for 1983 for financial and technical aid to non-associated developing countries will continue to concentrate on rural development and food production in the poorest developing countries;
2. Deplores once again the decision-making procedures written into Council Regulation (EEC) No. 442/81 by the Council, which are unsatisfactory in that they detract from the powers of the European Parliament and Commission and delay the implementation of programmes;
3. Notes that the rate of utilization of funds in 1982 was unsatisfactory and hopes that the causes of this situation can be quickly identified and eliminated so as to maintain a constant flow of funds to ensure that the programme for the non-associated developing countries can be implemented and also expanded;
4. Notes that the general guidelines for 1983 are generally in line with the objectives outlined in the relevant sections of the Commission's memorandum² of 5 October 1982 on the Community's development policy;
5. Supports the principle of extending aid under this programme to China, while recognizing that, because of the latter's size and structures, the resources allocated would have little more than symbolic value, at least initially; calls nevertheless on the Commission to make every effort to ensure that assistance for China can be initiated by the end of 1983;

¹ Report by Mr Enright, Doc. 1-819/81, OJ No. C 11, 18.1.1982, p. 195

² COM(82) 640 final

6. Hopes that financial and technical cooperation with non-associated developing countries will in future be oriented increasingly to multi-sectoral operations and sectoral programmes preferably within the framework of general development programmes, rather than to individual projects;
7. Draws attention to the need to increase the funds required for aid to the non-associated developing countries in order to permit the geographical diversification of that aid and the financing of both large and small-scale projects;
8. On the subject of geographical diversification, reaffirms the importance it attaches to the special programmes prepared for the countries of Central America;
9. Stresses the importance of providing technical assistance for the preparation and implementation of projects and programmes, particularly in those countries where the administrative structure is weak;
10. Is aware of the difficulties resulting from the absence of Commission delegates in most non-associated developing countries, and encourages the Commission to increase its efforts towards better regional control over the implementation of projects;
11. Stresses the importance of an ex-post assessment of the various projects and of the effectiveness of aid, inter alia as a means of improving the monitoring of the general value of the programme as a whole;
12. Calls for more staff to be made available to DG VIII to administer the aid to non-associated developing countries;
13. Reiterates its belief in the value of co-financing both with sources outside the Community and with the Member States;

14. Approves, subject to the above comments, the general guidelines for 1983 concerning financial and technical aid to non-associated developing countries as proposed by the Commission of the European Communities;
15. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.

EXPLANATORY STATEMENTI. INTRODUCTION

1. The programme of aid to non-associated developing countries got underway in 1976 on the initiative of the European Parliament and was expanded through Parliament's voting amendments increasing appropriations for this programme in successive budgets.
2. Though this programme has always been referred to up to now as "financial and technical aid to non-associated developing countries", the Committee on Development and Cooperation agrees with the Commission of the European Communities that a better title for the programme would be "financial and technical aid to Asian and Latin American countries", particularly as Angola and Mozambique, the only two African countries assisted under this programme, have now indicated their willingness to take part in the negotiations for the successor arrangement to Lomé II.
3. Up to 1981 no framework regulation for this programme existed. Such a regulation¹ was adopted in February 1981 following a protracted conciliation procedure between Council and Parliament which concluded in a manner which was far from satisfactory from the European Parliament's point of view.
4. The regulation adopted by Council in February 1981 made small concessions to the European Parliament, namely by providing for Parliament being consulted on the annual general guidelines, while Council retained its control over each decision to provide aid under this programme. In a letter² to the President of the European Parliament dated 20 February 1981 the then President-in-office of the Council, Mr van der Mei, justified this approach by claiming that "the Council's attitude in this particular case is determined by the fact that decisions on aid to non-associated developing countries may entail fundamental implications for Member States' foreign policy".
5. The vital issue of contention between Parliament and Council during the conciliation procedure was the role of the Management Committee, "the Committee for aid to non-associated developing countries", to be chaired by a Commission representative and comprising of representatives of the Member States, set up under Article 11 of the regulation. This Committee is empowered to consider each draft financing decision and, within a month, submit its opinion, or in the case of disagreement within the Committee, the result of the vote on each

¹Regulation (EEC) No 442/81 of 17.2.81 (OJ L 48 of 21.2.81)

²PE 72.262

draft decision, to the Commission. In the absence of a favourable opinion of the Committee, the Commission may refer the matter to Council which must take a decision, acting by a qualified majority, within two months. If Council has not decided within the period of two months, the Commission may submit a new draft financing decision. Thus the power of the Member States, through Council, prevails over the power of the Community. Furthermore this procedure can lead to greater delays in the already cumbersome process by which decisions to finance individual programmes are made.

6. The Regulation provides that, "acting on a proposal from the Commission and after consulting the European Parliament, the Council shall determine in good time before the end of the year, the general guidelines to be applied to aid for the following year". It is these general guidelines for 1983 that are here under consideration. These are the second series of guidelines to have been drawn up since the adoption of Council Regulation EEC No 442/81, the guidelines for 1982 having been considered in Mr Enright's report (Document 1-819/81). In view of the fact that a long and detailed report was drawn up on the general question of aid to non-associated developing countries and, more particularly on the 1982 guidelines, during the course of 1981, it is not proposed to draw up a long report on this occasion.

II. IMPLEMENTATION OF THE PROGRAMME OF FINANCIAL AND TECHNICAL ASSISTANCE TO NON-ASSOCIATED DEVELOPING COUNTRIES

7. On 9 September 1982, the Commission drew up its fifth report¹ on the implementation of this programme, considering the period up to 31 December 1981. In the past the aspect of the programme which gave rise to the greatest concern was the frequently low level of utilisation of funds. Your rapporteur is particularly pleased to note a marked improvement in utilisation during the course of 1981. In 1981 154.2 mECU was available for this programme,

¹COM(82) 500 final

150m ECU from the 1981 programme and 4.2 mECU carried over from 1980. Of this, 125.06 mECU was committed for project aid, 9.7 mECU was committed under the post-catastrophe reserve (for two projects, in India and Pakistan) and a further 3.5 mECU was committed under the special provisions; expertise and control activities covering the cost of recruiting short-term outside experts to help with project evaluation and specialists as well as the work of the development officers attached to the Commission delegation in Bangkok and Caracas. Thus in all 138.26 mECU was committed in 1981 out of a total of 154.2 mECU, leaving 15.94 mECU to be carried over.

8. The Commission has accounted for the 15.94 mECU carried over as follows:

9.6 mECU was originally earmarked for projects in Africa. The Commission claims, however, that it was impossible to identify any projects in Africa during the course of 1981 given the continuing uncertainty arising from the debate among certain Member States on the eligibility for non-associated aid of Angola and Mozambique, the countries for which the aid was initially intended. Thus these 9.6 mECUs have been carried over to 1982. The remainder carried over consists of 6.69 mECU originally earmarked for Latin America and 0.35 mECU for Asia. The Latin American back-log results, according to the Commission, from delays in two projects, one in Honduras and one in Nicaragua, which were still under detailed appraisal in September 1982 when the Commission's report was drawn up. The hope was expressed, however, that these projects can be included in the 1982 programme. With regard to the 0.35 mECU carried over from Asia, the Commission pointed out that this is a small figure so the rate of utilisation has been satisfactory. Your rapporteur agrees with this assessment.

9. With regard to disbursements, the situation is not so obviously positive though improvements have been seen. During the year ending 31 December 1981 total disbursements under all past programmes amounted to 87.6 mECU. This brings the total of the disbursements up to that date to 163.6 mECU, or 32.5 % of the total amount committed. Disbursements during 1981 were more than twice the level recorded in 1980, which in turn was greater than the total disbursement in the four years from 1976 to 1979. As of December 1981, however, no disbursements had been made under the 1981 programmes. This was to be expected, however, as most projects were committed towards the end of the year, and even those committed earlier were still in an early stage of implementation where little outlay was as yet required.

10. While the rate of utilization of appropriations was fairly satisfactory in 1981, the situation in 1982 is much less so. According to figures provided by the Commission, commitments at 31 December 1981 amounted to 124m ECU or 83% of the appropriations available. It is estimated that no more than 96m ECU (roughly 40-50% of the appropriations available) will have been committed by the end of 1982. This is clearly a retrograde step. One of the reasons for the delay is the slow decision-making procedures embodied in Council Regulation (EEC) No. 442/81, and it is to be hoped that the procedures will be changed and improved so that the funds entered in the budget can be used more quickly.

Another factor which helps to explain the situation, even if only to a certain degree, is that the Council of Development Ministers has spent a lot of time this year discussing the Commission's special programme for Latin America. As this programme has at last been approved and the veto on Angola and Mozambique (which asked to participate in the negotiations for the next Lome Convention) may therefore be lifted, the procedures could be speeded up in future thus increasing the rate of utilization of the various appropriations.

Furthermore, with a view to greater rationalization of the Community's development policy as a whole, as outlined in a recent Commission memorandum¹, it would be advisable to improve the structure of all the programmes in order to abolish the distinction between so-called 'special actions' and 'normal actions'.

¹ COM(82) 640 final

The Commission deals specifically with aid programmes for the non-associated developing countries (how long will this term continue to be used? Would it not be better to change it?) in paragraph 3 of section 5.

Other sections, namely 5.4, 6.1, 6.2 and 6.4, cover specific subjects dealt with in this report.

The rapporteur feels that there is no fundamental inconsistency between the proposals concerning the non-associated developing countries set out in the general guidelines for 1983 and the points made in the memorandum.

III. THE PROPOSED GENERAL GUIDELINES FOR 1983

11. The proposed general guidelines for 1983 follow closely the priority determined in the past. The Regulation lays down that aid should, as a general rule, be directed towards the poorest developing countries while ensuring a Community presence in the major regions of the world by means of a reasonable geographic balance.

12. The guidelines suggest that aid should be open to some 30 countries in Asia, Latin America and Africa, with a total population, excluding China, of the order of 1,300 million, and of which 1,200 million live in 15 countries with a per capita income level below US\$370. The breakdown of funds suggested for 1983 is:

Asia	74 - 78%
Latin America	17 - 20%
Africa	5 - 6 %

13. Potential recipients in Asia include all the countries which have received Community aid to date plus a small number of very poor countries which have not so far been covered. Special reference is made in the guidelines to China which has, to date, received no Community aid other than small amounts of emergency food aid and marginal assistance with training.

14. The Commission guidelines are somewhat vague when it comes to the volume and precise nature of the aid which could be given to China. Your rapporteur would welcome more precision in this respect, while pointing out that China, because of its enormous population and particular development pattern cannot be treated like any other recipient. Aid to China is a highly political matter, and it must be understood that, because of the size of the requirements, aid under this programme cannot be regarded as much more than a gesture.

15. In Latin America all countries which have received aid under this programme in the past will be regarded as potential recipients. For Central America, as well as the special assistance recently proposed by the Commission, it is proposed to make aid available to encourage a more balanced development in rural areas.

16. Operations in Africa, particularly regional or sub-regional communications projects, will depend on what has been achieved under the 1981-1982 programmes and the position in countries which are theoretically eligible for this type of aid. It should be noted that, to date, difficulties have been encountered at Community level regarding the granting of aid to Angola and Mozambique.

17. It is proposed to continue support for regional cooperation through established regional integration bodies, such as ASEAN and the ANDEAN Pact, and through regional organizations less consolidated such as the Central American Common Market as well as for direct cooperation activities involving two or more countries. The programme will also support the work of agricultural research bodies at international, regional or national levels.

18. The countries and organizations assisted will be chosen taking account of the following:

- (i) aid received under previous programmes;
- (ii) how well aid given under previous programmes has been implemented;
- (iii) the availability of good development projects or programmes sufficiently advanced to be taken into consideration for the forthcoming years;
- (iv) the intrinsic developmental value of the proposed actions;
- (v) the recipient's own priorities and the compatibility of proposed operations with the national development policy.

19. As in former years the principle of concentration will be applied, so that some countries will receive increased assistance in one year while being omitted from subsequent programmes.
20. In the past the European Parliament has considered the importance of small-scale and micro-projects. It is to be hoped that the concentration principle will not adversely affect the number of micro-projects and other small-scale projects receiving assistance.
21. As in the past, priority will be given to the rural sector, including agricultural, livestock, fisheries and forestry, and to action aimed at improving the food supplies of the populations.
22. As demanded by the European Parliament in the past, technical assistance will be provided for countries where the administrative structure makes project preparation and implementation difficult. Furthermore training will be included in most projects. As in the past most aid will be given to projects. In previous reports on the programme for non-associated developing countries the European Parliament has stressed the need to consider "programme aid" rather than "project aid". In the 1983 guidelines the Commission has proposed that aid can be given, not only to projects, but also to multisectoral operations (such as integrated rural development or area development) and sectoral programmes on a national basis. It is to be hoped that a real effort will be made by the Commission to devote a sizeable part of the funds available to multisectoral operations and sectoral programmes.
23. As in the past, it is proposed to reserve a proportion of funds (6% for 1983) for reconstruction work in disaster areas. After 31 October funds not used for this purpose may be made available for the financing of normal projects.

24. As is customary, a proportion of funds is to be set aside for experts recruited from outside the Commission for the preparation and implementation of projects including supervision and on-site control, and the establishment of development specialists working with Commission delegations in non-associated developing countries. The proportion of funds to be reserved for these purposes will be 3%, a reduction on the 4% earmarked for these activities in 1982. Your rapporteur would welcome an explanation from the Commission as to why this reduction has been made.

25. Finally, the 1983 guidelines proposed that start be made with post-project evaluation. Such evaluation has consistently been supported by the European Parliament. Your rapporteur notes, however, that no appropriations have been earmarked for this purpose and hopes that this does not mean that the Commission has not yet any specific proposals for such evaluation.

IV. FINANCE

26. In the 1983 Preliminary Draft Budget the Commission entered 290 mECU in commitment appropriations and 125mECU in payment appropriations for Article 930. This was reduced to 200 mECU and 115 mECU respectively by the Council in its Draft Budget. Despite an attempt by the Committee on Development and Cooperation to increase appropriations to 315 mECU in commitment and 150 mECU in payment appropriations (the increase being to make up for that part of Supplementary and Amending Budget No. 1 for 1982 for which a transfer to Article 930 was not made), at its first reading on 28 October 1982 Parliament voted an amendment to increase appropriations for this Article to 250 mECU in commitment appropriations and 135 mECU in payment appropriations - a level of commitment appropriations which would be 40 mECU less than ~~that~~ initially requested by the Commission. Your rapporteur regrets this reduction and hopes that at least this minimal position will be maintained in the second reading of the Budget, any further decrease being quite unacceptable.

V. CONCLUSIONS

27. In general the Committee on Development and Cooperation endorses the guidelines for 1983 proposed by the Commission. It particularly welcomes the continued concentration of aid on rural development and food production in the poorest developing countries. It would like, however, to make the following comments:

- i) under this programme the Community has granted aid to a wide spectrum of projects. Your rapporteur wonders what it is that these countries, regional organisations and projects have in common that qualify them for this assistance. In other words, what is the underlying philosophy behind the programme of financial and technical aid to non-associated developing countries, which must be reflected in the 1983 guidelines?
- ii) the Committee on Development and Cooperation is pleased to note that these guidelines are in general conformity with the relevant sections of the 'Pisani Memorandum';
- iii) the Committee on Development and Cooperation is fully aware of the size of the development problems facing the non-associated developing countries, 9 of which are classified as least developed by the United Nations. It is thus hoped that, while conforming to the 1983 guidelines, aid under this programme will in all cases be granted on the basis of real needs rather than as a result of political considerations at Member State level;
- iv) the Committee on Development and Cooperation has already, in Mr Enright's report, supported the principle of granting aid under this programme to China. Nevertheless, your rapporteur remarks that the guidelines are particularly vague in this regard. The Commission is requested to make clear proposals for assistance to China, which will take account of the particular situation of that country;
- v) the Commission is further requested to prepare an assessment of the effectiveness to date of projects supported under this programme, as well as a general assessment of the effectiveness of the programme as a whole;

- vi) your rapporteur hopes that the principle of concentration of aid will not lead to a reduction in the number of small-scale projects and micro-projects assisted under this programme;
 - vii) your rapporteur particularly regrets the absence of indications relating to co-financing in the 1983 general guidelines and hopes that co-financing both with external bodies and with Member States will increase during 1983;
 - viii) it is to be hoped that cooperation with non-associated developing countries will in the future be orientated increasingly to multi-sectoral operations and sectoral programmes rather than projects, thereby simplifying administrative procedures.
 - ix) technical assistance for the preparation of projects and programmes and their implementation is of the greatest importance in those countries where the administrative structure is weak, and your rapporteur welcomes the fact that the Commission has taken account of this in its 1983 guidelines;
-
- x) the Committee on Development and Cooperation is particularly worried about the low rate of utilisation of funds in 1982, and hopes that this situation can be improved radically during the course of 1983;
 - xi) the Committee on Development and Cooperation regrets that its amendment to Article 930 of the 1983 Budget was not supported by the European Parliament and hopes that the amendment to provide 250 mECU in commitment appropriations and 135 mECU in payment appropriations for this article, adopted by the European Parliament at the first reading of the budget, will be accepted during subsequent stages of the budgetary procedure;
 - xii) Finally, the Committee hopes that what have been referred to up to now as "non-associated developing countries" will henceforward be referred to as "Asian and Latin American countries".

OPINION OF THE COMMITTEE ON BUDGETARY CONTROL

Draftsman: Mr IRMER

On 14 October 1982 the Committee on Budgetary Control confirmed the appointment of Mr IRMER as draftsman of the opinion.

The committee considered the draft opinion at its meeting of 14 October 1982 and adopted it by 10 votes to 1 with 1 abstention.

The following took part in the vote:

Mr AIGNER, chairman; Mrs BOSERUP, vice-chairman; Mr PRICE, vice-chairman; Mr IRMER, draftsman; Mr GABERT, Mr LANGES (deputizing for Mr FRÜH), Mr KEY, Mr KELLETT-BOWMAN, Mr MART, Mr NIELSEN (deputizing for Mr JÜRGENS), Mr NOTEMBOOM and Mr SABY.

The new procedure for the determination of the policy in relation to and the fixing of the funds necessary for financial and technical aid to non-associated developing countries, as laid down in Regulation No. 442/81 of 17 February 1981, provides that the guidelines for the following year are to be adopted by the Council after consulting Parliament in good time before the adoption of the budget. This regulation also provides that the Commission must report regularly to Parliament and to the Council on the implementation of the programmes.

This gives the Committee on Budgetary Control an opportunity to consider these two documents together and to put the experience of previous years to good use for the future.

It is however regrettable that the Commission has submitted its guidelines only to the Council.

The general assessment as to the financial management and administration of this policy which, and this cannot be emphasized too much, was initiated by Parliament and is a policy of entering in the budget, within its powers, appropriations which can be used for this purpose by the Commission without any further legal basis, is, taken as a whole, very positive. After the initial difficulties caused by the Commission's still attempting to obtain the unofficial approval of the Council, which gave rise to great delays in the implementation of the programmes, the rate of utilization is now practically normal. In the 1981 financial year it was in fact necessary considerably to increase the payment appropriations by means of a supplementary budget in order to meet requirements. In addition, the imbalance between commitment appropriations and payment appropriations due to the nature of the projects has been to a great extent offset and the rate of payment is now satisfactory.

The Commission has now gained considerable experience which enables it to organize financing as effectively as possible, to adjust it to the special features and administrative structures of the recipient countries and to integrate this aid in an overall plan for combating hunger and for a global development policy.

Despite this not all difficulties have yet been overcome, in particular that of ensuring that the Commission is responsible for the use of the appropriations. Although the decisions relating to the guidelines and the amount of the appropriations are made at the political level there are still

delays in using them because certain Member States are blocking Commission decisions. Even using the new procedure it is possible to block decisions in this way by means of the management committees' procedure. In 1981 it was necessary to carry forward 9,600,000 ECUs because certain Member States objected to aid to Angola, Mozambique and Zimbabwe. The Committee on Budgetary Control proposes that Parliament should help the Commission to carry out a genuine Community policy on the basis of strictly Community criteria. This applies especially to the inclusion of China in the List of recipient countries, as proposed by the Commission.

The allocation of appropriations to the various types of action, in other words

- normal projects,
- disaster aid,
- experts,
- technical aid,
- evaluation,

as carried out in the past and planned for 1983, ensures that aid will be as effective as possible in spite of the relatively restricted funds available. If these funds were reduced this scheme of allocation would be adversely effected and would make more difficult the policy being pursued. The attitude of the Council, which reduced the estimates for commitment appropriations by 90,000,000 ECUs, is all the more incomprehensible in view of the fact that it had not yet examined the guidelines for 1983; this emphasizes the incoherence of its decisions.

The result of the reduction of payment appropriations to 115,000,000 ECUs is that the appropriations for 1983 would be less than available appropriations for 1982, 124,000,000 ECUs.

In any event, the guidelines proposed by Parliament, which initiated the policy in the first place, should have binding character for the Commission and be submitted to it directly.

Conclusions

The Committee on Budgetary Control regrets that the Commission's proposal has been submitted only to the Council and not to Parliament. As the policy concerned was initiated by Parliament, the Committee on Budgetary Control recommends to the Committee on Development and Cooperation that Parliament's decision on the establishment of general guidelines for aid to non-associated developing countries be communicated directly to the Commission and not to the Council.

The Committee on Budgetary Control advocates the further development of the policy of technical and financial aid to non-associated developing countries on the basis of the principles applied in past years and advocates that these measures be extended to China and some non-associated countries in Africa.

The committee takes the view that the results of the financial management and administration of this aid in past years justify such development and expansion.

In addition, the committee recommends that the Commission should fully assume its responsibility for the implementation of this policy on the basis of strictly Community criteria.

