

# European Communities

---

EUROPEAN PARLIAMENT

432,11

## Working Documents

1976 - 1977

---

14 June 1976

DOCUMENT 144/76

### Report

drawn up on behalf of the Committee on Budgets

on the ~~release~~ of the appropriations entered under certain chapters of the statement of expenditure relating to research and investment activities of the budget of the European Communities for the financial year 1976 (Doc. 103/76)

Rapporteur: Mr M. COINTAT  
/

PE 44.853/fin.

1.2.1  
English Edition

432,11



By letter of 13 April 1976 the Commission of the European Communities asked Parliament, following the latter's deliberations on the Communities' 1976 budget, to release certain appropriations relating to research and investment expenditure (Doc. 103/76).

This request was referred to the Committee on Budgets during Parliament's sitting of 10 May 1976.

At its meeting of 19 May 1976, the Committee on Budgets confirmed that Mr COINTAT, rapporteur on the Communities' 1976 budget, would act as rapportuer for this matter.

This report was adopted unanimously at the meeting of the Committee on Budgets on 3 June 1976.

Present: Mr Lange, chairman; Mr Aigner, vice-chairman; Mr Cointat, rapporteur; Mr Artzinger, Lord Bruce, Mr Fletcher, Mr Früh, Mr Hansen, Mr Lautenschlager, Mr Memmel (deputizing for Mr Galli), Mr Mursch, Mr Yeats.

C O N T E N T S

---

	<u>Page</u>
A - Motion for a resolution .....	5
B - Explanatory statement .....	7

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

MOTION FOR A RESOLUTION

on the unfreezing of appropriations entered in certain chapters of the statement of expenditure on research and investment activities in the budget of the European Communities for the 1976 financial year

The European Parliament,

- having regard to amendment No 11 adopted by the European Parliament during the vote on the draft budget of the European Communities for the 1976 financial year<sup>1</sup>,
- having regard to the budget of the European Communities for the 1976 financial year, and in particular, Chapter 33 of Section III - Commission<sup>2</sup>,
- having regard to the decisions of the Council of 15 and 25 March 1976 approving certain research programmes<sup>3</sup>,
- having regard to the report of the Committee on Budgets (Doc. 144/76),

1. Authorizes the unfreezing of commitment appropriations to the value of 41,045,747 u.a. and payment appropriations of 20,363,439 u.a.<sup>4</sup> in order to fund research programmes approved by the Council;
2. Points out that the procedure for freezing appropriations has allowed an accurate annual budget forecast to be made and has obviated the need for a supplementary budget;
3. Draws attention to the anomaly which arises from the fact that, when dealing purely with a rectifying budget, Parliament may only consider the section concerned with the unfreezing of appropriations but not the transfers section which it is prevented from considering by the current financial regulation.
4. Calls on the Commission to make it clearer in the 1977 preliminary draft budget which appropriations relate to research and investment activities, and invites it to draw on Parliament's proposals on the subject<sup>5</sup>.

<sup>1</sup> OJ No. C 7, 12 January 1976, p. 55.

<sup>2</sup> OJ No. L 66, 15 March 1976, p. 306.

<sup>3</sup> OJ No. L 74, 20 March 1976, p. 32 and  
OJ No. L 90, 3 April 1976, p. 12.

<sup>4</sup> See table appended to explanatory statement.

<sup>5</sup> Doc. 97/76

5. Reminds the Council that, under general Community law, appropriations intended to finance research activities are opened by the budgetary authority in the course of the procedure for adopting the budget, and that the ceilings indicated in the annex to programme decisions are therefore for guidance only.

B

EXPLANATORY STATEMENT

1. By letter of 13 April 1976 Mr Cheysson, Member of the Commission, requested the unfreezing of certain appropriations concerned with research and investment activities of the Commission. These appropriations were entered into Chapters 3.20, 3.30, 3.51 and 3.52 of Annex I of Section III (Commission) of the 1976 budget<sup>1</sup>.

PROCEDURE FOR UNFREEZING

The procedure for freezing/unfreezing appropriations is based on precedent and is thus not covered by precise and firm legal rules. The Committee on Budgets has already suggested that this procedure should follow the pattern used for the approval of transfers; reference is made to the Committee on Budgets which then considers the matter, communicates its decision to the President of Parliament who then informs Commission and Council.

3. However, when the unfreezing of appropriations involves large sums or raises specific problems, the Committee on Budgets formally refers the matter to Parliament in the form of a motion for a resolution. In these circumstances the Committee on Budgets has taken the view that the authorization to unfreeze certain research appropriations should be made the subject of a report.

BACKGROUND

4. When it reconsidered the 1976 draft budget at its December 1975 part-session, Parliament adopted an amendment increasing by 30 m u.a. the appropriations earmarked for indirect research activities.

5. Since, at the time, the Council had not yet adopted a decision on the research programmes, it was unwilling to enter appropriations under the budgetary heading relating to these programmes. Parliament, on the other hand, felt that the budget was essentially anticipatory and that to avoid a supplementary budget, these appropriations should immediately be entered under the appropriate headings.

6. However, 'in view of the imminence and inevitability of a Council decision' Parliament decided to freeze these appropriations 'in such a way as to clearly indicate their specific and exceptional character and to enable Parliament to be more closely involved in their release'.

1

OJ L66 of 15 March 1976, p 426 ff

7. At its meetings of 15 and 25 March 1976 the Council adopted the research programmes under consideration, making it possible to unfreeze the appropriations required for their implementation in 1976.

#### DETAILS OF THE REQUEST FOR UNFREEZING

8. The Commission's request is in fact highly complex, as will be seen from the accompanying tables. Indeed, it looks like a miniature rectifying budget and contains the following provisions:

- the unfreezing of only a part (20.3 m u.a. out of a total of 30 m u.a.) of the frozen appropriations<sup>1</sup>
- the transfer of appropriations from Chapter 8.10 (staff awaiting assignment to a post) to the headings to be unfrozen

9. In point of fact, Parliament is concerned only with the request for unfreezing, since decisions on transfers remain the exclusive prerogative of the Council pursuant to Article 21 of the financial regulation<sup>2</sup>

#### AUTHORIZATION FOR UNFREEZING

10. The justifications originally attached by the Commission to its request for unfreezing did not give a clear idea of how this was to be done. However, from supplementary information received, the Committee on Budgets has satisfied itself as to the legitimacy of this request.

11. It therefore proposes to authorize the Commission to unfreeze commitment appropriations to the amount of 41,045,747 u.a. and payment appropriations of 20,363,439 u.a. to be allocated in the manner shown in the attached table.

The Committee feels bound however, to qualify its approval by certain observations.

---

<sup>1</sup> Almost 9.7 m u.a., in fact, remain frozen since the Council has taken no decision on programme 3.31 (...) and only a partial decision on programme 3.20 (...)

<sup>2</sup> Only transfers made from the chapter 'non-allocated provisional appropriations' require Parliament's approval.



## OBSERVATIONS

12. These concern the budgetary presentation of research funds, Parliament's part in transfer operations and the fixing by regulation of ceilings on appropriations.

### (a) Budgetary presentation of research funds

13. The proposal to unfreeze appropriations makes the complexity of this presentation abundantly clear. The research and investment budget is of the functional type, in other words appropriations are not allocated according to purpose (staff, administrative expenses, research expenditure) but by programmes. Furthermore, the appropriations are grouped in a single article (Article 330) in the actual body of the Commission budget. This method of presentation has a considerable practical bearing on budgetary clarity and hence on Parliament's powers of amendment and control. Parliament has therefore proposed in a resolution on certain budgetary matters (Doc.97/76, page 66 of the explanatory statement) that this form of presentation should be changed in the 1978 budget. If this change requires an amendment to the Financial Regulation, it is to be hoped that the Commission will bear this in mind in its current review of the regulation.

### (b) Parliament's part in transfers

14. Parliament's part in transfers was designed to fit in with the budgetary powers that Parliament enjoyed in 1973 when the Financial Regulation was adopted. Parliament's powers have since increased, particularly as a result of the treaty of 26 July 1975. Full participation by Parliament in the transfer process has become essential and should also be written into the revised Financial Regulation.

### (c) Fixing by regulation of ceilings on appropriations

15. Programme decisions adopted by the Council generally lay down an overall budget ceiling corresponding to the length of the programme (generally 5 years). These decisions are the entire responsibility of the Council, Parliament doing no more than delivering an opinion. Sometimes these ceilings even apply to appropriations earmarked for a particular programme for one specific year: in this way the Council has adopted an annual tranche of 20.8 m u.a. in payment appropriations for 1976 for the thermo-nuclear fusion programme (chapter 3.20). It is clear that the Council cannot in this way replace the budgetary authority and that decisions on appropriations can only be taken by the budgetary authority under the annual budgetary procedure; the figures shown in the basic regulations establishing the programmes can therefore be for guidance only.



Relevant chapters of the statement of expenditure on research and investment activities	BUDGET 1976 OJ L 66/76		C F d
	appropri. for commitment	appropri. for payment	
1	2	3	
<u>Page 426-OJ L 66/76</u>			
3.20-Controlled thermo-nuclear fusion and plasma physics			
- old programme	-	1.824.088	
- new programme (frozen approps.) <sup>1</sup>	157.671.733	23.923.434	2
TOTAL 3.20	157.671.733	25.747.522	
-----			
<u>Page 430-OJ L 66/76</u>			
3.30-Biology and health protection - radiation protect.			
- old programme	-	481.037	
- new programme (= frozen approps.) <sup>1</sup>	17.731.950	2.502.000	1
TOTAL 3.30	17.731.950	2.983.037	
-----			
<u>Page 434-OJ L 66/76</u>			
3.31-Biology - application of nuclear techniques to agricultural research			
- old programme	-	-	
- new programme (= frozen approps.) <sup>1</sup>	12.017.318	1.127.327	
TOTAL 3.31	12.017.318	1.127.327	
-----			
<u>Page 437-OJ L 66/76</u>			
3.51-Reference materials and methods			
- old programme	-	626.079	
- new programme (= frozen approps.) <sup>1</sup>	750.243	229.132	15
TOTAL 3.51	750.243	855.211	
-----			
<u>Page 439-OJ L 66/76</u>			
3.52-Protection of the environment			
- old programme	-	1,454.969	
- new programme (= frozen approps.) <sup>1</sup>	9.457.257	2.218.107	1
TOTAL 3.52	9.457.257	3.673.076	
-----			
<b>RECAPITULATION:</b>			
I. Old programmes		4.386.173	
II. New programmes (= frozen approps.) <sup>1</sup>	197.628.541	30.000.000	
		pages 307-OJ L66/76	
		comments on Chapter 33	
TOTAL CHAPTERS 3.20, 3.30, 3.51 and 3.52	197.628.541	34.386.173	
=====			
<u>Page 466 - OJ L 66/76</u>			
8.10-Staff awaiting assignment to a post (headquarters and indirect action)	8.454.075	8.454.075	
=====			

<sup>1</sup> See amendment No. 11 (Doc. PE 428/11) of 10 Decem

<sup>2</sup> Pending a final decision on the JET project (see I

