

European Communities

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DOCUMENT 168/77

Report

drawn up on behalf of the Committee on Budgets

on the amended proposal from the Commission of the European Communities to the Council (Doc. 87/77), in accordance with Articles 149/EEC and 119/ECSC, for Title VII / Special Provisions applicable to the Research and Investment Appropriations of the Council Regulation (ECSC, EEC, EURATOM) amending the Financial Regulation of 25 April 1973 applicable to the General Budget of the European Communities

Rapporteur: Mr Michael SHAW

By letter of 29 April 1977, the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the amended proposal from the Commission of the European Communities to the Council in accordance with Articles 149/EEC and 119/EAEC for Title VII - Special Provisions applicable to the Research and Investment Appropriations of the Council Regulation (ECSC, EEC, EURATOM) amending the Financial Regulation of 25 April 1973 applicable to the General Budget of the European Communities.

The President of the European Parliament referred the proposal to the Committee on Budgets on 9 May 1977.

The Committee on Budgets appointed Mr Shaw, rapporteur, on 16 May 1977.

The Committee on Budgets considered this proposal at its meeting of 8 June 1977 and adopted the Motion for a Resolution and the Explanatory Statement unanimously.

Present: Mr Lange, Chairman; Mr Cointat, Vice-Chairman; Mr Alber, Lord Bessborough, Lord Bruce of Donington, Mr Clerfaÿt, Mr F. Hansen, Mr Radoux, Mr Schreiber, Mr Spinelli, Mr Würtz.

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A

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

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the amended proposal from the Commission of the European Communities to the Council, in accordance with Articles 149/EEC and 119/EAEC, for Title VII-- Special Provisions applicable to the Research and Investment Appropriations of the Council Regulation (ECSC, EEC, EURATOM) amending the Financial Regulation of 25 April 1973 applicable to the General Budget of the European Communities
The European Parliament

- having regard to the EAEC Treaty,
 - having regard to Amendments Nos. 14 and 15 to the General Budget of the European Communities for the financial year 1977,
 - having regard to the proposal of the Commission¹,
 - having been consulted by the Council (Doc. 87/77),
 - having regard to the Report of the Committee on Budgets (Doc. 168/77),
 - having regard to paragraph 11 of its Resolution of 14 December 1976 (Doc. 469/76)²,
- (a) anxious to secure greater budgetary transparency;
 - (b) wishing, in particular, to give effect to the proposals put forward in the context of the 1977 budget to ensure greater clarity in regard to the presentation of the research and investment appropriations;
 - (c) noting that the present proposal will simplify considerably the research part of the budget;
1. Approves the Commission's amended proposal which constitutes a revised version of an element in the earlier Commission proposal for amendments to the Financial Regulation;
 2. Reiterates its belief that the Financial Regulation should constitute a unified text and, therefore, asks that a consolidated version of the revised Regulation be published as soon as may be after its adoption;

¹ OJ No. C 107, 3.5.1977, p. 17

² OJ No. C 6, 10.1.1977, p. 18

3. Urges the Council to proceed rapidly with its consideration of the present proposal;
4. Notes that the proposal is in line with the position adopted by the European Parliament when considering the 1977 budget;
5. Requests the Commission to adopt the following amendments, pursuant to the second paragraph of Article 149 of the EEC Treaty.

TITLE VII

SPECIAL PROVISIONS APPLICABLE TO THE RESEARCH AND INVESTMENT APPROPRIATIONS

Article 93 - unchanged

Article 94

The appropriations relating to research and investment shall be entered in a special chapter in the section of the Budget relating to the Commission.

That special chapter shall contain:

- the appropriations intended to finance all research objectives;
- the appropriations for concerted activities;
- the appropriations for other activities.

Article 95

1. An overall allocation covering several years (hereinafter called "tranche") shall be made for each activity covered by Article 94.

In budgetary terms, the tranche for the research and investment objectives and for the concerted activities shall be the total allocation provided in the Budget for each research and investment objective, taking into account any financial reserves, except where the objective or the concerted activity comprises several specific stages each forming a self-contained whole.

Article 94

Unchanged

That special chapter shall contain, in particular, appropriations intended to finance:

- direct actions;
- indirect actions; and
- concerted actions.

Direct actions mean research programmes executed in the four establishments of the Joint Research Centre and financed, in principle, entirely by the Community budget;

Indirect actions mean programmes executed by way of contracts by national organizations and partly financed by the General Budget of the European Communities; and

Concerted actions consist of Community efforts undertaken to coordinate individual national research activities and in respect of which the General Budget of the European Communities bears only expenditures of an administrative nature.

Article 95

1. An overall allocation covering several years (hereinafter called "tranche") which is indicative in nature and which may be modified in the annual budget, shall be made for all direct and indirect actions.

Unchanged

¹ For full text, see OJ No. C 107, 3.5.1977, p. 17

2. Amounts authorized annually in the Budget to cover research and investment expenditure shall comprise appropriations for commitment and appropriations for payment.

Unchanged

3. The appropriations for commitment within each tranche are intended to enable the Commission fully to cover all the legal obligations which it may contract.

3. The appropriations for commitment are intended to enable the Commission fully to cover all the legal obligations which it may contract.

They represent the upper limit of expenditure to which the Commission may commit itself during the financial year in question for the attainment of the objectives to which this expenditure relates.

Unchanged

Notwithstanding the provisions of Article 6(3)(b), the appropriations for commitment shall remain valid until they are cancelled under the budgetary procedure.

They shall remain valid until they are cancelled under the budgetary procedure.

4. The appropriations for payment represent the upper limit of expenditure which may be paid or authorized for payment during each financial year to cover commitments entered into during the current year or earlier financial years.

4. Unchanged

Notwithstanding the provisions of Article 6, the appropriations for payment corresponding to appropriations for commitment shall be carried forward until cancelled under budgetary procedure.

The appropriations for payment corresponding to appropriations for commitment shall be carried forward until cancelled under budgetary procedure.

Article 96 - unchanged

Article 97

Article 97

1. In addition to the documents referred to in Article 12, financial schemes shall be drawn up to support the preliminary draft budget. These financial schemes, amended if necessary in accordance with the budget, shall be used for management of the appropriations entered under the special chapter provided for in Article 94.

1. In addition to the documents referred to in Article 12, financial schemes shall be drawn up to support the preliminary draft budget. These financial schemes, amended if necessary in accordance with the Budget, as adopted, shall be used for management of the appropriations entered under the special chapter provided for in Article 94.

Article 97

Paragraphs 2, 3, 4 and 5 - unchanged

Article 98

The special chapter provided for in Article 94 shall include a provisional schedule of commitments and payments drawn up for each article and item showing, for each tranche, the timetable for utilization of the corresponding appropriations for commitment and for payment; the schedule shall be reviewed annually.

Article 98

The special chapter provided for in Article 94 shall include a provisional schedule of commitments and payments drawn up for each article and item showing the timetable for utilization of the corresponding appropriations for commitment and for payment; the schedule shall be reviewed annually.

Articles 99 - 101 - unchanged

EXPLANATORY STATEMENT

1. The special nature of the appropriations for research and investment springs from the provisions of the EAEC Treaty. It is not proposed, at present, that the underlying arrangements be changed or that there be a radical departure from the position obtaining in recent years.
2. When adopting the Community budget for 1977, the European Parliament called for a simplified and more transparent presentation of the research and investment appropriations - see Amendments Nos. 14 and 15¹. The Commission was called on to present a revised layout of this part of the Financial Regulation before end-1977. It has now done so and the committee is satisfied that the text of the proposal conforms with Parliament's wishes.
3. However, the Committee on Budgets leaves open the question as to whether, at some later stage, it should not, in the light of further experience, go into the possibility of effecting more radical changes which would bring this section of the budget more closely into line with the arrangements for the rest of the General Budget of the European Communities - especially in so far as the treatment of commitments is concerned.
4. The committee found it necessary, in the interest of clearer presentation of the articles, to amend Article 94 by setting out what exactly is meant by direct actions, indirect actions, and concerted actions. The adopting of the draft amendment to this article will necessitate the making of minor verbal changes in subsequent articles so as to ensure the consistent use of standard terms.
5. The committee also noted that the terms 'appropriations for commitment' and 'appropriations for payment' used in the Commission's draft are not fully in line with the expressions used in the EAEC Treaty. Therefore, it will be necessary to reconcile the text with the exact terms used in the Treaty.
6. In regard to Article 95(1) the committee thought it desirable that the limits of the "tranche" should not be binding on the Budgetary Authority, and that it should be possible for the Budgetary Authority, should the need arise, to modify it in the context of the annual budget.

¹ Official Journal Annex No. 210, December 1976, pps. 306-309

7. At Article 95(3) and again in Article 98 the committee thought it appropriate to delete the words "within each tranche". Furthermore, it is considered desirable to amend 95(3) third sub-paragraph and 95(4) second sub-paragraph so as to avoid referral back to articles in the Financial Regulation which are in the process of being changed.

In Article 97 the words "as adopted" are added to make it clear that the financial schemes must agree with the final wishes of the Budgetary Authority.

