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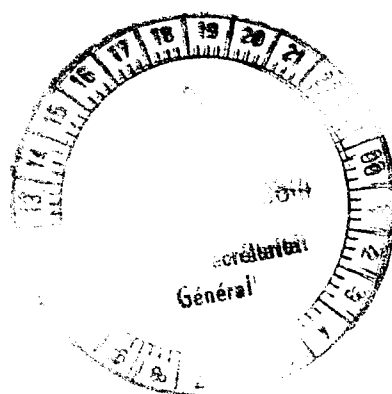
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**EUROPEAN COMMUNITIES
(ECSC — EEC — EURATOM)**

**PRELIMINARY DRAFT
general budget
of the European Communities
for the financial year 1985**

VOLUME 7

COMMISSION



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(ECSC – EEC – EURATOM)**

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In this document all amounts are quoted in ECUs, except where otherwise indicated.

For technical reasons the decimal point is represented by a comma in both the text and the tables. The words 'token entry' in the tables are represented by 'p.m.'.

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PART ONE:
POLICY-BY-POLICY INTRODUCTION
TO THE PRELIMINARY DRAFT BUDGET
AND THREE-YEAR FINANCIAL FORECASTS

Historical Archives of the European Commission

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The preliminary draft general budget of the European Communities for 1985 in brief

The Commission is proposing:

30 228 196 073 ECU in appropriations for commitments

28 103 465 073 ECU in appropriations for payments

new VAT rate: 1,1237 %

The preliminary draft budget for 1985 carries 30 228 196 073 ECU in appropriations for commitments and 28 103 465 073 ECU in appropriations for payments; this represents, overall, an increase of 2 850 907 710 ECU (+ 10,41 %) in appropriations for commitments and 2 742 003 710 ECU (+ 10,81 %) in appropriations for payments compared with the 1984 budget.

The following tables provide a summary of the appropriations for each institution:

APPROPRIATIONS FOR COMMITMENTS ⁽¹⁾

Institution	Appropriations 1984		Preliminary draft budget 1985		Increase 1985 over 1984
	Amount	%	Amount	%	
Parliament	239 127 804	0,87	244 211 818 ⁽²⁾	0,81	+ 2,13
Council	137 048 720	0,50	140 373 722 ⁽²⁾	0,46	+ 2,43
Commission	26 951 726 088	98,45	29 790 086 073	98,56	+ 10,53
Court of Justice	31 333 251	0,11	33 958 610	0,11	+ 8,38
Court of Auditors	18 052 500	0,07	19 565 850	0,06	+ 8,38
Total	27 377 288 363	100,00	30 228 196 073	100,00	+ 10,41
Supplementary requirements (see COM (84) 250 final of 17 April 1984)	2 121 000 000				
<i>Real requirements 1984</i>	<i>29 498 208 363</i>		<i>30 228 196 073</i>		<i>+ 2,47</i>

⁽¹⁾ *Appropriations for commitments* are the commitment appropriations in headings where appropriations are differentiated, i.e. where a distinction is made between commitment appropriations and payment appropriations, plus the non-differentiated appropriations.

⁽²⁾ Provisional figures.

APPROPRIATIONS FOR PAYMENTS ⁽¹⁾

Institution	Appropriations 1984		Preliminary draft budget 1985		Increase 1985 over 1984
	Amount	%	Amount	%	
Parliament	239 127 804	0,95	244 211 818 ⁽²⁾	0,87	+ 2,13
Council	137 048 720	0,54	140 373 722 ⁽²⁾	0,50	+ 2,43
Commission	24 935 899 088	98,32	27 665 355 073	98,44	+ 10,95
Court of Justice	31 333 251	0,12	33 958 610	0,12	+ 8,38
Court of Auditors	18 052 500	0,07	19 565 850	0,07	+ 8,38
Total	25 361 461 363	100,00	28 103 465 073	100,00	+ 10,81
Supplementary requirements (see COM (84) 250 final of 17 April 1984)	1 825 584 537				
<i>Real requirements 1984</i>	<i>27 187 045 900</i>		<i>28 103 465 073</i>		<i>+ 3,37</i>

⁽¹⁾ Appropriations for payments are the payment appropriations in headings where appropriations are differentiated, i.e. where a distinction is made between commitment appropriations and payment appropriations, plus the non-differentiated appropriations.

⁽²⁾ Provisional figures.

PRELIMINARY DRAFT BUDGET FOR 1985 COMPARED WITH THE 1984 BUDGET

		Appropriations for commitments	Appropriations for payments
1. Totals	1984	27 377 288 363	25 361 461 363
	1985	30 228 196 073	28 103 465 073
2. Compulsory expenditure	1984	18 617 488 549	18 534 171 549
	1985	21 707 831 123	21 760 981 123
3. Non-compulsory expenditure	1984	8 759 799 814	6 827 289 814
	1985	8 520 364 950	6 342 483 950

Revenue under the 1985 budget will accrue as follows:

Source of revenue	1984	1985	Percentage change
1. Agricultural levies	1 426 650 000 ⁽¹⁾	1 387 850 000	— 2,72
2. Sugar/isoglucose levies	973 280 000 ⁽¹⁾	986 930 000	+ 1,40
3. Customs duties	7 623 500 000	8 096 200 000	+ 6,20
4. Financial contributions	—	239 947 760	—
5. 1 % of VAT base	14 608 500 000	15 221 600 000	
6. Surpluses available	p.m.	p.m.	+ 4,20
7. Miscellaneous revenue	222 115 900	258 283 470	—
Total	24 854 045 900	26 190 811 230	+ 5,38
Shortfall to be financed	2 333 000 000	1 912 653 843	— 18,02
Total	27 187 045 900	28 103 465 073	+ 3,37

⁽¹⁾ Revised estimate of agricultural own resources (— 550 million ECU) contained in COM (84) 250 final of 17 April 1984.

General political introduction

General considerations

In the general political introduction to its preliminary draft budget for the European Communities for the financial year 1984, the Commission said that '1984 seems likely to be the last year for which it will be possible for the Commission to propose a valid and credible budget within the confines of the existing resources ceiling'. The Commission therefore stressed the urgency of the early adoption of the proposals on the future financing of the Community which it had presented on 6 May 1983.

In the event, the decisions which the Council eventually took in response to the Commission's suggestions for the reform of the common agricultural policy and the changes which were made to the Commission's initial proposals for the 1984/85 prices decision, has meant that even in 1984 the financing of the Community's agreed policies will require additional resources. The Commission in its communication COM(84) 250 of 17 April 1984 proposed that these resources be made available in the form of a loan to the Community from the Member States.

As regards 1985, the Commission is presenting its preliminary draft general budget on the assumption that own resources in excess of the current ceiling will be made available to the Community in the course of the year. The Commission has however sought to ensure that the budget reflects a proper balance between what is desirable in terms of the development of policies at Community level and what is attainable in terms of the overall constraints of public expenditure in the Community and the requirements of sound budget discipline.

In establishing its preliminary draft budget for 1985, the Commission has sought to respect, both as regards agricultural and non-agricultural expenditure, the guidelines on budgetary discipline which it set out in its communication COM(84) 83 of 5 March 1984, without prejudice to the positions which either the Parliament or the Council may adopt in this field.

The Commission has also had in mind the general objectives affirmed in Parliament's resolution on guidelines for the budgetary policy of the Communities for 1985. The Commission broadly shares Parliament's view of the priority needs facing the Community and has sought to reflect these priorities in its own choice of budgetary options.

There are however certain limits on the freedom of action open to the Commission, or indeed to the budgetary authority itself, in respect of the 1985 budget. As regards obligatory expenditure, and in particular EAGGF Guarantee expenditure, the Commission has to propose credits which will enable the Community's commitments, both internal and external, to be honoured. These commitments, which govern the shape of around two-thirds of the whole budget, give rise to certain inescapable expenditure demands during the course of the year for which proper budgetary provision has to be made. In the field of non-obligatory expenditure, the recourse which the Community has had for some years past to the technique of dissociated credits in many areas means that a significant volume of payments is required simply in order to finance the commitments which have been contracted in previous years' budgets. In 1985, the Commission estimates that some 3 200 Mio ECU of payment appropriations will be required simply in order to meet commitments of this kind already entered into.

Against this background, the Commission presents the following expenditure proposals.

EAGGF Guarantee

For EAGGF Guarantee expenditure, the Commission's proposal is based on the best technical estimate currently available for requirements in 1985 on the basis of the existing regulations in the agricultural field and without assuming any adjustment of these regulations, e.g. in the context of the 1985 price decisions. This

estimate amounts to 18 965 Mio ECU. In addition, the Commission considers that a special Community programme for destocking is necessary in view of the exceptionally high present and prospective levels of stocks of certain products, notably butter, skimmed-milk powder and beef. 350 Mio ECU is proposed for this programme. Total EAGGF Guarantee expenditure proposed by the Commission thus amounts to 19 315 Mio ECU, as compared to 16 500 Mio ECU in the 1984 budget and likely expenditure requirements of 18 631 Mio ECU for 1984 according to the latest estimates. The increase of 3,7 % of 1985 credits against 1984 expenditure requirements is relatively modest. But this must be seen against the background of very substantial increases in agricultural expenditure in 1983 and 1984.

The aim, outlined in the Commission's communication on budget discipline, that the rate of growth of EAGGF Guarantee expenditure should, expressed as a rolling three years' average, be lower than that of the growth of the own resources base cannot yet be fulfilled in relation to past years. But the increase proposed for 1985 in relation to 1984 would be consistent with such a guideline in the future.

Non-compulsory expenditure

For non-compulsory expenditure, the Commission has borne in mind that the maximum rate established under Article 203(9) of the Treaty is 8,5 %. The application of this maximum rate to the base of 1984 non-compulsory expenditure (excluding expenditure on special measures in favour of the United Kingdom and Germany) would result in a total amount of 6 103 Mio ECU, of which about half would be needed for commitments which the Community will already have entered into before 1 January 1985 and which will have to be honoured in that year.

This important weight of commitments already entered into in the past together with a limitation of payment credits to no more than the maximum rate would, on the assumption of a normal relationship between payments and commitments, leave room for only a very limited allocation of new commitment credits in 1985. The Commission does not believe that it would be right in this way to amputate the Community's existing policies or to abort its new ones. In order to maintain a reasonable rhythm of development of its existing policies and to allow scope for the development of certain new actions and initiatives, a rate of increase somewhat in excess of the maximum rate is, in the particular circumstances of 1985, justified.

The Commission is therefore proposing an overall increase of non-obligatory expenditure amounting in both payments and commitments to 12,75 %, i.e. one-and-a-half times the maximum rate. This will allow the maintenance in real terms of all the Community's existing actions in the structural and sectoral fields, together with the selective intensification of some of them in line with the Commission's policy proposals and priorities.

For both the Regional and Social Funds, the Commission proposes increases in commitment appropriations designed to ensure the same level of activity in real terms in 1985 as in 1984. In view of an estimated rate of inflation in the Community of 5,1 %, the amounts in nominal terms of the 1984 budget have been increased by this rate. This rate of increase falls short of the Commission's, and the Parliament's, long-term policy objective in these fields. But a higher rate would give rise to insuperable problems on payments, given the Community's overall budgetary situation. Even this level of increase for commitments may make it necessary to reduce the rate of advances paid under the Social Fund in 1985 and the Commission will, if and when appropriate, make a proposal to this effect. The proposed increases in appropriations for payments are 16,3 % for the Regional Fund and 12,8 % for the Social Fund.

Elsewhere, the Commission has given a particular budgetary priority to research, the Mediterranean programmes and transport. This corresponds largely to the priorities formulated by the Community's other institutions: in particular, they are consistent with the draft conclusions of the European Council and with the European Parliament's guidelines for budgetary policy.

In the field of research, the implementation of specific actions follows the objectives and criteria set out in the Community framework programme 1984-87 adopted in July 1983. Within such a framework, the Council has now agreed to the Esprit programme; the figures put forward in the preliminary draft budget correspond to the financial information contained in this programme. Appropriations for other research activities have also been increased taking into account the need for budgetary discipline and according to the priorities outlined by the Commission: the Commission has thus directly responded to the injunction in point 8 of Parliament's 1985 budgetary guideline proposal.

For the Mediterranean programmes, the Commission proposes credits in commitments, which would enable a substantial start to be made in implementing concrete measures in this field in 1985.

In the field of development aid, and especially for the fight against hunger in the world, the Commission's proposals envisage the adoption of programmes involving the same quantities as proposed in the Commission's preliminary draft budget for 1984. Similarly, the allocation proposed for aid to non-associated developing countries is of the same order of magnitude as proposed by the Commission last year.

The preliminary draft budget also includes a provision already created by the European Parliament in the 1984 budget. This will enable the EDF to be introduced into the budget when the current negotiations have been concluded. The Commission reserves the right to propose at a suitable time any adjustments that may be required.

Correction of budgetary imbalances

As regards the correction of budgetary imbalances, the preliminary draft budget contains no provision for special expenditure measures of the kind undertaken in previous years. The Commission assumes, in the light of the discussions on this subject currently under way in the context of the Community's future financing, that any correction in respect of 1984 to be implemented in 1985 will not affect the level of Community expenditure. In so far as these procedures involve modulation of Member States' payments of VAT, the Commission will present the appropriate proposals for the rectification of the revenue provisions of the budget once the necessary legal base for such modulation has been established.

The financing of the Community's budget in 1985

On the basis of the above considerations, the Commission has estimated the Community's total expenditure requirements for 1985 at 28 103,5 Mio ECU. Taking account of the estimates of availability of customs duties and agricultural levies as well as of miscellaneous revenue, this level of expenditure will require a VAT rate of 1,12 %.

The Commission presented in May 1983 proposals to the Council and to the Parliament on the future financing of the Community which, if adopted, would enable additional VAT in excess of the present 1 % ceiling to be called up. Discussion on the future financing of the Community, including the question of the correction of budgetary imbalances, is now at an advanced stage and it is the Commission's expectation and assumption that agreements will be reached on these, as well as on other related, issues very shortly. These agreements will in turn require ratification by the national parliaments of the ten Member States. The Commission anticipates that these ratification procedures will have been completed in time to allow the new financial regime of the Community to begin operation with effect from 1 October 1985. The Commission will at an appropriate stage before the adoption of the 1985 budget present a revised proposal for the own resources decision which will include a specific provision for the decision to enter into force on 1 October 1985 and to take effect from 1 January 1985, thus enabling a VAT rate of 1,12 % to be applicable to the whole of the 1985 budget year.

The Commission recognizes however that the national parliamentary procedures required for a new decision on own resources will not have been completed by the time the 1985 budget is adopted. Until these procedures have been completed, the budgetary authority of the Community lacks a legal base which would enable it to

adopt a budget permitting the Commission to call up as from 1 January 1985 VAT revenue in excess of 1 %. The Commission proposes therefore that a transitional VAT rate of 1 % shall be applied for the first nine months of the year, on the understanding that a definitive VAT rate of 1,12 % shall come into effect as from 1 October 1985.

However, to comply with the requirement that revenue and expenditure shown in the budget must be in balance (Article 199 EEC and Article 171 Euratom) it is essential that there should be an absolute assurance when the 1985 budget is adopted that all the revenue entered will become available in the course of the year. The risk of any delay in the adoption by the Member States in accordance with their respective constitutional requirements of the decision on new own resources must therefore be neutralized.

To this end the Commission proposes that, no later than the date on which the 1985 budget is adopted, the Council take a decision under which Member States would provide the Community with financial resources totalling 1 913 Mio ECU with effect from 1 October 1985.

This decision would be a fall-back one in that it would come into play only if the decision on new own resources did not take effect on 1 October 1985 as planned.

The Commission will, before 1 October 1985, inform the budgetary authority whether, having been notified by the Member States of the completion of their national constitutional procedures for the ratification of the new own resources decision, the definitive VAT rate of 1,12 % will be applied; or whether, in the absence of the completion of these procedures, the Commission will call upon the loan from the Member States.

The Commission will present proposals for decisions implementing these arrangements to the institutions concerned in due course. They will have to examine in the normal way any conclusions reached by the time the 1985 budget is adopted.

A. BUDGET APPROACH AND PROPOSALS FOR 1985

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COMMUNITY EXPENDITURE BY SECTOR

Appropriations for commitments

Sector	1984 budget		Preliminary draft 1985		Change (3:1)	
	Amount	%	Amount	%	Amount	%
	(1)	(2)	(3)	(4)	(5)	(6)
1. AGRICULTURAL MARKET GUARANTEES						
EAGGF Guarantee (Ch. 10 to 29)	16 500 000 000	60,27	19 315 000 000	63,90	+ 2 815 000 000	+ 17,06
<i>Total 1</i>	<i>16 500 000 000</i>	<i>60,27</i>	<i>19 315 000 000</i>	<i>63,90</i>	<i>+ 2 815 000 000</i>	<i>+ 17,06</i>
2. STRUCTURAL POLICIES						
EAGGF Guidance (Ch. 30 to 33)	723 500 000	2,64	834 341 000	2,76	+ 110 841 000	+ 5,32
Specific agricultural measures (Ch. 38)	86 560 000	0,32	94 859 000	0,31	+ 8 299 000	+ 9,59
Fisheries (Ch. 40 to 46)	159 108 000	0,58	181 070 000	0,60	+ 21 962 000	+ 13,80
Regional Fund (Ch. 50 and 51)	2 140 000 000	7,82	2 250 000 000	7,44	+ 110 000 000	+ 5,14
EMS (Ch. 52)	p. m.	—	p. m.	—	—	—
Supplementary measures (UK) (Ch. 53)	p. m.	—	—	—	p. m.	—
Miscellaneous — Regional (Ch. 54, 55 and 56)	45 700 000	0,17	227 750 000	0,75	+ 182 050 000	+ 398,00
Transport (Ch. 58)	81 750 000	0,30	111 750 000	0,37	— 30 000 000	— 36,70
Social Fund (Ch. 60 and 61)	1 846 000 000	6,74	1 940 000 000	6,42	+ 94 000 000	+ 5,09
Miscellaneous — social (Ch. 64, 65 and 69)	175 022 000	0,64	188 997 000	0,63	+ 13 975 000	+ 7,98
Education and culture (Ch. 63 and 67)	18 956 000	0,07	20 360 000	0,07	+ 1 404 000	+ 7,41
Environment and consumers (Ch. 66)	19 964 000	0,07	21 019 000	0,07	+ 1 055 000	+ 5,28
<i>Total 2</i>	<i>5 296 560 000</i>	<i>19,34</i>	<i>5 870 146 000</i>	<i>19,42</i>	<i>+ 573 586 000</i>	<i>+ 10,83</i>
3. RESEARCH, ENERGY AND INDUSTRY						
Energy policy (Ch. 70 and 71)	183 035 000 ⁽¹⁾	0,67	156 465 000	0,52	— 26 570 000	— 14,52
Research and investment (Ch. 72 and 73)	743 837 000	2,72	914 767 000	3,03	+ 170 930 000	+ 22,98
Information and innovation (Ch. 75)	27 435 000	0,10	23 200 000	0,08	— 4 235 000	— 15,44
Industry and internal market (Ch. 77)	64 021 000	0,23	52 370 000	0,17	— 11 651 000	— 18,20
<i>Total 3</i>	<i>1 018 328 000</i>	<i>3,72</i>	<i>1 146 802 000</i>	<i>3,79</i>	<i>+ 128 474 000</i>	<i>+ 12,62</i>

(¹) Including 30 million ECU in Chapter 100 for Chapters 70, 73, 75, 77 and 58 (78 in 1984).

Continued

Sector	1984 budget		Preliminary draft 1985		Change (3:1)	
	Amount	%	Amount	%	Amount	%
	(1)	(2)	(3)	(4)	(5)	(6)
4. REPAYMENTS AND RESERVES						
Repayments to the Member States (Ch. 80)	1 057 343 000	3,86	1 047 098 000	3,86	— 10 245 000	— 0,97
Other repayments (Ch. 82 and 86) (82, 86)	46 165 033	0,17	26 963 023	0,09	— 19 202 010	— 41,59
Financial mechanism (Ch. 81)	—	—	—	—	—	—
Miscellaneous — guarantees (Ch. 79, 83, 84 and 85)	p. m.	—	p. m.	—	—	—
Reserves (Ch. 101)	1 207 000 000 ⁽¹⁾	4,41	5 000 000	0,02	—1 202 000 000	—
Total 4	2 310 508 033	8,44	1 079 061 023	3,57	—1 231 447 010	— 53,80
5. DEVELOPMENT COOPERATION AND NON-MEMBER COUNTRIES						
EDF (Ch. 90 and 91)	p. m.	—	p. m.	—	—	—
Food aid (Ch. 92)	506 100 000	1,85	671 900 000	2,22	+ 165 800 000	+ 32,76
Non-ass. dev. countries (Ch. 93)	237 050 000	0,87	325 232 000	1,08	+ 88 182 000	+ 37,20
Specific and exceptional measures (Ch. 94 and 95)	113 170 000	0,41	69 980 000	0,23	— 43 190 000	— 38,16
Cooperation with Mediterranean countries (Ch. 96)	108 000 000	0,39	326 600 000	1,08	+ 218 600 000	+202,00
Miscellaneous (Ch. 97, 98 and 99)	58 500 000	0,21	65 300 000	0,22	+ 6 800 000	+ 11,62
Total 5	1 022 820 000	3,74	1 459 012 000	4,83	+ 436 192 000	+ 42,65
6. STAFF AND ADMINISTRATION						
Section III A	803 510 055	2,93	920 065 050	3,04	+ 116 554 995	+ 14,51
Sections I, II, IV, V	425 562 275	1,55	438 110 000	1,45	+ 12 547 725	+ 2,95
Total 6	1 229 072 330	4,49	1 358 175 050	4,49	+ 129 102 720	+ 10,50
Grand total	27 377 288 363	100,00	30 228 196 073	100,00	+ 2 850 907 710	+ 10,41

⁽¹⁾ Including 1 202 million ECU in Chapter 100 for UK/Germany measures.

COMMUNITY EXPENDITURE BY SECTOR

Appropriations for payments

Sector	1984 budget		Preliminary draft 1985		Change (3:1)	
	Amount	%	Amount	%	Amount	%
	(1)	(2)	(3)	(4)	(5)	(6)
1. AGRICULTURAL MARKET GUARANTEES						
EAGGF Guarantee (Ch. 10 to 29)	16 500 000 000	65,06	19 315 000 000	68,73	+ 2 815 000 000	+ 17,06
<i>Total 1</i>	16 500 000 000	65,06	19 315 000 000	68,73	+ 2 815 000 000	+ 17,06
2. STRUCTURAL POLICIES						
EAGGF Guidance (Ch. 30 to 33)	595 610 000	2,35	856 800 000	3,05	+ 261 190 000	+ 43,85
Specific agricultural measures (Ch. 38)	79 520 000	0,31	83 039 000	0,30	+ 3 519 000	+ 4,43
Fisheries (Ch. 40 to 46)	112 358 000	0,44	139 670 000	0,50	+ 27 312 000	+ 24,31
Regional Fund (Ch. 50 and 51)	1 412 500 000	5,57	1 642 500 000	5,84	+ 230 000 000	+ 16,28
EMS (Ch. 52)	p. m.		p. m.	—	—	—
Supplementary measures (UK) (Ch. 53)	p. m.	—	—	—	p. m.	—
Miscellaneous — Regional (Ch. 54, 55 and 56)	42 300 000	0,17	62 750 000	0,22	+ 20 450 000	+ 48,35
Transport (Ch. 58)	33 750 000	0,13	35 750 000	0,13	+ 2 000 000	+ 5,93
Social Fund (Ch. 60 and 61)	1 220 000 000	4,81	1 376 000 000	4,90	+ 156 000 000	+ 12,79
Miscellaneous — social (Ch. 64, 65 and 69)	174 222 000	0,69	187 896 000	0,67	+ 13 674 000	+ 7,85
Education and culture (Ch. 63 and 67)	18 956 000	0,07	20 360 000	0,07	+ 1 404 000	+ 7,41
Environment and consumers (Ch. 66)	16 214 000	0,06	17 169 000	0,06	+ 955 000	+ 5,89
<i>Total 2</i>	3 705 430 000	14,61	4 421 934 000	15,73	+ 716 504 000	+ 19,34
3. RESEARCH, ENERGY AND INDUSTRY						
Energy policy (Ch. 70 and 71)	124 650 000 ⁽¹⁾	0,49	91 965 000	0,33	— 32 685 000	— 26,22
Research and investment (Ch. 72 and 73)	509 567 000	2,01	614 050 000	2,18	+ 104 483 000	+ 20,50
Information and innovation (Ch. 75)	23 185 000	0,09	15 550 000	0,06	— 7 635 000	+ 32,93
Industry and internal market (Ch. 77)	61 901 000	0,24	56 030 000	0,20	— 5 871 000	+ 9,48
<i>Total 3</i>	719 303 000	2,83	777 595 000	2,77	+ 58 292 000	— 8,10

(¹) Including 24,6 million ECU in Chapter 100 for Chapters 70, 73, 75, 77 and 58 (78 in 1984).

Continued

Sector	1984 budget		Preliminary draft 1985		Change (3:1)	
	Amount	%	Amount	%	Amount	%
	(1)	(2)	(3)	(4)	(5)	(6)
4. REPAYMENTS AND RESERVES						
Repayments to the Member States (Ch. 80)	1 057 343 000	4,17	1 047 098 000	3,73	— 10 245 000	— 0,97
Other repayments (Ch. 82 and 86)	46 165 033	0,18	26 963 023	0,10	— 19 202 010	— 41,59
Financial mechanism (Ch. 81)	—	—	—	—	—	—
Miscellaneous — guarantees (Ch. 79, 83, 84 and 85)	p. m.	—	p. m.	—	—	—
Reserves (Ch. 101)	1 207 000 000 ⁽¹⁾	4,76	5 000 000	0,02	—1 202 000 000	—
Total 4	2 310 508 033	9,11	1 079 061 023	3,84	— 1 231 447 010	— 53,30
5. DEVELOPMENT COOPERATION AND NON-MEMBER COUNTRIES						
EDF (Ch. 90 and 91)	p. m.	—	p. m.	—	—	—
Food aid (Ch. 92)	506 100 000	2,00	492 400 000	1,75	— 13 700 000	— 2,71
Non-ass. dev. countries (Ch. 93)	131 305 000	0,52	173 770 000	0,62	+ 42 465 000	+ 32,34
Specific and exceptional measures (Ch. 94 and 95)	95 170 000	0,38	70 980 000	0,25	— 24 190 000	— 25,42
Cooperation with Mediterranean countries (Ch. 96)	106 073 000	0,42	349 250 000	1,24	+ 243 177 000	+ 229,00
Miscellaneous (Ch. 97, 98 and 99)	58 500 000	0,23	65 300 000	0,23	+ 6 800 000	+ 11,62
Total 5	897 148 000	3,54	1 151 700 000	4,10	+ 254 552 000	+ 28,37
6. STAFF AND ADMINISTRATION						
Section III A	803 510 055	3,17	920 065 050	3,27	+ 116 554 995	+ 14,51
Sections I, II, IV and V	425 562 275	1,68	438 110 000	1,56	+ 12 547 725	+ 2,95
Total 6	1 229 072 330	4,85	1 358 175 050	4,83	+ 129 102 720	+ 10,50
Grand total	25 361 461 363	100,00	28 103 465 073	100,00	+ 2 742 003 710	+ 10,81

(1) Including 1 202 million ECU in Chapter 100 for UK/Germany measures.

B. COMMISSION EXPENDITURE BY POLICY

In this part of the general introduction, the Commission describes more systematically each of the policies accounting for the largest shares of the budget.

1. AGRICULTURAL POLICY AND FISHERIES AND MARINE POLICY

1.1. THE EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND (EAGGF) - GUARANTEE SECTION

The appropriations proposed for the EAGGF Guarantee Section for 1985, excluding fisheries (31 Mio ECU), total 19 315 Mio ECU, of which 80 Mio ECU is entered in Chapter 100 ⁽¹⁾.

This represents a 17,1 % increase on initial appropriations for 1984 (16 500 Mio ECU, of which 350 Mio ECU was entered in Chapter 100); however, the comparison with the initial appropriations must be considered as relative since the Commission, in its communication to the Council of 17 April 1984 (COM(84) 250 final), estimates that the EAGGF Guarantee Section's total requirements for 1984 will be 18 631 Mio ECU. Compared with this new estimate for 1984, the increase in 1985 is thus far lower at 3,7 %.

The appropriations proposed for 1985 reflect the agricultural policy guidelines contained in the Council decisions of 30 March 1984, the current situation as regards stocks and the general situation of the agricultural markets.

Before considering the agricultural policy guidelines and the special features of the 1985 budget, the factors and characteristics of agricultural expenditure and the consequences for Guarantee Section appropriations should be reviewed.

1.1.1. THE FACTORS GENERATING AGRICULTURAL EXPENDITURE AND THE CONSEQUENCES FOR THE GUARANTEE SECTION APPROPRIATIONS

EAGGF Guarantee Section expenditure is a function of two general factors:

- market policy as formulated and then implemented and the economic situation on the markets during the year;
- the overall political and economic context of which the common agricultural policy forms a part.

As far as the first of these factors is concerned, the Commission would stress from the outset that the volume of guarantee expenditure depends on the regulations governing the various common market organizations and on the economic situation of the agricultural markets. The budget, which reflects in financial terms the combination of these two factors, cannot be used to influence the causes of expenditure. This means that the Commission has relatively little room for manoeuvre when it comes to controlling this expenditure, in any given situation, once the basic rules have been adopted by the Council.

Once the rules for the operation of the market organizations and the agricultural prices have been agreed, two fundamental aspects of the market situation govern actual guarantee expenditure: world prices and quantities produced. These parameters are very volatile and hence quite unpredictable; moreover, even small variations in these parameters lead to big changes in expenditure. The result is that there is no way of predicting accurately the funds needed to meet the obligations arising under the CAP.

⁽¹⁾ For the new market organization for ethyl alcohol of agricultural origin in respect of which the Commission has sent the Council an amended proposal (COM(83) 470 final) in accordance with Parliament's resolution of 8 June 1983.

The Commission would therefore stress that the unpredictability of agricultural markets, combined with the fact that agricultural expenditure is virtually unavoidable, means that there may be surplus appropriations or inadequate appropriations necessitating amending or supplementary budgets. Furthermore, major adjustments and appropriations still available at the end of the year may lapse.

As far as the second of these factors is concerned, it would be quite wrong to attribute guarantee expenditure solely to the common agricultural policy, for the context in which the CAP operates has a definite impact on its budgetary cost.

It must be remembered that the Community's agricultural policy also takes account of the interests of relations with non-member countries (notably developing countries).

This has led to the negotiation of trade arrangements with non-member countries allowing imports into the Community at low or zero rates of duty. These imports, by replacing Community products, force the Community to step up exports and special measures or, alternatively, have led to certain market organizations being based on compensation aids which weigh heavily on the budget. In both cases the end result is an additional charge to the budget.

Sugar, butter, beef, cereal substitutes, and oils and fats, are prime examples of this.

But in many cases these tariff concessions are not as disadvantageous as the impact of EAGGF expenditure would suggest, since counter-concessions, while not quantifiable, are beneficial to the budget and must be borne in mind when estimating the cost of the CAP. These counter-concessions also have beneficial effects on certain sectors of the European economy.

1.1.2. THE 1985 BUDGET AND AGRICULTURAL POLICY GUIDELINES

The production and consumption assumptions underpinning these budget estimates are generally based on the trends observed in recent years.

Assumptions about rates reflect those fixed by the Council on 30 March; for rates depending on the world market, it is assumed that this market will fall off since it was very favourable in 1983/84 because of the firmness of the dollar and, at least in the case of cereals, oilseeds and protein plants, because of the drop in world production as a result of climatic conditions.

Otherwise the various headings and appropriations have been based on the prices and rules adopted by the Council on 30 March.

According to the usual procedure, it is presumed that these decisions will be renewed for the coming year, save in cases where they have been specifically restricted to the 1984/85 marketing year.

However, the budget is still heavily encumbered by the increase in stocks, which were particularly high in 1982 and 1983, and a provision of 350 Mio ECU has been entered in Chapter 29 for special measures to reduce stocks to be introduced in 1985.

The efforts to contain the Community's agricultural expenditure by amending CAP rules will not therefore be fully evident at budgetary level in 1985. Their effect will come to be felt gradually, the process now being clearly under way.

The features of the Council's decisions of 30 March 1984 are:

- a restrictive policy on prices in ECU;

- measures to dismantle monetary compensatory amounts, but not those initially proposed by the Commission;
- confirmation and extension of the guarantee threshold for many products;
- the limitation of milk production by means of a quota system.

The Council agreed with the Commission that the market situation demanded the adoption of a restrictive prices policy: the Commission proposal entailed an average increase of 0,80 % in prices expressed in ECU; the prices in ECU adopted by the Council are reduced by 0,5 %.

When the prices were fixed, a distinction was made between the various products. Above-average increases were adopted for some Mediterranean products and, in the milk sector, it was decided to change the fat-protein ratio from 55/45 to 50/50.

(a) As regards monetary compensatory amounts, the Council's decisions contained a three-stage programme for dismantling positive MCAs:

- At the beginning of 1984/85 three points of German and Dutch positive MCAs are to be converted into negative MCAs in the other Member States which are to be dismantled.
- On 1 January 1985, there will be a five-point reduction of the positive MCAs in Germany and a 0,7 point reduction in the Netherlands so that the remaining German and Dutch positive MCAs are equal. This dismantling results in a fall in agricultural prices expressed in the currencies of these two Member States. To compensate for this negative effect on agricultural incomes, the Federal Republic of Germany will be authorized to grant special aid under the system for applying VAT to agricultural products. The Community will contribute 120 Mio ECU to finance this aid in 1985 and 100 Mio ECU in 1986.
- This third stage in the dismantling of the German and Dutch positive MCAs which remain after 1 January 1985 will take place by the beginning of the 1987/88 marketing year.

The existing negative MCAs will be eliminated on a proposal from the Commission. The Council has decided to abolish the MCAs for Italy and Greece and dismantle half the French MCAs for the 1984/85 marketing year.

The dismantling of the MCAs is thus very important since the difference between the highest positive and negative MCAs will be only 4 points from 1 January 1985 as against 21 points at the end of the 1983/84 marketing year.

Finally the Council had made a number of technical changes to the method for calculating MCAs. In the case of pigmeat, these changes will reduce the MCAs.

The chapter for MCAs has thus been considerably reduced in the 1985 budget and will now contain only 126 Mio ECU.

(b) To limit production more effectively, the Community has continued its policy to cut back on production receiving guaranteed prices by extending the production thresholds.

This restriction has always existed in the sugar sector because of the quota system; the same is true of certain processed fruits (pears, cherries). In 1982 the Council had already fixed guarantee thresholds for cereals apart from durum wheat, colza seed and processed tomatoes. On 30 March 1984 it extended the system to durum wheat, sunflower seed and dried grapes.

For milk and milk products, where there is a serious imbalance between supply and demand, production will be cut back by introducing production quotas. The quantity guaranteed will be 99 570 000 tonnes in 1984/85 and 98 363 000 tonnes in future marketing years.

The fixing of milk quotas will lead to a reduction of the amount collected; and if this remains above the quota, it will lead to additional revenue estimated in the budget at 643 Mio ECU. The reduction in the amount collected will mean a drop in expenditure; however, this will not occur in 1985 because of the volume of butter and powder stocks.

These various decisions have created more consistency between the guarantees and the actual market situation.

1.1.3. SPECIAL FEATURES OF THE 1985 BUDGET

1.1.3.1. The 1985 budget nomenclature

A few changes have been made in the 1985 nomenclature:

- A simplification of the nomenclature for refunds on food aid is proposed. The present distinction between refunds under programmes for the current year and refunds under programmes for previous years creates financial management difficulties when Member States make their declarations and when expenditure is charged to the budget and does nothing to improve budget transparency. It is therefore proposed that the two budget headings be merged.
- A new entry ('Other expenditure') for special measures to reduce stocks (Article 292: 350 Mio ECU) and new Item (1201) in Chapter 12 (Olive oil) for food aid refunds.
- Other adjustments are the result of the Council decision of 30 March 1984:
 - A new Item 1312 for production aid for lupins.
 - A new Item 2071 for the additional levies to be raised if milk production thresholds are passed.
 - A new Item 2025 for aid for partially skimmed milk for feeding to calves.
 - A new Article 291 for the 120 Mio ECU compensation that the Community is granting to Germany, following the five-point dismantling of MCAs on 1 January next.
- Chapter 19 – Common forestry policy – has been transferred to Title 3, Item 3882, and Article 183 (Ethyl alcohol) has been introduced.

1.1.3.2. EAGGF Guarantee Section appropriations and their share in the general budget of the Communities

The figure of 19 315 Mio ECU (19 346 Mio ECU including fisheries) proposed to the budgetary authority for EAGGF Guarantee Section expenditure represents 68,7 % of the general budget. This share is admittedly large but the Commission would make the following comments:

- market policy, and the financing of this policy, are wholly a Community responsibility;
- the high percentage of agricultural expenditure in the Community budget also reflects the fact that in other sectors Community policies are still embryonic;
- though the Guarantee Section has the lion's share of the budget, EAGGF Guarantee expenditure will probably represent roughly 2 % of total budget expenditure of the Member States and about 0,7 % of Community GDP;
- specifically agricultural revenue is 2 375 Mio ECU.

1.1.3.3. Structure of EAGGF Guarantee Section appropriations for 1985

The structure of specifically agricultural expenditure can be analysed according to the products concerned or the economic nature of the operations undertaken to stabilize the markets.

(a) Breakdown by sector or product

Chapters 10 to 25 covering the sectors or products now subject to common organization of markets, receive 18 638 Mio ECU allocated as follows:

Sector	Million ECU	%
a	b	c
Cereals and rice	2 959	15,9
Sugar	1 476	7,9
Olive oil	935	5,0
Oilseeds and protein plants	1 382	7,4
Textile plants and silkworms	224	1,2
Fruit and vegetables	1 256	6,8
Wine	691	3,7
Tobacco	826	4,4
Other sectors or products	52	0,3
Milk and milk products	5 484	29,4
Beef and veal	2 215	11,9
Sheepmeat	417	2,2
Pigmeat	195	1,1
Eggs and poultry	136	0,7
Non-Annex II products	390	2,1
Total	18 638	100,0

The relative shares of the sectors have not changed a great deal since 1973, except in a small number of cases:

- Expenditure in the cereals sector fell from nearly 30 % in 1973 to about 11 % in 1977, but rose again to 17,7 % in 1981 and will be 15,9 % in 1985. The movement in cereals reflects changes in world prices and growing imports of substitutes.

It must also be noted that while cereals represent an appreciable share of expenditure, they should yield about 900 Mio ECU in levies in 1985, representing about 65 % of all levies, or about 38 % of agricultural revenue.

- Gross expenditure in the sugar sector will account for about 8 % in 1984. This is an item which fluctuates widely. It was about 4 % in 1973, nearly 11 % in 1978, 5 % in 1980, 10 % in 1982 and 8,5 % in 1983. Sugar and isoglucose will yield 1 000 Mio ECU in levies in 1985, or about 42 % of all agricultural revenue. The levies broadly cover expenditure on refunds (except that accounted for by exports of ACP sugar) and storage reimbursement expenditure.
- Expenditure on oilseeds and protein plants will account for 7,4 % in 1985 compared with 2,4 % in 1973.
- Expenditure on textile plants will account for 1,2 % in 1985 compared with 0,2 % in 1973, following the addition of cotton in 1981.
- The share of expenditure on fruit and vegetables will go from 0,9 % in 1973 to 6,8 % in 1985.

- The same is true for wine; the share of 0,3 % in 1973 will become 3,7 % in 1985.
- Expenditure on milk and milk products will be about 36 % without the participation of the producers, and 29,4 % with the co-responsibility levy. Revenue from the levy will represent about 6,4 % of total market organization appropriations and about 19 % of milk and milk product expenditure before co-responsibility. Expenditure on milk accounted for nearly 52 % of market organization expenditure in 1977 and 1978. Since then there has been a marked decline: 46,6 % in 1979, 43 % in 1980, 31 % in 1981, 27,6 % in 1982, but 28,5 % in 1983 and 29,4 % in this preliminary draft budget.
- Expenditure on beef and veal, only 0,5 % of the total in 1973, increased to 13,2 % in 1981 and will be 11,9 % in 1985.
- Expenditure on sheepmeat, subject to market organization since 1980, will account for 2,2 %.
- Expenditure on non-Annex II products rose from 0,8 % in 1973 to 2 % in 1984.

(b) *Breakdown of expenditure by economic nature*

Guarantee appropriations can also be broken down by economic nature, i. e. under the headings of refunds, storage expenditure, compensation, guidance premiums and 'other', the last heading covering various types of expenditure such as withdrawal from the market, distillation, and aids to small milk producers.

'Compensation' covers aids granted on the Community's internal market to keep the consumer price below the cost of production and competitive with that of products from non-member countries – examples are olive-oil production and consumption aids, skimmed-milk aids, and production aids for processed fruit and vegetables.

Guidance premiums are designed to exert a direct impact on production (such as premiums for the cessation of milk production, calf premiums to encourage restocking or suckler cow premiums).

A breakdown is given in the table below.

The breakdown by economic nature is for guidance only, since the budgetary nomenclature, being subject to internal constraints (imposed by the agricultural regulations), classifies expenditure according to its legal basis, and the two types of breakdown do not necessarily coincide.

The expenditure thus broken down according to the economic nature of the various market management schemes falls into a number of groups which are very unequal in size:

	Million ECU	%
Export refunds	7 105	38,1
Storage costs	2 856	15,3
Compensation	8 357	44,9
Guidance premiums	612	3,3
Other measures	991	5,3
Co-responsibility levy	1 283	— 6,9
Total	18 638	100,0

These figures show a decline for export refunds and an increase for compensation and storage costs. There is a certain tendency for the share of export refunds to decline and the shares of compensation and storage costs to increase.

**BREAKDOWN BY ECONOMIC NATURE OF EXPENDITURE ON COMMON
ORGANIZATIONS OF MARKETS**

(million ECU)

Chapter and Sector	Approps 1985	Refunds and other expenditure on exports	Storage	Compen- sation	Guidance premiums	Other and non-assigned	Co-respon- sibility levy
a	b	c	d	e	f	g	h
10 Cereals and rice	2 959	1 775	752	196	236	—	—
11 Sugar and isoglucose	1 476	1 065	395	4	—	12	—
12 Olive oil	935	20	33	865	—	17	—
13 Oilseeds and protein plants	1 382	5	1	1 376	—	—	—
14 Textile plants and silkworms	224	—	2	221	—	1	—
15 Fruit and vegetables	1 256	76	—	827	105	248	—
16 Wine	691	35	97	—	59	500	—
17 Tobacco	826	33	34	759	—	p.m.	—
18 Other sectors or products	52	—	—	52	—	—	—
20 Milk and milk products	5 484	2 334	571	3 610	39	213	—1 283
21 Beef and veal	2 215	1 074	938	30	173	—	—
22 Sheepmeat and goatmeat	417	p. m.	p. m.	417	—	—	—
23 Pigmeat	195	162	33	—	—	—	—
24 Eggs and poultry	136	136	—	—	—	—	—
25 Non-Annex II products	390	390	—	—	—	—	—
Chapters 10 to 25 — Total	18 638	7 105	2 856	8 357	612	991	—1 283
%	100	38,1	15,3	44,9	3,3	5,3	—6,9

1.1.3.4. Estimated expenditure in 1985 compared with 1984

Expenditure in 1982 and 1983 is also shown and appropriations for 1985 are compared with initial appropriations for 1984.

(million ECU)

Sector	Expenditure 1982 ⁽²⁾	Expenditure 1983 ⁽²⁾	Initial budget 1984 ⁽²⁾ (Inc. Chap. 100)	Preliminary draft budget 1985 ⁽²⁾ (Inc. Chap. 100)	Difference	
					Value	%
	a	b	c	d	e = d - c	f = d/c × 100
Cereals and rice	1 874,8	2 534,1	2 682	2 959	+ 277	+ 10,3
Sugar and isoglucose ⁽¹⁾	1 241,9	1 316,2	1 417	1 476	+ 59	+ 4,2
Olive oil	493,1	675,3	773	935	+ 162	+ 21,0
Oilseeds and protein plants	803,5	1 087,9	1 226	1 382	+ 156	+ 12,7
Textile plants and silkworms	116,4	160	193	224	+ 31	+ 16,1
Fruit and vegetables	914,3	1 196,1	1 045	1 256	+ 211	+ 20,2
Wine	570,6	659,2	588	691	+ 103	+ 17,5
Tobacco	622,6	671,3	745	+ 826	+ 81	+ 10,9
Other sectors or products	53,4	55,6	55	132 ⁽³⁾	+ 77	+ 140,0
Milk and milk products:	3 327,7	4 396,1	5 006	5 484	+ 478	+ 9,5
— expenditure without co-responsibility	(3 865,0)	(4 923,5)	(5 556)	(6 767)	(+ 1 211)	(+ 21,8)
— co-responsibility levy	(— 537,3)	(— 527,4)	(— 550)	(— 1 283)	(— 733)	(— 132,9)
Beef and veal	1 158,6	1 736,5	1 399	2 215	+ 816	+ 58,3
Sheepmeat and goatmeat	251,7	305,6	351	417	+ 66	+ 18,8
Pigmeat	111,6	145,0	197	195	— 2	— 1,0
Eggs and poultry	103,9	123,3	128	136	+ 8	+ 6,3
Non-Annex II products	414,4	343,2	327	390	+ 63	+ 19,3
ACAs	0,4	0,3	1	1	—	—
MCAs	312,7	488,3	367	126	— 241	— 65,7
Sub-total	12 371,6	15 894,0	16 500	18 845	+ 2 345	+ 14,2
Other expenditure:						
— Clearance of earlier years	—	— 108,1	p. m.	p. m.	—	—
— Compensation for Germany				120	+ 120	—
— Destorage measures				350	+ 350	—
Grand total	12 371,6	15 785,9	16 500 ⁽⁴⁾	19 315	+ 2 815	+ 17,1
Fisheries (Chap. 40)	34	25,7	42,9	31	— 12	— 17,7

⁽¹⁾ These figures include expenditure of appropriations covering refunds for ACP sugar. The amounts are 330 million ECU in 1982, 450 million ECU in 1983, 455 million ECU in 1984 and 500 million ECU in 1985.

⁽²⁾ These figures include food aid refunds. The amounts are 166.4 million ECU in 1982, 127 million ECU in 1983, 288 million ECU in 1984 and 312 million ECU in 1985.

⁽³⁾ Includes 80 million ECU in Chapter 100 for the common market organization for agricultural alcohol.

⁽⁴⁾ NB: Requirements for 1984 were recently estimated at 18 631 million ECU (COM (84) 250 final).

An overall comparison of appropriations reveals an increase of 2 815 Mio ECU. However, this figure does not reflect the real situation because the Commission, in its communication of 17 April 1984 (COM(84) 250 final), evaluated the total requirements of the EAGGF Guarantee Section for 1984 at 18 631 Mio ECU.

This reduces the increase in appropriations from one year to the next to 684 Mio ECU or 3,67 %.

The increase is due to economic circumstances, particularly the expansion of production, the existence of large stocks and the weakness of world prices.

The table shows that with the sole exception of MCAs, all chapters have increased.

Cereals and rice

The increase here is a consequence of the underlying production trend, the rise in intervention stocks and less favourable developments on the world markets because of large harvests announced in 1984 and the volume of world stocks likely to remain at the end of the 1983/84 marketing year.

Sugar

The increase is due to the decline in world prices. It should be noted that production and storage levies will total 498 Mio ECU and 489 Mio ECU respectively. Under the basic regulation on sugar, the levies broadly cover refund expenditure other than that corresponding to ACP sugar exports and storage expenditure. However, whenever refund expenditure exceeds production levies calculated on the basis of the rates laid down in the basic regulation, the residual expenditure must be covered by levies entered in the following budget. For 1985, it is expected that an outstanding amount of about 420 Mio ECU will have to be covered by the levies in 1986 and subsequent years.

Olive oil

The increase here is due to the stage-by-stage introduction of aid in Greece under the Act of Accession and to the assumption that consumption aid rates will rise following the fall in prices of competing oils and that eligible quantities will increase.

Oilseeds and protein plants

The increase in this sector is due to the growth in the production of colza and sunflower seeds, peas and field beans, in the Community, and the assumption that world prices will be down on those for 1983/84.

Textile plants and silkworms

The increase is mainly due to the Council's decision to raise the volume of cotton eligible for aid at 100 % from 450 000 to 500 000 tonnes.

Fruit and vegetables

For fresh produce, as a consequence of the assumptions concerning withdrawals based on averages of recent years, this heading carries an amount somewhere between the initial appropriations for 1984 and the revised estimate for the year.

For processed products, appropriations required for processed fruit are up because it is assumed that stocks of dried grapes from pre-1984 harvests will be disposed of in 1985. For tomato-based products expenditure is higher than estimated in the initial 1984 budget because of the agrimonetary provisions, and below the new requirements for 1984 because these result from an increase in production well over the quotas.

Wine

The estimates are based on the trends of production and consumption; the appropriations are therefore larger than the original estimate for 1984 but below the revised figure for 1984, which reflected exceptional circumstances.

Tobacco

The rise in expenditure in this sector results from the decision to raise the premiums and from the growth in production.

Milk and milk products

This chapter is up on the original 1984 budget, but down on the revised estimate for 1984. Despite the greater effort required of the producers, the increase is mainly due to the extension of butter disposal measures and the introduction of new ones and to the very high stock level.

The fall in comparison with the new requirements for 1984 (5 726 Mio ECU) is mainly the result of the increase in the co-responsibility levy.

Beef and veal

The increase is due to the expected growth in export opportunities and, despite the expansion of exports, to a rise in stocks.

Sheepmeat

This chapter is up on the original 1984 budget mainly because of the weakness of prices in the United Kingdom where the bulk of the expenditure is incurred; hence the price forecast is less optimistic than last year.

Non-Annex II products

The increase here is partly the result of low world prices, especially for sugar, and partly the result of the development of the agri-food sector, which leads to heavier exports of finished products.

1.1.4. THE BENEFITS ACCRUING FROM CAP EXPENDITURE

The benefits of CAP expenditure accrue in the form of budget revenue and in the balancing effect which the policy has on the general economy.

1.1.4.1. Budget revenue of agricultural origin

The CAP generates revenue as well as expenditure: this is composed of levies, including levies on sugar and isoglucose, which together account for 2 375 Mio ECU, breaking down as follows:

	(million ECU)
<i>Agricultural levies</i>	1 388
<i>Sugar and isoglucose levies</i>	987
— Production levies on sugar	494
— Storage levy	489
— Isoglucose levy	4
Grand total	2 375

As in previous years, the Commission has decided to set out side by side, in its preliminary draft budget, for information (without budgetary consequence of any kind), the figures for agricultural revenue and expenditure: it should be noted that changes in world prices affect revenue and expenditure in the same direction. Consequently, net expenditure under Titles 1 and 2 is as follows:

	(million ECU)
Guarantee expenditure	19 315
Levies	2 375
Net guarantee expenditure	16 940

1.1.4.2. Balancing effect of guarantee expenditure on the general economy

- The link-up between Community prices and world prices through the levy-refund system protects food prices in Europe from the erratic fluctuations that occur on the world market, thus promoting the stability of the overall economy, although prices are almost always higher than outside the Community.

- In the current crisis, the economy as a whole is bound to benefit from the fact that employment capacity in agriculture is not falling excessively; if farmers and farm workers were being forced off the land in large numbers, this could well create serious disequilibria and additional strain in other areas of the economy at a time when unemployment rates are high.
- EAGGF Guarantee Section expenditure also contributes to the maintenance of the investment capacity of the agricultural sector and thus benefits all economic sectors upstream of agriculture, including of course agricultural machinery, and all those downstream, especially the agri-food industry.

1.2. THE EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND (EAGGF) - GUIDANCE SECTION

The importance of the work of the EAGGF Guidance Section is that the Section, as an integral and essential component of the agricultural policy, constitutes a particularly valuable instrument at Community level for the promotion of the convergence of the ten economies. There are wide regional disparities in agriculture in the Member States: sharp differences of profitability which derive from differences in climate, ground configuration or land-holding patterns, the degree of modernization of farms or remoteness from major urban and industrial centres; and differences in the social and cultural development of the local communities. Community structural policy helps to narrow down these divergences by raising the incomes of the poorest farmers through productivity improvements or by direct aids or special measures for rural areas suffering natural handicaps. This policy also provides a framework within which the Member States can adopt measures tailored to their own circumstances without being allowed to give excessive advantages to their own farmers, thus entailing distortions of competition. By promoting the general spread of a fair living standard for farmers, the EAGGF Guidance Section, in raising the incomes of rural communities, contributes to the maintenance of employment.

However, the Community does not finance all of the structures policy, because only part of the eligible expenditure incurred by the Member States under the Community regulations can be claimed back from the EAGGF. However, in view of urgent and special needs of certain regions or areas and of certain products, the Community has introduced specific action programmes and integrated development programmes.

The presentation in the budget of Title 3, 'Guidance Section' ⁽¹⁾, brings out the basic features of the policy on agricultural structures:

- Chapter 30: improvement of marketing and processing structures by individual investment projects under programmes,
- Chapter 31: socio-structural measures of a general character,
- Chapter 32: measures to assist less-favoured areas and, in particular, new integrated programmes,
- Chapter 33: structural measures relating to common organizations of markets.

1.2.1. PROJECTS FOR IMPROVING AGRICULTURAL STRUCTURES (CHAPTER 30)

The projects being financed by the Community at the present time under this heading are designed solely to improve processing and marketing conditions of agricultural products, which are still very defective in certain regions and sectors in the ten Member States.

⁽¹⁾ The EAGGF Guidance Section also finances 'common measures' in the fisheries sector (Title 4), which are covered separately under the fisheries policy (Section 1.3). An overall summary of the figures is given in Part Two of this document.

Following revision of the regulation in question, which is now being discussed by the Council (COM(83) 559 final of 10 October 1983), it is proposed that appropriations in this area be raised to 360 Mio ECU for forestry projects in Chapter 38. However, as a transitional measure, only 277 Mio ECU is proposed for 1985 in commitment appropriations (including 10 Mio ECU for Chapter 38).

1.2.2. GENERAL SOCIO-STRUCTURAL MEASURES (CHAPTER 31)

The main aim is to promote the modernization of farms in respect of production, by endeavouring to direct national policies on structures, implemented for this purpose, towards objectives defined at Community level. The Commission has proposed the replacement of the existing directives by a new regulation ⁽¹⁾, which would have a significant impact on the budget only from 1986. It is, however, proposed that the nomenclature of Chapter 31 be amended to accommodate expenditure under the new regulation. The appropriations requested for 1985 show an increase because activity under the existing directives has picked up somewhat.

1.2.3. MEASURES TO ASSIST LESS-FAVOURED AREAS (CHAPTER 32)

The principal action is the assistance for mountain and hill farming approved in 1975, the commitment appropriations for which account for almost 50 % of the whole chapter.

In order to eliminate the economic underdevelopment of certain regions where farming is a major activity, a number of measures have been adopted to solve specific problems in Mediterranean regions (southern Italy, most of Greece, some regions of France), the west of Ireland, western islands of Scotland, Lozère, south-east Belgium, and certain less-favoured areas of Germany. The main objective is to create a situation in which the less-favoured regions can go on to benefit from general measures to improve agricultural structures.

Although commitment appropriations are lower than for 1984, payment appropriations are considerably higher because projects begun around 1980 are now being concluded.

1.2.4. STRUCTURAL MEASURES RELATING TO COMMON ORGANIZATIONS OF MARKETS (CHAPTER 33)

This is the field in which the function of policy structures as an adjunct to prices policy for certain sectors with special problems is most obvious (milk, meat, wine, fruit).

1.2.4.1. Milk

The appropriations have been cut by almost 20 % for non-marketing because the measures have reached the final phase.

1.2.4.2. Wine

The vineyard conversion scheme is now completed, but has been extended and amplified by 'common measures' adopted as part of the 'wine package' (abandonment of vineyards, cessation of production, restructuring of vineyards). The increase in appropriations is due to the success of measures to encourage the abandonment of vineyards.

1.2.4.3. Fruit

Special measures for Community citrus fruit: The Council has decided that this scheme will be extended and reinforced, and new measures can therefore be expected.

⁽¹⁾ Proposal on improving the efficiency of agricultural structures (COM(83) 559 of 10.10.1983).

1.2.5. COMMITMENT APPROPRIATIONS

Commitment appropriations for the whole of Title 3 (Guidance Section) for 1985 will be up by 15 %, mainly as a result of the further measures proposed to promote the marketing and processing of agricultural products.

1.2.6. PAYMENT APPROPRIATIONS

Payment appropriations will be up by 44 % overall. Forecasts of payments for both general socio-structural measures and specific actions for less-favoured regions are well up on the 1984 budget (by 38 % and 43 % respectively). Appropriations in the 1984 budget were in any case cut because substantial carryovers from 1983 were anticipated.

1.3. FISHERIES AND MARINE POLICY

Technical progress now provides opportunities for exploitation of the resources of the sea and the seabed. There are, however, two main areas of concern: in the first place, the consequences of the danger of over-exploitation of reserves of the various live species by over-fishing preventing renewal, and secondly, the possibility of making use of seabed assets, and methods of appropriation. Many discussions of these problems have taken place at United Nations Law of the Sea Conferences. In 1976, a large number of non-member States proclaimed 200-mile exclusive zones off their coasts, and the EEC Member States followed suit in 1977. Arrangements governing fishing have also been radically changed, and in recent years the Community has been compelled to revise and adapt the common arrangements for the conservation and management of resources by means of regulations or agreements with non-member countries.

According to the definition of agricultural products contained in Article 38(1) of the Treaty and the list in Annex II, fisheries are an extension of the common agricultural policy. Consequently, there is a common market organization and structures policy for fisheries.

Finally, the fishing population consists of workers and small entrepreneurs engaged in a very hazardous occupation; most of them have no other livelihood. Community measures to improve their working conditions therefore appear desirable.

The common fisheries policy thus consists of several components:

- conservation and management of resources,
- common organization of the markets,
- policy on structures,
- agreements with non-member countries,
- social measures.

Following long and difficult negotiations, the Community has had a fisheries policy since January 1983 based on the following:

1.3.1. COMMON SYSTEM FOR THE CONSERVATION AND MANAGEMENT OF RESOURCES

On 25 January 1983 the Council adopted a number of regulations laying down the conditions of access to fishing waters and technical conservation measures (1). Pursuant to the basic regulation, the Council approved total allowable catches (TACs), quotas and quota allocations on 31 January 1984.

Many of the regulations were based on the findings of biological studies in the fisheries and marine sector (Article 412) or the scientific opinions of international organizations (such as the International Council for the Exploration of the Sea). Common research programmes (Article 411) prevented duplication of effort by the Member States.

(1) OJ No L 24, 27. 1. 1983.

Control measures have to be introduced to ensure compliance with the quotas fixed by previous regulations; these include financial participation in inspection and surveillance operations in the maritime waters of Denmark and Ireland (Article 410) and the control and coordination of surveillance operations by Member States (Article 413). A team of European inspectors will ensure that the new regulations are applied correctly.

Finally, with a view to implementation of the integrated Mediterranean programmes, the Commission is drawing up a specific programme of operations to develop fisheries and aquaculture in the Mediterranean (Article 416).

1.3.2. COMMON ORGANIZATION OF THE MARKETS

On 29 December 1981 the Council adopted Regulation (EEC) No 3796/81 on the common organization of the market in fishery products, which took full effect on 1 January 1983.

The main measures under the new regulation which affect the budget are as follows:

- an increase in temporary aid for the establishment of producers' organizations;
- degressive financial compensation for the withdrawal of products from the market;
- carryover premiums for certain products withdrawn for processing;
- a special carryover premium for sardines and anchovies for a four-year period from January 1983;
- private storage aid;
- compensation for certain products;
- export refunds.

1.3.3. POLICY ON STRUCTURES

In accordance with its Resolution of 25 January 1983 on structures policy in the fisheries sector ⁽¹⁾, the Council, on 4 October 1983 ⁽²⁾, adopted three measures to adjust capacity and improve productivity in the sector:

- common action for the restructuring, modernization and development of the fishing industry and for the development of aquaculture; this involves Community financial support for specific projects for the construction or modernization of fishing vessels, for investments in aquaculture and for the installation of artificial underwater structures for restocking in the Mediterranean (Regulation No 2908/83);
- a scheme to encourage exploratory fishing for species not commonly exploited at present, prospection of new fishing grounds and fishing cooperation through joint ventures (Regulation No 2909/83);
- aid for the temporary or permanent laying-up of fishing vessels to adjust capacity to conservation requirements (Directive No 83/515).

All these measures, planned for a three-year period, will receive financial support from the Community amounting to 250 Mio ECU (44 Mio ECU for temporary laying-up, 32 Mio ECU for permanent laying-up, 11 Mio ECU for exploratory fishing, 7 Mio ECU for cooperation with non-member countries, 118 Mio ECU for investments in vessels, 34 Mio ECU for aquaculture and 4 Mio ECU for artificial structures).

1.3.4. AGREEMENTS WITH NON-MEMBER COUNTRIES

The Community has responsibility for negotiating agreements on fishing rights for Community fishermen in the waters of non-member countries (Council Resolution of 3 November 1976).

⁽¹⁾ OJ No C 28, 3.2.1983.

⁽²⁾ OJ No L 290, 22.10.1983.

Where there are no mutual fishing arrangements with these countries, fishing by Community vessels will generate expenditure chargeable to the Community budget.

Mediterranean countries

Under the terms of the future arrangements on Mediterranean fisheries, the Community will have to meet certain financial obligations so that Community fishermen can continue and expand their activities in waters outside Community jurisdiction (Article 420).

Developing countries

A fishing agreement was signed with Senegal on 15 June 1979 for two years with a renewal clause; it was extended for two years from 15 November 1981. Negotiations for further renewal are nearing completion. The agreement provides for financial compensation for this coastal State, partly chargeable to the Community, in return for fishing rights for Community fishermen.

Two other agreements based on the same principles have been signed for a period of three years, one with Guinea-Bissau on 19 November 1982 (renewing an earlier agreement signed on 27 February 1980) and the other with the Republic of Guinea (Conakry) on 8 February 1983. The agreements are applicable from the date on which they are signed.

Two provisional agreements have also been concluded with Equatorial Guinea and Sao Tome and Principe on distant-water tuna fishing. Finally, the agreement between the Community and Seychelles is in the process of being approved.

The Commission has been authorized to negotiate Community fishing agreements with other African countries (Tunisia, Mauritania, Cape Verde Islands, Sierra Leone, Angola) and with Caribbean countries.

Salmon fishing in the Baltic

Following an agreement between the Community and Sweden, certain measures to promote salmon breeding in the Baltic were adopted by Council Regulation (EEC) No 2210/80 of 27 June 1980. The Community has undertaken to contribute to the financing of stocking programmes implemented by the Swedish authorities as a counterpart to a quota granted by Sweden to its fishermen, who are defraying part of the cost of this scheme. Specific decisions are taken each year in respect of quantities and amounts.

Canada

The management of the proposed agreement with Canada is of such economic importance that there must be a permanent Community representative at the Canadian fisheries headquarters for the Atlantic area; a mutual inspection programme is also necessary.

Greenland

A five-year agreement has been concluded between the Community and the authorities responsible for Greenland. Under the agreement the Community has undertaken to pay financial compensation in return for fishing rights.

2. REGIONAL POLICY

Despite the progress achieved by the regional policy, there are still wide disparities in the economic and social development of the regions of the Community.

The first periodic report on the economic and social situation of the regions of the Community ⁽¹⁾ and preparatory work for the second have revealed that the continuation and, in some cases, the worsening of these disparities are among the main obstacles to economic and political integration in Europe.

Despite its present budgetary difficulties, the Community must not, therefore, relax its efforts to eliminate obstacles to increased competitiveness and productivity in the most disadvantaged regions. In addition to its traditional work, regional policy now has to contend with the problems arising from the need to reorganize crisis-hit economies. Greater productivity and increased competitiveness require not simply large programmes of productive investment in machinery but also, and increasingly, complementary investment which, being more specific and on a smaller scale, can meet the particular needs of economic operators at local level. Recent technological trends in industry and the service sector now require the development of highly skilled services to meet firms' needs in market research, the organization of production, innovation and relations with other firms. These require specific aid as well as traditional investment aid. This is necessary if the development potential of the regions is to be exploited.

2.1. REGIONAL FUND (ERDF)

In 1981 the Commission accordingly proposed adjustments to the instruments of regional policy by means of a thorough revision of the ERDF Regulation ⁽²⁾.

The Council was unable to reach agreement on this proposal, but the Commission, following the Stuttgart European Council in June 1983, began to consider ways of increasing the effectiveness of the Community's structural funds. On 28 July 1983 it published a report ⁽³⁾ concluding that the ERDF was the key instrument for achieving this.

The findings of this report were incorporated in a new proposal for revision of the ERDF Regulation which was sent to the Council on 18 October 1983 ⁽⁴⁾. The proposed amendments were designed to provide a better definition of the role of the ERDF and to extend it: in addition to helping underdeveloped regions, the Fund would also step up assistance to regions affected by severe industrial decline. Radical changes to the machinery of ERDF intervention were also proposed, including a gradual shift to the financing of programmes, particularly Community programmes, and the replacement of rigid quotas by indicative brackets.

The budgetary nomenclature has been altered to reflect both the completion of the old quota measures defined in the ERDF Regulation as amended in 1979 and operations under the proposed revision. Article 500 refers only to old quota commitments while Article 509 relates to financing from the revised ERDF; Article 510 continues to cover the financing of specific measures (non-quota), for which the implementing regulations are valid until 1989.

⁽¹⁾ COM(80) 186 final of 7.1.1981.

⁽²⁾ OJ No C 336, 23.12.1981.

⁽³⁾ COM(83) 501 final of 28.7.1983.

⁽⁴⁾ COM(83) 649 final.

2.1.1. FINANCIAL ASPECTS OF THE ERDF - COMMITMENT APPROPRIATIONS

The commitment appropriations for the Regional Fund in 1984 totalled 2 140 Mio ECU, of which 115 Mio ECU was allocated to the non-quota section (specific Community measures).

To enable the Community to play its full part in regional policy, ERDF commitment appropriations in 1985 should represent a significant advance in real terms on the 1984 figure ⁽¹⁾. Unfortunately, the present severe budgetary restrictions make this impossible. This preliminary draft budget proposes an increase of 5,1 % (2 250 Mio ECU), which is in line with the expected rate of inflation.

The 115 Mio ECU for specific Community actions should allow the first series of actions to continue and meet the needs of the second series, which involves an estimated total budget of at least 710 Mio ECU over five years ⁽²⁾.

2.1.2. PAYMENT APPROPRIATIONS

The Fund's total 1984 allocation in payment appropriations stands at 1 412,5 Mio ECU, of which 100 Mio ECU is for the non-quota section.

Including the carryover from 1983 of only 31.5 Mio ECU (compared with 98 Mio ECU from 1982), payment appropriations available in the quota section for 1984 stand at 1 344 Mio ECU.

The experience of previous years suggests that 1 259 Mio ECU in payment appropriations will be required in 1985 to cover operations already begun. The line taken in the Council on 14 May, and in particular the proposed average intervention rate of 50 % and the system of advances for programmes and accelerated payments for projects, suggests that initially interventions will continue to be concentrated on projects. There will be little change in the rhythm of expenditure for this purpose, while Community and national programmes will take some time to establish so that only limited advances will be required.

The 283 Mio ECU proposed covers 13,3 % of commitments – a lower rate than would have been required under the 1979 regulation; it should be considered an absolute minimum. Ratios of payments to commitments in previous years have ranged from 14 % to 25 %. Payment appropriations in 1985 for specific measures are estimated at 100 Mio ECU. This will cover the first series of actions and needs arising from the second series, for which the Council has adopted the regulations ⁽²⁾.

Total payment appropriations required for the ERDF in 1985 therefore stand at 1 642,5 Mio ECU, 16,3 % more than in 1984.

2.2. INTEGRATED OPERATIONS

2.2.1. PREPARATIONS

Item 5410 of the 1984 budget contained 2 Mio ECU to enable the Commission to participate in financing the studies necessary for the preparation of integrated operations.

The Commission proposed that the 1985 budget should also carry 2 Mio ECU for this purpose.

⁽¹⁾ For the 1983 appropriations (2 010 Mio ECU) to double in five years, they would have to rise each year by about 15 % plus the expected rate of inflation.

⁽²⁾ OJ No L 27, 31. 1. 1984.

2.2.2. COMMUNITY MEASURES IN THE CONTEXT OF INTEGRATED OPERATIONS

On 21 June 1983 the Council adopted a Regulation introducing an exceptional Community measure to promote urban renewal in Northern Ireland (Belfast) ⁽¹⁾. The financing schedule suggests that commitments will total 35 Mio ECU and payments 30 Mio ECU in 1985.

2.3. TRANSPORT

To give fresh impetus to the common transport policy as a means of integrating the common market, the Commission is pursuing the new strategy of immediately reducing and eliminating existing restrictions. The Commission's proposals will focus on four main sectors: (a) the establishment of a programme of railway cooperation; (b) decompartmentalization of road transport systems, particularly the intra-Community systems, and development in accordance with economic criteria; (c) liberalization of air transport; (d) a multiannual transport infrastructure programme.

Infrastructure plays a particularly important role in the common transport policy, so the Community must continue to give active financial support for projects of Community interest.

Financial support has been dealt with in a number of communications to the Council, the most recent being those on the experimental programme (COM(83) 828 final of 10 December 1982) and the proposal for a regulation (COM(83) 474 final of 5 August 1983). The 1984 budget carried 80 Mio ECU in commitment appropriations for transport infrastructure, of which 25 Mio ECU was to assist the Greek Government in its efforts to improve the main links in its transport system. On the basis of these proposals, the 927th Council meeting (10 May 1984) adopted the criteria and implementing provisions governing financial support for projects covered by appropriations in the 1983 and 1984 budgets. It also approved lists of eligible projects for those years.

The Commission considers that the amount in the 1985 budget should be determined by reference to the rate of growth proposed in its experimental programme and the actual rate of growth in the 1984 budget. It therefore proposed 110 Mio ECU in commitment appropriations in 1985, of which about 30 Mio ECU would be used to meet commitments entered into in its communication on Greece (COM(83)134).

The highly satisfactory results so far obtained from market observation have enabled the operation of the transport markets to be improved appreciably. These results are contained in a number of quarterly and annual reports published by the Directorate-General for Transport.

The total appropriations for transport policy (Chapter 78) in 1985 thus amount to 112 Mio ECU in appropriations for commitments and 36 Mio ECU in appropriations for payments.

⁽¹⁾ OJ No L 171, 29. 6. 1983, p. 1.

3. SOCIAL POLICY

3.1. SOCIAL FUND (ESF)

Like the Regional Fund and the EAGGF Guidance Section, the Social Fund is one of the basic Community instruments designed to promote closer convergence between Member States' economies. The fact that it contributes directly to reducing unemployment makes it the Community's main social policy instrument.

3.1.1. THE LABOUR MARKET

Economic activity in 1983 did not live up to the expectations raised by the first signs of recovery noted during the second half of 1982. As a result GDP rose by only 0,5 % in 1983 ⁽¹⁾. This was not enough to make any contribution to solving the unemployment problem. The year-end unemployment figure for the Community was 12,5 million ⁽²⁾.

Despite the increase in GDP, unemployment continued to decline in 1983 (- 0,9 %) ⁽³⁾. At the same time the rising trend of the active population was confirmed by new groups of women and young people entering the labour market ⁽⁴⁾. The net result was that unemployment increased by 6,5 % ⁽²⁾ during the year, the annual average moving from 9,2 % in 1982 to 10,3 % in 1983 ⁽⁵⁾.

There are no signs of any significant improvement in the future. Although GDP could increase by 1,5 % in 1984 ⁽¹⁾, this will be achieved principally by the rationalization of production and productivity improvements, notably in the manufacturing sector, which will not provide the extra jobs which, it is generally agreed, the economic system needs ⁽⁶⁾.

There was little change in the structure of unemployment. Unemployment among women tended to increase more rapidly than unemployment among men (+ 7,3 %) ⁽²⁾, partly because of the larger pool of female labour available. But men still outnumber women among jobseekers (approximately 7,4 million men are unemployed as against 5,2 million women) ⁽²⁾.

The proportion of young people in the unemployed total was little changed (approximately 39 % at the end of 1983) ⁽⁷⁾. In absolute terms, however, the number of young people out of work topped the 4 million mark in June 1983 ⁽⁸⁾. Although the situation varies considerably from one Member State to another, it is estimated that, on average, one young person in four is unemployed in the Community ⁽⁸⁾, as against one in ten for adults.

Forecasts for 1984 indicate that, from this point of view, the situation on the labour market will remain virtually unchanged. Longer-term projections indicate that the pressures generated by demographic factors are unlikely to ease before the end of 1986 ⁽⁹⁾, when the number of first-time jobseekers can be expected to show signs of slowing down.

⁽¹⁾ Annual Economic Report 1983/84 (European Economy No 18, November 1983) Table 1, page 9.

⁽²⁾ Eurostat, Monthly Bulletin No 12/1983, Table 1.

⁽³⁾ Annual Economic Review 1983/84 (European Economy No 18, November 1983) Table 4.1, page 90.

⁽⁴⁾ Ibid, Table 4.4, page 95.

⁽⁵⁾ Eurostat, Monthly Bulletin No 12/1983, Table 3.

⁽⁶⁾ Annual Economic Review 1983/84, (European Economy No 18, November 1983), page 91.

⁽⁷⁾ Eurostat, Monthly Bulletin No 12/1983, Table 2.

⁽⁸⁾ Annual Economic Review 1983/84 (European Economy No 18) p. 96 *et seq.*

⁽⁹⁾ Ibid p. 94.

The most striking feature of the labour market is the growing length of time needed to find a (new) job. In 1981 adults who had been out of work for more than a year represented 35,2 % of the total, the corresponding figure for long-term unemployed young people being 31,1 % ⁽¹⁾.

3.1.2. FUTURE REQUIREMENTS

Experience has shown that applications for aid from the European Social Fund increase by anything up to 30 % from one year to the next. If figures for 1984 – when aid applications totalled 4 000 Mio ECU – are used as a basis and if it is assumed that requirements for 1985 will increase by at least 10 % – which is a minimum figure given the decline in unemployment and forecasted price increases – applications for aid in the coming year are likely to be in the region of 4 500 Mio ECU.

3.1.3. BUDGET PROPOSALS

The fall in employment and the annual growth rate of applications for aid would normally argue in favour of a substantial increase in the endowment of the European Social Fund. However, given present budget difficulties, the Commission has been forced for the first time to propose, for commitments in 1985, no more than a renewal in real terms of the endowment authorized for 1984, in other words, a nominal increase of 5,1 %.

(a) *Commitment appropriations*

The Commission proposes that commitment appropriations for 1985 be set at 1 940 Mio ECU.

The principle that the approach used in 1984 be retained for 1985 has been applied to the breakdown of appropriations between the different budget headings.

(b) *Payment appropriations*

Requirements in terms of payment appropriations for 1985 break down as follows:

- 451,5 Mio ECU for payment against commitments entered into prior to 1984. This is a minimum figure, since almost 2 500 Mio ECU remained to be settled on 1 January 1984 against commitments entered into before that date;
- 191,8 Mio ECU for payments outstanding on commitments entered into in 1984. This figure, which represents no more than 10 % of the total endowment for 1984, is a minimum figure based on the assumption that most payments will be made in 1986;
- 732,7 Mio ECU for advances on commitments to be entered into in 1985.

The Commission recognizes that the total endowment proposed (1 376 Mio ECU) may prove to be inadequate, judging by the objective calculations set out in the second part of this document. Should payment appropriations available in 1985 prove insufficient to cover all requirements, implementation of appropriations will have to be delayed in a manner to be determined.

3.2. EDUCATION AND CULTURAL POLICY

3.2.1. EDUCATION AND VOCATIONAL TRAINING

The Commission's work on education is based mainly on the resolution of the Council and the Ministers of Education meeting within the Council of 9 February 1976 ⁽²⁾ on an action programme in the field of education and a number of other important Council resolutions on this matter, the latest of which was that of 12 July 1982 ⁽³⁾ concerning measures to be taken to improve the preparation of young people for work.

⁽¹⁾ Annual Economic Review 1983/84 (European Economy No 18) p. 99.

⁽²⁾ OJ No C 38, 18.2.1976.

⁽³⁾ OJ No C 193, 28.7.1982.

In the field of vocational training, the Commission's work has been based on the general principles for implementing a common vocational training policy set out by the Council in its Decision of 2 April 1963 ⁽¹⁾ and a number of other Council resolutions on this matter.

Three further resolutions were adopted by the Council in 1983: the first, adopted on 11 July, concerns vocational training policies in the European Community in the 1980s ⁽²⁾; the second, adopted on 19 September, deals with measures relating to the introduction of new information technology in education ⁽³⁾; the third, adopted on 2 June, concerns vocational training measures relating to new information technologies ⁽⁴⁾.

Furthermore, the Council and Educational Ministers meeting within the Council on 2 June adopted resolutions strengthening the action programme for education with a view to promoting mobility in higher education and creating a framework for the academic recognition of diplomas and periods of study.

On the basis of these acts and conscious of the increased importance of education and vocational training in the fight against youth unemployment, the Commission is proposing that 17 680 000 ECU be entered in Chapter 63, an increase of 5,1 % on the 1984 figure. Particular importance is attached to measures dealing with the introduction of new information technologies.

3.2.2. CULTURE AND THE EUROPEAN FOUNDATION

Although still very modest, the appropriations for Articles 670 and 671 should further the Commission's constant aim of strengthening the social nature of Community action in the cultural sector. This is part of the fight against unemployment, especially among young people.

An appropriation of 500 000 ECU has been entered in Item 6703 for a Community contribution to the organization of various events to mark European Music Year (1985).

Particular attention should again be paid to financing the conservation of the architectural heritage which has spill-over effects on a number of other sectors of employment, especially tourism. This is done through financial contributions or subsidies to reduce the interest rates on 'conservation loans' granted by the European Investment Bank.

Total appropriations for the cultural sector in 1985 amount to 2 680 000 ECU.

3.3. ENVIRONMENT AND CONSUMER POLICY

3.3.1. ENVIRONMENT POLICY

By endeavouring to ensure optimum use of natural resources and to improve living conditions and standards, the Community environment policy is helping, through action programmes, to attain one of the Community's basic objectives, the harmonious development of economic activity.

The environment programmes adopted in 1973, 1977 and 1983 ⁽⁵⁾ define the objectives and principles of that policy and group the various priority operations into four categories:

- reduction and, as far as possible, elimination of pollution and nuisances which damage natural resources, the biosphere and the setting of life;
- rational and economical management in the short, medium and long term of the natural resources concerned, by each of the activities which uses or damages them;

⁽¹⁾ OJ No 63, 20.4.1963.

⁽²⁾ OJ No C 193, 20.7.1983.

⁽³⁾ OJ No C 256, 24.9.1983.

⁽⁴⁾ OJ No C 166, 25.6.1983.

⁽⁵⁾ OJ No C 112, 20.12.1973 (first programme); OJ No C 139, 13.6.1977 (second programme); OJ No C 46, 17.2.1983 (third programme).

- activities in support of these operations (research, exploitation of knowledge, economic studies, application of new procedures, information, etc.);
- action at international level required by the nature of the problems or the economic effects of decisions taken.

In pursuing the legislative action already initiated, the Community's environment policy must in future not only aim to reduce pollution and nuisances and conserve the natural environment but must also seek to give pride of place to preventive measures, which have the advantage of forestalling decisions that can adversely affect natural resources and the setting of life and by their nature be a positive hindrance to economic development. Such measures would include the development of non-polluting technologies using natural resources and energy more economically, the recovery and re-use of waste, land development with built-in safeguards for nature, major investment projects against pollution, and so on. The Commission intends to pursue this policy mainly through pilot projects under Article 661 (Community operations concerning the environment). The Council adopted a regulation on the subject on 1 March 1984 (not yet published).

Not counting the appropriations allocated for the environment in the field of research (Chapter 73), the appropriations relating directly to environment policy amount to 18 234 000 ECU in appropriations for commitments and 14 384 000 ECU in appropriations for payments. They are intended in the main for promoting studies, financing projects for the application of legal instruments already adopted and for certain specific operations relating to protection of the maritime environment.

3.3.2. CONSUMER POLICY

In the field of consumer protection and guidance, the Commission's work is based on the preliminary programme of the European Communities for a consumer protection and information policy approved by the Council on 14 April 1975 ⁽¹⁾ and the action programme for consumers adopted by the Council on 19 May 1981 ⁽²⁾.

The second programme reaffirms the fundamental rights recognized in the initial programme and emphasizes particularly the protection of the consumer's safety and health, prices of goods and services and the role of the consumer as a full partner in the preparation and application of major economic decisions.

It lists the following objectives:

- protection of consumer health and safety;
- protection of the consumer's legal and economic interests and, in particular, his right of access to the courts;
- the improvement of consumer information and education;
- extension of the consumer's right to representation in the decision-making process.

The budgetary appropriations for consumer policy amount to 2 785 000 ECU.

⁽¹⁾ OJ No C 92, 25.4.1975.

⁽²⁾ OJ No C 133, 3.6.1981.

4. ENERGY, RESEARCH, INFORMATION AND INDUSTRY

4.1. ENERGY

The Commission has defined its priorities in its communications on 'Community energy strategy: progress and guidelines for future action' (COM(83) 305 final) and 'Energy and energy research in the Community: a five-year programme of action and its financing' (COM(83) 315 final). They can be summed up as more rational energy use, prospection and more balanced development of supplies. Although the first two are reflected in requests for appropriations for 1985, the third has not been translated into budgetary terms since the details of Community operations need further clarification.

4.1.1. MORE RATIONAL ENERGY USE

Investment in immediately applicable technologies and in the development and application of new technologies is of vital interest to the long-term energy security of the Community. An acceleration of activity in this wide field would have a more immediate spin-off in terms of employment, economic growth and trade.

The Commission feels that the first step is to identify investments that should be made in the Community interest but which would not go ahead without Community support.

A key element here is the programme of Community demonstration projects which covers energy saving and technologies to increase the outlets of solid fuel in the longer-term (coal gasification and liquefaction), as well as new and renewable energy sources.

In adopting two Regulations (No 1971/83 and No 1972/83 on 11 July 1983 the Council decided to press ahead with this programme only in 1983. On 12 and 13 March 1984 the Council gave its agreement in principle to a three-year programme covering 1983-85 at an estimated cost of 265 Mio ECU. Since the budgetary authority granted commitment appropriations of 78 Mio ECU and 87 Mio ECU respectively for 1983 and 1984, the request for 1985 - 100 Mio ECU - brings the allocation up to the agreed figure. Payment appropriations for 1983 and 1984 came to 71,5 Mio ECU and 45,7 Mio ECU respectively. The request for 1985 is limited to 60 Mio ECU to take account of the time taken to implement projects.

4.1.2. PROSPECTION

For the past ten years the industrialized countries in general and the Community countries in particular, have been concentrating their energy policy on two priorities: improved security of supply and reduced oil dependence. Although oil consumption dropped from 550 million tonnes in 1974 to 450 million tonnes in 1983, there is no doubt that hydrocarbons will continue to play a very important role in the energy balance sheet. Long-term security of supply will therefore remain a relevant objective and continued efforts will have to be made to develop internal or external reserves to make it possible to attain this objective.

The validity and effectiveness of Community technological development projects in the hydrocarbon sector has been proved. The funding of 319 projects has led to important technical achievements in the areas of geophysics, drilling, production and transport with an average rate of reimbursement of 20 % of the support granted.

The rapid perfecting of technologies which make it possible to increase exploitable reserves and to produce at lower cost in safer conditions is a particularly appropriate approach from the point of view of improving supply. In this context the Community can make an essential contribution by providing continued support for the development of advanced oil technologies.

Uranium prospection is another key area in which far-reaching Community action could be beneficial. The Community depends on the rest of the world for 80 % of its uranium supplies. With a view to reducing this economic and political dependence, the Commission considers that the time has come to revive a project which has already proved its worth, namely prospection for uranium within the Community. This programme is designed to provide backing for prospection and exploration activities without replacing national and private funding.

4.1.3.

The two objectives discussed above are underpinned by energy programming. The appropriations for this are designed to contribute to the development of instruments and methods for analysing and assessing the energy situation in the Community and in the developing countries.

4.2. NUCLEAR SAFEGUARDS

To ensure efficient safeguards the Commission must remain at the forefront of technological development as regards nuclear safeguards and must possess sophisticated instruments enabling it to rationalize its work. It should be remembered in this context that nuclear safeguards are required not only by the Euratom Treaty but also by cooperation agreements between the Commission and third parties, including the United States, Canada, Australia and the EAEC in Vienna.

4.3. RESEARCH, SCIENCE AND DEVELOPMENT

In its Resolution of 25 July 1983 the Council approved the principles, objectives and selection criteria for action under the framework programme of Community research, development and demonstration activities for 1984-87. The Council confirmed its 'agreement on the need to increase Community expenditure on R, D and D' (research, development and demonstration) but was unable to approve the allocation of funds proposed by the Commission ⁽¹⁾ for the period in question 'while awaiting the outcome of the general discussion on the Communities' resources and policies'.

However, the Council took note of 'the financial indications relating to the objectives to be attained in the 1984 to 1987 period', stating that 'the indications are to serve as a guide for Commission planning and the adoption by the Council of specific R, D and D activities during that period'.

It is within this general context of clear objectives, but uncertainty as regards the increase in funds available to the Community for R, D and D policy, that the 1984 budget was drawn up and adopted and that the 1985 budget is now being prepared.

In line with the priorities laid down in the framework programme for 1984-87, a number of research projects were approved by the Council in 1983 and the first few months of 1984 (e.g. multiannual JRC programme, Esprit programme, programme for the decommissioning of nuclear installations, agricultural research programme).

Following their approval, some of these projects have already had a direct impact on the 1984 budget and all of them will draw on the 1985 budget - in some cases quite significantly.

A decision is awaited on a number of programme proposals (non-nuclear energy, basic technologies, etc.) still under discussion within the Council.

During 1984 the Council will be asked to extend some current programmes (e.g. fusion) and to approve new programmes which satisfy the priority objectives for 1984-87 and which need to be launched in 1985 (e.g. plan to stimulate the efficacy of research within the Community, biotechnology).

⁽¹⁾ 3 750 Mio ECU.

A number of choices have had to be made for 1985 – primarily because of financial constraints rather than the priorities and considerations set out in the framework programme. Some programme proposals have been postponed. Many headings in this preliminary draft budget have suffered appreciable cutbacks in both commitment and payment appropriations.

4.3.1. SHARED-COST OR CONCERTED ACTION PROGRAMMES CARRIED OUT UNDER RESEARCH PROGRAMMES

Programmes under which these actions are conducted fit into the framework of the policy described above. The Commission plans to implement the following programmes in 1985:

4.3.1.1. Industrial technologies

Industry is a cornerstone of the Community's economic prosperity. Strengthening its competitiveness is therefore of prime importance and one of the main objectives of the framework programme.

The aim of the industrial technologies programme (for industries other than information technology and biotechnology, which are covered by separate programmes) is to:

- remove or reduce barriers to trade in goods and industrial products in the common market;
- encourage the development of new materials and technologies in the pre-competitive phase to the benefit of various industrial sectors in the Community.

The responsibility for undertaking suitable projects lies primarily with industry. The Community's role is that of a catalyst for problems of a European nature (transnational cooperation for various sectors, liaison between industry and universities, etc.).

The accent will be placed on applied technologies and demonstration projects along with the incorporation of tried and tested technologies into other sectors, such as energy, raw materials, biotechnology and information technology.

4.3.1.2. Biotechnology

The aim of this programme is to help boost Community R & D in the application of modern biology to European agriculture and industry. This will be by way of medium-term and long-term projects designed to increase the Community's ability to ensure self-sufficiency and withstand competition from non-Community countries in the various sectors that depend on biotechnology for success.

From the outset, planned for January 1985, the programme will consist of two subprogrammes:

- to solve problems at Community level (improvement of agricultural raw materials, reduction in health costs) by carrying out specific pre-competitive research projects and training projects and by setting up the supporting infrastructure (data bases, cell banks, genetic information, etc.) needed for the expansion of European R & D (subprogramme I);
- to allow the early coordination and development of Community and national initiatives and programmes and to promote greater strategic effectiveness in all sectors of European biotechnology by means of permanent monitoring and by the establishment of a formal system of concertation and cooperation between Member States and the Commission (subprogramme II).

Four other actions are planned to help establish a favourable climate for biotechnology in the agricultural and industrial sectors (agricultural outputs for industrial use, regulations, intellectual property rights, demonstration projects). The Commission will be presenting proposals to the Council according to a fixed timetable.

The current biomolecular engineering programme began on 1 April 1982 and will end on 31 March 1986. Its aim is to train scientists and undertake research, thus removing scientific and technical barriers to the large-

scale application of discoveries in genetic engineering and enzyme engineering. From April 1986 this programme will be continued and expanded as part of subprogramme I of the biotechnology action programme described above.

4.3.1.3. Raw and other materials

In the context of the framework programme, the main objective of the Community research programme in raw and other materials is to improve the management of raw materials resources. The aim is to reduce the Community's dependence on outside supplies of raw materials essential to its economy and to develop technologies in the extracting industries which can be exported.

To this end, research and development projects are needed in the following fields, both to increase the Community's self-sufficiency and to improve the utilization of raw materials: methods of exploring mineral resources, ore-processing techniques, mining technology, waste recycling, production and utilization of wood, development of substitutes and new materials.

The action programme also ties up with other objectives and priorities of the framework programme, notably improvements in agricultural competitiveness (as regards renewable resources such as wood and the recycling of agricultural waste), improved industrial competitiveness (through the development of new technologies and materials), improved management of energy resources (by energy conservation in the extracting industries and the recovery of energy from waste), environmental protection (through the recycling of agricultural, domestic and industrial waste), and aid to development (by the development of mineral exploration and ore extraction methods).

The projects in progress are as follows:

- metals and mineral substances,
- wood,
- recycling of non-ferrous metals and domestic and industrial waste,
- substitute materials, ceramics and materials technology.

Sweden, a non-member country participating in COST, is associated with two of these subprogrammes (wood and the recycling of domestic and industrial waste).

These projects are based on the Council Decision of 17 May 1982 on a multiannual programme for 1982–85, which was amended by the Decision of 12 December 1983. A further section on advanced materials to be implemented during 1985 must now be added.

4.3.1.4. Thermonuclear fusion

The aims of this programme are:

- to assess the possibility of producing energy, at a competitive cost, from fusion reactions between light nuclei;
- to move on, in due course, to the joint development of prototype reactors with a view to their industrial-scale production and marketing.

If this is successful, controlled thermonuclear fusion will be one of the solutions to future energy problems.

The programme involves long-term collaboration in all activities undertaken in controlled thermonuclear fusion in the Member States. Sweden, Switzerland and Spain are associated with the programme.

The current programme covers the period 1982–86. A new programme is under preparation for 1985–89. Under this programme it is planned to:

- continue a major Tokamak programme with a view to the construction of a demonstration reactor (DEMO);

- conclude the first part of the programme (the JET project and its extensions) and to exploit fully the installations already in place or under construction in joint undertakings;
- continue definition and preliminary planning work for the second stage, the Next European Torus (NET), and pursue the development of the technology necessary for its design and construction and, in the longer term, for the fusion reactor;
- study alternative confinement systems, within the limits of the available resources, concentrating on reversed field pinches and stellarators, subject to regular evaluation of their applicability to a reactor by comparison with the Tokamak system.

4.3.1.5. Nuclear fission

This programme consists of four headings:

(a) *Reactor safety (1984-87)*

The new programme takes account of equipment and laboratories built by Member States for research into safety and of the need to coordinate the use of these resources. The programme comprises a greater range of projects in light-water reactors than in the past and, for the first time, a considerable number of projects on fast-breeder reactors.

The emphasis is on the description of abnormal incidents which could degenerate into accidents. This will increase the capacity for averting accidents. The description of serious accidents and ways of limiting their consequences will obviously remain one of the main objectives.

(b) *Decommissioning of nuclear installations (1984-88)*

This proposed programme is the logical continuation of the current programme on the decommissioning of nuclear power stations. Being more wide-ranging than the latter, its main objective is to find effective ways of ensuring the safety and protection of the population and the environment against the potential hazards associated with decommissioning of nuclear installations.

(c) *Management and storage of radioactive waste*

A third five-year shared-cost action programme (1985-89) was presented by the Commission in April 1984. This programme is closely linked with JRC activities in the same sector and has been incorporated in the national programmes since its commencement in 1975. When the current programme draws to a close at the end of 1984, the Commission will propose that work in this field be continued in line with the 1980-92 plan of action on radioactive waste that the Council approved in 1980. The main points of this new programme will be (a) the description of waste packaged for storage and the improvement of the procedures employed and (b) a study of the efficacy and reliability of the various geological storage options and their safety. This research will be complemented by three experimental projects for underground storage in different geological formations.

(d) *Implementation of the Council Resolution of 22 July 1975 on the technological problems of nuclear safety - Codes and standards for fast-breeder reactors*

The aim of this action, which began in 1976, is to undertake comparative, analytical and summary studies in the coordination of research and harmonization of codes and safety standards for both water-cooled thermal reactor and sodium-cooled fast reactor technology.

In 1980 a contractual section was added in order to finance comparative, analytical and summary studies on codes and standards for fast reactors. These actions will be continued.

4.3.1.6. Non-nuclear sources of energy

The proposed programme is to some extent the logical continuation of the R&D programme on energy that was completed on 30 June 1983. However, it is wider in scope than the previous programme (which comprised five subprogrammes), covering nine scientific and technical objectives or subprogrammes under two broad headings:

- development of renewable sources of energy (solar, biomass, wind and geothermal energy);
- rational use of energy (energy conservation, use of solid fuels, production and use of new energy sources, energy systems analysis and modelling).

The aim is to achieve the objectives of the framework programme on a European scientific and technical strategy, in particular improving the management of energy resources and reducing energy dependence, and, in addition, the objectives of promoting industrial and agricultural competitiveness, improving living and employment conditions and stepping up aid to development.

It should also open up new possibilities for regional policy and the economic development of rural areas, notably through the decentralization of energy production. It could help to increase agricultural competitiveness by generating energy from surplus and waste biomass, for example.

The programme covers both the investigation of potential resources and also the development of technologies and the implementation of pilot projects leading up to demonstration and marketing.

Research work in the development of renewable energy resources is designed to improve and expand the Community's capacity for utilizing the potential resources offered by these forms of energy. The programme should prompt and encourage European industry and research institutions to develop efficient, low-cost technologies and to gear their applications to use both in Europe and in the developing countries. The results will help to promote industrial competitiveness by creating new jobs and opening up export markets.

Many different advantages are hoped to accrue from the rational use of energy projects.

The work aims at promoting energy conservation in the Member States through the development of new techniques, procedures or products and through the improvement or different application of existing techniques, procedures or products which can save considerable quantities of energy compared with common practice today.

The project is also designed to encourage a return to the use of solid fuel, especially coal and, to a lesser degree, lignite and peat, as replacements for imported liquid and gaseous hydrocarbons. To this end, solid fuels must be made sufficiently attractive to potential users both from the economic standpoint and in terms of ease of use and their environmental acceptability.

The aim is also to replace oil by synthetic fuels produced from coal and biomass so as to reduce our dependence on oil and ensure greater self-sufficiency for the transport sector, especially in liquid fuels.

The programme will also provide for the use of energy models developed under previous programmes by guaranteeing their reliability. This can only be done by the constant updating of data bases, the adjustment and improvement of model equations and the maintenance of software. It will also help to finalize and implement the new generations of models designed on the basis of experience gained with existing models.

4.3.1.7. Health and safety

This programme is designed to improve man's health and to protect him against the various hazards encountered in his environment. Priority is given to the problems presented by the impact of new technologies on man and to means of preventing and combating the disease and death associated with modern industrialized society.

The programme currently comprises the 'Medical research and public health' and 'Radiation protection' sub-programmes.

The aim of the first is to improve the effectiveness of research and development in the medicine and public health sectors by mobilizing and gradually coordinating the research potential available within national programmes.

The second is linked specifically with an assessment of the effects of natural and artificial radiation on man and his environment and the attendant risks.

Programmes in preparation:

The 'Health and safety at work' programme is an off-shoot of the action programme on health and safety at work. It is specifically concerned with research into the prevention of risks in the building industry.

The 'Non-ionizing radiation' programme is designed to study the effects and assess the risks of such radiation for both workers and the population at large.

4.3.1.8. Environment

In the general context of the framework programme, the main objective of this research sector is to lend scientific support to the implementation of the European Community's environment policy.

This policy has been redefined in the third programme of action on the environment (1982-86) (Council Resolution of 7 February 1983).

The emphasis is now on research geared to short, medium and long-term aid.

The shared-cost or concerted action research projects comprise the following subprogrammes:

- environmental protection: measures, pathways and health and ecological effects of pollutants, clean technologies, natural environment, environmental information management; following the Decision of 1 March 1984 revising the current programme (1981-85), particular attention is now being paid to acid rain and toxic wastes;
- climatology: reconstruction of former climates; climatic modelling; climatic changes due to man and the effects of climate on Europe's water and agricultural resources.

Research is also being carried out into desertification and natural disasters, particularly earthquakes.

Environmental research is connected to a lesser or greater degree with a large number of priorities in the framework programme (agricultural and industrial competitiveness, management of energy resources and raw materials, aid to development, health and safety), and the Community programme ties up the loose ends of national research programmes.

Details of the JRC's contribution to the action programme of environmental research (subprogrammes on the protection of the environment, remote sensing and industrial risks) are given below.

4.3.1.9. Research linked to development

Research linked to development is designed to broaden and complete the scientific and technical programmes of the Member States and developing countries as part of the Community's development policy. The programme will permit permanent relations to be set up between scientists and research institutions in the Community and the developing countries.

(a) A first programme on science and technology for development was adopted by the Council on 3 December 1982 for the period 1983-86 and this is now being implemented.

The programme comprises two subprogrammes:

1. Tropical agriculture covering the following sectors:
 - the improvement of agricultural production;
 - horizontal activities and exploitation of the environment;
 - post-harvest technology;
 - training.
2. Medicine, health and nutrition in tropical areas which includes:
 - infectious diseases;
 - mother and child health;
 - genetics;
 - environment hygiene;
 - nutrition;
 - training.

The research activities pursued under the Community programme extend and strengthen similar national research programmes undertaken by the developing countries.

(b) The new proposal for a research programme concentrating on developing the indigenous research capacity of developing countries stems from an integrated research approach to the problems of such countries.

Research must be rooted in the various specific milieux of the developing countries and aim directly at solving the essential development problems which arise; it must deal with topics directly linked to the needs of the people concerned and lead to concrete progress in development. The self-centred and self-perpetuating development which the Community wishes to promote can only flourish if it is supported by scientific and technological research in the country concerned. In this way the Community's scientific contribution can have a much greater multiplier effect than its budgetary allocation suggests.

4.3.1.10. Information technologies: Esprit

On 25 May 1982 the Commission sent the Council the outline of the Esprit programme (European strategic programme for research and development in information technologies) (COM (82) 287) based on consultations with the Member States, industry and universities. This programme is to be the keystone of a strategy aiming at creating a powerful Community information technology industry by 1990.

Wide-ranging consultations between the main industrial companies and the Community during 1982 and 1983, which were subsequently extended to small and medium-sized firms and universities, preceded preparation of the Commission's proposal on the launch of Esprit (COM(83) 258 of 11 May 1983; OJ No C 321, 6. 11. 1983, p. 1) and the first annual work programme (COM(84) 56 of 13 February 1984).

The Council adopted a decision on the five-year programme for 1984–88 on 9 March 1984.

This programme, which is the first phase of a 10-year plan, involves continuation of the activities begun in the pilot phase. The aim of the Esprit programme is to develop, at a pre-commercial stage, the technological base for Community industry in the following areas:

1. advanced microelectronics;
2. software technology;
3. advanced data-processing;
4. office automation;
5. computer-integrated manufacturing.

The programme also makes provision for the setting up of infrastructure activities such as an Information Exchange System (IES), measures to promote Community standards, the dissemination of results and the coordination of national activities.

4.3.1.11. Research and development of communication technologies in Europe (RACE)

Telecommunications infrastructure is of vital importance to European economies. In line with the Commission's study on the need to make strategic use of the advantages of the Community dimensions and develop rapidly the proposals in the 'Lines of action' communication to the Council (COM(83) 573 final of 29 September 1983), the Council (Industry) of 4 November 1983 set up a special working party of senior officials on telecommunications to examine opportunities, develop proposals and prepare for the European Council suggestions on how such actions could be implemented.

The Council will be called upon to decide in autumn 1984 on a specific action proposal (RACE), covering opportunities for R & D work-sharing in advanced telecommunication technologies.

The objective of this action is to promote the development of a common technology base in advanced telecommunication technologies for the mid- to late 1990s by means of 'R & D work-sharing' at a pre-competitive stage between PTT research centres, industry and academia in the following areas:

- Broad band switching;
- Optronics and terrestrial optical transmission;
- Networking and network analysis and development;
- Advanced mobile communication;
- Security engineering of networks, facilities and services.

RACE will consist of research projects which will require between 3 and 5 years for the objectives to be reached.

Related to each other and to national and industrial efforts, these projects will be part of an integrated work programme, initially involving a 5-year commitment.

The R & D projects which are under consideration include:

- Optical switching:
 - Optical bi-stability,
 - Opto-refraction,
 - Acousto-optics.
- Optical materials for wavelengths larger than 1.3 microns:
 - Fibres,
 - Components and devices.
- Synoptic devices for highly asynchronous processes.
- Telecom-oriented system design and software development:
 - Axiomatic definition of data types,
 - Formal language definition (CHILL successor),
 - Software design and manufacturing techniques,
 - Network planning and modelling tools,
 - Network operation and maintenance tools.
- Voice and image processing.
- Circuit design:
 - Signal processing development (diversity combining, error correction, encryption-decryption).

4.3.1.12. Action programme on transport technologies

A four-year R & D programme on transport is being prepared to meet four of the aims in the Community's framework programme of scientific and technical activities:

- competitiveness: to improve the efficiency and competitiveness of transport systems and related industries by reducing costs and improving performance, quality of service and the management of systems and their components;
- rational energy use: to improve the energy efficiency of means of transport and find solutions which reduce oil dependence;
- safety: to improve the safety of means of transport and working conditions;
- environmental protection: to reduce the damaging effects of means of transport on the environment.

The programme consists mainly of shared-cost activities carried out under contract by research bodies, universities, industrial companies and transport companies in the Member States in the following areas:

- guided ground transport;
- road transport;
- sea transport;
- air transport.

The Community has a highly developed transport system which is, however, suffering from the effects of the economic crisis and must adapt to future needs. There are two serious dangers:

- transport systems could hamper economic development and change in the Community if they do not meet the requirements of the market and society;
- the competitiveness of the transport industries will be progressively eroded if they do not meet needs and if they do not have a large internal market.

A Community research programme is required to complement national and European activities.

It will establish or stimulate research which the Member States cannot undertake themselves, either because of the size of the project involved or because effort is inefficiently scattered.

4.3.1.13. Horizontal programmes

The horizontal activities undertaken by the Commission are as follows:

- Long-term forecasting and assessment (FAST)

A new FAST II five-year programme for 1983–88 was approved by the Council in 1983; it will continue and develop long-term forecasting and assessment work. It will help in particular to define the long-term objectives and priorities of Community research and development policy and to reveal the implications and consequences of technological change for the Community's other sectoral policies.

- Stimulation of scientific and technical cooperation and exchange in Europe

The Commission has sent the Council a proposal for a 'Plan for stimulating scientific and technical cooperation and interchange 1985–88'.

The activities proposed, based on experience acquired during the experimental phase which is now being concluded, cover:

- development of specific scientific and/or technical projects,
- aid to mobility within the scientific and technical Community (mobility as regards subject area, geographical location or institution),

- pooling of efforts (in one or more disciplines) of research and development teams spread throughout the Community.

The plan includes training activities (research scholarships) which finish at the end of 1984.

- Concerted action projects (COST cooperation)

This involves five concerted action projects in the following areas:

- food technology, concerning the effect of treatment on the physical properties and nutritional value of foodstuffs, (two projects),
- maritime navigation aid systems,
- aquaculture,
- microbially improved lignocellulose by-products for feeding cattle and sheep.

- International cooperation

This project is designed to fulfil scientific and technical commitments undertaken in cooperation agreements between the Community and industrialized nations or developing countries.

4.3.1.14.

Shared-cost and concerted action programmes come under Articles 730, 731, 732, 733, 734, 735 and 736.

There is also an overall reserve in Chapter 100 for some of these articles.

4.3.2. ACTIVITIES OF THE JOINT RESEARCH CENTRE (JRC)

The various parts of the JRC programme are contributions to some of the research programmes and are covered by a single decision, the four-year JRC programme.

The second year of the 1984–87 programme is 1985.

The emphasis of research on a more limited number of subjects and the deliberate alignment of JRC activities with the objectives laid down by the action programmes have made for a much broader programme than its predecessor.

The HFR reactor will continue to be operated for the needs of Community and Member State research projects.

4.3.2.1. JRC contribution to 'industrial technologies'

It is not for the Joint Research Centre to concern itself directly with industrial technologies, which form an integral part of firms' trading armoury in a market economy. The Community can, however, supply its industries with a framework conducive to their development by exploring future technologies and helping to devise harmonized standards, without which markets cannot be opened up. The JRC's contribution is in these two areas and, in particular, in:

- nuclear measurements and reference materials,
- high-temperature materials.

The main bulk of the nuclear measurements and reference materials project will be undertaken at the Geel establishment, known as the Central Bureau for Nuclear Measurements (CBNM), and will help to develop nuclear fission and fusion energy and to remove or reduce barriers to trade through the production of reference materials and methods applicable to the nuclear sector.

The high-temperature materials project is undertaken mainly at the Petten establishment and will help to boost various industrial sectors.

4.3.2.2. JRC contribution to 'thermonuclear fusion'

The object of these studies is to pinpoint the main problems presented by the construction of a post-JET machine and a demonstration power reactor. In the current programme the JRC's activities are centred on the following sectors:

- contribution to the technical design of the NET/Intor reactor,
- experimental study of the first structural wall and of the blanket materials.

In 1985 the JRC will participate in European fusion studies, working along the same lines but extending its work to safety and environmental protection from the standpoint of both safety and licensing criteria. As a result, activities will cover technological problems and fusion safety respectively.

As in the past, JRC activities will be undertaken as part of the European programme on fusion technology and in close collaboration with national laboratories working in the same area. The exchange of information with the United States, Japan and the USSR will continue thanks to the JRC's participation in the IAEA-Intor project.

4.3.2.3. JRC contribution to 'nuclear fission'

The JRC's activity in reactor safety will be the main part of the programme.

The work of the JRC and work undertaken through shared-cost actions are firmly integrated in terms of both objectives and implementation. In this context the activities assigned to the JRC are of prime importance. In particular, the JRC's contribution will give the Commission the means of collecting and interpreting, for the benefit of member countries, the knowledge gathered from national programmes and international cooperation.

The JRC's work in radioactive waste is also closely linked with the respective shared-cost actions. The JRC has the role of bringing together and encouraging its European partners in international cooperation on geological storage in ocean sediment (OECD/NEA Subseabed Working Group).

The JRC plays a double role in safeguards and management of fissile materials. It studies the equipment and methods needed by safeguards authorities to accomplish their tasks and it works in close conjunction with its European partners (in the Esarda Association) and with the IAEA in the general development of safeguards.

Finally, research at the Karlsruhe establishment and its special high-activity alpha cells make it the undisputed European centre of excellence in research on actinides and transuranians.

4.3.2.4. JRC contribution to 'non-nuclear energy sources'

The JRC's contribution in component and systems testing techniques takes up a major part of the appropriations set aside in the programme for the promotion of the European development of solar technology.

The accent is placed primarily on the problem, which is absolutely vital to the viability of renewable energy sources, of ageing, reliability and durability of components, which are studied at the ESTI test installation at Ispra, the only one of its kind in Europe.

The JRC's contribution to the rational management of energy (control of energy in the residential and tertiary (dwellings) sector) is horizontal, while the corresponding shared-cost action programmes, focusing primarily on the development of a series of techniques, are vertical.

By means of a systems analysis backed up by experimental verification of models and the development of the 'energy audit', the JRC attempts to evaluate the performance of integrated energy management systems in their real environment. This is a fundamental element for measuring the actual and potential efficacy of technologies developed in the member countries, both in national projects and in shared-cost pilot programmes and demonstration projects.

The JRC's central role in this sector is underlined by its designation as leading agent in the 'energy audit' project run by the International Energy Agency.

The JRC's contribution involves the development of a suitable network of data bases and the organization of the collection, presentation and interpretation of such data.

4.3.2.5. JRC contribution to 'environment'

In conjunction with the Space Agency, the Council of Europe and the European association Earsel (of which it is one of the founders and driving forces), the JRC is behind a large number of the major remote sensing projects undertaken in Europe. These projects, which were first based on the availability of NASA satellites and then a specialized Canadian aircraft, are now geared more and more to tapping the potential of ESA and CNES satellites for land and sea observation.

The new work on industrial hazards has first to be confirmed, but its chances of success depend upon the disciplines and techniques developed first and foremost in the context of nuclear risk (release of dangerous products, toxic industrial waste, etc.).

Conventional research projects on the environment are carefully selected for their potential contribution to the implementation of Community directives (Ecdin data base – central laboratory for air pollution) and to the understanding of basic problems such as the effects of the increased use of coal.

4.3.2.6. Operation of the HFR reactor

The HFR reactor at the Petten establishment will continue to be operated for research purposes in the area of fission and fusion reactor development.

The reactor will also be used for solid-state physics experiments, for the production of radioisotopes and for activation analysis.

In the immediate future the reactor will be serviced and modernized by the programmed replacement of obsolete components and the irradiation systems will be improved so as to keep the installation efficient and up to date.

4.4. INFORMATION AND INNOVATION

The appropriations for these projects, set out in Chapter 75, are intended for the development of four essential activities:

4.4.1.

Completion of projects under the three-year plans on scientific and technical information and documentation (1975–83). This will require a sustained effort in 1985 to encourage the harmonious development of the information market and boost the competitiveness of European firms. A proposal for a decision addressed to the Council aims to ensure the development of the specialized information market by means of projects to improve

the information environment and the terms of the market while stimulating sectoral and regional innovation. On a broader scale a programme of Community projects to develop the information market will be submitted by the Commission to the Council (Item 7503 and Article 756).

4.4.2.

Promotion of a supporting infrastructure for innovation and technology transfer, decided by the Council on 25 November 1983. The aim is to enable innovating firms to gain greater benefit from the dimension of the common market while fostering cross-frontier cooperation between market operators and concertation between the Community and the Member States. Other projects that aim to coordinate national policies and define a Community attitude in this multidisciplinary field will be presented to the Council on the basis of the recommendations of the European Council of 1 and 2 December 1980 and on the lines of the Commission's communication to the Council of 20 October 1981 on innovation in the Community (Items 7520 and 7521).

4.4.3.

Promoting utilization of the results of research and development financed by the Community. This rapidly developing activity was the subject on 3 March 1983 of a Commission communication to the Council and a proposal for a resolution to ensure effective utilization of inventions and, in general terms, the optimal circulation of research results (Article 753).

4.4.4.

The development of a new generation European machine-translation system (Eurotra) decided by the Council on 15 December 1982. This five-year programme, involving the collaboration of specialized national centres, will enter its second phase in 1985. The project will play a significant part in overcoming language barriers in the Community – a problem which is assuming growing importance with the accession of new Member States (Article 754).

In 1985 the Commission will continue to extend machine-translation systems and measures to promote new information technologies to other scientific and technical fields and to other language combinations.

4.5. INDUSTRY AND THE INTERNAL MARKET

4.5.1.

To weather a crisis of exceptional severity the Community must apply the specific resources of the common market and take advantage of its continental dimension, its structures and its cohesion in the face of new conditions of international trade.

The effort sustained by the Commission along these lines lies not only in the projects to complete the common market itself but also in seeking the industrial dimension of the market by means of progress in standardization, industrial cooperation and joint technological development.

Moreover, as President Thorn explained on 15 February when he presented the Commission's programme for 1984, the inadequacy of the Community's performance compared with the United States and Japan in terms of creating jobs, investment and growth means that the Community must sustain and redouble its efforts to enhance the competitiveness of European firms. Over and above the general supporting policies, Community projects in specific areas are needed in order to speed up technological development in industry and prompt essential cooperation in an age of swift and radical structural change.

4.5.2. COMMUNITY OPERATIONS IN DATA PROCESSING AND THE NEW INFORMATION AND TELECOMMUNICATION TECHNOLOGIES

To counter the Community's dependence in the field of information technologies, the Commission considers that besides devoting a major effort to research – particularly the Esprit programme – it must also promote the application of information technologies in the industrial process and in daily life.

This is the principle which inspires the Community data-processing development projects that aim to standardize equipment and secure more consistency in public contracts policy.

This programme also includes completion of Community projects in microelectronics designed to boost competitiveness in that sector.

One application of these new information technologies is the 'Interinstitutional information systems' involving the proposed integrated-service interinstitutional information system (Insis) and cooperation in automation of data and documentation for imports/exports and agriculture (Caddia). The Insis project is to carry all the information that has to be exchanged between the various seats of the Community institutions and Member States' government departments. The Caddia project will make use of the new technologies to improve the efficiency of the Community-wide information system used in operating the customs union and the common agricultural policy.

Under the information technologies action plan the Commission is examining the areas where strategic operations may be undertaken that would be based mainly on the scope offered by public contracts and joint projects on the part of private industry.

The Commission is also proposing to study the repercussions of the information technologies on education and training, scientific and technological progress and computer-integrated manufacturing. The 1985 budget provides a slot for these projects that should be allocated appropriations during the year whenever projects now in embryo have attained sufficient maturity to be able to go forward.

The Commission is finally proposing a new operation for standardization in information technologies (4 million ECU in commitment appropriations and 3 million ECU in payment appropriations).

The achievement of common standards in data processing and their application in industry demand a massive and costly effort in analysis, formulation of standards and stringent tests and checks.

The aim is to strengthen and develop the standardization work in the data-processing programme, and to provide permanent financing.

In the telecommunications field the Commission's action aims to create a Community telematic terminals market, to take measures to open up public contracts and to carry out infrastructure projects of Community interest.

4.5.3. STANDARDS

The benefit of the continental dimension of the market is vitiated by the fragmenting effect of public procurement policies and national standards. Before a true dynamic industrial area can be created, public contracts must be opened up and a European standards policy introduced.

The Commission is proposing that 1,2 million ECU be allocated in commitment appropriations and 0,6 million ECU in payment appropriations to multiannual projects that will strengthen European standards institutes. An appropriation of 1,4 million ECU has been allocated to implement the information system in the field of technical standards and rules, a system which will enable standards institutes, the Member States and the Commission to cooperate in a major project that will help to advance European standardization and stop trade being hindered by technical barriers.

4.5.4. OTHER ACTIONS

Though some operations require only administrative appropriations, taking the form of normal departmental activity and meetings with representatives of the Member States and the trade associations concerned, others need specific funds; this is mainly the case for action to harmonize industrial and occupational laws, where an appropriation of 1,1 million ECU is requested for Item 7790 to finance the preparation of new directives, monitor their application and adapt them to accelerating technical progress.

On the basis of the special responsibilities devolving upon it under the ECSC Treaty the Commission is pressing on with its efforts to restructure the iron and steel industry.

The Commission's operations are inspired by its knowledge of the market acquired under Article 46 of the ECSC Treaty, which enables it to adopt forward programmes and general objectives. An appropriation of 0,9 million ECU has been requested.

In order to be able to take well-advised decisions concerning the restructuring plans of steel undertakings in accordance with the code of aid, the Commission has to call on financial studies, for which the sum of 0,9 million ECU is requested.

Finally, implementation of the crisis plan also involves monitoring the application of the measures that the Commission has taken under the ECSC Treaty; the extensive and highly technical nature of this work requires an appropriation of 20 million ECU.

The Commission is also proposing to continue or initiate certain specific projects on the industrial side. These include a project concerning mineral raw materials involving an incentive scheme for non-energy-producing mineral prospecting programmes on the territory of the Member States (2 million ECU in commitment appropriations and 0,5 million ECU in payment appropriations).

Another specific project concerns measures to gain deeper knowledge of the Japanese market. The appropriations requested (4,9 million ECU in commitment appropriations and 2,41 million ECU in payment appropriations) will serve to finance the ongoing training programme in Japan for young European company executives and measures to strengthen the presence of European industry in Japan.

In order to implement the lessons learnt from small business year (1983) an appropriation of 200 000 ECU is requested for Item 7778 for the promotion of the activities of small business (new operation).

In either a general or a sectoral approach the definition of a Community industrial strategy rests on a thorough knowledge of the situation of industry, including its economic environment and outlook, as well as on the strategies of firms and governments in non-member countries.

In order to ensure that the Community continues to gain useful knowledge that has many applications, an appropriation of 0,9 million ECU is requested for Article 778 (Studies on industrial guidelines).

These actions are all rounded off by an action to harmonize industrial and occupational legislation, the Community constantly having to prepare new directives, monitor their application and adapt them to technical progress.

5. DEVELOPMENT COOPERATION

Development policy is one of the basic dimensions of European integration provided for in the Treaty. It gives concrete expression to European identity on the international scene and is an essential component of the Community's external policy. Given the aggravation of the difficulties facing developing countries – food shortfall, population explosion, growing urbanization, deterioration of the ecological balance, balance-of-payments deficits and increased debt burden – development policy is a token of Community solidarity with poorer countries. It demonstrates a political, human and economic awareness of the interdependence of the industrial and developing worlds.

In its preliminary draft budget for 1984 the Commission stressed that, although it had the economic crisis to contend with, the Community must meet the expectations of developing countries by pursuing its efforts to help them. This exhortation went unheard. As a result of the bargaining within the budgetary authority, the appropriations for development policy were gradually reduced to a lower level than in the 1983 budget.

By doing this the Community has temporarily abandoned the target proposed by the Commission which would, in ten years (1982–92), raise official development aid to 1 % of the Community's gross domestic product.

Even if current financial constraints mean that development policy appropriations cannot be spared altogether, the traditional major aspects of the policy must be safeguarded, these being:

- to maintain food aid which must, while coordinated with a long-term food strategy, remain at a substantial level in the short term given the widespread nature of the food shortfall in general and the deterioration in climatic conditions in 1984, particularly in Africa;
- to develop cooperation projects with Asian and Latin American countries, where the Community contribution has remained unchanged since 1983;
- to maintain a sustained co-financing policy with non-governmental organizations;
- to fulfil obligations contracted towards the Mediterranean countries.

In addition to political considerations which justify at least some increase in commitment appropriations under Title 9, there are major constraints which make it impossible to curb payment appropriations for 1985. Most payment appropriations under Title 9 for 1985 follow on automatically from commitments made in previous years. The harsh cuts made in the 1984 appropriations for Title 9 cannot affect development aid again in 1985 without endangering the Community's ability to fulfil its obligations and ruining the hopes which the people of the developing countries have placed in European aid.

5.1. EUROPEAN DEVELOPMENT FUND (EDF)

In accordance with the Internal Agreement on the financing and administration of Community aid under the second Lomé Convention adopted by the Council on 20 November 1979, the fifth EDF, like the preceding Funds, is financed by contributions from the Member States on the basis of an *ad hoc* financing scale. Detailed estimates for the Fund are set out in a special section attached to the preliminary draft budget.

The Commission, in line with its previously expressed position, feels that inclusion of the EDF in the budget is both politically desirable and technically feasible.

At the time of sending the preliminary draft to the budgetary authority, however, it is not possible to specify the amount of the appropriations to be included in the relevant chapters to cover the first year of operation of the sixth EDF. Negotiations on the new EEC-ACP Convention have not yet been completed and the size of the sixth EDF will be the last aspect of the negotiations to be tackled.

Chapters 90 and 91, which have for a number of years been reserved for the EDF, are once again given a token entry. When the time comes, the Commission will propose that amounts be entered by appropriate means, i.e. by letter of amendment to the 1985 preliminary draft budget in 1984 or by a preliminary draft supplementary and amending budget in 1985. It will also propose the necessary amendments to the financial regulations to take account of the constraints peculiar to the management of an investment fund.

5.2. FOOD AID

The year 1983 was characterized by a drought, which was particularly severe in most African countries and, more especially, the Sahel countries and southern Africa. The situation seems likely to deteriorate even further in southern Africa. The information available at the start of 1984 indicates that the region is experiencing its third year of drought. This will affect the 1984 harvest and may lead to severe food shortage at the start of 1985.

Generally speaking, following a slight improvement in 1982/83 the world food situation deteriorated again in 1983/84. Between these two years overall cereal production fell by about 6 % and stock levels were reduced from 20 % to 16 % of cereal consumption. In addition, food aid to low-income countries with a food shortfall accounts for an ever-decreasing percentage of their imports (15 % now as opposed to more than 20 % five years ago).

All these considerations plead in favour of Community food aid being stepped up. This should involve, firstly, an improvement in food aid policy and, secondly, maintained or increased quantities of the various products.

5.2.1. FOOD AID POLICY

After an in-depth discussion, largely based on the Commission communication 'Food aid for development' (COM(83) 141 of 24 March 1983) the Council adopted a resolution on 15 November 1983 defining guidelines on Community food aid policy. The resolution, which aims to transform food aid into a genuine instrument of development cooperation, stresses the importance of:

- (a) improved integration of food aid projects into the development policies, and particularly the agricultural and agri-foodstuffs development policies of the countries concerned;
- (b) granting aid to low income countries with a high food deficit;
- (c) a Community contribution to overcoming the food shortages of these countries and of sectors of the population in other developing countries;
- (d) use of international and non-governmental organizations as a means of aid distribution;
- (e) diversification of the products supplied;
- (f) encouragement of triangular operations;
- (g) improvement of checks on the use of counterpart funds.

The Council also noted that multiannual programmes may, in certain cases, make a positive contribution to development in the recipient countries. It stipulated that such programmes, to be drawn up following a dialogue with the recipient country on mutual intentions, must be of limited duration and of an *indicative nature* and the quantity to be supplied under these programmes would be determined each year.

Furthermore, to increase the flexibility of food aid as an instrument of cooperation, the Commission has put a proposal to the Council for a Regulation on the implementation in relation to food of alternative operations in place of food aid. The proposed Regulation contains detailed rules for the use of budget Article 929, which provides for the possibility of giving financial aid in the form of grants for agricultural and food projects to recipient countries which consider that they could do without some of the Community food aid which is (or should be) allocated to them.

The savings made on the supply of foodstuffs would be transferred to projects to improve food crops.

This heading (Article 929 'Food projects in place of food aid') will initially carry a token entry, and will, if necessary, be allocated appropriations by transfer in line with the reductions in quantities of products supplied to the countries covered by the system.

5.2.2. QUANTITIES OF FOOD AID

Generally speaking, the Commission is proposing the same quantities for 1985 as in its preliminary draft budget for 1984.

Cereals

In view of the requirements of the developing countries, the Commission reiterates its proposal to allocate them a total of 1 160 000 tonnes of cereals, which matches the quantity under the current Food Aid Convention (927 663 tonnes) plus an additional 232 337 tonnes.

Milk powder

The reduction in the quantities of milk powder which the EEC can supply to the developing countries from 150 000 tonnes in 1983 to 122 500 tonnes in 1984 diminishes the EEC's capacity to help compensate for the protein shortage of the developing countries. Taking account of both the requirements and the absorption capacity of the countries, it is proposed that appropriations be entered in the preliminary draft budget for the supply of 150 000 tonnes of milk powder in 1985.

Oils and fats

The Commission is proposing appropriations for the supply of 40 000 tonnes of butteroil and 12 600 tonnes of vegetable oil in 1985. The proposal reflects, firstly, the considerable requirements for oils and fats (both animal and vegetable) in the developing countries and, secondly, the aim of diversifying the products supplied by the EEC.

Sugar and other commodities

The appropriations requested confirm and reinforce the policy which has been followed for a number of years. It is proposed that appropriations be entered for the same quantity of sugar as in previous years and for 'other products' equivalent to those granted by the budgetary authority in the 1983 and 1984 budgets.

5.2.3. DIFFERENTIATION OF APPROPRIATIONS

As regards the purely budgetary management of food aid appropriations, the Commission is proposing that appropriations for some headings in Chapter 92 be differentiated.

This move results, firstly, from the observation that quantities of food aid granted in one financial year require more than two years, in practice, to be supplied in full and, secondly, from the need to make budgetary management of food aid appropriations more transparent, in accordance with the comments made recently by the discharge authority. The introduction of differentiated appropriations should therefore achieve three basic aims:

- to enter as payment appropriations only amounts which are in fact to be paid out in the current year, whether as quantities for that year or for previous years;
- to comply with the requirement of Article 102 of the Financial Regulation to make a global commitment of the appropriations needed for quantities for the current year by entering the required amounts as commitment appropriations;
- to halve the accumulated payment backlog for quantities from previous years, without increasing the total payment appropriations between 1984 and 1985.

5.2.4. PRESENTATION AND METHOD OF CALCULATION OF APPROPRIATIONS

The Commission is proposing for the various products (cereals other than rice, milk powder, sugar butteroil, vegetable oil and other products):

- *a single budget heading*: the 'prior programmes' heading is no longer justified in a multiannual aid management system with differentiated appropriations; budgetary management will be along the same lines as material management with supply operations being recorded when they take place without a distinction being made as to the year to which they belong. The merging of the two budget headings will, if necessary, allow the distribution between 'quantities for the current year' and 'quantities for prior years' to be altered without the need for transfer of appropriations;
- *as commitment appropriations for each of the above headings*, the total of:
 - the amount needed to commit all the quantities fixed for the current year, and the amount needed to cover about 50 % of quantities from previous years where a re-entry of appropriations is necessary (shortfall in appropriations accumulated over the years);
- *as payment appropriations for each of the above headings*, the total of:
 - the amount needed to supply a proportion of the quantities for the current year (about 60 %),
 - the amount corresponding to the supplementary commitment appropriations to cover 50 % of supplies in respect of previous years which cannot be financed by appropriations carried over.

It is proposed that the accumulated deficit from previous years be absorbed by re-entering commitment and payment appropriations over two years, 1985 and 1986.

5.2.5. CONVENTION WITH UNRWA

Under the various Conventions between the Community and UNRWA, this organization has in the past received food aid in kind charged to the various budget headings in Chapter 92 (Food aid) and a cash contribution to cover expenditure associated with food aid and the cost of purchasing local foodstuffs (supplementary food aid programme).

The Fourth EEC/UNRWA Convention having expired on 31 December 1983, on 7 March 1984 the Commission put forward a proposal for a Council Decision concerning conclusion of a new Convention for the period 1984-86, which was approved by the Council on 14 May, subject to Parliament's opinion.

In its proposal the Commission suggested extending the provisions on food aid in kind and in cash and continuing the practice, introduced in 1983 at UNRWA's request, of granting specific cash aid to subsidize UNRWA's education programme.

The budgetary impact of the provision of the draft Convention appears in Chapter 92 in the case of food aid in kind and in cash, and in Chapter 95 (Article 959) in the case of aid for the education programme.

5.3. COOPERATION WITH NON-ASSOCIATED DEVELOPING COUNTRIES

5.3.1. FINANCIAL AND TECHNICAL COOPERATION

This aspect of aid policy is still primarily concerned with the financing of projects and programmes covering crop growing, stockfarming and fisheries with the objective of improving food production, particularly in the poorest countries of Asia and Latin America.

This financial and technical aid has always been a key item in the Community's contribution to the fight against hunger in the world, providing the recipient countries with the means to promote structural development and, if need be, support in revitalizing production through sectoral programmes.

This approach could be further strengthened from 1985 onwards in that projects undertaken as part of the fight against world hunger would come under Article 930 in the case of projects for non-associated countries. It has been agreed that when the term of validity of the special programme to combat hunger in the world, financed on an experimental basis in 1983 and 1984 under Article 958, comes to an end, the possibility will be examined of financing similar projects using existing Community instruments (Article 930 for non-associated countries and the EDF for associated countries).

This new element, together with the decrease in real term of resources employed under Article 930 since 1983, are ample justification for a substantial increase in appropriations for 1985.

5.3.2. PROMOTION OF TRADE RELATIONS WITH DEVELOPING COUNTRIES

In view of the steady deterioration in developing countries' balances of payments, the Community must continue its efforts to facilitate marketing of their products and help them penetrate foreign markets.

Community aid, which covers the various stages of the production process – from adaptation of production needs to actual marketing – may take the form of aid for projects and the development of pilot projects or the financing of studies, technical assistance and consultancy missions at the identification, evaluation and control of execution stages of the projects. The proportion of the total financing spent on fairs and trade missions will remain very small.

5.3.3. COOPERATION ON ENERGY

Insertion in the 1982 budget of a new heading concerned with energy cooperation gave a new dimension to development policy towards the non-associated countries.

After a start-up period, marked in 1982 by the financing of preliminary studies, this heading, allocated differentiated appropriations in 1983, has made it possible for the Community to give developing countries practical assistance in the exploration and exploitation of alternative sources of energy, achieve a more rational use of energy and proceed from the study to the pilot project stage.

The Commission is proposing that this activity be maintained at the same level as in 1984.

5.3.4. TRAINING

Compared with the measures to assist the ACP countries financed under the European Development Fund, the effort made to help the non-associated developing countries with training is not only derisory in absolute terms but has been steadily waning since 1982.

Given the importance of training in the development process and the bottlenecks resulting from the lack of qualified instructors in these countries, such a trend is hazardous and has all the earmarks of a false economy in that expenditure on technical assistance will continue to grow until national qualified instructors can take over.

5.4. SPECIFIC MEASURES TO ASSIST DEVELOPING COUNTRIES

The specific measures financed under Chapter 94 fall into two major categories:

- The programme for the co-financing of cooperation with developing countries undertaken by non-governmental organizations, the principal component of this chapter in terms of volume of appropriations. Having grown considerably since 1981 the overall budget appropriation for this type of operation has settled since 1984 at a steady volume commensurate with the Commission's departmental managerial resources and the absorption capacity of the NGOs themselves.

- Studies, constituting the essential back-up for the pursuit of development policy: the evaluation studies on the results of aid, which were quite extensive in 1983, the *ad hoc* activities of the Advisory Committee on Development Studies, the statistical studies for the benefit of developing countries and specific studies to explore fresh fields for cooperation such as that of ecology and the environment.

5.5. COOPERATION WITH THE MEDITERRANEAN COUNTRIES

With the possible exception of the Algeria protocol, all the financial protocols concluded in 1976 with the Maghreb and Mashreq countries will be completed in commitments at the end of 1984. Some were already completed in 1983.

Implementation of the second protocols signed in 1982 with these same countries began in 1983 immediately after project identification. The only exception was Algeria, where programming could not start until the first quarter of 1984.

The continuing application of the first protocols in payments, combined with the launching of second protocol projects, explains the heavy increase in appropriations, in both commitments and payments, in the 1985 estimates.

Whilst the recipient countries are now familiar with aid management procedures and projects financed by the second protocols can be launched much faster than under the first protocols, it would be a pity if any shortfall in budget funds was to act as an artificial brake on implementation of Community aid in 1985.

As regards the other Mediterranean countries, operations in favour of Portugal and Turkey will be major items for the 1985 budget.

5.5.1. PORTUGAL

To assist Portugal's preparation for accession the Community intends to complete the operations initiated under the Council's decision of 1980 and to provide new aid designed to improve agricultural and fishery structures in Portugal. For the first operation, commitments to be made will be supplemented by the re-entry in 1985 of lapsed commitment appropriations. The projects for these have all been programmed and decisions will have to be taken on them very shortly.

The second aid operation, based on the Council decision of 13 March 1984, will be to improve agricultural structures in Portugal. It will largely involve advisory schemes, infrastructure development projects, moves to promote associations and research, veterinary, statistical and vocational training activities. The volume of this aid will amount to 50 million ECU which, in terms of payments, will be spread over 1985 and 1986.

5.5.2. TURKEY

The Commission proposes to continue to discharge obligations contracted under the third financial protocol and the special aid to Turkey. The projects to which these commitments relate are currently in full swing and inevitably require relatively large sums to be entered in 1985 for payments. Another point to note is that it is already clear that in 1984 extra budget appropriations in favour of Turkey will be necessary in order to pay the European Investment Bank the sums due in respect of projects now under way. The extra 55 million ECU or so will have to be found by appropriate budgetary means during the year. As a precaution it is planned to re-enter lapsed special aid commitment appropriations and enter in Chapter 100 the appropriations needed to start up the fourth protocol, which has been initialled but not yet signed.

5.6. OTHER MEASURES

Exceptional measures to assist developing and other non-member countries

For several years the Commission and the budgetary authority have agreed that it is neither wise nor necessary to try to cover all possible needs by means of a large initial appropriation in Article 950 (Aid to disaster victims in developing and other non-member countries). But to avoid overhasty recourse to the transfer procedure should major needs arise at the beginning of the year, an appropriation of 13,5 million ECU was entered in the 1984 budget.

For 1985, the Commission proposes the entry of the same amount as an initial allocation.

Immediate assistance to refugees will continue to be financed from Article 950, while measures to improve their living conditions pending possible re-integration will be covered by the new heading in the 1984 budget (Article 936 - Aid towards self-sufficiency for refugees and displaced persons).

Finally, under the trade and economic cooperation agreements with non-member countries, the Commission proposes to continue the series of operations already started, the results of which have so far been highly satisfactory. The agreement recently concluded with the Andean Pact and the growing requests for cooperation in this field have prompted the Commission to propose an increase in appropriations from 2,5 million ECU in 1984 to 4 million ECU in 1985.

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C. REVENUE OF THE EUROPEAN COMMUNITIES

1. MEANS OF FINANCE FOR 1985

1.1.

For the implementation of the common policies and measures in line with the Community's actual requirements, 28 103,5 Mio ECU in appropriations for payments has been entered in the preliminary draft budget.

The revenue available within the 1 % VAT limit will not cover this expenditure in full since it totals 26 190,8 Mio ECU of which:

- 258.3 Mio ECU in miscellaneous revenue;
- 10 471 Mio ECU in traditional own resources (agricultural levies, sugar and isoglucose levies, customs duties);
- 15 221,6 Mio ECU in VAT own resources paid by nine Member States within the limits deriving from the Decision of 21 April 1970;
- 239,9 Mio ECU as a financial contribution from Greece since the Fifteenth Council Directive of 19 December 1983 allows to defer application of the common VAT system until 1 January 1986 at the latest.

1.2.

The shortfall to be financed is thus 1 912,65 Mio ECU.

The proposal for a new own resources decision amending the VAT ceiling should be adopted by the Council before the 1985 budget is adopted and enter into force on 1 October 1985 after being ratified by the Member States in accordance with their various constitutional procedures. The date of application would be 1 January 1985.

From 1 October 1985 VAT resources will be called in on the basis of the 1,1237 % rate needed to cover 1 882,97 Mio ECU, the remainder being financed by the contribution from Greece.

The VAT own resources resulting from this rate are accordingly entered in Article 130 of the statement of revenue (Greece's contribution is entered in Item 2003). Until 30 September 1985 the amounts called in will be those based on a provisional 1 % rate and entered in Article 131 (Greece's contribution is entered in Item 2013).

On 1 October 1985 the Member States will credit the Commission's accounts with the differences accumulating in the first nine months of the year between the amounts resulting from application of the provisional 1 % rate and those calculated on the basis of the definitive rate of 1,1237 %. A similar operation will take place for Greece.

1.3.

However, if the Member States do not adopt the new own resources decision in accordance with their constitutional procedures by 1 October 1985, the budget will be balanced by loans from the Member States. The decision organizing these loans will be subsidiary in character and will only apply on 1 October 1985 if the new own resources decision cannot enter into force on that date. An Article 821 carrying a token entry has been inserted in the new Chapter 82 of the statement of revenue for that purpose.

The loan arrangements will be similar to those described in the Commission proposal presented in COM(84) 250 of 17 April 1984 to finance the shortfall of 2 333 Mio ECU between the re-estimated revenue and expenditure for 1984.

1.4.

Estimated revenue for 1985 is set out in the following table. A comparison is made with the 1984 budget.

ESTIMATED OWN RESOURCES

	(million ECU)		
	1984 budget (1)	1985 Preliminary draft budget	Percentage change
1. Agricultural levies	1 946,7	1 387,9	— 28,7
2. Sugar and isoglucose levies	1 003,3	986,9	— 1,6
3. Customs duties	7 623,5	8 096,2	+ 6,2
4. Surplus from previous year	p. m.	p. m.	—
5. Miscellaneous revenue	222,1	258,3	+ 16,3
6. Total	10 795,6	10 729,3	— 0,6
7. Expenditure	25 361,5	28 103,5	+ 10,8
8. Balance to be financed (6—5), of which	14 565,9	17 374,2	+ 19,3
— by GNP-based contributions	—	— 269,6	—
— by VAT resources	14 565,9	17 104,6	+ 17,4
9. 1 % of the VAT base	14 608,5	15 221,6	+ 4,2
10. VAT rate	0,9971	1,1237	+ 12,7

- (1). Taking into account the revised estimates of expenditure and revenue (reduction of 550 million ECU in agricultural own resources) mentioned in COM (84) 250 final of 17 April 1984, relating to the Commission proposal introducing measures to cover requirements in 1984, the total revenue available within the 1 % VAT limit amounts to 24 854 million ECU, i.e. 2 333 million ECU less than is needed to cover expenditure of 27 187 million ECU.
The difference between expenditure and the revenue available within the 1 % VAT limit in 1985 is 1 912,65 million ECU.

2. TREND IN REVENUE SIDE OF THE BUDGET OF THE EUROPEAN COMMUNITIES

2.1.

Table 1 shows budget revenue between 1973, when Denmark, Ireland and the United Kingdom joined the Community, and 1985. The figures for 1985 are the estimates in the preliminary draft budget.

2.2.

The figures relating to the period 1973-77 are not directly comparable with those from 1978 onwards because:

- figures for the first five years are expressed in IMF u.a. and from 1978 onwards in EUA following the change in the unit of account used for the budget. Conversion into EUA of the amount paid over by each Member State as own resources in national currencies leads to an appreciable difference for the Nine as a whole. For example, customs duties for 1977 would be 3 677 Mio ECU compared with 3 927 Mio IMF u.a. This approach has not been used since it would distort the financial contributions which the Member States have paid to balance the budget;
- the Member States did not pay over into the budget the full amount of own resources collected during the period in question. The six original Member States paid the agricultural levies in full from 1971, but did not pay customs duties in full until 1975. The Member States which joined in 1973 did not pay the levies and customs duties in full until 1978. Thus, the increase in own resources between 1973 and 1977 is due partly to the increasing scale of payments and cannot be attributed solely to the general economic situation in this period.

2.3.

After the Sixth Directive harmonizing national laws relating to turnover taxes (OJ No L 145, 13. 6. 1977), was adopted on 17 May 1977 an estimate of 1 % of the VAT base was included in the 1978 budget. This own resource was not, however, paid over in 1978 because only two Member States were then applying the Directive.

VAT resources were paid in 1979 by six Member States and have been paid since 1980 by nine Member States. Greece had a temporary exemption from applying the Sixth Directive and paid a GNP-based contribution in 1981, 1982 and 1983. This exemption was due to expire at the end of 1984, after which Greece would have had to pay VAT own resources. However, the Fifteenth Council Directive of 19 December 1983 allowed Greece to defer application of the common VAT system until 1 January 1986 at the latest. A financial contribution has therefore been entered in the preliminary draft budget for 1985.

2.4.

The arrangements for calculating and paying the financial contributions changed between 1973 and 1983. Until 1975 these were based on *ad hoc* scales and ensured that the budget was in balance, i.e. that funds were available for residual expenditure not covered by own resources and miscellaneous revenue. Each Member State's relative share was allowed a tolerance of +1 % and -1,5 % from one year to the next. From 1975 onwards, contributions were based on GNP and the tolerance was increased to ± 2 %. In 1978 the tolerance was abolished. After paying monthly cash advances related to the rate of utilization of appropriations entered in the budget, Member States were required to pay the contributions entered in the budget in 12 monthly instalments, thus abolishing any link with the rate of utilization of appropriations.

The 1979 figures for GNP contributions represent the payments of the three countries which had been unable to apply the Sixth VAT Directive: Germany, Ireland and Luxembourg. There were no financial contributions in 1980 since all Member States paid over VAT own resources. The amount entered for 1981 to 1983 and for 1985 corresponds to the contribution from Greece.

2.5.

The balances from the previous financial year comprise:

- the balance proper for the previous year;
- the VAT own resource balance for the previous year and corrections to those for earlier years.

The VAT balances are calculated by reference to the actual base for a financial year as notified to the Commission on 1 July of the following year.

They appeared for the first time in 1980 after the six Member States applying the Sixth Directive had submitted to the Commission statements of their actual bases for 1979. The resulting balances and consequential adjustments to the financial contributions of the other three Member States were then worked out.

In 1981 the balances were calculated from the nine actual bases for 1980, since all the Member States had applied the Sixth Directive. Also entered that year were the corrections to the balances for the previous year resulting from the Commission's controls of the 1979 bases, carried out pursuant to Article 12 of Regulation No 2892/77, and consequential changes in the financial contributions.

In 1982 the balance arising from the actual bases for 1981 and the adjustment to Greece's financial contribution were calculated. Corrections were also made to the balances for 1979 and 1980 as a result of controls. These were not however reflected in a budget in 1982 since the draft supplementary and amending budget No 1/1982, in which they had been entered, was rejected by Parliament.

In 1983 the balance arising from the actual bases for 1982 and the adjustment to Greece's financial contribution was a negative 256,57 Mio ECU. The corrections made to the balances for 1979, 1980 and 1981 as a result of controls and the adjustment of the financial contributions led to a positive balance of 69,69 Mio ECU.

2.6.

Article 20 of the Treaty of 8 April 1965 establishing a Single Council and a Single Commission of the European Communities provided that 18 Mio ECU from ECSC levies would be assigned to administrative expenses.

This sum was paid until 1977. The following year it was reduced to 5 Mio ECU pursuant to a Council Decision of 21 November 1977.

2.7.

The contributions to Euratom supplementary programmes comprise the contributions paid by some Member States in respect of research programmes other than common programmes. The Commission proposed that the one remaining Euratom supplementary programme (operation of the HFR reactor at Petten, financed by Germany and the Netherlands) be converted into a common programme in 1980, but this proposal was turned down and the two Member States concerned continued to pay the contributions entered in the budget.

2.8.

The deductions from staff remunerations are the proceeds of the tax on salaries and staff contributions to the pension scheme.

The increase in this revenue up to 1979 is due mainly to the effects of pay adjustments, the creation of new posts, and the progressive rate of tax applied. The reduction in 1980 is basically the result of the adjustment of the tax scales and the substantial reduction in the tables of basic salaries used to calculate deductions, following the Council Decision of 21 January 1980 (Regulation (EEC, Euratom, ECSC) No 160/80) ⁽¹⁾. From 1982 this revenue includes the special levy on staff salaries (6,69 Mio ECU in 1982, 14,6 Mio ECU in 1983 and an estimated 18,5 Mio ECU and 26,5 Mio ECU for 1984 and 1985).

2.9.

Finally, as regards other budget revenue (proceeds of the sale of movable and immovable property, proceeds, of letting and hiring, revenue from services rendered against payment, etc.), the large amounts recorded for 1975, 1976 and 1977 were the result of exchange gains made because the budget was denominated in a unit of account which by then bore no relation to market exchange rates.

The increase in this revenue in 1980 is largely due to bank interest, exchange gains, contributions by outside organizations to Community activities, and repayments of Community assistance. The large amount of revenue in 1982 arose mainly from administrative operations and, in particular, from bank interest and revenue available for re-use but not utilized. The same is true for 1983.

2.10.

Table 2 shows some statistics for own resources from 1973 to 1985.

It differs from Table 1 in that:

- the figures relate to agricultural and sugar levies and customs duties collected by the Member States and not the amounts entered in the accounts as budget payments. The figures in the two tables coincide from 1978 onwards as, from then, the Member States paid over all the own resources collected;
- the figures for 1973 to 1977 have been converted to ECU at annual average rates. Those for 1978 to 1983 have been converted at the rate laid down for entering in the accounts payments made by Member States in national currencies, i.e. the rate applying on the 20th of each month for traditional own resources and on the first working day of each month for the one-twelfth instalments of VAT own resources and financial contributions.

The estimates for 1984 and 1985 are expressed in ECU at the budget rate, i.e. the rates applying on 5 April 1983 and 1 February 1984 respectively. However, to ensure that agricultural and sugar levies accord with estimates of agricultural expenditure, they have been converted into ECU at the central rates used by Member States participating in the European Monetary System and at assumed market rates for Member States whose currencies do not participate in the system or which have a wider margin of fluctuation.

⁽¹⁾ OJ No L 20, 26. 1. 1980.

TABLE 1

REVENUE SIDE OF THE BUDGET OF THE EUROPEAN COMMUNITIES

	1973	1974	1975	1976	1977	1978
	million IMF u. a.					million ECU
1. Own resources ⁽¹⁾ of which:	2 496,6	3 067,7	3 741,1	5 228,2	5 705,7	6 669,8
— agricultural levies	411,4	255,0	510,4	1 035,2	1 576,1	1 872,7
— sugar and isoglucose levies	98,4	75,1	79,7	128,5	202,4	406,2
— customs duties	1 986,8	2 737,6	3 151,0	4 064,5	3 927,2	4 390,9
— VAT resources	—	—	—	—	—	—
2. Financial contributions (Article 4(2) of Decision of 21 April 1970)	2 257,5	1 904,0	2 152,0	2 482,1	2 494,5	5 329,7
3. Surpluses:	—	—	—	—	40,5	—
— from previous year	—	—	—	—	40,5	—
— VAT balances (and any financial contributions) from previous year and corrections for earlier years	—	—	—	—	—	—
4. ECSC payments (Article 20 of the Treaty of 8 April 1965)	18,0	18,0	18,0	18,0	18,0	5,0
5. Deductions from staff remunerations	19,6	24,8	29,0	33,0	65,8	95,6
6. Financial contributions to Euratom supplementary programmes	10,4	10,0	12,6	8,8	8,7	10,6
7. Miscellaneous revenue	9,9	12,3	260,9	223,1	151,5	66,6
Total	4 812,0	5 036,8	6 213,6	7 993,2	8 484,7	12 177,3

(1) With the transition to cash budgeting in 1978 (booking against the month of payment and not the month of establishment) the financial year 1977 consists of 10 months for collection purposes, since the amounts established in November and December were paid in January and February.

1979	1980	1981	1982	1983	1984	1985
million ECU						
12 070,3	15 166,6	17 327,6	21 043,6	22 982,7	25 139,3	27 575,6
1 678,6	1 535,44	1 264,9	1 522,0	1 347,1	1 946,7	1 387,9
464,9	466,94	482,5	705,8	948,0	1 003,3	986,9
5 189,1	5 905,7	6 392,4	6 815,3	6 988,6	7 623,5	8 096,2
4 737,7	7 258,5 ⁽²⁾	9 187,8	12 000,5	13 699,0	14 565,9	17 104,6
2 302,1	—	151,4 ⁽³⁾	197,0 ⁽³⁾	217,7	—	269,6
41,6	716,9	791,1	— 76,3	1 299,8	p. m.	p. m.
41,6	455,9	246,1	—	1 486,7	p. m.	p. m.
—	261,0	545,0	— 76,3	— 186,9	p. m.	p. m.
5,0	5,0	5,0	5,0	5,0	5,0	5,0
107,9	70,9	90,0	107,6	127,0	135,7	153,3
10,8	12,8	14,4	11,9	14,5	17,6	15,4
64,8	93,4	69,6	138,6	118,8	63,8	84,6
14 602,6	16 065,7	18 449,1	21 427,4	24 765,5	25 361,4	28 103,5

(2) The amount of VAT for 1980 represents payments due. Actual revenue was 7 093,5 million ECU.

(3) GNP contribution by Greece.

TABLE 2

STATISTICS FOR THE COMMUNITIES' OWN RESOURCES ⁽¹⁾

Revenue	1973	1974	1975	1976	1977 ⁽²⁾	1978		1979	1980	1981	1982	1983	1984	1985
Total own resources (1 + 2 + 3 + 4)	3 755,7	4 136,3	4 148,8	5 364,8	6 596,6	6 669,8		12 070,3	15 001,6	17 327,6	21 043,6	22 982,7	25 139,3	27 575,6
— Percentage change	—	—	—	—	—	—		+ 81	+ 24,3	+ 15,5	+ 21,4	+ 9,2	+ 9,4	+ 9,7
1. Agricultural levies	437,9	279,9	534,0	1 040,1	1 816,9	1 872,7		1 678,6	1 535,44	1 264,9	1 522,0	1 347,1	1 946,7	1 387,9
— Percentage change	—	— 36,1	+ 90,8	+ 94,4	+ 74,7	+ 3,1		— 10,4	— 8,5	— 17,6	+ 20,3	— 11,5	+ 44,5	— 28,7
2. Sugar and isoglucose levies	105,5	81,0	86,0	133,2	320,8	406,2		464,9	466,94	482,5	705,8	948,0	1 003,3	986,9
— Percentage change	—	— 23,2	+ 6,2	+ 54,9	+ 140,8	+ 26,6		+ 14,4	+ 0,4	+ 3,3	+ 46,3	+ 34,3	+ 5,8	— 1,6
3. Customs duties	3 213,3	3 775,4	3 528,8	4 191,5	4 458,9	4 390,9		5 189,1	5 905,7	6 392,4	6 815,3	6 988,6	7 623,5	8 096,2
— Percentage change	—	+ 17,5	— 7,0	+ 18,8	+ 6,4	— 1,5		+ 18,2	+ 13,8	+ 8,2	+ 6,6	+ 2,5	+ 9,1	+ 6,2
4. VAT resources	—	—	—	—	—	—		4 737,7	7 093,5	9 187,8	12 000,5	13 699,0	14 565,9	17 104,6
— Percentage change	—	—	—	—	—	—		—	+ 49,7	+ 29,5	+ 30,6	— 14,2	+ 6,3	+ 17,4

(1) This table records in million ECU the own resources collected by the Member States and not the amounts paid over.

(2) The figures for 1977 record the amounts collected over 12 months instead of 10 months as in Table 1 (see footnote 1 to Table 1).

3. ESTIMATED REVENUE FOR 1985

3.1.

The table below gives estimates of own resources for 1984 broken down by Member State. The estimates take into account the proposals made by the Member States at the meeting of the Advisory Committee on Own Resources on 26 April 1984.

ESTIMATES OF OWN RESOURCES FOR 1985 BROKEN DOWN BY MEMBER STATE

(million ECU)

	Agricultural levies	Sugar and isoglucose levies	Customs duties	VAT resources with 1% limit	VAT resources at 1,1237% rate ⁽¹⁾	Total resources under 1% VAT limit	Total resources at 1,1237% VAT rate
	1	2	3	4	5	6 = 1+2+3+4	7 = 1+2+3+5
Belgium	278,4	75,68	468	505,0	567,6	1 327,08	1 389,68
Denmark	5,8	35,4	190	312,0	350,6	543,2	581,8
Germany	190,0	266,6	2 340	4 450,0	5 000,5	7 246,6	7 797,1
Greece	41,3	21,2	137,5	—	—	200,0	200,0
France	90,0	346,0	1 164	3 450,0	3 876,8	5 050,0	5 476,8
Ireland	5,5	14,8	125,1	135,6	152,4	281,0	297,8
Italy	342,1	69,32	805	2 278,5	2 560,3	3 494,92	3 776,72
Luxembourg	0,15	—	4,6	40,0	44,9	44,75	49,65
Netherlands	154,6	79,43	705	750,5	843,3	1 689,53	1 782,33
United Kingdom	280,0	78,5	2 157	3 300,0	3 708,2	5 815,5	6 223,7
Total	1 387,85	986,93	8 096,2	15 221,6	17 104,6	25 692,58	27 575,58

⁽¹⁾ Rate applicable at 1 October 1985.

3.2.

The estimates of agricultural levies are based on the Council's price decisions and related measures for 1984/85 and amount to 1 387,85 Mio ECU, a reduction of 28,71 % compared with the estimate in the 1984 budget but only 2,7 % less than the Commission's estimate in COM(84) 250 final.

The Commission's initial assumptions, although putting cereal levy rates slightly higher than in 1983, foresee a reduction in the volume of imports, especially of maize. For several years these imports have been declining and it appears unlikely that this pattern will alter in the short term. This is mainly because of the development of substitutes, which has considerably changed the use of cereals as animal feed. While manioc imports have levelled off, those of other products such as corn gluten will probably continue to rise in the short term. The share of cereals in the levies for 1985 is estimated at around 64 %. The remainder is accounted for by the various meats, rice, sugar and milk products.

On the monetary side, the estimates take account of the measures adopted by the Council to dismantle MCAs. The monetary differences are thus calculated on the basis of the central rates to which a coefficient of 1,033651 is applied. The result is a three-point reduction in the positive MCAs of Germany, the Netherlands and the United Kingdom, which eliminates them completely in the case of the United Kingdom. The negative MCAs created in the other Member States are dismantled by devaluing the representative rates while existing negative MCAs are dismantled in full or in part.

Apart from these dismantling operations applied at the start of the 1984/85 marketing year for each product, an additional five-point reduction in the German MCAs and a simultaneous dismantling of the Dutch MCAs to align them to the German MCAs will be effected by revaluing the representative rates on 1 January 1985.

The dual-rate effects are calculated on the basis of the representative rates resulting from the abovementioned dismantling operations, of the EMS central rates on 18 May 1983 and the market rate assumptions for the drachma, lira and pound.

3.3.

Sugar and isoglucose levies total 986,93 Mio ECU, comprising 494,08 Mio ECU in sugar production levies, 3,95 Mio ECU in isoglucose levies and 488,90 Mio ECU in sugar storage levies. Overall, these amounts are 1,6 % lower than those entered in the 1984 budget.

The sugar production levies for 1985 are made up of the balance of the levy for 1983/84 and the advance on the levy for 1984/85. For each of these marketing years the levy on production of B sugar has been raised to 37,5 % of the intervention price for white sugar under Article 28(5) of Regulation No 1785/81 of 30 June 1981. Since this price has not been changed for the 1984/85 marketing year, the rates of the production levies are the same for two marketing years at 10,69 ECU per tonne for basic production (A + B) and 200,5 ECU per tonne for the levy on B production.

The production assumptions made following the discussion with the Member States at the ACOR meeting on 26 April are 11 040 864,5 tonnes of A + B sugar for the 1983/84 marketing year, including around 1 754 000 tonnes of B sugar, and 11 121 451,5 tonnes for the 1984/85 marketing year, including around 1 834 000 tonnes of B sugar.

For isoglucose, the forecasts are 147 701 tonnes for A production and 36 209 tonnes for B production.

The rate of the sugar storage levy is kept at 42,5 ECU per tonne for 1984/85.

3.4.

Following consultations of the Member States, customs duties have been estimated at 8 096,2 Mio ECU, 6,2 % more than the estimate contained in the 1984 budget.

The initial estimates were based on each country's foreseeable total of imports from outside the Community, broken down into four product categories and five groups of country of origin in line with the structure of their trade. The rates of increase for total imports in value and in national currencies in 1985 reflect the fairly strong upturn in world trade from 1984 encouraged by the growth in North American imports, increasing demand from the OPEC countries and a slight recovery in the growth of imports in the developing countries. In addition to this growth in volume, the effects of a more rapid increase in import prices might be felt, becoming more pronounced with the worldwide recovery in demand.

However, in virtually all the Member States, imports from non-member countries should increase at a lower rate in 1985 than in 1984. The rate of increase will be appreciably higher than the Community average in Greece, Ireland and Italy and slightly lower in Germany and the Netherlands.

The aggregated customs tariffs used for the 1985 forecasts take account of the effects of the sixth of the phased tariff reductions resulting from the multilateral negotiations.

3.5.

The estimate of the VAT base concerns only nine Member States, since the Fifteenth Council Directive of 19 December 1983 allows Greece to defer application of the common VAT system, originally planned for 1 January 1984, to 1 January 1986 at the latest. Greece will therefore pay a financial contribution based on its share of total Community GNP in the period 1980-82, i.e. 1,5519 %.

1 % of the VAT base of the other nine Member States will amount to 15 221,6 Mio ECU in 1985, an increase of 5,9 % over 1984. The estimates for each Member State have been based on the latest actual bases communicated to the Commission, i.e. those for 1982. They have generally been updated on the basis of the growth rate in value terms of an aggregate reflecting private consumption, intermediate consumption and gross fixed-capital formation of general government. For 1985 only the likely growth rates of private consumption have been used.

The growth in the volume of private consumption in the Community should pick up from 1984 onwards as real disposable incomes increase and the saving ratio probably declines. The rate of inflation will continue to drop in 1984, mainly because of the slackening growth in wage costs, and remain virtually the same in 1985.

Against this general background, the growth in value terms differs for each Member State in line with the economic situation, the variable levels of consumer prices and the effects of adjustment measures which some of them take.

The growth rates of private consumption in 1985 in value terms should accordingly be well above the Community average in Italy, Ireland and the United Kingdom and below it in the Netherlands, Germany and Belgium.

The expenditure proposed in the preliminary draft budget cannot be covered by the resources available within the 1 % VAT limit. The shortfall amounts to 1 912,65 Mio ECU. The new own resources decision removing the VAT ceiling should enter into force on 1 October 1985. The rate of VAT applied after that date will be the 1,1237 % needed to cover 1 882,97 Mio ECU of expenditure, the remainder being financed by Greece's financial contribution (see 1.2 above).

The table below summarizes VAT own resources estimates contained in the budgets for 1978 to 1985.

	(million ECU)						
	1979	1980	1981	1982	1983	1984	1985
1. 1 % of VAT base	9 047 ⁽¹⁾	9 910 ⁽¹⁾	11 680,3 ⁽¹⁾	12 974	13 719	14 608,5	15 221,6
— Percentage change	+ 9,1	+ 9,5	+ 17,9	+ 11,08	+ 5,74	+ 6,48	+ 4,2
2. VAT rate	0,7781 %	0,7322 %	0,7868 %	0,9248 %	0,998 %	0,9971 %	1,1237 % ⁽³⁾
— Percentage change	+ 21,0	— 5,9	+ 7,5	+ 17,54	+ 7,92	— 0,09	+ 12,7
3. Margin available	2 008	2 654	2 490,1 ⁽²⁾	975,7 ⁽²⁾	28,0	42,6	
— Percentage change	— 32,2	+ 32,2	— 6,2	— 60,82	— 97,13	+ 52,25	

⁽¹⁾ The actual bases of the six Member States applying the Sixth Directive in 1979 and the estimated bases of the other three converted at the rate of exchange used in the budget and including adjustments following checks carried out by the Commission totalled 9 387,9 million ECU in 1979.

The actual bases for 1980 notified by the nine Member States and converted into ECU at the rate of exchange used for the budget totalled 10 739 million ECU. In 1981 it was 11 526 million ECU. For 1982 the nine actual bases converted at the budget rate totalled 12 912,6 million ECU.

⁽²⁾ Estimate derived from VAT base for the Nine. Allowing for Greece's financial contribution, the margin available to the Ten was 2 502,4 million ECU in 1981, 983,7 million ECU in 1982 and 28,3 million ECU in 1983.

⁽³⁾ Rate applicable at 1 October 1985.

D. BORROWING AND LENDING AND LOAN GUARANTEES

1. GENERAL REMARKS

Community financing from loans guaranteed by the general budget and interest subsidies paid from the budgets on loans granted by the Community now provide essential support for Community policies to promote convergence between the economies of the Member States by developing less-favoured regions and promoting investment and industrial renewal.

In 1983 a total of 1 579 million ECU (as against 1 152 million ECU in 1982) was on-lent by the Community from NCI and Euratom loans raised and a further 214 million ECU or so was provided in interest subsidies under the EMS and arrangements for the areas of Italy and Greece hit by earthquakes in November 1980 and February-March 1981 respectively.

New initiatives taken by the Community in 1983 and in the first half of 1984 will mean a considerable extension of budget-backed borrowing and lending operations.

The Commission has made two new proposals to the Council which will result in the full utilization of NCI III. These are the proposals of 7 June 1983 to use 100 million ECU to finance innovation and the 1 400 million ECU tranche of loans proposed on 25 January 1984.

The purpose of these loans is the same as that of the first tranche of NCI III, which was approved by the Council on 13 June 1983 and concerned principally rational use of energy, infrastructure for the development of productive activity related to regional development or of Community interest and investment in industry and other productive sectors, mainly by small and medium-sized firms.

Taking into account the basic decision on NCI III, the total authorized borrowing ceiling covered by guarantees from the general budget amounts to about 15 000 million ECU in 1984. It should be noted that at 31 December 1983 budget guarantees covered 9 000 million ECU of loans outstanding.

Following the recent signing of the second financial protocols with the Maghreb and Mashreq countries, Community guarantees to the EIB for operations in the Mediterranean countries, generally fixed at 75 % of current loans, covered an authorized ceiling of loans totalling 2 508 million ECU at 31 December 1983 (of which 1 272 million ECU of current loans, an increase of 38 % over 1982).

1.1. BORROWING AND LENDING INSTRUMENTS IN THE GENERAL BUDGET

1.1.1. COMMUNITY LOANS FOR BALANCE-OF-PAYMENTS SUPPORT

This instrument, which is used not for structural improvements but to assist Member States to overcome balance-of-payments difficulties caused by the rise in the cost of petroleum products, derives from Council Regulations (EEC) Nos 397/75 and 398/75 of 17 February 1975, based on Article 235 of the EEC Treaty, authorizing the Commission to borrow up to USD 3 000 million in principal and interest.

On 16 March 1981 the Council, on a proposal from the Commission, adopted Regulation (EEC) No 682/81 to adjust this loan mechanism: the ceiling for borrowings was raised to 6 000 million ECU in principal only, this amount to constitute a revolving fund as loans granted from it were repaid.

A loan of 4 000 million ECU was granted to France under this regulation by Council Decision of 16 May 1983. Despite the fact that this instrument is not designed to finance investment, the Community still has some say in how it is used, via the terms on which it grants loans, in particular as regards the preparation and implementation of economic policy measures to restore the balance-of-payments situation.

1.1.2. EURATOM

This highly specialized instrument, intended to finance investment in nuclear power stations and industrial fuel cycle installations, became operational on 29 March 1977 (Decisions 77/270/Euratom and 77/271/Euratom), when the Council decided to empower the Commission to raise loans to an overall credit limit of 500 million ECU.

The ceiling was raised to 1 000 million ECU in 1979 and more recently to 2 000 million ECU (Council Decision 82/170/Euratom of 15 March 1982). Operations have speeded up as a result, with loans contracted totalling 367 million ECU in 1983 and loans approved amounting to 226 million ECU.

1.1.3. NEW COMMUNITY INSTRUMENT (NCI)

The original endowment was exhausted following the authorization of two tranches of loans of 500 million ECU each in May 1979 and July 1980. On 15 March 1982 the Council therefore decided (Decision 82/169/EEC) to pursue the operation, setting a new borrowing ceiling of 1 000 million ECU. An implementing decision authorizing a single tranche of 1 000 million ECU was adopted subsequently (Decision 82/268/EEC of 26 April 1982).

In view of the rapid take-up of the funds raised under NCI II, the Council, on a proposal from the Commission and following conciliation with Parliament, adopted a third basic decision (Decision 83/200/EEC) on 19 April 1983 on a new ceiling of 3 000 million ECU (NCI III). In conjunction with this decision the Council decided on 13 June 1983 (Decision 83/308/EEC) to authorize a first tranche for the equivalent of 1 500 million ECU.

On 7 June 1983 the Commission proposed that 100 million ECU should be used to finance innovation by small and medium-sized firms. Since demand for loans for investments eligible for NCI finance continued at a high level (at the beginning of January 1984, loans totalling 460 million ECU under the first tranche of NCI III had been signed and contracts for a series of approved operations were awaiting signature) the Commission proposed on 25 January that the remaining 1 400 million ECU available under NCI III should be used.

The various Council decisions on the NCI have made its terms of operation more flexible and increased the numbers of those eligible for loans, in particular by enabling small and medium-sized firms to use NCI loans for productive investment.

1.1.4. NCI: EARTHQUAKES (EXCEPTIONAL AID FOR RECONSTRUCTION)

By extension of the initial rules of the NCI and as a special one-off measure, the Commission was empowered by Council Decisions 81/19/EEC of 20 January 1981 and 81/1013/EEC of 14 December 1981 to raise loans to finance investment projects for reconstructing the means of production and rebuilding economic and social infrastructure in the regions of southern Italy and Greece hit by earthquakes in November 1980 and February/March 1981 respectively. The borrowing ceiling is 1 000 million ECU in principal for Italy and 80 million ECU for Greece, from which are deducted loans granted for the same purpose by the European Investment Bank from its own funds. By 31 December 1983 loans granted amounted to 872 million ECU, of which 792 million ECU went to Italy and 80 million ECU to Greece. The funds provided by the EIB in these operations amounted to 209 million ECU.

1.2. LINKS BETWEEN THE GENERAL BUDGET AND BORROWING AND LENDING OPERATIONS

1.2.1. INTEREST RATE SUBSIDIES

Community aid in the form of interest subsidies from the general budget can be a powerful deciding factor for investors, and it is generally recognized that interest subsidies can have a substantial multiplier effect.

On no less than three occasions the European Council has called for the Community's borrowing and lending policy to be strengthened by means of budget subsidies:

- At its meeting on 4 and 5 December 1978 the European Council asked the Commission to present a proposal on the provision of loans carrying a 3 % interest subsidy to a total amount of 5 000 million ECU in capital and 1 000 million ECU in interest subsidies over a five-year period, divided into annual tranches of 1 000 million ECU and 200 million ECU respectively. The Council decision, which was designed to benefit the less prosperous Member States effectively and fully participating in the mechanisms of the European Monetary System (at present Ireland and Italy) was taken on 3 August 1979 with the adoption of Regulation (EEC) No 1736/79.
- At its meeting on 1 and 2 December 1980 the Council was invited to take an early decision, acting on a proposal from the Commission, on arrangements for giving exceptional aid to areas of Italy hit by the November 1980 earthquake, including NCI loans with interest subsidies of 3 % for a maximum of 12 years. Decision 81/19/EEC of 20 January 1981 provides for such subsidies.
- On 14 December 1981 the Council, on a proposal from the Commission, decided to give exceptional aid with retroactive effect to areas of Greece hit by the earthquakes of February/March 1981. Decision 81/1013/EEC makes provision for interest subsidies analogous to those for Italy.

Interest subsidies are granted under detailed regulations laying down strict criteria and ceilings on loans raised; subsidies are paid in a lump sum at present values when the loan is first made, or in instalments as repayments are made.

1.2.2. THE BUDGET GUARANTEE

The loans raised under the various Community instruments are underpinned by the Community's guarantee to lenders that the budget will repay the balance of the debt contracted by the Community should a debtor default.

It should be pointed out that an absolute default on repayments is very unlikely in view of the fact that the operations guaranteed by the Community are either loans to large public bodies or loans to the private sector which are backed by the usual bank guarantees (security, mortgage charge, etc.).

In practice the budget guarantee would need to be activated only on the odd occasion when repayment of an annual instalment of a debt/loan is delayed over a number of years.

The guarantee is constituted by a token entry in the general budget against the headings opened for the guaranteed loan operations.

In technical terms, the token entry would enable the guarantee to be activated by temporarily drawing on the Community's cash resources in order to make the necessary repayments of the debt.

Any expenditure resulting would then be regularized in budgetary terms in the most appropriate way, depending on the nature and amount involved. The methods envisaged would be transfer of appropriations from another budget heading or supplementary budget.

This guarantee is highly prized by lenders and helps to maintain the Community's excellent credit rating and thus improve the terms on which it is able to borrow.

1.3. FUTURE DEVELOPMENTS

The use of loans has proved to be a particularly effective way of supporting and launching Community action. The main reasons for this development are that:

- it seems wise, particularly in view of the worrying contraction in the resources allotted to the Community budget, to introduce repayable loans as a means of pursuing certain Community objectives;
- thanks to the budget guarantee which backs its borrowing operations, the Community has a first-class name on the capital markets, which enables it to offer favourable terms to recipients of Community loans;
- the Community's financial contribution in granting loans towards the cost of a project may help to get it off the ground and make it easier to tap other sources of finance;
- the fact that the assistance is provided by the Community ensures that the project being financed is the best choice from the Community viewpoint.

1.4. PRESENTATION IN THE BUDGET

Although borrowing and lending operations do not increase budget resources and are not designed to cover the Community's current expenditure, they are becoming increasingly interlinked with the budget. Whether in guaranteeing loans raised or providing funds in the form of interest subsidies on loans granted by the Community, budget support for these operations is becoming steadily more appreciable: these operations are by now an integral part of the action which the Community is developing through its budget to sustain and implement its policies.

For these reasons and in view of foreseeable developments the Commission, on 13 June 1978, proposed that borrowing and lending operations should be fully integrated in the general budget of the European Communities and made subject to the general provisions governing it, allowance being made for their special nature.

1.4.1. METHOD FOR SHOWING BORROWING AND LENDING OPERATIONS IN THE BUDGET, MAKING ALLOWANCE FOR THEIR SPECIAL NATURE

The method used from 1979 to 1982 to show borrowing and lending operations in the budget involved entering a heading in the general budget for each category of loans raised, giving it a token entry accompanied by an entry in the remarks column with binding force. This heading recorded all the financial consequences of decisions authorizing borrowing and lending operations, including those relating to activation of a guarantee.

Since 1983, this heading, whether in the revenue or expenditure section, has been used only for any amounts arising from activation of the guarantee because of failure to make a loan repayment. The budgets for all these years have included annexes giving details of the operations carried out and of debt management. This system appears to provide neither the clarity nor the transparency required, nor does it reflect the distinctive and complex nature of these two-sided operations. They are in fact neutral operations which, in theory, impose no burden on the budget. They are self-contained and produce revenue (The proceeds of loans raised and repayments to the Community by recipients of loans) which is earmarked in advance for specific expenditure (loans granted by the Community and repayments to lenders).

1.4.2. CALLS BY PARLIAMENT FOR INCLUSION IN THE BUDGET AND RENEWAL OF THE COMMISSION'S PROPOSAL FOR AN AMENDMENT TO THE FINANCIAL REGULATION

The Council has never accepted the Commission's proposal of 13 June 1978 and the question of whether borrowing and lending operations should be included in the budget has remained a bone of contention between the Council and Parliament.

Since 1977 Parliament has repeatedly called for the inclusion of borrowing and lending operations in the budget in its resolutions on the draft budget and in its discharge resolutions. The same call was also made in the resolutions on the interinstitutional dialogue (adopted on 15 June 1978) and, more recently, in that on the discharge in respect of borrowing and lending activities in 1982.

In line with its proposed amendments to the Financial Regulation, the Commission is therefore again including a Part II in the preliminary draft 1985 budget (Volume 8) to accommodate the budget headings relating to borrowing and lending operations. It contains a nomenclature giving a clear and exhaustive description of these complex operations. The revenue and expenditure entered will balance. If the recipient of a loan is unable to make a repayment on the due date or even defaults on his entire debt, the amount owed is covered by the budget guarantee, which is entered in Part I of the budget under Articles 801, 802 and 803 on the revenue side and Chapters 79, 83 and 84 on the expenditure side.

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E. LEGAL AND PROCEDURAL MATTERS

1. APPLICATION OF ARTICLE 203 OF THE EEC TREATY - MAXIMUM RATE

1.1.

Following conciliation on the Financial Regulation of 21 December 1977, Parliament, the Council and the Commission entered a joint declaration in the minutes to the effect that the provisions of Article 203 would be applied separately to appropriations for commitments and appropriations for payments.

1.2.

The rate of increase in non-compulsory expenditure was fixed at 8,5 % for 1985 in accordance with the first and second subparagraphs of paragraph 9 of Article 203 of the EEC Treaty.

This rate therefore applies to all expenditure of the same type as in 1984, thus forming the 1984 base.

1.3.

The proposal in the preliminary draft budget for 1985 to amend the nomenclature of Title A-1 covering expenditure on pensions and allowances on leaving the service (compulsory expenditure) reduces the 1984 non-compulsory expenditure base by 2 407 536 ECU⁽¹⁾.

1.4.

The 1 202 million ECU entered in Chapter 100 of the 1984 budget to finance measures of Community interest in the United Kingdom and the Federal Republic of Germany (point 7 of the remarks on page 915 of OJ No L 12 of 1984) is non-compulsory expenditure, as the Council explicitly confirmed to Parliament when examining the Commission's proposals for the utilization of these appropriations on 14 March 1984. As a result of this confirmation, which formed part of the agreement between all the institutions on all the points raised by Parliament in its resolution of 14 February 1984, there was no need for the conciliation procedure to be engaged.

The Commission has not included the 1 202 million ECU in the base for 1984 in order to maintain uniformity in the appropriations contained in this figure from one year to the next and thus prevent any comparison being made between figures which are not comparable. Unlike the 1984 budget, the preliminary draft budget for 1985 does not carry any appropriations for the measures in favour of the United Kingdom and Germany, since the measures planned for 1985 are completely different to those for 1984. If expenditure of the same type as that entered in the 1984 budget is subsequently proposed for 1985, the Commission will of course have to revise its position.

(1) The change in classification proposed within Chapter A-12 (Pensions, allowances and miscellaneous contributions) must be taken into consideration. In the annex to the Joint Declaration of 30 June 1982 containing a classification of expenditure into compulsory and non-compulsory expenditure, expenditure under Article 112 (Pensions, severance grants and unemployment insurance) and Article 125 (Allowances for staff assigned non-active status, retired in the interests of the service or dismissed) is classified as compulsory expenditure. Article 129 (Provisional appropriation to cover any adjustments to remuneration and various allowances paid to officials and other servants) had been classified as non-compulsory expenditure although it also contains provisional appropriations for Articles 112 and 125. In its new nomenclature for Title A-1 the Commission proposes that the new Chapter 12 contain only expenditure on pensions and allowances, i. e. compulsory expenditure, and it is only logical that the part of the expenditure under the old Article 129 to cover compulsory expenditure should also be classified as compulsory expenditure. The amount involved is 2 407 536 ECU.

1.5.

In these circumstances, application of the rate of 8,5 % to the non-compulsory expenditure base for 1984 means that:

- as the base in appropriations for commitments is 7 557 799 814 ECU, the possible increase is 642 412 984 ECU. Parliament's margin for manoeuvre, which is half the maximum rate, or 4,25 % is 321 206 492 ECU;
- as the base in appropriations for payments is 5 625 289 814 ECU, the possible increase is 478 149 634 ECU. Parliament's margin for manoeuvre is 239 074 817 ECU.

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2. EXCEEDING THE MAXIMUM RATE OF INCREASE IN NON-COMPULSORY EXPENDITURE

The Commission considers that the Communities' activities require that the 8,50 % maximum rate should be exceeded. The new rate should in its opinion be 12,75 % for appropriations for commitments and 12,75 % for appropriations for payments.

Under the fifth subparagraph of Article 203(9) of the EEC Treaty 'Where the Assembly, the Council or the Commission consider that the activities of the Communities require that the maximum rate of increase in non-compulsory expenditure should be exceeded, another rate may be fixed by agreement between the Council, acting by a qualified majority, and the Assembly, acting by a majority of its members and three fifths of the votes cast'. The Commission considers that Part III of the Joint Declaration of 30 June 1982 on various measures to improve the budgetary procedure (OJ No C 194, 28.7.1982) should be applied here.

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3. CLASSIFICATION OF EXPENDITURE AS COMPULSORY OR NON-COMPULSORY

The classification of expenditure is now governed by the Joint Declaration of 30 June 1982 on various measures to improve the budgetary procedure ⁽¹⁾.

The table at Annex III to Volume 4 of this preliminary draft budget reflects the classification annexed to the Joint Declaration, or the classification agreed on in the 1984 budgetary procedure for new measures entered in the current budget.

All new measures proposed in the 1985 preliminary draft budget are classified as non-compulsory expenditure, except the articles and items listed below, which the Commission proposes should be classified as compulsory expenditure:

B-1201	Refunds on food aid (olive oil)
B-1312	Production aid for lupins
B-183	Agricultural alcohol
B-2025	Aid for skimmed-milk powder with a fat content of 10 % for use as feed for calves
B-2071	Additional levy (milk)
B-291	Community compensation for Germany
B-292	Special measures to reduce stocks
B-314	EAGGF (Guidance) - Aid to silviculture on agricultural holdings
B-3293	Transport of means of production to certain Greek islands
B-424	Expenditure relating to the agreement on fishing rights concerning Greenland
B-9602	Specific aid to improve agricultural structures in Portugal

As required by Point II.2 of the Joint Declaration, reasons for each of the new headings classified as non-compulsory expenditure are given after the list of new measures on page A/114 *et seq.* of this introduction.

⁽¹⁾ OJ No C 194, 28. 7. 1982.

4. ENTRY OF NEW POLICIES IN THE BUDGET

The Commission will restate the relevant criteria it adopted in 1979 with regard to all operations which cannot be put into effect until a basic legal instrument has been passed. These criteria are as follows:

- Appropriations are entered under a budget heading if a Commission proposal has been accepted or, if it appears likely from earlier discussions within the Community institutions that a Commission proposal submitted by 10 June will be adopted by 31 December.
- If the Commission's proposal for a regulation has not yet been approved but is likely to be approved in the following financial year, a token entry is made under the relevant heading in Section III/A or B of the budget and appropriations are entered in Chapter 100 (Provisional appropriations). The amount of appropriations to be entered will depend on when the policy is expected to become operational.
- A heading is entered but given only a token entry if a new policy is being evolved by the Community authorities but no formal proposal for a regulation has yet been made by the Commission, or if a proposal has been made but it is not yet possible to assess the cost of the policy; in such cases it would be pointless to allocate appropriations as this would needlessly increase the amount of own resources to be paid over.

Mindful of the attitude of Parliament towards the utilization of appropriations entered in the budget, the Commission has applied these criteria very restrictively in preparing the preliminary draft for 1985. It has not entered any appropriations under headings unless it was absolutely sure that the Council could adopt the necessary legal bases by the end of 1984. The Commission has also refrained from making entries in Chapter 100 whenever there was any doubt as to whether a particular operation could actually be carried out during 1985.

5. MATTERS CONCERNING THE ECU: CHAPTER 102

The ECU is the common denominator for the establishment and implementation of the budget. The present situation as regards the use of the ECU can be described in the following two ways:

5.1. THE ECU AS AN ACCOUNTING INSTRUMENT: CONSTANT VARIATIONS IN VALUE

With regard to cash management

The very fact that the ECU is a basket of currencies means that there are constant fluctuations in its equivalents in national currencies. This in turn means that the management of the cash in the general budget, which, as matters stand, in practice consists solely of assets in national currencies, is constantly subjected to the repercussions of such variations on each transaction requiring currency conversion (transfers of funds or the revaluation of assets at different points in time).

In cash terms, then, variations in the rates of conversion between national currencies and the ECU can entail exchange gains and losses.

With regard to the implementation of the budget

For purposes of entry in the accounts – when revenue or expenditure are officially allocated to the Member States for operations carried out – the current rules lay down that monthly conversion rates shall be used.

As a result, the use of the ECU, which is a common denominator but varies from time to time, has two consequences:

- on the one hand, there is an inevitable divergence between the exchange value in national currencies and the ECU when budget estimates are established and when the budget is actually implemented. The ultimate outcome of this is that the purchasing power of budget appropriations varies. Consequently, there is a disparity between the intentions of the budgetary authority when authorizing appropriations and their actual financial value when the budget is implemented;
- likewise, divergences occur between the times when a commitment is entered in the accounts and when payment is actually made. These divergences can be all the more marked if multiannual operations are involved.

It follows that figures have constantly to be updated at the implementation stage.

5.2. THE ECU AS A SETTLEMENT INSTRUMENT FOR THE IMPLEMENTATION OF THE BUDGET: SCANT PROGRESS

It should be pointed out that the Commission proposed, as early as 4 October 1976, a Regulation (COM(76) 513 final) regarding the application of the EUA (since replaced by the ECU) not just as an accounting instrument but also as a 'settlement instrument'. The aim was to use the unit of account for the denomination of the Communities' claims and liabilities.

Parliament voted in favour of this proposal, but the Council has not been able to adopt it. If it had, then the settlement instrument and accounting instrument would have become one and the same and this would have eliminated most of the present difficulties relating to management of cash and appropriations.

Under these circumstances, the Commission considers it necessary to draw the budgetary authority's attention to the consequences of this situation:

- firstly, where the phenomenon of exchange differences for cash management is concerned (transfers of funds and periodical revaluations), the end result should be entered in the balance sheet for the financial year in accordance with the practice applied when the accounts for 1981, 1982 and 1983 were closed. The necessary formal amendments to the text of the regulations are now being made. For the time being the

usual budget slots – Article 530 (Exchange gains) in the statement of revenue and Article 850 (Exchange losses) in the statement of expenditure – are being retained as a stop-gap measure even though the fact that the net balance of exchange differences appears in the balance sheet means that these articles are not used;

- secondly, with regard to variations, and hence possible losses, in the purchasing power of budget appropriations, particularly in specific sectors, the Commission feels it necessary to retain Chapter 102 (reserve to cover any shortfall in appropriations converted into national currencies resulting from differences between the ECU conversion rates used when the budget is drawn up and the conversion rates obtaining at the time of implementation);
- lastly, the Commission feels that, in view of subsequent experience and the real progress made regarding the application of the ECU within the general European monetary framework, it would be worthwhile re-examining its 1976 proposal for use of the ECU as a settlement instrument.

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6. CHANGES IN BUDGET NOMENCLATURE

Only the most important changes in nomenclature are listed here. For the other changes reference should be made to the list of new measures on page A/114.

6.1. CHANGES IN NOMENCLATURE FOR THE STATEMENT OF REVENUE

6.1.1. CHAPTER 31: SURPLUS OF VAT OWN RESOURCES AND FINANCIAL CONTRIBUTIONS FROM PREVIOUS FINANCIAL YEARS RESULTING FROM APPLICATION OF ARTICLE 10(4), (5) and (6) OF REGULATION (EEC, EURATOM, ECSC) No 2891/77, AS AMENDED

This chapter provides a budgetary slot for supplementary payments or reimbursements of VAT own resources and consequential adjustments to financial contributions following the Commission's controls of the Member States' annual statements. Rules governing these payments and reimbursements are set out in the proposal for a Regulation amending Regulation No 2891/77. The amended Regulation should enter into force by 1 January 1984. The Commission accordingly proposes that the headings of Chapter 31, Article 311 and Items 3110, 3111, 3112, 3113 and 3114 be altered to reflect the foreseeable change in the legal basis.

6.1.2. CHAPTER 49: PROCEEDS OF THE TAX ON THE SALARIES, WAGES AND EMOLUMENTS OF MEMBERS OF THE GOVERNING BODIES OF THE EUROPEAN INVESTMENT BANK, ITS STAFF AND PERSONS IN RECEIPT OF A PENSION

The Community tax, and the provision that 'the tax proceeds shall be entered as revenue in the budgets of the Communities,' apply to the EIB. Nevertheless, while all the other Community institutions and bodies have always paid over the revenue from this tax, the EIB has retained the proceeds of the tax levied on the remuneration paid to its staff.

In the preliminary draft budgets for 1983 and 1984 the Commission entered an article to cover the proceeds of the tax on EIB staff salaries, but the Council deleted it when establishing the draft budget and Parliament did not propose that it be reinstated.

The EIB Board of Governors has not yet taken a decision as to the purpose to which the proceeds of the tax are to be put.

The Commission accordingly proposes that there be a new Chapter 49 and a new Article 490 in the preliminary draft for 1985, to be entitled 'Proceeds of the tax on the salaries, wages and emoluments of members of the governing bodies of the European Investment Bank, its staff and persons in receipt of a pension.' This chapter will be given a token entry pending the decision of the Bank's Board of Governors and will not appear in a section of the budget relating to any particular institution. It will appear only in the summary of the revenue of the Communities.

6.1.3. ARTICLE 618: REPAYMENT BY TENDERERS OR RECIPIENTS OF OVERPAYMENTS MADE IN CONNECTION WITH FOOD AID

The Commission pays advances to the tenderers or recipients to finance the purchase and carriage of food aid. In some circumstances such as when the operation does not take place within the time limit set, when a shortfall is discovered on delivery or when the actual costs are found to be less than the advances, surplus payments are repaid to the Commission.

Until 1984 this revenue was entered in Article 900 (Miscellaneous revenue). A separate heading is proposed from 1985 onwards to improve budget transparency.

For this reason, the Commission is proposing that this new article be introduced.

6.1.4. ARTICLE 807: EUROPEAN COMMUNITY GUARANTEE FOR TRANSPORT INFRASTRUCTURE PROJECTS

If the guarantee provided for in Article 582 is activated, there may then be reimbursements, and the statement of revenue needs to contain a heading to receive them.

The Commission accordingly proposes that a new Article 807 be created.

6.1.5. CHAPTER 82: LOANS GRANTED TO THE COMMUNITY BY THE MEMBER STATES

ARTICLE 821: LOANS GRANTED TO THE COMMUNITY BY THE MEMBER STATES IN 1985

The expenditure needed to finance the common policies and activities exceeds the amount of own resources granted to the Communities by the Decision of 21 April 1970. If the provisions which the Council will adopt to grant the Community new own resources cannot enter into force on 1 October 1985, the balance of the budget must be ensured by means of a loan to the Community from the Member States amounting to the likely surplus in expenditure (see Commission proposal COM(84) 250 final of 17 April 1984).

The new headings proposed by the Commission are to record the revenue accruing from these loans.

6.2. CHANGES IN NOMENCLATURE IN THE STATEMENT OF EXPENDITURE

6.2.1. TITLES 1 AND 2: ADMINISTRATIVE APPROPRIATIONS

The Commission proposes:

(a) to group the following expenditure under the following headings:

- Chapter 10: all expenditure for members of the institution;
- Chapter 11: all expenditure for staff in active employment with the institution, including all allowances and expenses on entering and leaving the service and on transfer;

Under Article 117 (Supplementary services) a new breakdown is proposed for freelance interpreters and conference technicians.

- Chapter 12: all expenditure for pensions, severance grants and allowances in the event of assignment of non-active status, retirement in the interests of the service or dismissal;
- Chapter 15: expenses relating to exchange of civil servants and national experts seconded to Commission departments;
- Chapter 16: new Article 163 for interinstitutional welfare services in place of former Article 163 (Day nurseries and after-school centres);
- Chapter 17: entertainment and representation expenses (formerly Chapter 24);
- Chapter 22: Article 220 for technical installations and electronic office equipment;
- Chapter 23: deletion of Article 231 (transferred to Chapter 24) and new Item 2393 (Services rendered by interpreters to Parliament);
- Chapter 24: postal charges and telecommunications;
- Chapter 27: Article 273 for information activities aimed at young people, including Item 2733 for the cost of organizing graduate traineeships with the institution (following the changes to Chapter 15);
- Chapter 28: under Article 289, the operating costs of the Board of Governors of the European Schools are entered separately under Item 2897 in order to distinguish the costs of the Board from those of the schools.

(b) to introduce the following new headings:

- Chapter 27: creation of Items 2724 (Public awareness campaigns) and 2725 (Preparation and coordination of European television programmes).

The list below sets out all the changes affecting chapters, articles and items.

	Former Article/Item
TITLE 1 – EXPENDITURE RELATING TO PERSONS WORKING WITH THE INSTITUTION	
CHAPTER 10 – MEMBERS OF THE INSTITUTION	
Article 100 – Salaries, allowances and payments related to salaries	
Item 1000 – Basic salaries	1000
Item 1001 – Residence allowances	1001
Item 1002 – Family allowances	1002
Item 1003 – Representation allowances	1003
Article 101 – Accident and sickness insurance and other social security charges	101
Article 102 – Temporary allowances	102
Article 103 – Pensions	103
Item 1030 – Retirement pensions	1030
Item 1031 – Invalidity pensions	1031
Item 1032 – Survivor's pensions	1032
Article 104 – Mission expenses	
Item 1040 – Mission expenses for members of the institution	1300
Item 1041 – Mission expenses for members of the institution for meetings at other places where Community institutions are based, and in particular Luxembourg and Strasbourg	1302 (part)
Article 105 – Allowances and expenses on entering and leaving the service	
Item 1050 – Travel expenses (including those for members of the family)	1210
Item 1051 – Installation and resettlement allowances	1220
Item 1052 – Removal expenses	1230
Article 109 – Appropriations to cover adjustments to the emoluments of members of the Commission	
Item 1090 – Weightings	104
Item 1091 – Provisional appropriations to cover any adjustments to emoluments	109
CHAPTER 11 – STAFF IN ACTIVE EMPLOYMENT	
Article 110 – Officials and temporary staff holding a post provided for in the establishment plan	
Item 1100 – Basic salaries	1100
Item 1101 – Family allowances	1101
Item 1102 – Expatriation and foreign residence allowances (including Article 97 of the ECSC Staff Regulations)	1102
Item 1103 – Secretarial allowances	1103
Article 111 – Other staff	
Item 1110 – Auxiliary staff	1110
Item 1111 – Auxiliary interpreters	1111
Item 1112 – Local staff	1112
Item 1113 – Special advisers	1113
Article 112 – Further training, language courses, retraining and information for staff	151
Article 113 – Insurance against sickness, accidents and occupational disease, unemployment insurance and maintenance of pension rights	
Item 1130 – Insurance against sickness	1130
Item 1131 – Insurance against accidents and occupational disease	1131
Item 1132 – Unemployment insurance for temporary staff	1124
Item 1133 – Constitution or maintenance of pension rights for temporary staff	1146
Article 114 – Miscellaneous allowances and grants	
Item 1140 – Birth and death grants	1140
Item 1141 – Annual leave travel expenses	1141
Item 1142 – Rent and transport allowances	1142
Item 1143 – Fixed entertainment allowances	1143
Item 1144 – Fixed local travel allowances	1144
Item 1145 – Special allowance for accounting officers and administrators of imprest accounts	1145
Item 1147 – Allowances for shiftwork or standby duty at the official's place of work or at home	1147
Item 1149 – Other allowances and repayments	1149
Article 115 – Overtime	115
Article 116 – (no entries)	

Continued

	Former Article/Item
Article 117 – Supplementary services	
Item 1170 – Freelance JICS interpreters	1170 (part)
Item 1171 – Other freelance interpreters	1170 (part)
Item 1172 – Temporary JICS conference technicians	1170 (part)
Item 1173 – Other temporary conference technicians	1170 (part)
Item 1174 – Freelance proof-readers	1171 (part)
Item 1175 – Other services and work sent out for translation and typing	1172 (part)
Article 118 – Allowances and expenses on entering and leaving the service and on transfer	
Item 1180 – Miscellaneous expenditure on staff recruitment	120
Item 1181 – Travel expenses for staff (including members of the family)	1211
Item 1182 – Installation, resettlement and transfer allowances for staff	1221
Item 1183 – Removal expenses for staff	1231
Item 1184 – Temporary daily subsistence allowances	124
Article 119 – Appropriation to cover adjustments to the remuneration of officials and other staff	
Item 1190 – Weightings	116
Item 1191 – Provisional appropriations	119
CHAPTER 12 – PENSIONS, ALLOWANCES AND MISCELLANEOUS CONTRIBUTIONS	
Article 120 – Pensions and severance grants	
Item 1200 – Retirement pensions	1120
Item 1201 – Invalidity pensions	1121
Item 1202 – Survivors' pensions	1122
Item 1203 – Severance grants	1123
Article 121 – Allowances for staff assigned non-active status, retired in the interests of the service or dismissed	
Item 1210 – Allowances for staff retired in the interests of the service under Articles 41 and 50 of the Staff Regulations	1250
Item 1211 – Allowances for staff whose service is terminated – Regulation (Euratom, ECSC, EEC) No 2530/72	1252
Item 1212 – Allowances for staff whose service is terminated – Regulation (ECSC, EEC, Euratom) No 1543/73	1253
Item 1213 – Allowances for staff whose service is terminated – Regulation (ECSC, EEC, Euratom) No 2150/82	1254
Article 123 – Insurance against sickness	1130
Article 129 – Appropriation to cover adjustments to pensions and various allowances	
Item 1290 – Weightings	116
Item 1291 – Provisional appropriations	119, 129
CHAPTER 13 – EXPENDITURE RELATING TO MISSIONS AND DUTY TRAVEL	
Mission expenses for representatives of staff trade unions and staff associations	
Article 130 – Mission expenses, travel expenses and incidental expenditure	
Item 1301 – Mission expenses for staff	1301
Item 1302 – Mission expenses for meetings at other places where Community institutions are based, and in particular Luxembourg and Strasbourg	1302
CHAPTER 14 – SOCIO-MEDICAL INFRASTRUCTURE	
Article 140 – Restaurants and canteens	
Item 1400 – Running costs of restaurants and canteens	1400
Item 1401 – Conversion and replacement of equipment of restaurants and canteens	1401
Article 141 – Medical service	141
Article 142 – Health checks for staff exposed to radiation	142
CHAPTER 15 – EXCHANGES OF CIVIL SERVANTS AND EXPERTS	
Article 150 – Travel and subsistence expenses for national experts seconded to Commission departments	1173
Article 151 – (no entries)	
Article 152 – Staff exchanges between Community institutions and the public and private sectors	
Item 1520 – National and international civil servants and private sector staff seconded to the Commission	1520
Item 1521 – Commission officials seconded to national and international civil services	1521

Continued

	Former Article/Item
CHAPTER 16 – EXPENDITURE ON SOCIAL WELFARE	
Article 160 – Special assistance grants	160
Article 161 – Social contacts between staff	161
Article 162 – Other welfare expenditure	162
Article 163 – Interinstitutional welfare services	163
CHAPTER 17 – ENTERTAINMENT AND REPRESENTATION EXPENSES	
Article 170 – Entertainment and representation expenses	240
Item 1700 – Entertainment and representation expenses for members of the institution	2400
Item 1701 – Entertainment and representation expenses for staff	2401
TITLE 2 – BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE	
CHAPTER 22 – MOVABLE PROPERTY AND ASSOCIATED COSTS	
Article 220 – Technical installations and electronic office equipment	220
Item 2200 – New purchases of technical equipment and installations	222
Item 2201 – Replacement of technical equipment and installations	2220
Item 2202 – Hire of technical equipment and installations	2221
Item 2203 – Maintenance, use and repair of technical equipment and installations	2222
Item 2204 – Electronic office equipment	2223
	220 and data-processing side of 222
Article 221 – unchanged	
Article 222 – deleted	
Article 223 – unchanged	
Article 225 – unchanged	
CHAPTER 23 – CURRENT ADMINISTRATIVE EXPENDITURE	
Article 230 – unchanged	
Article 231 – deleted	
Article 232 – unchanged	
Article 233 – unchanged	
Article 234 – unchanged	
Article 235 – unchanged	
Article 239 – unchanged except for new Item 2393 (Services rendered by interpreters to Parliament)	
CHAPTER 24 – POSTAL CHARGES AND TELECOMMUNICATIONS	
Article 240 – Postage and delivery charges	2310
Article 241 – Telephone, telegraph, telex, television The appropriations and remarks relating to telephone lines currently under Article 211 (Computer network) have been included	2311
CHAPTER 27 – EXPENDITURE ON PUBLISHING AND INFORMATION	
Article 272 – Expenditure on the dissemination of information and on participation in public events	
Items 2720 –	
to 2723 – unchanged	
Item 2724 – Public awareness campaigns	included in 2720
Item 2725 – Preparation and coordination of European television programmes	
Item 2729 – unchanged	
Article 273 – Informing young people in the European spirit	
Item 2733 – Cost of organizing graduate traineeships with the institution	150

Continued

	Former Article/Item
CHAPTER 28 – SUBSIDIES FOR BALANCING BUDGETS	
Article 289 – European Schools and other educational establishments	289
Item 2890 – Brussels I and II	2890 (part) + 2896
Item 2891 – Luxembourg	2891
Item 2892 – Mol	2892
Item 2893 – Varese	2893
Item 2894 – Karlsruhe	2894
Item 2895 – Bergen	2895
Item 2896 – Culham	2896
Item 2897 – Operation of the Board of Governors of the European Schools	2897
Item 2898 – Other educational establishments	2890 (part) to 2897
Item 2899 – Provisional appropriation to cover any adjustment to remuneration paid by the European Schools	2898
	2899

6.2.2. CHAPTERS 50 AND 51: EUROPEAN REGIONAL DEVELOPEMENT FUND (ERDF)

Since the Commission's proposal concerning the new European Regional Development Fund no longer makes a distinction between 'quota' and 'non-quota' measures, it is proposed that the appropriations should be broken down into three headings, according to whether they relate to previous measures of the new Fund.

The new 'non-quota' regulations adopted in January 1984 are valid until the end of 1985. In order to make the presentation as clear as possible, the Commission therefore proposes the following three headings:

- Article 500 for payment appropriations relating to previous 'non-quota' measures;
- Article 509 for commitment and payment appropriations relating to the new Fund;
- Article 510 for commitment and payment appropriations relating to 'non-quota' measures already launched or due to begin in 1985.

6.2.3. CHAPTER 58: TRANSPORT

In the 1984 budget the appropriations for transport policy are entered under Title 7 together with the appropriations for operations in the fields of energy, industry and technology, research and the information market.

In view of the links between transport policy and regional development policy, the Commission proposes to introduce under Title 5 (Appropriations for operations in the regional sector) a new Chapter 58, comprising Articles 580 to 586 bearing the same headings as Articles 780 to 786 in the 1984 budget; the heading of the Title also has to be changed.

6.2.4. CHAPTER 87: CAPITAL REPAYMENTS AND PROCEEDS FROM INTEREST ON LOANS GRANTED TO THE COMMUNITY BY THE MEMBER STATES
ARTICLE 871: CAPITAL REPAYMENTS AND PROCEEDS FROM INTEREST ON LOANS GRANTED TO THE COMMUNITY BY THE MEMBER STATES IN 1985

These headings constitute the counterpart on the expenditure side to those proposed under Chapter 82 (Articles 820 and 821) on the revenue side (see point 6.1.5 above). They are the budgetary slot for appropriations to cover the repayment – including interest – of loans granted to the Community by the Member States.

6.2.5. CHAPTERS 90 AND 91: EUROPEAN DEVELOPMENT FUND

In its communication to the Council of 25 March 1983 on guidelines for the next EEC-ACP negotiations, the Commission proposed that the sixth EDF should be included in the budget. Integration of the EDF into the Community's budgetary system will affect the 1985 budget and will be dealt with in a communication to the Council and Parliament in the context of the current negotiations on renewal of the Lomé Convention.

At the time of transmitting the preliminary draft budget for 1985 to the budgetary authority, neither a total figure nor a framework for any operations to be included under the new Convention had yet emerged from the negotiations on the sixth EDF.

The Commission does not, therefore, propose to change the 1984 nomenclature as amended by Parliament. However, it reserves the right to propose the entry of appropriations via the appropriate budgetary procedure once the negotiations with the ACP countries are concluded as well as any changes to the nomenclature that may be necessary to ensure that the budget for the sixth EDF satisfies the requirement of clarity and allows funds to be managed effectively.

6.2.6. CHAPTER 92: FOOD AID

Following repeated criticism of the management of food aid appropriations, both by the Court of Auditors and by the discharge authority, it was felt that the following changes should be made regarding food aid appropriations for 1985 for the sake of budgetary clarity:

- differentiated appropriations should be introduced in all the headings for aid in products (cereals other than rice, rice, milk powder, butteroil, vegetable oil and other commodities), since it has been found that in practice full implementation of the food aid programme for any given year requires more than two years;
- the headings for 'prior programmes' and 'current programmes' should be merged, since there is no longer any justification for the heading 'prior programmes' under a multiannual aid management system using differentiated appropriations; merging the two headings would make it possible, if necessary, to shift funds between the current year's programme and previous years' programmes, without the need to carry out transfers.

The introduction of differentiated appropriations should make it possible to achieve three fundamental objectives:

- to enter payment appropriations only for the amount that will actually be paid out during the year, both for the current programme and for previous years' programmes;
- to meet the requirement under Article 102 of the Financial Regulation that the full appropriations necessary in respect of the current year's programme should be committed, by entering the appropriate amount of commitment appropriations;
- to allow the accumulated backlog in respect of the settlement of previous years' programmes to be halved without increasing the total volume of payment appropriations between 1984 and 1985.

This new presentation has a number of advantages:

- it eliminates the need for transfers between the current year's programme and previous programmes;
- it satisfies the requirement under the Financial Regulation that commitments should be made in respect of the entirety of each new programme, without increasing payment appropriations at the same time;
- it limits payment appropriations to the amount that can actually be implemented, in line with the wishes of the Court of Auditors and the budgetary authority;

– it keeps the total amount of payment appropriations requested for 1985 at almost exactly the same level as in 1984, while at the same time making it possible to reduce the backlog that has built up over previous years.

The list below gives the new nomenclature for Articles 920 to 925:

Article / Item	Heading
920	Food aid in cereals
9200	Food aid in cereals other than rice
9201	Food aid in rice
9202	Additional food aid in cereals
921	Food aid in milk products
9210	Food aid in milk powder
9211	Food aid in butteroil
922	Food aid in sugar
9220	Food aid in sugar
9221	Food aid in sugar to UNRWA
923	Food aid in vegetable oil
924	Food aid (other commodities)
925	Food aid transport costs

F. PRELIMINARY DRAFT BUDGET FOR 1985

COMPARISON BETWEEN THE GENERAL BUDGET OF THE EUROPEAN COMMUNITIES,
THE BUDGETS OF THE MEMBER STATES
AND THE COMMUNITY'S GROSS DOMESTIC PRODUCT

Year	Unit	General budget of the European Communities (1)			Central government budgets of the Member States	Community GDP	General budget as % of	
		Total	of which EAGGF Guarantee	EAGGF Guarantee as % of total			National budgets 2:5 %	Community GDP 2:6 %
1973	Mio u.a.	4 641	3 594	77,4	227 700	870 200	2,0	0,53
1974	Mio u.a.	5 037	3 390	67,3	268 300	987 900	1,9	0,51
1975	Mio u.a.	6 214	4 327	69,6	337 500	1 132 600	1,8	0,55
1976	Mio u.a.	7 993	5 710	71,4	387 900	1 315 100	2,1	0,61
1977	Mio u.a.	8 483	6 512	76,8	442 600	1 483 800	1,9	0,57
1977	Mio EUA (2)	8 500			405 400	1 415 600	2,1	0,60
1978	Mio EUA (2)	12 384	8 679	70,8	470 200	1 569 100	2,6	0,79
1979	Mio EUA (2)	14 076	10 387	73,8	527 300	1 763 400	2,7	0,83
1980	Mio EUA (2)	15 975	11 292 (3)	70,7	621 900	1 987 500	2,7	0,80
1981	Mio ECU (2)	17 885	10 952 (3)	61,2	731 700	2 205 400	2,4	0,81
1982	Mio ECU (2)	20 697	12 294	59,4	844 710	2 404 000	2,5	0,86
1983	Mio ECU (2)	22 896	14 050 (3)	65,4	911 460	2 566 800 (4)	2,5	0,89
1984	Mio ECU (2)	25 361	16 500 (3)	65,1	966 800 (4)	2 781 000 (6)	2,6	0,91
1985	Mio ECU (2)	28 103	19 315 (3)	68,7	(5)	2 990 000 (6)		0,94

(1) Appropriations for payments:
1973/83: Expenditure against appropriations for the financial year as shown in the revenue and expenditure accounts, including appropriations carried over to the following year.
1984: Budget adopted on 20 December 1983.
1985: Preliminary draft.

(2) Conversion rates:
1977/83: Average rates for the year.
1984: Community budget — rate on 5 April 1983.
1985: Community budget and other aggregates — rate on 1 February 1984.

(3) Including refunds for food aid and ACP sugar.

(4) Estimate.

(5) An estimate cannot be made at present.

(6) Forecast.

Continued

[illegible]

Continued

Million ECU													
Absolute figures	Final budget 1981		Preliminary draft 1982		Final budget 1982		Preliminary draft 1983		Final budget 1983		Preliminary draft 1984		Final budget 1984
	19 986,1		24 005,7		23 260,1		23 931,9		26 533,1		28 620,0		27 377,3
			+ 20,11 %				+ 2,89 %				+ 7,87 %		
	← + 14,26 %				+ 16,38 %				+ 14,07 %				→ + 3,18 %
of which:													
— EAGGF Guarantee	11 580,0	57,9	13 919,3	58,0	13 671,3	58,8	14 050,0	58,7	15 811,0	59,6	16 500,0	57,7	16 500,0 60,3
— other	8 406,1	42,1	10 086,4	42,0	9 588,8	41,2	9 881,9	41,3	10 322,1	40,4	12 120,0	42,3	10 877,3 39,7
	19 986,1	100,0	24 005,7	100,0	23 260,1	100,0	23 931,9	100,0	26 533,1	100,0	28 620,0	100,0	27 377,3 100,0
of which:													
— comp. exp.	15 051,4	75,3	17 980,0	74,9	17 673,9	76,0							
(¹)	← + 13,31 %												
	15 111,4	75,6											
			+ 18,98 %										
					+ 16,96 %								
					17 398,6	74,8	16 461,4	68,8	19 043,9	71,8	18 929,7	66,1	18 617,5 68,0
							— 5,38 %						
									+ 9,45 %		— 1,43 %		
													→ — 2,24 %
— non-comp. exp.	4 934,7	24,7	6 025,7	25,1	5 586,3	24,0							
(¹)	← + 17,22 %												
	4 874,7	24,4											
			+ 23,61 %										
					+ 14,60 %								
					5 861,5	25,2	7 470,4	31,2	7 489,2	28,2	9 690,3	33,9	8 759,8 32,0
					(²)								(³)
							+ 27,45 %		+ 27,77 %		+ 29,39 %		→ + 16,97 %
		100,0		100,0		100,0		100,0		100,0		100,0	100,0

(¹) Item 9601 (Aid to prepare for the accession of Portugal to the EEC) was classified non-compulsory in 1981 (60 million ECU) but was classified compulsory by the Commission in 1982.

(²) New base for 1983, taking account of transfers.

(³) New base for 1984 (2 407 536 ECU in Title 1 of Part A).

Continued

Million ECU											
Absolute figures	Preliminary draft 1985		Final budget 1985	Preliminary draft		Final budget	Preliminary draft		Final budget	Preliminary draft	
	30 228,2 ← + 10,41 %										
of which:											
— EAGGF Guarantee	19 315,0	63,9									
— other	10 913,2	36,1									
	30 228,2	100,0									
of which:											
— comp. exp.	21 707,8 71,8 ← + 16,60 %										
— non-comp. exp.	8 520,4 28,2 ← - 2,73 %										

SECTION III A — STAFF AND ADMINISTRATIVE APPROPRIATIONS
BUDGET PROPOSALS FOR 1985 COMPARED WITH APPROPRIATIONS FOR 1984
(BY CHAPTER)

Title/ Chapter	Heading	1984 (¹)	1985 (¹)	Percentage change (2:1)
		1	2	3
<i>1</i>	<i>Expenditure relating to persons working with the institution</i>			
10	Members of the institution	4 049 500	5 782 000	+ 42,78
11	Staff in active employment	437 439 689	492 415 000	+ 12,57
12	Pensions, allowances (and miscellaneous contributions)	65 740 916	88 659 000	+ 34,86
13	Expenditure relating to missions and duty travel	11 454 500	12 141 000	+ 6,00
14	Socio-medical infrastructure	1 462 000	1 652 000	+ 13,00
15	Exchanges of civil servants and experts	2 281 100	2 837 000	+ 24,37
16	Expenditure on social welfare	1 091 000	1 361 000	+ 24,75
17	Entertainment and representation expenses	650 000	689 000	+ 6,00
	<i>Title 1 — Total</i>	<i>524 168 705</i>	<i>605 536 000</i>	<i>+ 15,52</i>
<i>2</i>	<i>Buildings, equipment and miscellaneous operating expenditure</i>			
20	Investment in immovable property, rental of buildings and associated costs	86 536 000	95 125 500	+ 9,93
21	Expenditure on data processing	30 500 000	36 500 000	+ 19,67
22	Movable property and associated costs	9 542 000	12 900 000	+ 35,19
23	Current administrative expenditure	6 250 000	6 805 000	+ 8,88
24	Postal charges and telecommunications	14 165 000	16 000 000	+ 12,95
25	Expenditure on formal and other meetings	15 480 000	16 053 800	+ 3,71
26	Expenditure on studies, surveys and consultations	12 000 000	9 900 000	— 17,50
27	Expenditure on publishing and information	37 950 000	45 077 500	+ 18,78
28	Subsidies for balancing budgets	63 357 150	71 960 550	+ 13,58
29	Subsidies and financial contributions	3 561 200	4 206 700	+ 18,13
	<i>Title 2 — Total</i>	<i>279 341 350</i>	<i>314 529 050</i>	<i>+ 12,60</i>
<i>10</i>	<i>Other expenditure</i>			
100	Provisional appropriations	p. m.	p. m.	—
101	Contingency reserve	p. m.	p. m.	—
	<i>Title 10 — Total</i>	<i>p. m.</i>	<i>p. m.</i>	<i>—</i>
	Section III A — Total	803 510 055	920 065 050	+ 14,51

(¹) Including appropriations in Chapter 100.

SECTION III B — OPERATING APPROPRIATIONS
BUDGET PROPOSALS FOR 1985 COMPARED WITH APPROPRIATIONS FOR 1984
(BY CHAPTER)

Appropriations for commitments

Title/ Chapter	Heading	1984 (1)	1985 (1)	Percentage change (2:1)
		1	2	3
<i>1 and 2</i>	<i>European Agricultural Guidance and Guarantee Fund — Guarantee Section</i>			
10	Cereals and rice	2 682 000 000	2 959 000 000	+ 10,33
11	Sugar and isoglucose	1 417 000 000	1 476 000 000	+ 4,16
12	Olive oil	773 000 000	935 000 000	+ 20,96
13	Oilseeds and protein plants	1 226 000 000	1 382 000 000	+ 12,72
14	Textile plants and silkworms	193 000 000	224 000 000	+ 16,06
15	Fruit and vegetables	1 045 000 000	1 256 000 000	+ 20,19
16	Products of the wine-growing sector	588 000 000	691 000 000	+ 17,52
17	Tobacco	745 000 000	826 000 000	+ 10,87
18	Other agricultural sectors or products	55 000 000	132 000 000	+ 140,00
	<i>Title 1 — Total</i>	<i>8 724 000 000</i>	<i>9 881 000 000</i>	<i>+ 13,26</i>
20	Milk and milk products	5 006 000 000	5 484 000 000	+ 9,55
21	Beef and veal	1 399 000 000	2 215 000 000	+ 58,33
22	Sheepmeat and goatmeat	351 000 000	417 000 000	+ 18,80
23	Pigmeat	197 000 000	195 000 000	— 1,02
24	Eggs and poultrymeat	128 000 000	136 000 000	+ 6,25
25	Refunds on certain goods obtained by processing agricultural products	327 000 000	390 000 000	+ 19,27
27	Accession compensatory amounts granted in intra-Community trade	1 000 000	1 000 000	—
28	Monetary compensatory amounts levied or paid in trade in agricultural products	367 000 000	126 000 000	— 65,67
29	Other expenditure	p. m.	470 000 000	—
	<i>Title 2 — Total</i>	<i>7 776 000 000</i>	<i>9 434 000 000</i>	<i>+ 21,32</i>
	<i>EAGGF Guarantee Section — Total</i>	<i>16 500 000 000</i>	<i>19 315 000 000</i>	<i>+ 17,06</i>
<i>3</i>	<i>European Agricultural Guidance and Guarantee Fund — Guidance Section and specific agricultural measures</i>			
30	Projects for the improvement of agricultural structures	164 000 000	267 000 000	+ 62,80
31	General socio-structural measures	93 000 000	130 041 000	+ 39,83
32	Measures to assist less-favoured areas	387 600 000	339 800 000	— 12,33
33	Structural measures connected with the common organization of markets	78 900 000	97 500 000	+ 23,57
38	Expenditure in the agricultural sector	86 560 000	94 859 000	+ 9,59
	<i>Title 3 — Total</i>	<i>810 060 000</i>	<i>929 200 000</i>	<i>+ 14,71</i>

(1) Including appropriations in Chapter 100.

Continued

Title/ Chapter	Heading	1984 (¹)	1985 (¹)	Percentage change (2:1)
		1	2	3
4	<i>Common fisheries and marine policy</i>			
40	Common organization of the market in fishery products	42 875 000	31 000 000	— 27,70
41	Specific measures in the fisheries sector	3 123 000	2 870 000	— 8,10
42	Assumption by the Community of certain financial obligations arising from agreements on fishing rights in non-Community waters	13 060 000	45 700 000	+ 250,00
43	Social measures in the fisheries sector	250 000	250 000	—
45	Measures to improve fisheries structures: adjustment and redeployment of capacity	30 500 000	31 000 000	+ 1,64
46	Measures to improve fisheries structures: common measures	69 300 000	70 250 000	+ 1,37
	<i>Title 4 — Total</i>	<i>159 108 000</i>	<i>181 070 000</i>	<i>+ 13,80</i>
5	<i>Appropriations for operations in the regional development and transport sectors</i>			
50	European Regional Development Fund — Operations	2 025 500 000	2 135 000 000	+ 5,43
51	European Regional Development Fund — Specific Community measures	115 000 000	115 000 000	—
52	Back-up measures to reduce economic disparities in the Community	p. m.	p. m.	—
53	Supplementary measures in favour of the United Kingdom	p. m.	—	p. m.
54	Other regional policy operations	35 700 000	67 750 000	+ 89,78
55	Mediterranean programmes	10 000 000	160 000 000	+ 1 500,00
56	Urban concentrations	p. m.	—	p. m.
58	Transport	81 750 000	111 750 000	+ 36,70
	<i>Title 5 — Total</i>	<i>2 267 450 000</i>	<i>2 589 500 000</i>	<i>+ 14,20</i>
6	<i>Appropriations for operations in the social sector</i>			
60	European Social Fund — General measures	1 761 000 000	1 851 000 000	+ 5,11
61	European Social Fund — Specific measures	85 000 000	89 000 000	+ 4,71
63	Education and vocational training	16 816 000	17 680 000	+ 5,14
64	Employment, social protection and health	20 752 000	28 427 000	+ 36,98
65	Contribution to the ECSC for social measures in connection with the restructuring of the coal and steel industries	122 500 000	122 500 000	—
66	Protection of the environment and consumers	19 964 000	21 019 000	+ 5,28
67	Cultural action and the European Foundation	2 140 000	2 680 000	+ 25,23
69	Aid to disaster victims in the Community	31 770 000	38 070 000	+ 19,83
	<i>Title 6 — Total</i>	<i>2 059 942 000</i>	<i>2 170 376 000</i>	<i>+ 5,36</i>

(1) Including appropriations in Chapter 100.

Continued

Title/ Chapter	Heading	1984 (1)	1985 (1)	Percentage change (2:1)	
		1	2	3	
7	<i>Appropriations for operations in the energy, industry and technology, research, nuclear safeguards, and information market and innovation sectors</i>	(2)			
70	Energy policy	179 735 000	153 000 000	—	14,87
71	Nuclear safeguards	3 300 000	3 465 000	+	5,00
72	General and preparatory projects in the field of scientific and technological research	3 740 000	4 050 000	+	8,29
73	Research and investment	740 097 000	910 717 000	+	23,05
75	Information market and innovation	27 435 000	23 200 000	—	15,44
77	Industry and the internal market	64 021 000	52 370 000	—	18,20
79	EEC guarantee for Euratom loans raised	p. m.	p. m.	—	
	<i>Title 7 — Total</i>	<i>1 018 328 000</i>	<i>1 146 802 000</i>	<i>+</i>	<i>12,62</i>
8	<i>Repayments and aid to Member States, loan guarantees and miscellaneous</i>				
80	Flat-rate repayment to the Member States of costs incurred in collecting own resources	1 057 343 000	1 047 098 000	—	0,97
81	Application of the financial mechanism pursuant to the Council Decisions of 17 May 1976 and 27 October 1980	—	—	—	
82	Financial compensation to Member States which are not effectively and fully participating in the European Monetary System	p. m.	p. m.	—	
83	EEC guarantee for Community loans raised for balance-of-payments support	p. m.	p. m.	—	
84	EEC guarantee for loans raised to promote investment in the Community	p. m.	p. m.	—	
85	Exchange losses and deficit carried over from previous year	p. m.	p. m.	—	
86	Other repayments	46 165 033	26 963 023	—	41,59
	<i>Title 8 — Total</i>	<i>1 103 508 033</i>	<i>1 074 061 023</i>	<i>—</i>	<i>2,67</i>

(1) Including appropriations in Chapter 100.
(2) Including 30 million ECU entered in Chapter 100 for Chapters 70, 73, 75, 77 and 78 (58 in the 1985 budget).

Continued

Title/ Chapter	Heading	1984 (1)	1985 (1)	Percentage change (2:1)
		1	2	3
9	<i>Cooperation with developing and other non-member countries</i>			
90	European Development Fund: Cooperation with the African, Caribbean and Pacific States	p. m.	p. m.	—
91	European Development Fund: Cooperation with the overseas countries and territories associated with the Community	p. m.	p. m.	—
92	Food aid and food projects in place of food aid	506 100 000	671 900 000	+ 32,76
93	Cooperation with non-associated developing countries	237 050 000	325 232 000	+ 37,20
94	Specific measures for cooperation with developing countries	41 670 000	39 480 000	— 5,26
95	Exceptional measures to assist developing and other non-member countries	71 500 000	30 500 000	— 57,34
96	Cooperation with Mediterranean countries	108 000 000	326 600 000	+ 202,00
97	Cooperation in the field of commodities	—	p. m.	—
98	Operating expenses of Commission delegations in developing countries	56 000 000	61 300 000	+ 9,46
99	Cooperation with non-member countries	2 500 000	4 000 000	+ 60,00
	<i>Title 9 — Total</i>	<i>1 022 820 000</i>	<i>1 459 012 000</i>	<i>+ 42,65</i>
10	<i>Other expenditure</i>			
100	Provisional expenditure	1 202 000 000 (2)	—	—
101	Contingency reserve	5 000 000	5 000 000	—
	<i>Title 10 — Total</i>	<i>1 207 000 000</i>	<i>5 000 000</i>	<i>—</i>
	<i>Section III B — Total</i>	<i>26 148 216 033</i>	<i>28 870 021 023</i>	<i>+ 10,41</i>
	<i>Grand total</i>	<i>26 951 726 088</i>	<i>29 790 086 073</i>	<i>+ 10,53</i>

(1) Including appropriations in Chapter 100.

(2) An appropriation of 1 202 000 000 ECU is entered in Chapter 100 for the measures on behalf of the United Kingdom and the Federal Republic of Germany.

SECTION III B — OPERATING APPROPRIATIONS
BUDGET PROPOSALS FOR 1985 COMPARED WITH APPROPRIATIONS FOR 1984
(BY CHAPTER)

Appropriations for payments

Title/ Chapter	Heading	1984 (¹)	1985 (¹)	Percentage change (2:1)
		1	2	3
<i>1 and 2</i>	<i>European Agricultural Guidance and Guarantee Fund — Guarantee Section</i>			
10	Cereals and rice	2 682 000 000	2 959 000 000	+ 10,33
11	Sugar and isoglucose	1 417 000 000	1 476 000 000	+ 4,16
12	Olive oil	773 000 000	935 000 000	+ 20,96
13	Oilseeds and protein plants	1 226 000 000	1 382 000 000	+ 12,72
14	Textile plants and silkworms	193 000 000	224 000 000	+ 16,06
15	Fruit and vegetables	1 045 000 000	1 256 000 000	+ 20,19
16	Products of the wine-growing sector	588 000 000	691 000 000	+ 17,52
17	Tobacco	745 000 000	826 000 000	+ 10,87
18	Other agricultural sectors or products	55 000 000	132 000 000	+ 140,00
	<i>Title 1 — Total</i>	<i>8 724 000 000</i>	<i>9 881 000 000</i>	<i>+ 13,26</i>
20	Milk and milk products	5 006 000 000	5 484 000 000	+ 9,55
21	Beef and veal	1 399 000 000	2 215 000 000	+ 58,33
22	Sheepmeat and goatmeat	351 000 000	417 000 000	+ 18,80
23	Pigmeat	197 000 000	195 000 000	— 1,02
24	Eggs and poultrymeat	128 000 000	136 000 000	+ 6,25
25	Refunds on certain goods obtained by processing agricultural products	327 000 000	390 000 000	+ 19,27
27	Accession compensatory amounts granted in intra-Community trade	1 000 000	1 000 000	—
28	Monetary compensatory amounts levied or paid in trade in agricultural products	367 000 000	126 000 000	— 65,67
29	Other expenditure	p. m.	470 000 000	—
	<i>Title 2 — Total</i>	<i>7 776 000 000</i>	<i>9 434 000 000</i>	<i>+ 21,32</i>
	<i>EAGGF Guarantee Section — Total</i>	<i>16 500 000 000</i>	<i>19 315 000 000</i>	<i>+ 17,06</i>
<i>3</i>	<i>European Agricultural Guidance and Guarantee Fund — Guidance Section and specific agricultural measures</i>			
30	Projects for the improvement of agricultural structures	120 000 000	182 400 000	+ 51,92
31	General socio-structural measures	93 000 000	128 400 000	— 38,06
32	Measures to assist less-favoured areas	321 910 000	461 600 000	+ 43,39
33	Structural measures connected with the common organization of markets	60 700 000	84 400 000	+ 39,04
38	Expenditure in the agricultural sector	79 520 000	83 039 000	+ 4,43
	<i>Title 3 — Total</i>	<i>675 130 000</i>	<i>939 839 000</i>	<i>+ 39,21</i>

(¹) Including appropriations in Chapter 100.

Continued

Title/ Chapter	Heading	1984 (¹)	1985 (¹)	Percentage change (2:1)
		1	2	3
4	<i>Common fisheries and marine policy</i>			
40	Common organization of the market in fishery products	42 875 000	31 000 000	— 27,70
41	Specific measures in the fisheries sector	1 373 000	2 470 000	+ 79,90
42	Assumption by the Community of certain financial obligations arising from agreements on fishing rights in non-Community waters	13 060 000	45 700 000	+ 250,00
43	Social measures in the fisheries sector	250 000	250 000	—
45	Measures to improve fisheries structures: adjustment and redeployment of capacity	30 500 000	31 000 000	+ 1,64
46	Measures to improve fisheries structures: common measures	24 300 000	29 250 000	+ 20,37
	<i>Title 4 — Total</i>	<i>112 358 000</i>	<i>139 670 000</i>	<i>+ 24,31</i>
5	<i>Appropriations for operations in the regional development and transport sectors</i>			
50	European Regional Development Fund — Operations	1 312 500 000	1 542 500 000	+ 17,52
51	European Regional Development Fund — Specific Community measures	100 000 000	100 000 000	—
52	Back-up measures to reduce economic disparities in the Community	p. m.	—	—
53	Supplementary measures in favour of the United Kingdom	p. m.	p. m.	p. m.
54	Other regional policy operations	32 300 000	52 750 000	+ 63,31
55	Mediterranean programmes	10 000 000	10 000 000	—
56	Urban concentrations	p. m.	—	— p. m.
58	Transport	33 750 000	35 750 000	+ 5,93
	<i>Title 5 — Total</i>	<i>1 488 550 000</i>	<i>1 741 000 000</i>	<i>+ 16,96</i>
6	<i>Appropriations for operations in the social sector</i>			
60	European Social Fund — General measures	1 194 500 000	1 340 300 000	+ 12,21
61	European Social Fund — Specific measures	25 500 000	35 700 000	+ 40,00
63	Education and vocational training	16 816 000	17 680 000	+ 5,14
64	Employment, social protection and health	19 952 000	27 326 000	+ 36,96
65	Contribution to the ECSC for social measures in connection with the restructuring of the coal and steel industries	122 500 000	122 500 000	—
66	Protection of the environment and consumers	16 214 000	17 169 000	+ 5,89
67	Cultural action and the European Foundation	2 140 000	2 680 000	+ 25,23
69	Aid to disaster victims in the Community	31 770 000	38 070 000	+ 19,83
	<i>Title 6 — Total</i>	<i>1 429 392 000</i>	<i>1 601 425 000</i>	<i>+ 12,04</i>

(1) Including appropriations in Chapter 100.

Continued

Title/ Chapter	Heading	1984 (1)	1985 (1)	Percentage change (2:1)
		1	2	
7	<i>Appropriations for operations in the energy, industry and technology, research, nuclear safeguards, and information market and innovation sectors</i>	(2)		
70	Energy policy	121 350 000	88 500 000	— 27,07
71	Nuclear safeguards	3 300 000	3 465 000	+ 500,00
72	General and preparatory projects in the field of scientific and technological research	3 740 000	4 050 000	+ 8,29
73	Research and investment	505 827 000	610 000 000	+ 20,59
75	Information market and innovation	23 185 000	15 550 000	— 32,93
77	Industry and the internal market	61 901 000	56 030 000	— 9,48
79	EEC guarantee for Euratom loans raised	p. m.	p. m.	—
	<i>Title 7 — Total</i>	<i>719 303 000</i>	<i>777 595 000</i>	<i>+ 8,10</i>
8	<i>Repayment and aid to Member States, loan guarantees and miscellaneous</i>			
80	Flat-rate repayment to the Member States of costs incurred in collecting own resources	1 057 343 000	1 047 098 000	— 0,97
81	Application of the financial mechanism pursuant to the Council Decisions of 17 May 1976 and 27 October 1980	—	—	—
82	Financial compensation to Member States which are not effectively and fully participating in the European Monetary System	p. m.	p. m.	—
83	EEC guarantee for Community loans raised for balance-of-payments support	p. m.	p. m.	—
84	EEC guarantee for loans raised to promote investment in the Community	p. m.	p. m.	—
85	Guarantee for loans to promote investment in the Community	p. m.	p. m.	—
86	Other repayments	46 165 033	26 963 023	— 41,59
	<i>Title 8 — Total</i>	<i>1 103 508 033</i>	<i>1 074 061 023</i>	<i>— 2,67</i>

(1) Including appropriations in Chapter 100.
(2) Including 24,6 million ECU entered in Chapter 100 for Chapters 70, 73, 75, 77 and 78 (= 58 in the 1985 budget).

Continued

Title/ Chapter	Heading	1984 (¹)	1985 (¹)	Percentage change (2:1)	
		1	2	3	
9	<i>Cooperation with developing and other non-member countries</i>				
90	European Development Fund: Cooperation with the African, Caribbean and the Pacific States	p. m.	p. m.	—	
91	European Development Fund: Cooperation with the overseas countries and territories associated with the Community	p. m.	p. m.	—	
92	Food aid and food projects in place of food aid	506 100 000	492 400 000	—	2,71
93	Cooperation with non-associated developing countries	131 305 000	173 770 000	+	32,34
94	Specific measures for cooperation with developing countries	39 670 000	24 480 000	—	38,29
95	Exceptional measures to assist developing and other non-member countries	55 500 000	46 500 000	—	16,22
96	Cooperation with Mediterranean countries	106 073 000	349 250 000	+	229,00
97	Cooperation in the field of commodities	—	p. m.	—	
98	Operating expenses of Commission delegations in developing countries	56 000 000	61 300 000	+	9,46
99	Cooperation with non-member countries	2 500 000	4 000 000	+	60,00
	<i>Title 9 — Total</i>	<i>897 148 000</i>	<i>1 151 700 000</i>	+	<i>28,37</i>
10	<i>Other expenditure</i>				
100	Provisional expenditure	1 202 000 000 (²)	—	—	
101	Contingency reserve	5 000 000	5 000 000	—	
	<i>Title 10 — Total</i>	<i>1 207 000 000</i>	<i>5 000 000</i>	—	
	<i>Section III B — Total</i>	<i>24 132 389 033</i>	<i>26 745 290 023</i>	+	<i>10,83</i>
	Grand total	24 935 899 088	27 665 355 073	+	10,95

(1) Including appropriations in Chapter 100.

(2) An appropriation of 1 202 000 000 ECU is entered in Chapter 100 for the measures on behalf of the United Kingdom and the Federal Republic of Germany.

COMPULSORY EXPENDITURE IN 1984 AND 1985

Title	Heading	1984 ⁽¹⁾		1985 ⁽¹⁾		Change in absolute terms (3 : 1)	% change	Change in absolute terms (4 : 2)	% change
		Appropriations for commitments	Appropriations for payments	Appropriations for commitments	Appropriations for payments				
		1	2	3	4				
1-2	European Agricultural Guidance and Guarantee Fund — Guarantee Section	16 500 000 000	16 500 000 000	19 315 000 000	19 315 000 000	+ 2 815 000 000	+ 17,06	+ 2 815 000 000	+ 17,06
3	European Agricultural Guidance and Guarantee Fund — Guidance Section	597 115 000	516 225 000	589 900 000	682 000 000	+ 1 785 000	+ 0,30	+ 165 775 000	+ 32,11
4	Common fisheries and marine policy	87 535 000	87 035 000	107 950 000	107 950 000	+ 20 415 000	+ 23,32	+ 20 915 000	+ 24,03
5	Appropriations for operations in the regional development and transport sectors	p. m.	p. m.	p. m.	p. m.	—	—	—	—
6	Appropriations for operations in the social sector	—	—	—	—	—	—	—	—
7	Appropriations for operations in the energy, industry and technology, research, nuclear safeguards and information market and innovation sectors	p. m.	p. m.	p. m.	p. m.	—	—	—	—
8	Repayments and aid to Member States, loan guarantees and miscellaneous	1 103 508 033	1 103 508 033	1 074 061 023	1 074 061 023	— 29 447 010	— 2,67	— 29 447 010	— 2,67
9	Cooperation with developing and other non-member countries	261 700 000	259 773 000	521 100 000	491 150 000	+ 259 400 000	+ 99,12	+ 231 377 000	+ 89,07
10	Other expenditure	—	—	—	—	—	—	—	—
	Section III B — Total	18 549 858 033	18 466 541 033	21 617 011 023	21 670 161 023	+ 3 067 152 990	+ 16,53	+ 3 203 619 990	+ 17,35
	Section III A — Total	67 630 516	67 630 516	90 820 100	90 820 100	+ 23 189 584	+ 34,29	+ 23 189 584	+ 34,29
	Commission — Total	18 617 488 549	18 534 171 549	21 707 831 123	21 760 981 123	+ 3 090 342 574	+ 16,60	+ 3 226 809 574	+ 17,41
	Other institutions	—	—	—	—	—	—	—	—
	Grand total	18 617 488 549	18 534 171 549	21 707 831 123	21 760 981 123	+ 3 090 342 574	+ 16,60	+ 3 226 809 574	+ 17,41

⁽¹⁾ Including appropriations in Chapter 100.

NON-COMPULSORY EXPENDITURE IN 1984 AND 1985

Title	Heading	1984 ⁽¹⁾		1985 ⁽¹⁾		Change in absolute terms (3:1)	% change	Change in absolute terms (4:2)	% change
		Appropriations for commitments	Appropriations for payments	Appropriations for commitments	Appropriations for payments				
		1	2	3	4				
1-2	European Agricultural Guidance and Guarantee Fund — Guarantee Section	—	—	—	—	—	—	—	—
3	European Agricultural Guidance and Guarantee Fund — Guidance Section	212 945 000	158 905 000	330 300 000	257 839 000	+ 117 355 000	+ 55,11	+ 98 934 000	+ 62,26
4	Common fisheries and marine policy	71 573 000	25 323 000	73 120 000	31 720 000	+ 1 547 000	+ 2,16	+ 6 397 000	+ 25,26
5	Appropriations for operations in the regional development and transport sectors	2 267 450 000	1 488 550 000	2 589 500 000	1 741 000 000	+ 322 050 000	+ 14,20	+252 450 000	+ 16,96
6	Appropriations for operations in the social sector	2 059 942 000	1 429 392 000	2 170 376 000	1 601 425 000	+ 110 434 000	+ 5,36	+172 033 000	+ 12,04
7	Appropriations for operations in the energy, industry and technology, research, nuclear safeguards and information market and innovation sectors	1 018 328 000	719 303 000	1 146 802 000	777 595 000	+ 128 474 000	+ 12,62	+ 58 292 000	+ 8,10
8	Repayments and aid to Member States, loan guarantees and miscellaneous	—	—	—	—	—	—	—	—
9	Cooperation with developing and other non-member countries	761 120 000	637 375 000	937 912 000	660 550 000	+ 176 792 000	+ 23,23	+ 23 175 000	+ 3,64
10	Other expenditure	5 000 000	5 000 000	5 000 000	5 000 000	—	—	—	—
	Section III B — Total	6 396 358 000	4 463 848 000	7 253 010 000	5 075 129 000	+ 856 852 000	+ 13,39	+611 281 000	+ 13,69
	Section III A — Total	735 879 539	735 879 539	829 244 950	829 244 950	+ 93 365 411	+ 12,69	+ 93 365 411	+ 12,69
	Commission — Total	7 132 237 539	5 199 727 539	8 082 254 950	5 904 373 950	+ 950 017 411	+ 13,32	+704 646 411	+ 13,55
	Other institutions	425 562 275	425 562 275	438 110 000	438 110 000	+ 12 547 725	+ 2,95	+ 12 547 725	+ 2,95
	Total	7 557 799 814	5 625 289 814	8 520 364 950	6 342 483 950	+ 962 565 136	+ 12,75	+717 194 136	+ 12,75
		1 202 000 000 (2)	1 202 000 000 (2)			-1 202 000 000	-100,0	-1 202 000 000	-100,0
	Grand total	8 759 799 814	6 827 289 814	8 520 364 950	6 342 483 950	+ 239 434 864	+ 2,73	+484 805 864	+ 7,10

⁽¹⁾ Including appropriations in Chapter 100.

⁽²⁾ The 1 202 million ECU entered in Chapter 100 of the 1984 budget to finance measures of Community interest in the United Kingdom and the Federal Republic of Germany (point 7 of the remarks on page 915 of OJ No L 12 of 1984) is non-compulsory expenditure, as the Council explicitly confirmed to Parliament when examining the Commission's proposals for the utilization of these appropriations on 14 March 1984. As a result of this confirmation, which formed part of the agreement between all the institutions on all the points raised by Parliament in its resolution of 14 February 1984, there was no need for the conciliation procedure to be engaged.

The Commission has not included the 1 202 million ECU in the base for 1984 in order to maintain uniformity in the appropriations contained in this figure from one year to the next and thus to prevent any comparison being made between figures which are not comparable. Unlike the 1984 budget, the preliminary draft budget for 1985 does not carry any appropriations for the measures in favour of the United Kingdom and Germany, since the measures planned for 1985 are completely different to those for 1984. If expenditure of the same type as that entered in the 1984 budget is subsequently proposed for 1985, the Commission will of course have to revise its position.

APPLICATION OF THE MAXIMUM RATE OF INCREASE FOR NON-COMPULSORY EXPENDITURE TO APPROPRIATIONS FOR COMMITMENTS

Title	1984 base	Latitude for the Council Maximum rate = 8,50 %	Latitude for Parliament Margin of manoeuvre = 4,25 %	Total col. 2 + col. 3 = 12,75 %
	1	2	3	4
1	—			
2	—			
3	212 945 000			
4	71 573 000			
5	2 267 450 000			
6	2 059 942 000			
7	1 018 328 000			
8	—			
9	761 120 000			
10	5 000 000			
Section III B — Total	6 396 358 000			
Section III A — Total	735 879 539			
Commission — Total	7 132 237 539			
Other institutions	425 562 275			
Grand total	7 557 799 814 ⁽¹⁾	642 412 984	321 206 492	963 619 476

(1) See footnote 2 on page A/111.

APPLICATION OF THE MAXIMUM RATE OF INCREASE FOR NON-COMPULSORY EXPENDITURE TO APPROPRIATIONS FOR PAYMENTS

Title	1984 base	Latitude for the Council Maximum rate = 8,50 %	Latitude for Parliament Margin of manoeuvre = 4,25 %	Total col. 2 + col. 3 = 12,75 %
	1	2	3	4
1	—			
2	—			
3	158 905 000			
4	25 323 000			
5	1 488 550 000			
6	1 429 392 000			
7	719 303 000)			
8	—			
9	637 375 000			
10	5 000 000			
Section III B — Total	4 463 848 000			
Section III A — Total	735 879 539			
Commission — Total	5 199 727 539			
Other institutions	425 562 275			
Grand total	5 625 289 814(1)	478 149 634	239 074 817	717 224 451

(1) See footnote 2 on page A/111.

FINANCIAL YEAR 1985 — LIST OF NEW MEASURES

Article/ Item	Classification	Heading	Amounts	
			Commitments	Payments
		<i>PART A</i>		
2393	Non-comp.	Services rendered by interpreters to Parliament	p. m.	p. m.
2724	Non-comp.	Public awareness campaigns	p. m.	p. m.
2725	Non-comp.	Preparation and coordination of European television programmes	p. m.	p. m.
		<i>PART B</i>		
1201	Comp.	Refunds in connection with Community food aid (olive oil)	p. m.	p. m.
1312	Comp.	Production aid for lupins	3 000 000	3 000 000
183	Comp.	Ethyl alcohol of agricultural origin	80 000 000	80 000 000
2025	Comp.	Aid for powdered milk with 10 % fat for use as feed for calves	405 000 000	405 000 000
2071	Comp.	Additional levy (milk)	—643 000 000	—643 000 000
291	Comp.	Community compensating measures in favour of Germany	120 000 000	120 000 000
292	Comp.	Special destocking measures	350 000 000	350 000 000
3121	Non-comp.	EAGGF Guidance — Information in the field of agricultural structures	5 000 000	2 000 000
313	Non-comp.	EAGGF Guidance — Aids for the management of agricultural holdings	p. m.	p. m.
314	Comp.	EAGGF Guidance — Aid for forestry on agricultural holdings	p. m.	p. m.
3293	Comp.	Transport of means of production to certain Greek islands	8 900 000	8 900 000
3881	Non-comp.	Marketing and processing of forestry products	10 000 000	500 000
424	Comp.	Expenditure connected with the Agreement on fishing rights concerning Greenland	26 500 000	26 500 000
6484	Non-comp.	Health protection action programme in the field of toxicology	200 000	200 000
665	Non-comp.	Direct Community action in regions where the environment is under particular threat	900 000	900 000
6674	Non-comp.	Monitoring operations in relation to the safety of consumer products	1 000 000	1 000 000
725	Non-comp.	Evaluation of research	300 000	300 000
7323	Non-comp.	Health and safety — Acquired immuno-deficiency syndrome (AIDS)	p. m. ⁽¹⁾	p. m. ⁽¹⁾
7324	Non-comp.	Health and safety — Safety and hygiene at work	p. m. ⁽¹⁾	p. m. ⁽¹⁾
7327	Non-comp.	Health and safety — Non-ionizing radiation	p. m. ⁽¹⁾	p. m. ⁽¹⁾
7336	Non-comp.	Advanced communications technologies in Europe (RACE)	15 000 000 ⁽²⁾	5 000 000 ⁽²⁾
7375	Non-comp.	Projects of European significance	5 000 000	1 500 000

(1) An overall reserve of 2 900 000 ECU in payment appropriations and 17 050 000 ECU in commitment appropriations for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352 is entered in Chapter 100.

(2) Appropriations entered in Chapter 100.

Continued

Article/ Item	Classification	Heading	Amounts	
			Commitments	Payments
7714	Non-comp.	Information technologies applied to education and training	p. m.	p. m.
7715	Non-comp.	Development of information technologies for the advancement of scientific progress	p. m.	p. m.
7716	Non-comp.	Introduction of information technologies into computer-integrated manufacturing processes	p. m.	p. m.
7717	Non-comp.	Standardization: Information technologies	4 000 000	3 000 000
7731	Non-comp.	Joint development of advanced telecommunications infrastructure projects	p. m.	p. m.
7778	Non-comp.	Encouragement of measures to help the craft industry and small and medium-sized enterprises	200 000	200 000
7792	Non-comp.	Multiannual measures to strengthen European standardization bodies	1 200 000	600 000
871	Comp.	Capital repayments and proceeds from interest on loans granted to the Community by the Member States in 1985	p. m.	p. m.
9491	Non-comp.	Consultations and information activities following the signing of the new ACP-EEC Convention	100 000	100 000
9602	Comp.	Specific aid to improve agricultural structures in Portugal	50 000 000	25 000 000

COMMISSION'S REASONED PROPOSAL ⁽¹⁾ FOR THE CLASSIFICATION OF NEW BUDGET HEADINGS IN THE PRELIMINARY DRAFT BUDGET FOR 1985

Part A		
<i>Item 2393</i>	<p><i>Services rendered by interpreters to Parliament</i></p> <p>The transfer of some expenditure from former Item 1170 (non-compulsory) to Chapter 23 does not affect classification.</p>	Non-comp.
<i>Item 2724</i>	<i>Public awareness campaigns</i>	Non-comp.
<i>Item 2725</i>	<p><i>Preparation and coordination of European television programmes</i></p> <p>The appropriations to be entered under these two headings (for which the 1985 preliminary draft budget at present contains a token entry) will be used for one-off operations not requiring a basic instrument and constituting non-compulsory expenditure.</p>	Non-comp.
Part B		
<i>Item 1201</i>	<i>Refunds in connection with Community food aid (olive oil)</i>	Comp.
<i>Item 1312</i>	<i>Production aid for lupins</i>	Comp.
<i>Article 183</i>	<i>Ethyl alcohol of agricultural origin</i>	Comp.
<i>Item 2025</i>	<i>Aid for powdered milk with 10% fat for use as feed for calves</i>	Comp.
<i>Item 2071</i>	<i>Additional levy (milk)</i>	Comp.
<i>Article 291</i>	<i>Community compensating measures in favour of Germany</i>	Comp.
<i>Article 292</i>	<p><i>Special destocking measures</i></p> <p>Expenditure under these seven headings, which form part of the EAGGF Guarantee Section, arises from the basic regulations on the common organizations of markets. These create internal obligations which the budgetary authority is bound to respect and so the expenditure is compulsory.</p>	Comp.
<i>Item 3121</i>	<i>EAGGF Guidance — Information in the field of agricultural structures</i>	Non-comp.
<i>Article 313</i>	<p><i>EAGGF Guidance — Aids for the management of agricultural holdings</i></p> <p>Appropriations under these two headings are to finance measures to improve the efficiency of agricultural structures. They take the form of subsidies to be granted by the Commission on a case-by-case basis subject to the budget funds available. Since they do not arise from an internal Community obligation which the budgetary authority is bound to respect, the expenditure is non-compulsory.</p>	Non-comp.
<i>Article 314</i>	<p><i>EAGGF Guidance — Aid for forestry on agricultural holdings</i></p> <p>These appropriations are to finance an operation allowing the Member States to grant aid to agricultural operators for certain forestry activities.</p> <p>It will be paid as a refund of eligible expenditure by the Member States during the preceding year.</p> <p>The regulation proposed by the Commission will create internal Community obligations so the expenditure will be compulsory.</p>	Comp.
<i>Item 3293</i>	<p><i>Transport of means of production to certain Greek islands</i></p> <p>These appropriations are to assist the transport of certain means of agricultural production from the mainland to the Greek islands. The subsidies will be paid as refunds of expenditure by the Member States during the previous year.</p> <p>The regulation which the Commission will propose will create internal Community obligations so the expenditure will be compulsory.</p>	Comp.
<i>Item 3881</i>	<p><i>Marketing and processing of forestry products</i></p> <p>These appropriations are to cover actions for the improvement of agricultural holdings through the development of forestry. They will be paid as subsidies for the development and rationalization and/or processing of forestry products to be granted by the Commission subject to the availability of funds.</p> <p>The basic instrument proposed to the Council does not create internal Community obligations so the expenditure is non-compulsory.</p>	Non-comp.

Continued

Article 424	<p><i>Expenditure connection with the Agreement on fishing rights concerning Greenland</i></p> <p>This expenditure stems from the fisheries agreement to be concluded between the Community and Greenland on the basis of the agreement of 20 February 1984 between the EEC, the Danish Government and the Greenland local government.</p> <p>The expenditure is to cover payment for the acquisition of fishing rights. Hence it constitutes an external Community obligation which the budgetary authority is bound to respect and is compulsory.</p>	Comp.
Item 6403	<p><i>Community labour force survey</i></p> <p>This is not a new operation but a new item for certain appropriations previously entered under Article A 263 to contribute towards the cost of statistical surveys. Since the basic Council instruments do not create an internal Community obligation, the expenditure is non-compulsory.</p>	Non-comp.
Item 6484	<p><i>Health protection action programme in the field of toxicology</i></p> <p>These appropriations are to cover studies, consultations and the dissemination of information. These actions impose no internal Community obligations which the budgetary authority is bound to respect and so the expenditure is non-compulsory.</p>	Non-comp.
Article 665	<p><i>Direct Community action in regions where the environment is under particular threat</i></p> <p>The appropriations are to finance a coherent intervention programme to protect the environment of the Mediterranean including pilot projects, descriptive analyses, seminars and training courses for specialists. It will be carried out according to the availability of appropriations. Since no basic instrument is required for the individual operations, the expenditure is non-compulsory.</p>	Non-comp.
Item 6674	<p><i>Monitoring operations in relation to the safety of consumer products</i></p> <p>The appropriations are to finance measures concerned with monitoring consumer products to detect dangers and studies of accidents in which such products are involved and the prevention of such risks and accidents.</p> <p>The basic instruments (Council Regulations and decisions) do not create internal Community obligations so the expenditure is non-compulsory.</p>	Non-comp.
Article 725	<p><i>Evaluation of research</i></p> <p>The appropriations are to cover the cost of studies on the evaluation of research programmes and the development of evaluation methods.</p> <p>Since no basic instrument is required, the expenditure is non-compulsory.</p>	Non-comp.
Item 7323	<i>Health and safety – Acquired immuno-deficiency syndrome (AIDS)</i>	Non-comp.
Item 7324	<i>Health and safety – Safety and hygiene at work</i>	Non-comp.
Item 7327	<i>Health and safety – Non-ionizing radiation</i>	Non-comp.
Item 7336	<p><i>Advanced communications technologies in Europe (RACE)</i></p> <p>These three new items contain appropriations for health and safety research programmes. The proposals for decisions now being prepared will not create external or internal Community obligations. (Non-member countries will contribute to operations under Items 7323 and 7324 as part of the COST programme; their contributions are entered under Article 602 of the statement of revenue.)</p> <p>These appropriations are to contribute to expenditure on pre-competitive research projects at Community level. The decision being prepared will not create a binding Community internal obligation and so the expenditure will be non-compulsory.</p>	Non-comp.

Continued

<i>Item 7375</i>	<p><i>Projects of European significance</i></p> <p>These appropriations are to cover the setting up on the JRC site at Ispra of a large installation of European significance and the definition of certain aspects of the experimental programme.</p> <p>The Council's programme decision of 22 December 1983 on the JRC, on the basis of which this action will be undertaken, does not create internal Community obligations and so the expenditure is non-compulsory.</p>	Non-comp.
<i>Item 7714</i>	<i>Information technologies applied to education and training</i>	Non-comp.
<i>Item 7715</i>	<i>Development of information technologies for the advancement of scientific progress</i>	Non-comp.
<i>Item 7716</i>	<i>Introduction of information technologies into computer-integrated manufacturing processes</i>	Non-comp.
<i>Item 7717</i>	<p><i>Standardization: Information technologies</i></p> <p>The appropriations in these four new headings are to finance various actions in the field of new information technologies.</p> <p>The basic instruments adopted or in preparation do not create internal obligations on the Community so that expenditure is non-compulsory.</p>	Non-comp.
<i>Item 7731</i>	<p><i>Joint development of advanced telecommunications infrastructure projects</i></p> <p>This action is intended to promote implementation of advanced telecommunications infrastructure projects of interest to a number of the Member States and to improve the Community's competitiveness in this field.</p> <p>The basic instrument being prepared will not create internal obligations on the Community so that expenditure is non-compulsory.</p>	Non-comp.
<i>Item 7778</i>	<p><i>Encouragement of measures to help the craft industry and small and medium-sized enterprises</i></p> <p>These appropriations are to cover the costs of assisting Member States to design a policy to enable small and medium-sized enterprises to overcome their difficulties.</p> <p>There is no basic instrument for these measures so that expenditure is non-compulsory.</p>	Non-comp.
<i>Item 7792</i>	<p><i>Multiannual measures to strengthen European standardization bodies</i></p> <p>The appropriations are to cover contracts for the preparation of European standards which the Commission intends to conclude with specialized bodies.</p> <p>Since the basic instrument in preparation does not create internal obligations on the Community, the expenditure is non-compulsory.</p>	Non-comp.
<i>Article 871</i>	<p><i>Capital repayments and proceeds from interest on loans granted to the Community by the Member States in 1985</i></p> <p>The cost of financing the policies and activities set out in the 1985 preliminary draft budget will exceed the own resources available to the Community under the Decision of 21 April 1970.</p> <p>The Commission has therefore made proposals to increase these resources in 1985.</p> <p>If, however, the provisions assigning new own resources to the Community which the Council adopts, and which will have to be ratified by the Member States, do not come into force by 1 October 1985, revenue in that year will not match expenditure.</p> <p>The Commission has made a proposal to restore this balance which would involve the Member States in lending to the Community the difference between its expenditure requirement and available revenue (COM(84) 250).</p> <p>This article is to accommodate repayment of the capital and interest on the loan, which would be entered in Chapter 82 of the statement of revenue.</p> <p>The basic regulation would impose an internal obligation on the Community so the expenditure is compulsory.</p>	Comp.

Continued

Item 9491	<p><i>Consultations and information activities following the signing of the new ACP-EEC Convention</i></p> <p>The appropriations are to cover the organization of contacts and consultations between interested parties in the Member States and the ACP countries, following signature of the new Convention and information for them during negotiations.</p> <p>No basic instrument is required for these activities so the expenditure is non-compulsory.</p>	Non-comp.
Item 9602	<p><i>Specific aid to improve agricultural structures in Portugal</i></p> <p>The appropriations in this new item are to provide non-refundable aid to Portugal to finance projects and programmes for the improvement of agricultural structures.</p> <p>The agreement to be concluded on the basis of the Council Decision of 13 March 1984 will create an external obligation on the Community which the budgetary authority is bound to respect, so the expenditure is compulsory.</p>	Comp.

(¹) Pursuant to Point II.2 of the Joint Declaration of 30 June 1982.

SUMMARY
BUDGET HEADINGS DISTINGUISHING BETWEEN COMMITMENT
AND PAYMENT APPROPRIATIONS
(INCLUDING APPROPRIATIONS ENTERED IN CHAPTER 100)

Chapter/ Article/ Item	Heading	Commitment appropriations	Payment appropriations
300	Projects for the improvement of agricultural structures provided for under Article 13 of Regulation No 17/64/EEC	p. m.	17 800 000
301	Marketing and processing of agricultural products	267 000 000	164 600 000
310	Modernization of farms	120 000 000	120 000 000
311	Cessation of farming and reallocation of land for structural improvement	1 000 000	1 000 000
3120	Vocational training in agriculture	6 400 000	6 400 000
3121	Information in the field of agricultural structures	2 641 000	1 000 000
313	Aids for the management of agricultural holdings	p. m.	p. m.
314	Aid for forestry on agricultural holdings	p. m.	p. m.
320	Mountain and hill farming in certain less-favoured areas	170 000 000	170 000 000
3210	Forestry measures in certain dry Mediterranean zones	p. m.	50 900 000
3211	Improvement of infrastructure in certain less-favoured areas	p. m.	24 400 000
3220	Agricultural advisory services in Italy	900 000	900 000
3221	Collective irrigation works in the Mezzogiorno	p. m.	47 900 000
3222	Specific programme for developing beef cattle, sheep and goat farming in upland areas of Italy	16 000 000	16 000 000
3230	Restructuring and conversion of vineyards in Languedoc-Roussillon and certain other French regions	5 000 000	5 000 000
3231	Collective irrigation works in Corsica	200 000	200 000
3232	Prevention of flooding in the Hérault valley	p. m.	p. m.
3233	Programme to speed up the conversion of certain areas under vines in the Charentes region	p. m.	p. m.
3234	Integrated development programme for Lozère	1 400 000	1 400 000
3235	Measures to assist overseas departments	12 500 000	12 500 000
3240	Drainage operations in Ireland	8 700 000	8 700 000
3241	Programme to promote drainage in catchment areas on both sides of the border between Ireland and Northern Ireland	4 400 000	4 400 000
3242	Specific programme to develop farming in the west of Ireland	12 000 000	12 000 000
3243	Programme for production of beef cattle in Ireland and Northern Ireland	4 500 000	4 500 000
325	Specific programme for the development of sheep farming in Greenland	400 000	400 000
3260	Integrated development programme for the Western Isles of Scotland	3 700 000	3 700 000
3261	Programme to speed up development in the less-favoured areas of Northern Ireland	11 200 000	11 200 000
3262	Processing and marketing in certain agricultural sectors in Northern Ireland	p. m.	1 200 000
327	Integrated development programme for south-eastern Belgium	1 000 000	2 000 000

Continued

Chapter/ Article/ Item	Heading	Commitment appropriations	Payment appropriations
328	Programme to speed up improvement of agricultural infrastructure in certain less-favoured areas of the Federal Republic of Germany	9 000 000	10 200 000
3290	Acceleration of agricultural development in certain regions of Greece	56 000 000	56 000 000
3291	Technical agricultural advisers in Greece	5 000 000	5 000 000
3292	Launching of an irrigation programme in Greece	9 000 000	6 000 000
3293	Transport of means of production to certain Greek islands	8 900 000	8 900 000
3300	Producer groups and associations thereof	p. m.	p. m.
3301	Hop producer groups	—	—
3302	Producer groups in the fruit and vegetables sector	1 500 000	1 500 000
3303	Potato producer groups	—	—
3304	Cotton producer groups	5 000 000	5 000 000
3312	Premiums for the non-marketing of milk and milk products	24 600 000	24 600 000
3320	Conversion premiums	6 400 000	6 400 000
3321	Premiums for the abandonment of areas under vines and for the renunciation of rights	30 000 000	30 000 000
3322	Premiums for the cessation of wine production	p. m.	p. m.
3323	Collective projects for the restructuring of vineyards	20 000 000	6 900 000
3330	Improvements in the citrus fruit sector	10 000 000	10 000 000
3332	Reorganization of fruit production	—	—
383	Farm accountancy data network	4 085 000	3 715 000
3841	Research programmes	9 000 000	6 000 000
3842	Agronomic research for the development of vegetable proteins	1 000 000	500 000
3843	Scientific and technological measures specifically intended to reduce agricultural surpluses	1 000 000	500 000
3880	Community action for the protection of forests against fire and acid rain	10 000 000	6 500 000
3881	Marketing and processing of forestry products	10 000 000	500 000
3892	Slaughter of pigs and processing of pigmeat in the United Kingdom	950 000	6 500 000
410	Financial participation in inspection and surveillance operations in the maritime waters of Denmark and Ireland	p. m.	p. m.
4110	Research programmes in the aquaculture and mariculture sector	310 000	140 000
4111	Research programmes into fishery methods	220 000	90 000
4112	Research programmes into the processing and conservation of fishery products	220 000	120 000
416	Specific programme of operations in the fisheries sectors in the Mediterranean	1 000 000	1 000 000
450	Adjustment of capacity in the fisheries sector	26 000 000	26 000 000
451	Redeployment of capacity in the fisheries sector	5 000 000	5 000 000
460	Common measures to restructure, modernize and develop the fishing industry and to develop aquaculture	70 000 000	29 000 000
461	Producer groups in the fisheries sector	250 000	250 000

Continued

Chapter/ Article/ Item	Heading	Commitment appropriations	Payment appropriations
500	Operations under revised ERDF Regulation of 1979	—	1 259 000 000
509	Operations under revised ERDF Regulation of 1984	2 135 000 000	283 500 000
510	Specific Community measures	115 000 000	100 000 000
5411	Community measures in the framework of integrated operations	35 000 000	30 000 000
5412	New integrated development operation for Dublin	p. m.	p. m.
5420	Construction, fitting out and equipment of vocational training centres	15 000 000	10 000 000
5421	Construction, fitting out and equipment of centres for the treatment and medical, vocational and social rehabilitation of the mentally disabled	15 000 000	10 000 000
551	Integrated Mediterranean programmes — Community operations	140 000 000	p. m.
581	Financial support for transport infrastructure programmes inside the Community	110 000 000	34 000 000
582	EEC guarantee for transport infrastructure projects	p. m.	p. m.
6000	Measures for young people under 25 — less-favoured regions	582 000 000	279 300 000
6001	Measures for young people under 25 — other regions	873 000 000	418 900 000
6010	Measures for persons aged 25 and over — less-favoured regions	159 000 000	76 300 000
6011	Measures for persons aged 25 and over — other regions	237 000 000	113 800 000
6040	Special job creation programme for repatriated working people	p. m.	p. m.
607	Financing of measures proposed before the financial year 1984 (former Chapter 60)	p. m.	250 000 000
608	Financing of measures proposed before the financial year 1984 (former Chapter 61)	p. m.	200 000 000
609	Financing of measures proposed before the financial year 1984 (former Chapter 62)	p. m.	2 000 000
610	Specific measures	89 000 000	35 700 000
646	Special measures to combat poverty	5 000 000	3 019 000
6470	Contribution to pilot projects on better housing for handicapped workers	1 000 000	1 500 000
6471	Contribution to pilot projects on better housing for migrant workers	700 000	1 080 000

Continued

Chapter/ Article/ Item	Heading	Commitment appropriations	Payment appropriations
6610	Aid for the development of 'clean' technologies, which cause little or no pollution and consume fewer natural resources	1 625 000	750 000
6611	Protection of the natural environment in certain sensitive areas of Community interest	1 625 000	1 000 000
6612	Implementation of Community rules and regulations governing certain forms of pollution	1 100 000	750 000
6613	Environmental measures which can help to create new jobs	500 000	500 000
6614	Harmonization of environmental statistics and implementation of an information system on the state of the environment in the Community	2 800 000	800 000
7000	Community technological development projects	40 000 000	20 000 000
7001	Joint hydrocarbon exploration projects	p. m.	p. m.
7004	Interconnection of natural gas networks	p. m.	p. m.
7010	Prospecting for uranium in the Community	5 000 000	2 000 000
7020	New technologies for burning solid fuels and using the residues thereof	14 000 000	10 000 000
7021	Projects for the liquefaction and gasification of solid fuels	18 000 000	11 000 000
7022	Operations in the field of electricity and heat	6 000 000	2 500 000
7024	Aid to investment for the production of solid fuels in the Community	p. m.	p. m.
7025	Operations relating to coal stocks	p. m.	p. m.
7031	Projects concerning geothermal energy	8 000 000	2 500 000
7032	Projects concerning solar energy and biomass	8 000 000	2 200 000
7033	Projects concerning wind energy	8 000 000	4 500 000
7034	Operations in the field of hydroelectric power	6 000 000	1 800 000
7035	Operations in the field of biomass and the production of energy from waste	8 000 000	4 500 000
704	Community energy-saving programme	24 000 000	21 000 000
706	Energy programming	6 000 000	4 500 000
73	Research and investment	910 717 000	610 000 000
7501	Second plan of action (1978 to 1980)	p. m.	p. m.
7502	Third plan of action (1981 to 1983) for the information market	p. m.	2 000 000
7503	Community activities in the specialized information sector	5 000 000	3 000 000
751	Promotion of the transfer of information between European languages	1 500 000	1 500 000
7521	Promoting of a supporting infrastructure for innovation and technology transfer	5 250 000	2 000 000
753	Dissemination, transfer and optimum use of scientific and technical knowledge	3 400 000	1 700 000
754	Eurotra — Modular machine-translation system	4 200 000	1 500 000

Continued

Chapter/ Article/ Item	Heading	Commitment appropriations	Payment appropriations
7702	Community operations for the development of data-processing	p. m.	3 200 000
7710	Community operations for developing microelectronics technology	450 000	7 000 000
7711	Interinstitutional information systems	4 000 000	4 000 000
7712	Preparatory operations for the Esprit programme	p. m.	p. m.
7714	Information technologies applied to education and training	p. m.	p. m.
7715	Development of information technologies for the advancement of scientific progress	p. m.	p. m.
7716	Introduction of information technologies into computer-integrated manufacturing	p. m.	p. m.
7717	Standardization — Information technologies	4 000 000	3 000 000
7720	Interest subsidies for new investment aimed at increasing employment	p. m.	p. m.
7721	Aid for cooperation between European industrial undertakings	p. m.	p. m.
7722	Funds for technological innovation for undertakings in need of conversion and restructuring	p. m.	p. m.
7723	Export aid for industrial and craft products	p. m.	p. m.
7724	Aid for European standards institutes	p. m.	p. m.
7730	Preparatory measures in the telecommunications field	2 000 000	1 500 000
7731	Joint development of advanced telecommunications infrastructure projects	p. m.	p. m.
7771	Mineral raw materials	2 000 000	500 000
7775	Specific measures for improving knowledge of the Japanese market	4 900 000	2 410 000
7792	Multiannual measures to strengthen European standardization bodies	1 200 000	600 000
9200	Food aid in cereals other than rice	140 100 000	98 900 000
9201	Food aid in rice	33 400 000	22 000 000
9202	Additional food aid in cereals	32 900 000	19 700 000
9210	Food aid in milk powder	190 400 000	131 800 000
9211	Food aid in butteroil	140 700 000	101 600 000
9220	Food aid in sugar	3 000 000	1 800 000
923	Food aid in vegetable oil	13 900 000	8 300 000
924	Food aid (other commodities)	23 000 000	13 800 000
930	Financial and technical cooperation with non-associated developing countries	304 700 000	157 533 000
931	Promotion of trade relations with non-associated developing countries	8 000 000	7 000 000
933	Cooperation with non-associated developing countries on energy	4 300 000	2 455 000
9340	Visits from experts, further training courses, study awards and support for local training centres in favour of non-associated developing countries	2 200 000	2 000 000

Continued

Chapter/ Article/ Item	Heading	Commitment appropriations	Payment appropriations
936	Aid towards self-sufficiency for refugees and displaced persons	4 000 000	2 750 000
941	Community contribution towards schemes concerning developing countries carried out by non-governmental organizations (NGOs)	35 000 000	20 000 000
958	Special programme to combat hunger in the world	—	16 000 000
9601	Aid to prepare for the accession of Portugal to the EEC	29 000 000	40 000 000
9602	Special aid to improve agricultural structures in Portugal	50 000 000	25 000 000
9610	First Financial Protocol with Malta	—	2 090 000
9611	Second Financial Protocol with Malta	1 000 000	p. m.
962	Financial cooperation with Greece	—	p. m.
9630	Third Financial Protocol with Turkey	—	36 000 000
9631	Fourth Financial Protocol with Turkey	50 000 000 ⁽¹⁾	10 000 000 ⁽¹⁾
9632	Special aid for Turkey	29 000 000	27 000 000
9640	First Financial Protocol with Cyprus	—	2 460 000
9641	Second Financial Protocol with Cyprus	4 000 000	3 000 000
9650	First Financial Protocol with Algeria	6 400 000	28 300 000
9651	Second Financial Protocol with Algeria	21 500 000	9 200 000
9652	First Financial Protocol with Morocco	p. m.	p. m.
9653	Second Financial Protocol with Morocco	24 700 000	38 400 000
9654	First Financial Protocol with Tunisia	p. m.	12 100 000
9655	Second Financial Protocol with Tunisia	14 100 000	9 500 000
9660	First Financial Protocol with Egypt	800 000	35 000 000
9661	Second Financial Protocol with Egypt	59 100 000	35 600 000
9662	First Financial Protocol with Jordan	p. m.	3 700 000
9663	Second Financial Protocol with Jordan	7 900 000	7 900 000
9664	First Financial Protocol with Lebanon	p. m.	3 900 000
9665	Second Financial Protocol with Lebanon	9 700 000	3 900 000
9666	First Financial Protocol with Syria	1 000 000	8 400 000
9667	Second Financial Protocol with Syria	18 400 000	7 800 000

⁽¹⁾ Appropriations entered in Chapter 100.

G. THREE-YEAR FINANCIAL FORECASTS 1985-86-87

1. INTRODUCTION AND CONCLUSIONS

The Council Decision of 21 April 1970 concerning financial forecasts covering several years states: 'In order to place the budget of the Communities within a framework of forward planning for several years, the Commission shall, each year ... draw up a financial forecast for the three subsequent financial years'⁽¹⁾.

Performance of this task is particularly difficult at the present time because of the uncertainty shrouding the volume of available resources for 1986-87.

Subject to that reservation, the main features and principal conclusions of the forecasts for 1985-87 may be summarized as follows:

1.1. ECONOMIC OUTLOOK

Growth in Community GDP of some 2-2,5 % per year in volume terms and of 7,5 % in value terms with the general level of price increases averaging about 5 % per year.

The level of unemployment, particularly among young people, is likely to remain high.

1.2. GENERAL OUTLINE

The general outline of the 1984-86 three-year forecasts remains valid. In agreement with Parliament, the Commission's main concern is the fight against unemployment and against hunger in the world.

The 1986-87 forecasts for expenditure reflect in particular:

- containment of the costs of the common organizations of the agricultural markets by steady application of the principle that the average rate of growth of expenditure must remain below that of own resources;
- the accession of Spain and Portugal on 1 January 1986;
- a substantial increase, in real terms, of total expenditure in favour of improving structures, the imminence of enlargement conferring high priority on integrated Mediterranean programmes;
- support for activities essential to Europe's competitiveness, and to economic development and employment: research, new technologies and innovation, growth industries;
- inclusion of the EDF in the budget.

The 1986 and 1987 budgets will also carry 830 million ECU a year to pay off the loan proposed for 1984.

The financing of this expenditure will require a substantial increase in own resources, which should be facilitated by the parallel creation of a mechanism to deal with 'budgetary imbalances', the inequitable budgetary situations of certain Member States.

1.3. CONCLUSIONS

In terms of appropriations for payments, expenditure will rise from 28 103 million ECU in 1985 to about 33 710 million ECU in 1986 and 37 290 million ECU in 1987, an average growth rate of 15,2 % a year.

⁽¹⁾ Resolution of the European Parliament on the guidelines for Community budgetary policy for 1985, adopted on 13 April 1984.

The corresponding appropriations for commitments will rise from 30 228 million ECU in 1985 to 37 670 million ECU in 1986 and 42 650 million ECU in 1987, an average growth rate of 18,8 % a year.

As Table 1 shows, the sharp rise in expenditure, particularly in 1986, is largely explained by the financial impact of enlargement, by repayment of the loan proposed to cover the needs for 1984 and by inclusion of the EDF in the budget (though the last item will not impose any overall additional charge on the Member States).

Total resources within the present 1 % VAT limit will rise by 7,3 % in 1986, and by 7 % in 1987. An additional 5 580 million ECU will be required to meet needs in 1986 and an additional 7 190 million ECU in 1987, giving VAT rates of 1,334 % in 1986 and 1,399 % in 1987. But these rates do not reflect the impact of the mechanism to deal with budgetary imbalances and take no account of the repayment of any loan for 1985 similar to the one proposed for 1984.

TABLE 1
RATES OF INCREASE OF EXPENDITURE AND REVENUE FOR 1985-87 (%)

	1985		1986	1987
	Base 1984 not adjusted	Base 1984 adjusted		
I. Expenditure				
1. Total				
(a) Commitments	10,4	3,5	24,6	13,2
(b) Payments	10,8	3,4	19,9	10,7
2. Excluding EDF, repayment of 1984 loan and enlargement				
(a) Commitments	unchanged (1)		10,0	9,0
(b) Payments	unchanged (1)		14,5	9,0
3. EAGGF Guarantee	17	4	8,0	5,9
II. Revenue (within 1 % VAT limit)	3,1	5,4	7,3	7,0

(1) From rates indicated at 1 (a) and 1 (b).

TABLE 2
THREE-YEAR FINANCIAL FORECASTS 1985-87
Expenditure and resources

(million ECU)

Sector	1984 ⁽¹⁾	1985	1986	1987
A. Expenditure				
1. EAGGF Guarantee Section (Titles 1 and 2 B)	16 500,0 (18 631,0)	19 315	20 860	22 100
2. Fisheries and marine policy (Chapters 40 to 46 B)	112,4	139,7	180	190
3. Structural expenditure				
(a) EAGGF Guidance Section (Chapters 30 to 33 B)	595,6	856,8	} 5 640	} 6 500
(b) Social Fund (Chapters 60 to 62 B)	1 220,0	1 376,0		
(c) Regional Fund (Chapters 50 and 51 B)	1 412,5	1 642,5		
(d) Mediterranean programmes (Chapter 55 B)	10,0	10,0		
(e) Transport, other regional policy operations (Chapters 58 and 54 B)	66,1	88,5		
(f) Total (a) to (e)	(3 304,2)	(3 973,8)	(5 640)	(6 500)
4. Research (Chapters 72 and 73 B)	509,6	614,0	890	1 070
5. Energy, industry (Chapters 70, 71, 75 and 77 B)	209,7	163,6	190	280
6. Development cooperation (Chapters 92 to 99 B)	897,1	1 151,7	1 900 ⁽²⁾	2 600 ⁽²⁾
7. Miscellaneous (Chapters 38, 63 to 69 and 101 B)	293,9	313,4	340	380
8. Administrative expenditure				
(a) Commission (Part A)	803,5 (838,5)	920,1	990	1 060
(b) Other institutions	425,6	438,1	470	500
9. Refunds to Member States	1 103,5	1 074,1	1 950	2 010
10. Measures for UK and Germany	1 202,0	—	—	—
11. Enlargement (net effect)	—	—	300	600
12. Total (rounded)	25 361,5 (27 187,5)⁽¹⁾	28 103,5	33 710	37 290
B. Resources				
1. Miscellaneous revenue	222,1	258,3	285	305
2. Customs duties	7 623,5	8 096,2	8 550	9 050
3. Agricultural and sugar levies	2 949,9 (2 399,9)	2 374,8	2 595	2 745
4. Amount of expenditure (A 12) to be covered by VAT	14 566,0 (14 608,5)	17 374,2	22 280	25 190
5. Loan from Member States (1984)	(2 333)	p. m.	—	—
6. Total	25 361,5 (27 187,5)	28 103,5	33 710	37 290
7. 1 % of VAT base	14 608,5	15 461,5	16 700	18 000
8. Resources within 1 % VAT limit (1 to 3 + 7)	25 404,0 (24 854,0)	26 190,8	28 130	30 100
9. VAT rate to cover grand total (%) (B 4: B 7)	0,997 (1,00)	1,124	1,334	1,399

⁽¹⁾ Figures in brackets are the revised estimates for the *major headings* contained in the proposal of 17 April 1984 introducing measures to cover budgetary requirements in 1984 (COM (84) 250 final of 17 April 1984). The total in line 12 covers all the adjustments, including savings.

⁽²⁾ Including EDF (Chapters 90 and 91).

TABLE 3
THREE-YEAR FINANCIAL FORECASTS 1985-86-87
Appropriations for commitments

(million ECU)				
Sectors	1984 ⁽¹⁾	1985	1986	1987
<i>Expenditure</i>				
1. EAGGF Guarantee Section (Titles 1 and 2 B)	16 500,0 (18 631,0)	19 315	20 860	32 100
2. Fisheries and marine policy (Chapters 40 to 46 B)	159,1	181,1	190	200
3. Structural expenditure				
(a) EAGGF Guidance Section (Chapters 30 to 33 B)	723,5	834,3	} 6 200	} 7 100
(b) Social Fund (Chapters 60 to 62 B)	1 846,0	1 940,0		
(c) Regional Fund (Chapters 50 and 51 B)	2 140,0	2 250,0		
(d) Mediterranean programmes (Chapters 55 B)	10,0	160,0		
(e) Transport, other regional policy operations (Chapters 58 and 54 B)	117,5	179,5		
(f) Total (a) to (e)	(4 837,0)	(5 363,8)	(6 200)	(7 100)
4. Research (Chapters 72 and 73 B)	743,8	914,8	1 030	1 170
5. Energy and industry (Chapters 70, 71, 75 and 77 B)	274,4	232,0	270	310
6. Development cooperation (from 1986: including EDF) (Chapters 92, 93 to 99 B)	1 022,8	1 459,0	3 350 ⁽²⁾	3 800 ⁽²⁾
7. Miscellaneous (Chapters 38, 63 to 69 and 101 B)	305,6	330,2	360	400
8. Administrative expenditure				
(a) Commission (Part A)	803,5 (838,5)			
(b) Other institutions	425,6	438,1	470	500
9. Refunds to Member States	1 103,5	1 074,1	1 950	2 010
10. Measures for UK and Germany	1 202,0	—	—	—
11. Enlargement	—	—	2 000	4 000
12. Total (rounded)	27 377,3 (29 498,2)	30 228,2	37 670	42 650

⁽¹⁾ and ⁽²⁾ See footnotes to Table 2.

2. EXPENDITURE

2.1. EAGGF GUARANTEE SECTION

The Commission has long been calling for reform of the common agricultural policy. The main lines of the proposals made pursuant to the mandate of 30 May 1980 are summarized in the 1984-86 three-year forecasts. These ideas have since been restated, expounded and given material form in the Guidelines for European agriculture ⁽¹⁾ and, at the request of the European Council, in the communication of 28 July 1983 - Common agricultural policy - Commission report and proposals ⁽²⁾. The 1984-85 agricultural price proposals and some of the related measures ⁽³⁾ reflected the same outlines and constituted either the practical application of measures recommended in the communication of 28 July 1983 or supplementary arrangements.

Provided that the Council makes the necessary amendments to the rules governing the various common market organizations, the Commission stated in its communication of 14 February 1984 on budgetary discipline ⁽⁴⁾ that it will undertake 'to adopt a qualitative guideline with respect to its own management', namely that the rate of growth of agricultural expenditure, as an average calculated over several years, is to remain below the rate of growth of the Community's own resources. The price proposals would be drafted according to a similar formula ⁽⁵⁾.

By its decisions of 30 and 31 March 1984 the Council endorsed most of the recommended improvements:

- confirmation of the principle of guarantee thresholds and their extension to other products;
- control of milk production by means of quotas;
- realistic price policy;
- rationalization of aid and premiums for various products;
- return to the single market, by dismantling monetary compensatory amounts;
- respect for Community preference.

However, the Council did not adopt all the Commission's proposals.

In view of the need to reduce the substantial stocks of milk products and beef and veal, the financial impact of these improvements will be felt only gradually.

In these circumstances EAGGF Guarantee expenditure (including food aid refunds, the financial impact of the ACP sugar protocol and the agreement with India) may well increase by about 8 % in 1986 and 6 % in 1987. The rate assumed for 1987 would thus be a little lower than the growth of own resources (+ 7 %); the same applies to the average rates calculated on n , $n - 1$ and $n - 2$: the guideline mentioned above (paragraph 2) would thus apply as early as 1987.

TABLE 4
EAGGF GUARANTEE EXPENDITURE 1985-87

Year	Million ECU (rounded figures)	Rate of increase (rounded) (%)
1985	19 315	+ 17 (1984 adjusted: + 4)
1986	20 860	+ 8
1987	22 100	+ 6

(1) COM(81) 608 final; Supplement 4/81 - Bull. EC.

(2) COM(83) 500 final; Supplement 4/83 - Bull. EC.

(3) COM(84) 20 final.

(4) COM(84) final/2 of 14. 2.1984.

(5) COM(84) 83 final/2 of 14. 2.1984, Annex, p. 1.

2.2. FISHERIES AND MARINE POLICY

The total appropriations for commitments provided for under the common organization of markets, structural policy and fishery agreements with non-member countries will increase in 1986 and 1987 by about 5 % a year, which means almost the same financial effort in real terms.

2.3. MEASURES TO IMPROVE STRUCTURES

The 'structural expenditure' aggregate covers the needs of the EAGGF Guidance Section, the Social Fund, the Regional Fund, integrated Mediterranean programmes, 'other regional operations' (Chapter 54) and transport ⁽¹⁾ (Community financing being mainly for transport infrastructure).

In view of the present uncertainty as to the volume of new resources available from 1986, the 1986-87 forecasts are based on the assumption that the appropriations for commitments for the entire aggregate should increase significantly in real terms, i.e. by at least 15 % a year in nominal terms, which would raise them from 5 364 million ECU in 1985 to about 6 200 million ECU in 1986 and 7 100 million ECU in 1987.

The years 1986 and 1987 should also see:

- improved efficiency of the structural Funds;
- substantial development of the integrated Mediterranean programmes.

2.4. RESEARCH

By its resolution of 25 July 1983 the Council approved the principle of defining a common strategy in the field of science and technology by preparing framework programmes 'setting out the scientific and technical objectives to be pursued at Community level together with selection criteria for Community action, relative priorities and financial indications' ⁽²⁾. At the same time it approved objectives and criteria for the period 1984 to 1987. The share of research in the general budget should be increased, bearing in mind the financial constraints.

The appropriations for commitments for Chapters 72 and 73 are likely to increase from 915 million ECU in 1985 to 1 030 million ECU in 1986 and about 1 170 million ECU in 1987.

These amounts will make for:

- completion of the 1984-87 multiannual programme of the Joint Research Centre, adopted on 22 December 1983 (direct action), and
- development of shared-cost research (indirect action).

As regards indirect action, special mention must be made of the European research and development programme in the field of technologies and information - Esprit ⁽³⁾ - and the future programmes on biotechnologies and advanced communication technologies in Europe.

2.5. ENERGY, INFORMATION, INDUSTRY

For the policies concerning energy, nuclear safeguards, information market and innovation, industry and the internal market, it was assumed that total appropriations for commitments would increase by 15 % a year.

Resources will allow partial implementation, on a very modest scale, of the five-year action programme for energy (and energy research) which the Commission sent to the Council on 7 June 1983 ⁽⁴⁾.

⁽¹⁾ In the 1984-86 three-year forecasts, transport came under 'Energy, information market and innovation, industry and the internal market, and transport'.

⁽²⁾ Commission. Prospects for the development of new policies: Research and development, energy and new technologies. Supplement 5/83 - Bull. EC, p. 9 (Article 2).

⁽³⁾ Esprit: European strategic programme for research and development in information technology.

⁽⁴⁾ Energy and energy research in the Community: a five-year action programme and its financing. Commission communication to the Council of 7 June 1983. Supplement 5/83 - Bull. EC, pp. 13-26.

In the other areas concerned a series of projects will be promoted covering subjects such as specialized information, institutional information systems and monitoring application of certain measures taken in the steel sector.

The total appropriations for commitments – 270 million ECU in 1986 and 310 million ECU in 1987 – are only a fraction of the Community financial effort for the sectors concerned. Substantial amounts will be spent under the head of research (Esprit, telecommunications) and even more will be raised for investment through borrowing and lending operations.

2.6. DEVELOPMENT COOPERATION

The pattern of appropriations for development cooperation matches the main line of the Commission's memorandum of 30 September 1982, as set out in the 1984–86 three-year forecasts.

Specific comments

- *EDF 1986, 1987*: with inclusion of the EDF in the budget (amounts provided for in the Third Lomé Convention, currently being negotiated).
- *Food aid*: The figures reflect the determination to make up the arrears in implementing previous programmes. The change to differentiated appropriations means that the effects of this catching-up process will be seen first in the commitment appropriations, then – one year later – in the payment appropriations.

Total appropriations for commitments (including EDF):

3 350 million ECU in 1986 and
3 800 million ECU in 1987.

2.7. MISCELLANEOUS

Assumed increase of 10 % a year, appropriations for commitments thus rising from 330 million ECU in 1985 to about 360 million ECU in 1986 and 400 million ECU in 1987.

Roughly half of this expenditure concerns contributions to the ECSC by way of social measures in connection with restructuring the steel and coal industries. The other half is spread over a series of operations mounted in agriculture, education and vocational training, environment and consumer protection, and the social and cultural sectors, including aid to disaster victims.

2.8. OPERATION OF THE INSTITUTIONS

Assumed growth of 7 % a year – commensurate with that of own resources within the 1 % VAT limit, which represents little more than the same expenditure in real terms.

2.9. REPAYMENTS TO MEMBER STATES

This heading covers:

- the standard refund of 10 % of customs duties and agricultural levies paid;
- an initial estimate of the financial effect of the proposal for a Regulation of 17 April 1984 introducing measures to cover budgetary requirements in 1984 given the exhaustion of own resources ⁽¹⁾. According to this proposal the Member States would loan up to 2 333 million ECU to the 1984 general budget. The loan would bear interest at the market rate and would be repaid, from 1986, in 8 equal six-monthly instalments covering capital and interest. The resulting burden on the general budget could be estimated, with an average of 11 % interest and repayment in equal six-monthly instalments, at roughly 830 million ECU a year.

⁽¹⁾ COM(84) 250 final of 17 April 1984.

Total for sector:

1 074 million ECU in 1985,
1 950 million ECU in 1986,
2 010 million ECU in 1987.

2.10. ENLARGEMENT

The forecasts are based on the assumption that Spain and Portugal will join the Community on 1 January 1986.

Pending the outcome of the negotiations on the financial aspects of enlargement, any figures advanced are inevitably highly speculative.

Appropriations for commitments could be expected to total 2 000 million ECU in 1986 and 4 000 million ECU in 1987. The summary table concerning payment appropriations does not show overall appropriations but only an assumption for the net balance of the two applicant countries (+ 300 million ECU in 1986 and + 600 million ECU in 1987).

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3. FUTURE REVENUE

Own resources will have to be boosted if the Community's objectives are to be achieved.

At the same time a solution must be found to correct budgetary imbalances.

3.1. REVENUE WITHIN THE PRESENT 1 % VAT LIMIT

3.1.1. CUSTOMS DUTIES

The forecasts for 1986 and 1987 were calculated:

- by making assumptions about the growth in the value of imports by Member States from non-member countries; imports are disaggregated into four major product categories and broken down by five groups of countries of origin on the assumption of constant market shares;
- by then applying aggregated tariffs to the forecast imports in accordance with the above breakdown; the tariffs applied take account of the seventh and eighth linear reductions to which the Community committed itself in the multilateral trade negotiations.

The forecasts in national currencies have been converted into ECUs at constant exchange rates, namely those for 1 February 1984 used for the 1985 budget estimates.

3.1.2. AGRICULTURAL AND SUGAR LEVIES

The forecasts are based on the assumption:

- that common agricultural prices will not increase more than the general price level;
- that imports of agricultural products subject to levies will continue at the level forecast for 1985;
- that the MCAs will be dismantled in accordance with the Council's decisions of 30 and 31 March 1984.

3.1.3. VAT OWN RESOURCES (1 %)

The forecasts were made by reference to the actual VAT bases for 1982 which nine Member States communicated to the Commission on 1 July 1983 and which were used for the 1985 budget estimates. The VAT base for Greece, which will begin applying the common VAT system from 1986 (the Fifteenth Council Directive of 19 December 1983 allows Greece to defer application until 1 January 1986 at the latest) was forecast on the basis of the national accounts statistics available. The figures for 1986 and 1987 were updated on the basis of assumptions about the rate of increase in national private consumption worked out by Commission departments.

The forecasts in national currencies have been converted into ECUs, as for customs duties, at the rates obtaining on 1 February 1984.

3.1.4. MISCELLANEOUS REVENUE

An increase of 8-9 % a year is assumed.

3.1.5. TOTAL REVENUE WITHIN THE 1 % VAT LIMIT

Table 2 (p. A/129) shows the forecasts for the various items of revenue and for the total.

Total resources within the present 1 % VAT limit are expected to rise from 26 191 million ECU in 1985 to around 28 130 million ECU in 1986 and 30 100 million ECU in 1987, an increase of 7,3 % in 1986 and 7 % in 1987.

3.2. INCREASING OWN RESOURCES

On 6 May 1983 the Commission transmitted to the Council a draft decision on own resources, the main features of which – an increase in and diversification of own resources – were summarized in the three-year financial forecasts 1984–85–86.

Since then, the Council has come out in favour of a moderate increase in resources by merely raising the VAT ceiling. In response the Commission proposed to the Council in a communication dated 1 March 1984 that it 'take a decision of like importance to that of 1970, raising by one point the maximum rate determining the revenue from value-added tax which may be assigned to the Community ... This increase of the ceiling rate from 1 to 2 % of the basis of assessment for VAT would give the Community secure financing for long enough to cover the whole transitional period of its enlargement to include Spain and Portugal' ⁽¹⁾.

3.3. CORRECTION OF BUDGETARY IMBALANCES

In presenting the Commission's outline programme for 1984 to Parliament on 15 February 1984, the President of the Commission stated that:

'As to the budget contributions problem, the Commission wants the solutions found:

- (i) to be in keeping with Community principles – which rules out any idea of a "fair return";
- (ii) to be equitable – in other words, to reflect Member States' ability to pay and their legitimate desire to know what their annual bill will be;
- (iii) to be lasting. The Commission considers that any solution to the budget contributions problem should run for the same period as new own resources' ⁽²⁾.

At the present stage reached in negotiations, it would seem that a mechanism will be introduced for the duration of the new own resources (see point 3.2) to compensate for part of the difference between the proportion of budgetary expenditure in a Member State and that Member State's share of the VAT base when this difference appears too large in view of this country's prosperity. This correction would not be made on the expenditure side but would take the form of a reduction in the VAT to be paid in the following year; the reduction would then have to be financed by the other Member States in line with their VAT shares.

The effects of this solution on the VAT rate can be illustrated by means of a theoretical example. Let us assume that the VAT rate before correction is 1,4 %, that the United Kingdom provides 20 % (5 040 million ECU) and the other Member States 80 % (20 160 million ECU) and that it is decided to refund a certain net amount to the United Kingdom, the reduction being financed by the other Member States in line with their VAT shares.

⁽¹⁾ Future financing of the Community (communication by the Commission to the Council) (COM(84) 140 final, 1 March 1984, p. 4, section 5).

⁽²⁾ Programme of the Commission for 1984. Brussels. Luxembourg. 1984, p. 15.

In these circumstances, every 100 million ECU repaid to the United Kingdom means:

- for the United Kingdom: a reduction of around 0,028 % in the VAT rate;
- for the other Member States: an increase of 0,0069 % in the VAT rate.

Compensation of 500 or 1 000 million ECU would reduce the rate applicable to the United Kingdom from 1,4 % to 1,26 % and 1,12 % respectively while the rates for the other Member States would increase from 1,4 % to 1,435 % and 1,469 % respectively.

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4. BORROWING AND LENDING OPERATIONS

The Commission 'will continue to ensure that the Community's borrowing and lending instruments are used to stimulate investment. This means both increasing the volume of funds lent and ensuring that the bulk of such loans are made to industry, and especially to small and medium-sized firms and the innovation and advanced technology sectors.'

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PART TWO:
DETAILED ANALYSIS OF THE BUDGET HEADINGS

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ECU

Value on 1 February 1984

Value of ECU in national currency		Value of 1 000 units of national currency in ECU	
BFR/LFR	46,0922	BFR/LFR	21,6957
DM	2,25439	DM	443,579
HFL	2,53981	HFL	393,730
UKL	0,571710	UKL	1 749,14
DKR	8,18826	DKR	122,126
FF	6,90004	FF	144,927
LIT	1 374,57	LIT	0,727499
IRL	0,729623	IRL	1 370,57
DRA	83,0420	DRA	12,0421
USD	0,805139	USD	1 242,02
SFR	1,80311	SFR	544,598
PTA	127,494	PTA	7,84352
SKR	6,57315	SKR	152,134
NKR	6,32960	NKR	157,988
CAD	1,00457	CAD	995,449
ESC	110,505	ESC	9,04934
ÖS	15,9015	ÖS	62,8872
FMK	4,77528	FMK	209,412
YEN	188,837	YEN	5,29557

EXPENDITURE

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Section III A — Staff and administrative expenditure

TITLE 1 — EXPENDITURE RELATING TO PERSONS WORKING WITH THE INSTITUTION

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 (1)	Appropriations requested for 1985 (1)	Percentage change (2 : 1)
		1	2	3
10	Members of the institution	4 049 500	5 782 000	+ 42,8
11	Staff in active employment	437 439 689	492 415 000	+ 12,6
12	Allowances and expenses on entering and leaving the service and on transfer	65 740 916	88 659 000	+ 34,9
13	Expenditure relating to missions and duty travel	11 454 500	12 141 000	+ 6,0
14	Socio-medical infrastructure	1 462 000	1 652 000	+ 13,0
15	Graduate traineeships and further training of staff	2 281 100	2 837 000	+ 24,4
16	Expenditure on social welfare	1 091 000	1 361 000	+ 24,7
17	Entertainment and representation expenses	650 000	689 000	+ 6,0
	Total	524 168 705	605 536 000	+ 15,5

(1) Including any appropriations entered in Chapter 100.

The Commission has requested a transfer of appropriations to make good the shortfall in Chapters 10, 11 and 12.

If this request is taken into account the summary reads as follows:

Chapter	1984 revised	1985 requested	Percentage change
10	4 253 500	5 782 000	+ 35,9
11	469 489 689	492 415 000	+ 4,9
12	67 200 916	88 659 000	+ 31,9
13	11 454 500	12 141 000	+ 6,0
14	1 462 000	1 652 000	+ 13,0
15	2 281 100	2 837 000	+ 24,4
16	1 091 000	1 361 000	+ 24,7
17	650 000	689 000	+ 6,0
Total	557 882 705	605 536 000	+ 8,5

CHAPTER 10 — MEMBERS OF THE INSTITUTION

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
1000	Basic salaries	1 482 000	1 703 000	+ 14,9
1001	Residence allowances	220 000	256 000	+ 16,4
1002	Family allowances	135 000	150 000	+ 11,1
1003	Representation allowances	75 000	75 000	—
101	Accident and sickness insurance and other social security charges	90 000	116 000	+ 28,9
102	Temporary allowances	86 000	725 000	+ 743,0
1030	Retirement pensions	840 000	960 000	+ 14,3
1031	Invalidity pensions	36 000	40 000	+ 11,1
1032	Survivors' pensions	230 000	297 000	+ 29,1
1040	Members' mission expenses	625 000	656 000	+ 5,0
1041	Members' mission expenses incurred for journeys to other seats of the institutions, particularly Luxembourg and Strasbourg	120 500	129 000	+ 5,4
1050	Travel expenses (including members of the family)	p.m.	18 000	—
1051	Installation and resettlement allowances	p.m.	393 000	—
1052	Removal expenses	p.m.	72 000	—
1090	Weightings	p.m.	27 000	—
1091	Provisional appropriations to cover any adjustments to the emoluments of members of the Commission	110 000	165 000	+ 50,0
	Total	4 049 500	5 782 000	+ 42,8

⁽¹⁾ Including any appropriations entered in Chapter 100.

1. References

- Council Regulation No 422/67/EEC of 25 July 1967 (OJ No 187, 8.8.1967), as last amended by Council Regulation No 1546/73 of 4 June 1973 (OJ No L 155, 11.6.1973);
- Regulation No 143/76 of 20 January 1976 (OJ No L 15, 24.1.1976).

2. Type of expenditure

Expenditure to be charged to this Chapter covers:

- emoluments, allowances, family allowances and the institution's contribution to accident and sickness insurance and other social security charges for members of the Commission;
- transitional allowances and family allowances to former members of the Commission;

- retirement, invalidity and survivors' pensions to former members of the Commission or persons entitled under them;
- allowances and expenses on entering and leaving the service;
- Members' mission expenses.

3. Method of calculation and explanation of changes

The appropriations entered take account of:

- beneficiaries' entitlement under the current scale of emoluments;
- foreseeable changes up to the end of the 1985 financial year;
- any adjustments to emoluments approved by the Council in 1984 and 1985.

The increase in appropriations is mainly due to:

- the change in the composition of the Commission;
- the charging to this Chapter of allowances and expenses on entry and leaving the service (previously Chapter 12);
- the charging to this Chapter of Members' mission expenses (previously Chapter 13).

It should be pointed out that the impact of any adjustments approved in 1984 is included in the appropriations for the various items and articles. However, the impact of any changes approved in 1985 is centralized in Item 1091.

It should also be noted that the appropriation entered in this Item is to be used solely for transfers to cover additional requirements in other articles and items of Chapter 10 arising out of a Council decision dealing specifically with remunerations.

The following assumptions were made to estimate the provisional appropriation:

ESTIMATES FOR THE ADJUSTMENT OF REMUNERATIONS IN 1984 AND 1985

Reference period	Council Decision	Effective from	Rate	Budgetary repercussions for 1985	Entry in the budget Section III-A
<i>A. Decision to be taken before 31. 12. 1984</i>					
I. Purchasing power 1. 7. 1983—30. 6. 1984	Dec. 84	1. 7. 1984	— 1,0	Over 12 months — 1,0 %	Under the relevant articles/items in Chapters 10, 11, 12 and 28
II. Weighting (a) 1. 7.—31. 12. 1983	June 84	1. 1. 1984	+ 3,4	Over 12 months + 3,4 %	
(b) 1. 1.—30. 6. 1984	Dec. 84	1. 7. 1984	+ 3,8	Over 12 months + 3,8 %	
<i>B. Decision to be taken during 1985</i>					
I. Purchasing power 1. 7. 1984—30. 6. 1985	Dec. 85	1. 7. 1985	— 1,0	Over 6 months — 1,0 % which corresponds to — 0,5 % applied to approps for 12 months	Under Items 1091, 1191, 1291, 2809 and 2899
II. Weighting (a) 1. 7.—31. 12. 1984	June 85	1. 1. 1985	+ 2,6	Over 12 months + 2,6 %	
(b) 1. 1.—30. 6. 1985	Dec. 85	1. 7. 1985	+ 3,5	Over 6 months + 3,5 % which corresponds to + 1,75 % applied to approps for 12 months	

NB. The rate of increase of the weighting refers to Brussels and Luxembourg. It varies for other places of employment. It includes the reduction of half the fall in the specific indicator used for the interim adjustment of salaries and pensions and the deduction to be made during the annual review (Article 6 (3) of the Council Decision of 15 December 1981 amending the method of adjusting salaries).

CHAPTER 11 — STAFF IN ACTIVE EMPLOYMENT

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
1100	Basic salaries	300 815 950	332 241 000	+ 10,45
1101	Family allowances	30 521 050	35 152 000	+ 15,17
1102	Expatriation and foreign residence allowances (including Article 97 of the ECSC Staff Regulations)	38 477 960	42 826 000	+ 11,30
1103	Secretarial allowance	2 384 260	2 581 000	+ 8,25
1110	Auxiliary staff	1 649 000	2 657 000	+ 61,13
1111	Auxiliary interpreters	8 730	9 000	+ 3,09
1112	Local staff	12 367 500	12 689 000	+ 2,60
1113	Special advisers	194 000	233 000	+ 20,10
112	Further training, language courses, retraining and information for staff	950 000	1 200 000	+ 26,32
1130	Insurance against sickness	11 183 130	8 988 000	— 19,63
1131	Insurance against accidents and occupational disease	2 152 430	2 262 000	+ 5,09
1132	Unemployment insurance for temporary staff	p.m.	127 000	—
1133	Constitution or maintenance of pension rights for temporary staff	873 000	2 000 000	+ 129,09
1140	Birth and death grants	77 600	82 000	+ 5,67
1141	Annual leave travel expenses	4 516 320	5 914 000	+ 30,45
1142	Housing and transport allowances	1 455	2 000	+ 37,46
1143	Fixed entertainment allowances	1 955 000	5 484 000	+ 180,51
1144	Fixed local travel allowances	156 170	206 000	+ 31,91
1145	Special allowance for accounting officers and administrators of imprest accounts	55 290	60 000	+ 8,52
1147	Allowance for shiftwork or standby duty at the official's place of work or at home	255 110	372 000	+ 45,82
1149	Other allowances and repayments	50 440	62 000	+ 22,92
115	Overtime	1 649 000	1 890 000	+ 14,62
1170	Freelance JICS interpreters and conference technicians	207 340	232 000	+ 11,89
1171	Other freelance interpreters	1 831 000	2 195 000	+ 19,88
1172	Temporary JICS conference technicians	200 000	129 000	— 35,50
1173	Other temporary conference technicians	14 000	12 000	— 14,29
1174	Freelance proofreaders	67 900	75 000	+ 10,46
1175	Other services and work sent out for translation and typing	4 074 000	4 384 000	+ 7,61
1180	Miscellaneous expenditure on staff recruitment	755 000	1 500 000	+ 98,68
1181	Travel expenses for staff (including members of their family)	477 000	520 000	+ 9,02
1182	Installation, resettlement and transfer allowances for staff	2 352 000	3 000 000	+ 27,55
1183	Removal expenses for staff	1 960 000	2 500 000	+ 27,55
1184	Temporary expenses for staff	1 680 000	1 938 000	+ 15,36
1190	Weightings	p.m.	3 176 000	—
1191	Provisional appropriations	13 528 054	15 717 000	+ 16,18
	Total	437 439 689	492 415 000	+ 12,57

⁽¹⁾ Including any appropriations entered in Chapter 100.

ITEM 1100 — BASIC SALARIES

1984 — Appropriations authorized in the initial budget	300 815 950
— Appropriations as amended by transfers or by amending or supplementary budget	305 015 950
1985 — Appropriations requested	332 241 000
Percentage change	+ 8,93

1. References

Articles 62 and 66 of the Staff Regulations.

2. Type of expenditure

This appropriation covers the basic salaries of the permanent and temporary staff provided for in the list of posts. Supply Agency and EAC headquarters staff are excluded.

3. Method of calculation and explanation of changes

The calculation takes account of:

(a) the level of salary entitlement of serving staff by reference to the basic salary scale applicable since 1 July 1983	292 061 000
(b) step increments due in 1984	4 430 000
(c) step increments due in 1985	3 404 000
(d) temporarily vacant posts for which the required appropriations have been calculated on the basis of a classification in step 1	15 452 000
(e) amounts required in 1985 to remunerate the holders of the 185 new posts (created under the 1984 budget without allocation of funds)	5 706 000
(f) any salary adjustments to be approved by the Council in 1984 in accordance with the table above (a sum to cover the cost of any adjustments approved in 1985 is entered under Item 1191)	20 097 000
Subtotal	341 150 000
(g) reduction to hold the rate of increase for all non-compulsory expenditure in Title A1 at 12,75 %	—8 909 000
Total	332 241 000

The amounts at (a) to (e) are based on staff authorized in the list of posts and the rules governing salaries.

The amount at (f) is an estimate based on the Council Decision of 15 December 1981 amending the method of adjusting the remuneration of officials and other servants of the Communities. Because of this Decision the method will apply automatically.

The reasons that prompted the Commission to make the reduction at (g) also prevented it from entering appropriations for its requests for:

- the creation of 378 new posts,
- the conversion of 151 posts,
- the creation of 138 posts to establish local staff.

Requests for appropriations have accordingly been reduced as follows:

Item	Overall reduction	Non-entry of appropriations for			Total
		378 new posts	151 converted posts	138 established posts for local staff	
1100	8 909 000	4 974 000	327 000	1 006 000	15 216 000
1101	942 000	526 000	35 000	106 000	1 609 000
1102	1 148 000	641 000	42 000	130 000	1 961 000
1103	—	51 000	—	—	51 000
1112	—	—	—	— 1 528 000	— 1 528 000
1130	241 000	134 000	9 000	27 000	411 000
1131	60 000	33 000	2 000	7 000	102 000
1132	—	22 000	—	—	22 000
1141	—	224 000	—	82 000	306 000
1181	—	235 000	—	—	235 000
1184	—	992 000	—	—	992 000
1191	438 000	246 000	13 000	51 000	748 000
		8 078 000	428 000	— 119 000	
	11 738 000	8 387 000			20 125 000

Depending upon any changes to the list of posts ultimately approved, the actual trend of parameters for the adjustment of salaries, allowances and pensions in 1985, and the management of staff appropriations in general, the Commission reserves the right to take or propose measures to make good the shortfalls which are highly likely within Chapter A 11 — Staff in active employment.

ITEM 1101 — FAMILY ALLOWANCES

1984 — Appropriations authorized in the initial budget	30 521 050
— Appropriations as amended by transfers or by amending or supplementary budget	31 521 050
1985 — Appropriations requested	35 152 000
Percentage change	+ 11,52

1. References

Articles 62, 67 and 68a and Section I of Annex VII to the Staff Regulations.

2. Type of expenditure

This appropriation is for the payment of family allowances, namely:

- household allowance,
- dependent child allowance,
- education allowance,

to permanent and temporary staff.

3. Method of calculation and explanation of changes

For the whole of 1983 real payments of family allowances represented 10,58 % of real basic salary payments (Item 1100). In 1982 the rate was 10,28 %.

The rate used to calculate the 1985 appropriations was the actual rate for 1983.

ITEM 1102 — EXPATRIATION AND FOREIGN RESIDENCE ALLOWANCES (INCLUDING ARTICLE 97 OF THE ECSC STAFF REGULATIONS)

1984 — Appropriations authorized in the initial budget	38 477 960
— Appropriations as amended by transfers or by amending or supplementary budget	39 677 960
1985 — Appropriations requested	42 826 000
Percentage change	+ 7,93

1. References

Articles 62 and 69 and Article 4 of Annex VII to the Staff Regulations.

2. Type of expenditure

This appropriation is for the payment of expatriation and foreign residence allowances to permanent and temporary staff.

3. Method of calculation and explanation of changes

For the whole of 1983 real payments of expatriation and foreign residence allowances represented 12,89 % of real basic salary payments (Item 1100). In 1982 the rate was 12,77 %.

The rate used to calculate the 1985 appropriations was the actual rate for 1983.

ITEM 1103 — SECRETARIAL ALLOWANCE

1984 — Appropriations authorized in the initial budget	2 384 260
— Appropriations as amended by transfers or by amending or supplementary budget	2 684 260
1985 — Appropriations requested	2 581 000
Percentage change	— 3,85

1. References

Article 4a of Annex VII to the Staff Regulations.

2. Type of expenditure

This appropriation is for the payment of the secretarial allowance to permanent and temporary staff in category C employed as copy typists, shorthand-typists, telex operators, varitypists, executive secretaries or principal secretaries.

3. Method of calculation and explanation of changes

The amount of the allowance is determined annually by the Council when it adjusts staff salaries. Since 1 July 1983 it has been BFR 3 742 per month for grades C1, C2 and C3, and BFR 2 441 per month for grades C4 and C5.

In the calculation of the appropriation, account was taken of the foreseeable adjustment of the amount of the allowance.

The allowance is paid to 2 150 staff in grades C1, C2 and C3
525 staff in grades C4 and C5
2 675, i.e. 79,11 % of C posts authorized in 1984.

To this must be added the new category C posts for 1984.

ITEM 1110 — AUXILIARY STAFF

1984 — Appropriations authorized in the initial budget	1 649 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	2 657 000
Percentage change	+ 61,13

1. References

Article 3 and Title III of the Conditions of Employment of Other Servants.

2. Type of expenditure

This appropriation is for the payment of remunerations and the institution's contributions to the social security scheme for auxiliary staff, excluding overtime payments (category C) and salary weightings, which are charged to Articles 115 and Item 1190.

3. Method of calculation and explanation of changes

There is no mathematical formula for determining the amount of the appropriation. The amount requested is to allow auxiliaries to be recruited to replace officials temporarily absent and to engage successful candidates in competitions pending completion of the procedure for recruitment to permanent posts. The appropriations are to cover about 107 auxiliary staff (12 A, 5 B and 90 C).

ITEM 1111 — AUXILIARY INTERPRETERS

1984 — Appropriations authorized in the initial budget	8 730
— Appropriations as amended by transfers or by amending or supplementary budget	508 730
1985 — Appropriations requested	9 000
Percentage change	— 98,23

1. References

Article 3 and Title III of the Conditions of Employment of Other Servants.

2. Type of expenditure

This appropriation is for the payment of remunerations and the institution's contributions to the social security scheme for auxiliary interpreters, excluding salary weightings, which are charged to Item 1190.

3. Method of calculation and explanation of changes

Total appropriations required are estimated at	50 000
It is planned that revenue available for re-use will cover	41 000

The appropriation requested is therefore 9 000

It should be pointed out that the total 50 000 ECU will cover only two auxiliary interpreters for between seven and eight months each in 1985.

Since 1983 the salaries of freelance Commission interpreters assigned to Parliament meetings have had to be charged to Item 1111. This is why 500 000 ECU were transferred from Item 1170 to Item 1111 in 1984. From 1985 the corresponding change will be booked to Item 2393 — Services rendered by interpreters to Parliament.

ITEM 1112 — LOCAL STAFF

1984 — Appropriations authorized in the initial budget	12 367 500
— Appropriations as amended by transfers or by amending or supplementary budget	13 567 500
1985 — Appropriations requested	12 689 000
Percentage change	— 6,48

1. References

Article 4 and Title IV of the Conditions of Employment of Other Servants.

2. Type of expenditure

This appropriation is for the payment of remunerations and the institution's contributions to the social security scheme for local staff, excluding overtime payments, which are charged to Article 115.

3. Method of calculation and explanation of changes

The number of local staff authorized for 1984 — given purely as a guide — and the number requested for 1985 are as follows:

	Total 1984	Change	Total 1985
Brussels	93	—	93
Luxembourg	35	—	35
Delegations and offices abroad	318	+ 5	323
Total	446	+ 5	451

The five additional staff are for Milan, Madrid, Cardiff, Dublin and Tokyo.

The additional appropriation for these five staff (calculated for 12 months) amounts to 125 000 ECU and is included in the request.

The appropriation requested takes account of the foreseeable increase in salaries to be paid under the rules in force. On this second point, it should be borne in mind that nearly three-quarters of the authorized staff are employed in delegations and offices in countries where inflation rates are much higher than in Belgium and Luxembourg.

The 1984 appropriation and the request for 1985 can be broken down as follows:

	Appropriation authorized for 1984	Appropriation requested for 1985	Percentage change
Brussels	2 400 000	1 954 000	— 18,58
Luxembourg	950 000	800 000	— 15,79
Delegations and offices abroad	9 017 500	9 935 000	+ 10,18
Total	12 367 500	12 689 000	+ 2,60

The Commission has requested 138 new posts to establish local staff. If this request is met and additional appropriations are allocated to the budget items covering their remuneration, the appropriation for Item 1112 can be reduced.

ITEM 1113 — SPECIAL ADVISERS

1984 — Appropriations authorized in the initial budget	194 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	233 000
Percentage change	+ 20,10

1. References

Articles 5, 82 and 83 of the Conditions of Employment of Other Servants.

2. Type of expenditure

This appropriation is for the payment of the remuneration, mission expenses and the institution's accident insurance contributions for the 45 special advisers.

3. Method of calculation and explanation of changes

The daily rate for services rendered was raised to 180 ECU with effect from 1 January 1984. This explains the increase in the appropriation requested. In 1984 the Commission called on the services of 23 paid and 21 unpaid special advisers.

For 1985 the areas in which special advisers will be needed, the number required and the number of days to be worked will be determined by the new Commission.

ARTICLE 112 — FURTHER TRAINING, LANGUAGE COURSES, RETRAINING AND INFORMATION FOR STAFF

1984 — Appropriations authorized in the initial budget	950 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	1 200 000
Percentage change	+ 26,32

1. References

Third paragraph of Article 24 of the Staff Regulations. Commission Decision of 5 October 1977.

2. Type of expenditure

(a) To provide staff with opportunities for further training and retraining and to keep them informed on the activities of the Community institutions and the Member States, the Commission organizes:

- language courses;
- induction courses;
- courses to improve professional know-how;
- information courses on modern methodology;
- seminars;
- courses on data processing.

The appropriation requested is to cover the cost of running these courses, including the purchase of the necessary equipment and documentation.

(b) To make the most effective use of the staff at the Commission's disposal, a group has been set up to review the operation and structures of the Commission departments. This group carries out systematic analyses, concentrating on O & M and the possibility of extending the use of data processing. The results of these analyses should lead to the rationalization of administrative methods and suitable training for the staff concerned.

These tasks can be properly carried out only by highly specialized firms.

The appropriation requested is to cover the expenses of calling in these consultants.

3. Method of calculation and explanation of changes

Appropriations authorized since 1980 are given below:

1980	965 000
1981	965 000
1982	995 000
1983	950 000
1984	950 000

The increase requested is needed to adjust the appropriation to cost of living increases since 1980 and maintain activity at the level of previous years.

ITEM 1130 — INSURANCE AGAINST SICKNESS

1984 — Appropriations authorized in the initial budget	11 183 130
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	8 988 000
Percentage change	— 19,63

1. References

Article 72 of the Staff Regulations.

2. Type of expenditure

This appropriation is for the institution's contributions to sickness insurance for serving officials. It also covers payments in the form of supplementary reimbursements of sickness expenses for deportees or members of the resistance who were interned.

3. Method of calculation and explanation of changes

The institution's share amounts to 2,7 % of the basic salary.

The reduction is not a true one. It derives from the creation of Article 123 which covers sickness insurance for pensioners and recipients of allowances, previously charged to Item 1130.

ITEM 1131 — INSURANCE AGAINST ACCIDENTS AND OCCUPATIONAL DISEASE

1984 — Appropriations authorized in the initial budget	2 152 430
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	2 262 000
Percentage change	+ 5,09

1. References

Article 73 and Article 15 of Annex VIII to the Staff Regulations.

2. Type of expenditure

This appropriation is for the institution's contributions to insurance against accidents and occupational disease and supplementary expenditure incurred pursuant to the relevant provisions of the Staff Regulations.

3. Method of calculation and explanation of changes

The institution's contribution to the cost of insurance is 0,67 % of basic salaries (Item 1100).

Besides application of the rate to the amount of basic salaries, the appropriation covers the payment of:

- a percentage higher than that proposed by the insurers;
- the fees of specialists consulted;
- travel and accommodation expenses for staff or pensioners called for medical examinations.

Expenditure on these payments is estimated: it cannot be found by applying a fixed percentage to a given base.

For this expenditure the appropriation requested includes 36 000 ECU.

ITEM 1132 — UNEMPLOYMENT INSURANCE FOR TEMPORARY STAFF

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	127 000
Percentage change	—

1. References

Do not yet exist.

2. Type of expenditure

The question of unemployment insurance for temporary staff is being considered by the Council.

A regulation is expected before the end of 1984.

3. Method of calculation and explanation of changes

Under the regulation in course of preparation an employer's contribution of 0,8 % of the basic salaries of temporary staff would have to be paid into an 'Unemployment Fund'. The appropriation requested accords with that percentage.

ITEM 1133 — CONSTITUTION OR MAINTENANCE OF PENSION RIGHTS FOR TEMPORARY STAFF

1984 — Appropriations authorized in the initial budget	873 000
— Appropriations as amended by transfers or by amending or supplementary budget	2 473 000
1985 — Appropriations requested	2 000 000
Percentage change	— 19,13

1. References

Article 42 of the Conditions of Employment of Other Servants.

2. Type of expenditure

This appropriation covers payments by the institution to constitute or maintain pension rights for temporary staff in their country of origin.

3. Method of calculation and explanation of changes

These payments may not exceed 13,5 % of the servant's basic salary and therefore vary from case to case. Article 42 states that 'a servant may request the institutions to effect any payments ...'. These factors make it impossible to calculate requirements precisely. The appropriation requested is therefore simply an estimate. In the light of requests by temporary staff in 1984 a transfer will have to be made to increase the appropriation to about 1 600 000 ECU.

ITEM 1140 — BIRTH AND DEATH GRANTS

1984 — Appropriations authorized in the initial budget	77 600
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	82 000
Percentage change	+ 5,67

1. References

Articles 70, 74 and 75 of the Staff Regulations.

2. Type of expenditure

This appropriation is for the payment of:

- birth grants;
- in the event of an official's death:
 - (a) the deceased's full remuneration until the end of the third month following that in which death occurred;
 - (b) the costs of transporting the body to the deceased's place of origin.

3. Method of calculation and explanation of changes

Because of the type of expenditure involved the appropriation requested can only be an estimate. Actual expenditure incurred over previous years serves as an approximate guide to requirements.

It was as follows:

1978:	147 708	EUA
1979:	96 548	EUA
1980:	139 862	EUA
1981:	43 887	ECU
1982:	49 994	ECU
1983:	71 865	ECU

ITEM 1141 — ANNUAL LEAVE TRAVEL EXPENSES

1984 — Appropriations authorized in the initial budget	4 516 320
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	5 914 000
Percentage change	+ 30,45

1. References

Article 8 of Annex VII to the Staff Regulations.

2. Type of expenditure

This appropriation covers the annual leave travel costs of permanent and temporary staff, their spouses and dependants from the place of employment to the place of origin, on the following conditions:

- once in each calendar year if the distance by rail is more than 50 km but less than 725 km,
- twice in each calendar year if the distance by rail is 725 km or more.

3. Method of calculation and explanation of changes

Expenditure in previous years was as follows:

1981: 3 375 217 ECU
1982: 4 052 094 ECU
1983: 4 674 624 ECU

Estimated expenditure in 1984 is 5 150 000 ECU, far more than the appropriation authorized. The request for 1985 is based on:

- the actual number of recipients in 1984;
- likely increases in travel costs in 1984 and 1985.

The appropriation must be increased to meet actual needs.

In past years the appropriations allocated have had to be increased by transfers. The increased amount requested would thus provide greater budgetary transparency.

ITEM 1142 — RENT AND TRANSPORT ALLOWANCES

1984 — Appropriations authorized in the initial budget	1 455
— Appropriations as amended by transfers or by amending or supplementary budget	2 455
1985 — Appropriations requested	2 000
Percentage change	— 18,53

1. References

Articles 14 a and 14 b of Annex VII to the Staff Regulations. Council Regulations No 6/66/Euratom, No 121/66/EEC of 28 July 1966 (OJ No 150, 12. 8. 1966, p. 2749). Council Regulations No 7/66/Euratom, No 122/66/EEC of 28 July 1966 (OJ No 150, 12. 8. 1966, p. 2751).

2. Type of expenditure

The appropriation covers:

- rent allowances for officials employed in places where the accommodation problem is recognized as being particularly difficult;
- travel allowances for officials employed in places where transport is recognized as being particularly difficult and costly because of the distance between place of residence and place of work.

3. Method of calculation and explanation of changes

The amount of the rent allowance varies up to a certain ceiling depending on the grade and family situation of the official.

Total

At 2 327 966 ECU, actual expenditure in 1983 was far in excess of the 1984 appropriation which is itself inadequate and will have to be increased. Estimated expenditure in 1984 is about 3 555 000 ECU.

The increase in appropriations for contributions to rent paid by officials seconded to delegations and information offices arises from a planned change in the system used by the Commission.

ITEM 1144 — FIXED LOCAL TRAVEL ALLOWANCES

1984 — Appropriations authorized in the initial budget	156 170
— Appropriations as amended by transfers or by amending or supplementary budget	205 170
1985 — Appropriations requested	206 000
Percentage change	+ 0,41

1. References

Article 15 of Annex VII to the Staff Regulations.

2. Type of expenditure

The appropriation covers travel allowances:

- for A1 or A2 officials who do not have an official car at their disposal;
- for officials in grades other than A1 and A2 whose duties frequently require them to make journeys for which they are authorized to use their own car.

The allowance is a flat-rate reimbursement of the cost of travel within the city where the official is employed.

3. Method of calculation and explanation of changes

The allowance for officials in grades A1 and A2 is BFR 3 000 per month. For officials in other grades it varies up to a maximum of BFR 3 000 per month.

The change in the appropriation requested is due to the increased number of recipients.

It also covers the shortfall in 1984 which must be made good by a transfer.

ITEM 1145 — SPECIAL ALLOWANCE FOR ACCOUNTING OFFICERS AND ADMINISTRATORS OF IMPREST ACCOUNTS

1984 — Appropriations authorized in the initial budget	55 290
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	60 000
Percentage change	+ 8,52

1. References

Article 70 of the Financial Regulation of 21 December 1977 (OJ No L 356, 31. 12. 1977, p. 1).

2. Type of expenditure

This appropriation covers the special allowance payable to accounting officers, assistant accounting officers and administrators of imprest accounts.

3. Method of calculation and explanation of changes

The increase in this appropriation is due to the automatic indexation of the allowance.

The appropriation requested is based on actual payments for January 1984, augmented by the estimates for automatic indexation in 1984 and 1985. It also includes a 3 000 ECU provision for new recipients.

ITEM 1147 — ALLOWANCES FOR SHIFTWORK OR STANDBY DUTY AT THE OFFICIAL'S PLACE OF WORK OR AT HOME

1984 — Appropriations authorized in the initial budget	255 110
— Appropriations as amended by transfers or by amending or supplementary budget	455 110
1985 — Appropriations requested	372 000
Percentage change	— 18,26

1. References

Articles 56, 56a and 56b of the Staff Regulations.

2. Type of expenditure

This appropriation covers the payment of allowances to officials who:

- are expected to work regularly at night, on Saturdays, Sundays or public holidays when doing shiftwork which is required by the institution because of the exigencies of the service or safety rules and which is regarded by it as a regular and permanent feature;
- are required in accordance with a decision taken by the appointing authority because of the exigencies of the service or safety rules to remain on standby duty at their place of work or at home outside normal working hours.

3. Method of calculation and explanation of changes

The categories of officials entitled to these allowances and the rates and conditions are determined by the Council.

The breakdown of the appropriation is as follows:

	Brussels (ECU)	Number of recipients	Luxembourg (ECU)	Number of recipients	Total	
					ECU	Number of recipients
Two-shift working	113 490	58	58 700	30	172 190	88
Continuous operation	105 670	24	57 240	13	162 910	37
Standby duty	36 200	2	—	—	36 200	2
Total	255 360	84	115 940	43	371 300	127
					Rounded to	
					372 000	

The increase is due to an increase in the number of recipients, the rates changed by the Council and application of the parameters adopted for 1984.

ITEM 1149 — OTHER ALLOWANCES AND REPAYMENTS

1984 — Appropriations authorized in the initial budget	50 440
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	62 000
Percentage change	+ 22,92

1. References

Article 95 of the Staff Regulations of the European Coal and Steel Community.

Article 34 of the Staff Regulations of Officials of the European Communities.

Article 47 of the Conditions of Employment of Other Servants.

2. Type of expenditure

This appropriation covers:

- compensatory allowances granted to officials of the former High Authority who, when their salary was calculated pursuant to the provisions of the ECSC Staff Regulations of 1962, suffered a reduction in their net salary;
- allowances in the event of the dismissal of probationary officials for obvious inadequacy;
- allowance in the event of the cancellation of the contract of a member of the temporary staff by the institution;
- compensatory allowance granted to offset any reduction in the net salary of a category C official promoted to a BS post;

- reimbursement of expenditure on home security installations incurred by officials working in Commission delegations or information offices.

3. Method of calculation and explanation of changes

The appropriation may be broken down as follows:

— four dismissals (assumed) (two paid from the administrative appropriations and two from the Research Centres)	31 750
— application of Article 95 of the ECSC Staff Regulations	250
— compensatory allowance (promotion from C to BS)	p. m.
— home security installations for officials working in delegations or information offices	25 000
	<hr/>
Subtotal	57 000
— plus supplement for Lima	5 000
	<hr/>
Total	62 000

The increase is due to the cost of maintaining existing security installations and the provision of new ones.

ARTICLE 115 — OVERTIME

1984 — Appropriations authorized in the initial budget	1 649 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	1 890 000
Percentage change	+ 14,62

1. References

Article 56 and Annex VI to the Staff Regulations.

2. Type of expenditure

This appropriation covers the flat-rate allowances and payments at hourly rates for overtime worked by officials and auxiliary staff in categories C and D and local staff who could not be given compensatory leave in accordance with the procedures laid down.

3. Method of calculation and explanation of changes

Requirements are as follows:

(a) Flat-rate allowances

	Brussels (number)	Luxembourg (number)	Delegations and information offices (number)	Total (number)
Secretaries in members' offices	338 000 (93)	—	—	338 000 (93)
Drivers	380 000 (79)	63 000 (15)	82 000 (25)	525 000 (119)
Telephone and telex operators	242 000 (88)	22 000 (13)	—	264 000 (101)
<i>Subtotal</i>	<i>960 000 (260)</i>	<i>85 000 (28)</i>	<i>82 000 (25)</i>	<i>1 127 000 (313)</i>

(b) Remuneration at hourly rates

	Brussels	Luxembourg	Delegations and information offices	Total
Officials	590 000	23 000	—	613 000
Auxiliary staff	—	—	—	—
Local staff	30 000	5 000	—	35 000
<i>Subtotal</i>	<i>620 000</i>	<i>28 000</i>	<i>—</i>	<i>648 000</i>
Total (a) + (b)	1 580 000	113 000	82 000	1 775 000
Application of 1984 parameters				112 000
Estimate for Lima				3 000
			Total	1 890 000

ITEM 1170 — FREELANCE JICS INTERPRETERS

1984 — Appropriations authorized in the initial budget	207 340
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	232 000
Percentage change	+ 11,89

1. References

Commission rules on freelance conference interpreters adopted on 8 October 1974.

2. Type of expenditure

This appropriation covers the services provided by freelance JICS interpreters at meetings held by the Commission and other institutions where the services concerned cannot be provided by Commission officials. The appropriation also covers pension, sickness and accident insurance and the travel allowances and expenses of freelance interpreters.

Interpreting done for other institutions is paid for by the beneficiaries of these services by means of a flat-rate reimbursement.

These reimbursements are either:

- entered for re-use and are thus added to the appropriations under this item;
- or entered on the revenue side (Article 540).

Pursuant to Article 22(2) of the Financial Regulation sums available for re-use may be used either in the year of collection or in the following financial year. It is therefore not possible to determine in advance whether this amount corresponds to the aggregate estimates of such expenditure entered by the other institutions.

3. Method of calculation and explanation of changes

In addition to the appropriation requested	232 000
The amount available for re-use is estimated at	5 586 000
Total	5 818 000

The figure for 1984 is 4 862 340 (207 340 + 4 655 000).

The increase in availabilities for 1985 is thus 19,65 %.

The increase is solely due to the higher average cost of freelance interpreters, which in turn derives from the terms of the 1984-88 agreement negotiated by the International Association of Conference Interpreters (AIIC) not only with the Commission but with all three institutions that have their own interpreting services (Parliament, Court of Justice, Commission).

This agreement provides in particular for:

1. A special 13,5 % increase from 1 January 1984.
2. Freelance interpreters' fees being expressed in ECU (instead of Belgian francs).
3. Indexation:
 - by 100 % (instead of 9/10ths),
 - by reference to the basic salary of an LA5-5 official weighted by the average of the weightings applied in Member States participating in the EMS, whose currencies are therefore represented in the ECU (rather than the Brussels weighting alone).

ITEM 1171 — OTHER FREELANCE INTERPRETERS

1984 — Appropriations authorized in the initial budget	1 831 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	2 195 000
Percentage change	+ 19,88

1. References

Commission rules on freelance conference interpreters adopted on 8 October 1974.

2. Type of expenditure

This appropriation covers the services provided by freelance interpreters (other than freelance JICS interpreters) at meetings held by the Commission and other institutions where the services concerned cannot be provided by Commission officials. The appropriation also covers pension, sickness and accident insurance and the travel allowances and expenses of freelance interpreters.

Interpreting done for other institutions is paid for by the beneficiaries of these services by means of a flat-rate reimbursement.

These reimbursements are either:

- entered for re-use and are thus added to the appropriation under this item; or
- entered on the revenue side (Article 540).

Pursuant to Article 22(2) of the Financial Regulation sums available for re-use may be used either in the year of collection or in the following financial year. It is therefore not possible to determine in advance whether this amount corresponds to the aggregate estimates of such expenditure entered by the other institutions.

3. Method of calculation and explanation of changes

In addition to the appropriation requested	2 104 000
The amount available for re-use is estimated at	100 000
Total	2 204 000

The figure for 1984 is 6 514 000 (1 831 000 + 4 683 000). This includes repayments from Parliament which, for 1985, constitute the re-use provided for in Item 2393 (Services rendered by interpreters to Parliament), which has been allocated a token entry only.

For the increase in the appropriation as such, see the explanation given under Item 1170.

ITEM 1172 — TEMPORARY JICS CONFERENCE TECHNICIANS

1984 — Appropriations authorized in the initial budget	200 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	129 000
Percentage change	— 35,50

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation covers the services provided by temporary JICS conference technicians at meetings held by the Commission and other institutions where the services concerned cannot be provided by Commission officials.

3. Method of calculation and explanation of changes

Despite the increase in the average cost of temporary technicians' services — estimated at roughly 10 % — the appropriation requested is less than that authorized for 1984. This is because more officials are being assigned to the duties in question.

ITEM 1173 — OTHER TEMPORARY CONFERENCE TECHNICIANS

1984 — Appropriations authorized in the initial budget	14 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	12 000
Percentage change	— 14,29

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation covers the services provided by temporary conference technicians (other than temporary JICS conference technicians) at meetings held by the Commission and other institutions where the services concerned cannot be provided by Commission officials.

3. Method of calculation and explanation of changes

Despite the increase in the average cost of temporary technicians' services — estimated at roughly 10 % — the appropriation requested is less than that authorized for 1984. This is because more officials are being assigned to the duties in question.

ITEM 1174 — FREELANCE PROOFREADERS

1984 — Appropriations authorized in the initial budget	67 900
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	75 000
Percentage change	+ 10,46

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation covers the services of freelance proofreaders engaged on work which cannot be done by Commission officials alone. The appropriation also covers the insurance and travel expenses of freelance proofreaders.

Experience has shown that, particularly in the case of Greek, all texts for publication must be checked by proofreaders. This is also true of works in Spanish and Portuguese, particularly those in the 'European perspectives' series.

3. Method of calculation and explanation of changes

The 1982 (78 000 ECU) and the 1983 (84 000 ECU) appropriations were fully utilized.

Due to a foreseeable rise in current rates, the appropriations requested will do no more than allow the 1984 services to continue.

ITEM 1175 — OTHER SERVICES AND WORK SENT OUT FOR TRANSLATION AND TYPING

1984 — Appropriations authorized in the initial budget	4 074 000
— Appropriations as amended by transfers or by amending or supplementary budget	4 174 000
1985 — Appropriations requested	4 384 000
Percentage change	+ 5,03

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation covers:

- the employment of agency staff, particularly telephonists, telex operators for the Agriculture DG and shorthand-typists for all Commission departments;
- translation, reproduction and typing sent out because it cannot be done by Commission departments;
- the cost of computer type-setting for explanatory and supporting documents relating to the Commission's own requirements to be submitted to the budgetary authority.

3. Method of calculation and explanation of changes

Requirements break down as follows:

(a) Agency staff

	Appropriation (number)
Brussels	1 263 000 (32)
Luxembourg	400 000 (20)
Delegations and offices abroad	140 000 (10)
Total	1 803 000 (62)

The Commission has been trying for years to reduce the number of agency staff — in other words persons not covered by its Staff Regulations. It should be repeated that it costs twice as much to hire somebody from an agency as to employ a C official. Nevertheless the Commission's repeated proposals for an additional allocation of C posts have been very largely rejected by the budgetary authority.

(b) Translation, typing and reproduction work sent out

Brussels	2 100 000
Luxembourg	220 000
Delegations and offices abroad	31 000
Total	2 351 000

Since the Commission has insufficient staff and workshop facilities to undertake translation, typing and reproduction in the seven languages within the time available, sending work out cannot be avoided.

(c) Computer type-setting of budget documents

The Commission is using computer techniques to handle the editing, preparation and printing of the explanatory and supporting documents concerning its own requirements to be submitted to the budgetary authority (Volumes 7/A and B of the preliminary draft general budget in seven languages). The cost of this work, which has been done by outside firms, amounts to some 230 000 ECU for 1985 (i.e. for Volume 7 of the 1986 preliminary draft). This amount does not include the consequences of the increase in the number of official languages to nine consequent on Spain and Portugal joining the Communities.

Total appropriations:

See (a) above	1 803 000
See (b) above	2 351 000
See (c) above	230 000
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Total	4 384 000

ITEM 1180 — MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT

1984 — Appropriations authorized in the initial budget	755 000
— Appropriations as amended by transfers or by amending or supplementary budget	1 055 000
1985 — Appropriations requested	1 500 000
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Percentage change	+ 42,18

1. References

Articles 27 to 31, 33 and Annex III to the Staff Regulations.

2. Type of expenditure

The appropriation covers expenditure arising from recruitment procedures.

Funds which can be re-used accrue from:

- refunds of VAT paid on advertising;
- partial reimbursement of costs incurred by the Commission in organizing joint competitions for recruitment of officials for all the institutions of the European Communities;
- reimbursement of expenditure on the recruitment of officials and other servants employed by more than one institution.

3. Method of calculation and explanation of changes

It is planned to hold the following competitions in 1985.

Number of competitions	Grades	Number of languages	For
A. Follow-up to 1984 competitions			
2	A8—A7/6	7	Law
1	C5/4	7	Clerical assistants
B. Competitions planned for 1985			
2	A8—A7/6	7	Customs
2	A8—A7/6	7	Administration
2	LA8—LA7/6	5	Translators
2	LA8—LA7/6	7	Interpreters
1	B5/4	7	Administration — Statistics — Accounting
C. Mini competitions for very specific departmental requirements that do not justify the organization of a big open competition			
10	A & B	7	According to needs
D. Internal competitions and other selections			
40	A-LA-B-C-D-AL	7	According to needs
62	—	—	—

This number does not include competitions to recruit Spanish and Portuguese nationals which will be organized when the dates of accession are known.

Estimated expenditure by place of employment is as follows:

(a) *Brussels*

A. Follow-up to 1984 competitions	154 500
B. Competitions planned for 1985	750 500
C. Mini-competitions for very specific departmental requirements that do not justify the organization of a big open competition	225 000
D. Internal competitions and other selection procedures	111 000
E. Interviews with successful candidates and pre-recruitment medical examinations	165 000

(b) *Luxembourg*

Total expenditure	75 000
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(c) *Delegations/Press offices*

Total expenditure	19 000
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1 500 000

ITEM 1181 — TRAVEL EXPENSES FOR STAFF

1984 — Appropriations authorized in the initial budget	477 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	520 000
Percentage change	+ 9,02

1. References

Articles 20 and 71, and Article 7 of Annex VII to the Staff Regulations.

2. Type of expenditure

The appropriation covers travel expenses due to staff (including their families) on taking up duty, leaving the institution or transferring to another place of employment.

3. Method of calculation and explanation of changes

In determining the appropriation required account was taken of:

- an estimated number of posts vacant at the beginning of 1985, which will be filled during the year;
- a number of departures of officials who will reach the age of 65 in 1985;
- the reoccupation of some of these vacated posts;
- a number of posts which will be vacated following deaths, retirements before 65, invalidity pensions, terminations of service and resignations;
- reoccupation of some of these vacated posts;
- a number of posts vacated and reoccupied following transfers (staff mobility) involving a change in the place of employment.

ITEM 1182 — INSTALLATION, RESETTLEMENT AND TRANSFER ALLOWANCES FOR STAFF

1984 — Appropriations authorized in the initial budget	2 352 000
— Appropriations as amended by transfers or by amending or supplementary budget	2 752 000
1985 — Appropriations requested	3 000 000
Percentage change	+ 9,01

1. References

Articles 5 and 6 of Annex VII to the Staff Regulations.

2. Type of expenditure

The appropriation is for the payment of installation and resettlement allowances to staff obliged to change their place of residence on taking up duty, on transfer to a new place of employment and on finally leaving the institution and resettling elsewhere.

3. Method of calculation and explanation of changes

No provision is made in the calculation for persons taking up new 1985 posts. The Commission reckons that the allowances for these officials will not be paid until 1986.

On the other hand, provision must be made for persons filling new 1984 posts who will complete the probationary period laid down under Article 34 of the Staff Regulations.

Other staff to receive the allowances will be:

- those who leave the Commission's service in 1985;
- those who will be transferred to a new place of employment in 1985;
- those who will complete their probationary period after recruitment in 1984/85 to posts vacated by departures and/or transfers during the same period.

The sums to be paid are as follows:

- two months' basic salary for officials entitled to household allowance;
- one month's basic salary for officials not entitled to that allowance.

To allow for the number of single people (not known in advance) and the grades of the recipients (also not known in advance), the calculation was made by means of a weighted average basic salary. It was assumed that of three recipients only one will be entitled to two months' basic salary.

The level of allowances corresponds to the scale in force on 1 July 1983 increased by the adjustment parameter established for 1984. The effect of any adjustments the Council may make in 1985 is covered by Item 1191.

Actual expenditure for the last four years (1980: 1 336 000 ECU; 1981: 2 102 000 ECU; 1982: 2 087 000 ECU and 1983: 2 474 550 ECU) has always far exceeded the original appropriation. The appropriation should be brought into line with likely needs.

ITEM 1183 — REMOVAL EXPENSES FOR STAFF

1984 — Appropriations authorized in the initial budget	1 960 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	2 500 000
Percentage change	+ 27,55

1. References

Articles 20 and 71, and Article 9 of Annex VII to the Staff Regulations.

2. Type of expenditure

The appropriation is for the payment of removal expenses to officials and other staff obliged to change their place of residence on taking up duty, on transfer to a new place of employment and on finally leaving the institution and resettling elsewhere.

3. Method of calculation and explanation of changes

No provision is made in the calculation for persons taking up new 1985 posts. The Commission reckons that the removals of these new officials will not occur until 1986.

The sum requested is thus solely for officials:

- who will leave the service in 1985 or be transferred to a new place of employment;
- who will complete the probationary period after recruitment in 1984/85, either to posts vacated by departures or transfers during that period or to additional posts created in 1984.

The increase in the appropriation is due partly to the number of removals to be provided for and partly to the cost of a removal. Costs are rising rapidly. The average cost of removals actually reimbursed has increased as follows:

1978:	1 952,75 EUA
1979:	2 194,64 EUA (+ 12,39 %)
1980:	2 456,49 EUA (+ 11,93 %)
1981:	2 905,22 ECU (+ 18,27 %)
1982:	3 368,14 ECU (+ 15,93 %)
1983:	2 543,06 ECU (— 24,50 %)

The fall in average cost in 1983 is due to fewer removals to and from outside offices. On the basis of that cost, increased by 10 % for 1984 and 15 % for 1985, the average cost for 1985 will be roughly 3 220 ECU. At that rate, the appropriation will cover 776 removals.

ITEM 1184 — TEMPORARY DAILY SUBSISTENCE ALLOWANCES

1984 — Appropriations authorized in the initial budget	1 680 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	1 938 000
Percentage change	+ 15,36

1. References

Article 10 of Annex VII to the Staff Regulations.

2. Type of expenditure

The appropriation covers temporary daily subsistence allowance for staff who furnish evidence that they must change their place of residence on taking up duty or transferring to a new place of employment.

3. Method of calculation and explanation of changes

The amounts of the allowance are set by the Council. They vary according to grade and category and also according to whether or not staff are entitled to household allowance. The period of payment also varies. It is 120 days for officials not entitled to household allowance and 180 days for those who receive it. But if the official entitled to this allowance is a probationer, the allowance is paid for the period of probation plus one month. This means ten months for A and B and LA officials and seven months for the other categories.

In the light of these factors and the foreseeable number of recipients, requirements for recruitments in 1984 and 1985 to posts authorized in 1984 are 1 938 000 ECU.

ITEM 1190 — WEIGHTINGS

1984 — Appropriations authorized in the initial budget	p. m.
— Appropriations as amended by transfers or by amending or supplementary budget	5 900 000
1985 — Appropriations requested	3 176 000
Percentage change	— 46,17

1. References

Articles 64 and 65 of the Staff Regulations.

2. Type of expenditure

The appropriation covers weightings applied to the remuneration of officials and auxiliary staff and to pensions and to overtime payments made to officials.

3. Method of calculation and explanation of changes

The 'method' for adjusting the remuneration of officials and other servants, of which the Council adopted an amended version on 15 December 1981, provides that the weightings for Belgium and Luxembourg shall be incorporated in basic salaries with effect from 1 July each year. They are thereby fixed at 100 and so have no financial implications for staff serving in Belgium and Luxembourg. Hence there is no need for an appropriation to be entered under Article 116 in respect of these persons.

This is not the case for officials employed in delegations and information offices outside Belgium and Luxembourg.

Weightings in these cases may be negative, and so lead to deductions, or positive, and so lead to payments. The appropriation is to cover the positive balance.

The appropriations required to cover expenditure arising from a Council decision during the year to fix positive weightings, mainly for Belgium and Luxembourg but also for other countries where Community staff are employed, are entered in Item 1191 and will be transferred to Item 1190 as required.

ITEM 1191 — PROVISIONAL APPROPRIATIONS

1984 — Appropriations authorized in the initial budget	13 528 054
— Appropriations as amended by transfers or by amending or supplementary budget	23 528 054
1985 — Appropriations requested	15 717 000
Percentage change	— 33,20

1. References

Article 65 of the Staff Regulations. Council Decision 81/1061/Euratom, ECSC, EEC of 15 December 1981 amending the method of adjusting the remuneration of officials and other servants of the Communities.

2. Type of expenditure

No expenditure will be charged to this article.

The appropriation is purely provisional and may not be used until it has been transferred to other articles or items in accordance with the procedure laid down in the Financial Regulation. It is to cover the cost of any adjustments to remuneration that the Council may make during the year.

3. Method of calculation and explanation of changes

Using the 'revised method' of adjusting the remuneration of officials and other staff referred to above, forecasts were made for changes in the joint cost-of-living indexes and the specific indicator (change in purchasing power of national civil servants' salaries). These parameters have been applied to the appropriations for headings Nos 1100, 1101, 1102, 1103, 1110, 1111, 1130, 1131, 1147 and 115, wherever Council decisions on salary adjustments have to be taken according to the 'method' during 1984. The effects of any decisions taken will be automatic at the beginning of 1985.

On the other hand, any repercussions on the appropriations under the above headings of decisions which the Council takes in 1985 are covered by Item 1191. Additional appropriations required will be transferred from this item only after the Council has taken decisions adjusting remunerations.

The change in the amount of the appropriation is due to the values used in the parameters, which differ from those used in the previous year.

CHAPTER 12 — PENSIONS, ALLOWANCES AND MISCELLANEOUS CONTRIBUTIONS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
1200	Retirement pensions	23 955 120	33 217 000	+ 38,7
1201	Invalidity pensions	18 137 060	24 565 000	+ 35,4
1202	Survivors' pensions	12 927 190	15 186 000	+ 17,5
1203	Severance grants	3 524 010	4 283 000	+ 21,5
1210	Allowances for staff retired in the interests of the service under Articles 41 and 50 of the Staff Regulations	2 520 000	3 100 000	+ 23,0
1211	Allowances for staff whose service is terminated — Regulation (Euratom, ECSC, EEC) No 2530/72	1 113 000	404 000	— 63,7
1212	Allowances for staff whose service is terminated — Regulation (ECSC, EEC, Euratom) No 1543/73	287 000	102 000	— 64,5
1213	Allowances for staff whose service is terminated — Regulation (ECSC, EEC, Euratom) No 2150/82	870 000	939 000	+ 7,9
123	Insurance against sickness	⁽²⁾	2 228 000	—
1290	Weightings	⁽³⁾	1 545 000	—
1291	Provisional appropriations	2 047 536	3 090 000	+ 28,3
	Total	65 740 916	88 659 000	+ 34,9

⁽¹⁾ Including any appropriations entered in Chapter 100.
⁽²⁾ Included in Item 1130 in 1984.
⁽³⁾ Divided between Items 1190, 1210, 1211, 1212 and 1213 in 1984.

ITEM 1200 — RETIREMENT PENSIONS

1984 — Appropriations authorized in the initial budget	23 955 120
— Appropriations as amended by transfers or by amending or supplementary budget	27 955 120
1985 — Appropriations requested	33 217 000
Percentage change	+ 18,82

1. References

Article 77 and Annex VIII to the Staff Regulations.

2. Type of expenditure

The Commission is responsible for paying the retirement pensions of former permanent and temporary staff of all the institutions of the European Communities, including those paid from the research and investment appropriations. Consequently, no appropriation of this type appears in the sections of the budget relating to those institutions.

The appropriation also covers payments (pension bonus) to former deportees or members of the resistance who were interned.

3. Method of calculation and explanation of changes

The appropriation takes account of:

- the number of pensioners when the estimates were prepared (February (1984);
- the level of entitlements by reference to the basic salary scale applicable since 1 July 1983;
- the foreseeable increase in the number of pensioners between March 1984 and December 1985;
- the possible adjustment of salaries and pensions by the Council in 1984 (the effect of any adjustment made in 1985 is covered by Item 1291).

The number of pensioners is expected to be as follows:

Number at 31. 12. 1983	Expected change 1984	1985	Number at end 1985
1 071	+ 138	+ 172	1 381 (+ 14,2 % in 1985)

The appropriation has been calculated as follows:

— payments for February 1984 × 12	25 801 000
— new pensioners in 1984	3 325 000
— new pensioners in 1985 (for six months)	2 072 000
— pension bonus for former deportees or internees	62 000
— application of 1984 parameters	1 957 000

Total 33 217 000

Comparison of the 1984 appropriation with the estimated needs in 1984 as indicated in the above breakdown shows that there will be a large deficit for 1984.

The increase requested for 1985 must therefore:

- restore the appropriation to its proper level;
- cover the additional charges accruing from the greater number of pensioners;
- meet the increase in real value of pensions.

ITEM 1201 — INVALIDITY PENSIONS

1984 — Appropriations authorized in the initial budget	18 137 060
— Appropriations as amended by transfers or by amending or supplementary budget	20 137 060
1985 — Appropriations requested	24 565 000
Percentage change	+ 21,99

1. References

Article 78 and Annex VIII to the Staff Regulations.

2. Type of expenditure

The Commission is responsible for paying the invalidity pensions of former permanent and temporary staff of all the institutions of the European Communities, including those paid from the research and investment appropriations. Consequently, no appropriation of this type appears in the sections of the budget relating to those institutions.

3. Method of calculation and explanation of changes

The calculation was based on the same criteria as for Item 1200.

The number of recipients is expected to be as follows:

Number at 31. 12. 1983	Expected change 1984	1985	Number at end 1985
803	+ 144	+ 122	1 069 (+ 12,9 % in 1985)

The appropriation has been calculated as follows:

— payments for February 1984 × 12	18 416 000
— new recipients in 1984	3 303 000
— new recipients in 1985 (for six months)	1 399 000
— application of 1984 parameters	1 447 000
Total	24 565 000

Comparison of the 1984 appropriation with the estimated needs in 1984 as indicated in the above breakdown shows that there will be a large deficit for 1984.

The increase requested for 1985 must therefore:

- restore the appropriation to its proper level;
- cover the additional charges accruing from the greater number of pensioners;
- meet the increase in real value of pensions.

ITEM 1202 — SURVIVORS' PENSIONS

1984 — Appropriations authorized in the initial budget	12 927 190
— Appropriations as amended by transfers or by amending or supplementary budget	13 127 190
1985 — Appropriations requested	15 186 000
Percentage change	+ 15,68

1. References

Articles 79 and 80 and Annex VIII to the Staff Regulations.

2. Type of expenditure

The Commission is responsible for paying the survivors' pensions to those entitled under permanent and temporary staff of all the institutions of the European Communities, including those paid from the research and investment appropriations. Consequently, no appropriation of this type appears in the sections of the budget relating to those institutions.

The appropriation also covers payments (pension bonus) to those entitled under former deportees or members of the resistance who were interned.

3. Method of calculation and explanation of changes

The calculation was based on the same criteria as for Item 1200.

The number of recipients is expected to be as follows:

Number at	Expected change		Number at
31.12. 1983	1984	1985	end 1985
1 052	+ 109	+ 151	1 312 (+ 13 % in 1985)

The appropriation has been calculated as follows:

— payments for February 1984 × 12	11 914 000
— new recipients in 1984	1 306 000
— new recipients in 1985 (for six months)	903 000
— pension bonus for those entitled under former deportees and internees	p. m.
— application of 1984 parameters	895 000
— widowers' pensions	168 000
Total	15 186 000

Comparison of the 1984 appropriation with the estimated needs in 1984 as indicated in the above breakdown shows that there will be a large deficit for 1984.

The increase requested for 1985 must therefore:

- restore the appropriation to its proper level;
- cover the additional charges accruing from the greater number of pensioners;
- meet the increase in real value of pensions,
- allow for the first widowers' pensions payments.

ITEM 1203 — SEVERANCE GRANTS

1984 — Appropriations authorized in the initial budget	3 524 010
— Appropriations as amended by transfers or by amending or supplementary budget	4 524 010
1985 — Appropriations requested	4 283 000
Percentage change	— 5,33

1. References

Article 12 of Annex VIII to the Staff Regulations and Article 39 of the Conditions of Employment of Other Servants.

2. Type of expenditure

The Commission is responsible for paying severance grants to former permanent and temporary staff of all the institutions of the European Communities, including those paid from the research and investment appropriations.

Consequently, no appropriation of this type appears in the sections of the budget relating to those institutions.

3. Method of calculation and explanation of changes

The amount entered is purely an estimate. The only guide to future requirements is the expenditure actually incurred during previous years. This was as follows:

1978:	2 058 771 EUA
1979:	2 415 175 EUA
1980:	2 811 089 EUA
1981:	3 177 243 ECU
1982:	3 321 379 ECU
1983:	3 893 704 ECU

The appropriation requested allows for the increase in actual expenditure over the previous four financial years and should therefore correspond to actual needs.

ITEM 1210 — ALLOWANCES FOR STAFF RETIRED IN THE INTERESTS OF THE SERVICE UNDER ARTICLES 41 AND 50 OF THE STAFF REGULATIONS

1984 — Appropriations authorized in the initial budget	2 520 000
— Appropriations as amended by transfers or by amending or supplementary budget	2 720 000
1985 — Appropriations requested	3 100 000
Percentage change	+ 13,97

1. References

Articles 41 and 50 and Annex IV to the Staff Regulations.

2. Type of expenditure

The appropriation is for the payment of allowances to officials:

- assigned non-active status following a reduction in the number of posts in the institution;
- holding an A1 or A2 post who are retired in the interests of the service.

3. Method of calculation and explanation of changes

The appropriation requested breaks down as follows:

- for officials currently receiving the allowance 2 930 000
- for new recipients 170 000

The effect of any adjustments the Council may make in 1985 is covered by Item 1291.

ITEM 1211 — ALLOWANCES FOR STAFF WHOSE SERVICE IS TERMINATED — REGULATION (EURATOM, ECSC, EEC) No 2530/72

1984 — Appropriations authorized in the initial budget	1 113 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	404 000
Percentage change	— 63,7

1. References

Article 3 of Council Regulation (Euratom, ECSC, EEC) No 2530/72 of 4 December 1972 introducing special and temporary measures applicable to the recruitment of officials of the European Communities in consequence of the accession of new Member States, and for the termination of service of officials of those Communities (OJ No L 272, 5.12.1972, p. 1).

2. Type of expenditure

The appropriation is for the payment of allowances to officials affected by measures terminating their employment in the interests of the service in the special circumstances arising from the accession of new Member States to the Communities.

3. Method of calculation and explanation of changes

The number of recipients is decreasing. It will be 11 on 31 December 1984 and 2 on 31 December 1985.

The calculation of the appropriation required is based on an average number of 9 recipients.

In addition to the level of allowances currently authorized, account was taken of the effect of applying the 1984 parameters for salary adjustments.

The effect of any adjustments the Council may make in 1985 is covered by Item 1291.

ITEM 1212 — ALLOWANCES FOR STAFF WHOSE SERVICE IS TERMINATED —
REGULATION (ECSC, EEC, EURATOM) No 1543/73

1984 — Appropriations authorized in the initial budget	287 000
— Appropriations as amended by transfers or by amending or supplementary budget	337 000
1985 — Appropriations requested	102 000
Percentage change	— 69,73

1. References

Article 3 of Council Regulation (ECSC, EEC, Euratom) No 1543/73 of 4 June 1973 introducing special measures temporarily applicable to officials of the European Communities paid from research and investment funds (OJ No L 155, 11.6.1973, p. 1).

2. Type of expenditure

The appropriation is for the payment of allowances to officials affected by measures terminating their employment to take account of exceptional circumstances arising from the adoption of research programmes which require a cut in the number of posts in the list of posts paid for from European Atomic Energy Community research and investment appropriations, and from the accession of new Member States to the Communities.

3. Method of calculation and explanation of changes

The number of recipients is decreasing. It will be 2 on 31 December 1984 and 1 on 31 December 1985.

In addition to the level of allowances currently authorized, account was taken of the effect of applying the 1984 parameters for salary adjustments.

The effect of any adjustments the Council may make in 1985 is covered by Item 1291.

ITEM 1213 — ALLOWANCES FOR STAFF WHOSE SERVICE IS TERMINATED — REGULATION (ECSC, EEC, EURATOM) No 2150/82

1984 — Appropriations authorized in the initial budget	870 000
— Appropriations as amended by transfers or by amending or supplementary budget	920 000
1985 — Appropriations requested	939 000
Percentage change	+ 2,07

1. References

Article 2 of Regulation (ECSC, EEC, Euratom) No 2150/82 of 28 July 1982, introducing special and temporary measures concerning the termination of service of officials of the European Communities by reason of the accession of Greece (OJ No L 228, 4.8.1982, p. 1).

2. Type of expenditure

The appropriation is for the payment of allowances to officials affected by measures terminating their employment in the interests of the service in the special circumstances arising from the accession of Greece to the Communities.

3. Method of calculation and explanation of changes

The number of Commission officials concerned was fixed by the Council at 15. The appropriation required was calculated on the basis of actual expenditure in February 1984.

Account was also taken of the effect of applying the 1984 parameters for salary adjustments.

The effect of any adjustments the Council may make in 1985 is covered by Item 1291.

ARTICLE 123 — INSURANCE AGAINST SICKNESS

1984 — Appropriations authorized in the initial budget	(¹)
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	2 228 000
Percentage change	—

(¹) Included in Item 1130 in 1984.

1. References

Article 72 of the Staff Regulations.

2. Type of expenditure

This appropriation is for the institution's contributions to sickness insurance for pensioners and those receiving allowances after being assigned non-active status, retired in the interests of the service or dismissed.

3. Method of calculation and explanation of changes

The institution's share amounts to 2,7 % of the basic salary. The volume of this appropriation is therefore determined automatically.

ITEM 1290 — WEIGHTINGS

1984 — Appropriations authorized in the initial budget	(¹)
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	1 545 000
Percentage change	—

(¹) Divided between Items 1190, 1210, 1211, 1212 and 1213 in 1984.

1. References

Articles 64 and 65 of the Staff Regulations.

2. Type of expenditure

The appropriation covers weightings applied to pensions, allowances on retirement in the interests of the service and allowances on termination of service.

3. Method of calculation and explanation of changes

The 'method' for adjusting the remuneration of officials and other servants, of which the Council adopted an amended version on 15 December 1981, provides that the weightings for Belgium and Luxembourg shall be incorporated in basic salaries with effect from 1 July each year. They are thereby fixed at 100.

This is not the case for pensioners and recipients of allowances who have established their place of residence in a country other than Belgium or Luxembourg.

Weightings in these cases may be negative, and so lead to deductions, or positive, and so lead to payments. The appropriation is to cover the positive balance.

The appropriations required to cover expenditure arising from a Council decision during the year to fix positive weightings, mainly for Belgium and Luxembourg but also for other countries, are entered in Item 1291 and will be transferred to Item 1290 as required.

ITEM 1291 — PROVISIONAL APPROPRIATIONS

1984 — Appropriations authorized in the initial budget	2 407 536
— Appropriations as amended by transfers or by amending or supplementary budget	2 867 536
1985 — Appropriations requested	3 090 000
Percentage change	+ 7,76

1. References

Article 65 of the Staff Regulations. Council Decision of 15 December 1981 amending the method of adjusting the remuneration of officials and other servants of the Communities (81/1061/Euratom, ECSC, EEC).

2. Type of expenditure

No expenditure will be charged to this article.

The appropriation is purely provisional and may not be used until it has been transferred to other articles or items in accordance with the procedure laid down in the Financial Regulation. It is to cover any adjustments to pensions and allowances that the Council may make during the year.

3. Method of calculation and explanation of changes

Using the 'revised method' of adjusting the remuneration of officials and other staff referred to above, forecasts were made for changes in the joint cost-of-living indexes and the specific indicator (change in purchasing power of national civil servants' salaries). These parameters applied to the appropriations for all headings of Chapter 12, wherever Council decisions on salary adjustments have to be taken according to the 'method' during 1984. The effects of any decisions taken will be automatic at the beginning of 1985.

On the other hand, any repercussions on the appropriations under the above headings of decisions which the Council takes in 1985 are covered by Item 1291. Additional appropriations required will be transferred from this item only after the Council has taken decisions adjusting remunerations.

The change in the amount of the appropriation is due in part to the values used in the parameters, which differ from those used in the previous year, and in part to the smaller number of recipients.

CHAPTER 13 — EXPENDITURE RELATING TO MISSIONS
AND DUTY TRAVEL

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 (1)	Appropriations requested for 1985 (1)	Percentage change (2 : 1)
		1	2	3
130	Mission expenses, travel expenses and incidental expenditure	—	—	—
1301	Mission expenses for staff	9 596 000	10 592 000	+ 10,38
1302	Mission expenses for meetings at other places where Community institutions are based — in particular Luxembourg and Strasbourg	1 858 500	1 549 000	— 16,65
	Total	11 454 500	12 141 000	+ 5,99

(1) Including any appropriations entered in Chapter 100.

ITEM 1301 — MISSION EXPENSES FOR STAFF

1984 — Appropriations authorized in the initial budget	9 596 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	10 592 000
Percentage change	+ 10,38

1. References

Articles 11, 12 and 13 of Annex VII to the Staff Regulations.

2. Type of expenditure

The following payments may be reimbursed:

- travel expenses including, where appropriate, the cost of seat reservations, transport of necessary luggage and supplements for special fast trains and sleeper accommodation;
- for officials in grades A1 to A3 (LA3), hotel bill covering room, service and taxes, and a flat-rate allowance for meals;
- for officials and other servants in grades A4 (LA4) to D4, an allowance to cover hotel expenses and meals;
- expenses incurred for official purposes (telegrams, telephone calls and any exceptional expenditure incurred for the purposes of the mission).

3. Method of calculation and explanation of changes

The percentage change of + 10,38 % does not reflect the true situation. For Item 1302 (Travel expenses — Luxembourg/Strasbourg) 1983 was the first year of application. The appropriation for mission expenses — previously entered under a single heading — was split into two in 1983 and entered under Items 1301 and 1302, with no reliable data for breakdown. Many adjustments were therefore necessary in 1983, namely transfers from Item 1302 and transfers to Item 1301. The same will apply in 1984.

Now that 1983 has been closed a true result is available for a whole year for the first time. A more realistic allocation could therefore be made between Item 1301 (up by 10,38 %) and Item 1302 (down by 16,65 %) which balances out at + 5, 99 %.

The increase is needed to take account of the following:

- increase in the workload of certain departments as a result of a change in their remit;
- increase in transport costs;
- rise in the cost of living, which will be reflected in restaurant and hotel bills;
- the adjustment of daily mission allowances.

Limiting the combined increase for Item 1301 and Item 1302 to + 5,99 % will only partially offset the increase in expenditure and will thus mean a decrease in real terms.

ITEM 1302 — MISSION EXPENSES FOR MEETINGS AT OTHER PLACES WHERE
COMMUNITY INSTITUTIONS ARE BASED — IN PARTICULAR LUXEM-
BOURG AND STRASBOURG

1984 — Appropriations authorized in the initial budget	1 858 500
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	1 549 000
Percentage change	— 16,65

1. References

Articles 11, 12 and 13 of Annex VII to the Staff Regulations.

2. Type of expenditure

Identical to Item 1301.

This item covers the cost of missions necessitated by the fact that the Community institutions are based in so many different places.

3. Method of calculation and explanation of changes

See explanations for Item 1301.

CHAPTER 14 — SOCIO-MEDICAL INFRASTRUCTURE

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
1400	Running costs of restaurants and canteens	372 000	372 000	—
1401	Conversion and replacement of equipment of restaurants and canteens	30 000	90 000	+ 200,0
141	Medical service	970 000	1 100 000	+ 13,4
142	Health checks for staff exposed to radiation	90 000	90 000	—
	Total	1 462 000	1 652 000	+ 13,0

⁽¹⁾ Including any appropriations entered in Chapter 100.

ITEM 1400 — RUNNING COSTS OF RESTAURANTS AND CANTEENS

1984 — Appropriations authorized in the initial budget	372 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	372 000
Percentage change	—

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The items charged to this appropriation are the running costs of restaurants and canteens, contracts for the maintenance of facilities, the routine replacement of existing equipment and the purchase of new equipment.

3. Method of calculation and explanation of changes

Running costs are generally covered by operating revenue, as the Community budget pays only one-third of staff costs and covers infrastructure costs. The users thus pay for the food and two-thirds of staff costs.

The breakdown of expenditure is as follows:

	1985
Brussels	246 000
Luxembourg	110 000
Delegations and offices abroad	16 000

Despite increases in running costs, which are an inevitable consequence of the rising cost of living, total appropriations requested remain unchanged because of a reduction in estimated expenditure on the routine replacement of equipment and the purchase of new equipment.

ITEM 1401 — CONVERSION AND REPLACEMENT OF EQUIPMENT OF RESTAURANTS AND CANTEENS

1984 — Appropriations authorized in the initial budget	30 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	90 000
Percentage change	+ 200,00

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The items charged to this appropriation are exceptional expenses which cannot be classified as running expenses.

3. Method of calculation and explanation of changes

The appropriation requested is to pay for the following new equipment needed for the Brussels restaurants and canteens: washing plant and cash registers (more than 11 years old).

Historical Archives of the European Commission

ARTICLE 141 — MEDICAL SERVICE

1984 — Appropriations authorized in the initial budget	970 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	1 100 000
Percentage change	+ 13,40

1. References

Article 59 of the Staff Regulations:

- second paragraph of Article 59(1) on medical checks on staff on sick leave;
- Article 59(4) on annual medical checkups.

Article 8 of Annex II to the Staff Regulations relating to expenses incurred in connection with the proceedings of the Invalidity Committee.

2. Type of expenditure

In addition to freelance doctors' fees, the appropriation covers the cost of checkups (special examinations, analyses, etc.), consumables (dressings, medicines, small items, laboratory supplies), special equipment and fittings, and costs incurred by the Invalidity Committee.

3. Method of calculation and explanation of changes

The appropriations are calculated on the basis of foreseeable requirements and take account of an estimated 40 000 ECU which should be available for re-use.

The increase is due to the foreseeable rise in the cost of living and to the increase in the number of authorized posts.

The breakdown by place of employment for previous years by nature of expenditure is as follows:

	Brussels	Luxembourg	Ispra	Other places	Delegations and information offices	Total
Freelance doctors	330 000	91 100	75 000	—	—	496 100
Annual checkups	75 000	32 500	1 000	70 000	—	178 500
Supplies	40 000	13 500	8 000	9 000	—	70 500
Running costs	25 000	5 900	3 000	12 000	—	45 900
Equipment	35 000	6 500	96 000	—	—	137 500
Miscellaneous	10 000	5 500	80 000	7 500	—	103 000
	1 600	—	4 300	58 300	4 300	68 500
Total	516 600	155 000	267 300	156 800	4 300	1 100 000

ARTICLE 142 — HEALTH CHECKS FOR STAFF EXPOSED TO RADIATION

1984 — Appropriations authorized in the initial budget	90 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	90 000
Percentage change	—

1. References

- EAEC Treaty (Chapter III — Articles 31 and 33).
- National legislation on basic standards.

2. Type of expenditure

Any person exposed to radiation in the course of his work must be protected against the dangers involved; the Commission is responsible for the necessary health surveillance for its staff. This applies in particular to persons working in nuclear installations and to Commission inspectors concerned with safeguards in accordance with the provisions of Article 77 of the EAEC Treaty. The appropriation is to cover the expenditure resulting from the compulsory medical and other examinations for Commission inspectors.

Health surveillance of safeguards inspectors includes the following:

- coordinating health surveillance in respect of staff in the Safeguards Directorate;
- checking on the execution of the necessary dosimetry checks for Commission staff exposed to radiation hazards;
- keeping health surveillance files up to date;
- carrying out personal dosimetry checks in respect of gamma radiation, fast-neutron radiation, beta radiation, criticality, doses to the extremities by means of thermoluminescent dosimeters;
- assessing contamination of the air breathed using samples taken with individual aspirators;
- calibrating and carrying out periodic maintenance of health protection instruments;
- carrying out certain toxicological checks and body-counter measurements.

The appropriation also covers the purchase of apparatus for dosimetry checks and contamination detection.

3. Method of calculation and explanation of changes

The appropriation was calculated on the following basis:

- number of inspectors;
- cost of exceptional checks in the event of exposure to radiation;
- requisite equipment;
- any administrative expenses.

The appropriation requested can be broken down as follows:

— services of qualified expert (JRC Ispra)	47 000
— ‘body counter’ services (CEN Mol)	± 12 000
— toxicological checks (KfK Karlsruhe)	± 16 000
— purchases of health protection instruments	± 15 000
	<hr/>
	90 000

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CHAPTER 15 — EXCHANGES OF CIVIL SERVANTS AND EXPERTS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
150	Travel and subsistence expenses for national experts seconded to Commission departments	1 581 100	1 917 000	+ 21,2
152	Staff exchanges between Community institutions and the public and private sectors	—	—	—
1520	National and international civil servants and private sector staff seconded to Commission departments	533 000	700 000	+ 31,3
1521	Commission officials seconded to national and international civil services	167 000	220 000	+ 31,7
	Total	2 281 100	2 837 000	+ 24,4

(¹) Including any appropriations entered in Chapter 100.

ARTICLE 150 — TRAVEL AND SUBSISTENCE EXPENSES OF NATIONAL EXPERTS
SECONDED TO COMMISSION DEPARTMENTS

1984 — Appropriations authorized in the initial budget	1 581 100
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	1 917 000
Percentage change	+ 21,25

1. References

Rules and procedures adopted by the Commission on 9 January and 23 December 1976.

2. Type of expenditure

This appropriation covers the travel and subsistence expenses of national experts either seconded to Commission departments or called in for brief consultations to assist Commission officials, particularly in the drafting of proposals for Council directives on harmonization in certain sectors of the Commission's activities.

This appropriation also covers experts' mission expenses.

3. Method of calculation and explanation of changes

Payments to experts include:

- travel expenses on taking up and leaving posts and one monthly return journey to their national place of employment by first-class train or economy class air travel;
- a subsistence allowance of BFR 2 042 for each day spent in the Commission. This allowance is halved if the place of national employment is less than 50 km from the Commission place of employment.

The average monthly costs of experts are as follows:

28 days × BFR 2 042	=	BFR 57 176
1 monthly return journey	=	BFR 15 400
mission expenses	=	BFR 12 000
		<hr/>
		BFR 84 576
		or 1 835 ECU

On this basis, the 1985 appropriation would be sufficient for about 1 045 expert-months.

ITEM 1520 — NATIONAL AND INTERNATIONAL CIVIL SERVANTS AND PRIVATE SECTOR STAFF SECONDED TO COMMISSION DEPARTMENTS

1984 — Appropriations authorized in the initial budget	533 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	700 000
Percentage change	+ 31,33

1. References

Commission Decisions of 14 July 1976, 7 September 1977, 9 June 1982 and 6 February 1984 concerning the detailed rules for secondment to the Commission of officials from public and semi-public administrations in the Member States and international organizations under the staff exchange system.

2. Type of expenditure

The Commission adopted these rules in response to the interest shown by the Member States in the organization of extended visits by national civil servants to Commission departments.

The appropriation is to provide national civil servants taking part in the exchanges with a daily subsistence allowance and to cover their travelling expenses.

3. Method of calculation and explanation of changes

The exchange system is expanding from year to year. The 1984 appropriation will allow about 60 officials from the Member States to be seconded to the Commission.

The growing interest of the Member States in these schemes means that the appropriation must be increased in order to secure a proportionate increase in the number of secondments.

ITEM 1521 — COMMISSION OFFICIALS SECONDED TO NATIONAL AND INTERNATIONAL CIVIL SERVICES

1984 — Appropriations authorized in the initial budget	167 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	220 000
Percentage change	+ 31,74

1. References

Commission Decisions of 14 July 1976 and 7 September 1977, 9 June 1982 and 6 February 1984 concerning the detailed rules for secondment to the Commission of officials from public and semi-public administrations in the Member States and international organizations under the staff exchange system.

2. Type of expenditure

The Commission adopted these rules in response to the interest shown by the Member States in the secondment of Commission officials to national and international civil services.

The appropriation is to cover the additional expenses of Commission officials when not defrayed by the administrations to which they are seconded.

3. Method of calculation and explanation of changes

The exchange system is expanding from year to year. The 1984 appropriation will allow about 30 Commission officials to be seconded to the Member States.

To make the system more widely used, the appropriation must be substantially increased in order to secure a proportionate increase in the number of Commission officials to be seconded.

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CHAPTER 16 — EXPENDITURE ON SOCIAL WELFARE

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
160	Special assistance grants	15 000	30 000	+ 100,0
161	Social contacts between staff	190 000	210 000	+ 10,5
162	Other welfare expenditure	375 000	331 000	— 11,7
163	Interinstitutional welfare services	511 000	790 000	+ 54,6
	Total	1 091 000	1 361 000	+ 24,7

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 160 — SPECIAL ASSISTANCE GRANTS

1984 — Appropriations authorized in the initial budget	15 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	30 000
Percentage change	+ 100,0

1. References

Article 76 of the Staff Regulations.

2. Type of expenditure

Financial assistance may be given to officials, former officials or persons entitled under deceased officials whose circumstances are particularly difficult.

3. Method of calculation and explanation of changes

In view of the special nature of this expenditure the amount requested is not based on mathematical calculation. Nor is there a breakdown for the different places of employment. The appropriation is administered from Brussels.

In 1984 the budgetary authority granted only 15 000 ECU of the 30 000 ECU requested. Actual expenditure in 1983 (29 919,49 ECU) confirms that the request was justified.

ARTICLE 161 — SOCIAL CONTACTS BETWEEN STAFF

1984 — Appropriations authorized in the initial budget	190 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	210 000
Percentage change	+ 10,52

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation covers subsidies to staff sports and cultural clubs, the maintenance, management and equipping of sports facilities, the cost of running the recreation centre, cultural activities and the expenses resulting from moves to promote relations between staff of various nationalities.

In Luxembourg, the Commission contributes to the common fund administered by the Social Activities Committee of all the institutions (Commission, Parliament, Court of Justice, Court of Auditors, EIB and Publications Office).

3. Method of calculation and explanation of changes

The appropriation breaks down as follows:

	1984	1985
Brussels	120 000	117 000
Luxembourg	55 000	55 000
Delegations and offices abroad	15 000	38 000

By place of employment the breakdown is as follows:

Activity	1984	1985	Percentage change
<i>Brussels</i>			
Recreation	2 300	2 750	+ 19,56
Club subsidies	31 000	30 100	— 2,90
Subsidy for Europa Club, Overijse	86 700	84 150	— 2,94
<i>Subtotal</i>	<i>120 000</i>	<i>117 000</i>	<i>— 2,50</i>
<i>Luxembourg</i>			
Cultural and sports clubs – Contribution to activities run jointly by all the institutions in Luxembourg	23 000	19 700	— 14,35
Management of Fitness Centre	32 000	35 300	+ 10,31
<i>Subtotal</i>	<i>55 000</i>	<i>55 000</i>	<i>—</i>
<i>Delegations and offices abroad</i>	<i>15 000</i>	<i>38 000</i>	<i>+ 153,33</i>
Total	190 000	210 000	+ 10,52

ARTICLE 162 — OTHER WELFARE EXPENDITURE

1984 — Appropriations authorized in the initial budget	375 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	331 000
Percentage change	— 11,73

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The appropriations cover subsidies to crèches, nurseries, children's holiday camps, religious organizations and youth movements. Certain staff welfare measures are also covered (including home helps, legal advice, etc.). This appropriation also covers expenditure on the medals to be presented to the large number of officials who will have completed 20 years' service in 1985.

The Commission's contribution to these sectors does not cover all necessary expenditure. It takes the form of subsidies to supplement payments made by the beneficiaries. In addition to these subsidies, the Commission covers certain infrastructure and maintenance costs and a proportion of the expenditure on staff.

3. Method of calculation and explanation of changes

The estimate for Brussels breaks down as follows:

	1984	1985	Percentage change
Crèches and nurseries	—	—	—
Holiday camps (including participation of children of teachers at the European Schools)	125 000	150 000	+ 20,0
Home helps } Legal advice }	54 400	66 000	+ 21,32
Reception expenses	20 400	24 000	+ 17,65
'20-year' medals	18 000	22 000	+ 22,22
Sundries	7 200	8 000	+ 11,11
Subtotal	225 000	270 000	+ 20,0

The breakdown for Luxembourg is as follows:

	1984	1985	Percentage change
Contribution to activities run jointly by all the institutions in Luxembourg:			
Day nurseries, after-school centres, study and recreation centres	96 200	—	— 100,00
Scouts and guides, holiday camps	40 100	45 000	+ 12,22
Home helps, legal advice	12 100	13 700	+ 13,22
Minor expenditure	1 600	2 300	+ 43,75
Subtotal	150 000	61 000	— 59,33
Delegations and offices abroad	—	—	—
Total	375 000	331 000	— 11,73

ARTICLE 163 — INTERINSTITUTIONAL WELFARE SERVICES

1984 — Appropriations authorized in the initial budget	511 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	790 000
Percentage change	+ 54,6

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation covers the Commission's contribution towards the rent (service charges included) of the day nurseries and after-school centres in Brussels and Luxembourg and the operating costs (less users' contributions) of the day nurseries and after-school centres in Luxembourg.

3. Method of calculation and explanation of changes

In the 1984 budget the budgetary authority transferred only the amounts of the rent for the day nurseries and after-school centres from Article 200 to Chapter 16 by creating Article 163. Service charges were left in various Articles of Chapter 20. The same applies to operating costs in Luxembourg, charged to Article 162 in 1984. Any comparison between 1984 and 1985 must therefore be made on the basis of revised figures for 1984 by adding 96 800 ECU for service charges and 96 200 ECU for operating costs.

The following comparison can then be made:

(a) <i>Brussels</i>	1984	1985
— rent	240 000	264 000
— service charges	31 900	140 000
— operating costs	—	—
Subtotal	271 900	404 000
(b) <i>Luxembourg</i>		
— rent	271 000	260 000
— service charges	64 900	
— operating costs	96 200	
Subtotal	432 100	386 000
Total	704 000	790 000

On this basis there is a 12,22 % increase in appropriations for 1985.

CHAPTER 17 — ENTERTAINMENT AND REPRESENTATION EXPENSES

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 (1)	Appropriations requested for 1985 (1)	Percentage change (2 : 1)
		1	2	3
170	Entertainment and representation expenses	—	—	—
1700	Entertainment and representation expenses for members of the institution	295 500	313 000	+ 5,92
1701	Entertainment and representation expenses for staff	354 500	376 000	+ 6,06
	Total	650 000	689 000	+ 6,0

(1) Including any appropriations entered in Chapter 100.

ARTICLE 170 — ENTERTAINMENT AND REPRESENTATION EXPENSES**ITEM 1700 — ENTERTAINMENT AND REPRESENTATION EXPENSES FOR MEMBERS OF THE INSTITUTION**

1984 — Appropriations authorized in the initial budget	295 500
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	313 000
Percentage change	+ 5,92

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs. Commission Decision of 19 September 1979.

2. Type of expenditure

Expenditure to cover the Commission's obligations in respect of entertainment and representation. This expenditure may be incurred individually by Members of the Commission in the fulfilment of their duties and as part of the institution's activities. Representation expenses of Members of the Commission which are not charged to this budget item are covered by the monthly representation allowance provided for in Article 4(2) of Council Regulation No 422/67/EEC, No 5/67/Euratom of 25 July 1967 (Item 1003 of the Commission budget).

3. Method of calculation and explanation of changes

The appropriation requested represents an increase of 5,9 % on the appropriation authorized for 1984. It will only partially offset the increase in the cost of living and will therefore mean a decrease in real terms.

ITEM 1701 — ENTERTAINMENT AND REPRESENTATION EXPENSES FOR STAFF

1984 — Appropriations authorized in the initial budget	334 500
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	376 000
Percentage change	+ 6,06

1. References

- Article 14(2) of Annex VII to the Staff Regulations.
- Internal instructions governing the entertainment expenses of Commission officials.

2. Type of expenditure

Entertainment expenses which may be refunded are those necessarily incurred by authorized officials of the Commission in the performance of their duty to represent the Commission in the interests of the service and in the course of their work. Hospitality in the interests of the service may not be extended to officials and other servants of the Commission or of the other institutions of the European Communities.

The representation costs in question are for cocktail parties, cold buffets, lunches and dinners, and, occasionally, for reasons of courtesy, other small items of expenditure.

Generally speaking, receptions followed by lunch or dinner are given only for very important persons or very senior delegations and in many cases are a return of hospitality. Also, generally at the end of a year, it is customary to give a cocktail party for all those who have sat on panels of experts and committees.

3. Method of calculation and explanation of changes

The appropriation requested represents an increase of 6 % on the appropriation authorized for 1984. It will only partially offset the rise in the cost of living and will therefore mean a decrease in real terms.

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TITLE 2 — BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
20	Investments in immovable property, rental of buildings and associated costs	86 536 000	95 125 500	+ 9,9
21	Expenditure on data processing	30 500 000	36 500 000	+ 19,7
22	Movable property and associated costs	9 542 000	12 900 000	+ 35,2
23	Current administrative expenditure	6 250 000	6 805 000	+ 8,9
24	Postal charges and telecommunications	14 165 000	16 000 000	+ 13,0
25	Expenditure on formal and other meetings	15 480 000	16 053 800	+ 3,7
26	Expenditure on studies, surveys and consultations	12 000 000	9 900 000	— 17,5
27	Expenditure on publishing and information	40 359 207	45 077 500	+ 11,7
28	Subsidies for balancing budgets	63 357 150	71 960 550	+ 13,2
29	Subsidies and financial contributions	3 561 200	4 206 700	+ 18,1
	Total	281 750 557	314 529 050	+ 11,6

⁽¹⁾ Including any appropriations entered in Chapter 100.

CHAPTER 20 — INVESTMENTS IN IMMOVABLE PROPERTY, RENTAL OF BUILDINGS AND ASSOCIATED COSTS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
200	Rent	52 005 000	56 441 000	+ 8,5
201	Insurance	162 000	187 000	+ 15,4
202	Water, gas, electricity and heating	6 500 000	7 927 000	+ 22,0
203	Cleaning and maintenance	10 500 000	11 306 000	+ 7,7
204	Fitting-out of premises	3 000 000	3 059 000	+ 2,0
205	Security and surveillance of buildings	4 000 000	4 285 000	+ 7,1
206	Acquisition of immovable property	p.m.	p.m.	—
207	Construction of buildings	10 000 000	11 500 000	+ 15,0
208	Other expenditure preliminary to the construction of buildings or to the acquisition of immovable property	69 000	50 000	— 27,5
209	Other expenditure on buildings	300 000	370 500	+ 23,5
	Total	86 536 000	95 125 500	+ 9,9

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLES 200 TO 205 AND ARTICLE 209 — RENTAL OF BUILDINGS AND ASSOCIATED COSTS

1984 — Appropriations authorized in the initial budget	76 536 000
— Appropriations as amended by transfers or by amending or supplementary budget	76 467 000
1985 — Appropriations requested	83 575 500
Percentage change	+ 9,3

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The appropriations for the articles in question are to cover the following expenditure:

- rents for buildings or parts of buildings occupied by the Commission (including restaurants, stores, garages, parking facilities and land tax in Brussels, amenity buildings, etc.);
- insurance, heating, electricity, gas and water supplies;
- cleaning, maintenance, repairs (buildings and equipment);
- fitting-out of premises;
- security of buildings (surveillance and equipment), road charges, refuse disposal charges, cost of signs, etc. and management costs.

3. Method of calculation and explanation of changes

(a) Method of calculation

The appropriation is calculated on the basis of:

- rents and other current costs;
- expected rate of inflation;
- indexation clauses in leases;
- length of time buildings are intended to be occupied.

The breakdown of expenditure is shown in the following table.

CHAPTER 20: ARTICLES 200 TO 205 AND ARTICLE 209
SUMMARY TABLE SHOWING BREAKDOWN OF APPROPRIATIONS

	Art. 200 Rent	Art. 201 Insurance	Art. 202 Water, gas, elec., heat	Art. 203 Cleaning, maint. (¹)	Art. 204 Fitting-out of premises	Art. 205 Security of bldgs (¹)	Art. 209 Other expend.	Total
<i>Brussels</i>								
Berlaymont	9 200 500		1 914 100					
JCL	4 531 000		737 600					
Archimède I — II	949 900		95 800					
RP-Schuman 3	349 600		54 000					
RP-Schuman 6	660 600		50 900					
Loi 120	—		99 800					
Loi 84 and 86	1 891 600		245 200					
Astronomie	459 400		143 000					
Cortenbergh 'Foyer'	52 000		—					
Archimède 25	413 300		47 200					
Nerviens	981 400		96 300					
Guimard	1 217 200		151 000					
Zaventem	1 115 400		101 000					
Garage and parking- spaces	163 000		7 000					
Archimède 17	44 600		8 300					
Archimède 73	133 400		23 300					
Cortenbergh VI	815 300		151 100					
Square de Meeus	2 186 500		179 800					
Triangle	1 542 200		(²)					
Conference Centre	4 823 100		699 200					
Marie de Bourgogne	1 845 800		304 500					
Arts	360 700		36 900					
Froissart	22 900		4 000					
Belliard 34	425 700		175 000					
Tervuren Piazza	1 125 900		200 000					
Joseph II	325 000		55 000					
Belliard 32	116 000		20 000					
Land tax	2 888 000		—					
Other	—		—					
Sub-lettings	— 150 000		—					
<i>Total Brussels</i>	<i>38 490 000</i>	<i>143 000(³)</i>	<i>5 600 000</i>	<i>8 545 000</i>	<i>2 459 000</i>	<i>2 938 000</i>	<i>191 000</i>	<i>58 366 000</i>

Continued

	Art. 200 Rent	Art. 201 Insurance	Art. 202 Water, gas, elec., heat	Art. 203 Cleaning, maint. (¹)	Art. 204 Fitting-out of premises	Art. 205 Security of bldgs (¹)	Art. 209 Other expend.	Total
Luxembourg								
Jean Monnet A/B	7 786 600		1 397 200					
Jean Monnet C	3 662 800		—					
Extension to Computer Centre (⁴)	195 300		39 500					
Computer Centre (old)	802 600		130 200					
Visitors' Offices	141 000		21 700					
Rue Notre Dame (Foyer)	52 700		34 200					
Stores Rue de Bouillon	135 900		34 700					
Helfentenbruck	11 700		500					
Other	5 000		—					
Total Luxembourg	12 793 000	—(²)	1 658 000	1 762 000	272 000	886 000	105 500	17 476 500
External offices	5 158 000	44 000	669 000	999 000	328 000	461 000	74 000	7 733 000
Total	56 441 000	187 000	7 927 000	11 306 000	3 059 000	4 285 000	370 500	83 575 500
Effect of new posts	—	—	—	—	—	—	—	—
New external offices	—	—	—	—	—	—	—	—
Grand total	56 441 000	187 000	7 927 000	11 306 000	3 059 000	4 285 000	370 500	83 575 500

(¹) As contracts are comprehensive (covering all buildings), it is not possible to produce a breakdown by building.

(²) Included under the JCL building.

(³) Comprehensive policy covering both Brussels and Luxembourg.

(⁴) From 1 July 1985.

(b) Explanation of changes

Rents

— **Brussels:** Rents for 1985 have been estimated on the basis of the 1984 rents increased by 7 % for probable inflation and adjusted to cover a full 12-month period for the buildings which were first rented in 1984 (Tervuren Piazza, Joseph II and Belliard 32). Account has also been taken of the change concerning the JCL building after renovation, only 75 % of the rent being paid during the course of the work (31 months from 1 January 1982), and of the fact that the cost of the Cortenberg 'Foyer' is now covered.

Land tax has been calculated on the basis of estimated requirements in 1984 (in line with the known rates of increase), adjusted to cover a full 12-month period, and increased by 12,5 % for 1985. The estimated proceeds of sublettings (travel agency, European bookshop, Supply Agency, European Schools Secretariat, Agence et Messageries de la Presse) have been deducted from the overall estimates.

- *Luxembourg*: Estimates have been calculated to allow for an increase under the trigger price indexing system. The appropriations requested are the rents based on the February 1982 index plus 31 %. This increase was determined by taking the index for December 1983 (February 1982 + 17,34 %) which, extrapolated to the end of 1984, would give an increase of 26 %. To this must be added the increase under the trigger price indexing system.

The appropriations also include 6 months' rental for the extension to the Computer Centre (195 300 ECU).

- *External offices*: The rise in appropriations is due to increases under the terms of the various leases (different from country to country) and to rent increases following the enlargement of the premises in Washington and The Hague and the fitting out of the new premises in Milan.

Insurance

The appropriations are to cover index-linked increases in premiums and insurance for new offices and equipment.

— *Brussels/Luxembourg*

— Premiums at 1 January 1984 — Fire	93 000
— Water damage	30 000
— Window breakages (Luxembourg)	500
	<hr/>
	123 500

— Indexation for 1985 approx. 7,5 %	9 500
— Insurance for new buildings rented in 1984	10 000

- Appropriations for external offices include funds to cover new policies for the new premises in Washington, Canberra, Milan and The Hague.

Water, gas, electricity and heating

- Estimates for Brussels have been based on actual expenditure in 1983 multiplied by 1,2 % to allow for inflation in 1984 and 1985; figures also reflect estimated costs for a full year's facilities in the new buildings due to be rented in 1984. In some Brussels districts the cost of high-tension power supplies rose by nearly 20 % and low-tension supplies rose by 6-10 %.
- Estimates for Luxembourg allow for an overall 9,3 % increase for inflation in 1984 and 1985 and for the cost of the extension to the Computer Centre.
- The increase in expenditure for external offices assumes an average inflation rate of 12,5 % per year. Increases in the amount of office space occupied are also reflected in the request for appropriations.

Cleaning and maintenance

— *Brussels*: Figures have been calculated as follows:

- cleaning contracts: cost at 1 January 1984 increased by 3,5 % to cover the estimated increase allowed by law for 1984 and the cost of new buildings rented in 1984. Allowance has then been made for 7 % inflation in 1985 (approx. 3 350 000 ECU).
- maintenance contracts: 1984 costs plus the cost of contracts for the new buildings, with allowance for 7,5 % inflation in 1985 (approx. 2 400 000 ECU).
- ancillary costs: 1983 costs increased by 15 % to allow for inflation in 1984 and 1985. The appropriations requested also reflect the need to replenish stocks, which will not be possible in 1984.

These costs include:

- Purchase of equipment and spare parts and services not provided for under contracts: approx. 500 000 ECU.
- Share of joint service charges for buildings which the Commission rents jointly: approx. 1 300 000 ECU.
- Heating agreement with the Residence Palace: approx. 100 000 ECU.
- Global contracts (carpentry, painting, floor + wall coverings, brickwork) and supplies of hygiene products: 895 000 ECU.
- *Luxembourg*: The increase in expenditure is the result of inflation for 1984 and 1985 and the rental of the extension to the Computer Centre. Some 80 % of the appropriations requested are to cover obligations under the terms of existing contracts.
- *External offices*: Appropriations requested (mainly to cover obligations under existing contracts) allow for 25 % inflation for 1984 and 1985.

Fitting-out of premises

The following operations are planned:

— *Brussels*

— Work on the telephone system	500 000
— Data-processing work and computer installations	500 000
— Miscellaneous electrical work	100 000
— Work on air-conditioning systems	100 000
— Various improvements (including some work that could not be carried out in 1984 for lack of funds): heating, sanitation, woodwork and metalwork, partitioning, brickwork, painting, floor and wall coverings, miscellaneous	1 259 000

— *Luxembourg*

— Data processing:	
— Overhead conveyor between tape library and computer room	22 000
— Air-conditioning for 2 minicomputers	39 000
— Monitoring system for unattended operation	22 000
— False floor in computer room, changes to windows	16 000
— No-break system for computers	130 000
	<hr/>
	229 000
Engineering work and partitioning	43 000

— *External offices*

Work in various offices, in particular following certain moves and extensions in 1984; this work could not be carried out in 1984 owing to the shortage of funds.

Security and surveillance

— *Brussels*: Figures have been calculated as follows:

— Contracts for surveillance of buildings (approx. 2 400 000 ECU): cost of contracts in force at 1 January 1984 increased by 4 % to cover the estimated increase for 1984 allowed by law and by the costs for the new buildings rented in 1984. Allowance has then been made for 7 % inflation in 1985.

— Maintenance contracts for security systems and other services and purchases (approx. 150 000 ECU): cost under contracts for 1984 plus cost under contracts for new buildings, with allowance for 7,5 % inflation in 1985.

— *Other costs*:

- inspections required by law: approx. 33 000 ECU,
- training of fire pickets and equipment: approx. 37 000 ECU,
- purchase and recharging of extinguishers: 33 000 ECU,
- studies etc.: 12 000 ECU,
- equipment for the Security Office: 55 000 ECU,
- safes, reinforced filing cabinets, fireproof cupboards: 55 000 ECU,
- miscellaneous costs for security installations: 163 000 ECU.

— *Luxembourg*: the increase is due to the indexation clauses in the contracts amounting to about 15 % over two years. Over 90 % of the appropriations requested are to cover obligations under existing contracts.

— *External offices*: Over 40 % of the appropriations requested (some 200 000 ECU) are to cover obligations under existing contracts. The remainder covers specific work such as the installation of cypher facilities and other security measures in Brasilia, the cost of moves and extension work in Canberra and Milan, and improvements in the ageing Rome office.

Other expenditure

In Brussels, the appropriations requested are mainly to cover:

- the Commission's share of service charges (management charges) for buildings which the Commission rents jointly (approx. 123 000 ECU);
- refuse disposal (approx. 26 000 ECU);
- cost of signs, etc., building surveys and miscellaneous items.

In Luxembourg the major part of the costs (approx. 78 000 ECU) is accounted for by local taxes, refuse disposal, cleaning of septic tanks and disinfection.

The remainder of the appropriations requested are to cover the cost of signs etc. and technical assistance for certain major improvement schemes.

The same type of expenditure, with allowance for inflation, is planned for external offices.

ARTICLE 206 — ACQUISITION OF IMMOVABLE PROPERTY

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References

The appropriation stems from the Commission’s freedom to manage its internal affairs.

2. Type of expenditure

None.

ARTICLE 207 — CONSTRUCTION OF BUILDINGS

1984 — Appropriations authorized in the initial budget	10 000 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	11 500 000
Percentage change	+ 15

⁽¹⁾ Including 250 000 ECU entered in Chapter 100 and 1 750 000 ECU transferred to the heading.

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

On the basis of experience backed by the findings of numerous studies, including the special report by the Court of Auditors on the buildings policy of the Community institutions, and the unanimous opinion of all the Community authorities that renting buildings is more costly than owning premises, the Commission has decided to advocate the construction of a building in Brussels to the budgetary authority.

3. Method of calculation and explanation of changes**(a) Item 2070: construction work on 120 Loi (Brussels):**

The plan is to build an extension to the premises at 120 rue de la Loi which have been purchased from the Belgian State using appropriations obtained by the Commission in 1982. The land was bought from the Belgian State for a nominal amount.

Construction work began on 1 March 1984 and is scheduled to take 550 working days (about 2,5 calendar years). The cost for 1984 and 1985 will be some BFR 1 130 million (about 24,5 million ECU). This estimate is based on the assumption that work proceeds according to schedule and on the breakdown of expenditure calculated by the body monitoring construction costs.

Consultants' fees and insurance charges are included in the estimates.

The funds available in 1984 amount to 13 million ECU (including appropriations carried over from 1983).

The amount to be entered in the 1985 budget is thus 11,5 million ECU.

The Commission will make every effort not to overshoot the planned overall ceiling of BFR 1 860 million.

(b) Item 2071: construction of the building to house the Commission delegation in Canberra (Australia): p.m.

ARTICLE 208 — OTHER EXPENDITURE PRELIMINARY TO THE CONSTRUCTION OF BUILDINGS OR TO THE ACQUISITION OF IMMOVABLE PROPERTY

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	69 000
1985 — Appropriations requested	50 000
Percentage change	— 27,5

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

Fees of qualified technicians and consultancy bureaux.

3. Method of calculation and explanation of changes

Provisional entry to cover expenditure that may be required in 1985.

CHAPTER 21 — EXPENDITURE ON DATA PROCESSING

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
210	Computer Centre operations	9 430 000	10 170 000	+ 7,8
211	Computer network	7 750 000	10 160 000	+ 31,1
212	Services of computer staff	2 650 000	2 380 000	— 10,2
213	Computer operations handled outside	3 610 000	3 270 000	— 9,4
214	Analysis, programming, preliminary analysis and special projects handled outside	6 220 000	9 560 000	+ 53,7
215	Document analysis handled outside	840 000	960 000	+ 14,3
	Total	30 500 000	36 500 000	+ 19,7

⁽¹⁾ Including any appropriations entered in Chapter 100 and after a transfer within Chapter 21 which is in preparation.

Introduction to the explanatory notes concerning expenditure on data processing for 1985

The 1985 budget proposals for data processing (Chapter 21) show that:

- operating expenditure is now stable (Articles 210, 212, 213);
- what is required is expenditure on investment in distributed equipment (network, electronic office equipment) (Article 211 and 220) and on technical assistance for applications development (Article 214).

Since 1982 the Commission's budget proposals have been aimed at achieving a minimum critical level, from which basis it will be possible to expand data-processing services while keeping costs (in constant ECU) stationary.

The critical minimum for 1984 was 35,5 million ECU; the funds authorized totalled 30,5 million ECU, only 86 % of what was requested. The result is an additional delay in the rationalization programmes which will make it possible to stabilize the budget.

In view of the difficult financial situation it faces as it draws up its 1985 proposals, the Commission aims to achieve the critical level — now 37,8 million ECU — in two stages. Consequently the funds requested for 1985 are only 20 % up on 1984.

The present proposals are intended to allow the continued expansion of data processing in the Commission, the main objectives being as follows:

- more frequent use of software packages available on the market for applications design;
- implementation of a programme of technical assistance and training in the wake of this increase in use;
- acquisition and installation of hardware and software for integrating the new technologies at the user's place of work;
- implementation of a support programme for job development following the integration of the new technologies;
- implementation of a modernized data-base management system;
- gradual introduction of the communications infrastructure for the period 1986-90.

(thousand ECU)

	Budget Article Item	Quantity		Expenditure 1984				Estimates 1985			
		1984	1985	P	L	M	T	P	L	M	T
I. Distributed equipment											
1. Typewriters	2204	5 060	5 140	251	—	180	431	333	—	201	534
2. Office calculators	2204	2 350	2 470	31	—	40	71	47	—	45	92
3. Non-intelligent terminals	211	825	930	493	623	460	1 576	450	600	469	1 519
	2204	26	28	—	—	7	7	—	—	9	9
4. Microcomputer work stations	211	40	120	218	—	50	268	550	—	100	650
5. Word processors	2204	411	527	—	390	300	690	1 370	468	385	2 723
6. Telex equipment	2410	88	75	—	210	—	210	—	180	—	180
7. Teletex equipment	211	10	40	80	—	20	100	350	—	70	420
8. Encoding work stations	211	35	28	—	260	—	260	—	199	—	199
9. Microfiche readers	2204	201	226	50	—	10	60	204	—	11	215
10. Telecopiers	2204	116	146	—	215	—	215	—	258	—	258
11. Photocopiers	2204	290	300	—	750	120	870	26	900	154	1 080
12. Office printers	211	450	520	96	42	53	191	120	45	55	220
	2204	110	120	—	—	35	35	—	—	45	45
13. High-speed printers	211	9	11	—	63	—	63	14	65	—	79
	2204	1	1	—	28	—	28	—	34	—	34
14. Teleconference studios	2410	4	6	3	22	—	25	5	25	—	30
15. Remote job entry terminals	211	23	25	44	322	—	366	60	366	—	426
16. Mini-computers	211	23	29	—	1 250	—	1 250	233	1 300	180	1 713
	2204	9	11	—	650	170	820	—	780	218	998
17. Software	211	—	—	600	—	—	600	550	245	—	795
18. Supplies and removals	211	—	—	113	—	—	113	180	—	—	180
19. Reproduction workshops	2204	—	—	—	—	—	—	573	—	—	573
20. Special equipment	2204	—	—	—	—	200	200	143	—	256	399
	211	—	—	—	900	—	900	—	1 000	55	1 055
21. Other	2204	—	—	52	—	16	68	84	—	18	102
	211	—	—	44	—	16	60	50	—	20	70
22. Price indexation	211	—	—	150	—	—	150	450	—	—	450
II. Telecommunications											
1. Telephone — PTT services	2410	—	—	—	—	—	5 555	—	—	—	6 090
2. — equipment	2204	—	—	—	—	—	250	—	—	—	203
	211	—	—	—	—	—	—	—	—	—	56
3. Telex — PTT services	2410	—	—	—	—	—	1 800	—	—	—	1 700
III. Data transmission											
1. PTT services	2410	—	—	—	—	—	500	—	—	—	500
	211	—	—	—	—	—	1 853	—	—	—	2 328
2. Equipment	2204	—	—	—	—	—	35	—	—	—	35
Grand total I, II, III	211	—	—	—	—	—	7 750	—	—	—	10 160
	2204	—	—	—	—	—	3 780 (¹)	—	—	—	6 800 (¹)
	2410	—	—	—	—	—	8 090	—	—	—	8 500

P = Purchase.

M = Maintenance.

L = Leasing, including maintenance.

T = Total.

(¹) Expenditure for external offices is not included in the 1984 figures (84 000 ECU), but is included under 1985.

Chapter 21 does not cover all of the Commission's data-processing activities (see the accompanying table). As a result of growing integration in the various areas of information handling (data processing, word processing, reprography, telecommunications) the data-processing budget also draws on Chapters 22 and 24.

The proposed data-processing budget for 1985 is as follows:

Chapter/Article/Item	Appropriations for 1984	Appropriations for 1985	Percentage change
21	30 500 000	36 500 000	+ 19,7
2204	3 863 700	6 800 000	+ 76,0
241	8 090 000	8 500 000	+ 5,1
Total	42 453 700	51 800 000	+ 22,0

Expenditure under Articles 210, 212, 213, 215 and 241 is, by its nature, unavoidable and any reduction in the amounts requested would directly affect the following:

- progress in office automation and distributed data processing and the resulting productivity gains (Article 211 and Item 2204);
- the creation of an interinstitutional electronic mail service (Article 214);
- the launching of new projects and efforts being made to reduce waiting times beyond 1987 (Article 214).

ARTICLE 210 — COMPUTER CENTRE OPERATIONS

1984 — Appropriations authorized in the initial budget	8 745 500
— Appropriations as amended by transfers or by amending or supplementary budget	9 430 000
1985 — Appropriations requested	10 170 000
Percentage change	+ 7,8

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The operating expenditure of the Computer Centre in Luxembourg covers the leasing of the ICL, Siemens and Amdahl computers, together with associated peripherals and various equipment and software, and the cost of maintenance work, and the purchase of equipment, software, supplies and documentation.

3. Method of calculation and explanation of changes

Calculations are based on current commitments (leasing and maintenance contracts for computers and other equipment), in addition to which there is the purchase of further peripherals in line with the normal expansion of applications (storage capacity, extension of links to the network) and of software designed to improve operations with the various computers.

The computing power available on the Computer Centre equipment has increased from 10,5 MIPS (million instructions per second) in 1982 to 17 MIPS in 1983 and 20 MIPS in 1984. Further increases are planned up to 26 MIPS in 1985 and 36 MIPS in 1986. Storage capacity, which was 40 Gb (Gigabyte = thousand million characters) in 1982 and 60 Gb in 1983, will rise to 75 Gb in 1984, 110 Gb in 1985 and 150 Gb in 1986.

The cost of machines follows a very different pattern; in constant ECUs, costs will remain steady in 1985 and 1986 at a level 3 % down on 1982.

The 7,8 % increase in appropriations for Article 210 is to cover:

- the inflation rate;
- the fact that payments for some major equipment, which covered only part of 1984, will be due for a full year in 1985.

This increase must be seen against the resulting increase in productivity, which is estimated at 27 %.

ARTICLE 211 — COMPUTER NETWORK

1984 — Appropriations authorized in the initial budget	7 323 600
— Appropriations as amended by transfers or by amending or supplementary budget	7 750 000
1985 — Appropriations requested	10 160 000
Percentage change	+ 31,1

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation is to cover the costs involved in the procurement, leasing and maintenance of mini-computers, terminals and associated software. It also covers telephone lines and the purchase of equipment, software, supplies and documentation.

3. Method of calculation and explanation of changes

Expenditure under this article is growing considerably both to cover current contracts in respect of distributed data processing and to meet the demand for the introduction of modern equipment for information processing throughout the Commission.

This expenditure falls under the heading of expenditure on distributed equipment which comprises electronic office equipment (Item 2204 — 7 300 000 ECU), and telecommunications (Article 241 — 9 100 000 ECU).

The breakdown for Article 211 is as follows:

- non-intelligent terminals (1 519 000 ECU)
- microcomputer work stations (650 000 ECU)
- teletex work stations (420 000 ECU)
- encoding work stations (199 000 ECU)
- office printers and high-speed printers (299 000 ECU)
- remote job entry terminals (426 000 ECU)
- mini-computers (1 713 000 ECU)
- software (795 000 ECU)
- special equipment (1 055 000 ECU)
- data transmission (2 384 000 ECU)
- supplies, removals and other (250 000 ECU)
- price indexation (450 000 ECU).

ARTICLE 212 — SERVICES OF COMPUTER STAFF

1984 — Appropriations authorized in the initial budget	2 061 800
— Appropriations as amended by transfers or by amending or supplementary budget	2 650 000
1985 — Appropriations requested	2 380 000
Percentage change	— 10,2

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation is to cover the cost of outside computer staff not under contract with the Commission to make up for the shortage of permanent operating staff due to the lack of posts in the Commission's establishment plan.

3. Method of calculation and explanation of changes

Thanks to the improved performance of the central computers it has been possible to reduce the amount of time worked by outside staff by 12,5 %.

As a result of this saving network operating staff can be increased, while the appropriation requested is considerably lower (— 10,2 %).

ARTICLE 213 — COMPUTER OPERATIONS HANDLED OUTSIDE

1984 — Appropriations authorized in the initial budget	2 839 200
— Appropriations as amended by transfers or by amending or supplementary budget	3 610 000
1985 — Appropriations requested	3 270 000
Percentage change	— 9,4

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation is to cover the cost of service bureau work for operations which cannot be carried out on the central computers for technical reasons (in particular CII HB-EURIS service).

3. Method of calculation and explanation of changes

The computers in the Computer Centre now handle the applications which used to be run by outside service bureaux. This is expected to produce a 20 % saving in constant ECUs in 1985.

Access to outside data bases, on the other hand, is on the increase; 470 000 ECU is included for this purpose.

Overall this Article shows a drop of 9,4 %.

ARTICLE 214 — ANALYSIS, PROGRAMMING, PRELIMINARY ANALYSIS AND SPECIAL PROJECTS HANDLED OUTSIDE

1984 — Appropriations authorized in the initial budget	8 779 500
— Appropriations as amended by transfers or by amending or supplementary budget	6 220 000
1985 — Appropriations requested	9 560 000
Percentage change	+ 53,7

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation is intended firstly to make up for the shortage of staff to work on preliminary analysis and systems and organic programming analysis, and secondly to commission certain work from specialist firms.

3. Method of calculation and explanation of changes

The large increase in the appropriation is to cover two essential elements for the implementation of high-quality data processing:

- an improvement in the infrastructure for general data-processing and telematics services offered to departments;
- a considerable increase in productivity for applications development and maintenance.

To achieve this, increasing use will be made of software packages available on the market. This entails associated expenditure on technical back-up for the software and user training.

The appropriations requested will not make it possible to catch up with the backlog existing at the end of 1983. Even if the funds requested are granted, it will be 1987 before the backlog is worked off — providing that no new urgent work has to be taken on in the meantime.

The table below shows the breakdown for Article 214. A detailed breakdown is given in the 1983 annual report.

	Outside staff (thousand ECU)	
	1984	1985
(a) Training and software package back-up	766	2 415
(b) Infrastructure development (1)	865	2 147
(c) General support, maintenance and improvement of existing applications	1 261	1 410
(d) Applications under development (2)	2 760	2 803
(e) New applications projects (3)	568	785
Total	6 220	9 560

(1) Infrastructure development involves modernization of the data transmission network (6 man/years) and the interconnection of different makes of equipment (3 man/years).

It also involves improvements to general software: statistical software which has to cope with a continued increase in the volume of data to be stored (3 man/years) and improved productivity in the use of data-processing tools (6 man/years).

Work on the interconnection of various equipment is of prime importance for the development of an interinstitutional electronic mail system (Insem) (14 man/years) using the data transmission network, which will not only help speed up and simplify the distribution of documents in the institutions but will also provide significant savings in resources by avoiding successive retranscription (project linked with the Insis programme).

(2) Applications continuing under development in 1985 include:

- the Sysper system for staff management (0,6 man/years);
- the Safir project for the management of interpreters and meetings, which handles the assignment of 400 established interpreters and 1 200 freelance interpreters at more than 8 000 meetings each year (3,7 man/years);
- EAGGF Fisheries (1,2 man/years);
- external trade statistics and the GATT negotiations (8,2 man/years);
- statistical data bases (7,6 man/years);
- steel monitoring (3,7 man/years);
- management of development funds for non-member countries (0,7 man/years).

(3) The requests made for new applications projects currently amount to a workload of 257,85 man/years. By the end of 1985, providing that the appropriations requested are actually available, only 48,31 man/years will have been completed. A further effort will have to be made in 1986 to attain the objective of working off the backlog by 1987.

New projects include:

- administration of State aids (Samis) (DGs IV, VI, VII, XIV and SG);
- new accounting system (Sincom) (DGs XIX, XX and SG);
- consolidation of the data base on Community law (Celex);
- Cedin data base covering information published by the European institutions and about them (interinstitutional);
- Cedin satellites (including Epos and Eurydice);
- SIPA (DG IX) integrated planning and administration system;
- processing salaries/missions/sickness (DG IX and interinstitutional);
- administration of property (Sysbien) (DG IX);
- Staff Regulations library;
- staff management (Sysper), stage II;
- management of translations;
- graduate trainees;
- opening of bases to outside users;
- office automation for the SG;
- Registry/Notifications (DG IV);
- programming of the budget (DG X);

- infrastructure evaluation system (DG VII);
- bases on data bases;
- mail and archives management;
- SOEC: surveys: construction costs,
transport,
steel consumption,
wine,
social;
- data bases: purchasing power parity,
prices,
meta-data;
- thesaurus of statistical nomenclatures;
- analysis and management of statistical tables;
- integrated system of classification for activities and products.

Historical Archives of the European Commission

ARTICLE 215 — DOCUMENT ANALYSIS HANDLED OUTSIDE

1984 — Appropriations authorized in the initial budget	750 400
— Appropriations as amended by transfers or by amending or supplementary budget	840 000
1985 — Appropriations requested	960 000
Percentage change	+ 14,3

1. References

This appropriation stems from the Commission’s freedom to manage its internal affairs.

2. Type of expenditure

Document analysis involves the systematic preparation of texts for input into computerized systems.

3. Method of calculation and explanation of changes

The appropriation requested is based on current commitments and the normal development of document analysis work (+ 14,3 %).

CHAPTER 22 — MOVABLE PROPERTY
AND ASSOCIATED COSTS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
220	Technical installations and electronic office equipment	5 880 000	8 630 000	+ 46,8
221	Furniture	1 112 000	1 012 000	— 9,0
223	Vehicles	900 000	1 258 000	+ 39,8
225	Documentation and library expenditure	1 650 000	2 000 000	+ 21,2
	Total	9 542 000	12 900 000	+ 35,2

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 220 — TECHNICAL INSTALLATIONS AND ELECTRONIC OFFICE EQUIPMENT

1984 — Appropriations authorized in the initial budget	5 880 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	8 630 000
Percentage change	+ 46,8

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation is to cover expenditure on office equipment and other technical installations; a new item has been introduced to cover electronic office equipment (Item 2204):

- purchase of additional equipment to meet needs which have built up over previous years (Item 2200);
- replacement of obsolete or damaged machines or equipment which would be too expensive to repair (Item 2201);
- hire, in the event of unforeseeable needs (Item 2202);
- maintenance and repair of machines and equipment (Item 2203);
- electronic office equipment (Item 2204).

3. Method of calculation and explanation of changes

The appropriations requested for 1985 are barely sufficient to cover the needs set out below, which fall under a multiannual programme:

(a) Appropriations for new purchases are intended to cover:

- in Brussels and Luxembourg:
 - material for libraries, documentation, storage, archives (including shelving) and filing 517 000
 - material for interpreting facilities (furniture, miscellaneous small items, tools, etc.) 126 000
 - audio-visual material (film archives, video, TV film and sound equipment, tape recorders, projectors, etc.) 807 000
 - other material (building maintenance equipment, transport service, movable partitions, etc.) 272 000
 - material for departments in Luxembourg 158 000
- in the external offices: the remaining equipment needed in offices where some equipment required was not purchased when the offices were established, in particular the purchase of audio-visual equipment, material for document distribution, archives and filing, and miscellaneous small items.

(b) Appropriations for replacement purchases are intended to cover replacement of the following:

— *in Brussels and Luxembourg:*

— material for libraries, archives, storage and filing	38 000
— material for interpreting facilities	667 000
— audio-visual material	145 000
— other material	118 000
— material for departments in Luxembourg	125 000

This rate of renewal means that equipment designed to last for between 5 and 7 years is being kept for 15 to 20 years;

— in the external offices: continuing renewal of machines which no longer satisfy quality and efficiency criteria and whose maintenance and repair costs are excessive (repair is impossible in certain countries). Accumulated needs owing to the shortage of budgetary appropriations have left a large backlog in this area.

(c) For external offices, hiring mainly involves the renewal of existing contracts. The cost-of-living increase in some countries is very high. The appropriations requested will not allow any new hire contracts to be concluded.

(d) The expected increase in expenditure on maintenance and repair is caused by the increase in the price of services and the ageing of the stock of machines, resulting in increasingly frequent repairs.

(e) The appropriations requested will make it possible to carry out part of the programme for the purchase, hire and maintenance of electronic office equipment:

- Brussels and Luxembourg: typewriters: 534 000 ECU; calculating machines: 92 000 ECU; dictaphones: 102 000 ECU; reader printers: 215 000 ECU; word processors: 2 723 000 ECU; photocopyers: 1 080 000 ECU; mini-computers: 998 000 ECU; printers: 79 000 ECU; telecopiers: 258 000 ECU; telecommunications equipment: 238 000 ECU; special equipment (photo-typesetting reproduction equipment, assemblers): 981 000 ECU;
- external offices: purchase of typewriters, calculating machines, dictaphones: 76 500 ECU; maintenance and repairs of existing equipment: 68 000 ECU.

(f) The breakdown of estimated expenditure is as follows:

	Item 2200 New purchases	Item 2201 Replacements	Item 2202 Hire	Item 2203 Maintenance	Item 2204 Electronic office equip- ment	Total Article 220
Brussels	350 000	392 000	—	208 000	6 800 000	
Luxembourg	100 000	25 000	—	37 000		
External offices	140 000	70 000	400 000	108 000		
<i>Total with same number of staff</i>	<i>590 000</i>	<i>487 000</i>	<i>400 000</i>	<i>353 000</i>	<i>6 800 000</i>	<i>8 630 000</i>
Effect of new posts	—	—	—	—	—	—
New external offices	—	—	—	—	—	—
Grand total	590 000	487 000	400 000	353 000	6 800 000	8 630 000

ARTICLE 221 — FURNITURE

1984 — Appropriations authorized in the initial budget	1 112 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	1 012 000
Percentage change	— 9

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation is intended to cover expenditure relating to furniture:

- purchase of shelving and other filing equipment necessitated by the normal expansion of archives and special furniture for particular needs (Item 2210);
- replacement of obsolete and damaged furniture (Item 2211);
- hire, in the event of unforeseeable needs (Item 2212);
- repair of furniture (Item 2213).

3. Method of calculation and explanation of changes

The appropriations requested are very low compared with the needs set out below:

(a) *New purchases*: the appropriation is chiefly intended for acquiring shelving, cupboards and filing cabinets, library furniture, standardized furniture and ergonomically sound furniture for word processing consisting of an appropriate table and reclining chair, and additional furniture for the external offices, in particular the delegations in Canberra and New Delhi and the offices in London, Milan, Paris and Washington.

(b) *Replacement*: furniture for replacement was purchased more than 16 years ago. The furniture in one conference room must be replaced. Removals and improvements in some external offices will require new office furniture. Appropriations are also entered for the replacement of furniture if new members are appointed to the new Commission (including a new round table): 165 000 ECU. New press room: 260 000 ECU.

(c) *Maintenance and repair*: the estimated expenditure will be required for re-covering and reconditioning chairs and other items of furniture and for purchasing replacement parts (locks, keys, etc.) where such work is economically and practically justified. Failure to replace ageing furniture in time entails additional expenditure on repairs so that it can remain in use.

(d) The breakdown of estimated expenditure is as follows:

	New purchases	Replacements	Hire	Maintenance	Total
Brussels	300 000	142 000	1 000	128 000	571 000
Luxembourg	96 000	30 000	—	13 500	139 500
External offices	200 000	50 000	1 000	50 500	301 500
<i>Total with same number of staff</i>	<i>596 000</i>	<i>222 000</i>	<i>2 000</i>	<i>192 000</i>	<i>1 012 000</i>
Effect of new posts	—	—	—	—	—
New external offices	—	—	—	—	—
Grand total	596 000	222 000	2 000	192 000	1 012 000

ARTICLE 223 — VEHICLES

1984 — Appropriations authorized in the initial budget	900 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	1 258 000
Percentage change	+ 39,8

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The appropriation is intended to cover expenditure relating to vehicles:

- purchase of extra vehicles in the event of specific needs (Item 2230);
- replacement of existing vehicles as needed (Item 2231);
- hire (see 3(c) below);
- maintenance, repair, insurance, petrol, lubricants, tyres, etc. (Item 2233).

3. Method of calculation and explanation of changes

The accumulated backlog in replacing vehicles is making management of the appropriations in this article increasingly difficult.

(a) *New purchases*: the Commission intends to purchase a van for the delegation in Brasilia.

(b) *Replacement*:

In Brussels replacement of all the vehicles which have reached the normal mileage limit would require 532 500 ECU. This involves:

- 19 cars which will have covered between 110 000 km and 160 000 km by 1 January 1985 (except 2 cars with mechanical defects): 207 000 ECU;
- 3 vans which will have covered between 100 000 km and 120 000 km by 1 January 1985: 26 500 ECU;
- 3 lorries which will have covered over 140 000 km, 270 000 km and 400 000 km respectively by 1985: 86 000 ECU;
- 2 coaches (10 and 12 years old) which will have covered 200 000 km by 1985: 213 000 ECU.

The appropriations requested (173 500 ECU — only a third of departments' requests) will permit only part of this programme to be carried out, so that implementation of the 1985 budget will have to be selective.

In Luxembourg the initial plans called for 49 000 ECU for the replacement of:

- four cars, three of which will have covered 150 000 km and the fourth (6 years old) nearly 100 000 km: 33 000 ECU;
- a lorry which will have covered over 150 000 km by 1985: 16 000 ECU.

The appropriations requested (29 000 ECU) will cover only about half of the programme.

The external offices would have required 211 500 ECU to replace 19 cars. The appropriations requested (90 000 ECU) amount to somewhat less than 40 % of the original estimate of requirements.

(c) *Hire*: There is a risk that the appropriations requested will not be sufficient if any of the vehicles originally due for replacement, but now to be retained owing to the Commission's self-imposed cut-backs in funds for replacement, become totally unserviceable and have to be replaced by hired cars. In addition, ageing cars have to go into the garage more often, thus reducing their availability for 'active service'.

(d) *Maintenance, usage, repairs*:

The table below clearly shows that the appropriations requested are relatively modest in view of the increase in the cost of labour and spare parts, which often runs above the rate of inflation, and the rising amount of repairs made necessary by the age of vehicles.

	Commitments 1983	Requests 1985	% change ⁽¹⁾
Brussels	527 773	627 000	+ 18,8
Luxembourg	39 965	44 000	+ 10,1
External offices	168 000	211 000	+ 25,6
Total	735 738	882 000	+ 19,9

⁽¹⁾ Over two years.

(e) The breakdown of estimated expenditure is as follows:

	New purchases	Replacements	Hire	Maintenance	Total
Brussels	—	173 500	47 500	627 000	848 000
Luxembourg	—	29 000	7 000	44 000	80 000
External offices	15 000	90 000	14 000	211 000	330 000
Subtotal	15 000	292 500	68 500	882 000	1 258 000
New external offices	—	—	—	—	—
Total	15 000	292 500	68 500	882 000	1 258 000

ARTICLE 225 — DOCUMENTATION AND LIBRARY EXPENDITURE

1984 — Appropriations authorized in the initial budget	1 650 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	2 000 000
Percentage change	+ 21,2

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The appropriation is intended to cover the following expenditure:

- acquisition of books, dictionaries, documents and other non-periodical publications, including updating of loose-leaf material;
- acquisition of special library equipment and materials required in view of the growing book stock in the library;
- subscriptions to newspapers, periodicals and news agencies;
- cost of binding and upkeep of books (particularly the Official Journal in all languages);
- subscriptions to viewdata services (exchange and securities markets);
- Eurodicautom multilingual terminology data base.

3. Method of calculation and explanation of changes

The increase in the appropriation compared with 1984 is due to:

- the rise in prices;
- the backlog that has built up over previous years owing to the shortage of funds.

4. Analysis by item

(a) Library funds, purchase of books

1981 expenditure	409 397
1982 expenditure	432 115 (+ 5,5 %)
1983 commitments	413 500 (— 4,3 %)
1984 appropriation	317 200 (— 23,3 %)
appropriation requested for 1985	407 000 (+ 28,3 %)

The appropriations requested for 1985 are higher than in 1984 but still below expenditure in 1981 and 1982 and commitments made in 1983. The severe cutbacks made in 1984 will involve dropping plans for the purchase of many books which are a major aid to work in Commission departments.

In Brussels funds totalling 277 500 ECU are intended to cover:

— yearbooks, datings for the Central Library and specialist libraries in the Directorates-General	150 000
— dictionaries and encyclopaedias for the language service (new translators and replacement of old editions)	50 000
— new publications for the Central Library and specialist libraries in the Directorates-General (specialist studies, etc.)	77 500

In Luxembourg and external offices, besides datings (which account for a large proportion of purchases), the appropriations are also intended to cover the replacement of outdated dictionaries and other books.

(b) *Special library equipment*: The appropriations requested (20 000 ECU) are intended to cover the purchase of special filing cabinets, kardex, catalogue systems, etc. The appropriation is practically the same as expenditure in 1981 and 1982.

(c) *Subscriptions to newspapers and periodicals*

1981 expenditure	564 263
1982 expenditure	556 153 (— 1,4 %)
1983 commitments	626 000 (+ 12,6 %)
1984 appropriation	560 700 (— 10,4 %)
appropriation requested for 1985	709 000 (+ 26,4 %)

The appropriations requested are 27,5 % and 13,3 % higher than 1982 expenditure and 1983 commitments respectively. Allowing for inflation, this will permit nearly as many subscriptions as in 1982 and 1983 (fewer than in 1981).

Newspapers and periodicals are an invaluable source of specialized information for Commission departments, the effectiveness of whose work could be jeopardized without them. In 1984 the number of subscriptions will probably be 15 % down on 1981 even though coverage now also extends over the Greek, Spanish and Portuguese press. If the budgetary restrictions of recent years continue, there is a danger of adverse effects on the Commission's information activities.

In Brussels, appropriations are to cover:

— newspapers	215 000
— periodicals for the Central Library	50 000
— periodicals for Directorates-General	180 000
— subscriptions with a view to enlargement	20 000

(d) *Subscriptions to news agencies*

1981 expenditure	290 038
1982 expenditure	277 829 (— 4,2 %)
1983 commitments	327 000 (+ 17,7 %)
1984 appropriation	294 200 (— 10,0 %)
appropriation requested for 1985	354 000 (+ 20,3 %)

The appropriations requested are 27,4 % and 8,3 % higher than 1982 expenditure and 1983 commitments respectively. Allowing for inflation, this will permit nearly as many subscriptions as in 1982 (fewer than in 1981).

The subscriptions allow the Commission departments to keep abreast of all daily economic, social and political developments. Since 1981 budgetary restrictions have necessitated the cancellation of almost 20 % of subscriptions to information bulletins as well as two teleprinter subscriptions.

In Brussels, appropriations are to cover:

— <i>Agence Europe</i>	66 000
— Other information bulletins	125 000
— 10 teleprinter services	87 000

(e) *Binding and upkeep of library books*

1981 expenditure	120 464
1982 expenditure	118 127 (— 1,9 %)
1983 commitments	134 000 (+ 13,4 %)
1984 appropriation	99 100 (— 26,0 %)
appropriation requested for 1985	136 000 (+ 37,2 %)

Allowing for inflation, the appropriation is below 1981 and 1982 expenditure levels and 1983 commitments. The shortage of funds over recent years has resulted in a deterioration in the condition of certain unbound collections of periodicals consulted by Commission departments.

More than 50 % of the appropriations requested are to cover binding of the Official Journal.

(f) *Subscriptions to viewdata services*

1981 expenditure	47 479
1982 expenditure	35 149 (— 26,0 %)
1983 commitments	39 715 (+ 13,0 %)
1984 appropriation	43 600 (+ 9,8 %)
appropriation requested for 1985	44 000 (+ 0,9 %)

Allowing for inflation, the appropriations will permit current subscriptions to viewdata services (Reuter) to be renewed.

(g) *Eurodicautom*

The Eurodicautom terminology data base is designed to help solve more easily and above all more quickly the terminological problems encountered in translation works and to standardize terminology throughout the institutions.

It is generally conceded that translators spend at least 25 % of their time on terminological research.

With some 800 translators at the Commission and 2 000 altogether in the Community institutions, this means a considerable increase in productivity.

A higher answer rate results in a greater increase in productivity and a better return from the means employed, such as software, machine time, terminals and so on.

The field and language coverage has to be increased by purchasing existing terminology collections in areas of interest to the Community and adding missing languages, particularly Greek, Spanish and Portuguese, with the help of national experts.

(h) The breakdown of estimated expenditure is as follows:

	Non- periodical works	Equipment	Subscrip- tions to newspapers and periodicals	Subscrip- tions to news agencies	Costs of binding	Viewdata services	Eurodic- autom multilingual terminology data base	Total
Brussels	277 500	20 000	465 000	278 000	93 000	44 000	—	1 177 500
Luxembourg	58 000	—	94 000	—	25 000	—	330 000	507 000
External offices	71 500	—	150 000	76 000	18 000	—	—	315 500
<i>Total permanent staff</i>	<i>407 000</i>	<i>20 000</i>	<i>709 000</i>	<i>354 000</i>	<i>136 000</i>	<i>44 000</i>	<i>330 000</i>	<i>2 000 000</i>
Impact of new posts	—	—	—	—	—	—	—	—
New external offices	—	—	—	—	—	—	—	—
Total	407 000	20 000	709 000	354 000	136 000	44 000	330 000	2 000 000

CHAPTER 23 — CURRENT ADMINISTRATIVE
EXPENDITURE

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
230	Stationery and office supplies ⁽²⁾	3 900 000	4 324 000	+ 10,9
231 ⁽²⁾				
232	Financial charges	55 000	55 000	—
233	Legal expenses	280 000	300 000	+ 7,1
234	Damages	255 000	100 000	— 60,8
235	Other operating expenditure	1 200 000	1 700 000	+ 41,7
239	Services rendered between institutions	560 000	326 000	— 41,8
	Total	6 250 000	6 805 000	+ 8,9

⁽¹⁾ Including any appropriations entered in Chapter 100.

⁽²⁾ Transferred to the new Chapter 24.

ARTICLE 230 — STATIONERY AND OFFICE SUPPLIES

1984 — Appropriations authorized in the initial budget	3 900 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	4 324 000
Percentage change	+ 10,9

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The appropriation is for expenditure on items such as:

- paper and other supplies for the reproduction shops and for photocopying;
- writing paper, envelopes and other office supplies;
- some outside printing work.

3. Method of calculation and explanation of changes

The appropriation is calculated on the basis of:

- the rate of utilization of supplies;
- expected price movements.

The breakdown of the appropriations is as follows:

	1983 commitments	Appropriations requested for 1985	Percentage change
Brussels	2 801 225	3 180 000	+ 13,5
Luxembourg	455 360	520 000	+ 14,2
External offices	499 000	624 000	+ 25,1
<i>Subtotal</i>	<i>3 755 585</i>	<i>4 324 000</i>	<i>+ 15,1</i>
New external offices	—	—	—
New posts	—	—	—
Total	3 755 585	4 324 000	+ 15,1

The increase in the appropriations requested compared with the commitments for 1983 is thus only 15,1 % over two years, i.e. less than the real increase in costs. As a result, stocks will be kept at the lowest possible level.

ARTICLE 232 — FINANCIAL CHARGES

1984 — Appropriations authorized in the initial budget	55 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	55 000
Percentage change	—

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

Banking charges (commissions, discount charges, etc.) and possible cash discrepancies, loss or depreciation of moneys and assets.

3. Method of calculation and explanation of changes

Since this type of expenditure is by definition unpredictable, the appropriation will, if necessary, be increased by a transfer.

ARTICLE 233 — LEGAL CHARGES

1984 — Appropriations authorized in the initial budget	280 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	300 000
Percentage change	+ 7,1

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation is to cover the expenditure resulting from preliminary legal proceedings and employment of the services of barristers or of other experts as counsel to the Commission.

It is also intended to cover costs which may be awarded against the Commission by the Court of Justice or other courts.

3. Method of calculation and explanation of changes

The proposed increase in the appropriation is justified by the need to employ more outside lawyers to represent the Commission. The Commission's policy on prosecuting infringements increases the workload. The Commission's steel measures of December 1983 also suggest that there will be a further increase in the number of cases brought. The re-utilization of sums paid by the Commission in fees to lawyers but covered by costs awarded by the Court of Justice or other courts against the other party is estimated at 25 000 ECU.

ARTICLE 234 — DAMAGES

1984 — Appropriations authorized in the initial budget	255 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	100 000
Percentage change	— 60,8

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation is intended to cover expenditure by the Commission on damages and expenditure arising from its civil liability.

3. Method of calculation and explanation of changes

Since expenditure under this heading is by definition unpredictable, the appropriation will, if necessary, be increased by a transfer.

The expenditure proposed breaks down as follows:

Item 2340 Damages	100 000
Item 2341 Compensation	p.m.

ARTICLE 235 — OTHER OPERATING EXPENDITURE

1984 — Appropriations authorized in the initial budget	1 200 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	1 700 000
Percentage change	+ 41,7

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The appropriation is intended to cover the following expenditure:

- insurance other than that relating to buildings and motor vehicles (Item 2350);
- uniforms and working clothes (Item 2351);
- internal meetings (Item 2352);
- departmental removals (Item 2353);
- handling costs (acceptance, storage and delivery to departments) of office equipment, furniture and supplies (Item 2353);
- miscellaneous minor expenditure not chargeable to other administrative appropriations (Item 2359).

3. Method of calculation and explanation of changes

(a) The increase in the appropriation is due to:

- the inevitable rise in prices,
- the rise in the value of the risks insured, particularly in respect of data-processing equipment (Item 2350),
- the increasing cost of handling equipment and supplies: reception, storage, stocktaking, transport and delivery (Item 2353),
- the increase in the number of subscriptions to trade and scientific associations in non-member countries (Item 2359).

(b) The breakdown of expenditure is as follows:

	Insurance	Uniforms etc.	Internal meetings	Handling and removals	Other expenditure	Total
Brussels	75 000	160 500	56 900	1 079 000	29 500	1 400 900
Luxembourg	—	37 000	10 000	125 000	2 000	174 000
External offices	—	24 500	7 100	80 000	13 500	125 100
<i>Subtotal</i>	<i>75 000</i>	<i>222 000</i>	<i>74 000</i>	<i>1 284 000</i>	<i>45 000</i>	<i>1 700 000</i>
New external offices	—	—	—	—	—	—
New posts	—	—	—	—	—	—
Total	75 000	222 000	74 000	1 284 000	45 000	1 700 000

The 41,7 % increase for this article is due only to the fact that insufficient funds were provided for 1984. The real increase (4,7 %) can be seen by comparing 1983 expenditure (1 623 240 ECU) with the appropriations requested for 1985 (1 700 000 ECU). In terms of possible expenditure for 1985, this percentage is actually a reduction since it covers two years.

This type of expenditure is directly affected by the cost of living.

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ARTICLE 239 — SERVICES RENDERED BETWEEN INSTITUTIONS**ITEM 2390 — SERVICES RENDERED BY THE OFFICE FOR OFFICIAL PUBLICATIONS**

1984 — Appropriations authorized in the initial budget	12 490 190
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	15 929 609
Percentage change	+ 27,5

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The amounts entered represent the value of the services rendered by the Office for Official Publications for the Commission; they are merely a guide, since the actual appropriations for the Office are shown in Article 287.

3. Method of calculation and explanation of changes

(Pro forma amount)

ITEM 2391 — INTERPRETING SERVICE

1984 — Appropriations authorized in the initial budget	560 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	325 000
Percentage change	— 41,8

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The Commission's interpreters service meetings held by Parliament at the Commission's places of employment and vice versa. Each institution pays for the services provided by the other.

3. Method of calculation and explanation of changes

The substantially reduced appropriation is an all-inclusive figure derived from experience in recent financial years and the budgetary impact of rationalization measures for various meetings.

ITEM 2392 — SERVICES SUPPLIED BY THE COMMISSION (MEDIUM- AND LONG-TERM TRANSLATION SERVICE) TO THE OFFICE FOR OFFICIAL PUBLICATIONS

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References

This appropriation stems from the Commission’s freedom to manage its internal affairs.

2. Type of expenditure

Under the terms of the agreement concluded on 8 December 1972, with effect from 1 January 1973, between the Commission and the Office for Official Publications, concerning attachment to the Office of the Medium- and Long-Term Translation Service, the Commission undertook to place at the disposal of the Office translation staff employed at Luxembourg, as shown in the Commission’s establishment plan.

3. Method of calculation and explanation of changes

The following staff in the Medium- and Long-Term Translation Service are attached to the Office for Official Publications:

LA officials:	87
C officials:	43
Total	130

The appropriations to cover this expenditure are incorporated in the Commission’s estimates under Titles 1 and 2 (Section III A of the general budget).

ITEM 2393 — SERVICES RENDERED BY INTERPRETERS TO PARLIAMENT

1984 — Appropriations authorized in the initial budget	—
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The operations cover the Commission's payments to freelance interpreters employed in meetings organized by Parliament.

3. Method of calculation and explanation of changes

Parliament makes a flat-rate payment for the services of the interpreters supplied by the Commission. This heading is financed exclusively by re-utilized appropriations.

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CHAPTER 24 — POSTAL CHARGES AND TELE-
COMMUNICATIONS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
240	Postal charges and telecommunications	5 165 000	5 737 000	+ 2,9
241	Telephone, telegraph, telex, television	9 000 000	10 263 000	+ 15,2
	Total	14 165 000	16 000 000	+ 13,0

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLES 240 AND 241 — POSTAL CHARGES AND TELECOMMUNICATIONS AND TELEPHONE, TELEGRAPH, TELEX, TELEVISION

1984 — Appropriations authorized in the initial budget	14 165 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	16 000 000
Percentage change	+ 13,0

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The appropriation is to cover the following expenditure:

- postage on ordinary correspondence,
- cost of dispatching publications,
- delivery charges,
- diplomatic bag,
- telecommunications charges (telephone, telegrams, telex).

3. Method of calculation and explanation of changes

A. Postage (Article 240)

	Commitments 1983 (including future transfer)	Appropriations requested for 1985	Change over two years (%)
Brussels	3 485 701	3 310 000	— 5,0
Luxembourg	426 000	430 000	+ 0,9
External offices	1 662 000	1 997 000	+ 20,2
Total	5 573 701	5 737 000	+ 2,9

Examples of changes in postal charges

(a) Belgium

- With effect from 15 April 1983 (compared with the charges in force from 15 April 1982):
 - letters: Benelux: between + 5,3 % and + 10 % according to weight — Other countries: between + 5,6 % and + 17,6 % according to weight;
 - printed matter: Belgium and Luxembourg: between + 9,1 % and + 14,3 % according to weight — Other countries: between + 7,1 % and + 25 % according to weight;
 - newspapers and periodicals: Belgium and Luxembourg: unchanged — Other countries: between + 7,1 % and + 30 % according to weight;
 - postal packages: domestic service: unchanged — Other countries: between + 16,7 % and + 25 %;
 - express rates: + 13,3 % for all destinations.
- With effect from 1 January 1984 (compared with the rates applied from 15 January 1983):
 - letters: Benelux: between + 9,1 % and + 11,1 % according to weight — Other countries: between + 16,7 % and + 25 % according to weight and destination;
 - printed matter: Belgium and Luxembourg: between 0 and + 10 % according to weight — Other countries: between + 3,3 % and + 16,7 % according to weight and destination;
 - rate for registration: + 16,7 %.

(b) Luxembourg

With effect from 1 July 1983 (compared with rates in force from 1 July 1981):

- letters: Belgium and Luxembourg: between + 16 % and + 33,3 % according to weight — Other countries: between 0 % and + 33,3 % according to weight and destination,
- printed matter, books, newspapers and periodicals: all publications not qualifying for newspaper/subscription rate: + 100 %;
- registration charges: + 42,9 %.

Airmail rates also rose by fairly large proportions.

In Brussels, total expenditure for 1983 was broken down as follows:

- diplomatic bag 27,5 % of the total;
- mail 23,5 % of the total;
- publications: — post: 32 % of the total,
— air: 15,5 % of the total,
— rail: 1,5 % of the total.

Increases in charges, which vary from one country to another, exceed on average 10 % annually for external offices.

B. Telecommunications (Article 241)

	Commitments 1983	Appropriations requested 1985	Change over two years (%)
Belgium Luxembourg }	7 427 999	8 500 000	+ 14,4
External offices	1 478 000	1 763 000	+ 19,3
Total	8 905 999	10 263 000	+ 15,2

Examples of changes in charges

Brussels:

Rates applied in October 1982 compared with October 1981 for telephone:

- trunk calls: + 20 % (through a reduction in the length of the call period);
- subscriptions: + 25 %.

New charges with effect from 16 April 1983:

- Telephone subscriptions: + 9,24 % compared with 1982 rates.
- Telex service charges: + 10 % for subscriptions.
- Further increases are expected during 1984 and 1985 in particular in international charges.

For the external offices, very large increases in charges in a number of countries have led to an average increase which may be estimated at 15 % annually because of inflation.

Commitments for 1983 (7 427 999) from the Brussels-Luxembourg allocation related to the following expenditure:

Brussels

— Telephone subscriptions	11,9 % of the total
— Telex subscriptions	2,7 % of the total
— Telephone calls	44,7 % of the total
— Telex messages	22,4 % of the total
— Maintenance and upkeep of telephone installations	3,4 % of the total
— X 25 network (data exchange)	4,3 % of the total
— Miscellaneous (repairs, directories, maintenance)	0,4 % of the total

Luxembourg (10,2 % of the total)

— The appropriations requested for 1985 in Brussels and Luxembourg are to cover the following expenditure:

— Telex charges	2 040 000
— Telephone charges	5 870 000
— Data transmission charges	560 000
— Teleconference studies	30 000

C. The breakdown of estimated expenditure is as follows:

	Postal and delivery charges	Telecommunications	Total
Brussels	3 310 000	8 500 000	12 240 000
Luxembourg	430 000		
External offices	1 997 000	1 763 000	3 760 000
<i>Subtotal</i>	5 737 000	10 263 000	16 000 000
New external offices	—	—	—
New posts	—	—	—
Total	5 737 000	10 263 000	16 000 000

CHAPTER 25 — EXPENDITURE ON FORMAL
AND OTHER MEETINGS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
250	Meetings in general	6 300 000	6 300 000	—
251	Committee meetings	6 300 000	6 612 800	+ 5,0
252	ECSC committees and commissions	1 000 000	1 025 800	+ 2,6
253	Bodies specializing in industrial safety	400 000	400 000	—
254	European Youth Forum	535 000	555 000	+ 3,7
255	Miscellaneous expenditure on the organization of, and participation in, conferences, congresses and meetings	750 000	950 200	+ 26,7
256	Cost of preliminary consultation meetings with trade union representatives	195 000	210 000	+ 7,7
Total		15 480 000	16 053 800	+ 3,71

(1) Including any appropriations entered in Chapter 100.

ARTICLE 250 — MEETINGS IN GENERAL

1984 — Appropriations authorized in the initial budget	6 300 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	6 300 000
Percentage change	—

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The appropriation is intended to cover:

- travel, subsistence and incidental expenses of experts called to meetings;
- expenses arising from these meetings, where not covered by the existing infrastructure (for example, hire of meeting rooms, interpreting equipment, etc.).

3. Method of calculation and explanation of changes

(a) The appropriation is calculated on the basis of:

- the number of meetings planned;
- the number of experts convened;
- the daily allowances, travelling time allowances and travelling expenses of experts, taking into account their country of origin;
- foreseeable increases.

From past experience, expenditure can be broken down approximately as follows:

- travel 75 %,
- allowances 25 %.

(b) A number of restrictive measures such as cutting down on the number of experts attending, attempting to group together several meetings on the same subject so as to reduce the number of individual journeys, limiting travelling time allowances to the actual time taken for the outward and return journey, partial computerization of arrangements for meetings, the cancellation or mothballing of meetings which are not fully justified by the Commission's policy priorities and budgetary discipline have all contributed to keeping appropriations at the same level as in 1984, despite the sharp rise in the direct costs of holding meetings.

ARTICLE 251 — COMMITTEE MEETINGS

1984 — Appropriations authorized in the initial budget	6 300 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	6 612 800
Percentage change	+ 5,0

1. References

The Committees are set up either under the Treaty, or by Council or Commission regulations. The list of committees is given in an annex to Section III A (Commission) of the general budget.

2. Type of expenditure

The appropriation is intended to cover travel, subsistence and incidental expenses of experts called to meetings. It also covers expenses arising from these meetings, where not covered by the existing infrastructure.

3. Method of calculation and explanation of changes

- (a) The appropriation is calculated on the basis of:
- the number of meetings planned;
 - the number of persons convened;
 - the daily allowances, travelling time allowances and travelling expenses of these persons, taking into account their country of origin;
 - provision for increases.

From past experience, expenditure can be broken down approximately as follows:

- travel 75 %,
- allowances 25 %.

(b) In order to contain the increase in expenditure for committee meetings the Commission has taken steps to control the number of meetings and hence cut costs by:

- winding up or merging some committees and mothballing others;
- restricting reimbursement to 20 experts per meeting unless an exception is expressly made;
- improving the internal organization of meetings;
- making more systematic use of data-processing for information, planning, transparency and financial and budgetary analysis;
- restricting the number of meetings held away from the provisional seats;
- monitoring the utilization of appropriations.

Costs will be charged to items in Article 251 depending on whether consultation of the Committee is compulsory or not.

The 5 % increase will permit a smaller number of meetings since it does not completely cover increases in costs (transport and hotel expenses, etc.).

The subdivision of committees into those whose consultation is compulsory (Item 2510) and those where it is optional (Item 2511) will increase transparency and so improve management.

	1984 ⁽¹⁾	1985	Percentage change
Item 2510	5 000 000	5 444 200	+ 8,9
Item 2511	1 300 000	1 168 600	— 10,1
Article 251 — Total	6 300 000	6 612 800	+ 5,0

⁽¹⁾ Including transfers

ARTICLE 252 — ECSC COMMITTEES AND COMMISSIONS**ITEM 2520 — ECSC CONSULTATIVE COMMITTEE**

1984 — Appropriations authorized in the initial budget	430 800
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	430 800
Percentage change	—

1. References

Article 18 of the ECSC Treaty and Article 20 of the Treaty establishing a Single Council and a Single Commission of the European Communities.

2. Type of expenditure

The appropriation is intended to cover the costs of organizing meetings of the ECSC Consultative Committee and the entertainment and representation costs of the President of the Committee in the performance of his duties.

3. Method of calculation and explanation of changes

Assuming that the number of meetings will be the same as in the previous financial year, the principle that the same amount should be available has been applied in view of the rationalization and management measures decided upon by the Commission. This amount is an absolute minimum, below which the ECSC Consultative Committee would not be able to function properly.

The state of crisis in these sectors will require the Commission to take decisions which must be placed before the Committee and may result in situations which have to be considered by an *ad hoc* Committee. The appropriation will have to be revised if the number of compulsory consultations increases.

ITEM 2521 — OTHER COMMISSIONS AND COMMITTEES OPERATING WITHIN THE ECSC

1984 — Appropriations authorized in the initial budget	569 200
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	595 000
Percentage change	+ 4,5

1. References

Article 20 of the Treaty establishing a Single Council and a Single Commission of the European Communities.

2. Type of expenditure

The appropriation is to cover the costs of organizing meetings of the committees and working parties set up in connection with ECSC activities covered in the main by Articles 46, 54 and 55 of the Treaty. These meetings arise from a contractual obligation.

3. Method of calculation and explanation of changes

Half the ECSC meetings are held outside Brussels. The figures are calculated on the basis of the experience of previous years. The increase reflects real needs.

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ARTICLE 253 — BODIES SPECIALIZING IN INDUSTRIAL SAFETY

ITEM 2530 — MINES SAFETY AND HEALTH COMMISSION

1984 — Appropriations authorized in the initial budget	280 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	280 000
Percentage change	—

1. References

Decision of Member States' government representatives, meeting in the Special Council of Ministers on 9 and 10 May 1957 (when the Commission was formed) and Council Decision 74/326/EEC of 27 June 1974 (extension of the Commission's powers to cover all extractive industries).

2. Type of expenditure

The appropriation is intended to cover the travelling, subsistence and incidental expenses of members and experts, costs of organizing meetings, secretarial and publishing costs, expenses incurred in respect of practical tests on rescue and safety equipment and expenditure relating to safety campaigns.

3. Method of calculation and explanation of changes

The appropriation is needed to enable the Commission to perform its task. Requests for assistance in safety campaigns meant that the original appropriation had to be increased in 1982 and 1983; this will, no doubt, also be the case in 1984. The increase in appropriations is very limited considering rising transport costs.

ITEM 2531 — ADVISORY COMMITTEE ON SAFETY, HYGIENE AND HEALTH PROTECTION AT WORK

1984 — Appropriations authorized in the initial budget	120 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	120 000
Percentage change	—

1. References

Council Decision 74/325/EEC of 27 June 1974.

2. Type of expenditure

The appropriation is intended to cover the costs of meetings of the Advisory Committee and its sub-committees, as well as expenditure relating to tests on equipment carried out by the Committee.

3. Method of calculation and explanation of changes

It was possible to retain the principle of renewing the 1984 appropriation by applying very tight restrictions and making certain savings.

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ARTICLE 254 — EUROPEAN YOUTH FORUM

1984 — Appropriations authorized in the initial budget	535 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	555 000
Percentage change	+ 3,7

1. References

- Commission Decisions of 28 January 1972 (COM(72)65 final), 27 April 1973 (COM(73)36 final) and 26 February 1975 (COM(75)27 final). Original proposal submitted to the Council on 29 May 1973 and new proposal on 7 March 1975. At its meeting on 29 June 1976, the Council decided to accede to the wishes of the Commission and Parliament by providing initial funding from the budget.
- The European Youth Forum is an international non-profit-making association which is subject to Belgian law. It acts as a political platform for youth organizations in their relations with the Community institutions and seeks to increase participation by young people in Community activities and give them a greater part to play in fostering mutual understanding and protecting equal rights.

2. Type of expenditure

This appropriation is intended to cover the expenditure of the European Youth Forum:

- running costs of the permanent secretariat (staff, rental of offices and conference rooms, miscellaneous expenses);
- travelling, subsistence and incidental expenses of delegates to meetings of the Forum;
- costs associated with the meetings if not covered by the secretariat's existing facilities.

3. Method of calculation and explanation of changes

Expenditure was calculated as follows:

	1984	1985
<i>Administration</i>		
Salaries, social security ⁽¹⁾	206 000	213 600
Insurance	1 100	1 200
Rent	12 400	12 800
Postage, telephone	10 500	10 900
Office supplies	14 100	14 600
Office equipment	7 600	7 900
Other running costs	2 600	2 700
<i>Subtotal</i>	254 300	263 700

⁽¹⁾ Staff expenditure is calculated for a staff complement of 5,5 — 3 category A and 2,5 category C.

(Continued)

	1984	1985
<i>Activities</i>		
General meeting	257 800	267 300
Executive Committee	10 800	11 300
Standing Committees	9 900	10 300
Special activities	2 200	2 400
Preparatory and follow-up groups	—	—
Meetings of chairmen	—	—
Information, publications	—	—
Visits and travel	—	—
<i>Subtotal</i>	<i>280 700</i>	<i>291 300</i>
Total	535 000	555 000

(a) The Forum asked the Commission for an appropriation of 577 800 ECU, 8 % up on the 1984 appropriation of 535 000 ECU, to offset increased costs.

(b) The Commission considers that at a time of budgetary restrictions this request can be met only in part but that some increase should be granted, in view of the results achieved by the Forum in 1983 (see its report for that year) and the contribution which it will be asked to make in 1985 to International Youth Year.

ARTICLE 255 — MISCELLANEOUS EXPENDITURE ON THE ORGANIZATION OF, AND PARTICIPATION IN, CONFERENCES, CONGRESSES AND MEETINGS

ITEM 2550 — CONFERENCES, CONGRESSES AND MEETINGS ORGANIZED BY THE INSTITUTION

1984 — Appropriations authorized in the initial budget	506 500
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	718 000
Percentage change	+ 41,8

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The appropriation is intended to cover all expenditure connected with the organizing of conferences, congresses and meetings except for certain expenditure relating to existing infrastructure.

3. Method of calculation and explanation of changes

- (a) The appropriation requested is the sum of the estimated expenditure for each event, and includes:
- travelling and subsistence expenses calculated on the basis of the number of participants and their countries of origin;
 - the place where the event is organized;
 - other expenses.

It is estimated that 50 000 ECU will be available for re-use.

- (b) In 1985, it is proposed to organize the following events:

<i>Internal market and industrial affairs</i>	
— Eurocodes Conferences (Bonn and Rome)	22 000
— Symposium on the training of doctors in the next century	43 000
	<hr/>
	65 000
 <i>Employment, social affairs and education</i>	
Colloquium on social change and new technologies	70 000
	<hr/>
	70 000
 <i>Development</i>	
Conference with the Southern Africa Development Coordination Conference on the strengthening of regional cooperation and economic integration	45 000
	<hr/>
<i>Personnel and administration</i>	45 000
 <i>Civil service conferences</i>	
	3 000
	<hr/>
	3 000

Environment, consumer protection and nuclear safety

— Seminar on the effects and control of the concentration of nitrates in subsurface waters	30 000	
— Annual seminar for the Community network of schools running pilot schemes on environmental education	50 000	
		80 000

Science, research and development

— Workshop on rupture mechanics and quality assurance in primary circuits in collaboration with the OECD-NEA 1985 in Brussels 40 to 50 people in Brussels	12 000	
— Workshop on scale effects in experiments on reactor safety — international cooperation 50 people — Brussels	12 000	
— Seminar on main developments in the technical and regulatory fields (source terms, general safety objectives) 100 people — Brussels	25 000	
— Seminar 'Safety and reliability in Europe' 150 people in Brussels	35 000	
— Seminar on the analysis of international scientific trends 50 people — Brussels	12 000	
— Seminar on new directions in R&D (for preparation of the framework programme for 1986-89) 100 people — Brussels	24 000	
		120 000

Information market and innovation

— Seminar on the problems of modular translations in the Eurotra system	49 000	
— Expolangues 85 in Paris	6 000	
		55 000

Energy

— 'Energy bus' symposium	25 000	
— Study days on the structure of energy consumption (subjects to be finalized)	25 000	
		50 000

Credit and investment

Congress and seminars on various financial activities (Forex, AIBD, AIOTE, Bondé, futures, etc.)	5 000	
		5 000

Financial control

Training of national controllers (appropriation to be shared amongst DGs V, VI, XVI and XX)

160 000

160 000

Statistical Office

— Two conferences of heads of national statistical institutes, one of which will be held away from headquarters

19 000

— Seminars on the confidentiality of statistical data

21 000

— Information on and presentation of Eurostat for government experts

25 000

65 000

ITEM 2551 — COST OF THE INSTITUTION'S PARTICIPATION IN CONFERENCES, CONGRESSES AND MEETINGS

1984	— Appropriations authorized in the initial budget	136 000
	— Appropriations as amended by transfers or by amending or supplementary budget	—
1985	— Appropriations requested	142 000
Percentage change		+ 4,4

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

This appropriation is intended to cover certain expenditure (or part thereof) on conferences, congresses and meetings in which the Commission participates.

3. Method of calculation and explanation of changes

The estimate represents the total of the various sums the Commission intends to set aside for the various conferences, having regard to their individual importance and usefulness.

In 1985 it is proposed to contribute to the financing of the following events:

External relations

— Participation in GATT meetings, Geneva

7 500

— Participation in UN meetings, New York

2 000

— Participation in meetings for the Conference on Security and Cooperation in Europe (CSCE), Madrid

4 500

— Participation in CMEA meetings (Council for Mutual Economic Assistance)

14 000

Internal market and industrial affairs

- Seminars on professions. Community participation in four seminars organized by associations representing the professions

10 000

10 000

Employment, social affairs and education

- Participation in a one-off international event organized by a government or international organization

9 000

9 000

Agriculture

- Meeting on the common agricultural policy

7 000

7 000

Personnel and administration

- Expenses in connection with European Councils and Parliamentary part-sessions in Strasbourg

22 000

22 000

Environment, consumer protection and nuclear safety

- IWRA's fifth world congress on water resources
- Management of biotopes

6 000

21 000

27 000

Science, research and development

- Participation in a seminar on techniques for analysing safety and reliability in the nuclear field and other potentially hazardous industrial activities; repercussions for management and risk comparisons in collaboration with the UKAEA — SRD/SRS (UK)
- Participation in a seminar on fracture mechanics and quality assurance in primary circuits in collaboration with OECD-NEA
- Community participation in the IAEA colloquium on the preparation of radioactive waste for temporary and permanent storage
- Participation in a conference on the back end of the fuel cycle organized by non-member countries linked by cooperation agreements (US Department of Energy, Atomic Energy of Canada)

14 000

14 000

5 000

7 000

40 000

Information market and innovation

- Colloquium on information and society organized by the University of Essex in Italy
- Conference 'Translation and the computer' organized by Aslib in London

3 000

2 000

5 000

Financial institutions and taxation

- International seminar on tax harmonization in the EEC

8 000

8 000

ITEM 2552 — CONFERENCES, CONGRESSES AND MEETINGS IN CONNECTION WITH THE ECSC

1984 — Appropriations authorized in the initial budget	90 200
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	107 500
Percentage change	+ 19,2

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

Costs of conferences, congresses and meetings in the framework of the ECSC, excluding expenditure relating to existing infrastructure.

3. Method of calculation and explanation of changes

(a) The expenditure is estimated on the basis of:

- the number of participants and their place of origin;
- foreseeable transport costs and subsistence allowances;
- the place at which the event is to take place;
- other expenses.

(b) The appropriation is to cover expenditure relating to the following events:

Employment, social affairs and education

An event to promote the use of steel industry social research.

Science, research and development

ECSC Conference — Fire safety of steel constructions.

CETAS Conference — Progress in analytical data acquisition and automatic processing in the steel industry.

ARTICLE 256 — COST OF PRELIMINARY CONSULTATION MEETINGS WITH TRADE UNION REPRESENTATIVES

1984 — Appropriations authorized in the initial budget	195 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	210 000
Percentage change	+ 7,7

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs. The preliminary consultation meetings between representatives of European trade unions, with a view to helping them form their opinions and harmonize their position regarding the development of Community policies, make a considerable contribution to the Commission's work.

2. Type of expenditure

The appropriation is intended to cover the travel and subsistence costs of delegates invited to meetings.

The purpose of consultation meetings is to hear the views of trade unions.

Such meetings can have significant and useful results only if they are prepared by a broad exchange of views among trade unions, that is, by a meeting at which national confederations can become acquainted with the problem and adopt a common position within their European organization.

These meetings save time and avoid misunderstandings and hence assist the trade union organizations to adopt their positions, which are in turn of great assistance to the Commission.

3. Method of calculation and explanation of changes

In view of the need to increase the number of preliminary consultation meetings with the trade unions in order to hear the ideas and proposals of the two sides of industry concerning the economic and social problems of our times and given the rise in public transport fares, the appropriations authorized in 1984 should be increased by 7,7 %.

CHAPTER 26 — EXPENDITURE ON STUDIES, SURVEYS AND CONSULTATIONS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
260	Limited consultations, studies and surveys	840 000	900 000	+ 7,1
261	Economic studies and surveys	1 910 000	2 100 000	+ 9,9
262	Comprehensive Community studies and general surveys	1 000 000	1 100 000	+ 10,0
263	Statistical studies and surveys	8 000 000	5 500 000	— 31,2
264	Sectoral studies and surveys on competition	250 000	300 000	+ 20,0
	Total	12 000 000	9 900 000	— 17,5

⁽¹⁾ Including any appropriations entered in Chapter 100.

This chapter contains five articles which can be subdivided into two categories:

- *appropriations for allocation* (Article 260 — Limited consultations, studies and surveys, Article 262 — Comprehensive Community studies and general surveys and Article 264 — Sectoral studies and surveys on competition);
- *appropriations calculated on the basis of specific programmes of activities* (Article 261 — Economic studies and surveys, and Article 263 — Statistical studies and surveys).

A. Appropriations for allocation

1. References

The Treaties establishing the European Communities and secondary legislation, as regards Articles 260 and 262. Articles 85 and 86 of the EEC Treaty ⁽¹⁾ as regards Article 264.

2. Type of expenditure

Appropriations for specialized studies contracted out to highly qualified experts if the Commission does not have suitable staff available to carry out such studies.

The appropriations for Article 262 can also be used to buy completed studies or subscriptions to specialist research institutes.

3. Method of calculation and explanation of changes

The 'allocation' appropriations, on which the budgetary authority places a ceiling, are to enable the Commission to carry out its tasks and itself determine the priorities necessary in view of the limited funds available.

⁽¹⁾ In order to carry out the tasks provided for in Articles 85 and 86 of the EEC Treaty the Commission must have detailed information on the situation of the markets in Member States, so that it can take action against dealings or operations which would contravene the competition rules applying to undertakings.

ARTICLE 260 — LIMITED CONSULTATIONS, STUDIES AND SURVEYS

1984 — Appropriations authorized in the initial budget	840 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	900 000
Percentage change	+ 7,1

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ARTICLE 262 — COMPREHENSIVE COMMUNITY STUDIES AND GENERAL SURVEYS

1984 — Appropriations authorized in the initial budget	1 000 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	1 100 000
Percentage change	+ 10

These appropriations are for use in all areas of the Commission's work so that it can obtain as rapidly as possible the information required to draw up policies which it wishes to examine, propose or carry out in pursuit of its priority objectives. The studies to be financed in 1985 will be on the following major themes:

- Economics: economic and monetary union; the European Monetary System; economic policy research; structural changes in the economies of the Member States; sectoral analysis; econometric research; the common organizations of markets, agricultural structures; enlargement.
- Social affairs: social trends; free movement of workers; social dialogue;
- Others: penal responsibility as regards imports; legal protection for inventions; Common Customs Tariff; educational research; legal activities in connection with nuclear and commercial policy.

To restore appropriations to the same level as previous years, the Commission proposes an 8,7% increase for these two headings which finance general preparatory work in all areas of Community activity and usually involve modest expenditure.

B. Appropriations calculated on the basis of specific programmes of activities**ARTICLE 261 — ECONOMIC STUDIES AND SURVEYS**

1984 — Appropriations authorized in the initial budget	1 910 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	2 100 000
Percentage change	+ 9,9

1. References

These recurrent studies have been going on for a very long time pursuant to:

(a) *decisions taken by the Commission on 15 November 1961*

- the monthly Community business survey (since 1962);
- the survey of capital investment (since 1966);
- the building industry survey (since 1963);
- the survey on the services sector;

(b) *the Council Decision of 15 September 1970*

- the EEC consumer survey (since 1972).

Published periodically, these five surveys are based on polls carried out with the aid of specialist national institutes using standard questionnaires to establish opinions and to assess future trends of economic factors in the areas listed above, for the soundings and forecasts which form the basis for proposals on the main points of economic policy which the Commission presents to the Council. They will be used to help finalize the economic policy measures given priority under the draft framework programme for 1984-85.

2. Type of expenditure

Details of the expenditure are as follows:

- for the surveys under (a) above:
Commission contribution to the marginal costs incurred in adapting the data supplied by national institutes to EEC requirements;
- for the survey under (b) above:
full refund to the national institutes of the costs of the survey carried out for the EEC.

3. Method of calculation

The method of calculation varies according to the survey. The Commission requests the following appropriations:

— monthly Community business survey	535 000
— survey of capital investment	121 000
— building industry survey	195 700

The proportion of costs covered by the Commission contribution varies from country to country according to the degree of harmonization and the scope of the survey: the number of undertakings and industries surveyed, size of samples, computer costs, paper costs, wages and salaries, printing costs, correspondence, etc.

— EEC consumer survey	1 158 000
— survey on the services sector	89 800
	<hr/>
Total	2 100 000

ARTICLE 263 — STATISTICAL STUDIES AND SURVEYS

1984 — Appropriations authorized in the initial budget	8 000 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	5 500 000
Percentage change	— 31,2

1. References

The appropriations under this article are to enable the Statistical Office (SOEC) to carry out studies and surveys.

(a) SOEC studies

As information and statistical requirements are increasing, the effectiveness of the Community statistical system must be constantly boosted and enhanced by research work, necessitating the assistance of specialists from outside the Commission. Studies financed under this article involve specific analyses and research work in various fields either connected with the results of surveys, or with a view to avoiding them. They also cover methodology analyses and data-processing research.

(b) SOEC surveys

The process of integration requires increasingly detailed information which is sufficiently harmonized at Community level to provide a basis for policy decisions. The surveys, the cost of which is only partly borne by the Commission, are carried out by the Member States usually on the basis of Council decisions:

1. Joint index survey (Article 65 of the Staff Regulations)	8 500
2. Annual and five-yearly survey of the prices of goods entering into GDP	700 000
3. Statistical survey of areas under vines in Greece and Italy (Regulation (EEC) No 357/79 of 5 February 1979)	30 000
4. Survey of consumer prices of energy products in 1985	38 000
5. Compilation of basic input-output tables for energy	50 000
6. International comparison project on purchasing power equivalence in ACP countries	400 000
7. Labour costs survey (Council Regulation No 3149/83, 4 November 1983)	720 000
8. Improvement of employment and labour market statistics	85 000
Total	2 031 500

2. Type of expenditure

The work varies depending on whether studies or surveys are involved.

(a) *Studies*

Statistical Office studies can be put in the same category as the studies charged against the 'Appropriations for allocation' described above.

(b) *Surveys*

These involve the financial participation by the Commission with a view to harmonizing the statistical information gathered by national institutes and adapting it to Community requirements.

3. Method of calculation and explanation of changes

The method of calculation and changes in expenditure are governed by what has been stated above. The total amount requested for studies and surveys is 31,2 % lower than the amount granted for 1984. The reasons for this are explained in (a) and (b) below.

(a) *Studies*

The Commission's estimated requirements for 1985 amount to 3 468 500 ECU, a 26 % increase on the sum approved by the budgetary authority for 1984. The increase is needed to finance a number of costly studies in the field of data processing, which will account for half the sum earmarked for studies.

(b) *Surveys*

The 2 031 500 ECU requested for surveys amounts to a reduction of some 68 %, which is mainly due to the non-inclusion of the labour force survey since this long-term survey has to be financed by setting up a specific budget heading as part of the Community's employment policy measures (Chapter B 64, Item B 6403). The fact that some surveys are not due to appear in 1985 has also cut down their number. Surveys to be conducted in 1985 will cover the following areas ⁽¹⁾:

General economic statistics

1: Joint index	8 500
2: Labour force, GDP, employment and labour market	700 000
	<hr/>
	708 500

Demographic and social statistics

7: Earnings	720 000
8: Employment	85 000
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	805 000

Agricultural statistics

3: Agricultural structures	30 000
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⁽¹⁾ The numbers refer to the list of surveys given in 1(b).

4—5: Energy statistics	88 000
External trade	
6: ACP international comparisons	400 000
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Total — statistical surveys (Article 263)	2 031 500
Total — statistical studies (Article 263)	3 468 500
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Article 263 — Total	5 500 000

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ARTICLE 264 — SECTORAL STUDIES AND SURVEYS ON COMPETITION

1984 — Appropriations authorized in the initial budget	250 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	300 000
Percentage change	+ 20

Article 264 covers the implementation of the programme of sectoral and market studies relating to concentration and competition. The 1985 programme will focus in particular on the following:

- analysis of the structure and competitive behaviour in certain selected industries in the Community;
- analysis of some economic aspects of the application of the Treaty's rules on competition to certain industrial sectors in the Community;
- analysis of certain economic factors likely to cause distortions of competition in various industries in the Community.

The 20 % increase requested over the amount authorized for 1984 continues previous efforts between 1981 and 1983 to contain these appropriations and at the same time tries to make up for the substantial reduction of some 17 % in the amount allocated for 1984. This reflects the call made by Parliament in its Resolution of 17 December 1982 for more research in the area of competition, since the funds involved are to be used to extend the scope of studies to cover the whole Community.

CHAPTER 27 — EXPENDITURE ON PUBLISHING AND INFORMATION

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
270	Official Journal	20 210 000	24 000 000	+ 18,8
271	Publications	3 740 000	3 942 500	+ 5,4
272	Expenditure on the dissemination of information and participation in public events	15 009 207	15 370 000	+ 2,4
273	Informing young people in the European spirit	1 400 000	1 765 000	+ 26,1
	Total	40 359 207	45 077 500	+ 11,7

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 270 — OFFICIAL JOURNAL

1984 — Appropriations authorized in the initial budget	20 210 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	24 000 000
Percentage change	+ 18,8

⁽¹⁾ Including 210 000 ECU in Chapter 100.

1. References

- Council Decision of 15 September 1958 creating the Official Journal (based on Article 191 of the EEC Treaty).
- Council Regulation No 1/58, as amended by the Acts of Accession of 1972 and 1979 determining the languages to be used and providing that the Official Journal should appear in the seven official languages.

2. Type of expenditure

The appropriation is to cover the cost of publishing the acts and texts which are the responsibility of the Commission and includes:

- printing and carriage of the Official Journal and the tables of contents (monthly and annual);
- publication of a register of Community legal instruments;
- preparation of computer tapes for the computerized documentation system for Community law (Celex);
- microfilming the Official Journal;
- publication of a collection of the Agreements concluded by the European Communities.

3. Method of calculation and explanation of changes**(a) Official Journal***Printing costs*

The Publications Office is expecting the average cost per page to increase only slightly in 1985 as shown below.

The small rise estimated (from 101 ECU in 1984 to 102 ECU in 1985) is explained by the starting-up of the computerized system for publishing the S series.

Number of pages

The size of the Official Journal remained fairly steady for a number of years at around 32 500 pages per language, a total of 227 500 pages for the seven languages and all the institutions. This was the result of the efforts made by the institutions to compress texts and savings in presentation achieved by the Office. This could not go on indefinitely, however, and the number of pages began to increase again, the 1983 figure being some 10 % higher than in 1982.

The Office estimates that the number of pages for the Official Journal (seven languages) in 1985 will be 273 000, with 70,1 % (around 190 000 pages) for the Commission. This is an increase of some 6 % on the forecasts for 1984 (180 684).

Amount to be earmarked

For the Commission, the amount to be earmarked in 1985 for printing the Official Journal is as follows:

190 000 pages (seven languages) \times 102 ECU = 19 380 000 ECU.

(b) Official Journal tables

The estimated number of pages for 1985 is much the same as for 1984 (8 832 compared with 8 632 in 1984), an increase of 2 %.

The cost of tables since 1983 has been as follows:

Languages	1983	1984 (forecast)	1985	
			Photocomposition and printing	Computerized typesetting
7	80,60	88,65	45	30
			75	

The 1985 figure reflects the benefits deriving from the efforts by the Publications Office to step up computerization.

The Commission's share of the cost in 1985 (around 8 000 pages for all seven languages) is 600 000 ECU.

(c) Register of Community legal instruments

The sixth edition (seven languages) will appear in 1985 and the titles for the seventh edition will be set. The Commission and the Council will bear most of the cost.

For the sixth edition the Office estimates the cost of typesetting, making-up and printing at 155 000 ECU.

For the seventh edition typesetting the titles will cost an estimated ⁽¹⁾ 40 000 ECU.

The Commission's share (only about 54 % because of the many permanent instruments for which the Council and, to some extent, Parliament are responsible) will therefore be (for the two items together) around 105 000 ECU.

(d) Magnetic tapes

From 1985 onwards printers will be required to provide the Publications Office with the entire Official Journal (L, C and S) on magnetic tape in exchange format; for safety's sake two copies of each tape will be kept in separate places.

This will lead to an increase in costs for this item in 1985. The Publications Office calculates it as follows:

273 000 pages at 1 ECU = 273 000 ECU.

The Commission's 70,1 % share will therefore be 191 400 ECU.

(e) Microfilming of the Official Journal

Microfilming involves the production of masters (with shots per language and titles), a number of duplicates (sets per language) and jacketing operations.

(1) The estimate for the typesetting of the titles assumes computerized production from texts typeset for the Official Journal including a prior control run by the Commission's Computer Centre.

Out of total expenditure of 330 089 ECU for all the institutions the Commission's share (70,1 %) in 1985 will be 231 400 ECU.

(f) S series (Supplement to the Official Journal)

The Supplement to the Official Journal contains notices inviting tenders for public contracts in the Community (including those deriving from obligations in GATT). Since distribution of the Supplement in printed copies was too slow to give firms in Member States a fair chance to submit tenders, it has been agreed that the Supplement should be typeset electronically so that it can be put into a data bank.

For 1985 the Office has made the following estimates on the basis of a unit cost of 30 ECU.

The total cost of typesetting using the computerized system (SEI ⁽¹⁾) is estimated at 1 935 000 ECU, with the Commission providing 70,1 %, i.e. 1 356 435 ECU.

There will be a supplement, to be charged to the Commission, to incorporate notices of contracts for USA, Scandinavian countries and Switzerland, to which the scale of distribution does not apply. The Office's calculations are as follows:

Photocomposition and printing and typesetting: around 214 000 ECU, giving a total of 1 500 400 ECU.

(g) Computerization

The introduction of new technology in publishing has led to the development of new products such as electronic distribution of the S series (TED ⁽²⁾), automation of the register, etc.

These new products, and developments to be made to extend new technologies to other parts of the Official Journal, will give rise to the following expenditure in 1985:

Commission

- Electronic distribution of S series (TED ⁽²⁾) including Japan, USA, Scandinavian countries, Switzerland,
- Developments already made (agriculture, CCT, Nimexe).

Total: 450 000 ECU.

All institutions

Electronic L series, COM microfiches, semi-automated indexing: 1 800 000 ECU.

For this item the total expenditure chargeable to the Commission in 1985 will be:

(a) 450 000 ECU,

(b) 1 062 500 ECU.

Total: 1 512 500 ECU.

(h) Collection of the agreements concluded by the European Communities

Since 1977 the Council and the Commission have been jointly publishing a collection of the agreements concluded by the Communities.

⁽¹⁾ The object of this computerized system is to eliminate duplication in data collection by making it possible for a text to be typeset by simple electronic switching, without using a keyboard.

⁽²⁾ TED is the data base established to allow the Supplement to be consulted via Euronet or viewdata systems.

Volume 13, containing agreements concluded in 1983, will be published in seven languages in 1985.

The total cost of Volume 11 (around 2 000 pages) in 1983 was 473 701 ECU.

Allowing a 10 % increase to cover price rises and possible differences in the number of pages, the total for Volume 13 is therefore 497 860 ECU, of which the Commission pays one third — (rounded) 166 000 ECU.

(i) *Estimate — Secondary legislation 1985 — Spanish and Portuguese*

It is estimated (for 1985 and early 1986) that some 4 200 secondary legislation instruments, corresponding to a total of 35 000 to 40 000 pages per language, will have to be translated and published. Most of them are Council instruments. The Commission's share is about one third.

As the estimate for 1984 is 6 300 000 ECU, it can be assumed that the Commission's share in 1985 will be 2 000 000 ECU.

(j) *Postal charges*

The Office expects the total charges for all institutions to be roughly the same as the figure estimated for 1984.

The Commission's share under the 1985 OJ scale (70,1 %) will be 280 400 ECU.

Summary of Commission's share of expenditure for 1985

(a) Official Journal	19 380 000
(b) Official Journal tables	600 000
(c) Register of Community legal instruments	105 000
(d) Magnetic tapes	191 400
(e) Microfilming of Official Journal	231 400
(f) S series (Supplement to the Office Journal)	1 500 400
(g) Computerization	1 512 500
(h) Collection of agreements concluded by the European Communities	166 000
(i) Estimate — Secondary legislation 1985 — Spanish and Portuguese	2 000 000
(j) Postal charges	280 400
Total	25 967 100
rounded to	26 000 000

Revenue from OJ sales

Sales receipts in the last three years have been as follows:

— 1981	1 325 000
— 1982	1 031 000
— 1983 (estimate)	1 758 000

The increase in 1983 is attributable to the increased subscription charges. It is unlikely that there would be a further increase in 1985 and at any rate it would not be as large as the previous one. The number of subscriptions (around 11 000 for the L and C series and 3 000 for the S series) is not likely to change much.

The 1985 figure should therefore be derived from the 1983 estimate. In all objectivity it may be raised to 2 000 000 ECU.

Final result of 1985 estimates

— Expenditure	26 000 000
— Less revenue	2 000 000
	<hr/>
Total	24 000 000

ARTICLE 271 — PUBLICATIONS

1984 — Appropriations authorized in the initial budget	3 740 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	3 942 500
Percentage change	+ 5,4

1. References

This appropriation results from the Commission’s freedom to manage its internal affairs.

2. Type of expenditure

The appropriation is intended to cover all expenditure relating to the traditional publications of the Commission other than the Official Journal and the publications connected with implementing certain specific policies, expenditure on which is chargeable to operating appropriations:

- publications provided for in the Treaties and regulations;
- periodicals published by the Commission;
- Statistical Office publications;
- brochures and publications relating to the dissemination of technical and economic information.

This expenditure also includes:

- production costs;
- the costs arising from preparatory work, revising and editing.

This appropriation also covers promotional expenditure for all Commission publications (Item 2719).

3. Method of calculation and explanation of changes

The appropriation was calculated on the basis of:

- the quantity of publications to be printed;
- the present production and printing costs;
- foreseeable price increases, in particular on paper and printing labour.

The breakdown of the expenditure proposed is as follows:

	1984	1985
General publications	2 095 000	2 200 000
Statistical publications	1 395 000	1 480 000
Expenditure on publicity and promotion of publications	250 000	262 500
Total	3 740 000	3 942 500

The appropriation requested for general publications is 5 % lower than commitments in 1983 (2 315 000 ECU), although it will have to cover increased printing costs and the rising price of raw materials. This will entail a reduction in two years, i.e. from the 1983 level, of about 20 % in the number of general publications produced.

Appropriations for expenditure on publicity are less than 1 % higher than commitments in 1983. This means a reduction in real terms in promotion, although this remains essential in Greece, Spain and Portugal.

Historical Archives of the European Commission

ARTICLE 272 — EXPENDITURE ON THE DISSEMINATION OF INFORMATION AND ON PARTICIPATION IN PUBLIC EVENTS**ITEM 2720 — EXPENDITURE ON THE DISSEMINATION OF INFORMATION, PUBLICITY AND PARTICIPATION IN PUBLIC EVENTS**

1984 — Appropriations authorized in the initial budget	12 000 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	14 000 000
Percentage change	+ 16,7

1. References and description

This appropriation stems from the Commission's freedom to manage its internal affairs. The appropriation should enable it to implement its public information programme by all appropriate technical means and media.

2. Type of expenditure

The appropriation covers all expenditure on the implementation of the Commission's information policy in the Member States, countries which have applied for membership, and non-member countries. Publications, lectures, radio and television, visits, fairs and exhibitions and all other appropriate means are employed.

3. Method of calculation and explanation of changes

Appropriations in the 1984 budget were 500 000 ECU less than in 1983.

This led to a cutback in information activities in 1984.

This reduction comes at the precise moment when the succession of difficulties which the Community has encountered make good information for the public and the media more essential than ever and when important developments in the installation of television networks are occurring rapidly.

New actions

The Commission also considers it essential to step up its efforts in the following areas:

(a) *General public*

The Commission's communications policy in the Member States is aimed at the general public. It has two aspects, awareness and information, and the first is a *sine qua non* for success of the second.

(b) *Youth*

Next year is International Youth Year. This will inevitably entail extra activities and expenditure, both at national level and at headquarters.

Lack of appropriations has meant that projects connected with International Youth Year could not be carried out in 1984.

The breakdown of appropriations for these activities is as follows:

Information work in the Member States	Initial appropriations for 1984	Appropriations requested for 1985	Part for new activities
General centralized information (publications, visits, exhibitions, radio, TV)	1 714 700	2 800 435	1 000 000
Centralized information for specific groups (women, trade unions, farmers, etc.)	1 794 200	2 283 910	400 000
Decentralized information of general interest directly controlled by the Information Offices in the Member States and headquarters	5 593 100	5 872 755	—
Total	9 102 000	10 957 100	1 400 000

Information work in non-member countries	1984	1985	
Applicant countries	329 000	345 450	
Other European and associated countries	269 000	282 450	
North America	605 000	635 250	
Latin America	180 000	189 000	
East and Far East	342 000	359 100	
Australia	75 000	78 750	
Others	23 000	24 150	
Countries linked to the Community through the Lomé Convention and southern Mediterranean countries	508 000	533 400	
Total	2 331 000	2 447 550	

(c) *Back-up*

A substantial part of this category consists of the costs of operating the radio and television studio made available to the correspondents of radio and television stations. It also includes back-up expenditure for information visits, fairs and exhibitions, press reviews and expenditure on 'Eurobarometer' surveys and opinion polls.

	Initial appropriations for 1984	Appropriations approved for 1985	Part for new activities
Back-up (surveys, opinion polls)	567 000	595 350	—
Item 2720 — Total	12 000 000	14 000 000	1 400 000

ITEM 2721 — PARTICIPATION OF THE COMMUNITIES IN INTERNATIONAL EXHIBITIONS

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	2 409 207
1985 — Appropriations requested	570 000
Percentage change	— 76,3

1. References

Participation by the European Communities in the international exhibitions at Tsukuba, Japan (1985) and Vancouver, Canada (1986) received Commission approval by written procedure and was the subject of communications to the Council and Parliament.

Commission participation in the Tsukuba exhibition was approved by Coreper, after the Budget Committee had endorsed an allocation of 1 350 000 ECU, on 17 November 1983. Parliament's Committee on Budgets gave its approval on 6 December 1983.

Participation in the Vancouver exhibition at a total cost of 1 200 000 ECU was approved by Coreper on 28 March 1984. It was agreed that this budget could be revised in the light of exchange-rate changes and inflation. Parliament has been consulted.

2. Method of calculation

Since the Tsukuba exhibition opens at the beginning of 1985, almost all the 1985 appropriations are for the Vancouver exhibition; they will cover about 40 % of the total cost.

ITEM 2722 — CURRENT AFFAIRS FILMS FOR DEVELOPING COUNTRIES

1984 — Appropriations authorized in the initial budget	600 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	800 000
Percentage change	+ 33,3

1. References and description

(a) References

This appropriation stems from the Commission's freedom to manage its internal affairs (Decisions of 22 June and 9 November 1977).

On 9 November 1977, after a six-month trial period, the Commission decided to continue the scheme (COM(77)Min 449).

On 6 November 1980 the Commission considered the future of the newsreel in the light of cutbacks in the 1981 budget and ordered an in-depth survey of users (SEC(80)1631).

On 31 July 1981 the Commission decided to continue the scheme (SEC(81)1183 and E/971/81).

(b) Description

'Europe Pictorial' portrays life in the Community and its Member States through the North-South Dialogue. It shows the cultural, economic, political, scientific and technological aspects of the Community nations. It demonstrates the interdependence of the Member States, cooperation between them and their problems, and portrays relationships between the Community and the developing countries.

2. Type of expenditure

Cinema and television are important information media in the developing countries, whose production capacity is, however, extremely limited. Access to free distribution in cinemas ensures a very large audience for 'Europe Pictorial' in those countries.

Introduction of the 'Developing countries' sequence is designed to promote the 'South-South' Dialogue to which the Commission attaches considerable importance and to make the magazine more credible to those in charge of television programmes, who sometimes suspect it of propaganda.

Membership of the International Newsreel and News Film Association extends the magazine's sphere of influence by making its content available to other countries through the Association's 'news exchange' scheme.

'Europe Pictorial' gives the Commission the chance to cooperate actively with the Member States and the Council's Working Party on Information on audio-visual and information activities.

1984 will be a year of transition when the various types of collaboration with the Member States will be tested in the context of the magazine as it is at present in preparation for the launch in 1985 of the new format of a 13-minute bimonthly film.

3. Method of calculation and explanation of changes

The appropriation required for the new 13-minute film has been derived from the costs of the 7-minute film made in 1984 and allowance made for inflation. The total appropriation for 1985 is 800 000 ECU.

ITEM 2723 — ORGANIZATION OF AN INTERNATIONAL COMPETITION FOR THE CREATION OF A SYMBOL REPRESENTING THE ECU

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References and description

Any appropriation stems from the Commission's freedom to manage its internal affairs.

Use of a clear and descriptive symbol will make the citizens of Europe more familiar with the ECU, of which they have heard but which they have never seen. An international competition is required for the design of a suitable symbol to represent the ECU.

ITEM 2724 — PUBLIC AWARENESS CAMPAIGN

1984 — Appropriations authorized in the initial budget	—
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References and description

Any appropriation stems from the Commission's freedom to manage its internal affairs.

In recent years there have been a number of public awareness campaigns in all the Member States. These have covered topics such as energy saving, road safety, etc. and are always on a national, regional or local scale. They are aimed at large sectors of the population and use mainly the television, radio and large-circulation newspapers.

2. Type of expenditure

The aim is to make the entire population aware of the concept of the European Community, to promote this concept and draw attention specifically to the role it plays in our society.

The campaign will enable the Commission to make the general public throughout the Community aware of the Community dimension of the problems of our times and hence of the need for Community solutions.

The Member States and in particular the heads of national information services have shown great interest in the organization of public awareness campaigns and the Council has asked the Commission to put forward concrete proposals.

3. Method of calculation

Multiannual schedule

The campaign will have a three-year programme.

Budgets will be prepared in the light of the media chosen, the terms of access offered and the results expected.

The estimate is based on current prices (for space) and comparisons with the costs of similar national campaigns.

An essential part of the campaign is the definition in advance of the results expected and subsequent monitoring of those achieved. This accounts for 5 % of the total budget.

For example, given the diverse composition of the target audience, the objective could be a campaign giving the following percentages of awareness (active recall) in the population as a whole:

15 % in the first year,

30 % in the second year,

60 % in the third year.

ITEM 2725 — PREPARATION AND COORDINATION OF EUROPEAN TELEVISION PROGRAMMES

1984 — Appropriations authorized in the initial budget	—
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References and description

Any appropriation stems from the Commission's freedom to manage its internal affairs.

The main purpose of this heading is to cover the actions required to implement Parliament's resolution 'on a policy commensurate with new trends in European television'. These include:

- the creation of a common fund to assist the production of television programmes;
- the creation of a central data bank on television and film material;
- the European training of television staff (journalists and producers).

ITEM 2729 — INFORMATION OPERATIONS RELATING TO DIRECT ELECTIONS TO THE EUROPEAN PARLIAMENT

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References and description

Any appropriation stems from the Commission's freedom to manage its internal affairs.

ITEM 2730 — INFORMING YOUNG PEOPLE IN THE EUROPEAN SPIRIT

1984 — Appropriations authorized in the initial budget	200 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	300 000
Percentage change	+ 50,0

1. References and description

(a) References

- Parliament Resolution of 24 November 1959, calling for a greater effort to inform the public in the Community, particularly as regards informing and educating young people ('Kreyssig Fund', OJ No 65, 19. 12. 1959, p. 1259/60).
- Resolution on youth activities adopted by Parliament on 12 March 1981 (OJ No C 77 6. 4. 1981).
- Resolution on a Community programme in the field of education adopted by Parliament on 11 March 1982 (OJ No C 87, 5. 4. 1982, p. 90).

(b) Description

- Support for measures taken at Community or at least multinational, level in educational circle to instil the European spirit in young people;
- Support for teachers and youth organizations which aim at including European studies in the curricula of schools and other educational institutions;
- Support for European Day in schools in collaboration with the Council of Europe.

2. Type of expenditure

Subsidies, contributions to the cost of information campaigns, part-financing of youth exchange operations.

3. Method of calculation and explanation of changes**(a) Method of calculation**

- Exchanges and information campaigns.
- Subsidies.
- Youth exchange operations.

(b) Explanation of changes

The importance of informing young people at European level is widely recognized and frequently reiterated by Parliament.

The size of the change is explained by the fact that the appropriations authorized in 1984 were well below those authorized in 1982. The appropriations requested for 1985 are also less than the 450 000 ECU requested for 1982.

ITEM 2731 — DISTRIBUTION OF MAPS OF THE EUROPEAN COMMUNITIES IN SCHOOLS IN THE MEMBER STATES

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References and description

Any appropriation stems from the Commission's freedom to manage its internal affairs.

If school children in the Community are to have a better grasp of the idea of the European Community, they need access to maps of the Community which they can study in their schools.

ITEM 2732 — EXCHANGES BETWEEN YOUNG PEOPLE

1984 — Appropriations authorized in the initial budget	200 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	200 000
Percentage change	—

1. References and description

Any appropriation stems from the Commission's freedom to manage its internal affairs.

This appropriation is to cover exchanges between young people in line with Parliament's resolution of 7 June 1983.

Paragraph 13 of the resolution on a Community programme to promote youth exchanges (Doc. I-78/83) called for an appropriate budget line to be entered with an appropriation of 200 000 ECU in the first year to finance the programme of exchanges between young people. If action is to continue in 1985, appropriations at the 1984 level will have to be made available.

ITEM 2733 — COST OF ORGANIZING GRADUATE TRAINEESHIPS WITH THE INSTITUTION

1984 — Appropriations authorized in the initial budget	1 000 000
— Appropriations as amended by transfers or by amending or supplementary budget	1 200 000
1985 — Appropriations requested	1 265 000
Percentage change	+ 5,4

1. References

Commission Decision of 16 March 1976 on provisions relating to the organization of in-service training.

2. Type of expenditure

Periods of administrative training lasting three to five months are organized for university graduates under 30 years of age. Similar training is arranged for interpreters and translators holding the required qualifications in order to facilitate recruitment. Short fact-finding visits are also arranged for civil servants from the Member States.

The appropriation is for the payment of grants to trainees and accident and sickness insurance during training. It also covers travel expenses before and after training and any travel organized as part of the trainee information programme. The monthly allowance varies between BFR 20 000 and BFR 23 400 depending on the trainee's marital status.

The Commission pays a daily subsistence allowance for national civil servants on short fact-finding visits unless this allowance is paid by the government department.

3. Method of calculation and explanation of changes

The 1985 appropriation is at the same level as in 1984 (1 200 000 ECU) plus 5,1 % to compensate for increased costs.

This amount will also cover an increase in the number of translator and interpreter traineeships to prepare for accession. It is intended to take on about 25 extra graduates from two countries concerned.

It is also intended to increase the allowance paid to the trainees in 1985 by 9 % from 434 ECU to 466 ECU to compensate partially for the loss of purchasing power they have suffered in two years during which the cost of living has risen by a total of 12,1 % (7 % in 1984 and 5,1 % in 1985).

The 1 261 000 ECU requested breaks down as follows:

1.	<i>Traineeships for administrators, translators and interpreters</i>	
1.1	Traineeships (436 × 5 months × 466 ⁽¹⁾)	1 015 880
1.2	Supplement for married trainees	14 800
1.3	Insurances	38 500
1.4	Travel	148 260
1.5	Other expenses	12 200
Total Section 1		1 229 640

⁽¹⁾ This section has been calculated on the assumption that the allowance paid to the trainees may be increased in 1985 by about BFR 1 500 from 434 ECU to 466 ECU.

2. *Short fact-finding visits by civil servants from the Member States and applicant countries*

— Number:	around 620	
— Length of stay:	2 to 10 days	
— Travelling time allowances:	Nil	
— Subsistence expenses:	Nil	
— Mission expenses		4 000
— Miscellaneous (documentation, reception, welcome, meals)		25 960
— Increase for 1985		1 600

Total Section 2	31 560
Total Section 1	1 229 640

Grand total rounded to	1 265 000
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CHAPTER 28 — SUBSIDIES FOR BALANCING BUDGETS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
280	Euratom subsidy for the operation of the Supply Agency	1 333 250	1 487 450	+ 11,6
281	Subsidy for the operation of the Community Business Cooperation Centre	126 000	150 000	+ 19,0
282	Subsidy for the establishment and operation of a Europe/Latin America Institute	950 000	750 000	— 21,1
287	Office for Official Publications	18 754 000	22 554 300	+ 20,3
288	European University Institute, Florence	1 460 000	1 610 000	+ 10,3
289	European Schools	40 733 900	45 408 800	+ 11,5
	Total	63 357 150	71 960 550	+ 13,2

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 280 — EURATOM SUBSIDY FOR THE OPERATION OF THE SUPPLY AGENCY

1984 — Appropriations authorized in the initial budget	1 333 250
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	1 487 450
Percentage change	+ 11,6

1. References

- Articles 52 to 54 of the EAEC Treaty.
- The Statutes of the Euratom Supply Agency (OJ No 27, 6.12.1958, p. 534) state:

‘Article VI
CHARGES

1. The Agency shall make a charge, the proceeds of which shall be used solely to defray its operating expenses.
2. The charge shall be made on transactions in which the Agency takes part by exercising its right of option or its exclusive right to conclude supply contracts.
3. The rate of charge shall be fixed in such a way as to defray the operating expenses of the Agency.
4. The rate of charge and the methods whereby it is to be assessed and collected shall, after consultation with the Council, be fixed by the Commission acting on a proposal from the Director-General, who shall obtain beforehand the opinion of the Advisory Committee referred to in Article X.’

The Council (23rd session of the EAEC Council on 1 and 2 February 1960), consulted on the rate of charge and the methods whereby it was to be assessed and collected by the Agency,
‘proposes unanimously that the Commission postpone, not only the levying of the charge, but also the actual introduction of the said charge’.

Faced with this attitude on the part of the Council, the President of the Commission stated
‘that the unanimous nature of this consultation will have a decisive effect on the acts of his institution’.

Nevertheless, the Commission drew the attention of the Council
‘to the consequences that a decision to postpone the introduction of the charge would have for the budget of the Community.
The appropriations needed to ensure normal operation of the Agency would be entered in the Community budget in the section referring to the Commission.’

2. Type of expenditure

The appropriation entered is a subsidy intended to balance the Agency’s revenue side against the Agency expenditure figures shown in the statement of estimates.

3. Method of calculation and explanation of changes

(a) The appropriation for the Agency is entered as two amounts, i. e.:

- Item 2800: the subsidy allowing for the effect of any salary adjustments to be made by the Council in 1984;
- Item 2809: the effects of any salary adjustments to be made by the Council in 1985 are all covered by this item. The appropriation will be transferred to Item 2800 as required by the Council decisions.

(b) The Agency's statement of estimates is as follows:

Expenditure

— staff expenditure	1 201 470
— buildings, equipment and miscellaneous administrative expenditure	273 280
— other expenditure	
	<hr/> 1 474 750

Revenue

— bank interest	25 000
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The imbalance between revenue and expenditure (Item 2800) is 37 700

To this can be added the appropriation in Item 2809

1 449 750

Article 280 — Total

1 487 450

ARTICLE 281 — SUBSIDY FOR THE OPERATION OF THE COMMUNITY BUSINESS COOPERATION CENTRE

1984 — Appropriations authorized in the initial budget	126 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	150 000
Percentage change	+ 19,0

1. References

Commission Decisions of 2 May 1973 and 20 July 1977.

2. Type of expenditure

This appropriation represents the subsidy deemed necessary to ensure the proper operation of the Community Business Cooperation Centre, except for expenditure on staff.

3. Method of calculation and explanation of changes

The calculation of the requisite appropriation was based on the Centre's rate of expenditure, taking into account new expenditure on operations connected with countries which have applied for membership of the Communities.

The expenditure breaks down as follows:	1984	1985
— materials (computer equipment)	2 000	40 000
— telephone and communications	9 950	6 000
— missions	10 050	10 000
— documentation	2 750	1 000
— studies, consultants and meetings of experts	40 600	10 000
— subcontracting nomenclature	21 000	40 000
— organization of sectoral seminars in Greece, Portugal and Spain	39 650	30 000
— secretariat services	—	13 000
Total	126 000	150 000

**ARTICLE 282 — SUBSIDY FOR THE ESTABLISHMENT AND OPERATION OF A EUROPE/
LATIN AMERICA INSTITUTE**

1984 — Appropriations authorized in the initial budget	950 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	750 000
Percentage change	— 21,1

⁽¹⁾ Entered in Chapter 100.

1. References

Communication of 21 March 1983 (COM(83) 142 final).

2. Type of expenditure

This appropriation represents the subsidy deemed necessary for the establishment and operation of a Europe/Latin America Institute.

3. Method of calculation and explanation of changes

The subsidy will cover the Institute's expenditure in 1985. The expenditure breaks down as follows:

— staff (administration)	400 000
— installation and operation	100 000
— conferences, travel	250 000
Total	750 000

It is planned that the Institute and its branch in Latin America will also be supported by funds from other public bodies, donations and own resources.

ARTICLE 287 — PUBLICATIONS OFFICE

1984 — Appropriations authorized in the initial budget	18 754 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	22 554 300
Percentage change	+ 20,3

1. References

- Articles 5 and 7 of the Decision of 16 January 1969 on the establishment of the Office for Official Publications of the European Communities (69/13/Euratom/ECSC/EEC) (OJ No L 13, 18. 1. 1969).
- Title X, Article 103 of the Financial Regulation of 21 December 1977 (Special Provisions Relating to the Office for Official Publications of the European Communities).

2. Type of expenditure

The amount entered covers all the financial needs of the Publications Office.

The details appear in an annex to Section III A (Commission) of the general budget, in the form of a statement of revenue and expenditure.

The staff authorized for the Publications Office can be seen in Annex I to the establishment table of the Commission.

3. Method of calculation and explanation of changes

(a) The calculation of the appropriation for the Publications Office — approved by its Management Board, made up of the secretaries-general of the institutions — corresponds, as regards:

- Title 1 (Expenditure relating to persons working with the institution) to the same rules and assumptions described for Commission staff;
- Title 2 (Buildings, equipment and miscellaneous administrative expenditure) to the requirements estimated for 1985, taking account of the special situation of the Office for Official Publications (a department at the service of all the Community institutions).

(b) Table of posts

Category	Authorized for 1984	New posts		Replacement of local staff posts	Total 1985	
		permanent	temporary		permanent	temporary
A	15	—	—	—	15	—
B	154	1	14	—	155	14
C	111	1	—	+ 2	114	—
D	32	—	—	+ 21	53	—
Total	312	2	14	+ 23	337	14

It is also proposed that the number of local staff be reduced from 41 to 23 (including 5 new local staff posts).

(c) Summary of appropriations

<i>Title 1</i>	1984	1985
Expenditure relating to persons working with the institution	10 975 500	12 390 000
<i>Title 2</i>		
Buildings, equipment and miscellaneous administrative expenditure	7 513 900	9 476 300
<i>Title 10</i>		
Provisional appropriations	264 600	688 000
	<hr/>	
Total	18 754 000	22 554 300

ARTICLE 288 — EUROPEAN UNIVERSITY INSTITUTE, FLORENCE

ITEM 2880 — SUBSIDY FOR THE EUROPEAN UNIVERSITY INSTITUTE, FLORENCE

1984 — Appropriations authorized in the initial budget	750 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	750 000
Percentage change	—

1. References

Article 19(2) of the Convention of the Member States setting up a European University Institute, signed in Florence on 19 April 1972 (OJ No C 29, 9. 2. 1976) and Resolution of the European Parliament of 5 June 1981 (OJ No C 44, 15. 6. 1981).

2. Type of expenditure

This appropriation is to cover from the general budget the expenditure for the academic running of the Institute.

3. Method of calculation

The appropriation requested breaks down as follows:

Research library	around 30 %
Research publications	around 10 %
Language service	around 15 %
Computer research service	around 25 %
European policy summer school	around 5 %
European policy research unit	around 15 %

ITEM 2881 — FINANCIAL CONTRIBUTION TO RESEARCH PROJECTS AT THE EUROPEAN UNIVERSITY INSTITUTE, FLORENCE

1984 — Appropriations authorized in the initial budget	530 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	680 000
Percentage change	+ 28,3

1. References

Article 19(2) of the Convention of the Member States setting up a European University Institute, signed in Florence on 19 April 1972 (OJ No C 29, 9. 2. 1976).

2. Type of expenditure

Financial contribution to the research projects undertaken at the European University Institute, Florence, financing of 25 'Jean Monnet' scholarships for qualified researchers granted by the Institute and financing of the 'Jean Monnet Chair'.

3. Method of calculation and explanation of changes

(a) *Financial contribution to research projects (300 000 ECU)*

The appropriation is used to pay specialized research workers, fees for outside assistance, the cost of organizing seminars, meetings and conferences, missions connected with projects and secretariat expenses. To take account both of the development of research projects in the four departments (history and civilization, economics, law, political and social science) and of the rise in prices it is proposed that appropriations for 1985 be raised to 300 000 ECU.

The importance of a number of the Institute's research projects to the Community has led the Commission to cooperate actively with the Institute since 1979, particularly with regard to the choice of subjects suitable for study. This cooperation will be gradually strengthened having due regard for the independence of the Institute.

(b) *Scholarships for qualified researchers (350 000 ECU)*

The appropriation requested should enable the Institute to continue to award, in addition to research scholarships awarded by the Member States, a number of scholarships for qualified researchers and to provide 30 000 ECU to cover the cost of research missions and administrative expenses. It is proposed that 25 scholarships of this type be awarded in 1985.

(c) *Financing of the 'Jean Monnet Chair'*

From 1 September 1985 the Institute intends to set up a Jean Monnet Chair devoted mainly to research into the problems of European integration. The cost of this Chair in the final four months of 1985 would be 30 000 ECU.

ITEM 2882 — HISTORICAL RECORDS OF THE COMMUNITIES

1984 — Appropriations authorized in the initial budget	180 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	180 000
Percentage change	—

1. References

Council Decision of 1 February 1983 on opening the historical archives of the Community to the public.

2. Type of expenditure

The appropriation is to cover the expenditure (staff and administrative costs) that the European University Institute will incur in managing the historical records.

3. Method of calculation and explanation of changes

The appropriation was determined on the basis of the following foreseeable expenditure:

- staff (4 in categories A, B, C and D) around 46 %
- building charges, miscellaneous running costs, including furniture, office equipment, office supplies, post and telecommunications around 54 %

ARTICLE 289 — EUROPEAN AND OTHER SCHOOLS

1984 — Appropriations authorized in the initial budget	40 733 900
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	45 408 800
Percentage change	+ 11,5

1. References

The creation and running of the European Schools are governed by:

- the Statute of the European School of 12 April 1957;
- the Protocol concerning the setting-up of European Schools of 13 April 1962.

The budgets of the European Schools are adopted by the Board of Governors, consisting of each Contracting Party's Minister for Education and/or cultural relations with other countries, and by the Commission representative. The Board of Governors submits the budgets to the competent authorities of the European Communities in accordance with Article 7 of the Protocol of 13 April 1962.

2. Type of expenditure

The budgets of the European Schools cover:

- expenditure relating to remuneration of all the Schools' staff;
- running costs and expenditure on equipment.

The Commission subsidy covers:

- the difference between the national remunerations for teaching staff seconded from the Member States and the remunerations received under the regulations for members of the teaching staff of the European Schools;
- improvements in teaching methods;
- specific operations;
- the running costs of the Board of Governors and its secretariat.

Full-time teachers seconded to the Schools by the Member States continue to be paid in their countries of origin. Their salaries are calculated by the European Schools on the basis of the regulations for members of the teaching staff, drawn up by the Board of Governors, and are charged entirely as expenditure; the teachers are paid the difference between the latter and their national salaries which are entered in the accounts as income.

3. Method of calculation and explanation of changes

The appropriations to cover Commission subsidies are as follows:

Item	1984	1985	Percentage change
2890 — Brussels I and II	13 290 100	14 856 600	+ 11,8
2891 — Luxembourg	6 821 600	7 675 700	+ 12,5
2892 — Mol	3 574 800	3 562 700	— 0,3
2893 — Varese	5 425 500	6 145 500	+ 13,3
2894 — Karlsruhe	3 392 300	3 562 200	+ 5,0
2895 — Bergen	3 041 200	3 105 900	+ 2,1
2896 — Culham	2 193 600	2 723 100	+ 24,1
2897 — Operation of the Board of Governors	— ⁽¹⁾	1 000 000	
2898 — Other educational establishments	1 500 000	921 000	— 38,6
2899 — Provisional appropriations	1 494 800	1 856 100	+ 24,2
Total	40 733 900	45 408 800	+ 11,5

⁽¹⁾ These appropriations used to be divided among Items 2890-2897.

ITEMS 2890 to 2896

Subsidy requested by the Schools' Administrative Boards	Weighting and purchasing power in 1984	Improvements in teaching methods	Schools' contribution to running costs of Governors' secretariat	Total
38 568 000	2 847 700	1 016 000	— 800 000	41 631 700

Educational improvements

Some educational improvements have to be made:

- extension of the remedial teaching courses;
- adjustment of standards for science teaching;
- computer equipment for some classes to meet the new requirements arising from teaching reforms and the growing number of pupils attracted and interested by these courses;
- the establishment of a short cycle of studies for pupils opting for this teaching or wishing to return to national schools.

ITEM 2897 — OPERATION OF THE BOARD OF GOVERNORS OF THE EUROPEAN SCHOOLS (AND OF ITS SECRETARIAT)

The appropriation of 1 000 000 ECU covers:

- the cost of the meetings of the Board of Governors and its preparatory bodies (missions and other expenses);
- the remunerations and social security contributions for permanent administrative staff;
- running costs (rent, telephone, cleaning, heating, printing and reproduction, translation, interpreting, receptions, etc.);
- mission expenses for the members of the Board of Inspectors.

The possibility of granting national school inspectors a differential allowance is also provided for in these appropriations.

ITEM 2898 — OTHER EDUCATIONAL ESTABLISHMENTS

921 000 ECU

The Munich European School is at present financed entirely by the European Patents Office. This School has to take the children of a number of scientists employed in Garching, near Munich, on the preparation of the Next European Torus (NET) fusion programme, in both primary and secondary sections. An Italian secondary section and a Greek primary section are now necessary.

Ispra Technical and Professional School: following the construction of a building to house the Ispra Technical and Professional School in 1984, an appropriation is now provided for the purchase of technical equipment.

A limited operation is also required for parents employed in the delegations and information offices, whose children must attend schools with which agreements will be sought. The same applies to children who, on serious educational grounds certified by a headmaster of the European School, are not or are no longer admitted to the European Schools.

ITEM 2899 — (PROVISIONAL APPROPRIATION)

Expenditure arising from possible salary adjustments: 1 856 100 ECU.

CHAPTER 29 — SUBSIDIES AND FINANCIAL CONTRIBUTIONS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
290	Subsidies to higher education institutions	520 000	546 000	—
291	Subsidies to European movements	400 000	420 000	—
292	Participation in the organization of congresses and occasional meetings	77 000	81 000	—
293	Subsidies for certain activities of non-governmental organizations pursuing humanitarian aims and promoting human rights	350 000	367 000	—
294	Study grants	286 600	291 100	—
295	European prizes and aid for the publication of scientific works	20 000	21 000	—
296	Contribution to a specific programme for the accelerated training of interpreters	253 000	253 000	—
298	EEC contribution to administrative expenditure connected with international agreements	1 354 600	1 761 100	—
299	Other subsidies	300 000	466 500	—
	Total	3 561 200	4 206 700	+ 18,1

⁽¹⁾ Including any appropriations entered in Chapter 100.

This chapter groups together the appropriations allocated to the Commission by virtue of the tasks assigned to it by the Treaties, the principle of which has always been recognized by the budgetary authority, and the appropriations to cover the costs arising from the EEC's contribution towards administrative expenditure connected with international agreements.

ARTICLE 290 — SUBSIDIES TO HIGHER EDUCATION INSTITUTIONS

1984 — Appropriations authorized in the initial budget	520 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	546 000
Percentage change	+ 5

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs. The Commission takes formal decisions, case by case, on its utilizations.

The appropriation covers the Commission's financial contributions to the College of Europe, the European Institute of Public Administration and institutions of higher education in the Member States which run programmes on European integration.

2. Description**(a) College of Europe, Bruges**

The Administrative Council consists of representatives of the States and institutions which contribute to the College's budget. The Community institutions have been contributing to the financing of the College since 1953 and are represented on the Council. The aim of the College is to prepare young university graduates to deal with problems of society and economy not at the level of a single country, but at that of Europe.

(b) European Institute of Public Administration, Maastricht

The European Institute of Public Administration in Maastricht was set up as a foundation under Dutch law on 6 March 1981. The Member States represented on the Board and the Commission have been contributing to the Institute's financing since 1983. The objective of the Institute is to provide teaching in European affairs to civil servants from local, regional, national and Community administrations.

(c) Other institutions of higher education

Any institution of higher education in a Community country which offers a programme of studies or teaching of interest to European integration may submit an application for a single specific subsidy. Such grants, approved case by case, are in accordance with the quality of the programme and budgetary funds available.

3. Type of expenditure**(a) College of Europe**

The appropriation covers the Commission's contribution to the Robert Schuman Chair of European Economy and to the organization of Bruges Week.

(b) *European Institute of Public Administration*

The appropriation is to cover the Commission's contribution to the Institute's running costs, primarily with a view to enabling it to procure the services of leading academics, nationals of Member States not yet represented on the Board.

(c) *Other institutions of higher education*

Subsidies granted are to be used in the spirit in which they were intended. The recipients must undertake to allow the auditing departments to examine the use of the funds put at their disposal.

4. Method of calculation and explanation of changes

(a) *College of Europe*

The College of Europe receives subsidies from the Member States of the Community (except Greece) and Switzerland. Belgium contributes almost 60 % of the College budget.

(b) *European Institute of Public Administration*

The Institute is financed by the Netherlands and the other Member States of the Community which have a seat on the Board and by Portugal.

(c) *Other institutions of higher education*

The increase in the appropriation is to offset part of the effects of inflation.

Historical Archives of the European Commission

ARTICLE 291 — SUBSIDIES TO EUROPEAN MOVEMENTS

1984 — Appropriations authorized in the initial budget	400 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	420 000
Percentage change	+ 5

1. References and description

The Commission takes a formal decision, case by case, on the utilization of this appropriation, which covers the grant of aid to groups, movements, circles or activities of a European nature.

2. Type of expenditure

The subsidies granted must be used to attain the objectives for which they are awarded. The recipients must undertake to allow the auditing departments to examine the use of the funds put at their disposal.

3. Method of calculation and explanation of changes

This article covers subsidies to organizations such as the European Movement, political movements of various shades, the Council of European Municipalities, etc. These organizations provide a direct link between the Community institutions and the citizens of Europe.

ARTICLE 292 — PARTICIPATION IN THE ORGANIZATION OF CONGRESSES AND OCCASIONAL MEETINGS

1984 — Appropriations authorized in the initial budget	77 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	81 000
Percentage change	+ 5

1. References and description

The Commission takes a formal decision, case by case, on the utilization of this appropriation, which covers subsidies towards the expenditure incurred by contributions or participation in the organizing of congresses, occasional meetings, activities of a European or a scientific character of value to the Community.

2. Type of expenditure

The subsidies granted must be used to attain the objectives for which they are awarded. The recipients must undertake to allow the auditing departments to examine the use of the funds put at their disposal.

3. Method of calculation and explanation of changes

The expenditure is determined by the number, value and importance of the applications received by the Commission in the course of the financial year.

The appropriation must be adapted to take into account the general increase in prices in the Community.

ARTICLE 293 — SUBSIDIES FOR CERTAIN ACTIVITIES OF NON-GOVERNMENTAL ORGANIZATIONS PURSUING HUMANITARIAN AIMS AND PROMOTING HUMAN RIGHTS

1984 — Appropriations authorized in the initial budget	350 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	367 000
Percentage change	+ 5

1. References and description

The Commission takes a formal decision, case by case, on the utilization of this appropriation, which covers the grant of aids to non-governmental organizations pursuing humanitarian aims and promoting human rights and to organizations taking care of political refugees from eastern Europe.

2. Type of expenditure

The subsidies must be used to attain the objectives for which they are awarded. The recipients must undertake to allow the auditing departments to examine the use of the funds put at their disposal.

3. Method of calculation and explanation of changes

The increase is due to two factors, the main one being a new measure under the same budget entry, which would grant aid to organizations for political refugees. The other factor is the partial offsetting of inflation.

ARTICLE 294 — STUDY GRANTS**ITEM 2940 — RESEARCH AND STUDY GRANTS**

1984 — Appropriations authorized in the initial budget	99 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	103 500
Percentage change	+ 4,5

1. References and description

Commission Decision published in OJ No C 103, 18.8. 1969, p. 30.

The grants are awarded by Commission decision to research workers studying the various aspects of European integration.

2. Type of expenditure

The grants are intended to help research workers in their work and stimulate university research on European integration.

3. Method of calculation and explanation of changes

Whereas it was open in the past to any graduate, the grants programme has since 1978/79 been restricted to young teachers or trainee teachers in order to encourage them to specialize in European studies. The increase in the appropriation reflects the implementation of a Commission decision (1978) to raise the number of grants gradually from 18 (in 1980) to 25, depending on the appropriation authorized, and to increase the amount to 4 500 ECU per grant. The appropriation requested will cover only 23 grants.

ITEM 2941 — GRANTS FOR FURTHER TRAINING OF CONFERENCE INTERPRETERS

1984 — Appropriations authorized in the initial budget	24 800
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	24 800
Percentage change	—

1. References

This appropriation stems from the Commission's freedom to manage its internal affairs.

2. Type of expenditure

The study grants are awarded to interpreters to enable them, particularly by attending courses, to improve their skills especially by learning additional working languages. The grants cover travel and subsistence expenses and enrolment fees at universities.

3. Method of calculation and explanation of changes

Continuation of the programme.

ITEM 2942 — GRANTS FOR NATIONALS OF NON-MEMBER COUNTRIES

1984 — Appropriations authorized in the initial budget	162 800
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	162 800
Percentage change	—

1. References and description

This appropriation stems from the Commission's freedom to manage its internal affairs. It is intended firstly to enable American, Canadian and Latin American nationals occupying high-level positions in their home country to spend a brief period of study in the Community so that they can have direct contact with the affairs of the Community and the Member States and, secondly, to enable Israeli scientists to visit the Commission in return for grants awarded by Israel to Commission specialists.

2. Type of expenditure

The grants awarded are to cover part of the recipients' travel and subsistence expenses.

3. Method of calculation and explanation of changes

The appropriation requested for 1985 is the same as for 1984. From 1981 to 1983 the amount of the authorized appropriations remained the same. The total number of recipients (45) and in particular the number of trainees from Latin America, Australia and New Zealand, can hence be maintained despite rising costs.

ARTICLE 295 — EUROPEAN PRIZES AND AID FOR THE PUBLICATION OF SCIENTIFIC WORKS

1984 — Appropriations authorized in the initial budget	20 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	21 000
Percentage change	+ 5

1. References and description

The appropriation stems from the Commission's freedom to manage its internal affairs. It is intended to enable prizes to be granted to scientific works of interest to the Community in the study of European problems (Commission Decision, OJ of 27. 3. 1968).

2. Type of expenditure

The award of the prizes takes the form of a contribution to the printing, translation or dissemination of the works chosen by a selection board.

3. Method of calculation and explanation of changes

The 5 % increase in appropriations will provide for 10 prizes of 2 100 ECU.

**ARTICLE 296 — CONTRIBUTION TO A SPECIFIC PROGRAMME FOR THE
ACCELERATED TRAINING OF INTERPRETERS**

1984 — Appropriations authorized in the initial budget	253 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	253 000
Percentage change	—

1. References and description

This appropriation stems from the Commission's freedom to manage its internal affairs. It is intended to provide appropriate funds for the accelerated training of conference interpreters in the least common combinations of languages.

2. Type of expenditure

The appropriation is intended to enable the Commission to make a financial contribution to programmes organized within CIUTI (Standing Conference of the Directors of University Translation and Interpreting Institutes) or at suitable higher-education establishments or postgraduate colleges, for the training of conference interpreters.

3. Method of calculation and explanation of changes

No increase in the appropriation is requested for 1985.

ARTICLE 298 — EEC CONTRIBUTION TO ADMINISTRATIVE EXPENDITURE CONNECTED WITH INTERNATIONAL AGREEMENTS

ITEM 2980 — IMPLEMENTATION OF THE 1971 INTERNATIONAL WHEAT AGREEMENT

1984 — Appropriations authorized in the initial budget	300 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	340 000
Percentage change	+ 13,3

1. References

Council Decision of 12 May 1981 on the signing of the Protocols extending the International Wheat Agreement. The Agreement remains in force until 30 June 1983 and may be extended or replaced by a new Agreement.

2. Type of expenditure

The appropriation is intended to cover the Community's share of the administrative costs of the International Wheat Council.

3. Method of calculation and explanation of changes

The share is calculated on the basis of the total budget figure and the number of votes allocated to the EEC.

For 1983-84 the EEC share was UKL 177 120 or 310 000 ECU. The increase for 1984-85 will be 9,7 %.

ITEM 2981 — IMPLEMENTATION OF THE INTERNATIONAL OLIVE OIL AGREEMENT

1984 — Appropriations authorized in the initial budget	650 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	700 000
Percentage change	+ 7,7

1. References

Council Decision of 12 November 1979 approving, on behalf of the EEC, the 1979 International Olive Oil Agreement. The Agreement took effect provisionally on 1 January 1980. It is to remain in force for five years, which may be increased to seven years.

2. Type of expenditure

The appropriation is intended to cover the Community's share of the administrative budget adopted by the International Olive Oil Council.

3. Method of calculation and explanation of changes

The shares are calculated in proportion to the number of votes allocated to each member of the Agreement, which is fixed by reference to the quantities of olive oil produced and imported.

This expenditure is affected by the rate of the US dollar against the ECU. In 1983 it was 653 452 ECU.

ITEM 2982 — IMPLEMENTATION OF THE INTERNATIONAL SUGAR AGREEMENT

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

The new International Sugar Agreement came into force provisionally on 1 January 1978. It has been extended for two-year periods until the end of 1984. A decision on the accession of the Community should be taken in 1984.

ITEM 2983 — IMPLEMENTATION OF THE INTERNATIONAL COFFEE AGREEMENT

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References and description

By Council Decision of 20 September 1976, the Community is applying the International Coffee Agreement which took effect provisionally on 1 October 1976 and definitively on 1 August 1977. The Agreement has been extended until 30 September 1983.

2. Type of expenditure

The budget heading should be retained with a token entry so as to enable the EEC to make a possible financial contribution towards expenditure under the organization's administrative budget.

ITEM 2984 — IMPLEMENTATION OF THE INTERNATIONAL TIN AGREEMENT

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	7 000
Percentage change	

1. References

Council Decision of 22 March 1978 on EEC participation in the Sixth International Tin Agreement.

2. Type of expenditure

The appropriation is intended to cover the EEC contribution to the administrative budget of the Sixth International Tin Agreement. The contribution is to cover additional expenditure arising from participation by the Community as such, and in particular the provision of rooms and interpreters for Community coordination and the provision of documentation to the relevant Commission and Council departments.

3. Method of calculation

The EEC's share is expressed as a rough percentage of the administrative budget of the Sixth International Tin Agreement.

ITEM 2985 — IMPLEMENTATION OF THE INTERNATIONAL COCOA AGREEMENT

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References

The Third International Cocoa Agreement came into force on 1 August 1981. The Community is a party to that Agreement.

2. Type of expenditure

The budget heading should be retained so that an appropriation could be entered to cover a possible Community contribution to the organization's administrative budget.

ITEM 2986 — COMMUNITY PARTICIPATION IN INTERNATIONAL CONVENTIONS ON THE ENVIRONMENT

1984 — Appropriations authorized in the initial budget	77 600
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	100 100
Percentage change	+ 30,1

1. References

This appropriation is intended to cover the Community's share in financing the international conventions on the environment set out below.

- (a) Paris Convention for the Prevention of Marine Pollution from Land-based Sources signed by the Community on 26 June 1975 and ratified on 8 August 1978.
- (b) Berne Agreement: Convention for the Protection of the Rhine against Chemical Pollution signed by the Community on 3 December 1976 and ratified on 26 September 1978.
- (c) Geneva Convention on Long-range Transboundary Air Pollution (EMEP programme), signed by the Community on 14 November 1979, and ratified on 26 September 1982.
- (d) Berne Convention on the Conservation of European Wildlife and Natural Habitats, signed by the Community on 19 September 1979 and ratified on 7 May 1982.
- (e) Bonn Convention on the Conservation of Migratory Species of Wild Animals: Council Decision authorizing accession on 24 June 1982.
- (f) Bonn Agreement for Cooperation in dealing with Pollution of the North Sea by Oil: Council Decision of 14 May 1981 authorizing accession.
- (g) Washington Convention on International Trade in Endangered Species of Wild Flora and Fauna: Council Decision of 7 March 1977 authorizing accession.
- (h) Special OECD Programme for Monitoring Chemical Products: as part of its joint activities with the OECD, the Commission has been financing this programme since 1980; it is still going on.

2. Type of expenditure

The appropriation represents the Community's total share in financing the international conventions.

3. Method of calculation and explanation of changes

- (a) Paris Convention for the Prevention of Marine Pollution from Land-based Sources. The Community makes a fixed contribution of 2,5 % of the total budget (UKL 2 600) to the cost of administering the Convention.
- (b) Convention for the Protection of the Rhine against Chemical Pollution (Berne Agreement). Under Article 12 of the Protocol to the Agreement the Community contributes 13 % of the costs of administering the Convention, namely DM 55 000.

- (c) Geneva Convention on Long-range Transboundary Air Pollution (EMEP programme): USD 50 000. The purpose of EMEP, instituted by the United Nations Economic Commission for Europe, is to organize and manage the 'cooperative programme for the monitoring and evaluation of the long-range transmission of air pollutants in Europe'.

The EMEP activities are performed by various working groups, such as:

- The Meteorological Synthesis for the East (MSC-E),
- The Meteorological Synthesis for the West (MSC-W),
- The Chemical Activity Centre.

All this activity is financed by contributions from the UNEP and the WMO and by voluntary national contributions, either in the form of money or by way of full- or part-time secondment of experts.

The Commission has asked the Council for authorization to negotiate a Protocol, relating to the EMEP programme, to the Geneva Convention on Long-range Transboundary Air Pollution.

- (d) Berne Convention on the Conservation of European Wildlife and Natural Habitats: token entry. For the moment the financing is being borne by the Council of Europe.
- (e) Bonn Convention on the Conservation of Migratory Species of Wild Animals: token entry.
- (f) Bonn Agreement for Cooperation in dealing with Pollution of the North Sea by Oil and Other Dangerous Substances: UKL 900.
- (g) Washington Convention on International Trade in Endangered Species of Wild Flora and Fauna: token entry.
- (h) Special OECD Programme for Monitoring Chemical Products: FF 51 300.

4. Financial impact

(1) Five-year schedule

1981 — 68 500
 1982 — 31 600
 1983 — 29 180
 1984 — 91 302
 1985 — 100 056

Paris Convention for the Prevention of Marine Pollution from Land-based Sources	4 548
Convention for the Protection of the Rhine against Chemical Pollution (Berne Agreement)	24 397
Geneva Convention on Long-range Transboundary Air Pollution	62 101
Bonn Agreement for Cooperation in dealing with Pollution of the North Sea by Oil and Other Dangerous Substances	1 575
Special OECD Programme for Monitoring Chemical Products	7 435

(2) Frequency of use

Single payment.

(3) Method of calculation

The sums are calculated on the basis of the administrative budgets of the organizations responsible for managing the agreements and conventions.

ITEM 2987 — INTERNATIONAL AGREEMENTS ON FISHERIES

1984 — Appropriations authorized in the initial budget	327 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	329 000
Percentage change	+ 0,6

⁽¹⁾ Of which 88 000 ECU in Chapter 100.

1. References

On 3 November 1976 the Council decided that the Commission must replace the Member States in international fishery organizations.

2. Type of expenditure

The appropriation is intended to cover the Community's contribution to the budget of international fishery organizations. But as regards the International Council for the Exploration of the Sea (ICES) the appropriation requested is to cover ad hoc expenditure relating to specific services rendered to the Community by the ICES in respect of explorations made by the International Council.

3. Method of calculation and explanation of changes

The appropriation is allocated as follows:

	1984	1985
(a) Convention on Future Multilateral Cooperation in the North-West Atlantic Fisheries (Council Regulation No 3179/78 of 28 December 1978)	48 000	55 000
(b) North-East Atlantic Fisheries Convention (Council Decision 81/608/EEC of 18 June 1981 — OJ No L 227, 12. 8. 1981)	26 500	26 500
(c) International Council for the Exploration of the Sea (ICES): contribution to its budget in return for the benefits it enjoys as a result of its work	66 500	66 500
(d) Convention on Fisheries and Living Resources in the Baltic	13 000	13 000
(e) International Convention for the Conservation of Atlantic Tunas	p.m.	70 000
(f) Convention on the Conservation of the Living Marine Resources of the Antarctic (Council Decision of 4 September 1981 — OJ No L 252, 5. 9. 1981)	55 000	50 000
(g) International South-East Atlantic Fisheries Convention	88 000 ⁽¹⁾	18 000
(h) Convention for the Conservation of Salmon in the North Atlantic, signed by the Community on 2 March 1982	30 000	30 000
Total	327 000	329 000

⁽¹⁾ Entry of 88 000 ECU in Chapter 100 assuming completion of the accession negotiations corresponds to half of a foreseeable annual contribution to the two fishery conventions.

ITEM 2988 — ADVANCES PENDING RATIFICATION PROCEDURES

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References and description

The budgetary authority decided to insert this item for the first time in the 1981 budget. It establishes the principle that the Community's rights must be preserved by authorizing the Commission to pay that proportion of the Community's contribution to international agreements which corresponds to the contributions of Member States whose payments are in abeyance pending completion of ratification procedures.

ITEM 2989 — INTERNATIONAL JUTE AGREEMENT

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	285 000
Percentage change	

1. References and description

Articles 113 and 116 of the Treaty of Rome.

The International Agreement on Jute and Jute Products came into force on 9 January 1984. The main aims of the Agreement are to devise and implement research and development projects, to boost sales and reduce costs in the field of jute and jute products. Provision has been made for projects to be financed through the Agreement's special account. One source of financing is voluntary contributions from participants in the Agreement. The Community is a major participant.

2. Type of expenditure

Voluntary Community contribution to the Agreement's special account.

3. Explanation of amount

Projects now being examined under the Agreement would call for total financing of USD 8 900 000, to be provided over approximately three years. If all the projects are accepted, the following factors could serve as a guide to the amount to be entered for this purpose in the Community budget:

- the total sum to be divided equally between the exporting and importing countries participating in the Agreement;
- the Community imports 16 % of the world's total of jute and jute products;
- any Community contribution should be spread over the three years during which the projects are to be implemented.

These considerations would lead to a voluntary Community contribution of 285 000 ECU in 1985.

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ARTICLE 299 — OTHER SUBSIDIES

1984 — Appropriations authorized in the initial budget	300 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	466 500
Percentage change	+ 55,5

1. References and description

In managing its internal affairs the Commission adopts formal decisions on a case-by-case basis.

(a) *International Press Centre*

(b) *Centre for European Policy Studies* (one-off subsidy)

International scientific association set up in 1982. Its aim is to promote the study and discussion of political, social and economic questions of common interest to the peoples and governments of Europe. The CEPS has requested assistance in building up its school.

(c) *Polish university libraries* (one-off subsidy)

At the instigation of the Université catholique de Louvain, a number of European universities are setting up a fund for the purchase of recent Western European scientific publications to be donated to Polish university libraries. A shortage of hard currency is preventing Polish universities from maintaining contact with the scientific community in Western Europe.

2. Type of expenditure

This appropriation is intended to cover various specific subsidies which by their nature are not related to the other measures referred to in the other articles and items of Chapter A 29.

3. Method of calculation and explanation of changes

The increase in the appropriation will make it possible:

- to grant assistance to the CEPS;
- to grant exceptional assistance to Polish universities;
- to maintain the other subsidies at their 1984 level, which means a 5 % erosion in any case, except for Journalists in Europe and the Association of Former Officials of the European Communities, where indexation of 5 % has been granted.

Subsidies granted in 1984 and proposed for 1985:

	1984	1985
<i>Secretariat-General</i>		
International Press Centre	100 000	100 000
Centre for European Policy Studies ⁽¹⁾	—	50 000
Polish university libraries ⁽¹⁾	—	100 000
<i>DG IX</i>		
Association of Former Officials of the European Communities	9 450	9 850
Centre de rencontres européennes (Château Ste-Anne)	4 650	4 650
<i>DG X</i>		
Journalists in Europe	186 500	202 000
Total	300 000	466 500

⁽¹⁾ One-off subsidy.

TITLE 10 — OTHER EXPENDITURE
SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾	Appropriations requested for 1985 ⁽¹⁾	Percentage change (2 : 1)
		1	2	3
100	Provisional appropriations	298 000	p.m.	—
101	Contingency reserve	p.m.	p.m.	—
102	Reserve for ECU conversion rates	p.m.	p.m.	—
	Total	298 000	p.m.	—

⁽¹⁾ Including any appropriations entered in Chapter 100.

CHAPTER 100 — PROVISIONAL APPROPRIATIONS

1984 — Appropriations authorized in the initial budget	298 000
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References

Article 15(4) of the Financial Regulation of 21 December 1977, which states: 'Each section of the budget may include a chapter in respect of provisional appropriations and a "contingency reserve" chapter. The appropriations entered in these chapters may be used only by means of transfer in accordance with the procedure laid down in Article 21.'

2. Type of expenditure

This is not an ordinary budget heading to which expenditure may be booked. It is a reserve made up of a series of amounts specifically earmarked for certain headings. These appropriations cannot be used until transferred by the budgetary authority under the second, third, fourth or fifth subparagraphs of Article 21(2) of the Financial Regulation of 21 December 1977.

3. Method of calculation

In the introduction to Volume 7 of the preliminary draft budget for 1979, the Commission defined its criteria for the inclusion of new policies in the budget:

'The Commission is therefore duty-bound to define its policy on this point precisely, particularly as regards new policies which will have financial consequences. The Commission's doctrine is based on the following three principles, for those cases where the Council first has to lay down the legal basis for the implementation of a given item of expenditure:

- appropriations are entered under a budget heading when a Commission proposal has been accepted or, if a Commission proposal has been submitted by 15 June, when there is every likelihood of it being adopted by 31 December in view of the tenor of the earlier discussions in the Community's institutions;
- a token entry is made under the appropriate budget heading in Section III and an appropriation entered under Chapter 100 when a Commission proposal has not yet been adopted but there is every reason to believe that it will be adopted during the next financial year. The amount of the appropriation depends on the date when the policy concerned is expected to come into force;
- a budget heading is simply given a token entry when a new policy is under discussion in the Community's institutions but has not yet been embodied in the form of an official Commission proposal for a regulation, or where, when such a proposal has been made, it is not yet possible to cost the policy and it is therefore inadvisable to set aside appropriations and thereby unnecessarily increase the amount of own resources that have to be levied.'

CHAPTER 101 — CONTINGENCY RESERVE

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References

Article 15(4) of the Financial Regulation of 21 December 1977, which states: 'Each section of the budget may include a chapter in respect of provisional appropriations and a "contingency reserve" chapter. The appropriations entered in these chapters may be used only by means of transfer in accordance with the procedure laid down in Article 21.'

2. Type of expenditure

This is not an ordinary budget heading to which expenditure may be booked. It is a reserve intended to meet expenditure which was not foreseen when the budget was established. The appropriation can be used only for transfers to other chapters under the procedure laid down in the Financial Regulation.

3. Method of calculation

See Chapter 101 of Section III B.

**CHAPTER 102 — RESERVE TO COVER ANY SHORTFALL
IN APPROPRIATIONS CONVERTED INTO NATIONAL
CURRENCIES RESULTING FROM DIFFERENCES
BETWEEN THE ECU CONVERSION RATES USED WHEN
THE BUDGET IS DRAWN UP AND THE CONVERSION
RATES OBTAINING AT THE TIME OF
IMPLEMENTATION**

1984 — Appropriations authorized in the initial budget	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—
1985 — Appropriations requested	p.m.
Percentage change	—

1. References

Article 10 of the Financial Regulation of 21 December 1977.

2. Type of expenditure

This is not an ordinary budget heading to which expenditure may be booked. It is a reserve which may, if required, be transferred to headings in Titles 1 and 2 if the appropriations authorized turn out to be insufficient as a result of differences between the ECU conversion rates used when the budget was established and the rates of conversion into national currencies obtaining at the time of implementation.

3. Method of calculation

No accurate calculation can be made, since it would involve predicting currency fluctuations between the date on which the budget was established and the date of implementation. (See point E. 5 of the first part of this volume, p. A/84.)

Section III B — Operating appropriations

TITLES 1 AND 2 — EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND — GUARANTEE SECTION

CHAPTER 10 — CEREALS AND RICE

A. THE MARKET IN CEREALS

The cereals market organization began operation on 1 July 1967. It is governed by Regulation (EEC) No 2727/75 (as last amended by Regulation (EEC) No 1018/84) and covers the following products:

grain: common wheat, durum wheat, barley, rye, oats, maize, other;

processed products: flour, wheat groats and meal, malt, starches, glucose, cereal products, brans, wheat gluten, manioc roots.

The marketing year runs from 1 August to 31 July except for durum wheat and durum wheat groats and meal, where the marketing year starts on 14 July and ends on 30 June.

Expenditure on cereals has varied substantially from year to year, primarily as a result of world price fluctuations, accounting for between 10 and 25 % of total EAGGF guarantee expenditure (15,4 % in 1983).

1. Economic background

Community cereals production ⁽¹⁾ accounts for about 10 % of world production and consists of three main products: common wheat, barley and maize. There is a distinct upward trend: production rose from 70 million t in 1960 to 123 million t in 1981 and 130,5 million t in 1982. The preliminary estimates for 1983 indicate production of about 123 million t, partly as a result of a substantial drop in barley and maize yields.

This very marked increase in production since the 1960s was due to the excellent growing conditions in all the Member States.

About 60 % of the cereals consumed are in feedingstuffs, the remainder being for human consumption and industrial uses.

The percentage of Community cereals used for animal feed is under strong pressure from cereal substitutes imported at zero or low duties—principally manioc—the quantities of which entering the Community are increasing rapidly.

From 1974 to 1982 the quantity of cereals used in animal feed fell from 72,5 to 68,9 million t, while imports of manioc, the main cereal substitute, increased from 2,3 million t in 1974 to 8,1 million t in 1982 (16,2 million t of cereal equivalent for all imports of substitutes). Although the degree of self-sufficiency varies considerably from year to year, depending on the weather, the Community is more

(¹) Including durum wheat but excluding rice.

than self-sufficient in common wheat and barley and less than self-sufficient in maize. It is thus a net exporter of the first two products and a net importer of the third.

2. Operation of the market

2.1. Price arrangements

The Council fixes three types of price for cereals each year:

(a) *Intervention prices*: The intervention agencies must buy in at the intervention prices all the cereals they are offered that meet the requisite conditions.

There is:

- a common single intervention price which applies to common wheat, maize, barley, in principle rye (from 1982/83 onwards) and, from 1984/85, sorghum;
- a single intervention price for durum wheat;
- by way of derogation from the rules, a separate intervention price for rye in 1984/85.

(b) *The reference price for common wheat*: This price is designed to support the production of wheat of bread-making quality with the aid of special intervention measures.

(c) *The target price*: This price is derived from the intervention and reference prices and is fixed for the same cereals. It is the price which the market organization aims to ensure, in particular by protection at the frontiers of the Community.

The threshold price is fixed by the Commission on the basis of the target price. It governs import arrangements, since it represents the theoretical minimum entry price.

The target, reference, intervention and threshold prices are increased each month to cover storage costs and interest charges generated because demand, unlike supply, tends to be fairly constant all the year round.

2.2. Specific market instruments

2.2.1. Import and export arrangements

If the world price is lower than the Community threshold price, a levy equal to the difference between the threshold price and the cif price is charged on imports.

Where the price of cereals within the Community is higher than the world price, a refund calculated in terms of the difference is granted on exports. If the world price exceeds the common price, a levy may be imposed on exports.

Community food aid operations also attract refunds.

2.2.2. Storage

Three types of intervention measures are involved:

- *Buying-in and subsequent operations involving public stocks*

This concerns buying-in by the intervention agencies and the related disposal operations. They give rise to technical and financial costs and to losses or gains on sales of stocks.

— *Carryover payments*

Compensatory aid may be granted to private storers to discourage them from sending their stocks of cereals to intervention at the end of the marketing year (when intervention prices are at their highest because of the accumulated monthly increases). It covers the difference between the intervention prices for the preceding marketing year, plus up to 11 monthly increases, and the intervention prices at the beginning of the new marketing year (i.e. before any increase). For cereals in stock at the end of the 1983/84 marketing year the carryover payment is equal to the difference between the single intervention price prevailing on 1 August 1983, plus 5,5 monthly increases for common wheat and rye and 4 monthly increases for maize, and the prices prevailing on 1 August 1984.

— *Special measures*

These are measures provided for in Article 8 of the basic regulation, and they include private storage, the aim being to avoid situations in which the intervention agencies are forced to buy in excessively large quantities of cereals.

2.2.3. Production refunds

These refunds, consisting of aids for the processing industry, were introduced in order to maintain the markets in starches, glucose, groats and meal against imported substitutes by enabling the industries concerned to buy cereals at the Community price.

2.2.4. Aid for the production of durum wheat

This aid, which is fixed by the Council, was introduced to support production of qualities suitable for the manufacture of pasta products in certain regions of the Community. It is fixed per hectare harvested.

2.2.5. Production threshold

For 1984/85 a Community production threshold for all cereals together (except durum wheat) is fixed at 121,32 million t, having regard to the level of production in recent years and the target of 126 million t advocated for 1989. If actual average production in the three most recent marketing years (1981/82, 1982/83 and 1983/84) exceeds the production threshold fixed for the marketing year in question (1984/85), the single intervention prices and the reference price for the following marketing year (1985/86) will be reduced by 1 % for each million tonnes by which this figure is exceeded, up to a maximum of 5 %. If, however, Community imports of cereal substitutes exceed 15 million t during the marketing year preceding the fixing of the guarantee threshold, the difference between the volume of imports and 15 million t will be added to the guarantee threshold. For 1983/84 the threshold was fixed at 120,56 million t. Since imports of cereal substitutes in 1981/82 totalled 16,42 million t, i.e. more than the reference quantity of 15 million t specified in the basic Regulation, the difference of 1,42 million t had to be added to the guarantee threshold. The threshold for 1983/84 thus came to 121,98 million t (120,56 + 1,42). Average production for the last three years was 120,93 million t, i.e. below the threshold. No action in relation to the threshold being exceeded needed to be taken, therefore, when the prices were being fixed for 1984/85.

A guarantee threshold of 4 600 000 t has been set for durum wheat. If average actual production for the three most recent marketing years is exceeded, the intervention price for durum wheat will be reduced by 1 % for each 50 000 t by which this figure is exceeded, up to a maximum of 5 %.

2.3. Prices and premiums

	(ECU/t)	
	1983/84	1984/85
A. Prices		
1. Target prices		
— Durum wheat	355,42	357,70
— Common wheat	261,41	259,08
— Barley	238,17	236,30
— Rye	238,17	238,37
— Maize	238,17	236,30
— Sorghum	—	236,30
2. Intervention prices		
— Durum wheat	312,08	312,08
— Common wheat		
— common single	184,58	182,73
— reference price for breadmaking quality	215,29	213,14
— Barley	184,58	182,73
— Rye	184,58	184,58
— Maize	184,58	182,73
— Sorghum	—	182,73
B. Premiums		
— Aid for the production of durum wheat	99,81 ⁽¹⁾	101,31 ⁽¹⁾

⁽¹⁾ ECU/ha

3. Appropriations for 1985

3.1. Recent trends

(million ECU)				
Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
1000	Refunds on common wheat and common wheat flour	809,1	900,3	1 031
1001	Refunds on barley and malt	405,6	293	348
1002	Refunds on other cereals	294,3	137	236
1003	Refunds in connection with Community food aid (cereals)	16,0	79	82
100	Refunds on cereals	1 525,0	1 409,3	1 697
1010	Carryover payments	88,9	173	106
1011	Technical costs of public storage	211,9	190	268
1012	Financial costs of public storage	140,3	145	106
1013	Other public storage costs	124,5	259	262
1019	Other intervention storage	p.m.	10	10
101	Intervention storage of cereals	565,6	777	752
1020	Production aid for durum wheat	218,5	199	236
1021	Production refunds for potato starch	29,7	45	45
1022	Other production refunds	100,0	108	125
1029	Other intervention	2,4	3	p.m.
102	Intervention other than storage of cereals	350,6	355	406
	Cereals — Total	2 441,1	2 541,3	2 855
	Expenditure on the cereals sector as a % of total EAGGF Guarantee Section expenditure	15,4	15,4	14,8

3.2. Appropriations requested for 1985

The appropriations have been calculated on the basis of the underlying production trend for 1984/85 and 1985/86. Total cereal production ⁽¹⁾ in the Community is estimated at 131,1 million t in 1984/85 and 133,8 million t in 1985/86.

Estimated consumption of cereals, which had increased fairly steadily since 1960 at the rate of 2 million t a year, but which fell again for three years (1974/75 to 1976/77), has again been increasing since 1977/78, although it remained stable in 1979/80. The forecasts for 1984/85 and 1985/86 are 115 million t and 116 million t respectively.

It is assumed that net imports of products competing with cereals will stop increasing as a result of agreements concluded.

Estimated changes in stocks of common wheat are put at + 1,5 million t in 1984/85 and + 2,4 million t in 1985/86, and changes in stocks of durum wheat are expected to be — 0,2 million t in 1984/85.

Appropriations requested

(a) *Export refunds*: The total amount for commercial refunds is 1 697 million ECU, about 69 % of which is for common wheat, 21 % for barley and 10 % for the other products. Total exports of cereals are put at about 21,4 million t in 1985, compared with 19,6 million t in 1984.

The amount set aside for food aid refunds (1 million t) is 82 million ECU.

(b) *Potato starch production refunds*: The appropriations for 1985 (45 million ECU) are the same as in 1984, the quantities (850 000 t) and rates of aid (49,95 ECU/t) also remaining unchanged.

(c) *Other production refunds*: The other production refunds concern the production of maize starch (4,5 million t × 19,41 ECU/t) and common wheat starch (0,8 million t × 27,79 ECU/t) and the manufacture of quellmehl and groats and meal from these same cereals. Total expenditure for this item is 125 million ECU. These estimates are based on larger quantities than in 1984.

(d) *Durum wheat aid*: The increase in the appropriation from 199 million ECU in 1984 to 236 million ECU in 1985 is due to an increase in the areas qualifying for the aid.

(e) *Storage expenditure*: The two main items of expenditure are public storage and carryover payments. Public storage expenditure is made up of technical costs, financing costs and the end-of-year balance sheet adjustment, and of course also depends on the actual quantities stocked. Carryover payments depend both on quantities qualifying and the price break at target price level.

Total storage expenditure is 752 million ECU, allocated as follows:

- 106 million ECU for carryover payments;
- 636 million ECU for purchases and subsequent public storage operations,
 - of which 106 million ECU for financing costs,
 - 268 million ECU for technical costs,
 - 269 million ECU for other costs;
- 10 million ECU for other intervention storage.

⁽¹⁾ Including durum wheat.

B. THE MARKET IN RICE

The common organization of the market in rice, brought into force on 1 September 1967 and currently governed by Regulation (EEC) No 1418/76, as last amended by Regulation (EEC) No 1025/84, covers the following products:

- *grain*: paddy rice, husked rice, semi-milled or wholly milled rice and broken rice;
- *processed products*: rice flour, flaked rice, rice groats and meal, other.

The marketing year runs from 1 September to 31 August.

Expenditure on rice accounts on average for between 0,2 and 0,5 % of total EAGGF Guarantee Section spending (0,6 % in 1983).

1. Economic background

Rice production in the Community rose from 944 000 t in 1981 to 1,12 million t in 1982 ⁽¹⁾ as a result of an increase in acreage combined with substantially higher yields. 1983 production is put at around 1,14 million t.

Gross human consumption of rice is decreasing slightly (— 3,1 % over the same period) and seems to be stabilizing.

Imports are rising fast (+ 22 %), as are exports (+ 42 % in 1982).

The degree of self-sufficiency in rice ⁽²⁾ was 65,3 % in 1981/82 — compared with 64,4 % in 1980/81.

2. Operation of the market

2.1. Price arrangements

The Council fixes two types of price for rice each year:

(a) *The intervention price*: This is a single price for the whole Community. The intervention agencies have to buy in at this price all the paddy rice offered to them.

(b) *The target price*: This is fixed for husked rice, based on the normal remuneration to be paid to growers. It is derived from the intervention price for paddy rice.

The threshold price is fixed by the Commission on the basis of the target price. It serves as a reference for import arrangements with non-member countries (levies).

These prices, like the corresponding ones for cereals, are increased monthly to take account of the storage costs incurred by private storers and to spread sales to the market over the marketing year.

2.2. Specific market instruments

2.2.1. Import and export arrangements

An import levy is fixed for each type of rice, equal to the difference between the cif price and the threshold price.

The Commission, after consulting the Management Committee, fixes the amount of the export refunds, in the light of prices on the world market compared with those in the Community. If the world price exceeds the Community price, a levy may be imposed on exports.

Community food aid operations also attract refunds.

⁽¹⁾ Paddy rice equivalent.

⁽²⁾ Expressed in terms of milled rice.

2.2.2. Storage

Storage proper: This is effected at the intervention price in compliance with the quality and quantity requirements defined by regulations.

Carryover payments: The purpose of this measure is to prevent very large quantities from being offered to intervention agencies before the intervention price for the following year has come into force; the new intervention price is generally lower than the preceding price plus the accumulated monthly increases.

2.2.3. Production refunds

These are to enable the starch industry and the brewing industry to use Community broken rice on competitive terms.

2.2.4. Subsidy for the delivery of Community rice to Réunion

The purpose of this measure is to improve the rice supply situation on the island of Réunion.

2.3. Prices

	(ECU/t)	
	1983/84	1984/85
Target price — husked rice	523,16	539,49
Intervention price — paddy rice	306,53	314,19

3. Appropriations for 1985

3.1. Recent trends

(million ECU)				
Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
1030	Refunds on rice	67,9	53	57
1031	Refunds in connection with Community food aid (rice)	—	19	21
1033	Intervention for rice	25,0	20	26
103	<i>Rice — Total</i>	92,9	92	104
	Expenditure on the rice sector as a % of total EAGGF Guarantee Section expenditure	0,6	0,6	0,5
10	Chapter 10 — Cereals and rice — Total	2 534,1	2 633,3	2 959
	Expenditure on cereals and rice as a % of total EAGGF Guarantee Section expenditure	16,0	15,9	15,3

3.2. *Appropriations requested for 1985*

- Export refunds account for the bulk of the expenditure. Estimates are expressed in terms of wholly milled rice. Exports, excluding food aid (about 70 000 t), should amount to 190 000 t, entailing expenditure estimated at 57 million ECU.
- Intervention expenditure includes storage expenditure, production refunds and subsidies for the delivery of Community rice to the French department of Réunion and amounts to 26 million ECU.

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CHAPTER 11 — SUGAR AND ISOGLUCOSE

The sugar market organization began operation on 1 July 1968 and was extended to cover isoglucose in 1977. It is governed by Regulation (EEC) No 1785/81 and covers the following products: beet, cane, sugar, pulps, molasses, isoglucose, and products of secondary processing of sugar. The Regulation was last amended by Regulation (EEC) No 606/82.

The marketing year runs from 1 July to 30 June.

Expenditure on the sugar sector varies greatly from one year to another, depending largely on widely-fluctuating world prices. In 1983, expenditure accounted for 8,3 % of total EAGGF guarantee spending.

1. Economic background

For some years now, Community sugar production has been very abundant, as a result of exceptional yields and favourable weather conditions. In 1982 production totalled 13,9 million t (including French overseas departments), which represents 15 % of world production. The 1983 figure is estimated at 11 million t, following a reduction in the areas cultivated and a drop in yields.

Human consumption stands at about 9,4 million t. The use of isoglucose showed little or no change in 1982/83 (about 182 000 t).

In 1982/83, 7 000 t of white sugar were fed to bees and 80 000 t were used in the chemical industry. Each year the Community imports 1,3 million t of preferential sugar under the Agreement with the ACP countries, the OCTs and India; this sugar then has to be re-exported.

The degree of self-sufficiency for 1982 was 147,2 % (156,6 % in 1981). It is even higher, however, when account is taken of preferential sugar imports.

2. Operation of the market

2.1. Production quotas

Quotas are laid down and shared out among the various undertakings. The present arrangements cover the five years from 1981/82 to 1985/86. The contributions levied on producers should cover all the costs incurred on the disposal of surpluses, so that, in practice, the only net expenditure charged to the Community budget will be that relating to the export of a quantity of sugar equivalent to the preferential imports.

Producers' contributions are of two kinds:

- a production levy,
- a storage levy.

2.1.1. Production levy

This levy is designed to cover support market expenditure other than storage expenditure and the cost of exporting a quantity equivalent to ACP sugar imports. It operates as follows:

Sugar and isoglucose are subject to the following quota system, which is applicable to the production of each undertaking.

- A sugar: production within the A quota.
- B sugar: production exceeding the A quota but within the B quota;
- C sugar: production exceeding the above quotas.

To temper the effects of annual variations in production, some or all of the production exceeding the A quota may be carried over to the following marketing year.⁽¹⁾

No C sugar may be marketed within the Community. It has to be exported directly to the world market without qualifying for an export refund.

The A and B quotas represent the quantity of sugar which the undertaking may produce and sell directly on the Community market; however, market support expenditure in respect of these two quotas is covered by a basic levy which may amount to 2 % of the intervention price for white sugar and is applicable to all the A and B sugar produced. Should expenditure exceed the yield from the levy, the balance must be covered by an additional levy on production under the B quota. This additional levy must not exceed 30 % of the intervention price for white sugar but may be increased by as much as 7,5 % for the following marketing year.

2.1.2. Storage levy

The undertakings also pay a storage levy to cover storage costs in respect of A and B sugar.

2.2. Price arrangements

Each year the Council fixes two categories of price:

- beet prices,
- sugar prices.

2.2.1. Beet prices

(a) *Basic price*: It is fixed in the light of the intervention price for white sugar and fixed values representing the processing margin, the yield, the undertakings' receipts from sales of molasses and, where appropriate, the cost incurred in delivering beet to undertakings.

(b) *Minimum price*: Each year, minimum prices are fixed for A beet and B beet (that is, any beet processed into A sugar or B sugar respectively).

The minimum price for A beet is equal to 98 % of the basic price for beet, whilst the minimum price for B beet is, as a rule, equal to 68 % of the said basic price.

For areas for which a derived intervention price for white sugar is fixed, the minimum prices for A beet and B beet are increased by an amount equal to the difference between the derived intervention price for the area in question and the intervention price, such amount being adjusted by the coefficient 1,30.

When purchasing beet suitable for, or intended for, processing into sugar, sugar manufacturers are required to pay at least a minimum price adjusted by price increases or reductions to allow for deviations from the standard quality.

Where agreements within the trade have been approved by the Member State concerned, the two-tier minimum price system may be replaced by a single price (the so-called 'mixed price'), which represents a weighted average of the two minimum prices. Belgium and the Netherlands are practically the only Member States which apply this system.

2.2.2. Sugar prices

(a) *Target price*: This price is fixed each year for white sugar of the standard quality to which the intervention price applies, unpacked, ex-factory, loaded onto a means of transport chosen by the purchaser.

It is about 5 % higher than the intervention price.

⁽¹⁾ The carryover arrangements are governed by Article 27 of Regulation (EEC) No 1785/81, which provides that the quantity being carried over must be notified to the Member State concerned by 1 February and that the companies concerned must undertake to store this quantity for a 12-month period.

(b) *Intervention price*: Each year an intervention price for white sugar of standard quality is fixed for the non-deficit areas, whilst a *derived* intervention price is fixed for each of the deficit areas.

An intervention price for raw sugar is also fixed annually on the basis of the intervention price for white sugar, taking account of flat-rate amounts for processing and yield. There is also provision for the fixing of a derived intervention price for raw sugar produced in a deficit area.

(c) *Threshold price*: Each year the Council fixes a threshold price for white sugar, raw sugar and molasses.

The threshold price for white sugar is equal to the target price plus the costs, calculated at a flat rate, of transport from the Community area having the largest surplus to the most distant deficit consumption area in the Community, with account being taken of the storage levy.

The threshold price for raw sugar is derived from that for white sugar, taking account of flat-rate amounts for processing and yield.

The threshold prices are intended to guarantee Community preference (import levies).

2.3. *Specific market instruments*

2.3.1. Import and export arrangements

Imports are subject to a levy when the world price is lower than the Community threshold price. Imports of preferential sugar cannot attract levies.

Refunds are granted on exports when the world price is lower than the Community price. If the Community price is lower than the world price, as was the case from April 1980 until May 1981, an export levy is charged.

There is also a food aid programme which gives rise to the granting of refunds.

2.3.2. Storage

Public storage: The intervention agencies are required to buy in all sugar offered at the intervention price.

Reimbursement of storage costs: Storage costs incurred by specialized traders and manufacturers are reimbursed by the Community at fixed rates, such compensation being financed by the levy which producers pay on the sale of their sugar.

2.3.3. Production refunds

These refunds constitute aid for the manufacture of certain chemical products, so that sugar can compete on equal terms with starch products.

2.3.4. Subsidies for sugar produced in the French overseas departments

These are subsidies towards the shipping and refining costs incurred in respect of sugar from the French overseas departments refined in the Community.

2.4. *Prices fixed*

	(ECU/t)	
	1983/84	1984/85
Basic price for beet	40,89	40,89
Target price for white sugar	562,80	562,80
Intervention price for white sugar	534,70	534,70

3. Appropriations for 1984

3.1. Recent trends

(million ECU)

Item/ Article	Heading	1983 expenditure	1984 approps.	1985 estimate
a	b	c	d	e
1100	Refunds	758,1	973,9 ⁽¹⁾	1 061
1101	Refunds on sugar supplied under food-aid programmes	—	3	4
110	Refunds on sugar and isoglucose	758,1	976,9	1 065
1110	Reimbursement of storage costs	550,5	424	395
1111	Public storage	—	1	p.m.
1112	Refunds on sugar used in the chemical industry	2,4	4	4
1113	Measures for sugar produced in the French overseas departments	5,2	11	12
1114	Sugar import subsidies	—	p.m.	p.m.
1119	Other intervention	—	p.m.	p.m.
111	Intervention for sugar	558,1	440	411
11	Sugar and isoglucose sector — Total	1 316,2	1 416,9	1 476
	Expenditure on sector as a % of total EAGGF Guarantee Section expenditure	8,3	8,6	7,6

⁽¹⁾ The amounts shown include export refunds granted for quantities resulting from the Sugar Protocol annexed to the Lomé Convention and the Specific Agreement with India. The amounts for 1983, 1984 and 1985 are 390 million, 455 million and 500 million ECU respectively.

3.2. Appropriations requested for 1985

On the basis of the past trend, ignoring exceptional harvests in recent years, production of A + B sugar in terms of white sugar equivalent for the 1984/85 marketing year has been estimated at about 11,1 million t. Thus, production under the B quota will be about 1,85 million t of white sugar and production under the A quota 9,25 million t.

Consumption for 1984/85 is estimated at 9,5 million t, slightly less than in the previous year.

For 1983/84 it is planned to export a total of some 1,5 million t of sugar. A further 1 300 000 t will have to be exported to offset the ACP Sugar Protocol. This makes a total of 2,8 million t to be exported.

Appropriations requested

Refunds: The rate of refund, which was 300 ECU/t in 1978, declined sharply around the turn of the year 1979/80.

From May 1980, world prices exceeded Community prices, necessitating export levies until March 1981. Since then, world prices have again fallen sharply.

For the 1984/85 sugar year, a normal situation on the world sugar market was assumed. Thus, the estimated rate of refund is 375 ECU/t.

However, the production levies paid in 1985, which will accrue to the Community as own resources and will be calculated on the basis of the percentages laid down in the relevant regulations, will total about 497 million ECU. These levies cover most expenditure on export refunds other than on ACP sugar (about 500 million ECU). The balance of some 70 million ECU will be covered by levies payable in respect of 1986.

Intervention

- Intervention mainly takes the form of the reimbursement of storage costs amounting to 395 million ECU; to offset this, storage charges will be levied.
- Provision should also be made for the sugar produced in the French overseas departments and refined in the Community, involving additional expenditure of 12 million ECU.
- Finally, it is estimated that refunds to the chemical industries will require an appropriation estimated at 4 million ECU.
- Public storage of sugar is not expected this year. A token entry has been made accordingly.

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CHAPTER 12 — OLIVE OIL

The olive oil market organization began operation on 10 November 1966. The basic regulation is Regulation No 136/66/EEC, as last amended by Regulation (EEC) No 1101/84. It covers the following products: olives, olive oil, whether crude or refined, and olive residues.

The marketing year runs from 1 November to 31 October.

Expenditure on olive oil accounted for 4,3 % of total EAGGF guarantee spending in 1983.

1. Economic background

Community production in a normal year accounts for about 47 % of world production. Figures for the 1982/83 marketing year are not yet available. Estimated on the basis of the aid applications submitted, production in 1981/82 amounted to 827 300 t.

Consumption is greatly influenced by the ratio of the consumer price of olive oil to seed oil prices. To make olive oil more competitive, a system of consumption aid was introduced with effect from 1 April 1979, and consumption, which had fallen quite sharply in the Nine, has picked up slightly.

The degree of self-sufficiency is around 100 % in terms of quantity, but the Community still needs to import quality oil. The Community is the largest net importer of olive oil in the world, but there has been a downward trend since Greece joined. (Imports fell from 108 000 t in 1980/81 to 61 500 t in 1981/82. Imports in 1982/83 totalled 81 200 t.) Since Greece joined, exports have been on the increase. Whereas the Community exported about 16 000 t before Greece joined, it now exports between 50 000 t and 60 000 t per year.

2. Operation of the market

2.1. Price arrangements

Each year the following types of price are fixed for olive oil:

(a) *The production target price* (Council): This is the price considered desirable with the aim of providing a fair income for producers, having regard to the need to maintain the volume of Community production.

(b) *The representative market price* (Council): Its level must enable the olive oil produced to be sold under normal conditions, having regard to the prices of competing products and the impact of the monthly increases on the price of olive oil. This price is subject to adjustment during the marketing year if there are substantial changes in the factors taken into consideration for fixing it.

(c) *The intervention price* (Council): This is the price at which the intervention agencies have to buy in the quantities of standard-quality olive oil offered by producers.

The *threshold price* is fixed by the Commission so that the selling price of imported olive oil at the Community frontiers is the same as the representative market price.

The intervention, representative market and threshold prices are increased monthly to encourage the phasing of sales over the year. These three prices are increased by the same amount each month for at least five months, beginning on 1 January; the increases make allowance for average storage costs and interest rates in the Community.

2.2. *Specific market instruments*

2.2.1. Import and export arrangements

Where the cif price of olive oil imported from non-member countries is less than the threshold price, an import levy equal to the difference between the two prices is charged.

However, a special procedure for fixing the levy has been in force since 1976. Whenever offers recorded on the world market are not such as to give a proper indication of the real market trend, the levy can be fixed by tendering procedure.

A refund is granted on exports, in small packages (under 5 kg) to make up the difference between the Community market price and the world price where the latter is lower.

2.2.2. Storage

The Community olive oil bought in by the intervention agencies is stored. In order to even out the effects of the irregular harvests, the Council may decide that the intervention agencies will build up a buffer stock. It may also be decided that recognized producer groups will be allowed to conclude storage contracts for the oil they market.

2.2.3. Production aid

This is fixed by the Council. Its purpose is to help producers attain a fair income. It is granted only in respect of areas planted with olive trees at 31 October 1978, or at 1 January 1981 in the case of Greece.

The following are eligible:

- individual olive-growers, on the basis of the number and production potential of the olive trees they cultivate, and of their yields fixed at a standard rate, on condition that the olives grown have actually been harvested;
- olive-growers who are members of producer groups recognized pursuant to Regulation (EEC) No 1413/82, on the basis of the quantity of oil actually produced.

However, a certain percentage fixed by the Council is deducted from the aid, to finance the establishment of a register of olive cultivation in each of the producer Member States pursuant to Regulation (EEC) No 154/75.

2.2.4. Consumption aid

This is granted in respect of olive oil produced in the Community when the production target price minus the production aid exceeds the representative market price. It is equal to the difference between the two amounts. The sum of the production aid and the consumption aid is thus equal to the difference between the production target price and the representative market price.

2.2.5. Production refunds

These are granted to facilitate the sale of olive oil to the canning industry.

2.3. Prices and aids fixed

	(ECU/t)	
	1983/84	1984/85
Production target price	3 194,20	3 162,30
Intervention price	2 299,20	2 276,20
Production aid (Community of Nine)	702,60	695,60
(Greece)	—	550,40

3. Appropriations for 1984

3.1. Recent trends

(million ECU)				
Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
1200	Refunds on olive oil	9,7	8	20
1201	Refunds on food aid	—	—	p.m.
120	<i>Refunds on olive oil and food aid</i>	9,7	8	20
1210	Production aid	393,8	457,1	549
1211	Consumption aid	221,7	229,1	293
121	<i>Production and consumption aid</i>	615,5	686,2	842
1220	Specific production measures	13,8	10	12
1221	Specific consumption measures	0,2	6	5
122	<i>Specific production or consumption measures</i>	14,0	16	17
1230	Technical costs of public storage	24,1	22	28
1231	Financial costs of public storage	20,6	20	24
1232	Other public storage costs	— 32,5	6	— 19
1233	Other intervention storage	—	p.m.	p.m.
123	<i>Intervention storage</i>	12,2	48	33
124	<i>Other intervention</i>	23,9	22	23
12	Olive oil sector — Total	675,3	780,2	935
	Expenditure as % of total EAGGF Guarantee Section expenditure	4,3	4,7	4,8

3.2. Appropriations requested for 1985

Export refunds: An appropriation of 20 million ECU is requested to cover export refunds.

Production aid: Payment of production aid is spread over a number of marketing years. Since 1979/80 a new aid system has been introduced, which is speeding up payments. The payments for the marketing years prior to 1979/80 have practically been completed.

It is assumed that 50 % of aid for 1984/85, 40 % of aid for 1983/84 and 15 % of aid for 1981/82 will be paid in 1985 in view of the new organization of the market and the possibility of advances to recognized producer groups. This amounts to 402 million ECU. It is assumed that all aid for 1982/83 will have been paid by the end of 1984. In addition there is a 147 million ECU appropriation for Greece in respect of production aid and a further 12 million ECU is entered to cover expenditure on the register of olive cultivation under Item 1220.

Consumption aid: It is assumed that all consumption aid for 1984/85 (330 000 t for the Nine and 100 000 t for Greece) will be paid out in 1985, namely 293 million ECU.

Public storage: An appropriation of 33 million ECU is entered to cover expenditure on the storage of about 120 000 t.

Production refunds for the use of olive oil in the canning industry: There is 23 million ECU to enable 17 000 t of olive oil to be used in the canning industry.

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CHAPTER 13 — OILSEEDS AND PROTEIN PLANTS

A. OILSEEDS

I. RAPE AND SUNFLOWER

The rape and sunflower market organization began operation on 1 July 1967. It is governed by basic Regulation (EEC) No 136/66, as last amended by Regulation (EEC) No 1101/84, and covers the following products: rape and sunflower seeds.

The marketing year for rape runs from 1 July to 30 June, and for sunflower from 1 August to 31 July.

Expenditure on oilseeds has increased considerably in recent years. In 1983, it accounted for 5,8 % of total EAGGF guarantee spending.

1. Economic background

Community production of rape in 1982 amounted to 2,7 million t, or 0,7 million t more than in 1981. Sunflower production totalled 722 000 t in 1982, compared with 503 000 t in 1981. Production of both products is tending to increase.

For the purposes of consumption, oilseeds are processed into two products, one being the traditional product of oil for human consumption, the other being oilcake for animal feeding. Consumption of oil and cake (of Community origin and imported) in 1982/83 breaks down as follows: rape-seed oil 852 000 t; sunflower oil 607 000 t; rape-seed cake 1 784 000 t; sunflower cake 1 131 000 t.

The Community's own production of oilseeds covers only a very small part of its total requirements of oil and cake. Its degree of self-sufficiency in 1982 was 24 % for oil and 8 % for cake.

In 1982/83 there was a distinct drop in imports of rape-seed (— 18 %) as Community production rose and supplies from non-member countries (and from Canada in particular) contracted; imports of sunflower seed also decreased (— 15 %). Exports of these seeds are inevitably very low.

2. Operation of the market

2.1. Price arrangements

The Council fixes two prices for oilseeds for each marketing year:

- (a) *Target price*: This is intended to assure producers of a fair income and to keep production at an appropriate level.
- (b) *Intervention price*: This price is to guarantee producers sales outlets at a price as close as possible to the target price, having regard to market variations.

The target and intervention prices are increased monthly to ensure regular supplies to the market.

2.2. Specific market instruments

2.2.1. Import and export arrangements

As there is no threshold price for oilseeds, imports are not subject to levies.

Exports of oilseeds to non-member countries are eligible for a refund, the amount of which is not less than the difference between the Community price and the world price.

2.2.2. Storage

Where required by the market situation, the intervention agencies must buy in the quantities offered to them at the intervention price.

2.2.3. Production aid

Since oilseeds from non-member countries are imported at nil duty, production aid is granted because the market price could not guarantee producers a fair income. Aid representing the difference between the target price and the world price is granted directly at the seed processing stage.

2.2.4. Production threshold

Too sharp an increase in rape production, which rose from 1,2 million t in 1978 to 2 million t in 1980 and 1981, 2,7 million t in 1982 and 2,5 million t in 1983, could give rise to marketing problems. Working on the principle that production should not exceed 3 300 000 t in 1990, thresholds of 2,29 million t and 2,41 million t have been set for 1983/84 and 1984/85 respectively. If the average of actual production in the last three marketing years exceeds the guarantee threshold, the target and intervention prices for the following year will be reduced by 1 % for every 50 000 t of surplus, up to a maximum of 5 %. The guarantee threshold was fixed at 2,15 million t for 1982/83. Application of the guarantee threshold arrangements has resulted in the target and intervention prices for 1983/84 and 1984/85 being reduced by 1 % and 2 % respectively. To ensure that Community production of sunflower seed develops more smoothly than in recent years, a guarantee threshold has also been introduced for such seed, with effect from 1984/85, when it will be set at 1 million t.

2.3. Prices fixed

		(ECU/t)	
		1983/84	1984/85
Rape	— target price	482,20	472,6
	— basic intervention price	438,00	429,2
Sunflower	— target price	577,10	582,2
	— basic intervention price	527,10	532,7

II. OTHER OILSEEDS

1. Soya beans

This sector is governed by Regulation (EEC) No 1614/79 laying down special measures in respect of soya beans, as last amended by Regulation (EEC) No 1037/84.

The marketing year runs from 1 September to 31 August, as from 1984/85.

1.1. *Economic background*

Between 1979 and 1982 production in the Community fluctuated between 16 000 t and 27 000 t. The situation seems attributable to poor yields and declining interest on the part of producers in the face of competition and high production costs. The areas planted in Italy increased in 1983. Production in 1983 was estimated at 85 000 t.

The soya crop represents only a minimal fraction of the Community's utilized agricultural area, world production and Community soya bean oil and oilcake requirements.

Community consumption amounted to 18 million t in bean equivalent for the 1982/83 marketing year.

1.2. *Operation of the market*

1.2.1. *Price arrangements*

The Council fixes two prices for soya beans every year:

(a) *Guide price*: This is the price it is considered desirable to attain on average during the marketing year, having regard to market requirements.

(b) *Minimum price*: This is the price that processors must guarantee to producers in order to be eligible for production aid.

1.2.2. *Specific market instruments*

Production aid: Aid is granted to operators buying soya beans from producers provided that not less than the minimum price is paid. The amount of aid is fixed regularly by the Commission and is equal to the difference between the guide price and the world market price.

1.3. *Prices fixed*

	(ECU/t)	
	1983/84	1984/85
Guide price	561,70	570,1
Minimum price	494,30	501,7

2. *Flax seed*

This sector is governed by Regulation (EEC) No 569/76 laying down special measures in respect of flax seed.

2.1. *Economic background*

The flax crop, which occupies about 65 000 ha, represents a very small part of the Community's utilized agricultural area and the world flax growing area (5,3 million ha and 2,8 million ha in 1982). Production in 1982 amounted to 65 000 t.

On the other hand, requirements are considerable: in 1982 imports totalled 204 000 t of seed, 34 000 t of oil and 459 000 t of oilcake, but the yield of the Community flax crop is insufficient, as compared with other oilseed crops.

2.2. Operation of the market

2.2.1. Price arrangements

Each year the Council fixes a guide price which represents the price it is hoped will be attained on average during the marketing year, having regard to market requirements.

2.2.2. Specific market instruments

Production aid for flax seed: This special aid is paid to producers of seed from fibre flax or seed flax. It is equal to the difference between the guide price and the world price, where the guide price is the higher.

2.3. Prices fixed

(ECU/t)		
	1983/84	1984/85
Guide price	545,90	548,6

3. Castor seed

This sector is governed by Regulation (EEC) No 2874/77 laying down special measures in respect of castor seeds.

3.1. Economic background

This crop is at the experimental stage in the Community (about 10 hectares in 1982). In 1982, imports totalled 43 400 t of seed and 60 000 t of oil.

3.2. Operation of the market

3.2.1. Price arrangements

Each year the Council fixes two prices in this sector:

(a) *Guide price:* This is the price it is hoped will be attained on average during the marketing year, having regard to market requirements.

(b) *Minimum price:* This is the price processors must guarantee to producers in order to be eligible for production aid.

3.2.2. Specific market instruments

Production aid for castor seed: Aid is granted to processors who purchase castor seed from producers at not less than the minimum price. The aid is equal to the difference between the guide price and the world market price.

Since, even with this aid scheme, Community production of castor seed can apparently not be stepped up, the Council has decided to discontinue the aid after 1983/84.

3.3. Prices fixed

	(ECU/t)	
	1983/84	1984/85
Guide price	663,90	—
Minimum price	632,30	—

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B. PROTEIN PLANTS

I. PEAS AND FIELD BEANS

Peas and field beans are covered by Regulation (EEC) No 1431/82, which repealed and replaced Regulation (EEC) No 1119/78, as last amended by Regulation (EEC) No 1032/84. The products covered are:

- peas, except chick peas, dried;
- field beans, dried;
- sweet lupins.

The marketing year runs from 1 July to 30 June.

Expenditure in this sector represented about 0,3 % of total EAGGF Guarantee Section expenditure in 1983.

1. Economic background

Production of peas and field beans was 750 000 t in 1982. The quantities processed into feed and qualifying for Community aid were 613 000 t. In 1982/83 the quantity used for human consumption and qualifying for aid was 78 000 t. The self-sufficiency rate is very low as demand for protein feed for animals is extremely high.

2. Operation of the market

2.1. Price arrangements

Each year the Council fixes three prices:

- (a) *Minimum price*: This is the price processors must guarantee producers in order to be eligible for production aid.
- (b) *Activating price*: This is fixed at a level ensuring that protein plants to be used for animal feeding can compete with imported soya cake, while producers are assured of a fair income.
- (c) *Guide price*: This price is fixed at a level ensuring that protein plants to be used for human consumption can compete with the same products imported at reduced duty.

2.2. Market instruments

2.2.1. Production aid

(a) *in respect of protein plants for animal feed*: This aid is granted to processors to make their products competitive with imported soya cake. The aid becomes payable as soon as the world market price drops below the activating price. In the case of peas and field beans it is equal to 45 % of the difference between the activating price and the world market price for soya cake whilst in the case of sweet lupins it is equal to 40 % of the difference.

(b) *in respect of protein plants for human consumption*: This aid was introduced as from the 1982/83 marketing year because of the problems facing the production of peas and field beans for human consumption as a result of the import of the same products from non-member countries at reduced duty.

When the average world market price for imported competitive products falls below the guide price, aid equal to the difference between the two prices is to be granted for products harvested in the Community and used for human consumption.

2.3. Prices fixed

		(ECU/t)	
		1983/84	1984/85
Minimum price	— peas and field beans	291,9	289,0
	— sweet lupins	—	317,9
Activating price	— peas and field beans	517,6	512,4
	— sweet lupins	—	478,2
Guide price		334,4	331,1

II. DRIED FODDER

The market organization for dried fodder began operation on 1 June 1978 (1 July 1978 for sun-dried fodder). It is governed by Regulation (EEC) No 1117/78, as last amended by Regulation (EEC) No 1220/83.

The products covered are:

- dehydrated products: lucerne, clover, lupins, potatoes and similar fodder products, dehydrated by artificial heat-drying;
- other products: meal obtained from sun-dried legumes and proteins from green fodder.

The Community measures applicable to dehydrated potatoes expire on 30 June 1984.

The marketing year runs from 1 April to 31 March (potatoes: 1 July to 30 June).

Expenditure in this sector represents about 0,5 % of total EAGGF Guarantee Section expenditure.

1. Economic background

Community production of dehydrated fodder in 1982 amounted to 1,3 million tonnes (9 % less than in 1981); production of dehydrated potatoes totalled 28 810 t (19 % less than in 1981). Sun-dried fodder production amounted to 120 000 t (8 % more than in 1981).

Protein requirements for animal feed necessitate substantial imports from non-member countries.

2. Operation of the market

2.1. Price arrangements

Each year the Council fixes the guide price which takes into account the price which the fodder producer would have to receive if he is to be discouraged from growing other crops and the cost of processing green fodder.

2.2. *Market instruments*

2.2.1. Fixed rate production aid

The aid is fixed by the Council at a level which encourages the production of dried fodder in order to reduce the Community's dependence on non-member countries.

2.2.2. Supplementary aid

This is fixed every month by the Commission on the basis of the difference between the guide price and the world market price. It is equal to:

- 100 % of the difference in the case of artificially heat-dried fodder and protein concentrates;
- 50 % of the difference in the case of sun-dried fodder.

The percentages are fixed each year by the Council.

2.3. *Prices and aid fixed*

	(ECU/t)	
	1983/84	1984/85
Fixed-rate aid	8,49	8,41
Guide price	178,94	177,15

C. APPROPRIATIONS FOR 1985

1. Recent trends

The latest known figures for expenditure and appropriations and the proposals for appropriations for 1985 are as follows:

(million ECU)

Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
1300	Refunds on oilseeds	3,8	5	5
1301	Production aid for rape-seed	631,4	719,8	723
1302	Production aid for sunflower seed	293,4	315	436
1303	Production aid for soya beans	6,2	17	41
1304	Production aid for flax seed	14,5	17	16
1305	Other aid	p.m.	p.m.	p.m.
1306	Intervention storage	— 3,7	1	1
1309	Other intervention	—	p.m.	p.m.
130	<i>Total for the oilseeds sector</i>	945,6	1 074,8	1 222
	Oilseeds sector as % of EAGGF Guarantee total	6,0	6,5	6,3
1310	Production aid for peas and field beans	84,6	70	111
1311	Production aid for dried fodder	57,7	56	46
1312	Production aid for lupins	—	—	3
1319	Other intervention	—	p.m.	p.m.
131	<i>Total for the protein plants sector</i>	142,3	126	160
	Protein plants sector as % of EAGGF Guarantee total	0,9	0,8	0,8
13	Oilseeds and protein plants sector—Total	1 087,9	1 200,8	1 382
	Chapter as % of EAGGF Guarantee total	6,9	7,3	7,2

2. Appropriations requested for 1984

2.1. Oilseeds

2.1.1. Rape and sunflower

The increase in Community production will require fairly high aid payments. Consequently, assuming production of 2,9 million t for 1984/85 and 3 million t for 1985/86, the appropriation necessary for production aid in respect of rape amounts to 723 million ECU.

The appropriation required for production aid in respect of sunflower will be 436 million ECU, assuming a harvest of 1,3 million t.

Provision is also made for an appropriation of 5 million ECU to cover the export refunds and another appropriation of 1 million ECU to cover the net losses of the intervention agencies incurred in respect of buying-in, storage and disposal operations.

2.1.2. Soya

Assuming a figure of 135 000 t of subsidized production in 1985, an appropriation of 41 million ECU is proposed.

2.1.3. Flax seed

It is estimated that about 3 000 ha of land will be planted with oilseed flax for the 1984/85 marketing year.

The area under fibre flax has varied between 50 000 and 60 000 ha since 1973. It is estimated that about 60 000 ha of fibre flax will be cultivated in 1984/85.

On these assumptions, the amount of flax seed aided will be 64 500 t.

A total appropriation of 16 million ECU is proposed.

2.2. *Protein plants*

2.2.1. Peas and field beans

The quantity eligible for aid in 1985 is estimated at 940 000 t, including 790 000 t for animal feeding and 150 000 t for human consumption. An appropriation of 111 million ECU is proposed.

2.2.2. Dried fodder

On the basis of production estimates (1,5 million t of dehydrated fodder and 0,15 million t of sun-dried fodder), the appropriation needed for the sector as a whole in 1985 is 46 million ECU.

2.2.3. Lupins

On the assumption that production will total 20 000 t, an appropriation of 3 million ECU is proposed.

CHAPTER 14 — TEXTILE PLANTS AND SILKWORMS

A. FIBRE FLAX AND HEMP

The fibre flax and hemp market organization began operation on 1 August 1970 under basic Regulation (EEC) No 1308/70, as last amended by the Act of Accession of Greece.

The following products are covered: straw and fibres of flax and hemp.

The marketing year runs from 1 August to 31 July. Expenditure in this sector represents about 0,2 % of total EAGGF guarantee spending.

1. Economic background

Production of flax straw in 1982 amounted to 430 000 t; production of fibre totalled 78 300 t. A marked drop in production occurred in 1981 as a result of bad weather for retting, but the figures for 1982 were higher, reflecting a distinct improvement within the sector as a whole. The figures for paper hemp show a further decline owing to the marketing problems experienced by paper manufacturers (7 % decrease in the area cultivated).

Internal demand is still relatively slack because the dry spinning industry and twine/rope manufacturers, who are mainly interested in buying short fibres of poor quality, are encountering difficulties. Over the last two marketing years, however, the demand for flax fibres has staged a recovery, because of their successful use in the clothing sector.

The Community does not produce enough medium-quality and low-quality fibres and is therefore obliged to import. On the other hand, it supplies the whole world with fibres of good and superior quality.

2. Operation of the market

2.1. *Specific market instruments*

2.1.1. Aid at a standard rate per hectare

Two rates of aid are fixed every year by the Council, one for fibre flax and the other for hemp. They are based on the volume of production required, market outlets, world market prices and foreseeable changes in any of these factors. Aid is granted per hectare harvested.

2.1.2. Private storage aid

In the event of a temporary imbalance on the market, the Commission may decide to grant private storage aid to enable holders of fibres to conclude storage contracts.

2.2. *Aids fixed*

	(ECU/t/ha)	
	1983/84	1984/85
Aid for fibre flax	355,12	351,57
Aid for hemp	322,52	319,29

B. COTTON

Although it is not listed in Annex II to the Treaty, Protocol No 4 to the Act of Accession of Greece recognizes that cotton is an agricultural crop.

The system provided for in Protocol No 4 came into effect on 1 August 1981.

The products covered are unginned cotton and cotton fibres.

The marketing year runs from 1 August to 31 July.

Expenditure in respect of cotton production represents about 0,9 % of EAGGF guarantee spending for 1983.

1. Economic background

Community production, confined almost exclusively to Greece, totalled 316 000 t of unginned cotton (101 000 t of fibres) in 1982, showing an overall decrease of about 1 % on 1981.

The Community's spinning capacity far exceeds its fibre production capacity and it imports very large quantities of fibres (772 000 t in 1982); exports are very low.

2. Operation of the market

2.1. Price arrangements

Every year the Council fixes two prices:

(a) *Guide price*: This is the price it is hoped will be obtained during the marketing year.

(b) *Minimum price*: This is the price to be paid to the producer by ginning undertakings if they are to be eligible for aid.

2.2. Specific market instruments

2.2.1. Aid for production of unginned cotton

This aid is fixed periodically by the Commission on the basis of the difference between the guide price and the world market price. Aid is granted to ginning undertakings provided they pay not less than the minimum price to producers. The full amount of aid is paid only in respect of a certain volume of production, laid down by the Council (500 000 t in 1984/85). If this volume is exceeded, the aid is decreased for all producers. This arrangement is intended to discourage undue expansion of Community production.

2.3. Prices fixed

	(ECU/t)	
	1983/84	1984/85
Guide price	927,50	941,40
Minimum price	881,20	894,40

C. SILKWORMS

The silkworms market organization began operation on 1 July 1972 under Regulation (EEC) No 845/72.

The marketing year runs from 1 April to 31 March.

1. Economic background

In 1982 Community production totalled 153 t of cocoons from 6 294 boxes. These figures show a marked decline (—32 %) on 1981. The decline is due to the steady increase in production costs.

2. Operation of the market

2.1. *Specific market instruments*

2.1.1. Aid per box

Aid per box of silk seed is granted with the object of encouraging silkworm rearing. The aid is intended to help ensure a fair income for silkworm rearers, having regard to the market situation for cocoons and raw silk, foreseeable market trends and import policy.

2.2. *Aid fixed*

	(ECU/box)	
	1983/84	1984/85
Aid per box of silk seed	106,0	107,59

D. APPROPRIATIONS FOR 1985**1. Recent trends***(million ECU)*

Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
1400	Production aid for fibre flax	17,6	18	21
1401	Specific measures	0,2	1,2	1
1402	Production aid for hemp	1,5	2	2
1409	Other intervention	—	2	2
140	<i>Total flax and hemp</i>	19,3	23,2	26
141	<i>Cotton</i>	140,1	164,6	197
142	<i>Silkworms</i>	0,6	0,8	1
149	<i>Other</i>	—	<i>p.m.</i>	<i>p.m.</i>
14	Chapter 14—Total	160,0	188,6	224
	Sector as % of EAGGF Guarantee total	1,0	1,1	1,2

2. Appropriations requested for 1985**2.1. Flax and hemp**

Most of the expenditure is to cover the aid per hectare fixed by the Council. This aid applies to an area of 63 500 ha under fibre flax (21 million ECU) and 5 000 ha under hemp (2 million ECU).

In addition, a fixed appropriation of 2 million ECU is proposed for storage costs.

2.2. Cotton

The quantity of bulk cotton to be eligible for aid in 1985 is put at 500 000 t, requiring an appropriation of 197 million ECU, which is 19 % higher than the appropriation for 1984. This is mainly due to the expected increase in acreage under cotton. The aid, on the other hand, has been substantially reduced.

2.3. Silkworms

Total expenditure in this sector is estimated at 1 million ECU, assuming production of 4 500 boxes in the Community of Nine and 3 000 in Greece.

CHAPTER 15 — FRUIT AND VEGETABLES

A. FRESH FRUIT AND VEGETABLES

The gradual establishment of a fruit and vegetables market organization was provided for in Regulation (EEC) No 23 of 4 April 1962. This was replaced by Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables, which came into force on 1 June 1972, as last amended by Regulation (EEC) No 985/84.

There are a number of regulations introducing special measures:

- Regulation (EEC) No 2511/69 laying down *inter alia* special measures for improving the production and marketing of Community citrus fruits, as last amended by Regulation (EEC) No 2004/83;
- Regulation (EEC) No 2601/69 laying down special measures to encourage the processing of certain varieties of oranges;
- Regulation (EEC) No 1035/77 laying down special measures to encourage the marketing of products processed from lemons, at last amended by Regulation (EEC) No 3487/80.

The market organization covers products falling within CCT heading No 07.01, with the exception of subheadings 07.01 A and 07.01 N, and within headings Nos 08.02 to 08.09, with the exception of subheadings 08.03 B, 08.04 A II, 08.04 B and 08.05 F.

The quality standards for these products normally comprise four classes: Extra, I, II and under certain circumstances III.

The marketing year differs from product to product.

Expenditure on fresh fruit and vegetables comes to around 2 % of total EAGGF guarantee spending. The figure was 2,8 % in 1983.

1. Economic background

Community production of fruit harvested in 1982 ⁽¹⁾ was 22,5 million t, 20,6 % more than in 1981. Production of vegetables marked time at around 28,7 million t.

Consumption of fruit in 1981/82 came to 25,4 million t, including 8,8 million t of citrus fruit. Consumption of vegetables was 31,7 million t. Nearly all fruit and vegetable consumption (about 90 %) is human consumption.

The self-sufficiency rate in vegetables was 101 % in 1981/82, in non-citrus fruit 82 % and in citrus fruit 45 %.

Trade with countries outside the Community is fairly small:

- imports in 1982: 4,3 million t of fruit (of which 3,1 million t of citrus fruit) and 1,2 million t of vegetables.
- exports: 900 000 t of fruit and 390 000 t of vegetables.

2. Operation of the market

2.1. Price arrangements

For each marketing year, the Council fixes two types of price for the products considered important in determining producers' incomes: peaches, pears, apples, table grapes, oranges, mandarins, lemons, cauliflowers and tomatoes, aubergines and apricots.

⁽¹⁾ Production figures are by calendar year, consumption figures by marketing year.

(a) *Basic price*: This is fixed for each product, taking account of market prices over the three preceding years and the need to contribute to supporting producers' incomes. It is used to calculate buying-in prices.

(b) *Buying-in price*: This price is set at between 40 % and 70 % of the basic price according to product.

There are two further types of price derived from the above 'institutional' prices:

— *Withdrawal price*

This is derived from the basic price and the buying-in price and is the price below which producer organizations do not offer their members' products for sale; they are paid compensation instead. The arrangement is currently confined to the above basic products, and the price guarantees to producers that part of the normal price they need to cover costs and labour. Withdrawal prices may not exceed the buying-in price for quality classes II or III plus 10 % of the basic price.

— *Public buying-in price*

Should a serious crisis occur on the market, intervention agencies may buy in surplus products at a price not exceeding the buying-in price, adjusted for quality class II (or, if appropriate, quality class III), provided the products meet the standards set for this class, plus other adjustments where appropriate depending on the products being bought in.

(c) *Reference price*: The reference prices, set by the Commission, are minimum entry prices for a number of products exposed to competitive pressure from imports. Except for citrus fruits, which are eligible for financial compensation and are subject to a special price-fixing system, reference prices are based on the arithmetic mean of production prices in the Member States in the preceding three marketing years, taking account both of changes in production costs in the fruit and vegetables sector and of a sum representing the cost of transporting the products from the area of production to centres of consumption in the Community.

2.2. Specific market instruments

2.2.1. Import and export arrangements

In the case of imports, for each product concerned and for each place of origin, the entry price determined daily from the market prices recorded on representative markets in the Community is compared with the reference price. If the market price is below the reference price, a countervailing charge is payable.

To facilitate exports, export refunds generally designed to make up the difference between the internal price and the world market price may be granted.

2.2.2. Withdrawal operations

Where producer organizations have been unable to sell part of their production and have therefore paid compensation to producers, they receive financial compensation from the EAGGF. This compensation is equal to that paid to producers (which may not exceed withdrawal prices), minus net receipts obtained from the produce withdrawn from the market.

Financial compensation may also be paid in the case of public buying-in.

2.2.3. Financial compensation for promotion of citrus fruit sales

This takes the form of marketing premiums paid to sellers by each producing Member State (reimbursable by the EAGGF), with the aim of increasing sales in the Community by assisting marketing operations. These premiums apply to Community citrus fruit of quality classes Extra and I sold on Community import markets outside the producing country. Since 1982 a closer link has been made between payment of the premiums and the restructuring of plantations, for which EAGGF Guidance Section support is available under Regulation (EEC) No 1204/82.

2.2.4. Financial compensation to support processing of lemons and certain varieties of oranges

Premiums are paid to processors to assist the marketing of Community citrus fruit by ensuring regular supplies to the Community processing industry. Supply contracts between producers and processors are based on a minimum price fixed before the start of each marketing year.

2.3. *Prices fixed*

Prices fixed for the 1984/85 marketing year vary from -1% to $+2\%$ compared with 1983/84, depending on type of product — see Regulation (EEC) No 986/84 (tomatoes and apricots -1% , apples, pears, mandarins, lemons, oranges and peaches $+0,5\%$, cauliflowers, aubergines and table grapes $+2\%$).

The marketing premiums for oranges and mandarins have been raised by $0,5\%$.

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B. PROCESSED FRUIT AND VEGETABLES

The processed fruit and vegetables market organization began operation in 1968. It is governed by Regulation (EEC) No 516/77, as last amended by Regulation (EEC) No 988/84.

Regulation (EEC) No 525/77 introduced a system of production aid for tinned pineapple.

The common organization covers the following products: frozen, dehydrated and preserved vegetables; frozen, dried and preserved fruit, fruit paste, fruit juices and others.

Expenditure on products processed from fruit and vegetables is about 4 % of total EAGGF Guarantee Section spending. It came to 4,7 % in 1983.

1. Economic background

Production of processed fruit and vegetables rose by about 5 % between 1981 and 1982, in particular because of preserves other than tomato-based products, particularly deep-frozen products.

External trade remained relatively stationary in 1982, with

- imports: 1,65 million t, compared with 1,6 million t in 1981
- exports: 0,65 million t, compared with 0,61 million t in 1981

2. Operation of the market

2.1. *Specific market instruments*

2.1.1. External trade arrangements

To facilitate exports, export refunds making up the difference between the Community price and the world market price may be granted.

A minimum price at the frontier has been introduced for dried grapes other than currants (Regulation (EEC) No 2742/82).

2.1.2. Aid for processed fruit and vegetables

The Council introduced this scheme in 1978 as part of a general policy for the Mediterranean areas. The aid scheme was necessary because of the difference between prices of Community products and those of imported products; the aim is to ensure adequate incomes for producers of fresh fruit and vegetables by means of a minimum price which the processor must undertake to pay to producers to qualify for the aid.

The Commission fixes minimum prices each year under management committee procedures. Prices are fixed by product before the start of the marketing year, taking account of the minimum price of the previous marketing year and the movement in the basic prices for fresh products, as well as the need to ensure normal sales of fresh products to the various end-users.

The scheme covers tomato-based products, peaches, pears and cherries in syrup, prunes and (since the accession of Greece) dried figs and dried grapes.

The amount of aid is set each year by the Commission to bridge the difference between the level of Community prices (taking into account the minimum price to be paid to producers) and prices for products of non-member countries or, where imports do not attain a representative volume, prices

based on intra-Community trade and prospects in the Community market. From 1984/85, when new arrangements come into effect, aid is to be granted to the net finished product and calculated on the basis of the raw material used.

2.1.3. Production aid for tinned pineapple

This is designed to help the industry to maintain competitive prices in relation to prices charged by the main non-Community producing countries, while ensuring adequate returns for producers of fresh pineapple; production aid is granted to processors who undertake to pay producers at least the minimum price fixed each year.

2.1.4. Guarantee threshold

From the 1984/85 marketing year:

- (1) A guarantee threshold is to be fixed for each marketing year at a quantity of processed tomato products corresponding to 4 700 000 t of fresh tomatoes. The volume is divided up as follows:
 - 2 987 850 t for the manufacture of tomato concentrate;
 - 1 307 150 t for the manufacture of whole peeled tomatoes;
 - 405 000 t for the manufacture of other tomato-based products.

To determine whether the threshold has been exceeded, an average is taken of the quantities produced in the three marketing years preceding the year of the relevant aid-fixing.

If the overall ceiling is exceeded, the aid for each tomato-based product is reduced in the fourth year in line with the excess over the threshold and in proportion for each product according to the amount by which the quantity fixed for it is exceeded.

- (2) A guarantee threshold is to be fixed for each marketing year at a quantity of processed dried grapes corresponding to 65 000 t of unprocessed currants and 93 000 t of unprocessed sultanas.

If the threshold is exceeded by an amount calculated from the average quantity produced over the preceding three marketing years, the minimum price to be paid to producers is reduced in line with that amount in the fourth year.

2.2. Prices fixed

The change in minimum prices and aids for 1984/85 will be decided by the Commission for each product before the beginning of the relevant marketing year under management committee procedures.

C. APPROPRIATIONS FOR 1985

1. Recent trends

The latest expenditure recorded and the appropriations proposed are as follows:

(million ECU)

Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
1500	Export refunds on fresh fruit and vegetables	51,9	59	68
1501	Compensation for withdrawals, buying-in and free distribution	303,5	197	231
1502	Compensation to promote Community citrus fruits	15,1	16	17
1503	Compensation to encourage processing of citrus fruits	79,3	118	105
1509	Other intervention	—	p.m.	p.m.
150	<i>Fresh fruit and vegetables</i>	449,8	390	421
1510	Export refunds on processed fruit and vegetables	6,2	7	8
1511	Production aid for tomato-based products	469,2	429,3	472
1512	Production aid for fruit-based products	265,7	233	350
1513	Aid for tinned pineapple	5,2	6	5
1519	Other intervention	—	p.m.	p.m.
151	<i>Processed fruit and vegetables</i>	746,3	675,3	835
15	Fruit and vegetables sector—Total	1 196,1	1 065,3	1 256
	Sector as % of EAGGF Guarantee total	7,6	6,4	6,5

2. Appropriations requested for 1985

The appropriations in respect of fruit and vegetables total 1 256 million ECU, an increase of 18 % over 1984.

The largest increase in absolute terms is in intervention expenditure on products processed from fruit. The increase is mainly due to the effects of Greek accession, particularly the introduction of the aid scheme for dried figs and dried grapes.

As regards other measures, there are few changes to be noted:

- Given the relative stability over the last few years in trade in fresh products with non-member countries, the proposed export refunds (68 million ECU) should enable about 635 000 t of these products to be exported.
- Expenditure in respect of buying-in and withdrawals is estimated at 231 million ECU on the basis of average withdrawals over the last three years, i.e. about 1,36 million t.

However, production of fruit and vegetables fluctuates greatly from year to year and no reliable estimate of expenditure is therefore possible.

- An appropriation of 17 million ECU is proposed for compensation to promote Community citrus fruit (marketing premiums), which should enable about 150 000 t to be sold on Community markets outside the country of production.
- An appropriation of 105 million ECU is proposed for compensation for processing of oranges and lemons, which will enable 0,93 million t to be marketed.
- Quantity estimates for processed fruit and vegetables are as follows:
 - processing of tomatoes: 4,7 million t (the guarantee threshold), expenditure 472 million ECU;
 - processing of fruit: 262 000 t of peaches, 31 000 t of prunes, 82 000 t of pears, 89 000 t of cherries and 182 000 t of dried grapes and figs, expenditure 350 million ECU;
 - tinned pineapple: 10 000 t, appropriation 5 million ECU.

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CHAPTER 16 — WINE PRODUCTS

In Regulation No 24 of 4 April 1962 the Council made provision for the progressive establishment of a wine market organization. The basic regulation finally adopted is Regulation (EEC) No 337/79, as last amended in 1984.

It now covers the following products:

- grape juice and must, with or without added sugar;
- grape must, in fermentation or with fermentation arrested; wine of fresh grapes;
- fresh grapes other than table grapes;
- fresh grapes other than table grapes;
- wine vinegar;
- others.

The marketing year runs from 1 September to 31 August.

Expenditure on wine varies quite considerably from one year to the next owing to fluctuations in production. It accounts for between 2 and 4,5 % of the EAGGF Guarantee total (4,2 % in 1983).

1. Economic background

Community production was 141 million hl in 1981/82, 45,8 % of world production. In 1982/83 it was about 171 million hl.

During 1981/82 the internal market accounted for 150 million hl of consumption (i.e. a drop of 8,5 % compared with 1980/81), of which 125 million hl were used for human consumption, the remainder being sent for distillation. The corresponding figures for 1982/83 were 157 million hl and 126 million hl respectively. There has been a downward trend for several years, however.

The degree of self-sufficiency has exceeded 100 % for several years.

As regards trade, the EEC imported 5,8 million hl of wine in 1981/82 and exported 10,6 million hl. Imports are tending downwards, whereas exports have been steadily increasing since 1975/76, mainly because of the development of Italian exports.

2. Operation of the market

2.1. The types of table wine

For the purposes of the price system, table wines are divided into several types:

(a) Red table wines:

- Type R I: red table wine, other than of type R III, of an actual alcoholic strength of not less than 10° and not more than 12°.
- Type R II: red table wine, other than of type R III, of an actual alcoholic strength of not less than 13° and not more than 14°.
- Type R III: red table wine obtained from the vine variety Portuguese Blue.

(b) White table wines:

- Type A I: white table wine, other than of types A II and A III, of an actual alcoholic strength of not less than 10° and not more than 12°.

- Type A II: white table wine obtained from vine varieties of the Sylvaner type or of the Müller-Thurgau type.
- Type A III: white table wine obtained from vine varieties of the Riesling type.

2.2. Price arrangements

Each year the Council fixes two types of price for each type of table wine:

(a) *Guide price*: It is fixed for each type of table wine at a level which ensures a fair income for producers, on the basis of the average of prices recorded during the two preceding marketing years and the trend of prices during the current marketing year.

(b) *Activating price*: It is the threshold for activating the intervention mechanism and corresponds, for each type of table wine, to 92 % of the guide price (Article 3 of Regulation No 337/79).

The Commission establishes two types of price:

(a) *Representative price*: Every week in respect of each type of wine the Commission determines an average producer price for each representative market and a Community representative price equal to the weighted mean of the average prices.

(b) *Reference price*: Every year the Commission fixes a reference price for a number of products. This is calculated on the basis of the guide price and acts as protection at the Community frontier since it represents the minimum entry price of imported wines.

2.3. Specific market instruments

2.3.1. Import and export arrangements

There is no restriction on imports from non-member countries, which pay customs duties according to the alcoholic strength of the products. If the reference price is not reached, a countervailing charge is applied, unless special agreements have been made with non-member countries under which they comply with the reference price.

Refunds may be paid to facilitate exports. They may vary according to intended use/destination.

2.3.2. Private storage aid for table wine and grape must (Article 7)

The aim is to freeze existing supplies on the market for a certain period by encouraging wine growers to store their products in return for aid:

There are two possibilities for concluding private storage contracts:

- *long-term* contracts:

These contracts may be concluded for wine whenever, at the beginning of the marketing year, supplies available exceed foreseeable requirements by at least four months. As regards musts, such contracts may be concluded when long-term storage for wines is decided on. Aid is conditional on the conclusion of storage contracts valid for a period of nine months for wine. The contracts must be concluded between 16 December and 15 February. In the case of musts, they expire automatically on 15 September.

- *four-month* contracts, *supplementing* long-term contracts (Article 12 a):

This possibility is available when long-term contracts expire whenever market prices fail to match the activating price for three successive weeks. This facility may be combined with the distillation supplementary to long-term storage contracts (price support guarantee).

2.3.3. Re-storage aid (Article 10)

This assists wine growers carrying heavy stocks to clear their cellars before harvesting begins, by storing the available wine elsewhere in return for aid.

2.3.4. Aid for the use of must (Articles 14 and 14 a)

This aid is intended to improve the competitive position of must produced in the EEC:

- for processing into grape juice to be consumed without further processing;
- concentrated for the enriching of certain wines;
- concentrated or not, intended for the manufacture of 'British', 'Irish' and home-made wines.

2.3.5. Distillation

In the case of all distillation reserved for producers there is a guaranteed minimum purchase price for the wine delivered to distillers. Where a distiller supplies proof that the minimum price has been paid, he receives aid to dispose of the alcohol produced or, in the case of compulsory distillation, he may deliver his alcohol to an intervention agency, which then receives financial compensation for taking over the alcohol.

The purchase price of wine for each type of distillation (except those referred to in Articles 39 and 40) will henceforth be reduced to take account of the economic advantage obtained by producers who have enriched their harvest with sucrose or concentrated must on which the aid provided for in Article 14 has been paid (Article 14b).

2.3.5.1. Voluntary distillation

- Distillation supplementary to long-term storage contracts (price support guarantee, Article 12 a)

The aim is to guarantee wine growers that their wine will not be disposed of at a price below the activating price provided that they have concluded long-term storage contracts.

If it is observed at the end of the marketing year that representative market prices have failed to match the activating price for at least three successive weeks, wines under long-term contracts or some of such wines may be distilled at a price close to the activating price valid when the storage contracts were concluded. A maximum of 18 % of production may be distilled.

- Preventive distillation (Article 11)

The Commission may introduce preventive distillation at the start of each wine year, at 65 % of the guide price for each table wine. For wines suitable for yielding table wine the price is 65 % of the AI guide price.

- Support distillation (Article 15)

This is in part a variation on the old exceptional distillation. Producers of table wine receive a minimum guaranteed price of 82 % of the guide price for each type of wine, provided they comply with the provisions of the common organization of the market in wine (compulsory distillation, by-product deliveries for distillation, etc.).

In a wine year during which compulsory distillation has been introduced, the Commission will ensure automatic access to distillation at the guaranteed price.

If compulsory distillation has not had to be introduced, the Commission may, if necessary, authorize distillation at the guaranteed price.

The quantities to be distilled may not exceed 5 million hl without the Council's authorization.

In order to maintain the guaranteed price, appropriate measures other than distillation may be resorted to.

2.3.5.2. Compulsory distillation

— Compulsory distillation of the by-products of winemaking (marcs and lees, Article 39)

These compulsory distillation measures are intended to prevent the overpressing of marcs and lees and the marketing of inferior-quality wines with a low natural alcohol content.

— Compulsory distillation of wines other than table wines (Article 40)

This distillation measure applies to surplus wine in the Cognac area, to wines made from table grapes or from Black Corinth grapes (currant grapes), etc.

— Compulsory distillation of table wines (Article 41)

This is decided upon by the Commission when the estimates show that the quantity of such wines available exceeds total normal requirements by more than five months' consumption. The purpose of such distillation is to bring foreseeable stocks at the end of the wine year to five months' normal consumption. The quantity to be distilled depends on each producer's yield, but the quantities delivered for preventive distillation are deducted from the total.

2.3.6. Marketing of alcohol offered for intervention

For wine delivered for Community distillation, distillers are eligible for aid to help market the alcohol produced. In cases of compulsory distillation, distillers may either receive aid or deliver the alcohol produced to an intervention agency.

Net financial losses on alcohol taken over under Article 41 (compulsory distillation of table wine) are borne in full by the EAGGF (Article 41a).

The marketing of alcohol taken over under Articles 39 and 40 must not disturb the Community market in alcohol and spirituous beverages. If necessary, the alcohol will be marketed in other sectors, in particular the fuel sector. Any additional costs in excess of the financial compensation will also be borne by the EAGGF (Article 40a).

2.3.7. Measures to expand the market (Article 12 b)

These new measures should enter into force in 1984.

2.3.8. Search for new outlets (Article 41 c)

Schemes to identify and develop outlets other than distillation may be undertaken in the wine years 1982/83 to 1984/85; financing of these schemes by the Guarantee Section can be restricted to part of the cost only, with a ceiling of 500 000 ECU/year.

2.3.9. Other measures (Article 57)

Measures in respect of products other than table wine may be taken if necessary to support the table wine market. For example, the Council has decided to grant special storage aid for quality wine of the 1982 vintage.

2.4. Prices fixed

These are guide prices (the activating prices are to be fixed later by the Council).

	1983/84	1984/85
R I	3,45 ⁽¹⁾	3,42 ⁽¹⁾
R II	3,45 ⁽¹⁾	3,42 ⁽¹⁾
R III	53,84 ⁽²⁾	53,30 ⁽²⁾
A I	3,20 ⁽¹⁾	3,17 ⁽¹⁾
A II	71,74 ⁽²⁾	71,02 ⁽²⁾
A III	81,93 ⁽²⁾	81,11 ⁽²⁾

⁽¹⁾ ECU/degree/hl.
⁽²⁾ ECU/hl.

3. Appropriations for 1985

3.1. Recent trends

(million ECU)				
Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
160	Refunds on wine products	20,2	32	35
1610	Intervention storage of wine and grape must	142,5	114	97
1611	Distillation of wine	391,4	392,4	401
1612	Compulsory distillation of the by-products of winemaking	63,0	38	52
1613	Aid for the use of must	42,1	55	59
1614	Taking over of alcohol from compulsory distillation	—	32	41
1619	Other intervention	—	13	6
161	Intervention for wine products	639,0	644,4	656
16	Wine sector — Total	659,2	676,4	691
	Total as % of EAGGF Guarantee total	4,2	4,1	3,16

3.2. Appropriations requested for 1985

The appropriations requested for 1985 are still large as it is assumed that the predicted harvest for 1983/84, 165 million hl, will exceed total consumption by about 28,5 million hl, of which about 4 million hl could be exported unsupported by refunds.

- The quantities of wine eligible for an export refund total 2 million hl (35 million ECU).
- Storage expenditure concerns nearly 17 million hl, at a cost of 97 million ECU.

- Distillation expenditure should make it possible to withdraw 22,5 million hl from the market (at a total cost of 401 million ECU).
- The compulsory distillation of by-products will allow intervention in respect of 0,75 million hl in alcohol equivalent through the use of an appropriation of 52 million ECU.
- 59 million ECU is allocated for aid for the use of must.
- The losses from taking over the alcohol obtained from compulsory distillation, and in particular from disposing of it in the fuel sector, require an appropriation of 41 million ECU.

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CHAPTER 17 — TOBACCO

The tobacco market organization began operation on 29 April 1970 under the basic Regulation (EEC) No 727/70, as last amended by Regulation (EEC) No 1461/82.

It applies to all Community raw tobacco. The 26 raw tobacco varieties are classified in five groups:

- dark-air cured: e.g. Paraguay,
- fire-cured: e.g. Kentucky,
- light-air cured: e.g. Burley,
- flue-cured: e.g. Bright,
- sun-cured: e.g. Erzegovina.

Expenditure on tobacco varies from year to year, being about 5 % of total EAGGF guarantee spending.

There is no marketing year for raw tobacco. Tobacco is sometimes marketed years after it is harvested.

1. Economic background

In 1982 Community production totalled 329 345 t, i.e. about 6,5 % more than in 1981, the main reason being a slight increase in yields per hectare; the acreage was 2,3 % up but stabilized in 1983 at 177 200 ha. Production in 1983 was 300 624 t, down 9,1 % on the previous crop as a result in particular of very bad weather in Greece and France.

Consumption showed a slight increase, despite the economic recession, tax increases and anti-smoking campaigns.

The Community of Ten's degree of self-sufficiency is about 49 %.

As far as trade is concerned, exports totalled 118 300 t in 1982, compared with 109 800 t in 1981 and 120 000 t in 1983. Virginia flue-cured tobacco accounts for about 60 % of imports, which totalled about 413 900 t in 1982 and 1 437 000 t in 1983.

2. Operation of the market

2.1. Price arrangements

Each year the Council fixes two categories of prices for the 26 varieties covered by the common organization of the market, these prices being for a reference quality:

(a) *The norm price*: This is fixed on the basis of the norm price valid for the previous crop, at a level which reflects the need to guide production along appropriate lines while at the same time improving quality and ensuring a fair income for growers.

(b) *The intervention price*: This is the price at which the intervention agencies must buy in the tobacco which is offered to them by growers. It is equal to 85 % of the corresponding norm price, except where 'market control' measures are applied, when the intervention price may be reduced for the relevant varieties. The intervention price is fixed for both leaf and baled tobacco. For baled tobacco, the costs of first processing and market preparation are added and the price is known as the 'derived intervention price'.

2.2. Specific market instruments

2.2.1. Import and export arrangements

The Common Customs Tariff affords protection at the frontiers in respect of imports. As a result of the system of premiums, the purchase price of Community tobacco cannot exceed the cost of imported tobacco. No protection other than the CCT is therefore needed.

As regards exports, refunds are granted, if necessary, to cover the difference between the world price and Community prices.

2.2.2. Storage

The intervention agencies must buy in tobacco meeting the minimum quality requirements at the intervention price whenever such tobacco is offered to them. The intervention price is adjusted where appropriate by applying the scales of increases and reductions fixed for each variety for qualities not corresponding to the reference quality. If, however, the quantities of baled tobacco offered by a primary processing undertaking exceed by 25 % the equivalent of the quantities of leaf tobacco of Community origin handled by that undertaking, such quantities are bought in at a derived intervention price minus 10 %.

2.2.3. Premiums

Premiums are paid to the initial purchasers of tobacco when they purchase their supplies in the Community.

The aim of these premiums is to ensure some preference for Community tobaccos over imported tobaccos and to guarantee the producer a price near the norm price.

For each Community tobacco variety the premium is based on the difference between the Community cost price and the average price of imported tobaccos, calculated on the basis of the purchase price on the world market plus transport costs and customs duties.

2.3. Prices fixed

For the 1984 crop the norm price of the various tobaccos ranges from - 3 % to + 2 % compared with 1983, depending on variety (see Regulation (EEC) No 1029/84).

3. Appropriations for 1984

3.1. Recent trends

(million ECU)				
Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
170	<i>Refunds on tobacco</i>	27,9	24	33
171	<i>Premiums on tobacco</i>	614,8	655,7	759
1720	Technical costs of public storage	10,9	27	16,4
1721	Financial costs of public storage	3,2	3,9	2,2
1722	Other public storage costs	14,5	17	15,4
172	<i>Intervention storage of tobacco</i>	28,6	47,9	34
173	<i>Other intervention in respect of tobacco</i>	p.m.	0,1	p.m.
17	Tobacco sector—Total	671,3	727,7	826
	Tobacco sector as a % of total EAGGF Guarantee	4,2	4,5	4,3

3.2. *Appropriations requested for 1985*

The appropriations for 1985 amount to 826 million ECU, i.e. 13,6 % more than in 1984. This overall increase in appropriations is mainly due to the expected increase in the 1984 crop over 1983.

The quantities in respect of which production premiums will be granted are estimated at about 332 000 t for the 1983 harvest, the average premium being about 2 286 ECU/t.

Intervention stocks of tobacco are expected to average 26 550 t, requiring appropriations totalling 34 million ECU.

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CHAPTER 18 — OTHER SECTORS OR PRODUCTS

A. ARTICLE 180 — SEEDS

The seed market organization began operation on 1 July 1972 with the introduction of the basic Regulation (EEC) No 2358/71, as last amended by Regulation (EEC) No 3808/81.

It covers the following products for sowing: rice and spelt, dried leguminous vegetables, hybrid maize, oilseeds and oleaginous fruit, seeds, fruit and spores for sowing.

The marketing year runs from 1 July to 30 June.

The expenditure on seeds was around 0,27 % of the EAGGF guarantee spending in 1983.

1. Economic background

Seed production in 1982 was less than in 1981, particularly as regards legumes. It was about 2,9 million quintals. In 1983 there was little change in the level of overall production: the legume-seed harvest was down but the cereal-seed harvest was up.

Demand is estimated at 1 800 000 quintals.

As a whole the EEC is about 150 % self-sufficient, although there is a shortfall in respect of certain products, a factor which thus encourages continued trade with non-member countries.

2. Operation of the market

2.1. Price arrangements

The Council does not fix prices for the seed sector, but only rates of aid to producers.

The Commission, on the other hand, fixes a reference price for each type of hybrid maize for sowing. It is based on the free-at-frontier prices recorded over the last three marketing years and not including abnormally low prices.

2.2. Specific market instruments

2.2.1. Import and export arrangements

In the case of imports of seeds other than hybrid maize the only protection at frontiers is the application of the Common Customs Tariff. In addition, appropriate measures may be applied in trade with non-member countries if the market is experiencing serious disturbances (protective clause). There is also a system of import licences issued against security.

In the case of hybrid maize for sowing, a free-at-frontier offer price is established for each country of origin for each type of hybrid for which a reference price is fixed. Where the free-at-frontier price plus the customs duty is lower than the reference price, there is a countervailing charge which is equal to the difference between these prices, although within the limits of the duty bound under GATT (4 %).

There is also provision for the introduction of appropriate measures applicable in trade with non-member countries if the market in one of the products in question is experiencing or is threatened with serious disturbances as a result of exports.

2.2.2. Aid to producers

When the market and price situation do not ensure a fair income for producers aid may be granted to them. It consists of a standard amount for each species or group of varieties. It is fixed per quintal of seeds produced, taking into account the market situation (balance between the volume of production and marketing prospects) and the price of products on non-Community markets.

The aid is fixed for two years (following and subsequent marketing years) with the possibility of changing the rate for the subsequent marketing year before it begins if the EEC market is likely to be disturbed.

2.3. Aids fixed

Type	(ECU/100 kg)	
	1982/83 — 1983/84	1984/85 — 1985/86
Rice	13,3	14,6
Spelt	—	11
Monoecious hemp	14,2	15,6
Fibre flax	19,6	21,6
Seed flax	15,5	17,1
Grasses	13,3 — 60,8	14,6 — 66,9
Legumes	5,4 — 47,0	0 — 54,1

B. ARTICLE 181 — HOPS

The hop market organization began operation on 1 August 1971 with the adoption of the basic Regulation (EEC) No 1696/71, as last amended by the Act of Accession of Greece.

It covers the following products: hops (cones and lupulin), hop powder, vegetable saps and extracts of hops.

The marketing year runs from 1 September to 31 August.

The appropriation for the sector is very small (about 0,04 % of the total EAGGF guarantee spending).

1. Economic background

In 1982 Community production was 56 646 t, 39 % of world production. This represents a 23 % increase on 1981, although the areas grown increased by only 3 %. The 1982 harvest was exceptional. The 1983 harvest totalled 48 420 t (37 % of world production).

Internal demand is well down, hence the need to promote exports (net exports of 11 890 t in 1982/83).

2. Operation of the market

2.1. Price arrangements

The Council, acting on a proposal from the Commission, fixes only aid to producers.

2.2. Specific market instruments

2.2.1. Import and export arrangements

In trade with non-member countries it is prohibited to levy any charges having equivalent effect to customs duty or to apply any quantitative restrictions or similar measures. However, appropriate measures may be applied by Member States which trade with non-member countries if there is serious market disturbance or risk thereof as a result of imports or exports.

2.2.2. Aid to producers

Aid per hectare, varied according to group of varieties, may be granted to hop producers to enable them to achieve a fair income. The amount is fixed in the light of the market situation, market forecasts, price trends on external markets and changes in costs. Where there is a risk of structural surpluses or market disturbance, the aid may be granted in respect of a specified area only.

C. ARTICLE 182 — POTATOES

So far, no potato market organization has been set up. A proposal covering all fresh and processed products was submitted to the Council by the Commission on 23 January 1976, but is still pending.

It is proposed that a token entry be made under this heading.

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New measure**D. ARTICLE 183 — AGRICULTURAL ALCOHOL**

This Article has been inserted to take account of the Commission's amended proposal of 7 December 1976 (COM(76) 274 final) on the common organization of the market in ethyl alcohol of agricultural origin, as further amended on 22 May 1979 (COM(79) 237 final) and 14 July 1983 (COM(83) 470 final).

This proposal is now before the Council.

An appropriation of 80 million ECU is proposed at Chapter 100.

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E. ARTICLE 184 — APICULTURE

There is no market organization in this sector, which is governed by Regulation (EEC) No 1196/81 establishing a system of aid for the marketing years 1981/82 to 1983/84, as amended by Regulation (EEC) No 1994/83.

The aid arrangements have been discontinued.

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F. APPROPRIATIONS FOR 1984

1. Recent trends

(million ECU)				
Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
180	Seeds	43,0	42,8	43
181	Hops	8,2	10	9
182	Potatoes	—	p.m.	p.m.
183	Agricultural alcohol	—	—	p.m. (1)
184	Apiculture	4,4	1	p.m.
189	Other	—	p.m.	p.m.
18	Total for the sector	55,6	53,8	132
	Sector as % of EAGGF Guarantee Section	0,4	0,3	0,7

(1) An appropriation of 80 million ECU is entered in Chapter 100.

2. Appropriations requested for 1985

- (a) *Seeds*: Production is estimated at 288 000 t. Expenditure for 1985 is estimated at 43 million ECU.
- (b) *Hops*: The area under hops for 1985 is estimated at 27 100 hectares, which calls for an appropriation of 9 million ECU.
- (c) *Agricultural alcohol*: The quantity of alcohol which will qualify for aid in 1985 if the Council adopts the Commission proposal is estimated at 3 million hectolitres. This requires an appropriation of 80 million ECU to be entered in Chapter 100.

CHAPTER 20 — MILK AND MILK PRODUCTS

The milk and milk products market organization, which began operation on 29 July 1968, is governed by Regulation (EEC) No 804/68 (the basic regulation) as last amended by Regulation (EEC) No 1600/83.

The common organization of the market covers the following products:

- fresh, preserved, concentrated or sweetened milk and cream;
- butter, cheese and curds;
- lactose and lactose syrup;
- milk-based compound feedingstuffs.

The milk year runs from 1 April to 31 March.

This sector takes the largest share of total EAGGF guarantee spending. This share has however decreased markedly from 42 % in 1980 to 27,8 % in 1983.

1. Economic background

The Community is the world's main milk producer. Milk production accounts for about 20 % of the total value of final agricultural production.

In 1982 both the total headage and the yield per cow increased, with the result that the amount of milk delivered was up by 3,6 %.

In 1983 deliveries to dairies are estimated to have increased by 4 %.

Almost half of the Community's milk production is supplied by France (the main producer) and Germany.

Consumption of fresh milk (with semi-skimmed milk being preferred to whole milk) and cheese has been rising slightly whilst consumption of butter has been falling.

There is a milk surplus in the Community. The degree of self-sufficiency varies from one product to another but is well over 100 % in almost every case.

Because of the terms on which products competing with milk proteins and butterfats can enter the Community, milk production exceeds consumption of milk and milk products (expressed in terms of milk).

The Community, consequently, has to dispose of production surpluses. Thanks to the export policy pursued by the Commission and a favourable economic situation, stocks of milk powder and butter had returned to acceptable levels by the end of 1981, but the trend was reversed towards the end of 1982.

Public stocks of skimmed-milk powder fell from 1,1 million t at the end of 1975 to 674 000 t at the end of 1978 and to 279 000 t by the end of 1981. At the end of 1982 they had again risen to 574 000 t. By the end of 1983 they stood at 983 000 t.

Public and private stocks of butter fell from 418 000 t at the end of 1978 to 147 000 t by the end of 1981 and then rose again to 306 000 t at the end of 1982 and 853 000 at the end of 1983.

The main reasons for the substantial increase in stocks at the end of 1982 were a deterioration in export conditions for milk products and a substantial increase in deliveries in the course of the year.

Exports of butter (— 20 %), skimmed-milk powder (— 39 %) and whole-milk powder (— 15 %) continued to decline in 1982. The same trend was observed in 1983. Exports of concentrated milk and cheese continued to increase, on the other hand (+ 3 % and + 5 % respectively).

The Community is the world's second largest importer of butter (108 000 t in 1982) and cheese (104 000 t in 1982), partly because of its commitments *vis-à-vis* New Zealand (92 000 t of butter in 1982).

2. Operation of the market

2.1. Price arrangements

Each year the Council fixes three types of price:

(a) *Target price*: A target price is fixed for milk containing 3,7 % fat on delivery to the dairy. It represents the price that it is aimed that producers should be able to obtain for all the milk sold to dairies during the milk year, account being taken of the outlets available on the Community market and elsewhere.

(b) *Intervention prices*: Intervention prices are fixed for butter, skimmed-milk powder and certain types of cheese. The intervention agencies must buy in all quantities meeting the set quality standards offered to them at that price. Such intervention makes it possible to support indirectly the target price paid by dairies to producers.

(c) *Threshold prices*: Each year the Council, acting on a proposal from the Commission, fixes threshold prices for certain products for the following milk year. These prices are fixed so that the price of imported milk products is geared to the target price for milk, thus affording the necessary protection to Community processors.

2.2. Specific market instruments

2.2.1. Import and export arrangements

Export refunds are granted on most milk products; the Commission fixes the rates every four weeks. They may be differentiated according to intended use/destination.

Import levies are fixed once a fortnight by the Commission and apply to most milk products except casein.

Safeguard measures, such as quota arrangements or even the closure of frontiers, may be applied to curtail imports.

When a shortage occurs, entry charges may be limited or cancelled and export charges may be imposed.

2.2.2. Storage

(a) *Public storage*: National intervention agencies must buy in butter, milk powder and certain types of cheese at intervention prices. These products, once stored, are sold either by tender or directly:

- by Commission decision when butter is sold to the armed forces, to non-profit-making organizations, to the recipients of welfare benefit or to the manufacturers of pastry, ice-cream and other food products, and when skimmed-milk powder is sold for use as feed for animals other than young calves or for export as feed;

- by Council decision: if a rationalization of stocks is called for, products may be exported or placed on the internal market at reduced prices, subsidized by Community aid.
- (b) *Private storage*: Private storage aid is granted in respect of:
 - butter stored for not less than four months between 1 April and 15 September;
 - top-quality skimmed-milk powder, where there is a Council decision to that effect (this intervention measure is rarely applied);
 - Grana padano cheese not less than nine months old, Parmigiano-Reggiano cheese not less than 15 months old and Provolone cheese not less than three months old. In years when it is necessary to reduce a serious imbalance aid can be granted for the private storage of long-keeping cheeses (Emmental and Gruyère) and certain cheeses produced from ewes' milk (Pecorino).

2.2.3. Aid for milk used as animal feed

This aid is fixed by the Commission or the Council to help dispose of liquid skimmed milk, milk powder and buttermilk.

(a) *Aid for liquid milk*

- *aid for denatured liquid skimmed milk and buttermilk*:
 - either returned to the farm, or
 - used on the farm where it is produced.

Aid is granted only in respect of skimmed milk not exceeding a maximum yearly quantity for each cow mentioned on the registration card. To qualify for the aid, farmers must provide documentary proof of the quantities of cream produced and sold and of any change in the size of their herd.

- *special aid for liquid skimmed milk*: This aid is granted in respect of liquid skimmed milk for use as feed for animals other than calves under four months old. The aim is to prevent the processing of milk into milk powder. The amount of the aid depends on the trend in prices for competing proteins and on the intervention price for skimmed-milk powder.
- (b) *Aid for skimmed-milk powder*
 - *aid for milk used in animal feed*: This aid is granted in respect of skimmed milk processed into compound feedingstuffs and skimmed-milk powder intended as feed for calves. It makes it possible to dispose of most of the skimmed-milk powder produced in the Community.
 - *special aid for skimmed-milk powder*: Such aid is granted in respect of skimmed-milk powder for use as feed for animals other than young calves and in respect of milk powder with a fat content of 10% which is to be fed to calves.

The price is fixed by tender and the purchaser must denature the milk powder or incorporate it into compound feedingstuffs. These aids enable the cost price of feed to be reduced, making it competitive with substitute products (particularly vegetable proteins).

2.2.4. Aid for skimmed milk processed into casein

Casein is a basic product intended for industrial processing. To enable it to be produced, aid is granted so that the proceeds from the sale of skimmed milk processed into casein are the same as those from the sale of skimmed-milk powder. The amount of the aid is fixed by the management committee procedure.

2.2.5. Special disposal measures for butterfats

The purpose of these measures is to facilitate the disposal of butter surpluses:

- either by granting aid for the use of butterfats in the manufacture of pastry products, ice cream and other foodstuffs to be determined;
- or by granting a consumer subsidy for the armed forces, for non-profit-making organizations and for welfare recipients, or by subsidizing the consumption of butter (sometimes concentrated butter) in certain Member States;
- or by other special measures.

2.2.6. Milk non-marketing and dairy herd conversion premiums

The aim of the former is to reduce deliveries of milk to dairies and to encourage the direct use of milk in feed. The aim of the latter is to encourage farmers to go over from milk to beef production. These premiums were discontinued on 15 September 1980 and 1 April 1981 respectively. The period for non-marketing is five years and that for conversion to beef production is four years.

The non-marketing and conversion premiums are calculated on the basis of the quantity of milk (or the equivalent in milk products) delivered by the producer during the 12 calendar months preceding the month in which application for the premium was made.

2.2.7. Co-responsibility levy

In order to improve the balance between production and consumption, producers pay a financial contribution known as the 'co-responsibility levy'. The way in which the proceeds from the levy are used is decided by the Commission after consultations with the trade. The levy is used to finance market development measures, promotion measures and publicity as a follow-up to market surveys and research on new products or is deducted from the overall expenditure on the milk sector. It also serves to finance certain disposal measures such as the distribution of milk to schools or the special disposal measures for butterfats.

The levy is deemed to form part of the intervention arrangements designed to ensure stable agricultural markets.

For 1984/85 the levy has been fixed at 3 % of the target price for milk.

For 1985/86 it is assumed that the rate will return to 2 %. The levy is not collected in mountain areas and is reduced by 0,5 % in less-favoured areas, subject to an annual maximum of 60 000 kg per producer.

The Council has decided that 120 million ECU should be made available to small-scale milk producers in 1984/85:

- this sum will be shared out among the Member States, each share being proportionate to the volume of milk delivered to dairies by all producers in the Member State concerned, subject to a maximum of 60 000 kg of milk per producer;
- detailed rules on the distribution of the aid by the Member States will be approved by the Commission on the basis of objective criteria to be determined by the Commission.

The Council has decided to continue this measure into the 1985/86 milk year.

This measure is deemed to form part of the intervention arrangements designed to ensure stable agricultural markets.

2.2.8. Guarantee threshold

When fixing the annual prices, the Council also fixes a guarantee threshold for milk.

For the 1982 calendar year the guarantee threshold was fixed as the quantity of milk delivered to dairies in the 1981 calendar year, plus 0,5 %.

If the quantities of milk delivered by Community producers exceed the guarantee threshold, the Council, acting on a proposal from the Commission, adopts appropriate measures to offset the additional costs. As the guarantee threshold was far exceeded for 1982, the Council decided that the 1983/84 prices should be increased by not more than 2,33 %, subject to the guarantee threshold. The guarantee threshold for 1983 was fixed as the quantity delivered to dairies in 1981 plus 1 %. Following the Commission proposals of July 1983, however, the Council decided to apply a system of delivery quotas (additional levy) for a five-year period (1984/85 to 1988/89).

2.2.9. Additional levy

The purpose of the levy is to curb the growth of milk production whilst at the same time permitting the structural developments and adjustments required, having regard to the diversity of the situations obtaining in the various Member States, regions and collection areas in the Community.

The final overall quantity covered by guarantee is 98 363 000 t⁽¹⁾. In future years the volume of the Community reserve will be reviewed in the light of market trends and the quantities available. The allocations to the Member States will be based on 1981 deliveries plus 1 %, except in the case of Ireland and Italy, where the quantities guaranteed will be equal to deliveries in 1983.

For 1984/85 the guaranteed quantity is 99 235 000 t⁽¹⁾. An additional 335 000 t forms the Community reserve and is allocated as follows: 25 000 t for Luxembourg; 245 000 t for Ireland; 65 000 t for Northern Ireland.

(¹) The reference quantities are allocated to the Member States as follows (1 000 tonnes):

Member State	1984/85	1985/86 — 1988/89
Belgium	3 138	3 106
Denmark	4 932	4 882
Germany	23 487	23 248
France	25 585	25 325
Greece	472	467
Ireland	5 280	5 280
Italy	8 323	8 323
Luxembourg	268	265
Netherlands	12 052	11 929
United Kingdom	15 698	15 538

This will be financed by an additional percentage point on the linear co-responsibility levy for 1984/85, which is consequently set at 3 %.

In the allocation of quantities added to the Community reserve, priority will be given to Ireland. During the transitional period of 1984/85 arrangements will be made to ensure that the quantities available to Ireland are not reduced in subsequent years.

The reference quantities of each Member State are shared out on a regional basis in accordance with Community criteria and procedures, either among the producers or among the dairies. If the reference quantity is exceeded, the penalty takes the form of a levy amounting to:

- 75 % of the target price for milk, in the case of individual quotas;
- 100 % of the target price for milk, in the case of collective quotas.

The scheme also covers direct deliveries. If the quota is exceeded, a levy amounting to 75 % of the target price becomes payable.

To facilitate implementation of the additional-levy scheme, it has been agreed that, since Greece accounts for less than 1 % of Community milk production and since the total number of purchasers in that Member State is very high, all Greek purchasers should be considered as one single purchaser.

The Council has adopted special provisions to deal with certain specific cases (new milk producers; producers implementing a development plan; producers whose milk production has dropped substantially as a result of exceptional events such as outbreaks of epizootic disease, etc.) and the freeing of quotas held by farmers who discontinue milk production. The Council has also approved the transfer of quotas where holdings are sold or leased.

2.3. Prices and aids fixed

	(ECU/t)	
	1983/84	1984/85
<i>Prices</i>		
Target price for milk	274,3	274,3
Intervention price		
— skimmed-milk powder	1 496,4	1 658,8
— butter	3 578,6	3 197,0
— cheese:		
— Grana padano 30—60 days	3 612,8	3 817,5
— Grana padano 6 months	4 395,3	4 727,5
— Parmigiano-Reggiano 6 months	4 802,6	5 216,1
Threshold price		
— skimmed-milk powder	1 716,2	1 864,2
— butter	3 932,2	3 580,9
<i>Aid</i>		
— for skimmed-milk powder— calves	540/680	540/850
— other	—	—
— for liquid skimmed milk — calves	65	75
— other	96	106
— for casein	64	80
— for school milk	342,87	342,87
— for welfare butter	820	420

3. Appropriations for 1985

3.1. Trend of appropriations

(million ECU)

Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
2000	Refunds on butter and butteroil	436,4	652	645
2001	Refunds on skimmed-milk powder	102,9	172	247
2002	Refunds on cheese	242,1	456	480
2003	Refunds on other milk products	434,6	687	757
2006	Refunds on food aid (skimmed-milk powder)	48,3	97	127
2007	Refunds on food aid (butteroil)	62,4	90	78
200	<i>Refunds on milk and milk products</i>	1 326,7	2 154	2 334
2010	Private storage of skimmed-milk powder	—	p.m.	p.m.
2011	Technical costs of public storage	29,2	21	28
2012	Financial costs of public storage	90,3	69	89
2013	Other public storage costs	515,0	439	712
201	<i>Intervention storage of skimmed-milk powder</i>	634,5	529	829
2020	Aid for skimmed-milk powder for use as feed for calves	831,6	780,1	490
2021	Aid for liquid skimmed milk for use as feed for calves	119,8	121	143
2022	Aid for skimmed-milk powder for use as feed for animals other than calves	61,3	100	235
2023	Aid for liquid skimmed milk for use as feed for animals other than calves	315,1	266	280
2024	Aid for skimmed milk processed into casein	302,9	253	409
2025	Aid for skimmed-milk powder with a fat content between 9 % and 11 % for use as feed for calves	—	—	405
2029	Other aid	—	p.m.	p.m.
202	<i>Aid for skimmed milk</i>	1 630,7	1 520,1	1 962
2030	Private storage of butter	100,7	126	102
2031	Technical costs of public storage	66,4	55	108
2032	Financial costs of public storage	109,3	106	206
2033	Other storage costs	134,5	406	578
203	<i>Intervention storage of butter and cream</i>	410,8	693	994
2040	Aid for butter consumption and for recipients of welfare benefits	134,5	64	20
2049	Other measures	361,9	135	190
204	<i>Other measures relating to butterfat</i>	496,4	199	210
2050	Storage of cheese	53,7	63	66
2059	Other intervention	—	p.m.	p.m.
205	<i>Intervention for other milk products</i>	53,7	63	66

(million ECU)

Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
2060	Financial contribution by the Guarantee Section to non-marketing and conversion premiums	92,0	49	39
2061	School milk	83,7	145	144
2062	Market development measures	60,0	72	54
2063	Improvement of milk quality	10,6	20	15
2064	Other measures under the programme to expand the market for milk products	—	p.m.	p.m.
2069	Other measures	—	p.m.	p.m.
206	<i>Other measures in the milk and milk products sector</i>	246,2	286	252
2070	Linear levy	— 527,4	— 550	— 640
2071	Additional levy	—	—	— 643
207	<i>Financial contribution by producers</i>	— 527,4	— 550	— 1283
208	<i>Measures on behalf of small-scale producers</i>	124,3	50	120
20	Milk and milk products sector — Total	4 396,1	4 944,1	5 484
	Expenditure in the milk sector as a % of total EAGGF Guarantee Section expenditure	27,8	30,0	28,3

3.2. Appropriations for 1985

In 1985 about 102,7 million t of milk is expected to be collected in the Community. This milk will be supplied by some 31 million cows, 25,4 million of which are dairy cows.

Human consumption of milk and milk products at market prices, expressed in terms of whole milk, will increase in the Community in 1984 but will still fall well short of production.

In 1985, about 80 000 t of New Zealand butter are expected to be imported under Protocol 18.

In these circumstances, expenditure on the milk sector will largely depend on the effectiveness of measures aimed at reducing supply and facilitating disposal.

Appropriations requested

For the purpose of estimating expenditure, milk products can be classified into three main groups: skimmed milk, butter and 'other products' and the measures relating to milk products as a whole may be classified as 'other measures'.

1. Skimmed milk

Expenditure relates both to liquid skimmed milk and to skimmed-milk powder.

— Liquid skimmed milk

Expenditure arises from two uses:

- animal feed, which will serve in 1985 to dispose of about 4 300 000 t of milk at reduced prices (423 million ECU) (Items 2021 + 2023);

- the manufacture of casein which will, in 1985, absorb some 4 900 000 t of milk (409 million ECU) (Item 2024).
- *Skimmed-milk powder*
Expenditure arises from three types of measure:
 - animal (mainly calf and pig) feed, for which purpose some 1 685 000 t are likely to be sold at reduced prices in 1985 (1 842 million ECU) (Items 2013 + 2020 + 2025 + 2029);
 - public storage of 880 000 t on average in 1985 (117 million ECU) (Items 2011 + 2012);
 - export refunds which will make it possible to export about 450 000 t in 1985 (374 million ECU) (Items 2001 + 2004).

2. Butter and butteroil

The special disposal measures to be financed in 1985 are as follows:

- export refunds, which will be granted on some 500 000 t in 1985 (723 million ECU) (Items 2000 + 2005);
- private storage of 275 000 t of butter on average, entailing expenditure totalling some 102 million ECU (Item 2030);
- public storage and special disposal measures (Items 2031, 2032, 2033 and 2049).

The special disposal measures (768 million ECU) chiefly involve:

- sales of butter at reduced prices for processing into pastry products (about 200 000 t, requiring appropriations of some 414 million ECU), into ice-cream (about 50 000 t, requiring appropriations of some 61 million ECU), into concentrated butter (about 5 000 t, requiring appropriations of some 8 million ECU) and into other food preparations (about 10 000 t, requiring appropriations of some 12 million ECU);
- sales of butter at reduced prices to the armed forces and non-profit-making organizations (about 40 000 t, requiring some 63 million ECU);
- other new measures (about 40 000 t, requiring an appropriation of some 126 million ECU);
- sales of butter at reduced prices to welfare recipients (about 10 000 t, requiring appropriations of some 4 million ECU (Item 2040 in part);
- special measures for absorbing surpluses of butterfats: these measures consist mainly of consumer subsidies for butter within the Community. They are expected to be applied in 1984, in the United Kingdom (200 000 t), Ireland (42 000 t), Luxembourg (3 000 t) and Denmark (40 000 t). The appropriation required would be about 16 million ECU (Item 2040 in part).

Public and private butter stocks are expected to fall from about 890 000 t at the beginning of 1985 to about 828 000 t at the end of the year.

3. Other products

Expenditure arises from two types of measure:

- export refunds, which will make it possible to export some 9 500 000 t in milk equivalent (1 237 million ECU) (Items 2002 + 2003);
- intervention in the form of private storage of Grana padano, Parmigiano-Reggiano, Emmental, Provolone, Pecorino and Kassezi Kefalatizi (some 121 000 t), requiring an appropriation of 66 million ECU (Item 2050).

4. Other measures

These measures comprise:

- *milk non-marketing and dairy herd conversion premiums.*

This scheme, which began in 1977/78 and was not continued into 1981/82, will have applied to some 1 750 000 cows, namely:

414 000 cows in 1977/78,
436 000 cows in 1978/79,
450 000 cows in 1979/80,
450 000 cows in 1980/81.

It will cost the Guarantee Section 805,5 million ECU over the period 1977-85, including 39 million ECU for 1985 ⁽¹⁾ (Item 2060);

- *sales of milk at reduced prices to schoolchildren:* some 400 000 t of milk will be disposed of in this way (144 million ECU) (Item 2061);
- market development measures (54 million ECU under Item 2062) and measures to improve milk quality (15 million ECU under Item 2063).

5. Financial contribution by producers

At a linear rate of 3 % of the target price, and account being taken of both the exemption of mountain areas and the reductions for less-favoured areas the revenue from the levy is expected to total 640 million ECU.

Some of this revenue will be used to finance:

- two-thirds of the reduced-price sales in the ice-cream sector;
- two-thirds of the aid for the manufacture of concentrated butter;
- all the measures to develop markets and to improve the quality of milk;
- the fixing of an additional guaranteed quantity for 1984/85 under the new quota arrangements.

The remainder will help to cover guarantee expenditure in the milk sector.

Once the production quotas come into force, the additional levy should provide about 640 million ECU in revenue.

This estimate is based on the following assumptions:

- 1,3 million tonnes \times 75 % of the target price (205,7 ECU/t);
- 1,3 million tonnes \times 100 % of the target price (274,3 ECU/t).

6. Measures on behalf of small-scale producers

It has been decided to grant small dairy farmers a sum of 120 million ECU for 1984/85.

⁽¹⁾ The Guarantee Section bears 60 % of the aggregate cost of this measure and the Guidance Section 40 %.

CHAPTER 21 — BEEF AND VEAL

The common organization is governed by the basic Regulation (EEC) No 805/68 of 28 June 1968, as last amended by the Act of Accession of Greece.

It covers the following products:

- *live animals*: bovine animals of less than 300 kg and adult bovine animals, whether pure-bred breeding or non-breeding animals,
- *meat*: meat, fresh, chilled or frozen, other,
- *processed products*: other preparations and preserves of meat or offals, cooked or uncooked,
- *offal*.

The marketing year runs from the first Monday in April to the end of the previous day of the following year.

Expenditure on beef or veal accounts for 9 to 13 % of total EAGGF guarantee spending (9,3 % in 1983).

1. Economic background

The Community ranks second, in front of the USSR, but far behind the United States, in the production of beef/veal. In 1983, total production increased by 3,1 % compared with 1982, to 6,9 million t (the production of veal also rose).

Because of increasing difficulties besetting the economies of the member countries, consumption of beef/veal has been dropping slightly since 1980. It was about 7 million t in 1980, about 6,8 million t in 1981 and about 6,6 million t in 1982. There are signs of a slight increase in 1983.

The rate of self-sufficiency has exceeded 100 % since 1979 (1982: 100,9 %; 1983: 104 %).

As regards trade, the EEC imported about 448 000 t of beef/veal in 1983 and exported nearly 600 000 t. The Community remained a net exporter in 1983. The deficit in 1979 was still as much as 74 000 t.

2. Operation of the market

2.1. Price arrangements

Every year the Council fixes two categories of prices:

(a) *The guide price*: The guide price is fixed for adult bovine animals in the light of the outlook for production and consumption, of the situation of the milk and milk products market and of past experience. It is the desirable average price on the Community market for all quantities marketed during the marketing year. The guide price and the Community market price are used as a reference to determine the relevant import levies.

(b) *The intervention price*: This is the price at which the intervention agencies must buy in all products offered to them. It is 90 % of the guide price.

2.2. Specific market instruments

2.2.1. Import and export arrangements

Imports are governed by very specific rules according to product. The principle is that a customs duty and a levy are charged related to the guide price and the market price. There are two exemptions:

- the scarcity clause, which restricts or abolishes customs duties and levies;
- the protective clause, which provides for restrictions on imports.

There are also special schemes in certain fields.

Community exports may attract a refund—which may be varied according to intended use/destination—offsetting the difference between world prices and Community prices.

2.2.2. Storage

(a) *Buying-in and subsequent operations*: Under the permanent intervention system set up in 1972, intervention agencies can buy in categories and qualities of meat the market price of which fails to reach the derived intervention price for these categories. The permanent intervention arrangements may be suspended, in certain circumstances, if the market price for a quality rises above the buying-in price.

(b) *Aid for private storage*: Aid of this kind permits more flexible intervention according to the quantities and qualities meeting market requirements. It may be paid when the market price falls below a certain percentage of the guide price, but it is not automatic as in the case of public buying-in.

2.2.3. Premium for the slaughter of adult bovine animals (Regulation (EEC) No 1063/84)

This premium is designed to enable farmers to attain an adequate income level and to stabilize slaughtering in certain Member States. It is being operated at the present time in the United Kingdom.

On average, it may not exceed the difference between 85 % of the guide price and the market price in the Member State concerned. Not more than 40 % of premiums actually paid can be claimed from the EAGGF Guarantee Section.

2.2.4. Premium for suckler cows (Regulation (EEC) No 1417/81)

The aim of this premium is to ensure a reasonable income for stockfarmers while preventing any substantial increase in the disposal price of beef and veal compared with other competing meats. To claim the premium, each farmer must show that he delivers no milk or milk products from the holding operated on the day he files the application. The premium proposed for 1984/85 is 15 ECU/head, chargeable to the EAGGF Guarantee Section. The Member States may pay an additional premium, not exceeding 25 ECU/cow; 20 of these 25 ECU are chargeable to the EAGGF Guarantee Section when paid in Ireland and Northern Ireland.

2.2.5. Calf premium (Regulation (EEC) No 1064/84)

The aim of this premium is to restore market stability. It is granted to producers in the Member States for any calf born in the relevant Member State during a 12 month period and still alive six months later. The premium is being operated in Italy, Greece, Ireland and Northern Ireland.

The amount is fixed at 13 ECU per calf and is chargeable to the EAGGF Guarantee Section.

2.2.6. Community scale for the classification of carcasses of adult bovine animals (Regulation (EEC) No 1208/81)

This regulation standardizes the classification of carcasses in the Community. Standardization should make it possible to record, on the basis of the classification, market prices in carcase weight at the slaughterhouse expressed according to the reference presentation established by the regulation. By Regulation (EEC) No 1202/82 the Council decided that from 28 June 1982 until the end of the 1983/84 marketing year Member States should record market prices on the basis of the Community scale in parallel with the method based on live weight. By Regulation (EEC) No 869/84 the Council decided that intervention measures for carcasses of adult bovine animals were to be applied on the basis of the

Community scale from 9 April 1984, for an experimental period of three years. Buying-in prices are to be fixed so as to arrive, at the start of the 1986/87 marketing year, at the fixing of a single buying-in price for each quality of fresh or chilled meat eligible for intervention.

2.3. Prices and premiums

	1983/84	1984/85
	<i>ECU/t</i>	<i>ECU/t</i>
Guide price — adult bovine animals (live weight)	2 070,90	2 050,20
Intervention price — adult bovine animals (live weight)	1 863,80	1 845,20
	<i>ECU/head</i>	<i>ECU/head</i>
Calf premium	32	13
Premium for suckler cows	15	15

3. Appropriations for 1984

3.1. Trend of appropriations

(million ECU)				
Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
210	<i>Refunds on beef and veal</i>	828,2	761,4	1 174
2110	Private storage	14,0	40	28
2111	Technical costs of public storage	93,9	80	180
2112	Financial costs of public storage	55,8	47	107
2113	Other public storage costs	468,6	270	523
211	<i>Intervention storage</i>	632,4	437	838
2120	Premiums for suckler cows	91,1	81	84
2121	Calf premium	103,0	126	89
2122	Premium for the slaughter of adult cattle other than cows	81,9	26	30
2129	Other intervention	—	p.m.	p.m.
212	<i>Intervention other than storage of beef</i>	275,9	233	203
21	Beef and veal sector—Total	1 736,5	1 431,4	2 215,0
	Sector as a % of total EAGGF Guarantee Section expenditure	11,0	8,7	11,4

3.2. Appropriations requested for 1985

Production, which had dropped in 1976 and 1977, staged a vigorous recovery in 1979 and 1980. A slight downward trend occurred in 1981 and 1982, followed by an upturn from 1983.

Given the present trend in consumption this sector should show a surplus in 1984/85.

Public stocks in 1985 should run at about 700 000 t throughout the year.

The appropriations necessary to finance the various types of expenditure in 1985 are greater than for 1984 (54,7 %):

- an appropriation of 1 074 million ECU for export refunds to cover the export of 700 000 t;
- an appropriation of 28 million ECU for private storage aid will cover about 50 000 t of meat;
- an appropriation of 785,4 million ECU for public storage is planned for the buying-in of 450 000 t of meat (carcase equivalent) and for the sale of 300 000 t of meat (carcase equivalent);
- lastly, three premiums will be paid in 1984:
 - the premium for suckler cows: 84 million ECU for 5 500 000 head,
 - the calf premium: 89 million ECU concerning about 4 million head (2 million head in Italy, 1,3 million in Ireland, 0,4 million in Northern Ireland and 0,3 million in Greece),
 - the premium for slaughtering adult cattle other than cows: 26 million ECU corresponding to a premium of 60 ECU/head per year for 3 000 000 head over 5 months.

Historical Archives of the European Communities

CHAPTER 22 — SHEEPMEAT AND GOATMEAT

The market organization for sheepmeat and goatmeat is governed by the basic Council Regulation (EEC) No 1837/80 of 27 June 1980, as last amended by Regulation (EEC) No 871/84 of 31 March 1984.

The products covered are the following:

- *live animals*: sheep and goats whether or not pure-bred,
- *meat*: fresh, chilled or frozen,
- *processed products*: meat and offal of sheep and goats, salted, dried or smoked, other,
- *offal*.

The marketing year runs from the first Monday in April to the end of the previous day of the following year.

Expenditure in this sector accounts for between 1,5 and 2 % of total EAGGF guarantee expenditure (1,9 % in 1983).

1. Economic background

The gross Community production of sheep- and goatmeat in 1982 was 706 000 t, 0,7 % more than in 1981. The long-term trend has been upward since 1970. Production is expected to reach about 720 000 t in 1983. The number of sheep is about 60 million. The Community is the world's second largest producer, the largest being the USSR.

In 1982 Community consumption was 975 000 t (of which 42 % in the United Kingdom). The long-term trend is upward in all Member States except the United Kingdom and Ireland, which are showing a downward trend. The new common organization of the market has however occasioned an upward movement in consumption in the United Kingdom.

The degree of self-sufficiency is at present about 74 %.

As regards trade, the EEC imported 281 000 t of sheepmeat, especially from New Zealand, in 1982; its exports were just under 4 000 t. There are signs of a marked downward trend in imports in 1983.

2. Operation of the market

2.1. Price arrangements

Every year the Council fixes three types of price:

(a) *Basic price*: The basic price is fixed for fresh or chilled sheep carcasses, in the light of:

- the situation on the sheepmeat market in the current year;
- the outlook for the production and consumption of sheepmeat;
- sheepmeat production costs;
- the market situation, in particular as regards beef/veal;
- past experience.

The basic price is seasonally adjusted on proposal from the Commission to take account of normal seasonal variations on this market.

(b) *Seasonally-adjusted intervention price*: This is 85 % of the seasonally-adjusted basic price.

(c) *Seasonally-adjusted derived intervention price*: This price is fixed for certain regions having sheepmeat surpluses of Community origin which traditionally ship this meat to other regions, taking into account marketing costs, including freight costs.

2.2. Specific market instruments

2.2.1. Import and export arrangements

The arrangements for imports vary according to the product imported. For some of these, the CCT duties are chargeable.

For others, i.e. live animals other than pure-bred breeding animals, and meat, chilled or frozen, imports attract a levy. The levy matches the difference between the basic price, seasonally-adjusted, and the Community free-at-frontier price established on the basis of the most representative purchasing possibilities, as regards quality and quantity, recorded during a period to be fixed, preceding the termination of the levy.

However, for products bound under GATT, the levies may not exceed the amount bound.

A special levy may be fixed for products originating in or coming from one or more non-member countries, if such exports are effected at abnormally low prices. In practice however, under voluntary restraint arrangements concluded with the main non-member supplier countries (12 countries), the levy may not exceed 10 % *ad valorem*.

Exports of sheepmeat may, where necessary, attract a refund matching the difference between the prices of the products on the world market and those in the Community. It may be varied according to intended use/destination. Thus far, the instrument in question has not been applied.

2.2.2. Storage

Private storage: Aid for private storage may be granted whenever the Community market price falls below 90 % of the seasonally-adjusted basic price and is expected to remain at this level.

Public storage: Whenever, between 15 July and 15 December, the Community market price is the same as or less than the seasonally-adjusted intervention price, which is 85 % of the seasonally-adjusted basic price, and at the same time the price recorded on the representative markets of a given region is equal to or below the seasonally-adjusted intervention price, or, according to case, the seasonally-adjusted derived intervention price, the intervention agencies buy in sheepmeat where one or more Member States so request.

If a serious situation arises during the period between 16 December and 14 July necessitating market support, sheepmeat may be bought in during this period as well.

2.2.3. Premiums

(a) *Premium payable per ewe*: Taking into account any appreciable change in market prices in each relevant region, losses of income are estimated each year at the beginning of the marketing year. The loss of income represents any difference between the basic price and the arithmetical mean of the market prices recorded for each region.

The amount of the premium payable per ewe for each region is obtained by multiplying the loss of income referred to above by the normal average annual production of lamb per ewe, in 100 kg carcase weight, for each region.

An advance payment may be made to the farmer at the beginning of the year. The balance is paid at the end of the year after adaptation of the premium to take account of real changes in market prices and the actual number of ewes held by the farmer, to ensure that the premium actually paid corresponds to the actual loss of income. If it is found after the end of the marketing year that the advance paid is more than the premium payable per ewe for that year, the difference is deducted from the premium per ewe payable for the next marketing year to producers in the less-favoured areas concerned.

Where certain regions buy in sheepmeat during given periods, account is taken, for the purpose of calculating the total premium, of the effect of a limitation of a premium to a maximum equal to the difference between the reference price and the seasonally-adjusted intervention price.

(b) *Variable slaughter premium*: The United Kingdom can grant a sheep slaughter premium in Region 5, if sheepmeat is not bought-in in that region, or States concerned may pay a variable slaughter premium for sheep whenever the prices on the representative market or markets of that region are below a 'guide level' corresponding to 85 % of the basic price. The guide level is seasonally adjusted in the same way as the basic price.

The premium matches the difference between the guide level and the market price recorded in that region. Action is taken to ensure that where the premium has been paid an equivalent amount is charged on live sheep other than pure-bred breeding sheep or on sheepmeat leaving that region ('claw-back').

The overall amount paid as premium is subtracted from the total amount to be paid in the relevant region as premium payable per ewe.

2.3. Prices fixed

	(ECU/t)	
	1983/84	1984/85
Single basic price	4 323,6	4 280,0
Intervention price	3 675,1	3 638,3
Derived intervention price (applicable to Region 4)	3 477,0	3 442,2

3. Appropriations for 1985

3.1. Trend of appropriations

(million ECU)				
Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
220	Refunds on sheepmeat and goatmeat	—	p.m.	p.m.
2210	Premiums	305,6	355,7	417
2211	Storage	—	17	p.m.
2219	Other intervention	—	p.m.	p.m.
221	Intervention in respect of sheepmeat and goatmeat	305,6	372,7	417
22	Sheepmeat and goatmeat sector — Total	305,6	372,7	417
	Sector as a % of total EAGGF Guarantee Section expenditure	1,9	2,3	2,2

3.2. *Appropriations requested for 1985*

The number of ewes declared for the 1983/84 marketing year, used for calculating the premiums for 1985, is estimated at about 16 700 000 head, including some 13 350 000 in Great Britain, 880 000 in the Benelux, Denmark and Germany, 1 800 000 in Ireland and 690 000 in Northern Ireland.

- An appropriation of 417 million ECU is requested for the premiums relating to the 1984/85 and 1985/86 marketing years which will be paid in 1985.
- It is assumed that no storage will be necessary in 1985.

Historical Archives of the European Commission

CHAPTER 23 — PIGMEAT

The pigmeat market organization is governed by the basic Regulation (EEC) No 2759/75, which entered into force on 1 November 1975, as last amended by Regulation (EEC) No 2966/80.

The products covered are:

- live animals, other than pure-bred pigs for breeding,
- meat, offal, bacon and fats,
- processed products: preserves, sausages, etc.

The marketing year runs from 1 November to 31 October.

Expenditure in this sector varies around 1 % of total EAGGF guarantee expenditure (0,9 % in 1983).

1. Economic background

In 1982, 10,2 million t of pigmeat were produced in the EEC. Production seems to have stopped increasing after a continuous rise brought about by increased productivity. It is expected to reach about 10,4 million t in 1983. The number of pigs was 79,2 million at the end of 1982 and is expected to exceed 80 million by the end of 1983.

Consumption totalled 10,16 million t in 1982 compared with 10,11 million t in 1981. The figure for 1983 is about 10,20 million t.

Overall self-sufficiency in 1982 was 100,7 %, but varied widely from Member State to Member State (DK: 395,2 %, UK: 69,4 %).

As for trade with non-member countries, imports totalled 191 700 t in 1982 (—12,0 %) and exports 274 100 t (—22,6 %). The figures include offal and lard.

A sharp fall in imports is expected in 1983 owing to the absence of some Eastern European countries from the Community market. Exports, on the other hand, are likely to remain unchanged or perhaps show a slight increase, in view of the reopening of the Japanese market.

2. Operation of the market

2.1. Price arrangements

The pigmeat market organization has three prices:

(a) *The basic price*: This price is fixed every year by the Council, in the light of the sluice-gate price and the levy applicable in the three-month period beginning on 1 August of each year and of the need for a price at a level such as to help ensure stable prices on the markets without engendering structural surpluses in the Community.

(b) *The buying-in price*: This price is derived directly from the basic price (between 78 and 92 % of the latter for carcasses of standard quality). When intervention purchasing is in operation the intervention agencies buy in at this price.

It is fixed by the Commission by the management committee procedure.

(c) *The sluice-gate price*: This price is calculated for each three-month period by the Commission and corresponds, for products derived from cereals, to costs for the non-member countries having the highest technical efficiency and offering the best terms of supply of feed ingredients.

The sluice-gate price is used for the calculation of the additional amounts which may be charged on imports.

2.2. *Specific market instruments*

2.2.1. Import and export arrangements

Imports attract a levy which depends primarily on the difference between the world market price and the Community market price of the quantity of feed grain necessary for the production of 1 kg of pig-meat in the EEC.

For products bound under GATT, the levies may not exceed the limit agreed.

Whenever imports from non-member countries are offered at a price below the sluice-gate price, an additional amount may be added to the levy. The increased levy is applicable to the relevant product and to the non-member country concerned.

Exports qualify for a refund fixed, for each product, uniformly throughout the Community but which may be varied according to intended use/destination. The refund is based on the difference between the world market price and the Community price.

2.2.2. Storage

Buying-in — Storage: Pigmeat may be bought in whenever the Community market price for carcasses, established on the basis of prices recorded in each Member State on the EEC representative markets and weighted by coefficients expressing the relative importance of the pig stocks of each Member State, is below 103 % of the basic price and is likely to remain at this level.

When intervention purchasing is in operation the intervention agencies buy in at the buying-in price referred to under 2.1.

Aid to private storage: This is the commonest kind of intervention, because of its greater flexibility.

The aid is fixed:

- either by tendering procedure,
- or at a flat rate in advance.

Normally it may not exceed an amount corresponding to the costs which would be involved in storage under public intervention arrangements. It always allows for storage costs, normal quality loss and, as far as possible, the foreseeable increase in the price of the product.

2.3. *Price fixed*

	(ECU/t)	
	1983/84	1984/85
Basic price (slaughter weight)	2 053,87	2 033,33

3. Appropriations for 1985

3.1. Trend of appropriations

(million ECU)				
Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
230	Refunds on pigmeat	120,2	156,6	162
231	Intervention for pigmeat	24,8	36	33
23	Pigmeat sector — Total	145,0	192,6	195
	Sector as a % of total EAGGF Guarantee Section expenditure	0,9	1,2	1,0

3.2. Appropriations requested for 1985

As the supply of pigs has remained heavy in recent years, market prices have stayed consistently below the basic price. This tendency will probably continue in 1984 and necessitate increased support.

For 1985, expenditure on this sector will involve:

- export refunds estimated at 162 million ECU, which should cover the export of about 325 000 t;
- intervention.

These intervention measures will take the form of private storage aid in respect of about 90 000 t, necessitating an appropriation of 33 million ECU.

CHAPTER 24 — EGGS AND POULTRY

The egg market organization is governed by Regulation (EEC) No 2771/75, which entered into force on 1 November 1975, as last amended by Regulation (EEC) No 3643/81.

The poultry market organization is governed by Regulation (EEC) No 2777/75, which entered into force on 1 November 1975, as last amended by the Act of Accession of Greece.

The products covered are as follows:

- *eggs*: eggs in shell; eggs not in shell and egg yolks, liquid, frozen or dried;
- *poultry*: live, dead and offals, poultry liver, poultry fat, other preparations.

There is no marketing year for eggs or poultry.

Expenditure on eggs and poultry fluctuates around 0,8 % of total EAGGF guarantee spending (0,8 % in 1983).

1. Economic background

1.1. Eggs

In 1982, Community production of eggs totalled 4,26 million t, 2,4 % more than in 1981.

Human consumption rose by about 1,1 % in 1982, to a figure of 3,7 million t.

The degree of self-sufficiency was 103,3 % in 1982 (+ 1,2 %).

As regards trade, the EEC exported 162 000 t of eggs, and imported 32 000 t in 1982.

1.2. Poultry

In 1982, the EEC's gross internal production of poultrymeat was 4,43 million t (+ 5,5 % as compared with 1981).

Consumption increased by 4,9 % to a figure of 3,9 million t.

The degree of self-sufficiency in 1982 was 111,6 % (+ 0,6 %).

As regards trade, imports remained relatively stable at a low level (65 000 t). On the other hand, exports fell by 5,6 % over 1981 (a year in which there had been an increase of 43 % over 1980), to a tonnage of 441 000 t, partly because of a slower increase in demand in some non-Community importing countries and keener competition, particularly from Brazil.

2. Operation of the market

2.1. Price arrangements

The common organization for eggs and poultry is very flexible. There are no guaranteed prices but only a set of measures designed to improve the organization of production, processing and outlets and to achieve an improvement in quality and forecasts. There are no arrangements for intervention.

There is, however, a sluice-gate price, fixed in advance for each quarter, by the Commission by the management committee procedure. The sluice-gate price is made up of:

- an amount equal to the world market price of the quantity of feed grain needed for the production in non-member countries of 1 kilogram of the relevant product;
- a standard amount expressing the other feed costs and general production and marketing overheads.

2.2. Specific market instruments

2.2.1. Import and export arrangements

Imports of eggs and poultry attract a levy fixed in advance for each quarter. The levy is made up of:

- a component matching the difference between Community prices and world prices of the quantity of feed grain needed to produce 1 kg of the relevant product;
- a component of 7 % of the average sluice-gate prices for the four quarters preceding 1 May of each year.

Where, for a given product, the free-at-frontier offer price falls below the sluice-gate price, the levy is increased by an additional amount equal to the difference between the sluice-gate price and the free-at-frontier offer price.

Exports may qualify for refunds, which may be varied according to intended use/destination.

3. Appropriations for 1985

3.1. Trend of appropriations

(million ECU)				
Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
240	Refunds on eggs	30,4	36	36
241	Refunds on poultrymeat	92,9	89,2	100
24	Eggs and poultrymeat sector — Total	123,3	125,2	136
	Sector as a % of total EAGGF Guarantee Section expenditure	0,8	0,8	0,7

3.2. Appropriations requested for 1985

In this sector, the only expenditure is on export refunds.

- For eggs, it is assumed that 150 000 t of eggs in shell (the same as in 1984), 8 000 t of egg-based products (the same as in 1984), and 300 million eggs for hatching (the same as in 1984) will be exported.

The appropriation envisaged is 36 million ECU.

- For poultrymeat, there is also a substantial increase, since the quantities to be exported should total 425 000 t (5 000 t more than in 1984). It is also expected that 170 million chicks will be exported (40 million more than in 1984).

The appropriation envisaged is 100 million ECU.

CHAPTER 25 — REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRICULTURAL PRODUCTS

A. ARTICLE 250 — ADJUSTED REFUNDS ON CEREALS EXPORTED IN THE FORM OF CERTAIN SPIRITUOUS BEVERAGES

These refunds are covered by Regulations (EEC) Nos 1187, 1188 and 3496/81.

Under Protocol 19 to the 1972 Act of Accession, refunds were to be granted for cereals used in the manufacture of certain spirituous beverages for export. A decision on this subject was taken only in 1981.

The products covered are:

- spirituous beverages (in general) made from cereals, such as gin, vodka, liqueurs made from such beverages, etc.; they are dealt with in Regulation (EEC) No 1187/81, amending Regulation (EEC) No 2727/75 (market organization for cereals), and Regulation (EEC) No 3496/81, amending Regulation (EEC) No 3035/80 (refunds for non-Annex II products);
- Scotch whisky and Irish whiskey.

Regulation (EEC) No 1188/81 also provides for 'adjusted' rules on the granting of refunds for cereals exported in the form of spirituous beverages requiring at least three years for ageing as a necessary part of the manufacturing process. These special rules are necessary because of the widespread practice of blending products of different cereals, distillers and ages. For such products, the refund applies to the quantity of cereals placed under control by claimants, adjusted by a coefficient fixed annually for each Member State concerned and applicable to each applicant for refund. The coefficient represents the relationship between the total quantity of the beverage exported and the total quantity which is marketed.

The rate of the refund is the rate valid on the day when the cereals are placed under control. The refund can be withheld for exports to certain destinations where the world market situation or the requirements of particular markets make this necessary.

Expenditure in 1983 accounted for 0.2 % of total EAGGF guarantee spending. It will decline rapidly as from 1983 because the outstanding payments for 1973-81 were made in 1982.

B. ARTICLE 251 — REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRICULTURAL PRODUCTS

This scheme is currently governed by Regulation (EEC) No 3033/80 and has applied since 1 July 1969.

The products covered are those in the manufacture of which one or more basic products (milk, cereals, butter, sugar) have been used, either processed or unprocessed.

Expenditure in 1983 was 2,0 % of total EAGGF Guarantee Section spending.

1. Operation of the market

By way of exception to Article 38 of the Treaty establishing the European Communities, certain goods which are not listed in Annex II to the Treaty, and in the manufacture of which basic products have been used, may be made subject to the system of trade applying to those products.

The Council, acting on a proposal from the Commission, determines for each of these goods:

- the type and nature of the basic products on which to base the calculation of the variable component in the import levy;
- the quantity of each basic product deemed to have been used in the manufacturing process.

2. External trade arrangements

Duty is charged on imports of each of these goods in accordance with the CCT, this duty being composed of:

- an *ad valorem* duty as the fixed component;
- a variable component designed to cover, in respect of the quantities of basic products deemed to have been used in the manufacturing process, the difference between prices for these products in the Community and prices for imports of these products from non-Community countries, provided that the total cost of the quantities of basic products deemed to have been used is higher in the Community.

Processed products are eligible, upon export, for a refund based on:

- their composition in terms of basic products;
- the rates of refund or levy applicable to each of the basic products.

C. APPROPRIATIONS FOR 1985 UNDER CHAPTER 25**1. Appropriations to be entered in 1985**

Expenditure for 1985 is estimated at 390 million ECU: 22 million ECU for export refunds on cereal-based spirits and 368 million ECU for refunds on other processed products.

2. Trend of appropriations

(million ECU)				
Item/ Article	Heading	1983 expenditure	1984 approps	1985 estimate
a	b	c	d	e
250	<i>Adjusted refunds on cereals exported in the form of certain spirituous beverages</i>	29,6	27	22
251	<i>Refunds on certain goods obtained by processing agricultural products</i>	313,6	292,4	368
25	Processed products—Total	343,2	319,4	390
	Sector as a % of total EAGGF Guarantee Section expenditure	2,2	2,0	1,9

CHAPTER 27 — ACCESSION MONETARY COMPENSATORY AMOUNTS IN INTRA-COMMUNITY TRADE

1. References

Article 55 of the Act of Accession of the United Kingdom, Ireland and Denmark and Article 61 of the Act of Accession of Greece.

2. Description

Prices in new Member States are aligned with those in the rest of the Community over a period of several years. In the interim period, a system of accession compensatory amounts serves to offset the differences in price levels.

Compensatory amounts are granted in respect of exports from the pre-enlargement Community to a new Member State and charged on imports, the revenue accruing as own resources.

In trade between new Member States and non-member countries, levies and refunds are reduced or increased, as appropriate, by the accession compensatory amounts.

The accession compensatory amounts for the United Kingdom, Ireland and Denmark came to an end on 1 January 1978, the date of final price alignment, although residual payments were made until 1980.

In the case of Greece, price alignment for most products is spread over five years starting on 1 January 1981.

An amount of 1 million ECU is appropriated.

CHAPTER 28 — MONETARY COMPENSATORY AMOUNTS LEVIED OR PAID IN TRADE IN AGRICULTURAL PRODUCTS

1. References

Regulation (EEC) No 974/71, as last amended by Regulation (EEC) No 3439/82.

2. Monetary compensatory amounts

The aim of the system of monetary compensatory amounts is to allow the application of uniform prices in ECU despite fluctuations in the value of currencies, without this causing serious disruption to trade between the countries making up the Community.

The system of compensatory amounts as applied at present derives from Regulation (EEC) No 974/71 as last amended by Regulation (EEC) No 855/84, which provides that:

- those Member States whose currencies have appreciated *vis-à-vis* the 'green' rate expressed in ECU may charge monetary compensatory amounts on imports and grant monetary compensatory amounts on exports ('positive' MCAs);
- those Member States whose currencies have depreciated *vis-à-vis* the 'green' rate expressed in ECU are allowed to grant monetary compensatory amounts on imports and charge monetary compensatory amounts on exports ('negative' MCAs).

The compensatory amount granted or charged depends on:

- (a) the price of the product (generally the intervention price);
- (b) the percentage appreciation or depreciation of the relevant currency.

For the currencies which participate fully in the European Monetary System and which therefore are maintained within 2,25 % of each other at any one time, this percentage is measured by the difference between the 'green' rate and the central rate; consequently, it remains unchanged until such time as a decision is taken either:

- to change the 'green' rate (this rate is officially known as the 'representative' rate), or
- to devalue or revalue the central rates.

For the lira, sterling and the drachma, the percentage appreciation or depreciation is determined by reference to changes in spot exchange rates. It is reviewed each week and readjusted if there has been a change in relation to the preceding week's rate of not less than 1 percentage point.

But, for all currencies, a neutral margin (*franchise*) is subtracted from the percentage differences, as follows:

- 1,5 percentage points for negative MCA countries;
- 1 percentage point for positive MCA countries.

However, the new version of Article 2 of Regulation (EEC) No 974/71 stipulates that the percentage to apply is 0 when the result of deducting the neutral margin is 0,50 or less but more than 0. The Regulation further provides that the percentage applicable is 1 when the result of deducting the neutral margin is 1 or less but more than 0,50;

- (c) export or import flows, in terms of quantity.

MCAs apply to products eligible for intervention, the so-called basic products. The MCAs on 'derived products' are the same as if MCAs had been applied to the price of the basic product from which they are derived.

As from 1 January 1985, pigmeat is to be treated as a product derived from cereals. By way of derogation from Article 2 of Regulation (EEC) No 974/71 in its new version, with a view to dismantling MCAs, the Council has decided the following:

A. Future MCAs

For future MCAs, the Council has made the arrangements necessary to ensure that as far as the beginning of the 1987/88 milk year, changes in currency parities can in no circumstances entail the creation of fixed positive MCAs.

This will be achieved by the application of a corrective coefficient to the central rates used under the ECU.

The Commission will take the necessary action to ensure that negative MCAs thus created do not lead to distortions in connection with export refunds.

The negative MCAs created in this way will be dismantled on Commission proposals, having regard to the economic situation of the Member States, taking into account, in the light of past experience, the need to avoid disrupting market equilibria and aggravating inflation in the Member States concerned.

Before 31 December 1986, the Commission will send a report to the Council on the application of this system and will make proposals in the light of the economic and monetary situation of the Community, trends in farm incomes and experience gained.

If, by the beginning of the 1987/88 milk year, the Council has not adopted decisions, in the light of this report, either extending the current system or setting up another, the arrangements applying before the 1984/85 marketing year will be restored.

B. Existing positive MCAs

- (a) At the beginning of the 1984/85 marketing year for each of the products, part of the positive MCAs of all the Member States concerned will be dismantled by the application of a corrective coefficient allowing of their conversion into negative MCAs; the corrective coefficient will be calculated so as to reduce the German MCAs by three points.

The negative MCAs created in this way will be eliminated at the beginning of the 1984/85 marketing year for each of the products.

- (b) On 1 January 1985, the German positive MCAs will be dismantled by five points. By way of compensation, the Federal Republic of Germany will be authorized by the Community to grant a special aid through payment mentioned in the VAT invoice and/or declaration and using the VAT mechanism. The aid will be 3 % of the ex-VAT price paid by the purchaser of the agricultural product.

The Community will contribute to this aid, on a decreasing scale, up to 120 million ECU in 1985 and 100 million ECU in 1986. A Community contribution may be approved for 1987, depending on changes in the level of German compensation made by the Federal Republic of Germany.

- (c) On 1 January 1985, the Dutch MCAs will be dismantled by 0,6 points for milk, 0,7 points for cereals and 0,8 points for the other products, so that the Dutch MCAs will be the same as the German MCAs. If, at its request, the Netherlands is authorized to adopt national measures matching the German measures, it will qualify for Community assistance similar to that approved for Germany.
- (d) Any positive German and Dutch MCAs still paid after 1 January 1985 will be eliminated at latest by the beginning of the 1987/88 marketing year for each of the products.
- (e) For the United Kingdom, the status of sterling prevents planned dismantlement of any positive MCAs other than that provided for under (a). Dismantlement exceeding that provided for under (a) will therefore be arranged, if necessary, at the time of the Community's annual price proposals.

C. Existing negative MCAs

Existing negative MCAs will be dismantled on the basis of Commission proposals.

3. Financial mechanisms

3.1. Under Article 4a and Article 7 of Regulation (EEC) No 974/71, and Article 2 of the Decision of 21 April 1970 on the replacement of Member States' contributions by the Community's own resources, the following financial provisions apply to MCAs:

- *For trade with non-member countries*, compensatory amounts charged rank as 'own resources'. However, Article 4a of Regulation (EEC) No 974/71 provides that the compensatory amounts charged on exports are deducted from the export refund; if the compensatory amount charged is higher than the refund, the balance accrues as own resources;

Compensatory amounts granted are regarded as part of export refunds. However, pursuant to Article 4a of Regulation (EEC) No 974/71, the compensatory amounts paid on imports are deducted from the import levy; also, if the compensatory amount paid on imports exceeds the levy, the balance is treated as EAGGF expenditure.

- *For trade between Member States*, the compensatory amounts are regarded as intervention to regulate the agricultural markets.

3.2. For the purposes of the budget, the compensatory amounts are contained in Chapter 28 under the following headings:

Article 280: monetary compensatory amounts in respect of intra-Community trade.

Item 2800 covers monetary compensatory amounts paid on imports by importing Member States whose currency has depreciated.

Item 2801 covers compensatory amounts on imports paid by exporting Member States on behalf of importing Member States whose currency has depreciated.

For the purposes of implementing Council Regulation (EEC) No 1172/76 setting up a financial mechanism it is desirable to isolate these payments in the accounts.

Item 2802 covers the monetary compensatory amounts on imports levied by importing Member States with an appreciated currency.

- Item 2803* covers the monetary compensatory amounts on exports paid by exporting Member States with an appreciated currency.
- Item 2804* covers the monetary compensatory amounts on exports levied by exporting Member States with a depreciated currency.
- Article 281:* monetary compensatory amounts in trade with non-member countries.
- Item 2810* gives the portion of monetary compensatory amounts granted on imports (into Member States with a depreciated currency) which exceeds the import levy. This is the case with imports of ACP sugar.
- Item 2811* covers the compensatory amounts paid on exports by Member States whose currency has appreciated; the MCAs levied on exports by countries with a depreciated currency are deducted from the refunds and, if they exceed the refunds, the amount in excess accrues as own resources.

The financial mechanism is summarized, taking into account the state of each currency, in the table below, where the + sign indicates EAGGF expenditure and the — sign indicates a reduction in expenditure or revenue to be deducted from expenditure.

Item of expenditure	Appreciated currencies	Depreciated currencies
<i>280 MCAs (intra-Community trade):</i>		
2800 MCAs on imports paid by importing Member States (with a depreciated currency)		+
2801 MCAs on imports paid by exporting Member States on behalf of importing Member States with a depreciated currency		+
2802 MCAs on imports levied by importing Member States (with an appreciated currency)	—	
2803 MCAs on exports paid by exporting Member States (with an appreciated currency)	+	
2804 MCAs on exports levied by exporting Member States (with a depreciated currency)		—
<i>281 MCAs (extra-Community trade):</i>		
2810 Portion of MCAs granted on imports (into Member States with a depreciated currency) which exceeds the import levy		+
2811 MCAs on exports paid by exporting Member States (with an appreciated currency)	+	

4. Assumed representative rates and MCAs for 1985 and expenditure on MCAs

MCAs ASSUMED FOR 1985

Currency	MCA rate			
	1. 11. 1984 to 31. 12. 1984		1. 1. 1985 to 31. 10. 1985	
DM	milk	+ 7,9	+	2,9
	cereals	+ 7,4	+	2,4
	other	+ 6,8	+	1,8
BFR/LFR		—		—
HFL	milk	+ 3,5	+	2,9
	cereals	+ 3,1	+	2,4
	other	+ 2,6	+	1,8
FF	milk	— 1	—	1
	pigmeat and wine	—		—
	other	— 2	—	2
LIT		—		—
UKL		+ 3,7		—
IRL		—		—
DKR		—		—
DRA		—		—

MCAs EXPENDITURE IN 1985

(million ECU)

Currency	MCAs (intra-Community)			MCAs (extra-Community)			Total (d + g)	MCAs on exports to be deducted from refunds	Grand total (MCAs) (h + i)
	Imports	Exports	Sub- total (b + c)	On imports (portion exceeding levy)	Exports	Sub- total (e + f)			
a	b	c	d	e	f	g	h	i	j
DM	— 116	+ 110	— 6		+ 57	+ 57	+ 51	— 51	+ 26
HFL	— 56	+ 95	+ 39	+ 1	+ 69	+ 70	+ 109	— 30	+ 79
FF	+ 31	— 65	— 34				— 34	— 47	— 81
Total	— 141	+ 140	— 1	+ 1	+ 126	+ 127	+ 126	— 102	+ 24

The entries will be as follows:

2800	2801	2802	2803	2804	2810	2811	Total
30	1	— 172	205	— 65	1	126	126

CHAPTER 29 — OTHER EXPENDITURE

ARTICLE 290 — CLEARANCE OF PREVIOUS YEARS' ACCOUNTS

This article is provided for in Article 99 of the Financial Regulation of 21 December 1977 for the purpose of showing the difference between expenditure charged for a given year and the expenditure recognized by the Commission during clearance of accounts under Article 5(2)(b) of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy.

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ARTICLE 291 — COMMUNITY COMPENSATION FOR GERMANY

Article 3 of Council Regulation (EEC) No 855/84 of 31 March 1984 authorizes the Federal Republic of Germany to pay a special aid to German farmers offsetting income losses due to the dismantlement of German MCAs. Article 4 states that the Community will contribute to the financing of the aid on a degressive basis up to 120 million ECU in 1985 and 100 million ECU in 1986.

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ARTICLE 292 — SPECIAL MEASURES TO REDUCE STOCKS

In its proposal on the introduction of measures to cover needs in 1984 (COM(84) 250 final), the Commission contemplated the introduction of a multiannual programme to reduce stocks on special terms to help restore market equilibrium, especially for beef/veal and milk products. For the first stage of this programme, in 1984, the Commission proposed an appropriation of 150 million ECU.

The Commission takes the view that in 1985 this programme should continue with an appropriation of 350 million ECU earmarked for this operation. This would enable stocks to be significantly reduced.

Public stocks of beef/veal and milk products at the end of 1984 are estimated at 560 000 t (beef/veal), 700 000 t (butter) and 900 000 t (skimmed-milk powder). With normal measures to run down stocks, including the impact of the additional levy in the milk sector, it is expected that stocks would reach 710 000 t, 630 000 t and 860 000 t respectively by the end of 1985. The prospects of cutting back stocks substantially at acceptable cost to the budget by normal measures to run down stocks are almost negligible.

The Commission therefore believes that although it intends to use instruments having the best cost/effectiveness ratio to scale down stocks, extra efforts will be needed. These will cost more in the short term but less in the long term. The special measures will be mainly subsidized sales within the Community channelled as far as possible to selected classes of consumer to maximize additional sales of surplus products. The legal basis for these schemes will consist in Commission regulations adopted under existing Council regulations.

TITLE 3 — EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND
— GUIDANCE SECTION AND SPECIFIC AGRICULTURAL MEASURES

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
30	Projects for the improvement of agricultural structures	164 000 000	120 000 000	267 000 000	182 400 000	+ 62,8	+ 52,0
31	General socio-structural meas- ures	93 000 000	93 000 000	130 041 000	128 400 000	+ 39,8	+ 38,1
32	Measures to assist less- favoured areas	387 600 000	321 910 000	339 800 000	461 600 000	- 12,3	+ 43,4
33	Structural measures connected with the common organization of markets	78 900 000	60 700 000	97 500 000	84 400 000	+ 23,6	+ 39,0
38	Expenditure in the agricultural sector	86 560 000	79 520 000	94 859 000	83 039 000	+ 9,6	+ 4,4
	Total	810 060 000	675 130 000	929 200 000	939 839 000	+ 14,7	+ 39,2

(¹) Including any appropriations entered in Chapter 100.

NB : For a general presentation of the EAGGF Guidance Section, including appropriations for the fisheries sector, see the table at the end of Title 4.

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CHAPTER 30 — EUROPEAN AGRICULTURAL GUIDANCE
AND GUARANTEE, GUIDANCE SECTION — FINANCING
OF PROJECTS FOR THE IMPROVEMENT OF
AGRICULTURAL STRUCTURES

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
300	Projects for the improvement of agricultural structures	p.m.	10 000 000	p.m.	17 800 000	0	+ 78,0
301	Marketing and processing of agricultural products	164 000 000	110 000 000	267 000 000	164 600 000	+ 62,8	+ 49,6
	Total	164 000 000	120 000 000	267 000 000	182 400 000	+ 62,8	+ 52,0

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 300 — EAGGF (GUIDANCE) — PROJECTS FOR THE IMPROVEMENT OF STRUCTURES PROVIDED FOR UNDER ARTICLE 13 OF REGULATION No 17/64/EEC

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	10 000 000
1985 — Appropriations requested	p.m.	17 800 000
Percentage change	0	+ 78,0

1. References and description

(a) References

- Council Regulation (EEC) No 17/64 of 5 February 1964 on the condition for granting aid from the European Agricultural Guidance and Guarantee Fund (OJ No L 34, 27.2.1964, p. 586), Council Regulation (EEC) No 2992/78 of 19 December 1978 on the granting of aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund under Regulation (EEC) No 17/64 in respect of 1978 and 1979 (OJ No 357, 21.12.1978, p. 3).
- Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy (OJ No L 94, 28.4.1970, p. 13).

(b) Description

The aim of this measure was to finance, from the EAGGF, projects for the improvement of agricultural structures. Such projects included both investment in rural infrastructure and investment to improve the production or marketing and sale of agricultural products. The scheme operated up to 1980. Most projects relating to production are now covered by Directive 72/159 (see Article 310) and most projects relating to the marketing and processing of agricultural products are now covered by Regulation (EEC) No 355/77 (see Article 301). In the case of certain less-favoured regions and certain sectors, infrastructure projects will be financed under the regional measures described in Chapter 32.

2. Type of expenditure

Subsidy in the form of the reimbursement of up to 25 % of expenditure on marketing investments and up to 45 % of expenditure on production investments.

3. Method of calculation and explanation of changes

(a) Commitment appropriations

No new commitment is planned under this item.

(b) Payment appropriations

As regards payment appropriations, requirements are estimated at 17,8 million ECU.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	58 892 853 ⁽¹⁾	10 000 000	17 800 000	10 000 000	10 000 000	11 092 853
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Appropriation for 1985	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Total	58 892 853	10 000 000	17 800 000	10 000 000	10 000 000	11 092 853

⁽¹⁾ Commitments entered into but not paid at 31 December 1983 (64 409 379 ECU) less carryovers (5 516 526 ECU).

Former Items 4010, 4011, 4012, 4014**ARTICLE 301 — EAGGF (GUIDANCE) — MARKETING AND PROCESSING OF AGRICULTURAL PRODUCTS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	164 000 000	110 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	267 000 000	164 600 000
Percentage change	+ 62,8	+ 49,6

1. References and description**(a) References**

- Council Regulation (EEC) No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural products are processed and marketed (OJ No L 51, 23.2.1977, p. 1).
- Council Regulation (EEC) No 3164/82 of 22 November 1982 amending Regulation (EEC) No 355/77 on common measures to improve the conditions under which agricultural products are processed and marketed (OJ No L 332, 27.11.1982, p. 1).
- Council Regulation (EEC) No 1820/80 of 24 June 1980 for the stimulation of agricultural development in the less-favoured areas of the West of Ireland (OJ No L 180, 14.7.1980, p. 1).
- Council Regulation (EEC) No 3073 of 16 November 1982 amending Regulation (EEC) No 1820/80 for the stimulation of agricultural development in the less-favoured areas of the West of Ireland, Article 19 of which governs the application of certain provisions of Regulation (EEC) No 355/77 (OJ No L 325, 20.11.1982, p. 1).
- Proposal for a Council Regulation amending Regulations (EEC) No 355/77 and (EEC) No 1820/80 (COM(83)559 final of 10 October 1983).

(b) Description

Aid for public, semi-public or private investment projects is to be granted for a period of seven years, from 1 January 1978, under specific programmes prepared by Member States within a Community framework and approved by the Commission.

The aim of this measure is to improve the conditions under which agricultural products are processed and marketed so that the processing and sales sectors are able to offer reasonable prices to producers, to increase exports and to facilitate the marketing of agricultural products from remote regions of the Community. For this reason, aid from the Fund is primarily intended for projects which satisfy one or more of the following criteria :

- they should help to orient production along the lines sought by the common agricultural policy or involve the opening-up of new outlets for agricultural produce, in particular by the production of new products ;
- they should ease the burden of the intervention mechanisms of the common market organizations by improving structures in the long term ;
- they should be in regions which are experiencing special difficulties in adapting to the conditions and economic consequences of the common agricultural policy or they should benefit these regions ;
- they should contribute to the shortening or improvement of marketing channels or to the rationalization of the processing of agricultural products ;
- they should contribute to improving the quality, presentation and packaging of products or to a better use of by-products, in particular by recycling waste.

EAGGF Guidance aid consists of capital subsidies and will amount to a maximum of 25 % of the value of the investment (the Commission may raise this to 30 % in regions which have to contend with exceptional difficulties).

However, the level of aid can be raised in certain regions to :

- 50 % for projects carried out in the Mezzogiorno, the West of Ireland and Greece with the exception of Greater Athens,
- 35 % for projects carried out in Languedoc-Roussillon and projects concerning wine carried out in the departments of Vaucluse, Bouches-du-Rhône, Var, Ardèche and Drôme.

The Commission has proposed that this measure be extended for a further period of 10 years, while raising the annual appropriation to 350 million ECU. In addition, provision is made for an annual appropriation of 10 million ECU to finance projects in the wood sector (see Item 3881). The proposal also aims to adapt the measure so as to stimulate the production of new products and the use of new technologies.

2. Type of expenditure

Capital subsidy in the form of the reimbursement of eligible expenditure.

3. Method of calculation and explanation of changes

(a) Commitment appropriations

Although the Commission proposal for a Regulation amending Council Regulation (EEC) No 355/77 makes provision for an annual appropriation of 350 million ECU, it is proposed that this figure be reduced to 267 million ECU for 1985 so as to take account of the present budgetary situation and the rate of adjustment of non-compulsory expenditure fixed at 12,75 %.

(b) Payment appropriations

Payments, to be made as and when projects are implemented, are put at 64,6 million ECU. The figure takes account, in the light of past experience, of appropriations for payment made available under Article 22 of Regulation (EEC) No 3171/75, which allows the recovery and re-use under Article 301 of appropriations originally entered under Item 300. Priority is given to using appropriations for payment from this source.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	568 577 184	109 000 000	127 800 000	88 700 000	65 400 000	177 677 184
Appropriation outstanding from 1983	18 588 369	1 000 000	35 100 000	38 900 000	26 100 000	81 488 369
Appropriation for 1984	164 000 000					
Appropriation for 1985	267 000 000					
Total	1 018 165 553	110 000 000	164 600 000	184 700 000	154 800 000	404 065 553

(¹) Commitments entered into and still to be honoured at 31 December 1983 (588 373 525 ECU) less carryovers (19 796 341 ECU).

CHAPTER 31 — EUROPEAN AGRICULTURAL GUIDANCE
AND GUARANTEE FUND, GUIDANCE SECTION —
GENERAL SOCIO-STRUCTURAL MEASURES

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
310	Modernization of farms	87 500 000	87 500 000	120 000 000	120 000 000	+ 37,1	+ 37,1
311	Cessation of farming and real- location of land for structural improvement	500 000	500 000	1 000 000	1 000 000	+ 100,0	+ 100,0
312	Vocational guidance and train- ing	5 000 000	5 000 000	9 041 000	7 400 000	+ 80,0	+ 48,0
	Total	93 000 000	93 000 000	130 041 000	128 400 000	+ 39,8	+ 38,1

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 310 — EAGFF (GUIDANCE) — MODERNIZATION OF FARMS

	Commitments	Payments
1984 — Commitment appropriations authorized	87 500 000	
— Payment appropriations authorized		87 500 000
1985 — Commitment appropriations requested	120 000 000	
— Payment appropriations requested		120 000 000
Percentage change	+ 37,1	+ 37,1

1. References and description**(a) References**

- Council Directive 72/159/EEC of 17 April 1972 (OJ No L 96, 23.4.1972, p. 1) on the modernization of farms, as last amended by Directive 82/436/EEC of 24 June 1982 (OJ No L 193, 3.7.1982, p. 37). It is supplemented by Council Directive 73/131/EEC of 15 May 1973 (OJ No L 153, 9.6.1973) (guidance premium for the production of beef and veal), Council Directive 73/440/EEC of 11 December 1973 (OJ No L 356, 27.12.1973) (regional differentiation of measures), Council Directive 75/268/EEC of 28 April 1975 (OJ No L 128, 19.5.1975) (hill farming), Council Decision 81/598/EEC of 27 July 1981 (OJ No L 220, 6.8.1981) (interest-rate subsidy in Ireland), Council Decisions 76/402/EEC of 6 April 1976 (OJ No L 108, 26.4.1976) and 82/437/EEC of 24 June 1982 (OJ No L 193, 3.7.1982) (interest-rate subsidy in Italy), and Council Decision 82/438/EEC of 24 June 1982 (OJ No L 193, 3.7.1982) (interest-rate subsidies in all Member States except Italy and Ireland). Furthermore, its field of application is limited by Council Decision 84/ /EEC of 1 March 1984 (OJ No L , .3.1984) (suspension of aids to investment in the milk production sector).
- Proposal for a Council Regulation on improving the efficiency of agricultural structures (COM(83)559 final of 10 October 1983).

(b) Description

The Directive establishes a system of selective incentives for farms with enough development potential to attain, by means of an appropriate plan, an income per worker equivalent to the average gross wage of non-agricultural workers in the region concerned.

The incentive scheme comprises the following measures :

- aid in the form of interest-rate subsidies or the equivalent for the investment necessary to carry out the development plan ; this applies to the entire loan, except for that part in excess of 77 379 ECU per man-work unit (MWU) and 238 137 ECU per farm. In principle, the rate is 5 % over 15 years, but variations are possible. Ireland, for example, has raised the rate to 12 % in less-favoured areas and 10 % elsewhere, and Italy is authorized to raise it by 11 % for the Mezzogiorno, the centre and the north, to 12 % for mountain areas and to 9 % for the remaining regions ; the other countries are authorized to raise it by 3 % ;

- guarantees for loans and interest thereon ;
- priority for these holdings when land released under Directive 72/160 is made available ;
- guidance premiums to encourage the production of beef and veal and sheepmeat ;
- aid amounting to 832 ECU for the keeping of management accounts, for at least the first four years ;
- launching aid of between 3 642 and 920 ECU for producer groups ;
- aid for land reparcelling and irrigation.

The alteration made by Directive 84/ extends the scheme by one year to 30 June 1984 whilst permitting the Member States to apply the system of investment aids (improvement plans) provided for under the new Regulation with effect from 1.3.1984. Only those aids which comply with the definitive system adopted by the Council will be eligible for a Community financial contribution.

2. Type of expenditure

Subsidy in the form of the reimbursement of expenditure incurred by Member States during the previous year.

3. Method of calculation and explanation of changes

The EAGGF reimburses 25 % of eligible expenditure incurred by Member States under these Directives, subject to the limits laid down therein. The proposal provides for the same rate of reimbursement and the more flexible arrangements proposed are expected to have only a very limited impact on national expenditure in 1984 (reimbursed in 1985).

Commitment and payment appropriations

The estimates of the commitment appropriations and the payment appropriations are based on national forecasts of expenditure to be incurred by Member States in 1984 and reimbursed by the EAGGF in 1985.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	2 625 653	—	—	—	—	—
Appropriation for 1984	87 500 000	87 500 000	—	—	—	—
Appropriation for 1985	120 000 000	—	120 000 000	—	—	—
Total	207 500 000	87 500 000	120 000 000	—	—	—

The Commission proposal, some major aspects of which are not contested within the Council, aims at establishing a system of aids to investments in agricultural holdings (Articles 4 to 7 of the proposal) based on 'improvement plans' which can be applied in a more flexible and broader manner than the 'development plans' provided for hitherto. Although the rates of aid will barely change, special aids to assist young farmers will be increased and the investment eligibility ceilings raised.

ARTICLE 311 — EAGGF (GUIDANCE) — CESSATION OF FARMING AND REALLOCATION OF LAND FOR STRUCTURAL IMPROVEMENT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	500 000	500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 000 000	1 000 000
Percentage change	+ 100,0	+ 100,0

1. References and description

(a) References

- Council Directive 72/160/EEC of 17 April 1972 (OJ No L 96, 23.4.1972, p. 9), supplemented by the Council Decisions 74/517/EEC and 74/518/EEC of 21 October 1974 concerning measures to encourage the cessation of farming and the reallocation of the utilized agricultural area (UAA) for the purpose of structural improvement, as last amended by Directive 84/ /EEC of 24 June 1982 (OJ No L...1984).
- Proposal to amend the Directive (COM(79)122 final of 19 March 1979).
- Proposal for a Council Regulation on improving the efficiency of agricultural structures (COM(83)559 final of 10 October 1983).

(b) Description

This Directive supplements Directive 72/159/EEC on the modernization of farms. The purpose is to make it easier for farmers, particularly elderly farmers, to leave farming. To attain this objective, an incentive system has been set up which comprises, subject to strict conditions concerning reallocation of the UAA, the following measures :

- the grant of an annuity to farmers aged between 55 and 65. National expenditure of up to 1 088 ECU per year in the case of a married farmer and 725,4 ECU per year in the case of a single farmer is eligible for Community aid ;
- the grant of a lump-sum premium to every farmer giving up farming, calculated on the basis of the UAA (this premium is not eligible for aid from the EAGGF) ;
- the grant, subject to certain conditions, of the annuity referred to in the first subparagraph to permanent family or hired workers who leave agriculture.

The desired effect of the measure is to improve agricultural incomes by encouraging an increase in the average size of farms, giving priority to farms which have development plans, and withdrawing certain areas of land from agricultural use to reallocate them for afforestation or recreational or public health purposes.

The Commission has submitted to the Council a proposal for a Directive amending existing provisions and replacing the previous proposals for amendments.

However, this proposal will be affected by the proposal for a Regulation on improving the efficiency of agricultural structures, which provides for the Directive to be repealed after a transitional period of six months.

2. Type of expenditure

Subsidy in the form of the reimbursement of eligible expenditure incurred by Member States in the previous year.

3. Method of calculation and explanation of changes

The Guidance Section of the EAGGF refunds to Member States 25 % of eligible expenditure. In the case of Ireland and certain less-favoured areas of Italy, however, the Community refunds 65 %. The repeal of the Directive will have no immediate effect on expenditure since amounts already granted will have to be paid over a period of up to 10 years.

The estimates of the commitment and payment appropriations are based on the national forecasts of expenditure of the Member States in 1984 to be reimbursed by the EAGGF in 1985.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	514 159	303 525	—	—	—	—
Appropriation for 1984	500 000	500 000	—	—	—	—
Appropriation for 1985	1 000 000	—	1 000 000	—	—	—
Total	2 014 159	803 525	1 000 000	—	—	—

ARTICLE 312 — EAGGF (GUIDANCE) — VOCATIONAL GUIDANCE AND TRAINING IN AGRICULTURE

ITEM 3120 — EAGGF (GUIDANCE) — VOCATIONAL TRAINING IN AGRICULTURE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	5 000 000	5 000 000
1985 — Appropriations requested	6 400 000	6 400 000
Percentage change	+ 28,0	+ 28,0

1. References and description

(a) References

- Council Directive 72/161/EEC of 17 April 1972 concerning the provision of socio-economic guidance for and the acquisition of occupational skills by persons engaged in agriculture (OJ No L 96, 23.4.1972).
- Council Directive 82/436/EEC of 24 June 1982 amending Directive 72/161/EEC concerning the provision of socio-economic guidance for and the acquisition of occupational skills by persons engaged in agriculture (OJ No L 193, 3.7.1982).
- Proposal for a Council Regulation on improving the efficiency of agricultural structure (COM(83)559 final of 10 October 1983).

(b) Description

The purposes of the current measures are :

- to develop socio-economic guidance for farmers and farm workers (including family members) (Title 1) ;
- to enable farmers and farm workers to acquire new or improved agricultural skills and encourage training of directors and managers of cooperatives (Title 2).

The incentives scheme comprises :

- the creation and development of services (or special departments) providing socio-economic guidance ;
- bearing the cost of the basic and advanced training of the socio-economic counsellors ;
- bearing the cost of giving persons engaged in agriculture further training of a general, technical and economic nature.

The new proposal (Article 21) sets out to strengthen measures to promote vocational training, especially for young farmers. By contrast, the development of socio-economic guidance has been dropped.

2. Type of expenditure

Subsidy in the form of the reimbursement of eligible expenditure incurred by Member States in the previous year.

3. Method of calculation and explanation of changes

The EAGGF Guidance Section bears 25 % of the expenditure incurred by Member States pursuant to the Directive, subject to the prescribed limits (9 068 ECU in respect of a newly-appointed counsellor, 5 441 ECU for a counsellor given basic or advanced training, 2 902 ECU for each farmer or farm worker having completed a course of training).

The estimates of the commitment and payment appropriations are based on the national forecasts of expenditure by the Member States in 1984 to be reimbursed by the EAGGF in 1985.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	127 018	114 517	—	—	—	—
Appropriation for 1984	5 000 000	5 000 000	—	—	—	—
Appropriation for 1985	6 400 000	—	6 400 000	—	—	—
Total	11 527 018	5 114 517	6 400 000	—	—	—

ITEM 3121 — EAGGF (GUIDANCE) — INFORMATION IN THE FIELD OF AGRICULTURAL STRUCTURES

	Commitments	Payments
1984 — Commitment appropriations authorized	—	
— Payment appropriations authorized		—
1985 — Commitment appropriations requested	2 641 000	
— Payment appropriations requested		1 000 000
Percentage change	+	+

1. References and description

(a) References

Proposal for a Council Regulation on improving efficiency of agricultural structures — Article 22 (COM(83)559 final of 10 October 1983).

(b) Description

- implementation of pilot schemes to demonstrate to farmers the real possibilities of production systems, methods and techniques,
- dissemination at Community level of the results of the work done and the experience gained as regards the improvements of agricultural structures,
- carrying out of studies to assess the economic efficiency of the measures provided for in the proposal.

2. Type of expenditure

Subsidy or financing on a contractual basis.

3. Method of calculation and explanation of changes

(a) Commitment appropriations

An amount of 5 million ECU has been proposed by way of experiment.

(b) Given the nature of the measure, payments can be made over three years at the respective rates of 40 %, 40 % and 20 % of the initial commitment.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984						
Appropriation for 1985	2 641 000	—	1 000 000	1 000 000	641 000	—
Total						

New article**ARTICLE 313 — EAGGF (GUIDANCE) — AIDS TO THE MANAGEMENT OF AGRICULTURAL HOLDINGS**

	Commitments	Payments
1984 — Commitment appropriations authorized	—	—
— Payment appropriations authorized		
1985 — Commitment appropriations requested	p.m.	p.m.
— Payment appropriations requested		
Percentage change	0	0

1. References and description**(a) References**

Proposal for a Council Regulation on improving the efficiency of agricultural structures (Articles 9 to 12 (COM(83)559 final of 10.10.1983).

(b) Description

Under this measure the Member States are authorized :

- to grant to farmers an accounting aid in principle of 1 000 ECU spread over at least the first four years during which management accounts are kept on their holdings,
- to grant to recognized groups having as their object mutual aid between holdings, a more rational joint use of agricultural equipment or the operation of a group holding launching aid, eligible for Community financing up to a maximum of 15 000 ECU per recognized group, as a contribution to such groups' operating costs during not more than the first five years after their formation,
- to grant to agricultural associations having as their object the provision of farm relief services launching aid, eligible for Community financing up to a maximum of 12 000 ECU per relief worker employed on a full-time basis and spread over the first five years of each worker's employment, as a contribution to such groups' management costs,
- to grant to agricultural associations having as their object the provision of farm management services launching aid eligible for Community financing up to a maximum of 12 000 ECU per member of staff employed on a full-time basis and spread over the first five years of each member of staff's employment.

2. Type of expenditure

Optional subsidy in the form of the reimbursement of up to 25 % of eligible expenditure incurred by the Member States in the previous year.

3. Method of calculation and explanation of changes

The EAGGF Guidance Section will refund 25 % of eligible expenditure. Given the present state of the discussions on the proposal, it is unlikely that the Member States will be able to apply the measure in 1984. Consequently a p.m. entry will have to be made under this item for 1985.

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New article**ARTICLE 314 — EAGGF (GUIDANCE) — AID TO SYLVICULTURE ON AGRICULTURAL HOLDINGS**

	Commitments	Payments
1984 — Commitment appropriations authorized	—	—
— Payment appropriations authorized		—
1985 — Commitment appropriations requested	p.m.	
— Payment appropriations requested		p.m.
Percentage change	0	0

1. References and description**(a) References**

Proposal for a Council Regulation on improving the efficiency of agricultural structures (Article 20 (COM(83)559 final of 10.10.1983)).

(b) Description

Under this measure the Member States are authorized to grant agricultural holdings aid to the afforestation of agricultural land and the improvement of woodland.

2. Type of expenditure

Subsidy in the form of the reimbursement of eligible expenditure incurred by the Member States in the previous year.

3. Method of calculation and explanation of changes**(a) Total cost**

Community financial contribution amounting to 50 % of the cost of performing the work within the following limits:

2 300 ECU per hectare for afforestation,

2 000 ECU per hectare for woodland improvements such as thinning and the provision of windbreaks,

150 000 ECU per hectare for fire-protection measures,

18 000 ECU per kilometre for forest roads.

(b) Commitment and payment appropriations

Given the present state of discussions on this proposal, a p.m. entry will have to be made for both commitment and payment appropriations in 1985.

**CHAPTER 32 — EUROPEAN AGRICULTURAL GUIDANCE
AND GUARANTEE FUND, GUIDANCE SECTION —
MEASURES TO ASSIST LESS-FAVOURED AREAS**

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
420	Mountain and hill farming and farming in certain less-favour- ed areas	173 700 000	173 700 000	170 000 000	170 000 000	- 2,2	- 2,2
421	Specific regions - Mediterra- nean	67 000 000	53 100 000	p.m.	75 300 000	- 100,0	+ 41,8
422	Specific regions - Italy	55 200 000	18 000 000	16 900 000	64 800 000	- 69,4	+ 260,0
423	Specific regions - France	17 500 000	17 910 000	19 100 000	19 100 000	+ 9,1	+ 6,6
424	Specific regions - Ireland	24 700 000	24 700 000	29 600 000	29 600 000	+ 19,8	+ 19,8
425	Specific regions - Denmark	p.m.	p.m.	400 000	400 000	+ ∞	+ ∞
426	Specific regions - United King- dom	9 500 000	9 500 000	14 900 000	16 100 000	+ 56,8	+ 69,5
427	Specific regions - Belgium	p.m.	p.m.	1 000 000	200 000	+ ∞	+ ∞
428	Specific regions - Germany	9 000 000	p.m.	9 000 000	10 200 000	0	+ ∞
429	Specific regions - Greece	31 000 000	25 000 000	78 900 000	75 900 000	+ 154,5	+ 203,6
	Total	387 600 000	321 910 000	339 800 000	461 600 000	- 12,3	+ 43,4

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 320 — EAGGF GUIDANCE — MOUNTAIN AND HILL FARMING AND FARMING IN CERTAIN LESS-FAVOURED AREAS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	173 700 000	173 700 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	170 000 000	170 000 000
Percentage change	- 2,2	- 2,2

1. References and description

(a) References

- Council Directive 76/400/EEC of 6 April 1976 amending Article 15 of Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas (OJ No L 108, 26.4.1976, p. 21).
- Council Directive 80/666/EEC of 24 June 1980 amending Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas (OJ No L 180, 14.7.1980, p. 34).
- Council Directive 82/786/EEC of 15 November 1982 amending Directive 75/268 on mountain and hill farming and farming in certain less-favoured areas (OJ No L 327, 24.11.1982, p. 19).
- Proposal for a Council Regulation on improving the efficiency of agricultural structures (AA. 13-17) (COM(83)559 final, 10 October 1983).

(b) Description

This measure is one of the common measures having a general bearing on structural policy. It sets up a special system of aid to assist farming and to improve farmers' incomes in less-favoured regions, in order to maintain farming activity and thus keep the population above the viability threshold and ensure that the land is kept in good heart.

The Member States have sent the Commission lists of the less-favoured agricultural areas which meet the criteria in Article 3 of Directive 75/268/EEC. The special system of aid comprises the following measures :

- a compensatory allowance fixed in the light of the permanent natural handicaps described in Article 3, in the form of income support ;
- a system of incentives comprising :
 - the granting — to farms capable of development — of more favourable financing conditions by :
 - a reduction of the minimum charge borne by recipients of the incentives provided for in Article 8 of Directive 72/159/EEC,
 - an interest-rate subsidy or the equivalent ;
 - the payment of a guidance premium to encourage the production of beef and veal, sheepmeat and goatmeat ;
 - aid for investments in tourist or craft industries in less-favoured farming areas which are suitable for the development of such industries ;

- aid to joint investment schemes for fodder production, and to improvement and equipment schemes for pasture land and communal mountain pastures ;
- the granting of national investment aid in accordance with Article 12.

The amendment proposed chiefly affects the system of incentives, which is financed under Article 310. However it also includes an extension of the allowance to cover affected areas on condition that these replace areas used for livestock purposes in respect of which the compensatory allowances were previously paid.

2. Type of expenditure

Subsidy in the form of the reimbursement of eligible expenditure incurred by Member States in the previous year. Expenditure on the compensatory allowance and on joint investments is financed under Article 320. The system of incentives is however associated with the measures financed under Article 310.

Historical Archives of the European Commission

3. Method of calculation and explanation of changes

Expenditure by the Member States arises from implementation of the following financial provisions :

Type of intervention	Conditions	Amount	Participation by the Guidance Section of the EAGGF
1. <i>Compensatory allowance</i>	<ul style="list-style-type: none"> • Farms of at least 3 ha • Undertaking to farm for at least 5 years 	<ul style="list-style-type: none"> • Min. 20,3 ECU/LU or 20,3 ECU/ha 	
(a) for production of beef and veal, sheepmeat or goatmeat.	<ul style="list-style-type: none"> • Hill-farming areas and certain other areas 	<ul style="list-style-type: none"> • Max. 97 ECU/LU • <i>Total allowance</i> 97 ECU farm's total area under fodder crops (ha) 	25%
(b) dairy cows	<ul style="list-style-type: none"> • Less-favoured areas mainly devoted to milk production 	<ul style="list-style-type: none"> • Max. 10 cows • Allowance 80% of the unit amount of the allowance granted to other LUs in the area 	(50% for Ireland, Italy and Greece)
(c) other production	<ul style="list-style-type: none"> • Hill-farming areas 	Max. 97 ECU/ha	
2. <i>Incentives scheme</i>	<ul style="list-style-type: none"> • Non-agricultural income not exceeding 50% of labour income • Agricultural income 70% or more of comparable income/comparable MWU • Non-agricultural investment for a maximum amount of 14 221 ECU per farm 		
(a) Minimum charge		<ul style="list-style-type: none"> • 2% 	
(b) Interest-rate subsidy or equivalent	<ul style="list-style-type: none"> • On an amount of 72 538 ECU/ MWU 	<ul style="list-style-type: none"> • Max. 7% 	
(c) Guidance premium	<ul style="list-style-type: none"> • Minimum 0,5 LU/ha of area under fodder crops 		
3. <i>Aid for joint investments in fodder production</i>			<ul style="list-style-type: none"> • Max. 24 179 ECU/joint investment/121 ECU/ha pasture or mountain pasture (48 358 ECU and 242 ECU for the West of Ireland, the Mezzogiorno and Greece)

The estimates of the commitment and payment appropriations are based on the national forecasts of expenditure by the Member States in 1984 that will be reimbursed by the EAGGF in 1985.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	31 589 022	35 767 813	—	—	—	—
Appropriation for 1984	173 700 000	173 700 000	—	—	—	—
Appropriation for 1985	170 000 000	—	170 000 000	—	—	—
Total	375 289 022	209 467 813	170 000 000	—	—	—

ARTICLE 321 — EAGGF (GUIDANCE) — SPECIFIC REGIONS — MEDITERRANEAN**ITEM 3210 — EAGGF (GUIDANCE) — FORESTRY MEASURES IN CERTAIN DRY MEDITERRANEAN REGIONS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	56 000 000	45 100 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	50 900 000
Percentage change	— 100,0	+ 12,9

1. References and description**(a) References**

- Council Regulation (EEC) No 269/79 of 6 February 1979 (OJ No L 38, 14.2.1979, p. 1) establishing a common measure for forestry in certain Mediterranean zones of the Community.
- Council Regulation (EEC) No 2119/83 of 25 July 1983 increasing by 25 % the limits for the amount of work to be done as set out in Article 11(2) of Regulation (EEC) No 269/79 establishing a common measure for forestry in certain Mediterranean zones of the Community (OJ No L 25, 29.7.1983, p. 4).

(b) Description

In the dry Mediterranean regions forests are essential in order to prevent erosion and for the purposes of soil and water conservation. At the same time they produce wood and provide employment. Coordinated action is planned to improve the geophysical and cultivation conditions for agriculture in these regions.

The EAGGF Guidance Section contributes to the financing of the forestry measures under special programmes provided for:

- afforestation,
- preliminary work, such as preparing the land and fire-protection measures,
- the improvement of low-grade forest,
- the construction of forest roads.

In addition, it participates in the preparatory work and research on the outline programme.

2. Type of expenditure

Subsidy in the form of capital grants paid in one or more instalments by the Member States. Reimbursements are made by the EAGGF the following year. Advances are available.

3. Method of calculation and explanation of changes

(a) Total cost

The Fund contributes 50 % of the cost of the work, subject to the following limits :

- Afforestation : 2 418 ECU/ha up to 110 000 ha.
- Preliminary work on land preparation and fire-protection measures : 1 088 ECU/ha up to 80 000 ha.
- Improvement of low-grade forest : 2 055 ECU/ha up to 120 000 ha.
- Construction of forest roads : 14 507 ECU/km up to 3 000 km.
- Research : 7,25 million ECU over 5 years.

The projected total cost over five years amounts to 230 million ECU.

(b) Commitment and payment appropriations

Since the measure comes to an end in 1984 a p.m. should be entered in the 1985 budget as commitment appropriation and, on the basis of experience gained with the measure, 50,9 million ECU as payment appropriation.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	82 051 642 ⁽¹⁾	42 500 000	34 900 000	4 651 642	—	—
Appropriation outstanding from 1983	3 051 280	2 600 000	16 000 000	17 200 000	8 800 000	14 451 280
Appropriation for 1984	56 000 000					
Appropriation for 1985	p.m.	—	p.m.	—	—	—
Total	141 102 922	45 100 000	50 900 000	21 851 642	8 800 000	14 451 280

(¹) Commitments entered into payment of which was outstanding on 31 December 1983 (108 734 892 ECU) minus carryover (26 683 250 ECU).

ITEM 3211 — EAGGF (GUIDANCE) — IMPROVEMENT OF INFRASTRUCTURE IN CERTAIN LESS-FAVOURED AREAS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	11 000 000	8 000 000
1985 — Appropriations requested	p.m.	24 400 000
Percentage change	- 100,0	+ 205,0

1. References and description

(a) References

- Council Regulation (EEC) No 1760/78 of 25 July 1978 on a common measure to improve public services in certain rural areas (OJ No L 204, 28.7.1978).
- Council Regulation (EEC) No 2003/83 of 18 July 1983 amending Regulation (EEC) No 1760/78 on a common measure to improve infrastructure in certain rural areas (OJ No L 198, 21.7.1983).

(b) Description

In the less-favoured agricultural regions of Italy and the south of France and throughout the Mezzogiorno there are many villages and isolated farms which are not yet connected to the electricity and water supply networks. In addition, country roads are in many places inadequate and isolated farms do not have proper access roads. This situation greatly handicaps farm work and makes for poor living conditions.

This common measure within the meaning of Article 6(1) of Regulation (EEC) No 729/70 is aimed at removing or reducing these shortcomings and thus contributing to the development of agriculture in these areas. Community aid is to be granted to individual projects which meet certain conditions. In these regions the common measure therefore replaces the financing of projects in accordance with Regulation No 17/64/EEC.

2. Type of expenditure

Capital subsidies which may be paid in instalments. Advances are available.

3. Method of calculation and explanation of changes

(a) Projected cost

The subsidy granted by the EAGGF Guidance Section may not exceed 40 %.

The total forecast expenditure was fixed at 125 million ECU over five years by Regulation (EEC) No 1760/78.

(b) Commitment and payment appropriations

Since the measure has now come to an end a p.m. should be entered in the 1985 budget against commitment appropriation and, on the basis of experience gained with the measure, 24,4 million ECU as payment appropriation.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	79 693 058	5 900 000	21 100 000	18 100 000	14 200 000	20 393 058
Appropriation outstanding from 1983	2 288 894	2 100 000	3 300 000	3 300 000	3 300 000	1 288 894
Appropriation for 1984	11 000 000					
Appropriation for 1985	p.m.	—	—	—	—	—
Total	92 981 952	8 000 000	24 400 000	21 400 000	17 500 000	21 681 952

ARTICLE 322 — EAGGF (GUIDANCE) — SPECIFIC REGIONS — ITALY**ITEM 3220 — EAGGF (GUIDANCE) — AGRICULTURAL ADVISORY SERVICES IN ITALY**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 000 000	1 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	900 000	900 000
Percentage change	— 10,0	— 10,0

1. References and description**(a) References**

Council Regulation (EEC) No 270/79 of 6 February 1979 (OJ No L 38, 14.2.1979, p. 6), on the development of agricultural advisory services in Italy.

(b) Description

The aim of this measure is to establish an agricultural advisory service which will provide farmers with information and guidance and help them to make the best use of these. In order to achieve this objective several types of aid are provided for :

- degressive Community aid towards the salaries of advisers and technical assistants who have taken a basic training course ;
- aid to cover the costs of basic training ;
- an attendance allowance for the students who follow the basic course and then become technical advisers ;
- a single premium for the training of teaching staff ;
- aid towards the costs of running the training centres and the institute.

2. Type of expenditure

Subsidy in the form of the reimbursement of expenditure incurred by Italy in the previous year. Advance payments may be made.

3. Method of calculation and explanation of changes

(a) Projected cost

The total forecast expenditure on this measure over 12 years is 66 million ECU.

The EAGGF Guidance Section reimburses up to 40 % of the eligible expenditure incurred by Italy (50 % in the Mezzogiorno), subject to the following limits :

- in an initial phase of two years, 181 343 ECU for the specialized training of teachers and 60 448 ECU for the running expenses of the interregional body ;
- subsequently for a period of 10 years :
 - 217 612 ECU per annum for the running expenses of the inter regional body, including the centres,
 - 483 581 ECU per annum for expenditure incurred by way of the course attendance allowance, subject to a limit of 2 418 ECU per student.

The Fund will reimburse the Italian Republic for the cost of employing the advisers in accordance with the following conditions :

The maximum eligible amount per adviser paid directly or indirectly by public authorities and trained in accordance with Article 7(1), will be 12 090 ECU. The rate of reimbursement is 50 % in the case of advisers employed in the Mezzogiorno and 40 % for others. Fund aid will extend over a maximum period of six years of work by the adviser. In order to apply a progressive reduction to the amount reimbursed per adviser, the following coefficients will be used : 1,25 for the first year, 1,15 for the second year, 1,05 for the third year, 0,95 for the fourth year, 0,85 for the fifth year and 0,75 for the sixth year.

(b) Commitment and payment appropriations

In view of the delays in starting up the scheme, an appropriation of 900 000 ECU for 1985 is considered sufficient.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	1 000 000	1 000 000	—	—	—	—
Appropriation for 1985	900 000	—	900 000	—	—	—
Total	1 900 000	1 000 000	900 000	—	—	—

ITEM 3221 — EAGGF (GUIDANCE) — COLLECTIVE IRRIGATION WORKS IN THE MEZZOGIORNO

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	49 200 000	15 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	47 900 000
Percentage change	- 100,0	+ 219,3

1. References and description

(a) References

- Council Regulation (EEC) No 1362/78 of 19 June 1978 on the programme for the acceleration and guidance of collective irrigation works in the Mezzogiorno (OJ No L 166, 23.6.1978).
- Council Regulation (EEC) No 1820/83 of 28 June 1983 amending Regulation (EEC) No 1362/78 on the programme for the acceleration and guidance of collective irrigation works in the Mezzogiorno (OJ No L 180, 5.7.1983, p. 3).

(b) Description

In the Mezzogiorno, agricultural production is seriously affected by the fact that the water situation is seriously out of balance. The existing reservoirs and main canals already have a capacity well in excess of the irrigation network. It is estimated that the water storage capacity will enable the irrigation network to be expanded to water 200 000 additional hectares.

The object of this measure is to accelerate the creation of this irrigation network by means of Community aid. At the same time agricultural production in the irrigated parts of these regions should be improved ; this can be achieved by supplying the farmers concerned with qualified assistance in the form of agricultural advisers. These will have the task of advising and assisting farmers in existing irrigated areas and in new zones.

2. Type of expenditure

Subsidy in the form of the reimbursement of expenditure incurred by the Member State in the previous year. Possibility of advances for specific programmes.

3. Method of calculation and explanation of changes

(a) Projected cost

The total forecast expenditure is 260 million ECU over five years.

Provided that the work forms part of programmes which, on their completion, show that the modernization of farms has been encouraged and production guided in an appropriate direction (e.g. towards fodder but not towards wine), the EAGGF Guidance Section reimburses :

- 50 % of the costs of public water works, subject to maximum limits of 200 000 irrigable hectares and 3 627 ECU per hectare irrigated ;
- 50 % of the remuneration and operating costs of newly-appointed advisers, subject to a maximum of 14 507 ECU per adviser.

(b) *Commitment and payment appropriations*

Since the measure has now come to an end a p.m. should be inserted in the 1985 budget as commitment appropriations and, on the basis of observing implementation of projects in previous years, 47,9 million ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	123 678 972	15 000 000	42 700 000	34 000 000	21 100 000	10 878 972
Appropriation outstanding from 1983	2 666 422	—	5 200 000	13 000 000	13 000 000	20 666 422
Appropriation for 1984	49 200 000					
Appropriation for 1985	p.m.	—	p.m.	—	—	—
Total	175 545 394	15 000 000	47 900 000	47 000 000	34 100 000	31 545 394

ITEM 3222 — EAGGF (GUIDANCE) — ADAPTATION AND MODERNIZATION OF THE STRUCTURE OF PRODUCTION FOR BEEF AND VEAL, SHEEPMET AND GOATMEAT IN ITALY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	5 000 000	2 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	16 000 000	16 000 000
Percentage change	+ 220,0	+ 700,0

1. References and description

(a) References

Council Regulation (EEC) No 1944/81 of 30 June 1981 establishing a common measure for the adaptation and modernization of the structure of production for beef and veal, sheepmeat and goatmeat in Italy (OJ No L 197, 20.7.1981).

(b) Description

The purpose of this common measure within the meaning of Article 6 of Regulation (EEC) No 729/70 is to develop beef, veal, sheepmeat and goatmeat production, thereby improving the structural and economic situation of farms in mountain areas, the hilly areas of the north, central Italy and the Mezzogiorno.

To that end, special programmes under an outline programme are to be submitted to the Commission, covering :

- the improvement of animal housing, including adaptations necessary to meet health protection requirements ;
- the increase of fodder production by the improvement of meadows and pastures, including, where necessary, fencing of mountain pastures ;
- the keeping of beef calves on the farm ;
- the keeping of beef cows.

To achieve these objectives, five types of financial assistance are proposed :

- aid for the modernization, rationalization and construction of animal housing ;
- aid for the improvement of pastures, grazing land and fencing ;
- aid for the purchase of machines for fodder production ;
- premiums for beef calves ;
- an additional premium for keeping beef cows.

The measure will be of five years' duration and the EAGGF Guidance Section will contribute towards the financing of the programme.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by Italy in the previous year. Advance payments may be made.

3. Method of calculation and explanation of changes

(a) Projected cost

The forecast cost to the EAGGF of this common measure is put at 291 million ECU over five years.

The EAGGF Guidance Section will reimburse Italy 40 % of eligible expenditure for the five-year period subject to the following limits :

- 530 million ECU for measures relating to the modernization, rationalization and construction of animal housing on farms ; the maximum investment per farm eligible for aid is 18 135 ECU ;

- 48 million ECU for measures relating to the improvement of pastures, and not more than 192 ECU per hectare ;
- 54 million ECU for the premiums for calves of beef breeds or calves resulting from a cross with a beef animal which are kept on the farm of origin for one month, not exceeding 14,4 ECU per calf ;
- 165 million ECU for the premiums for keeping beef cows ; the premium may not exceed 48 ECU per cow or 480 ECU per holding.

(b) *Commitment and payment appropriations*

On the basis of the programmes put forward by the Italian authorities, a sum of 16 million ECU should be entered in the 1984 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	5 000 000	2 000 000	—	—	—	—
Appropriation for 1985	16 000 000	—	16 000 000	—	—	—
Total	21 000 000	2 000 000	16 000 000	—	—	—

ARTICLE 323 — EAGGF (GUIDANCE) — SPECIFIC REGIONS — FRANCE**ITEM 3230 — EAGGF (GUIDANCE) — RESTRUCTURING AND CONVERSION OF VINEYARDS IN LANGUEDOC-ROUSSILLON AND CERTAIN OTHER FRENCH REGIONS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	4 000 000	4 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	5 000 000	5 000 000
Percentage change	+ 25,0	+ 25,0

1. References and description**(a) References**

- Council Directive 78/627/EEC of 19 June 1978 on the programme to accelerate the restructuring and conversion of vineyards in the Languedoc-Roussillon region and certain other regions of France (OJ No L 206, 29.7.1978, p. 1) , as last amended by Council Directive 82/17/EEC of 21 December 1981 (OJ No L 9, 14.1.1982).
- Council Directive 82/17/EEC of 21 December 1981 amending, as regards the special conversion grant and the monetary unit utilized, Directive 78/627/EEC on the programme to accelerate the restructuring and conversion of vineyards in certain Mediterranean regions in France (OJ No L 9, 14.1.1982, p. 28).
- Council Directive 83/362/EEC of 18 July 1983 amending Directive 78/627/EEC on the programme to accelerate the restructuring and conversion of vineyards in certain Mediterranean regions of France (OJ No L 202, 26.7.1983, p. 41).

(b) Description

This common measure within the meaning of Article 6(1) of Regulation (EEC) No 729/70 applies to Languedoc-Roussillon and the departments of Ardèche, Bouches-du-Rhône, Vaucluse and Var. It has two objectives:

- *The first objective* is to reinforce and accelerate the measures to improve the structure of vineyards in the Languedoc-Roussillon region. Restructuring will be carried out by producer groups which will :
 - enlarge vineyard parcels,
 - harmonize the alignment of vine rows in the different parcels,
 - standardize the spacing between rows of vines,
 - improve the varieties.

This will enable production to be mechanized and the quality of the wine improved.

- *The second objective* is to encourage the conversion of vineyards situated in areas which are not particularly suited to vines but which are suitable for growing other crops, particularly by means of collective irrigation schemes for areas which were previously under vines.

In these areas irrigation is encouraged so as to provide farmers with the choice of converting to other crops.

In order to achieve these objectives, three types of aid are granted :

- aid for restructuring, at a flat rate of 3 143 ECU/ha restructured (max. 66 000 ha) ;
- aid for irrigation works after conversion, subject to a maximum of 2 418 ECU/ha irrigated (max. 33 000 ha) ;
- a special conversion premium, which is subject to a maximum of 2 418 ECU/ha converted.

2. Type of expenditure

Subsidy in the form of the reimbursement of expenditure incurred by the Member State in the previous year.

3. Method of calculation and explanation of changes

The financial contribution by the EAGGF Guidance Section amounts to 35 % of the Member State's eligible expenditure (50 % for the special conversion premium) and must be used under a programme.

(a) Total projected cost

The total projected cost to the EAGGF Guidance Section of the measure is 105 million ECU over five years.

(b) 1984 commitment and payment appropriations

The estimates of appropriations for commitment and payment are based on national forecasts of expenditure incurred by the Member State.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	400 000	—	—	—	—	—
Appropriation for 1984	4 000 000	4 000 000	—	—	—	—
Appropriation for 1985	5 000 000	—	5 000 000	—	—	—
Total	9 400 000	4 000 000	5 000 000	—	—	—

ITEM 3231 — EAGGF (GUIDANCE) — COLLECTIVE IRRIGATION WORKS IN CORSICA

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	1 500 000	1 910 000
1985 — Appropriations requested	200 000	200 000
Percentage change	- 86,7	- 89,5

1. References and description**(a) References**

Council Directive 79/173/EEC of 6 February 1979 on the programme for the acceleration and guidance of collective irrigation works in Corsica (OJ No L 38, 14.2.1979).

(b) Description

The purpose of the Directive is to establish a common measure to accelerate collective irrigation works using reservoirs and main channels. These operations should facilitate the introduction of development plans in the areas irrigated and adapt production to market requirements.

The EAGGF Guidance Section will contribute towards the financing of the collective irrigation works up to a maximum of 12 000 hectares, the maximum eligible expenditure being 3 627 ECU per hectare irrigated.

This contribution may be used only in connection with a programme giving precise details of the irrigation works and providing for measures to improve the orientation of production.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by the Member State during the previous year. Advances amounting to 80 % of the Member State's annual expenditure are possible.

3. Method of calculation and explanation of changes

The EAGGF Guidance Section will reimburse the French Republic 50 % of the expenditure incurred in respect of irrigating 12 000 hectares, 8 000 ha in the eastern plain and 4 000 ha in western areas. The average cost per hectare irrigated has been estimated at 2 000 ECU. The total cost of the measure for a period of five or six years starting in 1979 therefore amounts to 50 % of $2\,000 \times 12\,000 = 12$ million ECU.

On the basis of estimates by the Member State, the schedule of expenditure will be as follows :
The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	1 000 000	225 797	—	—	—	—
Appropriation for 1984	1 500 000	1 910 000	—	—	—	—
Appropriation for 1985	200 000	—	200 000	—	—	—
Total	2 700 000	2 135 797	200 000	—	—	—

ITEM 3232 — EAGGF (GUIDANCE) — PREVENTION OF FLOODING IN THE HERAULT VALLEY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	0	0

1. References and description

(a) References

Council Directive 79/174/EEC of 6 February 1979 concerning the flood protection programme in the Hérault Valley (OJ No L 38, 14.2.1979, p. 18).

(b) *Description*

The purpose of the Directive is to establish a common measure to protect the lower and middle areas of the Hérault Valley against flooding by the construction of reservoirs and dams. Prevention or reduction in the frequency of flooding should render the Council's programme for the conversion of vineyards in certain French Mediterranean areas fully effective: the removal of this natural handicap will enable farmers to envisage a wider range of crops to be cultivated on land formerly under vines.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by the Member State in the previous year. Advances may be made.

3. Method of calculation and explanation of changes

The EAGGF Guidance Section is to reimburse the French Republic 35 % of eligible expenditure within the limit of 27,8 million ECU spread over seven years.

On the basis of the information provided by the French Republic, a token entry should be made in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m.	p.m.	—	—	—	—
Appropriation for 1985	p.m.	—	p.m.	—	—	—
Total	p.m.	p.m.	p.m.	—	—	—

ITEM 3233 — EAGGF (GUIDANCE) — PROGRAMME TO SPEED UP THE CONVERSION OF CERTAIN AREAS UNDER VINES IN THE CHARENTE DEPARTMENTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	0	0

1. References and description

(a) References

Council Directive 79/359/EEC of 26 March 1979 on the programme to speed up the conversion of certain areas under vines in the Charente departments (OJ No L 85, 5.4.1979, p. 34).

(b) Description

The purpose of this common measure within the meaning of Article 6 of Regulation (EEC) No 729/70 was to restore balance between surplus production of white wines suitable for the making of potable spirits of registered designation and the normal markets for cognac, to prevent the surpluses from upsetting the regular market in white wine.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by the Member State during the previous year with the possibility of advance payments.

3. Method of calculation and explanation of changes

(a) The EAGGF is to reimburse the Member State 50 % of eligible expenditure up to a total of 4 836 ECU per hectare and a total area of 7 500 ha. The duration of the measure was three years.

(b) Commitment and payment appropriations : as the scheme has ended, a token entry has been entered in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	979 761	895 414	—	—	—	—
Appropriation for 1984	p.m.	p.m.	—	—	—	—
Appropriation for 1985	p.m.	—	p.m.	—	—	—
Total	979 761	895 414	p.m.	—	—	—

ITEM 3234 — EAGGF (GUIDANCE) — INTEGRATED DEVELOPMENT PROGRAMME FOR LOZÈ

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 000 000	1 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 400 000	1 400 000
Percentage change	+ 40,0	+ 40,0

1. References and description

(a) References

Council Regulation (EEC) No 1940/81 of 30 June 1981 on an integrated development programme for the department of Lozère (OJ No L 197, 26.7.1981).

(b) Description

Lozère is the most sparsely populated department of France and there is continuous emigration out of the area. This makes per capita costs of the provision and maintenance of public services, such as electricity and roads, prohibitive.

Agriculture has remained by far the principal activity and the non-agricultural working population as well is essentially dependent on it.

An integrated development plan covers the development of industry (chiefly the timber industry) and agriculture, the main measures relating to the recuperation of common pasture land, improving and developing it for cattle and sheep rearing and the renewal of chestnut groves. The duration of the common measure is five years.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by France in the previous year. The measure provides for the possibility of advances.

3. Method of calculation and explanation of changes

(a) Projected cost

The EAGGF Guidance Section will contribute towards the financing of the agricultural measures under the integrated development programme, the cost of which has been estimated at 12 million ECU over five years, arrived at as follows :

- The EAGGF Guidance Section is to reimburse France 40 % of eligible expenditure in respect of the following measures :
 - development and improvement of pastures,
 - the provision of wintering facilities on pastures,
 - thinning of woodlands,
 - the renewal of chestnut groves,
 - the improvement of stockrearing facilities.

The true costs of preparing the programme are also eligible up to 604 500 ECU.

(b) Commitment and payment appropriations

In the light of the programme and estimates prepared by the Member State, a sum of 1,4 million ECU should be entered in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	46 367	—	—	—	—	—
Appropriation for 1984	1 000 000	1 000 000	—	—	—	—
Appropriation for 1985	1 400 000	—	1 400 000	—	—	—
Total	2 446 367	1 000 000	1 400 000	—	—	—

ITEM 3235 — EAGGF (GUIDANCE) — MEASURES TO ASSIST THE OVERSEAS DEPARTMENTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	11 000 000	11 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	12 500 000	12 500 000
Percentage change	+ 13,6	+ 13,6

1. References and description**(a) References**

Council Directive 81/527/EEC of 30 June 1981 on the development of agriculture in the French overseas departments (OJ No L 197, 20.7.1981).

(b) Description

The development of agriculture in the French overseas departments lags considerably behind the other areas of the Community. In view of the special conditions there, the Directives on agricultural reform adopted in 1972 cannot be applied in full.

An outline programme is to be drawn up, designed to underpin the development of agriculture and covering :

- collective irrigation schemes,
- improvements to infrastructure in agriculture,
- soil improvement and flood and other protective works,
- reafforestation and improvement of run-down forests, including wind-breaks and forest roads,
- schemes to encourage a move towards livestock production and diversification of crops.

The overall scheme is to last five years from the date of approval of the programme.

2. Type of expenditure

Reimbursement of expenditure incurred by France in the preceding year. Advance payments also possible.

3. Method of calculation and explanation of changes.

(a) Projected cost

The total forecast expenditure to be borne by the EAGGF Guidance Section is 85 million ECU, 40 % of expenditure incurred by the Member State being reimbursed up to a ceiling of :

- 31 million ECU for accelerating collective irrigation works ;
- 90 million ECU for improvement of infrastructure in agriculture ;
- 47 million ECU for improvement of soil and pastures ;
- 9 million ECU for reafforestation and opening-up of forests ;
- 34 million ECU for reorientation of production.

(b) Estimate of commitment and payment appropriations

Given the scope of the programme and the estimates of the Member State concerned a sum of 12,5 million ECU should be entered in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	498 633	494 642	—	—	—	—
Appropriation for 1984	11 000 000	11 000 000	—	—	—	—
Appropriation for 1985	12 500 000	—	12 500 000	—	—	—
Total	23 948 633	11 494 642	12 500 000	—	—	—

ARTICLE 324 — EAGGF (GUIDANCE) — SPECIFIC REGIONS — IRELAND**ITEM 3240 — EAGGF (GUIDANCE) — DRAINAGE OPERATIONS IN IRELAND**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	10 500 000	10 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	8 700 000	8 700 000
Percentage change	— 17,1	— 17,1

1. References and description**(a) References**

- Council Directive 78/628/EEC of 19 June 1978 on the programme to accelerate drainage operations in the less-favoured areas of the West of Ireland (OJ No L 206, 29.7.1978).
- Council Regulation (EEC) No 2195/81 of 27 July 1981 on a special programme concerning drainage operations in the less-favoured areas of the West of Ireland (OJ No L 214, 1.8.1981).

(b) Description

The aim of this common measure within the meaning of Article 6 of Regulation (EEC) No 729/70 is to improve the basic structures of those less-favoured areas of the West of Ireland where the water balance is particularly poor. This will assist the effective implementation of other common measures for the reform of agriculture, in particular the modernization of farms. It should also rapidly improve agricultural incomes and the employment situation in the region.

The objective is to be attained by carrying out a special programme to accelerate public arterial drainage works and field drainage works and to purchase, in the first two years of the programme, the machinery needed for drainage by the agricultural cooperatives.

2. Type of expenditure

Subsidy in the form of the reimbursement of expenditure incurred by the Member State in the previous year. Possibility of advances.

3. Method of calculation and explanation of changes

The EAGGF Guidance Section reimburses to Ireland 50 % of eligible expenditure, subject to the following limits : 425 ECU/hectare drained and, in respect of the purchase of drainage machinery, 25 % of the purchase price provided that the latter does not exceed 5 % of the eligible expenditure on field drainage.

Three types of expenditure are incurred :

- arterial drainage,
- field drainage,
- the purchase of drainage machinery by cooperatives.

(a) Total projected cost

The total projected cost of 26 million ECU over five years in respect of Directive 78/628/EEC was worked out, from the programme drawn up by Ireland, on the assumption that 16,4 million ECU would be required for arterial drainage, 70 million ECU for field drainage and 13 million ECU for the purchase of drainage machinery by cooperatives.

However, in view of the success of the measure and the big increase in the cost of arterial drainage, the Council, in Regulation (EEC) No 2191/81, decided to extend the measure and to allocate an additional 30 million ECU to it over five years.

(b) Commitment and payment appropriations

In view of the stage reached in the programme and the Member State's estimates, a sum of 8,7 million ECU should be entered for commitment and payment in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	1 329 679	—	—	—	—	—
Appropriation for 1984	10 500 000	10 500 000	—	—	—	—
Appropriation for 1985	8 700 000	—	8 700 000	—	—	—
Total	20 529 679	10 500 000	8 700 000	—	—	—

ITEM 3241 — EAGGF (GUIDANCE) — PROGRAMME TO PROMOTE DRAINAGE IN CATCHMENT AREAS ON BOTH SIDES OF THE BORDER BETWEEN IRELAND AND NORTHERN IRELAND

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 300 000	1 300 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 400 000	4 400 000
Percentage change	+ 238,5	+ 238,5

1. References and description

(a) References

Council Directive 79/197/EEC of 6 February 1979 on a programme to promote drainage in catchment areas on both sides of the border between Ireland and Northern Ireland (OJ No L 43, 20.2.1979).

(b) Description

The aim of this common measure within the meaning of Article 6 of Regulation (EEC) No 729/70 is to improve arterial drainage on both sides of the border between the two member countries. The water balance is particularly poor in these border regions and its improvement calls for a combined effort, which will also facilitate implementation of other common measures for the reform of agriculture, in particular the modernization of farms.

The objective is to be attained by carrying out a joint programme to promote public arterial drainage works.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by the Member State in the previous year. Advances may be granted.

3. Method of calculation and explanation of changes

(a) Projected cost

The total cost is put at 8 million ECU, based on reimbursement by the EAGGF Guidance Section to the two member countries concerned of 50 % of eligible expenditure up to a maximum eligible total of 15,1 million ECU. The duration of the measure is five years.

(b) Commitment and payment appropriations

Given the scope of the programme and the estimates made by the Member States concerned, a sum of 4,4 million ECU in commitment and payment appropriations should be entered for 1985.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	14 598	—	—	—	—	—
Appropriation for 1984	1 300 000	1 300 000	—	—	—	—
Appropriation for 1985	4 400 000	—	4 400 000	—	—	—
Total	5 714 598	1 300 000	4 400 000	—	—	—

ITEM 3242 — EAGGF (GUIDANCE) — SPECIFIC PROGRAMME TO DEVELOP FARMING IN THE WEST OF IRELAND

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 200 000	1 200 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	12 000 000	12 000 000
Percentage change	+ 900,0	+ 900,0

1. References and description

(a) References

Council Regulation (EEC) No 1820/80 of 24 June 1980 for the stimulation of agricultural development in the less-favoured areas of the West of Ireland (OJ No L 180, 24.7.1980), as last amended by Council Regulation (EEC) No 3073/82 of 16 November 1982 (OJ No L 325, 20.11.1982).

(b) Description

The aim of this common measure is to promote and accelerate agricultural development in the western regions of Ireland which are at a particular disadvantage through a combination of factors. The situation is to be improved by means of an outline programme covering the following aspects :

- improvement of rural amenities,
- land improvement,
- launching of special development programmes aimed at the orientation of farm production,
- improvement of processing and marketing facilities,
- forestry development,
- provision of training facilities and specialized support services for advisers, and coordination of the special development programmes aimed at the orientation of farm production.

The duration of the measure is 10 years.

2. Type of expenditure

Subsidy in the form of the reimbursement of expenditure incurred by Ireland in the previous year, except in the case of improvement of processing and marketing facilities, where a capital subsidy for investment projects is given under Article 301. Possibility of advances for measures financed under Item 3242.

3. Method of calculation and explanation of changes

The total contribution from the EAGGF Guidance Section towards the measures envisaged under the programme has been estimated as follows :

(a) Rate of reimbursement and ceiling on eligible costs

The EAGGF Guidance Section reimburses to the Irish Government 50 % of its real expenditure up to a ceiling of 40 % of the total cost of installing public services, with a maximum eligible amount of 24,2 million ECU for electricity supplies, 72,6 million ECU for potable water supplies and 72,6 million ECU for rural and farm roads.

The rate of the reimbursement is 50 % for other works, up to a maximum eligible amount of :

- 544 ECU per ha for the subdivision, fencing and pasture improvement of land held in common ownership and fencing and pasture improvement of mountain and hill pastures held in individual ownership ;
- 363 ECU per ha for the removal of dispensable fences, ditches and walls, and pasture improvement in the lowland area of farms ;
- 12,1 million ECU for provision of training facilities, training of advisers, specialized information services and the coordination of the development programme ;

- 77,4 million ECU for farm development ;
- 1 210 ECU per ha, up to a total of 27,2 million ECU, for forestry development ;
- 12 million ECU for the development of beef cattle production.

(b) *Commitment and payment appropriations*

Given the estimates of the Member State concerned a sum of 12 million ECU should be entered in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	7 354 109	—	—	—	—	—
Appropriation for 1984	1 200 000	1 200 000	—	—	—	—
Appropriation for 1985	12 000 000	—	12 000 000	—	—	—
Total	20 554 109	1 200 000	12 000 000	—	—	—

ITEM 3243 — EAGGF (GUIDANCE) — DEVELOPMENT OF BEEF CATTLE PRODUCTION IN IRELAND AND NORTHERN IRELAND

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	11 700 000	11 700 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 500 000	4 500 000
Percentage change	- 61,5	- 61,5

1. References and description

(a) References

- Council Regulation (EEC) No 1054/81 of 21 April 1981 establishing a common measure for the development of beef cattle production in Ireland and Northern Ireland (OJ No L 111, 23.4.1981).
- Council Regulation (EEC) No 2967/83 of 19 October 1983 amending Regulation (EEC) No 1054/81 establishing a common measure for the development of beef cattle production in Ireland and Northern Ireland (OJ No L 293, 25.10.1983).

(b) Description

The programme comprises a number of measures qualifying for Community aid in respect of a period of implementation to 30 April 1984. Their aims are :

- improvement of the beef herd by controlled selection,
- encouragement of greater use of artificial insemination,
- improvement of pasture and grassland involving greater use of lime,
- encouragement to practise ensilage, (period of implementation ended on 24 May 1983).

It is hoped that the measures will help more particularly to improve farming incomes in Ireland.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by the Member States in the previous year.

3. Method of calculation and explanation of changes

(a) Total projected cost

The EAGGF Guidance Section reimburses the two Member States concerned for 50 % of eligible expenditure, subject to the limits below :

- 3,2 million ECU for improvement of herds ;
- 37,5 million ECU for encouraging artificial insemination ;
- 27 million ECU for improving pasture and grassland ;
- 7,6 million ECU for encouraging ensilage for the first two years.

These amounts will be adjusted when the measure is extended.

(b) Commitment and payment appropriations

Given the Member States' estimates an entry of 4,5 million ECU for 1985 will suffice.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	292 710	—	—	—	—	—
Appropriation for 1984	11 700 000	11 700 000	—	—	—	—
Appropriation for 1985	4 500 000	—	4 500 000	—	—	—
Total	16 492 710	11 700 000	4 500 000	—	—	—

ARTICLE 325 — EAGGF (GUIDANCE) — SPECIFIC PROGRAMME FOR THE DEVELOPMENT OF SHEEP FARMING IN GREENLAND

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	400 000	400 000
Percentage change	+ ∞	+ ∞

1. References and description

(a) References

Council Regulation (EEC) No 1821/80 of 24 June 1980 on the development of sheep farming in Greenland (OJ No L 180, 14.7.1980).

(b) Description

One of Greenland's few farming areas is to be found in the extreme south of the country. Because of the severity of the climate activity is for the most part limited to sheep farming.

Under the specific programme, which will span a 10-year period and is subject to certain conditions, the development of farming and sheep production will be encouraged by means of the following :

- reclamation and development of additional forage areas, including initial soil preparation, fertilizing, liming and seeding ;
- provision of access roads to farms and to the reclaimed forage areas ;
- creation of landing stages in places where access to the reclaimed areas is not possible over land ;
- provision of winter shelters on the forage areas ;
- improvement of farm buildings and, in the case of new farms, construction of farm dwellings and farm buildings ;
- acquisition of equipment for hay making, transport of hay and barn-drying of hay ;
- purchase of additional breeding stock ;
- improvement of advisory services ;
- extension of slaughter capacity.

The EAGGF Guidance Section is to contribute towards the programme drawn up by the Kingdom of Denmark, subject to a maximum limit.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by the Kingdom of Denmark in the previous year.

3. Method of calculation and explanation of changes

(a) Total projected cost

The rate of reimbursement by the EAGGF is 50 %, except in the case of infrastructure works, for which the rate is 40 %, which brings the total cost borne by the Fund to about 8,2 million ECU.

(b) Commitment and payment appropriations

On the basis of the estimates of the Member State concerned and the rate of implementation of the programme 400 000 ECU should be entered in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	500 000	401 105	—	—	—	—
Appropriation for 1984	p.m.	p.m.	—	—	—	—
Appropriation for 1985	400 000		400 000	—	—	—
Total	900 000	401 105	400 000	—	—	—

ARTICLE 326 — EAGGF (GUIDANCE) — SPECIFIC REGIONS — UNITED KINGDOM**ITEM 3260 — EAGGF (GUIDANCE) — INTEGRATED DEVELOPMENT PROGRAMME FOR THE WESTERN ISLES OF SCOTLAND**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	3 700 000	3 700 000
Percentage change	+ ∞	+ ∞

1. References and description**(a) References**

Council Regulation (EEC) No 1939/81 of 30 June 1981 on an integrated development programme for the Western Isles of Scotland (OJ No L 197, 20.7.1981).

(b) Description

The Western Isles are underdeveloped because of their outlying position and unfavourable climate and soil. Public services are quite inadequate. Earnings are very low and are often derived from a number of different part-time jobs ; the majority of farms are too small.

The aim of the common measure is to improve working and living conditions in this area by helping to implement an integrated development programme.

The integrated development programme comprises measures to improve agriculture, including afforestation of marginal land, measures to improve the marketing and processing of agricultural products and to develop fisheries, together with measures to improve facilities for tourism, crafts and industry and related activities necessary for improvement of the general socio-economic situation of the area.

The EAGGF Guidance Section will contribute for five years towards the cost of coordinating the programme and financing the agricultural measures involved, namely :

- improvement of the structure of agricultural production,
- planting of windbreaks,
- improvement of marketing and processing,
- improvement of the agricultural infrastructure,
- improvement of the infrastructure for inshore fishing and development of aquaculture.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by the United Kingdom in the previous year. Possibility of advances.

3. Method of calculation and explanation of changes

(a) Total projected cost

The EAGGF Guidance Section reimburses to the United Kingdom 40 % of eligible expenditure subject to a ceiling of 32,9 million ECU.

(b) Commitment and payment appropriations

In view of the estimates of the Member State concerned and of the rate of implementation of the programme the sum 3,7 million ECU should be entered in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	1 488 784	1 488 784 ⁽¹⁾	—	—	—	—
Appropriation for 1984	p.m.	p.m.	—	—	—	—
Appropriation for 1985	3 700 000	—	3 700 000	—	—	—
Total	5 128 784	1 488 784	3 700 000	—	—	—

(1) Automatic carryover.

ITEM 3261 — EAGGF (GUIDANCE) — PROGRAMME FOR THE STIMULATION OF AGRICULTURAL DEVELOPMENT IN THE LESS-FAVOURED AREAS OF NORTHERN IRELAND

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	8 000 000	8 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	11 200 000	11 200 000
Percentage change	+ 40,0	+ 40,0

1. References and description

(a) *References*

Council Regulation (EEC) No 1942/81 of 30 June 1981 for the stimulation of agricultural development in the less-favoured areas of Northern Ireland (OJ No L 197, 20.7.1981).

(b) *Description*

The purpose of the common measure is to improve economic and social conditions in the less-favoured areas (where there are serious structural deficiencies) by stimulating the development of agriculture by means of the following three specific measures :

- improvement of farm roads,
- land improvement,
- development and orientation of farm production.

The objective is to be achieved by a programme to be drawn up by the United Kingdom and approved by the Commission.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by the United Kingdom during the previous year.

3. Method of calculation and explanation of changes

(a) *Total projected cost*

The projected cost to the EAGGF Guidance Section is 48 million ECU and the rate of reimbursement to the Member State is 40 % of eligible expenditure subject to a ceiling of :

- 31,5 million ECU for the improvement of farm roads,
- 500 to 600 ECU/ha for land improvement,
- 44,5 million ECU for the orientation of production.

(b) *Commitment and payment appropriations*

In view of the Member State's estimates of expenditure, the sum of 11,2 million ECU should be entered in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	724 448	—	—	—	—	—
Appropriation for 1984	8 000 000	8 000 000	—	—	—	—
Appropriation for 1985	11 200 000	—	11 200 000	—	—	—
Total	19 924 448	8 000 000	11 200 000	—	—	—

ITEM 3262 — EAGGF (GUIDANCE) — PROCESSING AND MARKETING IN CERTAIN AGRICULTURAL SECTORS IN NORTHERN IRELAND

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 500 000	1 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	1 200 000
Percentage change	— 100,0	— 20,0

1. References and description

(a) References

Council Regulation (EEC) No. 1943/81 of 30 June 1981 on a common measure to improve the processing and marketing conditions in the cattlefeed sector in Northern Ireland (OJ No L 197, 20.7.1981).

(b) Description

The purpose of the common measure is to improve the structural situation of farms which are dependent on feedingstuffs in Northern Ireland.

To that end the Commission proposes a Community contribution of 50 %, subject to certain conditions (minimum joint financing by the beneficiary and the United Kingdom, certain levels of profitability and lasting economic effect, etc.), towards the financing of investment projects designed in particular to :

- rationalize or develop facilities for the storage, treatment or processing of products in this sector ;
- improve marketing channels ;
- improve the flow of information concerning prices.

2. Type of expenditure

Subsidy for investment projects, paid in a lump sum or in several instalments.

3. Method of calculation and explanation of changes

For each project the subsidy granted by the EAGGF Guidance Section is a maximum of 50 % of the investment made.

(a) Commitment appropriations

Regulation (EEC) No 1943/81 provides for an estimated total of 6 million ECU over four years beginning in 1981 to finance projects eligible for aid. As the measure has now expired a token entry should be made in the 1985 budget.

(b) Payment appropriations

The schedule of payments is based on the rate of implementation observed in previous years.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	2 025 675 ⁽¹⁾	1 500 000	500 000	25 675	—	—
Appropriation outstanding from 1983	42 688	—	700 000	600 000	242 688	—
Appropriation for 1984	1 500 000	—	p.m.	—	—	—
Appropriation for 1985	p.m.	—	p.m.	—	—	—
Total	3 568 363	1 500 000	1 200 000	625 675	242 688	—

⁽¹⁾ Commitments entered into settlement of which was outstanding on 31 December 1983 (2 871 513 ECU) minus automatic carryover (845 838 ECU).

ARTICLE 327 — EAGGF (GUIDANCE) — INTEGRATED DEVELOPMENT PROGRAMME FOR SOUTH-EASTERN BELGIUM

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 000 000	200 000
Percentage change	+ ∞	+ ∞

1. References and description

(a) References

Council Regulation (EEC) No 1941/81 of 30 June 1981 on an integrated development programme for the less-favoured areas of Belgium (OJ No L 197, 20.7.1981).

(b) Description

The south-east of Belgium is a region with a very low population density. The activity rate is 20 % lower than in the country as a whole. The main activity is farming ; most of the industrial sectors are declining, to the extent that the region is in danger of becoming an economic backwater.

To improve the socio-economic situation, an integrated development programme is to be launched. It covers not only farming but also other sectors. The EAGGF Guidance Section will contribute towards financing the agricultural measures taken under the integrated development programme. They relate to the following :

- identification and analysis of problems at farm level in the context of the integrated development programme and implementation of solutions ;
- development of experimental stations dealing with new products, farming techniques and farm management methods ;
- improvement of infrastructure in farming.

2. Type of expenditure

Capital subsidy in one or more instalments.

3. Method of calculation and explanation of changes

(a) *Commitment appropriations*

The maximum subsidy from the EAGGF Guidance Section will be 35 % of the investment in each project. Regulation (EEC) No 1941/81 provides for 5 million ECU spread over five years, from the time the Commission approves the development programme. If the programme is approved in 1984, the first payments could be granted before 31 December 1984. To adhere to the commitment pattern originally intended, a sum of 1 million ECU should be entered in the 1985 budget.

(b) *Payment appropriations*

On the basis of the rate of implementation observed in the case of similar measures the sum of 200 000 ECU should be entered in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	1 000 000	—	200 000	200 000	200 000	400 000
Appropriation for 1984	p.m.	p.m.	—	—	—	—
Appropriation for 1985	1 000 000	—	p.m.	200 000	200 000	600 000
Total	2 000 000	p.m.	200 000	400 000	400 000	1 000 000

ARTICLE 328 — EAGGF (GUIDANCE) — IMPROVEMENT OF AGRICULTURAL INFRASTRUCTURE IN CERTAIN LESS-FAVOURED AREAS OF THE FEDERAL REPUBLIC OF GERMANY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	9 000 000	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	9 000 000	10 200 000
Percentage change	0	+ ∞

1. References and description

(a) References

Council Regulation (EEC) No 1938/81 of 30 June 1981 on a common measure to improve public amenities infrastructure in certain less-favoured agricultural areas of the Federal Republic of Germany (OJ No L 197, 20.7.1981).

(b) Description

Some less-favoured areas in the Federal Republic of Germany are deficient in agricultural infrastructure and water management.

Remedying or mitigating these deficiencies, particularly as regards farm roads and drainage, is an important first step in achieving structural adjustment and effective agricultural reform in these areas.

There is hence a need to build or improve farm roads and carry out drainage projects, particularly to control water run-off and protect the soil.

2. Type of expenditure

Capital subsidy in one or more instalments.

3. Method of calculation and explanation of changes

(a) Projected cost

The common measure to improve the situation is designed to last five years. Each project, which must fit in with the overall programme, must be financed to at least 10 % by the beneficiary and at least 20 % by the Federal Republic. The EAGGF Guidance Section is to contribute 30 %. The forecast cost to the Fund over the period envisaged is 45 million ECU.

(b) *Commitment appropriations*

Implementation of the programme began in 1982 and commitment appropriations of 9 million ECU should be entered in the 1985 budget.

(c) *Payment appropriations*

In view of the rate of implementation observed in the case of similar measures a sum of 10,2 million ECU should be entered in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	14 811 605 ⁽¹⁾	—	6 700 000	6 400 000	1 711 605	
Appropriation outstanding from 1983	—	p.m.	2 500 000	2 500 000	2 500 000	1 500 000
Appropriation for 1984	9 000 000		—	2 500 000	2 500 000	
Appropriation for 1985	9 000 000		1 000 000	2 500 000	2 500 000	3 000 000
Total	32 811 605	p.m.	10 200 000	11 400 000	6 711 605	4 500 000

⁽¹⁾ Commitments entered into settlement of which was outstanding on 31 December 1983 (21 008 552 ECU) minus automatic carryover (6 196 947 ECU).

ARTICLE 329 — EAGGF (GUIDANCE) — SPECIFIC REGIONS — GREECE

New item

ITEM 3290 — EAGGF (GUIDANCE) — ACCELERATION OF AGRICULTURAL DEVELOPMENT IN CERTAIN REGIONS OF GREECE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	20 000 000	20 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	56 000 000	56 000 000
Percentage change	+ 180,0	+ 180,0

1. References and description

(a) References

- Council Regulation (EEC) No 1975/82 of 19 July 1982 on the acceleration of agricultural development in certain regions of Greece (OJ No L 214, 27.7.1982).
- Council Regulation (EEC) No 619/84 of 5 March 1984 extending the common measure provided for in Regulation (EEC) No 1975/82 on the acceleration of agricultural development in certain regions of Greece (OJ No L 68, 10.3.1984).

(b) Description

The aim of this common measure is to improve employment and incomes in agriculture by means of a series of measures forming part of a special programme. These involve aid in all rural areas in Greece for :

- rural infrastructure : electricity, drinking water, road building and improvement ;
- irrigation : construction of small-scale shared networks ;
- forestry improvement : afforestation, improvement of deteriorated forest, forest roads, control of fast-flowing streams and fire protection.

The following measures, however, are limited to certain regions of Greece (the least favoured) :

- land improvement : pastures and related equipment, protection against erosion by water ;
- cattle, sheep and goat farming : modernization and construction of livestock housing, purchase of machinery for fodder production, purchase of male breeding animals, premiums for retaining beef calves ;
- facilities for agricultural training : construction and equipment of training centres.

2. Type of expenditure

Subsidy in the form of reimbursement of eligible expenditure incurred by the Member State during the previous year. Possibility of advances.

3. Method of calculation and explanation of changes

(a) Total estimated cost of the measure

The total estimated cost to the EAGGF Guidance Section is 198,6 million ECU over five years for the first measure, which is limited to certain regions, and 44,7 million ECU in one year for the second, which applies to all rural areas. The EAGGF will reimburse 50 % of eligible expenditure for infrastructure measures in Greece subject to a ceiling of 116 million ECU for the first measure and 32,5 million ECU for the second measure and up to a maximum of 40 % of the total cost of the investment. The EAGGF will also reimburse 50 % of eligible expenditure incurred by Greece subject to the following ceilings :

- 156,8 million ECU for irrigation, of which 122,5 million ECU is reserved for the least favoured areas,
- 30,2 million ECU for land improvement,
- 3 million ECU for stockfarming development,
- 7 million ECU for agricultural training,
- 132 million ECU for forestry measures, of which 103,1 million ECU is reserved for the least favoured areas.

(b) Commitment and payment appropriations

In view of Greece's estimates the sum of 56 million ECU should be entered in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	20 000 000	20 000 000	—	—	—	—
Appropriation for 1985	56 000 000	—	56 000 000	—	—	—
Total	76 000 000	20 000 000	56 000 000	—	—	—

New item**ITEM 3291 — EAGGF (GUIDANCE) — AGRICULTURAL TECHNICAL ADVISERS IN GREECE**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	3 000 000	3 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	5 000 000	5 000 000
Percentage change	+ 66,7	+ 66,7

1. References and description**(a) References**

Council Regulation (EEC) No 2966/83 of 19 October 1983 on the development of agricultural advisory services in Greece.

(b) Description

The common measure may comprise :

- the creation of training centres for agricultural advisers,
- specialist training of teaching staff,
- training of agricultural advisers,
- employment of agricultural advisers.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by Greece during the previous year.
Possibility of advances.

3. Method of calculation**(a) Estimated cost**

The estimated cost, based on the reimbursement of 50 % of the cost, the maximum eligible amount being 12 500 ECU per adviser entering into service for the first time, is 4 million ECU for a period of one year.

(b) Commitment appropriations and payment appropriations

In view of the stage reached in the preparation of the programme and of the estimates of the Member State concerned, an appropriation of 5 million ECU should be entered for 1985.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	3 000 000 ⁽¹⁾	3 000 000 ⁽¹⁾	—	—	—	—
Appropriation for 1985	5 000 000	—	5 000 000	—	—	—
Total	8 000 000	3 000 000	5 000 000	—	—	—

⁽¹⁾ Appropriation entered in Chapter 100.

New item

ITEM 3292 — EAGGF (GUIDANCE) — LAUNCHING OF AN IRRIGATION PROGRAMME IN GREECE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	8 000 000	2 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	9 000 000	6 000 000
Percentage change	+ 12,5	+ 200,0

1. References and description

(a) References

Council Regulation (EEC) No 2968/83 of 19 October 1983 introducing a common measure for the acceleration of collective irrigation operations in Greece (OJ No L 193, 25.10.1983, p. 5).

(b) *Description*

The measure consists of a Community contribution towards the cost of one or more special programmes of collective irrigation schemes, including ancillary drainage work.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by Greece during the previous year.
Possibility of advances.

3. Method of calculation(a) *Estimated cost*

The estimated cost, based on the reimbursement of 50 % of the cost, the maximum eligible amount being 5 000 ECU per hectare of land irrigated, is 8 million ECU for a period of one year.

(b) *Commitment appropriations*

In view of the limited duration of the common measure a p.m. should be entered for 1985.

(c) *Payment appropriations*

On the basis of experience of similar measures an amount of 6 million ECU should be entered for 1985.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	8 000 000	2 000 000	4 000 000	2 000 000	—	—
Appropriation for 1985	9 000 000	—	2 000 000	4 000 000	3 000 000	—
Total	17 000 000	2 000 000	6 000 000	6 000 000	3 000 000	—

New item**ITEM 3293 — EAGGF (GUIDANCE) — TRANSPORT OF MEANS OF PRODUCTION TO CERTAIN GREEK ISLANDS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	8 900 000	8 900 000
Percentage change	+ ∞	+ ∞

1. References and description**(a) References**

Council Regulation (EEC) No ... of ... introducing aid for the transport of certain means of production from mainland Greece to certain Greek islands (OJ No L ..., ...).

(b) Description

Annually decreasing aid for the transport of certain means of agricultural production from mainland Greece to the islands (except Crete and Evia), to be granted to farmers for five years (60 %, 50 %, 40 %, 30 %, 20 %), the rate of reimbursement by the EAGGF Guidance Section being 50 % of qualifying expenditure.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by Greece during the previous year. Possibility of advances.

3. Method of calculation**(a) Estimated cost**

The estimated cost over the duration of the measure (5 years) is 17,7 million ECU (50 % of the qualifying expenditure incurred by the Member State).

(b) Appropriations for commitment and payment

The amount required as both commitment and payment appropriations for 1985 is estimated at 8,9 million ECU.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	—	—	—	—	—	—
Appropriation for 1985	8 900 000	—	8 900 000	—	—	—
Total	8 900 000	—	8 900 000	—	—	—

**CHAPTER 33 — EUROPEAN AGRICULTURAL GUIDANCE
AND GUARANTEE FUND, GUIDANCE SECTION —
STRUCTURAL MEASURES CONNECTED WITH THE
COMMON ORGANIZATION OF MARKETS**

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
30	Producer organizations	3 900 000	3 900 000	6 500 000	6 500 000	+ 66,7	+ 66,7
31	Milk and meat sectors	30 300 000	30 300 000	24 600 000	24 600 000	- 18,8	- 18,8
32	Wine sector	40 000 000	21 800 000	56 400 000	43 300 000	+ 41,0	+ 98,6
33	Fruit sector	4 700 000	4 700 000	10 000 000	10 000 000	+ 112,8	+ 112,8
	Total	78 900 000	60 700 000	97 500 000	84 400 000	+ 23,6	+ 39,0

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 330 — EAGGF (GUIDANCE) — PRODUCER ORGANIZATIONS**ITEM 3300 — EAGGF (GUIDANCE) — PRODUCER GROUPS AND ASSOCIATIONS THERE-OF**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	p.m.	p.m.
Percentage change	0	0

1. References and description**(a) References**

- Council Regulation (EEC) No 1360/78 of 19 June 1978 on producer groups and associations thereof (OJ No L 166, 23.6.1978, p. 1).
- Council Regulation (EEC) No 3086 of 27 October 1981 amending Regulation (EEC) No 1360/78 on producer groups and associations thereof (OJ No L 310, 30.10.1981, p. 3).

(b) Description

The aim of this common measure within the meaning of Article 6(1) of Regulation (EEC) No 729/70 is to remedy the structural deficiencies affecting supplies and the marketing of agricultural products in certain regions. The Community, therefore, encourages the formation of producer groups and associations thereof by granting aid to cover the starting-up and operational costs of such groups. Regulation (EEC) No 1360/78 concerns all of Italy, the French regions of Languedoc-Roussillon, Provence-Côte d'Azur, Midi-Pyrénées, Corsica, Drôme and Ardèche and the French overseas departments and all Belgium and Greece.

However, with regard to the different agricultural products and certain processed agricultural products, the Regulation is applied differently in the different regions concerned. Thus in Italy and Greece the Regulation applies to all the products specified which are produced in that country, while in the French regions of the 'Midi' it applies only to Mediterranean products, and to tropical fruit and the beef and veal sector in the case of the French overseas departments. Where Belgium is concerned, it applies to cereals, cattle, piglets and lucerne.

It should be noted that special measures to encourage the setting-up of producer groups are planned in the fruit and vegetable, cotton and fishery sectors and that proposals have been made for the potato sector.

2. Type of expenditure

Subsidy in the form of the reimbursement of eligible expenditure incurred by the Member State in the previous year.

3. Method of calculation and explanation of changes

The financial arrangements of this measure are as follows :

- the rate of reimbursement by the EAGGF is 25 % of national expenditure ;
- the amount of aid granted by Italy, France and Belgium for the first, second and third years respectively
 - is a maximum of 3, 2 and 1 % of the value of products recognized and marketed ;
 - may not exceed 60, 40 and 20 % of the actual costs relating to the setting-up and operation of the groups.

However, the aid may be paid over five years. Higher rates may be fixed for a specified period by the Council, acting by a qualified majority on a proposal from the Commission, for certain regions and products.

Aid is also granted to associations of recognized groups, subject to a maximum of 60 448 ECU per association.

In order to encourage the setting-up of olive oil producer groups a higher rate of aid may be granted. The maximum aid granted for the first five years is equal to 5, 4, 3, 2 and 1 % of the value of the products recognized and marketed.

The total estimated cost to be borne by the EAGGF Guidance Section is 29,54 million ECU for five years. However, a p.m. is entered in the 1985 budget owing to the disappointing application of this measure to date.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m.	p.m.	—	—	—	—
Appropriation for 1985	p.m.	—	p.m.	—	—	—
Total	p.m.	p.m.	p.m.	—	—	—

ITEM 3301 — EAGGF (GUIDANCE) — HOP PRODUCER GROUPS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	—	—
Percentage change	0	0

1. References and description**(a) References**

- Council Regulation (EEC) No 1696/71 of 26 July 1971 on the common organization of the market in hops (OJ No L 175, 4.8.1971), as last amended by Council Regulation (EEC) No 1170/77 of 17 May 1977 (OJ No L 137, 3.6.1977).
- Council Regulation (EEC) No 2253/77 of 11 October 1977 on structural measures in the hop sector (OJ No L 261, 14.10.1977).

(b) Description

The aim of this common measure was to encourage the formation and operation of producer groups (and associations thereof) in the hop sector so that growers can jointly adapt their output to the requirements of the market, improve production by switching to other varieties and reorganizing hop gardens and rationalize and mechanize cultivation and harvesting operations to produce better results. This scheme came to an end in 1981, with the last payments being made in 1983 following a judgment of the Court of Justice.

2. Type of expenditure

Subsidy in the form of the reimbursement to Member States of expenditure incurred in the previous year.

3. Method of calculation and explanation of changes

This scheme being ended, no expenditure is therefore provided for in respect of 1985.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	20 889	20 889	—	—	—	—
Appropriation for 1984	p.m.	p.m.	—	—	—	—
Appropriation for 1985	—	—	—	—	—	—
Total	20 889	20 889	—	—	—	—

ITEM 3302 — EAGGF (GUIDANCE) — PRODUCER GROUPS IN THE FRUIT AND VEGETABLE SECTOR

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 600 000	1 600 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 500 000	1 500 000
Percentage change	— 6,3	— 6,3

1. References and description

(a) References

- Council Regulation (EEC) No 1035/72 of 18 May 1972 (OJ No L 118, 20.5.1972),
- Regulation (EEC) No 1738/82 of 28 June 1982 (OJ No L 190, 1.7.1982).

(b) Description

To improve fruit and vegetable supply structures, the formation and operation of producer groups in this sector is encouraged by means of aid at degressive rates to groups meeting the prescribed requirements.

2. Type of expenditure

Subsidy in the form of the reimbursement of Member States' expenditure during the previous year.

3. Method of calculation and explanation of changes

This measure has been revised since November 1983 following Regulation No 3285/83 to encourage the formation of producer groups by raising the level of aid.

At the discretion of the group concerned, the aid is calculated either :

- over a five-year period, in which case it is 5 %, 5 %, 4 %, 3 % and 2 % respectively of the value of the products marketed under the aegis of the group, up to the actual cost of setting up the group and running the administrative side, or
- by way of derogation applicable to groups recognized before 1 July 1988 over a three-year period, in which case it is 3 %, 2 % and 1 % respectively of the standard average value of the products marketed by the group during the three previous years.

The EAGGF Guidance Section reimburses 50 % of the eligible expenditure incurred by the Member States.

On the basis of the Member States' estimates 1 500 000 ECU should cover the amounts needed for commitment and payment appropriations in 1985.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	378 516	—	—	—	—	—
Appropriation for 1984	1 600 000	1 600 000	—	—	—	—
Appropriation for 1985	1 500 000	—	1 500 000	—	—	—
Total	3 478 516	1 600 000	1 500 000	—	—	—

ITEM 3303 — EAGGF (GUIDANCE) — POTATO PRODUCER GROUPS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	—	—
Percentage change	0	0

1. References and description**(a) References**

Commission proposal (COM(75)690 final), forwarded to the Council on 23 January 1976, for a Regulation on the common organization of the market in potatoes, supplemented by an amendment presented by letter (ref. 77/3773) of 28 March 1977.

(b) Description

The common organization of the market, which is necessitated by the very wide fluctuations in the prices of potatoes, involved the laying-down of marketing standards in respect of the quality, size, weight, packaging, etc. of 11 different products. The setting-up of recognized producer groups, which is one of the mainstays of the proposed Regulation, should make it possible to concentrate supply, stabilize the market, assure a better adjustment to market requirements and rationalize and mechanize growing and harvesting.

In order to encourage the setting-up of these groups and facilitate their operation, it is proposed that the Member States should grant them degressive aid during the three years following the date of recognition, subject to the following limits :

For the first, second and third year of operation, aid should not exceed 3, 2 and 1 % respectively of the value of marketed products in respect of which recognition is granted. In addition, this aid should not exceed 60 % of the administrative costs of the producer group during the first year, 40 % during the second and 20 % during the third year.

2. Type of expenditure

Subsidy in the form of the reimbursement of eligible expenditure incurred by the Member States in the previous year.

3. Method of calculation and explanation of changes

On the basis of a 50 % rate of reimbursement, the cost of the measure was calculated as follows in 1977 : it was estimated that these groups would market 10 % of production during the first year of application of the common rules, 17 % the second year and 22 % the third year.

If the average value is 50 ECU per tonne and the quantity handled by the producer groups during the first year is 4 million tonnes of potatoes, the cost to the EAGGF Guidance Section can be estimated at 13,1 million ECU over five years and at 3 million ECU in the first year.

ITEM 3304 — EAGGF (GUIDANCE) — COTTON PRODUCER GROUPS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 300 000	2 300 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	5 000 000	5 000 000
Percentage change	+ 117,4	+ 117,4

1. References and description

(a) References

Council Regulation (EEC) No 389/82 of 15 February 1982 on producer groups and associations thereof in the cotton sector (OJ No L 51, 23.2.1982).

(b) Description

To improve cotton supply structures, the formation and operation of producer groups in this sector is encouraged by means of aid at degressive rates. Moreover, aid is granted to such groups for investments in harvesting, ginning, storage and packaging facilities for cotton.

2. Type of expenditure

Subsidy in the form of the reimbursement of expenditure incurred by the Member States in the previous year.

3. Method of calculation and explanation of changes

(a) Projected total cost

The projected total cost to the EAGGF Guidance Section is 14 million ECU over a five-year period. The rate of reimbursement is 40 % of the eligible expenditure incurred by the Member States.

(b) Commitment and payment appropriations

In the light of the Member States' estimates, in particular as regards major expenditure in 1984 for the purchase of harvesting machinery, an appropriation of 5 million ECU should be entered in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	650 000	650 000	—		—	—
Appropriation for 1984	2 300 000	2 300 000	—	—	—	—
Appropriation for 1985	5 000 000	—	5 000 000	—	—	—
Total	7 950 000	2 950 000	5 000 000	—	—	—

ITEM 3312 — EAGGF (GUIDANCE) — PREMIUMS FOR THE NON-MARKETING OF MILK AND MILK PRODUCTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	30 300 000	30 300 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	24 600 000	24 600 000
Percentage change	— 18,8	— 18,8

1. References and description

(a) References

— Council Regulation (EEC) No 1078/77 of 17 May 1977 introducing a system of premiums for the non-marketing of milk and milk products and for the conversion of dairy herds (OJ No L 131, 26.5.1977, p. 1).

- Commission Regulation (EEC) No 1391 of 23 June 1978 laying down amended rules for the application of the system of premiums for the non-marketing of milk and milk products and for the conversion of dairy herds (OJ No L 167, 24.6.1978, p. 45).
- Council Regulation (EEC) No 1365/80 of 5 June 1980 amending Regulation (EEC) No 1078/77 introducing a system of premiums for the non-marketing of milk and milk products and for the conversion (OJ No L 140, 5.6.1980, p. 18).

(b) Description

This is a common measure within the meaning of Article 6(1) of Regulation (EEC) No 729/70 and is intended to help reduce the structural surplus of milk products. It is one of a set of measures intended to restore balance on the milk market.

To achieve this aim a differentiated premiums system has been introduced for certain groups of farmers ceasing production and marketing of milk and milk products. Premiums can only be claimed if certain conditions ensuring the effect of conversion and non-marketing during the relevant periods are met. These periods are five years for the non-marketing part and four years for the conversion part, and commence not more than six months following the date of approval of the application. Some regions in which dairy herds contracted by over 20 % between 1969 and 1976 may be authorized not to apply these measures.

The premiums may be combined with the aid granted under schemes for the eradication of brucellosis, tuberculosis and leucosis.

The EAGGF reimburses 100 % of the cost of this measure, 60 % being charged to the Guarantee Section and 40 % to the Guidance Section.

The non-marketing operation ceased on 15 September 1980 and the conversion operation ceased at the end of the 1980/81 milk year (31 March 1981).

2. Type of expenditure

Subsidy in the form of advance payments against expenditure which the Member States will incur during the current year.

3. Method of calculation and explanation of changes

The aid per 100 kg of milk varies with the volume delivered in 1976. The following table is applied :

Operation	Quantity of milk or its equivalent in milk products delivered by the producer in 1976	Premium per 100 kg as % of the target price for milk in force on the date of approval of the application		Schedule of payments of the premium	
1. Non-marketing	(a) 30 000 kg (b) 30 000 kg = for the first 50 000 kg for a quantity of 50 000 to 120 000 kg 120 000 kg	95% 90% (minimum amount = 1. (a)) 75% 0	Value ECU/t		50% in the first three months 25% in the third year 25% in the fifth year
			1977/78	1978/79	
			199,27 188,78	241,77 217,58	
			157,32 0	163,22 0	
2. Conversion	(a) 120 000 kg (b) 120 000 kg	90%	188,78	217,58	60% in the first three months
		amount of aid limited to 2.(a)			20% in the third year 20% in the fourth year

In view of the above schedule of payments, the sum of 24,6 million ECU should be entered in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	6 167 111	6 167 111	—	—	—	—
Appropriation for 1984	30 300 000	30 300 000	—	—	—	—
Appropriation for 1985	24 600 000	—	24 600 000	—	—	—
Total	61 067 111	36 467 111	24 600 000	—	—	—

ARTICLE 332 — EAGGF (GUIDANCE) — WINE SECTOR**ITEM 3320 — EAGGF (GUIDANCE) — CONVERSION PREMIUMS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	6 400 000	6 400 000
Percentage change	+ ∞	+ ∞

1. References and description**(a) References**

Council Regulation (EEC) No 1163/76 of 27 May 1976 (OJ No L 135, 24.5.1976), as last amended by Regulation (EEC) No 361/79 of 20/February 1979 (OJ No L 46, 23.2.1979).

(b) Description

The Commission has introduced a graduated scale of premiums for the grubbing of vines over a period of three years. The aim of the operation is to reduce the structural surplus of wine and the cost to the EAGGF of stabilizing the market.

It is hoped to :

- reduce the quantity of wine produced annually,
- cut EAGGF Guarantee expenditure on distillation.

The Guidance Section of the EAGGF reimburses 50 % of the eligible premiums paid by Member States.

2. Type of expenditure

Subsidy in the form of the reimbursement of expenditure incurred by Member States in the previous year.

3. Method of calculation and explanation of changes

This measure was in force for the three marketing years 1976/77, 1977/78 and 1978/79. Conversions carried out in year (t) will be paid for from the budget for (t + 1), taking into account the system of reimbursements. However, one Member State has announced its intention of submitting a late application and so it is foreseen that the final payments will take place in 1983. No expenditure is provided for in respect of 1984.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	—	—	—	—	—	—
Appropriation for 1985	6 400 000	—	6 400 000	—	—	—
Total	6 400 000	—	6 400 000	—	—	—

ITEM 3321 — EAGGF (GUIDANCE) — PREMIUMS FOR THE ABANDONMENT OF AREAS UNDER VINES AND FOR THE RENUNCIATION OF RIGHTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	15 000 000	15 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	30 000 000	30 000 000
Percentage change	+ 100,00	+ 100,00

1. References and description

(a) References

- Council Regulation (EEC) No 456/80 of 18 February 1980 on the granting of temporary and permanent abandonment premiums in respect of certain areas under vines and of premiums for the renunciation of replanting (OJ No L 57, 29.2.1980).
- Council Regulation (EEC) No 607/82 of 16 March 1982 derogating from Regulation (EEC) No 456/80 in respect of the date when applicants for an abandonment premium must have carried out grubbing of vines (OJ No L 74, 18.3.1982, p. 3).
- Council Regulation (EEC) No 1597/83 of 14 June 1983 amending Regulation (EEC) No 456/80 on the granting of temporary and permanent abandonment premiums in respect of certain areas under vines and of premiums for the renunciation of replanting (OJ No L 163, 22.6.1983, p. 52).

(b) Description

The Community has introduced a scheme for differentiated abandonment premiums and a premium for those waiving their right to replant. By temporary abandonment is meant the cessation of vine growing on the areas concerned for a period of eight years from the beginning of the wine year following the grubbing of the vine.

The cessation of vine-growing is only temporary under the temporary abandonment premium. For that reason, in order to make the effect of the measure permanent, there is also a premium for definitive abandonment, which is the definitive cessation of growing vines on the areas concerned attested by a legal restriction placed upon these areas in accordance with relevant law in the Member State.

The renunciation premium serves to prevent new vine plantings on areas classified as suitable for wine growing.

The purpose of the measure is :

- reduction of the area under vines by 77 000 ha for a period of eight years, and
- permanent abandonment of 28 000 of these 77 000 ha and in addition of 28 000 ha already converted under Regulation (EEC) No 1163/76.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by Member States in the previous year.

3. Method of calculation and explanation of changes**(a) Projected cost**

The projected cost of the measure to the EAGGF Guidance Section is 134,2 million ECU.

The EAGGF Guidance Section reimburses 40 % of the eligible premiums paid by the Member States.

Temporary abandonment premium

The premium calculated by hectare of grubbed vines must cover both the cost of grubbing and compensate for the loss in income. It is graduated on the basis of the average productivity of vineyards :

- 1 813 ECU per ha for low productivity,
- 2 418 ECU for average productivity, and
- 3 022 ECU per ha for high productivity.

Permanent abandonment premium

This premium is fixed at 2 418 ECU and will be paid in the six months following the declaration.

(b) Commitment and payment appropriations

In the light of Member States' forecasts, commitment appropriations of 30 million ECU and payment appropriations of 30 million ECU should be entered in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	15 000 000	15 000 000	—	—	—	—
Appropriation for 1985	30 000 000	—	30 000 000	—	—	—
Total	45 000 000	15 000 000	30 000 000	—	—	—

ITEM 3322 — EAGGF (GUIDANCE) — PREMIUMS FOR THE CESSATION OF WINE PRODUCTION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	0	0

1. References and description

(a) References

Council Regulation (EEC) No 457/80 of 18 February 1980 establishing a system of premiums for the cessation of wine-growing in France and Italy (OJ No L 57, 29.2.1980).

(b) Description

The aim of the common measure is the introduction by the Member States of the system of premiums (annual or 'one-off' premium) for those who cease wine-growing. The system of premiums is calculated on the basis of the area devoted to wine production up to a maximum of 5 ha. It is paid to farmers in respect of an area under vines representing at least 20 % of the total utilized agricultural area, and for which they have received a permanent abandonment premium or a conversion grant.

The annual premium is 363 ECU per hectare of vines.

The 'one-off' premium of 604 ECU per ha of vines shall be confined to part-time wine growers aged between 55 and 70 years.

The premium cannot be claimed unless :

- the vineyard is grubbed and permanently abandoned,
- farming ceases altogether,
- the holding ceases to be an independent economic unit in accordance with arrangements for the transfer of relinquished land.

These premiums are additional to premiums granted under Directive 72/160.

2. Type of expenditure

Subsidy in the form of reimbursement by the EAGGF Guidance Section of the eligible expenditure incurred by Member States during the previous year. Advances may be paid.

3. Method of calculation and explanation of changes

(a) Projected cost

The projected total cost to the EAGGF Guidance Section is 11,1 million ECU.

The rate of reimbursement is 40 %.

(b) Commitment and payment appropriations

On the basis of the Member States' estimates, provision should be made for a token entry in the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m.	p.m.	—	—	—	—
Appropriation for 1985	p.m.	—	p.m.	—	—	—
Total	p.m.	p.m.	p.m.	—	—	—

ITEM 3323 — EAGGF (GUIDANCE) — COLLECTIVE PROJECTS FOR THE RESTRUCTURING OF VINEYARDS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	25 000 000	6 800 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	20 000 000	6 900 000
Percentage change	- 20,0	+ 1,5

1. References and description

(a) References

- Council Regulation (EEC) No 458/80 of 18 February 1980 on collective projects for the restructuring of vineyards (OJ No L 57, 29.2.1980, p. 27).
- Council Regulation (EEC) No 2991/81 of 19 October 1981 amending Regulation (EEC) No 458/80 on collective projects for the restructuring of vineyards (OJ No L 299, 20.10.1981, p. 21).
- Council Regulation (EEC) No 1598/83 of 14 June 1983 amending Regulation (EEC) No 458/80 on collective projects for the restructuring of vineyards (OJ No L 163, 22.6.1983, p. 53).

(b) Description

The aim of this common measure is to establish balance progressively on the wine market by improving the basic structures of vineyards for table wine and quality wine p.s.r. by financing collective restructuring projects. These projects include the replanting of vines (at most 10 % new plantings) under certain conditions when it is carried out by growers under binding collective agreements involving *inter alia* rationalization of work and the use of machinery. They must :

- contribute to a lasting improvement in working conditions (and labour income) on the holdings concerned,
- ensure an improvement in the quality of the wines produced,
- be effective in economic terms.

In order to achieve these aims a premium is granted ranging between 2 418 and 3 022 ECU per hectare, with a maximum of 2 418 ECU per hectare for new plantings. EAGGF Guidance contributes 30 % to the financing of this premium, paid on the basis of a project approved by the Commission.

The last amendment provides for a breakdown between vineyards producing table wine and those producing quality wine p.s.r. in line with the object of the exercise, which is to improve the structure of the former, while at the same time making adequate provision for the latter.

2. Type of expenditure

Subsidy in the form of reimbursement of 30 % of the expenditure incurred by the Member State in the previous year. Advance payments may be made.

3. Method of calculation and explanation of changes

(a) Commitment appropriations

The total expenditure chargeable to the EAGGF — 188,9 million ECU — was estimated on the assumption that an area of 240 600 ha would be restructured in seven years.

An appropriation for commitment of 20 million ECU is planned for 1985, on the basis of the progress made on the programmes and Member States' estimates.

(b) Payment appropriations

The payments for 1985 have been estimated on the basis of Member States' forecasts and the rate of implementation observed in previous years.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	28 781 915	—	3 100 000	3 100 000	3 100 000	19 481 915
Appropriation outstanding from 1983	13 194 208	6 800 000	3 800 000	2 500 000	2 500 000	22 594 208
Appropriation for 1984	25 000 000					
Appropriation for 1985	20 000 000	—	—	2 000 000	2 000 000	16 000 000
Total	86 976 123	6 800 000	6 900 000	7 600 000	7 600 000	58 076 123

ARTICLE 333 — EAGGF (GUIDANCE) — FRUIT SECTOR**ITEM 3330 — EAGGF (GUIDANCE) — IMPROVEMENTS IN THE CITRUS FRUIT SECTOR**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	4 700 000	4 700 000
1985 — Appropriations requested	10 000 000	10 000 000
Percentage change	+ 112,8	+ 112,8

1. References and description**(a) References**

- Council Regulation (EEC) No 2511/69 of 9 December 1969 laying down special measures for improving the production and marketing of Community citrus fruit (OJ No L 318, 18.12.1969, p. 1).
- Council Regulation (EEC) No 1204/82 of 18 May 1982 amending Regulation (EEC) No 2511/69 laying down special measures for improving the production and marketing of Community citrus fruit (OJ No L 140, 20.5.1982, p. 38).
- Council Regulation (EEC) No 2004/83 of 18 July 1983 amending Regulation (EEC) No 2511/69 (laying down special measures for improving the production and marketing of Community citrus fruit (OJ No L 198, 21.7.1983, p. 2).

(b) Description

These medium-term measures are chiefly aimed at :

- conversion schemes to improve the range of varieties produced. Growers who replant in this way, in accordance with the conditions laid down in Article 4 of Regulation (EEC) No 2511/69, receive supplementary aid to make up for losses arising from the measure ;
- restructuring new plantations and implementing financial improvement measures ;
- adapting the presentation of the products to marketing and processing conditions ;
- producing the reproductive material needed to carry out the plan.

To achieve these aims, the EAGGF Guidance Section bears 50 % of the cost of aid granted by the Member States. The subsidies can be broken down as follows :

- aid for the varietal conversion of orange, mandarin and lemon groves (this must cover the total expenditure) ;

- additional aid to growers following a conversion operation subject to a maximum of four hectares, amounting to :
 - 2 200 ECU per year for the first four years,
 - 1 500 ECU per year for the fifth year,
 - 1 000 ECU for the sixth and seventh years, only for growers who replant.

The above amounts are increased by 10 % per converted hectare of mandarin and lemon trees ;

- expenditure on investments in market preparation, storage and processing facilities, subject to a ceiling of 15 % of the total estimated cost to the Fund of the medium-term measures provided for by the Regulation.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by the Member State during the previous year.

3. Method of calculation and explanation of changes

The measure got off to a slow start, for it soon became evident that many small producers were not eligible for the additional aid because they did not satisfy the conditions laid down in Article 4(1) of Regulation (EEC) No 2511/69. The measure was adapted and extended by Regulation (EEC) No 2004/83.

The commitment and payment appropriations requested for 1985 (10 million ECU) are based on Member States' estimates.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	740 000	—	—	—	—	—
Appropriation for 1984	4 700 000	4 700 000	—	—	—	—
Appropriation for 1985	10 000 000	—	10 000 000	—	—	—
Total	15 440 000	4 700 000	10 000 000	—	—	—

ITEM 3332 — EAGGF (GUIDANCE) — REORGANIZATION OF FRUIT PRODUCTION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	—	—
Percentage change	0	0

1. References and description**(a) References**

- Council Regulation (EEC) No 794/76 of 6 April 1976 laying down further measures for reorganizing Community fruit production (OJ No L 93, 8.4.1976, p. 3).
- Commission Regulation (EEC) No 1090/76 of 11 May 1976 fixing the amount of the premium for grubbing apple trees and pear trees of certain varieties and the conditions for granting such premium (OJ No L 124, 12.5.1976, p. 8).

(b) Description

Fruit producers qualified, under certain conditions, for a premium for grubbing, before 1 April 1977 — apple trees of the 'Golden Delicious', 'Starking Delicious' and 'Imperatore' varieties, pear trees of the 'Passe Crassane' variety and trees of other varieties necessary for the fecundation of the varieties to be grubbed.

The purpose of the measure was to reduce certain Community fruit production surpluses, thereby reducing EAGGF Guarantee Section expenditure.

The EAGGF Guidance Section reimburses 50 % of the eligible premiums paid by the Member States.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by Member States in the previous year.

3. Method of calculation and explanation of changes

The final payments by way of reimbursement were made in 1981, in respect of late applications.

No new expenditure is provided for in respect of 1985.

CHAPTER 38 — EXPENDITURE IN THE AGRICULTURAL SECTOR

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 (¹)		Appropriations requested for 1985 (¹)		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
380	Community action in cam- paigns against epidemics to which the livestock of Member States may be exposed	7 400 000	7 400 000	6 000 000	6 000 000	- 18,9	- 18,9
381	Application and supervision of Council directives in veteri- nary matters and certain vet- erinary measures within the Community	20 615 000	20 615 000	14 700 000	14 700 000	- 28,7	- 28,7
382	Provisions concerning the checking of plant health meas- ures	230 000	230 000	244 000	244 000	+ 6,1	+ 6,1
383	Farm accountancy data net- work	3 540 000	4 000 000	4 085 000	3 715 000	+ 15,4	- 7,1
384	Agricultural research	11 325 000	8 825 000	11 380 000	7 380 000	+ 0,5	- 16,4
386	Community action relating to the vocational training of farmers	250 000	250 000	250 000	250 000	0	0
387	Community supervision of the application of agricultural rules	100 000	100 000	12 350 000	12 350 000	+ 12 250,0	+ 12 250,0
388	Community action in the fores- try sector	5 000 000	5 000 000	20 000 000	7 000 000	+ 300,0	+ 40,0
389	Special measures in favour of the regions	38 100 000	33 100 000	25 850 000	31 400 000	- 32,2	- 5,1
	Total	86 560 000	79 520 000	94 859 000	83 039 000	+ 9,6	+ 4,4

(¹) Including any appropriations entered in Chapter 100.

ARTICLE 380 — COMMUNITY ACTION IN CAMPAIGNS AGAINST EPIDEMICS TO WHICH THE LIVESTOCK OF MEMBER STATES MAY BE EXPOSED

ITEM 3801 — EEC PARTICIPATION IN THE CAMPAIGN AGAINST AFRICAN SWINE FEVER : LOCAL MEASURES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	3 000 000	3 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 500 000	1 500 000
Percentage change	— 50	— 50

1. References and description

(a) References

Council Decisions 79/509 of 24/May 1979 (OJ No L 133, 31.5.1979, p. 27) and 80/877 of 15 September 1980 (OJ No L 250, 23.9.1980) on the granting of funds to Spain and Portugal for local action to eradicate African swine fever. Commission Decisions 80/652 (OJ No L 117, 11.7.1980) and 81/633 (OJ No L 251, 15.8.1981).

(b) Description

The Community is to make a financial contribution to action aimed at eradicating African swine fever from the whole of the Iberian peninsula. Spain and Portugal have drawn up programmes under which it is planned to complete the operation within five years.

The programmes consist of the following measures :

- on farms : monitoring of livestock, prompt action by the veterinary authorities if cases of the disease are suspected, prompt diagnosis by laboratories, placing of all suspect animals in quarantine, stamping out where the disease is confirmed, etc. ;
- in slaughterhouses : provision of facilities, official approval, veterinary inspections, etc. ;
- in the distribution network : movement of animals under official supervision, restriction and in some cases prohibition of markets, health checks on meat-processing establishments.

2. Type of expenditure

Subsidy.

3. Method of calculation and explanation of changes

The financial contributions and the estimated costs envisaged in the decisions mentioned in point 1(a) are as follows :

(a) Spain

10 % of the cost of the measure to be borne by the Community, on the basis of Spanish estimates : Decision 79/509 provides for 10 million ECU, i.e. 2 million ECU a year for measures implemented between 1 July 1980 and 30 June 1985.

(b) Portugal

13,5 % of the cost of the measure to be borne by the Community, on the basis of Portuguese estimates : Community Decision 81/633 provides for 5 million ECU over five years, i.e. 1 million ECU per year for measures implemented between 1 July 1981 and 30 June 1986.

ITEM 3802 — COMMUNITY ACTION IN THE EVENT OF OUTBREAKS OF EPIZOOTIC DISEASE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	3 000 000	3 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 500 000	2 500 000
Percentage change	- 16,7	- 16,7

1. References and description

(a) References

Council Decision 77/97/EEC of 21 December 1976 (OJ No L 26, 31.1.1977).

(b) Description

The purpose of the Epizootic Diseases Fund is to enable the Community to make a financial contribution, in certain serious and urgent cases, to preventive measures and to the campaign against contagious animal diseases constituting a direct threat to the livestock of the Member States.

The inclusion of an appropriation in the Community budget for immediate commitment if the need arises (if, for example, an exotic disease appeared in the Community or in a neighbouring country) constitutes a means of effective protection of Community livestock, which would suffer immeasurable losses if struck by an epizootic disease.

2. Type of expenditure

Subsidy in the form of 50 % reimbursement of expenditure.

3. Method of calculation and explanation of changes

The amount proposed is in line with the undertakings set out in Council Decision 77/97/EEC and takes into consideration Greece's accession to the Community.

ITEM 3803 — COMMUNITY CONTRIBUTION TOWARDS THE CAMPAIGN AGAINST FOOT-AND-MOUTH DISEASE OUTSIDE THE COMMUNITY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 400 000	1 400 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 000 000	2 000 000
Percentage change	+ 42,9	+ 42,9

1. References and description**(a) References**

- Council Resolution of 12 March 1968 on Community measures to be taken in the veterinary sector (OJ No C 22, 18.03.1968, p. 18).
- Council Decision 83/650/EEC of 11 December 1983 on a financial contribution to the Foot-and-Mouth Disease Institute in Ankara (OJ No L 370, 31.12.1983, p. 60).

(b) Description

Two measures are currently covered by this item :

- maintaining the vaccination buffer zone created some years ago in south-east Europe to prevent exotic foot-and-mouth viruses spreading to Europe. Experience has shown that the frequently substantial losses of Community livestock caused by exotic foot-and-mouth viruses are often due to the fact that this epizootic disease spreads via Turkey. This measure should be continued until 1987 ;
- Community contribution towards the setting-up of the Ankara Institute to produce a vaccine against foot-and-mouth disease ; the production target of this laboratory is 40 million doses of monovalent vaccine per year.

This measure would enable Turkey to become self-sufficient for the protection of the Community against exotic foot-and-mouth viruses.

2. Type of expenditure

Subsidy.

3. Method of calculation and explanation of changes

Maintenance of vaccination buffer zone in south-east Europe.

The Commission regularly receives requests from the FAO for Community contributions towards the purchase of vaccine to be used in the Balkan buffer zone (about 400 000 ECU per year).

Measure to support the Foot-and-Mouth Disease Institute in Ankara

Council Decision 83/650/EEC provided for a grant of 3 700 000 ECU to be paid in Turkey ; 1 070 000 ECU were allocated under the 1983 budget and 1 000 000 ECU under the 1984 budget ; the remainder to be allocated under the 1985 budget is thus 1 630 000 ECU.

	1984	1985	1986
Contribution to Turkey	1 630 000		
Request from the FAO	400 000	400 000	400 000
Total	2 030 000	400 000	400 000

ARTICLE 381 — APPLICATION AND SUPERVISION OF DIRECTIVES IN VETERINARY MATTERS AND CERTAIN VETERINARY MEASURES WITHIN THE COMMUNITY

ITEM 3810 — APPLICATION AND SUPERVISION OF DIRECTIVES ON VETERINARY MATTERS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	500 000	500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	500 000	500 000
Percentage change	0	0

1. References and description

(a) References

This measure constitutes an obligation.

- Council Directive 65/277/EEC of 13 May 1965 on the procedure to be followed as regards the delivery of opinions on intra-Community trade in fresh meat, bovine animals and swine (OJ No 93, 29.5.1965, p. 1610).
- Council Directive 71/118/EEC of 15 February 1971 on health problems affecting trade in fresh poultrymeat (OJ No L 55, 8.3.1971, p. 23).
- Council Directive 72/461/EEC of 12 December 1972 on health and veterinary inspection problems upon importation of bovine animals and swine and fresh meat from third countries (OJ No L 302, 31.12.1972, p. 28).
- Council Directive 75/339/EEC of 24 June 1975 amending Directives 64/432/EEC, 64/433/EEC, 71/118/EEC, 72/461/EEC and 72/462/EEC as regards the validity of the procedures of the Standing Veterinary Committee (OJ No L 172, 3.7.1975, p. 17).
- Council Directive 75/431/EEC of 10 July 1975 amending Directive 71/118/EEC on health problems affecting trade in fresh poultrymeat (OJ No L 192, 24.7.1975, p. 6).
- Council Directive 77/98/EEC of 21 December 1976 amending Directives 64/432/EEC, 72/461/EEC and 72/462/EEC on health and veterinary problems (OJ No L 26, 31.1.1977, p. 81).
- Council Directive 77/99/EEC of 21 December 1976 on health problems affecting intra-Community trade in meat products (OJ No L 26, 31.1.1977, p. 85).
- Commission Decision 80/15/EEC of 21 December 1979 concerning the on-the-spot inspections to be carried out in respect of the importation of bovine animals, swine and fresh meat from non-member countries (OJ No L 8, 12.1.1980, p. 26).
- Council Decision 81/859/EEC of 19 October 1981 on the designation and operation of a liaison laboratory for classical swine fever (OJ No L 319, 7.11.1981, p. 28).

— Council Decision 83/254/EEC introducing Community financial measures for the eradication of classical swine fever (OJ No L 143, 2.6.1983, p. 37).

(b) *Description*

- Inspections to check compliance with Community rules applicable to :
 - intra-Community trade in fresh poultrymeat and meat-based products ;
 - imports of fresh red meat and cattle and pigs from non-member countries.
- Reports on suspected cases of contravention of rules of production raising difficulties in the intra-Community trade in fresh meat and poultrymeat.

2. Type of expenditure

Administrative costs, cost of reports and operating costs.

3. Method of calculation

- The expenditure of 450 000 ECU covers the mission expenses incurred by Commission and national inspectors either within the Community or on missions to non-member countries. Fees also have to be added when reports are required. The start of inspection within the Community justifies the continuation of this expenditure.
- The expenditure of 100 000 ECU for the swine fever liaison laboratory is intended to cover operating costs.

ITEM 3811 — CAMPAIGN AGAINST BRUCELLOSIS, TUBERCULOSIS AND LEUCOSIS IN CATTLE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	12 615 000	12 615 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 700 000	1 700 000
Percentage change	— 86,5	— 86,5

1. References and description

(a) *References*

Council Directive 82/400/EEC of 14 June 1982 amending Council Directive 77/391/EEC of 17 May 1977 introducing Community measures for the eradication of brucellosis, tuberculosis and leucosis in cattle (OJ No L 145, 13.6.1977, p. 44) introducing a supplementary Community measure for the eradication of brucellosis, tuberculosis and leucosis in cattle (OJ No L 173, 19.6.1982, p. 18).

(b) Description

Council Directive 77/391/EEC introduced a Community measure for the eradication of brucellosis, tuberculosis and leucosis in cattle, the cost of which to the Community was put at 130 million ECU for a three-year period ending in 1981 (1982 for Italy and Greece). Directive 82/400/EEC introduced a supplementary measure to extend the duration of the original measure to five years.

The results recorded by the Member States and the inspection visits made by Commission staff in the field show that the operations planned have in general been carried out satisfactorily.

In 1985 only Greece and Italy will receive Community aid ; the five-year period has expired for the other Member States.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by the Member States during the previous year.

3. Method of calculation and explanation of changes

The Commission contributes towards the cost of slaughtering cows and other bovine animals affected by disease. The year's slaughterings are financed by the Community in (n + 1).

The expenditure of 1 700 million ECU to be charged against the 1985 budget has been calculated on the basis of the following assumptions :

Number of animals slaughtered in 1983	Aid per animal (ECU)	Community expenditure in 1984
20 000 cows	72,5	1,45
7 000 other bovine animals	36,25	0,25

ITEM 3812 — PRE-MOVEMENT VETERINARY TESTING OF CATTLE IN IRELAND

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	0	0

1. References and description

(a) References

Council Regulation (EEC) No 1055/81 of 21 April 1981 introducing temporary financial aid from the Community to Ireland for pre-movement tuberculin testing and brucellosis blood sampling of cattle (OJ No L 111, 23.4.1981, p. 4).

(b) Description

A special measure is introduced to finance tuberculin tests performed before transit on bovine animals aged more than six weeks, and also the sampling of blood with a view to serological testing for brucellosis ; where this is carried out at the same time as the tuberculin testing, on female bovine animals over the age of 12 months and non-castrated male bovine animals over the age of nine months. The duration of the measure has expired.

ITEM 3813 — ERADICATION OF CLASSICAL AND AFRICAN SWINE FEVER

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	7 500 000	7 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	12 500 000	12 500 000
Percentage change	+ 66,7	+ 66,7

1. References and description

(a) References

- Council Decision 80/1096/EEC of 11 November 1980 introducing Community financial measures for the eradication of classical swine fever (OJ No L 325, 1.12.1980, p. 5).
- Council Decision 83/254 of 25 May 1983 amending Decision 80/1096 introducing Community financial measures for the eradication of classical swine fever (OJ No L 143, 2.6.1983, p. 37).
- Council Decision 80/1097 of 11 November 1980 on financial aid from the Community for the eradication of African swine fever in Sardinia (OJ No L 325, 1.12.1980, p. 8).
- Council Decision 83/255 of 25 May 1983 amending Decision 80/1097 on financial aid from the Community for the eradication of African swine fever in Sardinia (OJ No L 143, 2.6.1983, p. 39).

(b) Description

The purpose of the measure is to improve the quality of the Community pig herd by speeding up and intensifying the eradication of classical swine fever throughout the Community and African swine fever in Sardinia, on the basis of eradication plans drawn up by the Member States. Such action will help to remove those remaining barriers to trade between Member States which are caused by differences in animal health protection situations.

To that end, in the case of classical swine fever the Community reimburses to Member States 50 % of the cost incurred in respect of compensation to owners for the slaughter and destruction of the animals, up to 0,151 ECU per dose of vaccine used and up to 1,2 ECU per sample examined in a laboratory.

In the case of African swine fever, the Community reimburses Italy 50 % of the cost incurred under a plan providing for :

- the slaughter of all pigs in the province of Nuoro, where the disease has spread, and compensation of owners ;
- the disinfection of all contaminated holdings ;
- systematic screening in neighbouring areas ;
- preventive measures ;
- measures for supervising restocking ;
- restructuring and inspection measures relating to pig-rearing establishments.

2. Type of expenditure

Subsidy in the form of reimbursements of expenditure (50 %) incurred by the Member States.

3. Method of calculation and explanation of changes*Classical swine fever*

The programme of eradication was thwarted in the Member States by the spread and persistence of an epizootic of classical swine fever throughout 1983. In the countries applying national programmes (Belgium, the Netherlands, France, Italy, Greece and above all, the Federal Republic of Germany) a total of 786 outbreaks were recorded, leading to the slaughter of 326 908 pigs involving Community aid estimated at 12,4 million ECU ; of this amount, 7,5 million ECU were covered by the 1984 budget, leaving 4,9 million to be met under the 1985 budget.

For 1984, a more stringent policy coupled with systematic emergency vaccination in certain regions of the infected countries, especially the Federal Republic of Germany, should reduce the incidence of the disease to a level enabling the Community eradication programme to be pursued. The number of recorded outbreaks and slaughtered animals should be halved. Expenditure in 1985 may be estimated at 7,6 million ECU.

African swine fever

The Italian authorities applied for no reimbursements in respect of 1982 when large numbers of animals were slaughtered. In 1983 no restructuring measures were implemented. Because of local problems the same situation will probably persist in 1984, or at least for most of the year. An estimate is impossible and a token entry should be sufficient.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	7 500 000	7 500 000	—	—	—	—
Appropriation for 1985	12 500 000	—	12 500 000	—	—	—
Total	20 000 000	7 500 000	12 500 000	—	—	—

ARTICLE 382 — MEASURES CONCERNING PLANT HEALTH INSPECTION AND CERTIFICATION OF SEEDS AND PROPAGATING MATERIAL

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	230 000	230 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	244 000	244 000
Percentage change	+ 6,1	+ 6,1

1. References and description

(a) References

- Council Directive 66/400/EEC of 14 June 1966 on the marketing of beet seed (OJ No 125, 11.7.1966, p. 2289).
- Council Directive 66/401/EEC of 14 June 1966 on the marketing of fodder plant seed (OJ No 125, 11.7.1966, p. 2298).
- Council Directive 66/402/EEC of 14 June 1966 on the marketing of cereal seed (OJ No 125, 11.7.1966, p. 2309).
- Council Directive 66/403/EEC of 14 June 1966 on the marketing of seed potatoes (OJ No 125, 11.7.1966, p. 2320).
- Council Directive 66/404/EEC of 14 June 1966 on the marketing of forest reproductive material (OJ No 125, 11.7.1966, p. 2326).
- Council Directive 69/208/EEC of 30 June 1969 on the marketing of seed of oil and fibre plants (OJ No 169, 10.7.1969, p. 3).
- Council Directive 70/457/EEC of 29 September 1970 on the common catalogue of varieties of agricultural plant species (OJ No L 225, 12.10.1970, p. 1).
- Council Directive 70/458/EEC of 29 September 1970 on the marketing of vegetable seed (OJ No L 225, 12.10.1970, p. 7).
- Council Directive 74/649/EEC of 9 December 1974 on the marketing of material for the vegetative propagation of the vine produced in third countries (OJ No L 352, 28.12.1974, p. 45).
- Council Directive 77/93/EEC of 21 December 1976 on protective measures against the introduction into the Member States of harmful organisms of plants or plant products (OJ No L 26, 31.1.1977, p. 20), as amended by Directive 80/392/EEC (OJ No L 100, 17.4.1980, p. 32).

(b) Description

- Community comparative trials with a view to harmonizing national methods of control and verification of quality standards ;
- recognition of equivalence of the systems of approval of varieties, supervision of maintenance breeding of varieties and systems of seed certification or inspection applied in non-member countries, without which imports are prohibited ;
- protective measures to be taken with regard to certain harmful organisms ;
- evaluation of the plant health situation in certain non-member countries in the light of Community rules on the importation of plants and plant products and the prohibition of imports from certain countries contaminated by disease.

2. Type of expenditure

Administrative costs and cost of reports.

The appropriation is intended to cover experimentation costs and the travelling and subsistence expenses of Community officials and government experts appointed by the Commission to check :

- the conditions in which seeds and propagating material are produced, with a view to recognizing equivalence ;
- the plant health situation in the non-member countries concerned to establish whether they are in a position to take the protective measures necessary to prevent any contamination of Community agriculture by particularly dangerous organisms ;
- the detection and prevention methods to be introduced in respect of certain organisms particularly dangerous for plant production.

3. Method of calculation and explanation of changes

- *Comparative trials* : The expenditure of 217 000 ECU is calculated from the number of trials of samples and the unit cost of a trial, on the basis of national certification charges, which are indexed.
- *Equivalence* : The expenditure of 11 500 ECU covers mission costs.
- *Checking the plant health situation inside and outside the Community* : The expenditure of 15 500 ECU covers travelling and subsistence expenses and experimentation costs. Outside the Community the missions are sometimes to distant countries (e.g. North America).

ARTICLE 383 — FARM ACCOUNTANCY DATA NETWORK

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	3 540 000	4 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 085 000	3 715 000
Percentage change	+ 15,4	– 7,1

1. References and description**(a) References**

- Council Regulation No 79/65/EEC of 15 June 1965 setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Economic Community (OJ No L 109, 23.6.1965, p. 18).
- Council Regulation (EEC) No 2143/81 of 27 July 1981 amending Regulation No 79/65/EEC setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Economic Community (OJ No L 210, 3.7.1981, p. 1).
- Commission Regulation (EEC) No 1859/82 of 12 July 1982 concerning the selection of returning holdings for the purpose of determining incomes of agricultural holdings (OJ No L 205, 13.7.1982, p. 5).
- Commission Regulation (EEC) No 25/84 of 5 January 1984 fixing the standard fee per farm return for the 1984 accounting year for the purposes of the Farm Accountancy Data Network (OJ No L 4, 6.1.1984, p. 10).

(b) Description

The farm accountancy data network (FADN) is designed to meet the information requirements of the common agricultural policy. It compiles data on the incomes and economic position of farms in the various regions of the Community by means of a system of standardized farm returns. When collated, this information assists decision-making in the various sectors of the common agricultural policy, particularly as regards the fixing of agricultural prices and the adoption of structural policy measures.

2. Type of expenditure

Payment for services rendered.

3. Method of calculation and explanation of changes

Number of farm returns provided for in Regulation (EEC) No 1859/82 : 44 400.

As the number of duly completed farm returns is, on average, lower than the number of farms selected at the beginning of the year - mainly because farms are given up in the course of the year - the Member States are authorized under the Regulations to select up to 20 % more farms for the scheme than the number indicated above. In practice, the completed returns for which a fee has to be paid will at most be 15 % above the minimum number provided for by the Regulation.

The standard fee has been blocked at 73 ECU for two financial years, and continuation of this will lead to serious difficulties in the Member States in the collection of farm returns. Having regard to this and to the general trend of prices in the Community since 1983, the Community Committee on the FADN is being consulted about raising the standard fee for the 1985 financial year to 80 ECU.

(a) Appropriations for commitment

The increase in the commitment appropriations (+ 15,4 %) is due to the increase in the number of returning holdings provided for by Community rules (an increase from 42 100 to 44 000) and the adjustment of the standard fee.

(b) Appropriations for payment

Payments in respect of commitments during a given financial year are scheduled as follows : an advance payment is made at the beginning of the accounting year (Regulation No. 1915/83) and the balance is paid after the duly completed farm returns have been forwarded, which usually takes place in the course of the year N + 2.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	4 401 270 ⁽¹⁾	2 464 000	1 937 270	—	—	—
Appropriation outstanding from 1983						
Appropriation for 1984	3 540 000	1 536 000	p.m.	2 004 000	—	—
Appropriation for 1985	4 085 000	—	1 777 730	p.m.	2 307 270	—
Total	12 026 270	4 000 000	3 715 000	2 004 000	2 307 270	—

(¹) Taking into account cancellations relating to commitments for 1980 and payment appropriations carried forward from 1983 to 1984.

ARTICLE 384 — AGRICULTURAL RESEARCH**ITEM 3840 — CONSULTATION AND UPKEEP OF THE PERMANENT INVENTORY AND THE EUR-AGRIS SYSTEM**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	325 000	325 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	380 000	380 000
Percentage change	+ 16,9	+ 16,9

This measure is threefold : the keeping of two permanent inventories of agricultural research, and the introduction of consultation between Member States on agricultural research programmes.

1. References and description**(a) References**

Council Regulation No 1728/74 of 27 June 1974 on the coordination of agricultural research (OJ No L 182, 5.7.1974, p. 1).

(b) Description

— *Permanent inventory (Agrep)*: Through the computer-managed inventory of agricultural research, the Commission can study the major trends and lines of agricultural research in the Member States. National projects can then be coordinated, overlapping avoided and any gaps filled in.

The number of agricultural research projects currently under way in the Member States is estimated at about 26 000.

From 1983 output is updated and disseminated to users in the form of magnetic tapes four times a year. About 1 500 printed copies are distributed free every year to the suppliers of the information and some copies are put on sale.

The permanent inventory has been extended by incorporating EUR-Agris. This provided information on the findings of the research catalogued by Agrep.

— *EUR-Agris inventory*:

(a) About 100 countries (including those of the Community) participate in Agris, the international system of information (world bibliography) on agricultural science and technology and directly related subjects (forestry, fisheries, food, etc.).

National or regional centres (such as the Commission for the Community) identify, select and catalogue their literature, while the FAO is responsible for central coordination of the system.

(b) EUR-Agris is the European Community's contribution to Agris. This contribution is made through the Commission, which, as a regional centre, coordinates all the activities relating to the Community. In particular, it :

- helps to design and implement developments ;
 - represents the Member States *vis-à-vis* the FAO and other countries taking part in the system ;
 - promotes the dissemination of output through the Euronet-Diane network, helps to promote the system, and adapts input and output to Community requirements, for instance the use of Greek characters ;
 - disseminates output products and by-products (e.g. specialized bibliographies of interest to the Community) to establishments taking part in joint agricultural research and in the Community as a whole ;
 - trains specialists in the collection of input data and the utilization and dissemination of output in the old and new EEC member countries.
- *Consultation* : efficient coordination of agricultural research must be directed towards organizing the work undertaken in each Member State in the general interest, making effective use of research findings, guiding research efforts along lines which meet the requirements of the common agricultural policy and pooling research capabilities in order to study certain problems which are of particular importance to the Community.

To assist the harmonious development of the common agricultural policy there should be provision for the exchange of information and consultation on the Member States' existing or proposed agricultural research programmes.

2. Type of expenditure

Administrative and management costs for the three measures.

3. Method of calculation

(a) *Permanent inventory (Agrep)*

The costs are estimated on the basis of the average annual cost of an inventory of research projects, which itself depends on the number of projects under way, the annual rate of increase and the quantity of data to be entered for each project :

— quarterly updating of the inventory (comprising some 26 000 titles of research projects, 10% of them with keywords and abstracts) and production of relevant tapes	75 000
— preparation of the camera-ready page and annual printing of inventory	60 000
— processing Greek characters	3 000
— assistance for input centres and users	7 000
— promotion	5 000
	<hr/>
Total	150 000

(b) *EUR-Agris inventory*

The costs are estimated from the average annual cost of the European agricultural bibliography, which itself depends on the number of publications and the annual growth rate thereof.

The estimated appropriation for 1985 may be broken down as follows :

— support for promotion of the system	25 000
— improvement of document delivery systems	25 000
— cataloguing and processing of Commission input	5 000
— processing of Greek characters	15 000
— assistance for input centres and users	30 000
Total	100 000

(c) *Consultation*

Consultation involves exchanges of information through seminars, exchange visits by researchers, study visits and expert reports. The allocation for this item was 110 000 ECU in 1984 and is 130 000 ECU in 1985. This increase is due to preparations for the enlargement of the Community to include Spain and Portugal and the planning of new agricultural research programmes. (See Items 3842 and 3843.)

ITEM 3841 — RESEARCH PROGRAMMES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	10 000 000	7 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	9 000 000	6 000 000
Percentage change	— 10	— 20

1. References and description

(a) References

Regulation No 1728/74 of 27 June 1974 on the coordination of agricultural research (OJ No L 182, 5.7.1974, p. 1).

Under Article 5 of this Regulation, the Council decides upon :

- the coordination at Community level of certain national research activities so as to allow rational organization of resources used, efficient use of results and the steering of work along lines which meet the requirements of the common agricultural policy ;
- the implementation of joint projects designed to second or supplement work undertaken in the Member States in fields which are of particular importance to the Community ;
- programmes for 1984-88 : Council Decision 83/641 of 12 December 1983 adopting joint research programmes and programmes for coordinating agricultural research (OJ No L 358, 22.12.1983, p. 36).

(b) Description

The new five-year programme comprises the following seven subprogrammes :

- Utilization and conservation of agricultural resources
 1. energy in agriculture ;
 2. land and water use and management ;
- Structural problems
 3. Mediterranean agriculture ;
 4. other less-favoured areas ;
 5. agrifood sector ;
- Improvement of plant and animal productivity
 6. animal husbandry ;
 7. plant productivity.

In implementing these seven programmes, the Commission relies on two main methods of financial intervention, i.e. :

- 'coordinated' activities which bring research people together ; and
- joint activities, which, at least in part, finance research projects in Member States with Community funds.

In addition to supporting 'common' activities by funding contracts, there is a need to exploit the results of research by financing schemes in the form of field experiments and applications, especially in those areas of the Community where this new type of intervention can reinforce the existing machinery for bridging the gap between science and agricultural practice (integrated pilot programmes).

Equally, past experience suggests that, in addition to the accepted pattern of 'coordinated' activities (e.g. seminars, workshops, exchanges of scientists and publications), there is a recognized need for the Commission to avail itself increasingly of high-level technical expertise and scientific advice, including socio-economic expertise, in order to keep abreast of major scientific and technological advances in a variety of fields.

Total appropriation : 30 million ECU over five years in differentiated appropriations.

2. Type of expenditure

Subsidy on contractual basis.

Reimbursement of expenditure on meetings, travel expenses of experts, exchanges of research workers, publications, etc.

3. Method of calculation and explanation of changes

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Appropriation for 1984	10 000 000	7 500 000	1 000 000	500 000	500 000	500 000
Appropriation for 1985	9 000 000	—	5 000 000	2 000 000	1 000 000	1 000 000
Total	19 000 000	7 500 000	6 000 000	2 500 000	1 500 000	1 500 000

ITEM 3842 — AGRONOMIC RESEARCH FOR THE DEVELOPMENT OF VEGETABLE PROTEINS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 000 000	500 000
Percentage change	+	+

1. References and description

(a) References

- Regulation No 1728/74 of 27 June 1974 on the coordination of agricultural research (OJ No L 182, 5.7.1974, p. 1), and in particular Article 5 thereof, whereby the Council is to decide upon :
 - the coordination at Community level of certain national research activities so as to allow rational organization of resources and efficient use of results and to guide such work along lines consistent with the aims of the common agricultural policy ;
 - the implementation of joint projects designed to second or supplement work undertaken in the Member States in fields which are of particular importance to the Community.
- Following the creation by Parliament of the new Item 3842 the Commission will submit to the Council a five-year research programme to be implemented as of January 1985.

(b) Description

The measure financed from this item involves the creation of possibilities for developing vegetable protein production with a view to reducing the Community's substantial deficit by increasing Community production, notably in the following areas :

- new sources of protein,
- improved use of plants,
- improving sources of protein in Mediterranean agriculture.

2. Type of expenditure

Subsidy and/or provision of services on a contractual basis.

3. Method of calculation

A total of 5 million ECU is requested over a five-year period (1985-89).

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Appropriation for 1984	p.m.	p.m.	—	—	—	—
Appropriation for 1985	1 000 000	—	500 000	500 000	—	—
Total	1 000 000	—	500 000	500 000	—	—

**ITEM 3843 — SCIENTIFIC AND TECHNOLOGICAL MEASURES SPECIFICALLY INTENDED
TO REDUCE AGRICULTURAL SURPLUSES**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 000 000	1 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 000 000	500 000
Percentage change	0	— 50

1. References and description

(a) References

EEC Treaty — Article 41.

The Commission will propose a five-year plan to the Council shortly.

(b) Description

Research in two areas :

- use of remote sensing techniques from the air and space to acquire more knowledge of agrogeographical conditions (surveys of water resources and soil types and potential uses for European agriculture as a whole) ;
- research into high-value products which could replace agricultural products in surplus supply.

2. Type of expenditure

Research contracts with individual specialists or institutes.

3. Method of calculation

An amount of 10 million ECU is requested for five years (1985-89) :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Appropriation for 1984	1 000 000	1 000 000	—	—	—	—
Appropriation for 1985	1 000 000	—	500 000	500 000	—	—
Total	2 000 000	1 000 000	500 000	500 000	—	—

ARTICLE 386 — COMMUNITY ACTION RELATING TO THE VOCATIONAL TRAINING OF FARMERS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	250 000	250 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	250 000	250 000
Percentage change	0	0

1. References and description

(a) References

- EEC Treaty — Articles 41 and 118.
- Council Directive 72/159/EEC of 17 April 1972 on the modernization of farms (OJ No L 96, 23.4.1972, p. 1).
- Council Directive 72/160/EEC of 17 April 1972 concerning measures to encourage the cessation of farming and the reallocation of utilized agricultural area for the purposes of structural improvement (OJ No L 96, 23.4.1972, p. 9).
- Council Directive 72/161/EEC of 17 April 1972 concerning the provision of socio-economic guidance for and the acquisition of occupational skills by persons engaged in agriculture (OJ No L 96, 23.4.1972, p. 15).
- Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas (OJ No L 128, 19.5.1975, p. 1).

(b) Description

The measure consists of participation in the functioning and activities of the European Training and Promotion Centre for Farming and Rural Life (Cepfar) in Brussels, which comprises the following :

- a General Council which lays down broad policy and is composed of representatives of the agricultural organizations and the Commission Directorates-General for Agriculture and Social Affairs,
- an Executive Committee to organize the various activities,
- a correspondent or a Liaison Committee in the Member States,
- a secretariat in Brussels.

Cepfar organizes seminars and exchanges to train and inform persons responsible for promotion and development in farming and rural life, in order to make Community measures better known and thus help ensure their implementation.

2. Type of expenditure

Subsidy.

3. Method of calculation and explanation of changes

(a) The subsidy paid to Cepfar covers a proportion of the administrative and operating expenditure (seminars, dissemination of information, studies, exchanges, etc.).

(b) It is proposed for 1985 :

— to cover the cost of organizing seminars and contribute towards three quarters of the operating costs of Cepfar.

Historical Archives of the European Commission

ARTICLE 387 — COMMUNITY SUPERVISION OF THE APPLICATION OF AGRICULTURAL RULES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	100 000	100 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	12 350 000	12 350 000
Percentage change	+ 12 250	+ 12 250

1. References and description**(a) References**

- Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy, and in particular Article 9 thereof (OJ No L 94, 28.4.1970, p. 26).
- Council Regulation No 283/72 of 7 February 1972 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the common agricultural policy and the organization of an information system in this field, (OJ No L 36, 10.2.1972, p. 1).
- Council Regulation (EEC) No 1208/81 and Commission Decision 83/471/EEC of 7 September 1983 (OJ No L 259, 20.9.1983) relating to the Community Inspection Committee on the application of the classification scale for carcasses of adult bovine animals.
- Proposal for a Council Regulation laying down special measures in respect of olive oil (COM(83)480 of 30.8.1983).

(b) Description

The Commission has to conduct investigations and inspections in Member States to check the proper application of Community rules. Since the number of Commission experts available locally for such work is limited, alternative solutions must be sought for closer control over the enforcement of the rules and expenditure.

- In the beef/veal sector, and shortly in the pigmeat sector, a Community scale must be used for the classification of carcasses. The Commission has to check that the rules are complied with in the relevant establishments in the Member States.
- In the fruit and vegetable sector, the Commission plans, as recommended in doc. COM(83)500, to introduce checks to ensure that the rules on quality standard monitoring are applied. In addition, it is planned to record prices of the products in question.
- In the olive oil sector, the Commission has proposed setting up specific agencies for supervising the system of production aid for olive oil.

2. Type of expenditure

Costs of analyses, professional fees, travelling and subsistence expenses of officials and/or experts engaged, etc.

Subsidy towards expenditure of supervisory agencies in olive oil sector : degressive (100 % in first year, then 75 %, then 50 %).

3. Method of calculation

(a) specific investigations and analyses :

110 000 ECU for three to four supervisory exercises (fees and expenses for experts and inspection and supervisory agencies).

(b) 90 000 ECU for inspections in the beef and pigmeat sectors (mission expenses)

(c) 150 000 ECU for inspections in the fruit and vegetable sector (mission expenses)

(d) 12 million ECU for specific supervisory agencies in the olive oil sector

— staffing
— missions
— operating costs

6
1,5
4,5

Total

12

New measure

ARTICLE 388 — COMMUNITY ACTION IN THE FORESTRY SECTOR**ITEM 3880 — COMMUNITY ACTION FOR THE PROTECTION OF FORESTS AGAINST FIRE AND ACID RAIN**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	5 000 000	5 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	10 000 000	6 500 000
Percentage change	+ 100	+ 30

1. References and description**(a) References**

- Parliament's Resolutions of 15 October 1982 (OJ No C 292, 8.11.1982).
- Proposal for a Council Regulation (COM(83)375 final) establishing a Community scheme to provide forests in the Community with increased protection.

(b) Description

Five-year programme costing 100 million ECU and comprising :

- *against fire* :
 - stronger preventive measures ;
 - adoption of fire-fighting measures.
- *against acid rain* :
 - establishment of a network of acid rain monitoring stations in certain forest areas ;
 - setting up of teams of scientists to study the problem and develop preventive techniques ;
 - coordination of scientific work by the Commission ;
 - launching of experimental pilot projects in some forest areas.

2. Type of expenditure

Subsidies, provision of services.

3. Method of calculation

The commitments for 1985 are 10 million ECU and will be discharged as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Appropriation for 1984	5 000 000	5 000 000				
Appropriation for 1985	10 000 000		6 500 000	3 500 000		
Total	15 000 000	5 000 000	6 500 000	3 500 000	—	—

New measure

ITEM 3881 — MARKETING AND PROCESSING OF FORESTRY PRODUCTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	10 000 000	500 000
Percentage change		

1. References and description

(a) References

Proposal for a Council Regulation amending Regulation (EEC) No 355/77 (COM(83)559 final).

(b) Description

Five-year programme for the improvement of agricultural structures by the development of forestry. The main objectives are to develop and rationalize the marketing and/or processing of forestry products.

The estimated cost of the programme is 50 million ECU.

2. Type of expenditure

Subsidies.

3. Method of calculation

(a) Commitment appropriations 10 million ECU per year between 1985 and 1989.

(b) Payment appropriations.

Commitments		Payments				
		1985	1986	1987	1988	Subsequent years
Appropriation for 1985	10 000 000	500 000	2 000 000	2 500 000	2 500 000	2 500 000
Appropriation for 1986	10 000 000	—	500 000	2 000 000	2 500 000	5 000 000
Total	20 000 000	500 000	2 500 000	4 500 000	5 000 000	7 500 000

Former Article 190

ITEM 3882 — COMMON FORESTRY POLICY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget		p.m.
1985 — Appropriations requested		p.m.
Percentage change		—

1. References and description

This heading, introduced as a result of a Parliament amendment, is intended to cover the establishment of a common forestry policy under a Council Regulation.

2. Type of expenditure

To be determined.

3. Method of calculation

To be determined.

Historical Archives of the European Commission

ARTICLE 389 — SPECIAL MEASURES IN FAVOUR OF THE REGIONS**ITEM 3890 — AGRICULTURAL SURVEYS IN ITALY**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 100 000	1 100 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 900 000	4 900 000
Percentage change	+ 345,5	+ 345,5

1. References and description**(a) References**

Council Decision 81/518/EEC of 6 July 1981 on the restructuring of the system for agricultural surveys in Italy (OJ No L 195, 18.7.1981).

(b) Description

This measure is intended to improve the agricultural survey system in Italy so as to eliminate the main difficulties encountered by the Italian authorities in collecting the statistics requested by the Community. The statistics will thus be much more accurate as the figures supplied will no longer be the result of estimates, as is usually the case at present.

The appropriation proposed is intended to cover reorganization of the arrangements for collecting all agricultural statistics in Italy. The present system, based on experts' estimates at certain territorial levels, is to be replaced by a coherent programme of statistical surveys carried out on the basis of samples at holding level by carefully selected investigators specially trained for the purpose. This improvement in the quality of agricultural statistics will also make it easier to assess the situation of Mediterranean agriculture.

Work commenced in 1982/83 ; the main phase of expenditure will begin in 1985.

2. Type of expenditure

Subsidy.

3. Method of calculation

This new system is being introduced progressively as follows :

Year	Development stage	Cost
1982	Experimental surveys in three regions	400 000
1983	Continuation of experimental surveys	800 000
1984	Extension of experimental surveys to other regions	1 100 000
1985	First experimental application of the system at national level	4 900 000
1986	Implementation of the new system throughout the country	5 600 000
1987		2 200 000
	Total	15 000 000

ITEM 3891 — SPECIAL EMERGENCY MEASURE TO ASSIST STOCKFARMING IN ITALY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	30 000 000	30 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	20 000 000	20 000 000
Percentage change	— 33,3	—33,3

1. References and description*(a) References*

Council Regulation (EEC) No 2969/83 of 19 October 1983 establishing a special emergency measure to assist stockfarming in Italy (OJ No L 293, 25.10.1983).

(b) Description

The situation of stock farms will be improved by aid to enable short-term loans to be converted to medium-term loans. The aid will contribute towards the adaptation and modernization of the structure of production of beef and veal, sheepmeat and goatmeat in Italy.

2. Type of expenditure

Subsidy.

3. Method of calculation

Aid in the form of an interest rebate on three-year loans contracted before 30 November 1984. The farmers reimburse the loans in equal instalments (capital + interest), the share representing the interest will decrease as the loan is reimbursed.

The sums to be made available to Italy to finance the interest rebate are as follows :

Year	1984	1985	1986
ECU	30 000 000	20 000 000	10 000 000

ITEM 3892 — SLAUGHTER OF PIGS AND PROCESSING OF PIGMEAT IN THE UNITED KINGDOM

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	7 000 000	2 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	950 000	6 500 000
Percentage change	- 86,4	+ 225,0

1. References and description**(a) References**

Council Regulation (EEC) No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural products are processed and marketed (OJ No L 51, 23.2.1977, p. 1).

(b) Description

The purpose of this item is to finance a special measure decided upon when measures were being adopted in connection with the fixing of farm prices for 1983/84 (842nd meeting of the Council on 16-17 May 1983). The special measure concerns the slaughter and processing of pigmeat in the United Kingdom.

2. Type of expenditure

Capital subsidies in the form of reimbursements of eligible costs.

3. Method of calculation

(a) Commitment appropriations

As agreed in the Council, an appropriation of 10 million ECU has been allowed for this measure. Following a transfer of appropriations, 2,05 million ECU was committed in 1983. In the 1984 budget, 7 million ECU has been entered. The sum of 950 000 ECU proposed for the 1985 budget represents the balance to complete the measure.

(b) Payment appropriations

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	2 020 113	1 970 113	50 000			
Appropriation outstanding from 1983	29 887	29 887	—			
Appropriation for 1984	7 000 000		6 450 000	550 000		
Appropriation for 1985	950 000			950 000	p.m.	—
Total	10 000 000	2 000 000	6 500 000	1 500 000	p.m.	—

TITLE 4 — COMMON POLICY ON FISHERIES AND THE SEA

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 (¹)		Appropriations requested for 1985 (¹)		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
40	Common organization of the market in fishery products (¹)	42 875 000	42 875 000	31 000 000	31 000 000	– 27,7	– 27,7
41	Specific measures in the fish- eries sector	3 123 000	1 373 000	2 870 000	2 470 000	– 8,1	+ 79,9
42	Assumption of financial obli- gations arising from agree- ments on fishing rights (¹)	13 060 000	13 060 000	45 700 000	45 700 000	+ 249,9	+ 249,9
43	Social measures in the fisheries sector	250 000	250 000	250 000	250 000	0	0
45	Measures to improve fisheries structures ; measures to adjust and redeploy capacity	30 500 000	30 500 000	31 000 000	31 000 000	+ 1,6	+ 1,6
46	Measures to improve fisheries structures : common measures	69 300 000	24 300 000	70 250 000	29 250 000	+ 1,01	+ 20,37
	Total	159 108 000	112 358 000	181 070 000	139 670 000	+ 13,80	+ 24,31

(¹) Including any appropriations entered in Chapter 100.

Integral part of EAGGF Guarantee Section

CHAPTER 40 — COMMON ORGANIZATION OF THE
MARKET IN FISHERY PRODUCTS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
400	Refunds on fishery products	13 500 000	13 500 000	1 000 000	1 000 000	- 92,6	- 92,6
401	Intervention for fishery products						
4010	Withdrawal and carryover premiums	25 375 000	25 375 000	28 000 000	28 000 000	+ 10,3	+ 10,3
4011	Private storage aid for fishery products	2 000 000	2 000 000	1 000 000	1 000 000	- 50,0	- 50,0
4019	Other intervention for fishery products	2 000 000	2 000 000	1 000 000	1 000 000	- 50,0	- 50,0
	Total	42 875 000	42 875 000	31 000 000	31 000 000	- 27,7	- 27,7

⁽¹⁾ Including any appropriations entered in Chapter 100.

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	42 875 000	42 875 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	31 000 000	31 000 000
Percentage change	- 27,7	- 27,7

1. References and description

(a) References

Council Regulation (EEC) No 3796/81 of 29 December 1981 (OJ No L 379, 31.12.1981, p. 1) on the common organization of the market in fishery products :

- financial compensation for withdrawal operations : Article 13,
- carryover premium and special arrangements for sardines and anchovies : Article 14,
- other measures with financial consequences (including private storage aid and compensation for tuna, lobster and salmon producers) : Articles 16, 17 and 18,
- export refunds : Article 25.

(b) Description

(1) Each year the Council fixes a guide price for certain fishery products listed in Annex I to the above-mentioned Regulation which are of particular importance to producers' incomes.

The prices applied within the Community should not, as a rule, differ too widely from the guide price. This can be achieved through compliance with a withdrawal price, on the one hand, and with a reference price for imports, on the other.

Intervention may take various forms :

- The producers' organizations whose creation and recognition have been expressly regulated by the Council may be called upon to intervene at the withdrawal price level when the market price of certain products departs from that level. Degressive financial compensation may be paid to producers' organizations under certain conditions.
- A system of carryover premiums (for storage and processing) has also been introduced to prevent the destruction of fresh fish and to help ensure that such fish is eventually marketed for human consumption.
- Where there is an abnormal fall in prices or there are marketing difficulties leading to the formation of surpluses, the Council may decide to grant private storage aid to producers in respect of products listed in Annex II.

(2) For certain products and in certain circumstances, specific intervention arrangements may be introduced such as the payment of compensation to tuna, salmon and lobster producers where the trend in prices is affecting their incomes.

(3) In addition, export refunds may be granted, if necessary, to permit economically important exports. This has so far been done for a limited number of species only (mackerel and saithe in certain commercial presentations).

2. Type of expenditure

Expenditure corresponding to that incurred by the EAGGF Guarantee Section.

3. Method of calculation and explanation of changes

(a) Refunds (Article 400)

By Regulation (EEC) No 3090/83 of 30 October 1983 (OJ No L 301, 1.11.1983, p. 65) the Commission reduced refunds to zero from 1 November 1983. The estimate of appropriations needed has been established in the light of this fact.

(b) Intervention (Article 401)

— withdrawal and carryover premiums (Item 4011)

Appropriations are slightly up to take account of the unfavourable trend on certain markets, the greater number of producer organizations that will be using the Community intervention systems in future (in Greece in particular) and the gradually increasing use of the normal and special carryover premiums.

— private storage aid (Item 4011)

It is essential to retain one million ECU under this heading for 1985 as the position for certain of the products that qualify for aid under Article 16 of Council Regulation (EEC) No 3796/81 has recently worsened.

— other interventions (Item 4019)

According to the economic indicators for the world market in tuna the weakness of world prices can be expected to persist thus bringing into play the compensatory allowance system now applicable. The necessary appropriations have been estimated at one million ECU.

CHAPTER 41 — SPECIFIC MEASURES IN THE FISHERIES
SECTOR

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
410	Financial participation in in- spection and surveillance oper- ations in the maritime waters of Denmark and Ireland	800 000	300 000	p.m.	p.m.	- 100,0	- 100,0
411	Joint fisheries research pro- grammes	500 000	250 000	750 000	350 000	+ 50,0	+ 40,0
412	Biological studies in the fish- eries and marine sector	640 000	640 000	900 000	900 000	+ 40,6	+ 40,6
413	Coordination of surveillance operations by Member States	183 000	183 000	220 000	220 000	+ 20,2	+ 20,2
416	Specific intervention pro- gramme for Mediterranean fisheries	1 000 000	p.m.	1 000 000	1 000 000	0	
	Total	3 123 000	1 373 000	2 870 000	2 470 000	- 8,1	+ 79,9

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 410 — FINANCIAL PARTICIPATION IN INSPECTION AND SURVEILLANCE OPERATIONS IN THE MARITIME WATERS OF DENMARK AND IRELAND

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	800 000	300 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	-100,0	- 100,0

1. References and description

(a) References

- Council Decision 78/640/EEC of 25 July 1978 on financial participation by the Community in inspection and surveillance operations in the maritime waters of Denmark and Ireland (OJ No L 211, 1.8.1978).
- Council Decision 82/892/EEC of 21 December 1982 amending Decision 78/640/EEC (OJ No L 378, 31.12.1982, p. 55).

(b) Description

In adopting the Decision which constitutes the legal basis of this measure, the Council recognized that special measures had to be provided for in respect of Denmark and Ireland to prevent the inspection and surveillance of fishing zones off the coast of Greenland and Ireland causing, because of the size of these zones, a financial burden out of proportion to the contribution made by fishing in these zones to the economics of the countries concerned.

The aim of the measures is to ensure that there are adequate arrangements for the inspection and surveillance of these zones, i.e. coastguard vessels, aircraft, shore installations.

They provide for the financial participation of the Community :

- in the cost of capital investments to be implemented before 31 December 1982 in the case of Denmark and before 31 December 1984 in the case of Ireland ;
- in the cost of leasing control vessels and aircraft for use in the immediate future for the period until 31 December 1979 at the latest.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by the Member States. Advances (up to 80 % of each annual instalment) may be made to the Irish Government.

3. Method of calculation and explanation of changes

(a) Commitment appropriations

The total cost of this measure provided for in the Council Decision is 46 million ECU for Ireland and 10 million ECU for Denmark, i.e. a total of 56 million ECU.

By the end of 1983 the Commission had decided on the commitment and payment of sums totalling 43.95 million ECU to Ireland and 10 million ECU to Denmark. The balance of 2,05 million ECU in favour of Ireland should be committed and paid in 1984 subject to a transfer of approximately 500 ECU to cover the 1983 exchange loss. At the moment no commitment is anticipated in 1985.

(b) Payment appropriations

As the carryover of appropriations from 1983 to 1984 could not be made as expected, a transfer will be necessary in 1984 to cover the balance of the 2,05 million ECU. At the moment no appropriation is needed for 1985.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—				
Appropriation outstanding from 1983	1 249 509	1 249 509		—	—	—
Appropriation for 1984	800 000	800 000		—	—	—
Appropriation for 1985	p.m.	—	p.m.	—	—	—
Total	2 049 509	2 049 509	p.m.	—	—	—

ARTICLE 411 — JOINT FISHERIES RESEARCH PROGRAMMES**ITEM 4110 — AQUACULTURE AND MARICULTURE RESEARCH PROGRAMMES****ITEM 4111 — RESEARCH PROGRAMMES ON FISHING METHODS****ITEM 4112 — RESEARCH PROGRAMMES ON THE PROCESSING AND PRESERVATION OF FISHERY PRODUCTS**

		Commitments	Payments
1984 — appropriations authorized	Item 4110	200 000	100 000
	Item 4111	100 000	50 000
	Item 4112	200 000	100 000
	Total 411	500 000	250 000
1985 — appropriations requested	Item 4110	310 000	140 000
	Item 4111	220 000	90 000
	Item 4112	220 000	120 000
	Total 411	750 000	350 000
Percentage change	Item 4110	+ 55	+ 40
	Item 4111	+ 120	+ 80
	Item 4112	+ 10	+ 20

1. References and description**(a) References**

- Proposal for a Regulation submitted by the Commission to the Council on 18 July 1980 (COM(80)420 final) concerning the coordination and promotion of fisheries research.
- Council Resolution of 25 January 1983 on measures to adjust capacity and to improve productivity in the fisheries sector (OJ No C 28, 3.2.1983).
- Council Resolution of 25 July 1983 on framework programmes for Community research, development and demonstration activities and a first framework programme 1984 to 1987 (OJ No C 208, 4.8.1983).

(b) Description

The purpose of effective coordination of research should be to maximize the efforts made in the Member States, to orient them towards research which meets the needs of the common fisheries policy and to pool limited research resources to permit the study of certain problems of particular importance for the adaptation of structures in this sector.

The Community should also be able to support and supplement efforts made by the Member States by implementing joint research programmes.

The proposal for a regulation referred to above provides for a financial contribution by the Community towards the implementation of certain joint research programmes in three areas of particular importance for the restructuring of the fisheries sector, i.e. :

- aquaculture,
- fishing methods,
- processing and preservation of fishery products.

2. Type of expenditure

Subsidies, although the amount of the Community's contribution will vary according to the programme.

3. Method of calculation and explanation of changes

The budget for each programme was calculated on the basis of the desired research (expressed in terms of full-time scientific staff) and estimates of additional costs which vary depending on the subject of the research.

In 1980 the total cost was estimated by the Commission at 5 million ECU. Given the trend of prices it is reasonable to increase this to 6,5 million ECU broken down as follows :

Programme	Number of research workers	Staff costs (¹)	Costs of equipment and current expenses	Total cost
Aquaculture	12	1 440 000	1 200 000	2 640 000
Fishing techniques	12	1 440 000	190 000	1 630 000
Fish processing	15	1 800 000	430 000	2 230 000
Total	39	4 680 000	1 820 000	6 500 000

(¹) Staff costs have been calculated on the assumption that one research worker provided with the necessary technical resources requires expenditure at approximately 40 000 ECU per year.

Commitment appropriation for 1985

If it is assumed that the initial costs will account for approximately 20 % of the total costs, given the appropriations available in 1984, a total appropriation for commitment at 0,75 million ECU appears to be necessary in 1985, broken down as follows between the different items :

— Item 4110	310 000
— Item 4111	220 000
— Item 4112	220 000

Payment appropriation for 1985

If payments are spread over two years, the schedule of payments *vis-à-vis* commitments will be as follows :

Item 4110 : Aquaculture

The schedule of payments in relation to commitments is as follows:

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	150 000 ⁽¹⁾	150 000				
Appropriation for 1984	200 000	100 000	100 000			
Appropriation for 1985	310 000	p.m.	40 000	160 000	110 000	
Total	660 000	250 000	140 000	160 000	110 000	

⁽¹⁾ Amount common to Items 4110, 4111 and 4112.

Item 4111 : Fishing methods

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	(¹)					
Appropriation for 1984	100 000	50 000	50 000			
Appropriation for 1985	220 000	p.m.	40 000	90 000	90 000	
Total	320 000	50 000	90 000	90 000	90 000	

(¹) See Item 4110.

Item 4112 : Processing

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	(¹)					
Appropriation for 1984	200 000	100 000	60 000	40 000		
Appropriation for 1985	220 000	p.m.	60 000	80 000	80 000	
Total	420 000	100 000	120 000	120 000	80 000	

(¹) See Item 4110.

ARTICLE 412 — BIOLOGICAL STUDIES IN THE FISHERIES AND MARINE SECTOR

ITEM 4120 — BIOLOGICAL STUDIES IN THE FISHERIES AND MARINE SECTOR

ITEM 4121 — BIOLOGICAL STUDIES IN THE NORTH-EAST ATLANTIC

ITEM 4122 — BIOLOGICAL STUDIES IN THE MEDITERRANEAN

		Commitments	Payments
1984 — Appropriations authorized	Item 4120	p.m.	p.m.
	Item 4121	340 000	340 000
	Item 4122	300 000	300 000
	Total 412	640 000	640 000
1985 — Appropriations requested	Item 4120	p.m.	p.m.
	Item 4121	553 510	553 510
	Item 4122	346 490	346 490
	Total 412	900 000	900 000
Percentage change		+ 40,6	+ 40,6

1. References and description**(a) References**

Council Regulation (EEC) No 170/83 of 25 January 1983 establishing a Community system for the conservation and management of fishery resources (OJ No L 24, 27.1.1983, p. 1).

(b) Description

Under the Council Regulation establishing a Community system for the conservation and management of fishery resources, the Community will be able to conserve and reconstitute stocks through an appropriate policy of protecting fishing grounds. This policy will have to take into account the most relevant and recent scientific information. Such information is vital to the drawing-up of Commission proposals and to discussion of them by Council and Parliament.

In the case of the Mediterranean, measures are also taken in the context of the integrated Mediterranean programmes following from the Commission's report on the mandate of 30 May 1980.

These scientific data cannot be supplied by the Commission alone, or by the Scientific and Technical Committee on Fisheries. This Committee can analyse only scientific information already available, and not gather information, given that there are no Community research laboratories or vessels.

The Commission will therefore have to avail itself of the services of external fishery experts for specialized studies concerning :

- stocks in Community waters ;
- species not under study by the ICES ;
- problems specific to the Community ;
- fishery problems in the Mediterranean, with a view to the orderly development of the activities of fishermen from the Member States.

2. Type of expenditure

Specialized studies analysing and evaluating biological resources, to be carried out by external experts or organizations, both in the Atlantic (Item 4121) and in the Mediterranean (Item 4122).

3. Method of calculation and explanation of changes

The increase is attributable to the implementation of the common fisheries policy in the North Atlantic and to the growing importance of the Mediterranean as recognized by the Commission's integrated programmes and Parliament's report on Community fisheries policy in the Mediterranean.

(a) Biological studies in the North Atlantic (Item 4121)

— Genetic investigations on enzymes and haemoglobin in fish species for identification of fish stocks (Second stage)	15 000
— Joint research programme on <i>Homarus</i> stock (First stage)	30 000
— Studies of the maturation and fecundity of sprat stocks off the coast of Ireland (First stage)	15 000
— Optimization of the Nephrops trawl (First stage)	54 900
— Stock assessment of herring in the North-Western North Sea by micro-wire tagging	158 100
— Biological and economic study of fisheries in the estuaries of the Vilaine and the Loire	55 510
— Reduction of the resistance of a trawl by the use of alternative netting materials	115 000
— Optimization of trawl design	110 000
	<hr/>
Total	553 510

(b) *Biological studies in the Mediterranean (Item 4122)*

— T.R.A.W.L. Programme (<i>Second stage</i>) (Trawlable Resources Appraisal Working Lines)	102 940
— Study of the <i>Soleidae</i> in Community waters	3 300
— Revision and re-publication of the FAO species identification charts for Mediterranean and Black Sea fisheries	36 000
— Clofeta Study Checklist of fish of the eastern tropical Atlantic	74 250
— Biological study of hake (<i>Merluccius merluccius</i>) in the Golfe du Lion (<i>First stage</i>)	35 000
— Biological study and socio-economic impact of the fish, crustacean and mollusc discards caught by commercially operated bottom and midwater trawlers in the Mediterranean (<i>First stage</i>)	60 000
— The role of marine reserves in the rational management of marine biological resources	35 000
Total	346 490

ARTICLE 413 — CONTROL AND COORDINATION OF SURVEILLANCE OPERATIONS BY MEMBER STATES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	183 000	183 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	220 000	220 000
Percentage change	+ 20,2	+ 20,2

1. References and description

(a) References

Council Regulation (EEC) No 2057/82 of 29 June 1982 establishing certain supervisory measures for fishing activities by vessels of Member States (OJ No L 220, 29.7.1982, p. 1).

(b) Description

In accordance with the provisions of Article 1(3) of the Regulation referred to above, the Member States, in order to ensure that inspection of fishing activities is as efficient as possible, are to coordinate their control activities and to introduce measures whereby their competent authorities and the Commission may be reciprocally and regularly informed of the experience they acquire. Article 12 (3) of the same Regulation enables the Commission to participate in the surveillance operations carried out by the Member States.

The control and coordination of surveillance operations are of Community interest in that :

- they will ensure a more efficient check that the conservation measures adopted by the Community are being complied with ;
- they will permit a progressive harmonization of control methods and procedures, thus guaranteeing fishermen that they will receive equal treatment with regard to controls carried out throughout the Community zone ;
- they will avoid the risk of undue interference with normal fishing activities.

This measure will permit the gradual development of a rapid information and communication system between the Member States so that the controls they carry out can be rationalized by coordination of their maritime surveillance operations.

2. Type of expenditure

Various administrative expenses (missions, cost of printing Community log books, meetings, seminars, equipment, etc.).

3. Method of calculation and explanation of changes

Estimate based on the meeting and mission expenses of Community and national inspectors coordinating surveillance operations, and on the cost of printing log books for recording the details of fishing operations.

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ARTICLE 416 — SPECIFIC INTERVENTION PROGRAMME FOR MEDITERRANEAN FISHERIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 000 000	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 000 000	1 000 000
Percentage change	0	0

1. References and description**(a) References**

Preparation of the integrated Mediterranean programmes presented to the Council by the Commission on 17 March, 16 August and 3 November 1983 :-

— COM(83)24 final and COM(83)641 final

— Proposal for a Council Regulation (EEC) instituting integrated Mediterranean programmes (OJ No C 251, 19.9.1983, p. 1).

(b) Description

This measure is designed to establish the preconditions for the implementation of new policies for the development of fishing (including infrastructures) and aquaculture in the Mediterranean, having regard to the special problems facing all fishermen in the area. The medium-term aim is to take action simultaneously on the market, production and processing and bring about a development to provide fishermen with a better knowledge of techniques and structures, thereby improving their incomes.

2. Type of expenditure

Studies and subsidies.

3. Method of calculation and explanation of changes

(a) Appropriations for commitment

On 21 December 1983 the Commission adopted a set of preparatory measures to the integrated Mediterranean programmes in the fisheries and aquaculture sectors for 1983 and 1984. These decisions provide for total Community support of approximately 3,76 million ECU, 1,63 million ECU for existing structural instruments and 2,13 million ECU under Article 550 of which 950 000 ECU has already been committed for 1983. This will be used to finance a number of preparatory studies and experiments in the areas of technical assistance and processing of fishery products.

It was initially intended that the preparatory measures to be initiated under the year 1984 would be financed by appropriations from Article 550. The decision of the budgetary authority with regard to the present Article makes recourse to Article 550 partly unnecessary.

The preparatory measures already scheduled for 1983 and 1984 are to be supplemented by others in order to accelerate launching of the IMPs as soon as they are adopted by the Council (test projects and pilot measures). The total cost of these new proprietary measures under this Article is estimated at 1 million ECU.

(b) Appropriations for payment

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983		—				
Appropriation for 1984	1 000 000	p.m.	500 000	500 000		
Appropriation for 1985	1 000 000	p.m.	500 000	500 000		
Total	2 000 000	p.m.	1 000 000	1 000 000		

CHAPTER 42 — ASSUMPTION BY THE COMMUNITY OF
CERTAIN FINANCIAL OBLIGATIONS ARISING FROM
AGREEMENTS ON FISHING RIGHTS IN NON-COMMUNITY
WATERS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 (1)		Appropriations requested for 1985 (1)		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
420	Expenditure relating to fishing in Mediterranean waters out- side Community jurisdic- tion (1)	p.m.	p.m.	p.m.	p.m.	0	0
421	Payment of compensation for salmon fishing in the Baltic	p.m.	p.m.	110 000	110 000		
422	Payment of compensation and fees in respect of fishing in the maritime zones of certain Afri- can countries	6 500 000	6 500 000	8 055 000	8 055 000	+ 23,9	+ 23,9
423	Expenditure relating to the EEC-Canada Fisheries Agree- ment	60 000	60 000	35 000	35 000	- 41,7	- 41,7
424	Expenditure relating to fisheries agreements concern- ing Greenland	—	—	26 500 000	26 500 000		
100	Provisional appropriations	6 500 000	6 500 000	11 000 000	11 000 000	+ 69,2	+ 69,2
	Total	13 060 000	13 060 000	45 700 000	45 700 000	+ 249,9	+ 249,9

(1) Including any appropriations entered in Chapter 100.

ARTICLE 420 — EXPENDITURE RELATING TO FISHING IN MEDITERRANEAN WATERS OUTSIDE COMMUNITY JURISDICTION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	p.m.	p.m.
Percentage change	0	0

1. References and description

(a) References

- Resolution of Parliament on Mediterranean fisheries (10.2.1983, point 41 et seq.) (OJ No C 68, 14.3.1983)
- Having reached agreement on the fisheries policy on 25 January 1983, the Community will be obliged to develop its policy on Mediterranean fisheries (cf. Council summary record SI(83)54 of 26.1.1983, p. 4)
- Council Decision of 5 February 1979 authorizing the Commission to open negotiations for the conclusion of a fishery agreement with Tunisia (Council Doc. 4 600/79 — Pêche 9 of 2 February 1979).

(b) Description

Article 420 has so far covered only the reimbursement to Italy of compensation paid to Yugoslavia for fishing in the latter's waters.

Under the terms of the future arrangements on Mediterranean fisheries, the Community will have to meet certain financial obligations so that Community fishermen can continue and expand their activities in waters outside Community jurisdiction.

An agreement with Tunisia would be along lines comparable to those described under Article 422.

(It is still too early to specify the measures concerned.)

See also Item 4122 for measures relating to the Mediterranean.

2. Type of expenditure

See Article 422.

3. Method of calculation and explanation of changes

Cannot yet be specified : p.m.

ARTICLE 421 — PAYMENT OF COMPENSATION FOR SALMON FISHING IN THE BALTIC

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	110 000	110 000
Percentage change		

1. References and description

(a) References

- Agreement between the Community and Sweden on certain measures to promote the replenishment of salmon stocks in the Baltic Sea, concluded by Council Regulation (EEC) No 2210/80 of 27 June 1980 (OJ No L 226, 29.8.1980, p. 7).
- *Ad hoc* decisions taken each year on quantities and amounts.

(b) Description

Under the abovementioned Agreement the Community undertakes to contribute towards the costs of Swedish Government programmes for stocking the sea with young fish, thus replenishing the salmon stocks fished by Community vessels in the Baltic Sea.

The Community fishermen concerned will bear part of the cost of this measure by paying a fee to the Community for their fishing permits, once the Council has adopted the proposal for a Regulation which was presented in 1980.

The heading relating to this fee is entered in the statement of revenue.

2. Type of expenditure

Financial compensation to be paid by the Community to Sweden in the form of a contribution to a Swedish salmon-breeding programme.

3. Method of calculation and explanation of changes

The contribution is fixed annually according to a formula laid down in the Agreement mentioned under (a) and depends on certain variables which are determined by consultation between the Community and Sweden.

The compensation agreed for 1984 amounts to SKR 292 000, i.e. about 45 000 ECU, in view of the poor results achieved by the stocking measures for 1983, leaving the Community a quota of only 20 tonnes. The situation is expected to return to normal next year with a quota of 50 tonnes for the Community.

ARTICLE 422 — EXPENDITURE RELATING TO AGREEMENTS ON FISHING RIGHTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	6 500 000	6 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	8 055 000	8 055 000
Percentage change	+ 23,9	+ 23,9

1. References and description**(a) References**

- Council Decision of 27 June 1977 authorizing the Commission to open negotiations with Guinea-Bissau, Senegal, Mauritania and the Cape Verde Islands with a view to concluding fishery agreements in the zones of these countries.
- Council Decision of 7 December 1977 approving the additional directives for the negotiations by the Commission (COM(77)593 final, S/1962/77 and R/3217/77).
- Council Decision of 7 December 1979 authorizing the Commission to open negotiations for the conclusion of a fishery agreement with the Seychelles and Mauritius.
- Agreement between the Community and Senegal concerning fishing off the coast of Senegal (OJ No L 226, 1980) (for extension, see OJ No L 234, 1982).
- Agreement between the Community and Guinea-Bissau concerning fishing off the coast of Guinea-Bissau (OJ No L 226, 1980) (for extension, see OJ No L 26, 1983).
- Draft Council Decision of 21 September 1981 authorizing the Commission to negotiate fishery agreements with certain African countries having an Atlantic seaboard (Council Doc. 12 238 of 11 December 1980).
- Council Regulation (EEC) No 971/83 of 28 March 1983 on the conclusion of an Agreement between the European Economic Community and the Revolutionary People's Republic of Guinea on fishing off the Guinean coast (OJ No L 111, 27.4.1983, p. 1).
- Council Decision 83/503/EEC of 4 October 1983 on the provisional application of the Agreement between the European Economic Community and the Government of the Democratic Republic of São Tomé and Príncipe on fishing off São Tomé and Príncipe (OJ No L 282, 14.10.1983, p. 52).
- Council Decision 83/415/EEC of 26 July 1983 on the provisional application of the Agreement between the European Economic Community and the Government of the Republic of Equatorial Guinea on fishing off the coast of Equatorial Guinea (OJ No L 237, 26.8.1983, p. 13).
- Agreement between the EEC and the Seychelles initialled on 18 February 1984 (approval procedure in progress).
- Recommendation for a Council decision authorizing the Commission to negotiate fishing agreements in the Caribbean region (COM(82)891).

(b) Description

Some Community fishermen have traditionally fished in the waters off the coasts of certain developing countries.

The Community has already signed agreements with Senegal, Guinea-Bissau and Guinea and the Commission has been authorized to negotiate with other African countries (such as Mauritania, Cape Verde Islands, Sierra Leone, Equatorial Guinea, São Tomé and Angola) for the conclusion of fishery agreements between those countries and the Community.

The Community's essential aim in these negotiations is firstly to maintain the fishing rights acquired under the previous bilateral agreements, guaranteeing at the same time equal treatment between Community fishermen, and secondly to obtain, on a limited scale, new rights of access for Community vessels, thus increasing their overall fishing possibilities.

Since the Community is unable to offer reciprocal fishing rights to the African countries in question, fishing rights for Community vessels will be granted, in accordance with the Law of the Sea, in exchange for financial compensation to be charged to the Community budget.

2. Type of expenditure

Part of the compensation takes the form of contributions to projects connected with the development of the fishing industry in the developing countries concerned, loans with subsidized interest rates, dues and schemes to train fishermen.

3. Method of calculation and explanation of changes

The appropriation of 8 055 000 ECU entered against this heading is intended to cover :

- financial compensation and training grants for 1985, as provided for in the Agreement between the Community and Senegal (4,372 million ECU, to be renegotiated by November 1983) ;
- financial compensation and training grants for 1985, to be provided for under the Agreement between the Community and Guinea-Bissau (1,6 million ECU) ;
- financial compensation and training grants for 1985, to be provided for under the Agreement between the Community and Guinea signed on 8 February 1983 (830 000 ECU) ;
- the financial compensation for 1985 to be provided for under the Agreement between the Community and Equatorial Guinea (180 000 ECU) ;
- the financial compensation for 1985 to be provided for under the Agreement between the Community and São Tomé and Príncipe (180 000 ECU) ;
- the financial compensation and the financing of a Seychellois scientific programme provided for in the Agreement between the Community and the Seychelles (384 000 ECU).

In addition, 11 000 000 ECU are entered in Chapter 100 to cover the expenditure which may arise from the Agreements to be negotiated in 1983 with Mauritania, Cape Verde Islands, Angola and the countries bordering the Indian Ocean.

ARTICLE 423 — EXPENDITURE RELATING TO THE EEC-CANADA FISHERIES AGREEMENT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	60 000	60 000
1985 — Appropriations requested	35 000	35 000
Percentage change	- 41,7	- 41,7

1. References and description**(a) References**

Council Decision 81/1053/EEC of 29 December 1981 on the conclusion of an agreement on fisheries between the European Economic Community and the Government of Canada (OJ No L 379, 31.12.1981, p. 53).

(b) Description

The economic importance and the management of the EEC-Canada Agreement require the permanent presence of a Community representative at the Canadian fisheries headquarters for the Atlantic area (St John's, Newfoundland). The Canadian Government has made approval of the Agreement conditional on the stationing of a Community representative at St John's.

In accordance with Article VII(1) of the EEC-Canada Agreement, which refers to Article XI(4) of the Convention on Future Multilateral Cooperation in the North-West Atlantic Fisheries (OJ No L 378, 30.12.1978), the Community and Canada have undertaken to organize the surveillance and inspection of fishing activities under a mutual inspection programme.

A joint EEC-Canada scientific enforcement scheme is being negotiated, whereby the contracting parties would bear the cost of placing scientific observers on board fishing vessels.

2. Type of expenditure

Representation and mission expenses.

3. Method of calculation and explanation of changes

- Community representative in St John's
- Scientific observers (basis : 3 scientists, each for 2 months)

New measure**ARTICLE 424 — EXPENDITURE RELATING TO THE AGREEMENT ON FISHING RIGHTS CONCERNING GREENLAND**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	26 500 000	26 500 000
Percentage change		

1. References and description**(a) References**

- Proposal for a Council Regulation (EEC) on the conclusion of the Agreement on fisheries between the European Economic Community, on the one hand, and the Government of Denmark and the Local Government of Greenland, on the other (COM(84)68 final).
- Compromise reached by the 909th meeting of the Council (Foreign Affairs) on 20 February 1984 on conclusion of the Agreement on fisheries between the EEC, on the one hand, and the Government of Denmark and the Local Government of Greenland, on the other.

(b) Description

At the request of the Danish Government, acting in accordance with a majority vote of the population of Greenland, the Council agreed on 20 February 1984 that the status of Greenland be altered to that of an overseas territory. The rules of the common fisheries policy will thus no longer apply to Greenland waters, which are important fishing grounds for the Community fleets, and since there was a serious danger of upsetting the balance of this recently formulated policy it was essential to obtain a permanent agreement to maintain it. The aims are to some extent comparable with those of the fisheries agreements with African countries.

2. Type of expenditure

Financial payment in return for fisheries rights, made annually.

3. Method of calculation and explanation of changes

The compensation is a lump-sum amount worked out on the basis of all mutual advantages acquired by the two sides under the arrangement. The Council has agreed, therefore, that no other aid can be claimed by Denmark on the grounds of Greenland's OCT status.

CHAPTER 43 — SOCIAL MEASURES IN THE FISHERIES
SECTOR

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
430	Education and training in the fisheries sector	150 000	150 000	150 000	150 000	0	0
431	Subsidies for certain activities relating to medical assistance and safety at sea and requiring cooperation at Community level	100 000	100 000	100 000	100 000	0	0
	Total	250 000	250 000	250 000	250 000	0	0

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 430 — EDUCATION AND TRAINING IN THE FISHERIES SECTOR

ITEM 4300 — SCHEMES RELATING TO A COMMON POLICY ON EDUCATION AND VOCATIONAL TRAINING IN THE FISHERIES SECTOR

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	150 000	150 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	150 000	150 000
Percentage change	0	0

1. References and description

(a) References

- Resolution of Parliament of 11 May 1979 calling for the implementation of a common policy for fisheries education and training necessitated by the restructuring of the Community's fishing fleet (OJ No C 140, 5.6.1979, p. 140).
- Communication from the Commission to the Council of 17 November 1980 on the social aspects in the Community sea-fishing sector (COM(80)725 final).
- Resolution of Parliament of 18 December 1981 embodying its opinion on this communication (OJ No C 11, 18.1.1982).
- Council Decision 63/266 of 2 April 1963 laying down general principles for implementing a common vocational training policy (OJ page 1338/63, 20.4.1963).

(b) Description

The measures in question relate to :

- (1) the production of original teaching materials (such as video cassettes and instructional memos) which can be devised jointly and which meet the new requirements of the fisheries sector ; the existing national institutes are responsible for the reproduction and distribution of such materials ;
- (2) the organization of seminars for those responsible for fisheries training institutes in the Member States so that they can acquire up-to-date knowledge and exchange information ;
- (3) the promotion of intra-Community exchanges of instructors.

2. Type of expenditure

Subsidies, experts' fees, cost of seminars, studies and exchanges, secretariat expenses, cost of miscellaneous services.

3. Method of calculation

The level of the subsidies which may be granted has been calculated on the following basis :

— preparatory work	10 000
— instructor exchange programme	96 000
— assessment of exchange programme	10 000
— preparation of information modules	30 000
— enlargement consultations with applicant countries	4 000
Total	150 000

ITEM 4301 — CONTRIBUTION TOWARDS THE COST OF SETTING UP TWO VOCATIONAL TRAINING CENTRES FOR SEA-FISHERMEN FROM THE COMMUNITY OR NON-MEMBER COUNTRIES, ONE IN ITALY AND THE OTHER IN GREECE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget		
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	—	—
Percentage change	0	0

1. References

- Resolution of Parliament of 10 February 1983 on Community fisheries policy in the Mediterranean.
- Report on the mandate of 30 May 1980 (COM(80)300 final of 24 June 1981), in which the Commission stated its intention of proposing medium-term Community programmes comprising measures on incomes, markets, production and structures with a view to resolving the difficulties facing the Mediterranean regions.

2. Description

The establishment of centres to provide training and technical assistance for the abovementioned fishermen will also be examined in the overall context of these 'integrated Mediterranean programmes'. There is therefore no need for appropriations for this specific item.

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ARTICLE 431 — SUBSIDIES FOR CERTAIN ACTIVITIES RELATING TO MEDICAL ASSISTANCE AND SAFETY AT SEA

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	100 000	100 000
1985 — Appropriations requested	100 000	100 000
Percentage change	0	0

1. References and description**(a) References**

- Commission communication of 17 November 1980 to the Council (COM(80)725 final) on the social aspects in the Community sea-fishing sector.
- Resolution of the European Parliament of 18 December 1981 embodying its opinion on this communication (OJ No C 11, 18.1.1982).

(b) Description

Of the 140 000 sea-fishermen in the Community, at least 70 000 are permanently employed on fishing vessels operating in the North-West Atlantic and the North Sea. The accident risks on board such vessels are high and proper medical assistance is not immediately available in the event of any serious accident or illness.

The measures to be undertaken are aimed at achieving two preparatory objectives :

- improved liaison between the various maritime medical consultation centres through the use of computerized methods for gathering data on cases and on on-board medical supplies ;
- preparation of safety information modules for industrial, semi-industrial and artisanal fishing.

2. Type of expenditure

Subsidy.

3. Method of calculation and explanation of changes

The amount of the subsidies has been calculated on the basis of :

— the work necessary to examine, by sampling and by case studies, the activities of the existing maritime consultation centres and the possibilities for linking them up, including the installation of a computerized data network	64 000
— preparation of training modules on safety (two out of the three will be available before the end of 1985)	36 000
Total	100 000

CHAPTERS 45 AND 46 — MEASURES TO IMPROVE FISHERIES STRUCTURES

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
450	Adjustment of capacity in the fisheries sector	26 000 000	26 000 000	26 000 000	26 000 000	0	0
451	Redeployment of capacity in the fisheries sector	4 500 000	4 500 000	5 000 000	5 000 000	+ 11,1	+ 11,1
	<i>Total 45</i>	30 500 000	30 500 000	31 000 000	31 000 000	+ 1,6	+ 1,6
460	EAGGF (Guidance) — Com- mon measure to restructure, modernize and develop the fisheries sector and to develop aquaculture	69 000 000	24 000 000	70 000 000	29 000 000	+ 1,45	+ 20,83
461	EAGGF (Guidance) — Pro- ducer groups in the fisheries sector	300 000	300 000	250 000	250 000	- 16,7	- 16,7
	<i>Total 46</i>	69 300 000	24 300 000	70 250 000	29 250 000	+ 1,01	+ 20,37
	Total	99 800 000	54 800 000	101 250 000	60 250 000	+ 1,45	+ 9,95

⁽¹⁾ Including any appropriations entered in Chapter 100.

CHAPTER 45 — MEASURES TO IMPROVE FISHERIES STRUCTURES : ADJUSTMENT AND REDEPLOYMENT OF CAPACITY

ARTICLE 450 — ADJUSTMENT OF CAPACITY IN THE FISHERIES SECTOR

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	26 000 000	26 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	26 000 000	26 000 000
Percentage change	0	0

1. References and description

(a) References

- Council Directive 83/515/EEC of 4 October 1983 on certain measures to adjust capacity in the fisheries sector (OJ No L 90, 22.10.1983, p. 15).
- Council Resolution of 25 January 1983 on measures to adjust capacity and to improve productivity in the fisheries sector (OJ No C 28, 3.2.1983).

(b) Description

The purpose of the directive is to permit adjustment of production and processing capacities to the new catch possibilities following the extension of fishing zones to 200 nautical miles. It is therefore proposed that the Member States be able to introduce a system of financial aid for :

- a temporary reduction of fishing pending the reconstitution of stocks,
- the laying-up for good of old fishing vessels and vessels unsuited to the new fishing situation.

Under certain conditions laid down in the Directive the Community will provide part of this financial aid. The expected duration of the measure is three years.

2. Type of expenditure

Subsidy in the form of reimbursement of expenditure incurred by the Member States. The Community's contribution to each of the measures is 50 %. Advances may be granted.

3. Method of calculation and explanation of changes

The total cost of the measures envisaged by the Council has been estimated at 76 million ECU broken down as follows :

Purpose	Calculation of total expenditure	Rate of reimbursement (%)	Cost to the Community (million ECU)
Temporary reduction of activity	61 000 grt \times 12 % per year \times 4 000 ECU/grt (average premium) \times 3 years = 87,8 million ECU	50	44
Permanent withdrawal of vessels	98 000 grt \times 650 ECU/grt (average premium) = 63,70 million ECU	50	32
	Total	50	76

Appropriations for commitments and payments for 1985.

The Commission has already approved the United Kingdom and Danish provisions for implementation of the Directive. These anticipate qualifying expenditure of 3,6 million ECU in 1984 in Denmark and of 33,6 million ECU in the United Kingdom over the three-year period of the measure. Other Member States have announced their intention of implementing the Directive from 1984 onwards and the appropriations authorized for 1984 must be renewed for 1985.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	1 000 000	1 000 000	—	—	—	—
Appropriation for 1984	26 000 000	26 000 000	—	—	—	—
Appropriation for 1985	26 000 000	—	26 000 000	—	—	—
Total	53 000 000	27 000 000	26 000 000	—	—	—

ARTICLE 451 — REDEPLOYMENT OF CAPACITY IN THE FISHERIES SECTOR

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	4 500 000	4 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	5 000 000	5 000 000
Percentage change	+ 11,1	+ 11,1

1. References and description

(a) References

— Council Regulation (EEC) No 2909/83 of 4 October 1983 on measures to encourage exploratory fishing and cooperation through joint ventures in the fishing sector (OJ No L 290, 22.10.1983, p. 4).

(b) Description

This regulation provides for the setting-up of a specific system of aid measures to encourage the redeployment of part of the Community fleet, and in particular the deep-sea fleet, in exploratory fishing within or outside Community waters or in exploiting fishing zones of non-member countries in connection with joint ventures. It is therefore proposed that the Commission should reimburse some of the eligible expenditure resulting from the application of such national measures subject to a prior Commission decision on the eligibility of the expenditure envisaged.

There are two types of aid provided for in the Regulation :

— aid for exploratory fishing voyages

This aid is to encourage the capture and marketing of species of fish which have been little fished hitherto by Community fishing vessels and the exploitation of new fishing grounds, by providing financial compensation for the difference between fishing costs and the value of the catches taken by the vessel in question.

— aid for cooperation in joint ventures

This fixed-rate aid is to encourage the temporary or permanent transfer of fishing vessels to fishing activities outside the Community fishing zone in connection with joint fishing ventures by physical or legal persons in the Community and physical or legal persons in countries in the Mediterranean basin or on the west coast of Africa.

2. Type of expenditure

Grant in the form of reimbursement of Member States' expenditure. The Community's contribution towards each measure is 50 %. Advances may be granted.

3. Method of calculation and explanation of changes

The total cost of the measure has been estimated by the Council at 18 million ECU for three years on the basis of the following assumptions :

Purpose	Calculation assumptions	Rate of reimbursement (%)	Cost to the Community (million ECU)
Aid for exploratory fishing	60 000 grt × 2,5 tonnes of catches per grt per year: 6 = 25 000 t of catches during two month voyages (on average) × 580 ECU/tonne ('average price') × 50 % (losses for untraditional species) = 7,85 million ECU × 3 years = 21 750 million ECU (losses)	50	10,0 (rounded)
Aid for joint ventures	(a) temporary transfer 27 000 grt × 50 ECU/grt × 3 years = 4,05 million ECU (b) permanent transfer 60 vessels × 160 000 ECU per vessel (average tonnage = 500 grt) = 9,61 million ECU Total joint ventures = 13,68 Mio ECU	50	7,0 (rounded)
	Total	50	18

Appropriations for commitments and payments for 1985 :

In view of the existence of a system of advances the appropriations for commitments and payments amounts to 5 million ECU for 1985.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	500 000	500 000	—	—	—	—
Appropriation for 1984	4 500 000	4 500 000	—	—	—	—
Appropriation for 1985	5 000 000	—	5 000 000	—	—	—
Total	10 000 000	5 000 000	5 000 000	—	—	—

**CHAPTER 46 — EUROPEAN AGRICULTURAL GUIDANCE
AND GUARANTEE FUND, GUIDANCE SECTION (EAGGF
(GUIDANCE)) — MEASURES TO IMPROVE FISHERIES
STRUCTURES : COMMON MEASURES**

**ARTICLE 460 — EAGGF (GUIDANCE) — COMMON MEASURES TO RESTRUCTURE, MOD-
ERNIZE AND DEVELOP THE FISHERIES SECTOR AND TO DEVELOP
AQUACULTURE**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	69 000 000	24 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	70 000 000	29 000 000
Percentage change	+ 1,5	+ 20,8

1. References and description

(a) References

- Council Regulation (EEC) No 2908/83 of 4 October 1983 on a common measure for restructuring, modernizing and developing the fishing industry and for developing aquaculture (OJ No L 290, 22.10.1983, p. 1).
- Council Regulation (EEC) No 1852/78 of 25 July 1978 on an interim common measure for restructuring the inshore fishing industry (OJ No 211, 1.8.1978, p. 30).
- Council Regulation (EEC) No 592/79 of 26 March 1979 amending Regulation (EEC) No 1852/78 on an interim common measure for restructuring the inshore fishing industry (OJ No L 78, 30.3.1979, p. 5).
- Council Regulation (EEC) No 1713/80 of 27 June 1980 amending Regulation (EEC) No 1852/78 on an interim common measure for restructuring the inshore fishing industry (OJ No L 167, 1.7.1980, p. 50).
- Council Regulation (EEC) No 2992/81 of 19 October 1981 amending Regulation (EEC) No 1852/78 on an interim common measure for restructuring the inshore fishing industry (OJ No L 299, 20.10.1981, p. 24).
- Council Regulation (EEC) No 31/83 on an interim common measure for restructuring the inshore fishing industry and aquaculture (OJ No L 5, 7.1.1983, p. 1).

(b) Description

The purpose of Council Regulation (EEC) No 2908/83 is to promote structural adjustments in the fisheries sector to new fishing conditions and to increase the production capacity of aquaculture.

To this end, the EAGGF Guidance Section may contribute towards the financing of investment projects relating to the renewal and modernization of fleets, the rearing of fish, crustaceans and molluscs, and the construction of artificial reefs.

These restructuring measures form part of multiannual guidance programmes laying down targets for fishing and production capacity and how these are to be achieved. These programmes are drawn up by the Member States and submitted for the Commission's approval.

The measure in question has a duration of three years, 1983-85.

2. Type of expenditure

Community aid will be granted in the form of capital subsidies from the EAGGF to cover 25 % of the amount invested. The recipient of the aid must contribute at least 50 % and the Member State concerned must contribute at least 5 %. However :

- in Greece, Greenland, Ireland, Northern Ireland, the Mezzogiorno and the French Overseas Departments, EAGGF aid may be up to 50 % and the recipient of the aid must contribute at least 25 % ;
- EAGGF aid may be up to 50 % in the case of projects which relate to the construction of artificial reefs in the Mediterranean and the recipient of the aid must contribute at least 5 %.

3. Method of calculation and explanation of changes

The total cost of the measure is estimated at 156 million ECU for a period of three years, on the basis of the assumptions made in the following table :

Objective	Calculation of total expenditure	Rate of reimbursement from EAGGF (%)	Cost to the EAGGF (million ECU)
Renewal and conversion of fleets	(a) $195\,000 \text{ grt} \times 7\,000 \text{ ECU/rt} \times 3 \text{ years} = 399 \text{ million ECU}$	25/50	118
Aquaculture installations	$26 \text{ installations} \times 1,5 \text{ ECU} \times 3 \text{ years} = 117 \text{ ECU}$	25/50	34
Construction of artificial reefs	$420\,000 \text{ ECU/reef} \times 19 = 8,0 \text{ million ECU}$	50	4
	Total		156

(a) Commitment appropriations

The measure involving 156 million ECU, will be implemented under the 1983, 1984 and 1985 financial years. The appropriations available amount to 81 million ECU.

— for 1984 :

The restructuring of inshore fisheries has already started under the interim measure, which it is estimated will cost 30 million ECU in respect of the 1983 financial year. It is proposed that a commitment appropriation of 80 million ECU be entered for 1984 to allow for any additional measures to be financed under a definitive scheme and for a large number of projects which have already been submitted under the interim measure and are unlikely to be financed for lack of funds.

(b) Payment appropriations

The payment appropriations to be entered in the 1985 budget have been estimated on the basis of past experience and taking account of the commitments still to be settled on 1 January 1984.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	52 658 565	8 000 000	8 000 000	15 000 000	15 000 000	6 658 565
Appropriation outstanding from 1983	13 315 880	13 315 880	—	—	—	—
Appropriation for 1984	69 000 000	2 684 120	12 000 000	18 000 000	18 000 000	18 315 880
Appropriation for 1985	70 000 000	p.m.	9 000 000	15 000 000	20 000 000	26 000 000
Total	204 974 445	24 000 000	29 000 000	48 000 000	53 000 000	50 974 445

ARTICLE 461 — EAGGF (GUIDANCE) — PRODUCER GROUPS IN THE FISHERIES SECTOR

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	300 000	300 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	250 000	250 000
Percentage change	— 16,7	— 16,7

1. References and description**(a) References**

- Council Regulation No 3796/81 of 29 December 1981 on the common organization of the market in fishery products (OJ No L 379, 31.12.1981, p. 1).
- Council Regulation (EEC) No 1772/82 of 29 June 1982 laying down general rules concerning the extension of certain rules adopted by producers' organizations in the fisheries sector (OJ No L 197, 6.7.1982, p. 1).

(b) Description

The purpose of this measure is to encourage the setting-up and to facilitate the operation of producer organizations in the fisheries sector.

On the basis of Regulation No 3796/81 the EAGGF reimburses Member States 50 % of the aid which they have granted over the three years following the date of recognition of the groups. (The aid may not however exceed for the first, second and third years 3 %, 2 % and 1 % respectively of the value of the production marketed and during the first year 60 %, during the second year 40 % and during the third year 20 % of the management expenses of the producer organization.)

By way of derogation from this rule, during a transitional period of five years and subject to certain conditions, producer organizations may receive aid amounting to not more than 5 % in the first year and decreasing by one percentage point per year to not more than 1 % in the fifth year of the value of production marketed, together with aid ranging from 80 % to 20 % of management expenses.

2. Type of expenditure

Subsidy in the form of reimbursement of the eligible expenditure incurred by the Member States during the preceding year.

3. Method of calculation and explanation of changes

Expenditure in 1984 and 1985 will be higher than in 1983 because of the anticipated number of producer organizations to be set up in Greece and the effect of the transitional measures provided for in Regulation (EEC) No 3796/81. The overall volume of aid may be put at 706 000 ECU. It is planned to cover this expenditure as follows :

— appropriations outstanding from 1983	250 000
— appropriation for 1984	300 000
— appropriation requested for 1985	250 000
Total	800 000

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	250 000	250 000	—	—	—	—
Appropriation for 1984	300 000	300 000	—	—	—	—
Appropriation for 1985	250 000	—	250 000	—	—	—
Total	800 000	550 000	250 000		—	—

EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND,
GUIDANCE SECTION
SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
30	Projects for the improvement of agricultural structures	164 000 000	120 000 000	267 000 000	182 400 000	+ 62,8	+ 52,0
31	General socio-structural meas- ures	93 000 000	93 000 000	130 041 000	128 400 000	+ 39,8	+ 38,1
32	Measures to assist less-fav- oured areas	387 600 000	321 910 000	339 800 000	461 600 000	- 12,3	+ 43,4
33	Structural measures relating to the common organization of the markets	78 900 000	60 700 000	97 500 000	84 400 000	+ 23,6	+ 39,0
46	Chapters 30 to 33 Total	723 500 000	595 610 000	834 341 000	856 800 000	+ 15,3	+ 43,9
	Measures to improve fisheries structures	69 300 000	24 300 000	70 250 000	29 250 000	+ 1,01	+ 20,4
	Total	792 800 000	619 910 000	904 591 000	886 050 000	+ 14,1	+ 42,9

⁽¹⁾ Including any appropriations entered in Chapter 100.

TITLE 5 — APPROPRIATIONS FOR OPERATIONS IN THE REGIONAL DEVELOPMENT AND TRANSPORT SECTORS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
50	ERDF — Operations	2 025 000 000	1 312 500 000	2 135 000 000	1 542 500 000	+ 5,4	+ 17,5
51	ERDF — Specific Community measures	115 000 000	100 000 000	115 000 000	100 000 000	0	0
52	Back-up measures to reduce economic disparities in the Community	p.m.	p.m.	p.m.	p.m.		
53	Supplementary measures in favour of the United Kingdom	p.m.	p.m.	—	—		
54	Other regional policy operations	35 700 000	32 300 000	67 750 000	52 750 000	+ 89,8	+ 63,3
55	Mediterranean programmes	10 000 000	10 000 000	160 000 000	10 000 000	+ 1500,0	0
58	Transport policy	81 750 000	33 750 000	111 750 000	35 750 000	+ 36,7	+ 5,9
	Total	2 267 450 000	1 488 550 000	2 589 500 000	1 741 000 000	+ 14,2	+ 17,0

⁽¹⁾ Including any appropriations entered in Chapter 100.

CHAPTERS 50 AND 51 — EUROPEAN REGIONAL DEVELOPMENT FUND

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
500	European Regional Development Fund — Operations under the revised ERDF Regulations of 1979	2 025 000 000	1 312 500 000	—	1 259 000 000	—	— 4,1
509	European Regional Development Fund — Operations under the revised ERDF Regulation of 1984			2 135 000 000	283 500 000	—	—
510	Specific Community measures	115 000 000	100 000 000	115 000 000	100 000 000	0	0
	Total	2 140 000 000	1 412 500 000	2 250 000 000	1 642 500 000	+ 5,1	+ 16,3

⁽¹⁾ Including any appropriations entered in Chapter 100.

CHAPTER 50 — EUROPEAN REGIONAL DEVELOPMENT
FUND — OPERATIONS

ARTICLE 500 — EUROPEAN REGIONAL DEVELOPMENT FUND — OPERATIONS UNDER THE
REVISED ERDF REGULATION OF 1979

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 025 000 000	1 312 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	—	1 259 000 000
Percentage change		— 4,08

1. References and description

(a) References

- Council Regulation (EEC) No 724/75 of 18 March 1975 establishing a European Regional Development Fund, as amended by Council Regulation (EEC) No 214/79 of 6 February 1979 ⁽¹⁾.
- Council Decision of 18 March 1975 to apply Regulation (EEC) No 724/75 to the French overseas departments ⁽²⁾.
- Council Regulation (EEC) No 3325/80 of 16 December 1980 amending Regulation (EEC) No 724/75 following the accession of Greece ⁽³⁾.

(b) Description

The aim is to finance Community measures in support of national regional policies started in the period 1975-84 under Regulations then in force.

⁽¹⁾ OJ No L 35, 9.2.1979.
⁽²⁾ OJ No L 73, 21.3.1975.
⁽³⁾ OJ No L 349, 23.12.1980.

2. Type of expenditure

Financing of operations decided upon, in step with the corresponding public expenditure.

3. Method of calculation and explanation of changes**(a) *Commitment appropriations***

No appropriation is necessary as the new measures are carried out under the new ERDF Regulation (see Article 509). Any appropriations released will be entered in the accounts and re-applied under the new rules now awaiting approval.

Historical Archives of the European Commission

(b) *Payment appropriations*

The payment appropriation required in 1985 for Article 500 is estimated at 1 259 million ECU ; this allows for the experience of the last few years.

The following table gives details of the actual and estimated utilization of ERDF appropriations between 1978 and 1984 :

Financial year	Commitment appropriations		Payments made						Commitments outstanding at 1.1.84 [1-(2 to 8)]	Estimated payments	
	Committed at year-end	Released up to end 82	1978	1979	1980	1981	1982	1983		1984	1985
	1	2	3	4	5	6	7	8	9	10	11
1975-77 ⁽¹⁾	416,4 ⁽¹⁾	96,1	151,5	106,8	24,0	14,0	2,6	- 9,2	30,6	10	—
(%)	(100)	(23,1)	(36,4)	(25,6)	(5,8)	(3,3)	(0,6)	(- 2,2)		(2,4)	
1978	556,3	46,3	103,5	176,2	101,4	40,6	27,6	13,9	46,8	20	15
(%)	(100)	(8,3)	(18,6)	(31,7)	(18,2)	(7,3)	(5,0)	(- 2,5)		(3,6)	(2,7)
1979	962,1	62,5		230,0	330,0	122,2	81,0	18,8	117,6	25	25
(%)	(100)	(6,5)		(23,9)	(34,3)	(12,7)	(8,4)	(2,0)		(2,6)	(2,6)
1980	1 137,8	69,0			271,3	209,1	190,2	120,1	278,1	25	30
(%)	(100)	(6,1)			(23,8)	(18,4)	(16,7)	(10,6)		(2,2)	(2,6)
1981	1 596,2	65,8				405,5	364,8	218,9	541,2	160	30
(%)	(100)	(4,1)				(25,4)	(22,9)	(13,7)		(10,0)	(1,9)
1982	1 812,1	61,6					284,6	585,8	880,1	250	195
(%)	(100)	(3,4)					(15,7)	(32,3)		(13,8)	(10,8)
1983	2 121,6	—						298,2	1 823,4	685	290
(%)	(100)							(14,1)		(32,3)	(13,7)
Total end 1983	8 602,5	401,3	255	513	726,7	791,4	950,7	1 246,5	3 717,8	1 175	585
(%)	(100)	(4,7)							(43,2)	(13,7)	(6,8)
1984	2 225 ⁽²⁾									169	674
(%)	(100)									(7,6)	(30,3)
Total end 1984	10 827,5									1 344 ⁽³⁾	
(%)	(100)										
Total											1 259

⁽¹⁾ Commitments outstanding at close of financial year 1977.

⁽²⁾ Estimated appropriations for commitments including appropriations remaining, appropriations released and ECU parity adjustments.

⁽³⁾ Appropriations for payments available in 1984 including carryovers.

The schedule of payments in relation to commitments is as follows :

Payments		Commitments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	3 686 518 000	1 143 500 000	585 000 000	400 000 000	185 000 000	1 373 018 000
Appropriation outstanding from 1983	42 676 000	—	—	—	—	—
Appropriation for 1984 ⁽¹⁾	2 025 000 000	169 000 000	674 000 000	340 000 000	245 000 000	639 676 000
Appropriation for 1985	—	—	—	—	—	—
Total	5 754 194 000	1 312 500 000	1 259 000 000	740 000 000	430 000 000	2 012 694 000

⁽¹⁾ The phasing of payments makes no allowance for the stringent management measures proposed in the Commission's document introducing measures to cover budgetary requirements in 1984 (COM(84)250 final of 17 April 1984), which could mean some payments cuts.

New Article

ARTICLE 509 — EUROPEAN REGIONAL DEVELOPMENT FUND — OPERATIONS UNDER THE REVISED ERDF REGULATION OF 1984

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 135 000 000	283 500 000
Percentage change		

1. References and description

(a) References

— Proposal for a Council Regulation (EEC) of 18 November 1983 amending Regulation (EEC) No 724/75 establishing a European Regional Development Fund ⁽¹⁾.

(b) Description

The aim is to contribute to the development and structural adjustment of regions with a development lag and to the conversion of declining industrial regions.

The Fund participates in the financing of :

- Community programmes,
- national programmes of Community interest,
- projects,
- studies.

The ERDF may also participate in the financing of measures to exploit the potential for internally generated development of the regions and in the financing of integrated development operations.

2. Type of expenditure

For the first year in which the new Regulation is in force, most assistance under the Fund will go to project financing.

For infrastructure investment projects, the Fund's contribution will be 40 % of the total expenditure borne by a public authority where the projects cost less than 10 million ECU, and between 20 % and 40 % for projects costing 10 million ECU or more. The contribution may be increased to 50 % for projects of particular importance for the development of the region in which they are located.

For investment projects in industries and services, the Fund's contribution may not exceed 50 % of the aid granted by the public authorities under a regional aid scheme.

⁽¹⁾ OJ No C 360, 31.12.1983.

The Fund's contribution to programme financing is determined in the light of the socio-economic situation of the region and the types of measure under the programme. For national programmes of Community interest the contribution may amount to 65 % of the total public expenditure taken into account in the programmes.

For measures to exploit the potential for internally generated development of the regions, Fund assistance may not exceed 65 % of the public financing or 15 % of the appropriations allocated to each Member State over a given three-year period.

Grants for studies or surveys may not exceed 70 000 ECU.

3. Method of calculation and explanation of changes

(a) *Commitment appropriations*

The total commitment appropriation requested for the Fund for 1985 is 2 250 million ECU, of which 95 %, or 2 135 million ECU, is to be used under Article 509.

Total Fund resources show an increase of 5,1 % over the 1984 appropriation of 2 140 million ECU, which means no increase in real terms given the general rise in prices in the Community from 1984 to 1985, estimated at 5,1 %.

(b) *Payment appropriations*

The payment appropriations required for 1985 for Article 509, in line with the new ERDF Regulation, are estimated at about 13 % of commitments, which allows for a fairly slow start to the programmes and for the adoption of decisions at intervals over the year.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	—	—	—	—	—	—
Appropriation for 1985	2 135 000 000	—	283 500 000	745 000 000	325 000 000	781 500 000
Total	2 135 000 000	—	283 500 000	745 000 000	325 000 000	781 500 000

CHAPTER 51 — EUROPEAN REGIONAL DEVELOPMENT FUND — SPECIFIC COMMUNITY MEASURES

ARTICLE 510 — EUROPEAN REGIONAL DEVELOPMENT FUND — SPECIFIC COMMUNITY MEASURES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	115 000 000	100 000 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	115 000 000	100 000 000
Percentage change	0	0

1. References and description

(a) References

- Council Regulation (EEC) No 724/75 of 18 March 1975 establishing a European Regional Development Fund, as amended by Council Regulation (EEC) No 214/79 of 6 February 1979 ⁽¹⁾.
- Regulations (EEC) Nos 2615, 2616, 2617, 2618, 2619/80 of 7 October 1980 instituting specific Community regional development measures under Article 13 of the ERDF Regulation ⁽²⁾.
- Proposal for a Council Regulation (EEC) of 18 November 1983 amending Regulation (EEC) No 724/75 establishing a European Regional Development Fund ⁽³⁾.
- Council Regulations (EEC) of 18 January 1984 : amending Regulations (EEC) Nos 2615, 2616, 2617 and 2718 of 7 October 1980 ; Council Regulation (EEC) No 215/84 of 18 January 1984 instituting a specific Community measure contributing to the development of certain regions of Greece in the context of Community enlargement ; and Council Regulation (EEC) No 219/84 of 18 January 1984 instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the textile and clothing industry ⁽⁴⁾.

(b) Description

Article 13 of Regulation (EEC) No 214/79 provides that the ERDF may participate in financing specific Community regional development measures that are :

⁽¹⁾ OJ No L 35, 9.2.1979.

⁽²⁾ OJ No L 271, 15.10.1980.

⁽³⁾ OJ No C 336, 31.12.1983.

⁽⁴⁾ OJ No L 27, 31.1.1984.

- either linked with Community policies and with measures adopted by the Community in order to take better account of their regional dimension or to reduce their regional consequences,
- or, in exceptional cases, intended to meet the structural consequences of particularly serious occurrences in certain regions or areas with a view to replacing jobs lost and creating the necessary infrastructures for this purpose.

The first series of five specific Community measures adopted by the Council on 7 October 1980 in the form of regulations involves total expenditure estimated at 220 million ECU, over a five-year period. The measures are to contribute to :

- the development of certain French and Italian regions in the context of Community enlargement. Estimated cost over five years : 120 million ECU ;
- overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the steel industry. Estimated cost over five years : 43 million ECU ;
- overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the shipbuilding industry. Estimated cost over five years : 17 million ECU ;
- improving security of energy supply in certain Community regions by way of improved use of new techniques for hydro-electric power and alternative energy sources. Estimated cost over five years : 16 million ECU ;
- the improvement of the economic and social situation of the border areas of Ireland and Northern Ireland. Estimated cost over five years : 24 million ECU.

Under this first series of five Regulations, the Commission has so far approved eight programmes at an estimated total expenditure of 216 million ECU.

As part of its proposals for amending the rules governing ERDF assistance, sent to the Council in October 1981 and November 1983, the Commission, for the reasons spelt out in the general introduction to this preliminary draft budget, has widened the coverage of the non-quota section by adding the regions particularly affected by recent and serious structural problems associated with industrial decline to the regions which are suffering the effects of certain Community policies and which already receive assistance under the non-quota section under the present rules. The regions and areas assisted under the non-quota section may differ from those assisted under the quota section.

On 18 January 1984 the Council approved a second series of specific Community measures :

- to continue and increase the financial resources of the measures already started under the first series of five non-quota Regulations adopted by the Council on 7 October 1980 and to introduce special measures to assist Greece ;
- to launch measures contributing to the development of new economic activities in regions particularly hard hit by the results of restructuring in the textile and clothing industry ;
- to contribute to the development of certain regions of Greece in the context of Community enlargement.

This second series of specific measures will give rise to an estimated expenditure of at least 710 million ECU over five years.

2. Type of expenditure

The ERDF grants subsidies within the framework of special programmes.

3. Method of calculation and explanation of changes

(a) Commitment appropriations

The Commission proposes to allocate 115 million ECU (5 % of the Fund's endowment) to specific measures in 1985. This relatively small amount takes account of the appropriations outstanding from 1983 (100,5 million ECU), which are added to the new appropriations for 1984.

(b) Payment appropriations

As the Regulations provide for a system of commitments by annual tranches and a system of payments that are virtually in step with national expenditure, payments should follow commitments with little time-lag.

An amount of 175,9 million ECU is available for 1984 (75,9 million ECU carried over from 1983 and 100 million ECU under the 1984 budget); the 1985 requirement for new payment appropriations therefore amounts to some 100 million ECU. The sum of these appropriations will cover the advances against annual tranches under both series of specific Community measures, the first now under way and the second, approved by the Council on 18 January 1984, to be launched once the Commission has approved the corresponding special programmes.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	100 500 000	65 000 000	35 500 000	—	—	—
Appropriation for 1984	115 000 000	35 000 000	35 000 000	45 000 000	—	—
Appropriation for 1985	115 000 000	—	30 000 000	70 000 000	15 000 000	—
Total	330 500 000	100 000 000	100 000 000	115 000 000	15 000 000	—

CHAPTER 52 — BACK-UP MEASURES TO REDUCE ECONOMIC DISPARITIES IN THE COMMUNITY

ARTICLE 520 — INTEREST-RATE SUBSIDIES ON COMMUNITY LOANS TO THE LESS PROSPEROUS MEMBER STATES PARTICIPATING IN THE EUROPEAN MONETARY SYSTEM

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	p.m.	p.m.
Percentage change		

1. References and description

(a) References

- Council Regulation (EEC) No 1736/79 of 3 August 1979, adopted pursuant to the Council resolution of 5 December 1978 (OJ No L/200, 8.8.1979), as amended by Council Regulation (EEC) No 2790/82 of 18/October 1982 (OJ No L 295, 21.10.1982).
- Proposal for a Council Regulation on interest subsidies for certain loans granted under the European Monetary System (OJ No C 163, 22.6.1983).

(b) Description

In setting up the European Monetary System, the European Council at its meeting on 4 and 5 December 1978 provided for back-up measures designed to strengthen the economies of the less prosperous Member States, so as to facilitate their participation in the system. With this in mind, the Council, stressing the importance of infrastructure investments, decided that interest-rate subsidies would be granted on loans made by the European Investment Bank and those made under Council Decisions 78/870/EEC, 82/169/EEC and any subsequent decisions empowering the Commission to contract loans in order to promote investment in the Community. The loans must be granted for investment projects in the less prosperous countries effectively and fully participating in the mechanism of the European Monetary System. At present this means Italy and Ireland.

2. Type of expenditure

Outright grants in the form of interest-rate subsidies the discounted value of which is paid over to the European Investment Bank.

3. Method of calculation and explanation of changes

Over a five-year period (1979-83), the operations were limited to 5 000 million ECU in loans to be subsidized and 1 000 million ECU in interest-rate subsidies, divided into five equal annual instalments.

The Commission is proposing that the period be extended by two years, with annual ceilings of 200 million ECU for the interest-rate subsidies.

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CHAPTER 53 — SUPPLEMENTARY MEASURES IN
FAVOUR OF THE UNITED KINGDOM

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	—	—
Percentage change		

CHAPTER 54 — OTHER REGIONAL POLICY OPERATIONS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
540	Regional studies	700 000	700 000	750 000	750 000	+ 7,1	+ 7,1
541	Measures to promote inte- grated operations	35 000 000	31 600 000	37 000 000	32 000 000	+ 5,7	+ 1,3
542	Special financial assistance to Greece in the social sector	13 500 000 ⁽²⁾	8 100 000 ⁽²⁾	30 000 000	20 000 000	+ 122,2	+ 146,9
	Total	35 700 000	32 300 000	67 750 000	52 750 000	+ 89,8	+ 63,3

⁽¹⁾ Including any appropriations entered in Chapter 100.

⁽²⁾ Appropriations accruing from transfers.

ARTICLE 540 — REGIONAL STUDIES**ITEM 5400 — REGIONAL STUDIES UNDERTAKEN AT THE REQUEST OF THE MEMBER STATES**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	275 000	275 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	300 000	300 000
Percentage change	+ 9,1	+ 9,1

1. References and description

The reference is Article 2 of the EEC Treaty, entrusting the Community with the task of 'promoting throughout the Community a harmonious development of economic activities'.

Taking this general objective as a starting point, since the Regional Fund and the Regional Policy Committee were set up the Commission has developed a Community regional policy which calls for constant analysis of highly diverse regional problems and of appropriate solutions.

To ensure that the studies make a direct contribution to the accomplishment of priority tasks under this policy, the Commission has decided in conjunction with the Member States that the studies must fall within the following four categories of priority topics :

- preparation, improvement or updating of regional development programmes ;
- regional impact assessment of the Community's sectoral policies ;
- transfrontier cooperation ;
- development of new measures and strategies, in particular the national programmes of Community interest.

2. Type of expenditure

The appropriation is to cover regional studies carried out at the request of Member States in the context of the Community regional policy and in cooperation with the Regional Policy Committee.

3. Method of calculation

Customarily, these studies are financed equally by the Member States and the Commission. The Community's contribution may not, therefore, exceed 50 % of their cost.

This item covers both the continuation in 1985 of studies begun in 1984 and studies to be started in 1985 on topics assigned a high priority by the Commission and the Member States.

The breakdown by Member State, with a heavy emphasis on less favoured regions, is as follows :

Greece	55 000
Italy	80 000
Ireland	35 000
United Kingdom	50 000
Others (in particular studies in transfrontier cooperation)	80 000
Total	300 000

ITEM 5401 — REGIONAL STUDIES UNDERTAKEN ON THE COMMISSION'S INITIATIVE ON THE SITUATION AND SOCIO-ECONOMIC CHANGES IN THE REGIONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	425 000	425 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	450 000	450 000
Percentage change	+ 5,9	+ 5,9

1. References and description

The reference is the same as that for Item 5400, namely Article 2 of the EEC Treaty.

This heading was opened in 1978 following the adoption by the Commission and the Council of new Community regional policy guidelines ⁽¹⁾.

The proposed studies are designed to contribute directly to the formulation and implementation of the Community's regional policy as set out in particular in the Council Decision of 9 February 1979, that is :

- to report at intervals on the situation and socio-economic changes in the regions (the second report has been adopted by the Commission ⁽²⁾ ;

⁽¹⁾ OJ No C 36, 9.2.1979.
⁽²⁾ COM(84)40 final, 7.3.1984.

- to make a regional impact assessment of the most firmly established Community policies ;
- to coordinate national regional policies ;
- to develop the machinery and strategies for regional development, in particular through the Community programmes.

2. Type of expenditure

Studies financed wholly by the Commission.

3. Method of calculation and explanation of changes

The studies to be carried out from 1983 onwards will be concerned with :

- conducting a closer analysis of the problems coming to light during discussion of the Second Periodic Report, which the Commission presented early in 1984 (notably within Parliament and the Council),
- continuing the systematic observation of the indicators necessary for the regular and systematic analysis of regional trends in the Community,
- continuing the regional impact assessments of major Community policies, including establishment of the necessary information systems, with a view to making corrections to those policies and to preparing Community programmes,
- defining the conditions in which Spain and Portugal may fully participate in the Community's regional policy from the time of accession.

ARTICLE 541 — MEASURES TO PROMOTE INTEGRATED OPERATIONS

ITEM 5410 — PREPARATORY STUDIES FOR INTEGRATED OPERATIONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 000 000	2 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 000 000	2 000 000
Percentage change	—	—

1. References and description

- The general principle embodied in Article 2 of the EEC Treaty, entrusting the Community with the task of ‘ promoting throughout the Community a harmonious development of economic activities ’. This appropriation is to enable the Commission to make a financial contribution to the preliminary studies and work by experts required for the preparation of integrated operations, in agreement with the Member States concerned.
- Proposal for a Council Regulation (EEC) of 18 November 1983 amending Regulation (EEC) No 724/75 establishing a European Regional Development Fund ⁽¹⁾.

2. Type of expenditure

Subsidies.

3. Method of calculation and explanation of changes

When it comes to improving economic, social and regional structures, one of the major obstacles to effective Community financing in all its forms is the dispersal of financial efforts caused by the fact that the instruments are split up into various Funds (European Social Fund, ERDF, EAGGF Guidance Section) and loan mechanisms (ECSC, EIB, NCI). In order to make the assistance provided more effective, the Commission has devised the formula of ‘ integrated operations ’ to focus measures under the various Community instruments on specific problems in strictly defined geographical areas. This heading is to cover the preparation of each operation or part of an operation.

⁽¹⁾ OJ No C 360, 31.12.1983.

ITEM 5411 — COMMUNITY MEASURES WITHIN THE FRAMEWORK OF INTEGRATED OPERATIONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	33 000 000	29 600 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	35 000 000	30 000 000
Percentage change	6,1	1,4

1. References and description

- This appropriation is to enable the Commission to finance, under the integrated operations programme and jointly with national or local authorities, investment projects outside the present framework of the Community's financial instruments.
- Proposal for a Council Regulation (EEC) of 26 October 1981 amending Regulation (EEC) No 724/75 establishing a European Regional Development Fund ⁽¹⁾.
- Council Regulation (EEC) No 1739/83 of 21 June 1983 instituting a specific measure for urban renewal in Northern Ireland (Belfast) ⁽²⁾.

2. Type of expenditure

Subsidies.

3. Method of calculation and explanation of changes

Commitment appropriations

The schedule of appropriations (estimates) for the implementation of the Regulation on urban renewal in Northern Ireland (Belfast) ⁽²⁾ showed commitments as follows: 32 million ECU in 1983 (already committed), 33 million ECU in 1984 and 35 million ECU in 1985, making a total of 100 million ECU.

Payment appropriations

The schedule of payment appropriations is in line with the estimates for commitments for 1983 and 1984 but shows a shift for the last tranche (23,5 million ECU instead of 28 million ECU in 1985 and 8 million ECU instead of 3,5 million ECU in 1986).

⁽¹⁾ OJ No C 336, 23.12.1981.

⁽²⁾ OJ No L 171, 29.6.1983.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	6 400 000	3 200 000	3 200 000			
Appropriation outstanding from 1983						
Appropriation for 1984	33 000 000	26 400 000	3 300 000	3 300 000		
Appropriation for 1985	35 000 000	—	23 500 000	8 000 000	3 500 000	
Total	74 400 000	29 600 000	30 000 000	11 300 000	3 500 000	

ARTICLE 542 — SPECIAL FINANCIAL ASSISTANCE TO GREECE IN THE SOCIAL SECTOR**ITEM 5420 — CONSTRUCTION, FITTING OUT AND EQUIPMENT OF VOCATIONAL TRAINING CENTRES**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	6 750 000	4 050 000
1985 — Appropriations requested	15 000 000	10 000 000
Percentage change		

1. References and description**(a) References**

Council Regulation (EEC) No 815/84 of 26 March 1984 on exceptional financial support in favour of Greece in the social field ⁽¹⁾.

(b) Description**General objective**

The purpose of allocating exceptional financial assistance to Greece in the social field is to help that country, by cofinancing its costs, to construct, adapt and equip vocational training centres in urban zones of highest population density, in accordance with the Community's objectives in the social field. Adequate vocational training structures will facilitate Greece's access to aid from the European Social Fund.

2. Type of expenditure

Cofinancing of public expenditure on the construction, extension and adaptation of buildings and the equipment of vocational training centres.

⁽¹⁾ OJ No L 88, 31.3.1984.

3. Method of calculation and explanation of changes

Community assistance is granted at a rate of 55 % of eligible public expenditure.

The total cost of the measure is estimated at some 60 000 000 ECU over five years.

(a) Appropriations for commitment

As the Regulation was adopted by the Council on 26 March 1984, the budgetary authority has been asked to transfer 6 750 000 ECU from Item 6010 (European Social Fund — measures for persons aged 25 or over — less-favoured regions) so that a start can be made in 1984.

A commitment appropriation of 15 000 000 ECU is allocated to meet the expected flow of applications for assistance in 1985.

(b) Appropriations for payment

To cover expenditure in 1984, the budgetary authority has been asked to transfer 4 050 000 ECU from Item 6010, European Social Fund — measures for persons aged 25 or over — less-favoured regions.

The appropriations for payments requested for 1985 are calculated to allow for the level of advances payable (60 % of the financial support granted — Article 8 of the Regulation) and the expected progress of operations.

The schedule of payments in relation to commitments is as follows:

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	6 750 000	4 050 000	1 000 000	1 000 000	700 000	—
Appropriation for 1985	15 000 000	—	9 000 000	2 500 000	2 500 000	1 000 000
Total	21 750 000	4 050 000	10 000 000	3 500 000	3 200 000	1 000 000

ITEM 5421 — CONSTRUCTION, FITTING OUT AND EQUIPMENT OF CENTRES FOR THE TREATMENT AND MEDICAL, VOCATIONAL AND SOCIAL REHABILITATION OF THE MENTALLY DISABLED

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	6 750 000	4 050 000
1985 — Appropriations requested	15 000 000	10 000 000
Percentage change		

1. References and description

(a) References

Council Regulation (EEC) No 815/84 of 26 March 1984 on exceptional financial support in favour of Greece in the social field ⁽¹⁾.

(b) Description

The purpose of allocating exceptional financial assistance to Greece in the social field is to help that country, by cofinancing its costs, to construct, adapt and equip centres for the rehabilitation of the mentally ill and mentally handicapped, in accordance with the Community's objectives in the social field, and to facilitate Greece's access to aid from the European Social Fund for certain categories of particularly disadvantaged persons.

2. Type of expenditure

Cofinancing of public expenditure on the construction, adaptation and extension of buildings and the equipment of rehabilitation centres, and on-the-job training to upgrade the professional skills of the staff.

3. Method of calculation and explanation of changes

Community assistance is granted at a rate of 55 % of eligible public expenditure.

The total cost of the measure is estimated at some 60 000 000 ECU over five years.

⁽¹⁾ OJ No L 88, 31.3.1984.

(a) Appropriations for commitment

As the Regulation was adopted by the Council on 26 March 1984, the budgetary authority has been asked to transfer 6 750 000 ECU from Item 6010 (European Social Fund — measures for persons aged 25 or over — less-favoured regions) so that a start can be made in 1984.

A commitment appropriation of 15 000 000 ECU is allocated to meet the expected flow of applications for assistance in 1985.

(b) Appropriations for payment

To cover expenditure in 1984, the budgetary authority has been asked to transfer 4 050 000 ECU from Item 6010, European Social Fund — measures to for persons aged 25 or over — less-favoured regions.

The appropriations for payments requested for 1985 are calculated to allow for the level of advances payable (60 % of the financial support granted — Article 8 of the Regulation) and the expected progress of operations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	6 750 000	4 050 000	1 000 000	1 000 000	700 000	—
Appropriation for 1985	15 000 000	—	9 000 000	2 500 000	2 500 000	1 000 000
Total	21 750 000	4 050 000	10 000 000	3 500 000	3 200 000	1 000 000

CHAPTER 55 — MEDITERRANEAN PROGRAMMES

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
550	Mediterranean programmes — Preparation of integrated programmes	10 000 000	10 000 000	20 000 000	10 000 000	+ 100	0
551	Mediterranean programmes — Community measures	p.m.	p.m.	140 000 000	p.m.		
552	Operating fund — Measures under a programme for devel- oping and restructuring the economies of the Mediter- ranean countries belonging to the EEC	p.m.	p.m.	p.m.	p.m.	—	—
	Total	10 000 000	10 000 000	160 000 000	10 000 000	+ 1 500	0

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 550 — MEDITERRANEAN PROGRAMMES — PREPARATION OF INTEGRATED PROGRAMMES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	10 000 000	10 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	20 000 000	10 000 000
Percentage change	100	0

1. References and description

(a) References

The reference is Article 2 of the EEC Treaty whereby the Community has as its task 'to promote throughout the Community a harmonious development of economic activities'.

This appropriation is to enable the Commission to finance forthwith, in the regions considered, measures preparatory to the integrated programmes which the Council will decide to implement on the basis of Commission proposals put forward in 1983.

Commission Decisions 84/70/EEC et seq. of 21 December 1983 ⁽¹⁾.

(b) Description

(1) General objective

The aim of these integrated programmes is to help certain Mediterranean regions to catch up in their development through specific measures tailored to their actual economic and social situation and designed to develop their potential to the full, eliminating certain bottlenecks that hold up development ; and thereby to increase personal incomes and boost employment in rural areas. The programmes will comprise a series of concurrent measures both in agriculture, given its importance in the economy of these regions, and in other sectors where jobs may be created or preserved in rural areas. They will constitute the general framework within which operational projects in the beneficiary regions will be articulated.

(2) Specific objective

Implementation of the integrated Mediterranean programmes will get under way once the operational plans of campaign have been approved. The Member States concerned are to have one year from the entry into force of the Regulation in which to prepare their plans. The Commission intends to continue preparatory measures in the field until the integrated Mediterranean programmes are launched ; these measures will include studies, feasibility assessments, trial and demonstration pilot projects and information campaigns.

⁽¹⁾ OJ No L 44, 15.2.1984.

2. Type of expenditure

Community grants.

3. Method of calculation

On the basis of the estimates for the work to be carried out under the Commission Decisions referred to above and more generally under the integrated Community programmes for Mediterranean regions, and taking account of the appropriation authorized for 1984, the commitment appropriations requested for 1985 have been set at 20 million ECU, and the payment appropriations at 10 million ECU.

The 1983 and 1984 appropriations for this budget heading were non-differentiated appropriations. This made for difficulties in linking the grants provided for with grants under the other structural Funds and in allowing in each case for the very different schedules necessary for different types of operation. For this reason differentiated appropriations will be requested henceforth.

The schedule of commitments and payments was estimated on the assumption that further pilot projects, normally lasting two years, would be approved in 1983, and that the Community contribution would be governed by the following rules :

- for studies : contribution of 75 % to 100 % of the cost, a first advance of 30 % being paid upon adoption of the decision, followed by a second advance, usually 35 %, to be paid when the Commission considers that the bulk of the study has been completed ;
- for pilot projects : assistance charged to this budget heading normally to be in addition to grants from other Funds. The rates of contribution are set so that, taking all sources into account, the levels of Community assistance provided for in the integrated Mediterranean programmes are reached.

A first advance of 40 % to be paid after adoption of each specific grant decision, followed by a second advance of 40 % to be paid when the Commission considers that the bulk of the operations has been completed.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	10 000 000	10 000 000				
Appropriation for 1985	20 000 000		10 000 000	8 000 000	2 000 000	
Total	30 000 000	10 000 000	10 000 000	8 000 000	2 000 000	

ARTICLE 551 — MEDITERRANEAN PROGRAMMES — COMMUNITY MEASURES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	140 000 000	p.m.
Percentage change	—	0

1. References and description**(a) References**

- The Commission's proposals for the integrated Mediterranean programmes (COM(83)24 final of 17 March 1983, COM(83)495 final of 16 August 1983 and COM(83)641 of 3 November 1983).
- Proposal for a Council Regulation instituting integrated Mediterranean programmes ⁽¹⁾.

(b) Description

The aim of these integrated programmes is to help certain Mediterranean regions to catch up in their development through specific measures tailored to their actual economic and social situation and designed to develop their potential to the full, eliminating certain bottlenecks that hold up development ; and thereby to increase personal incomes and boost unemployment, especially in rural areas. The programmes will comprise a series of concurrent measures both in agriculture, given its importance in the economy of these regions, and in other sectors where jobs may be created or preserved in rural areas. They will constitute the general framework within which operational projects in the beneficiary regions will be articulated.

2. Type of expenditure

Community grants.

3. Method of calculation

The Commission's proposals for the integrated Mediterranean programmes provided for a Community outlay of 663 million ECU (1982 prices) in 1985, on the assumption that the decisions would be taken in 1983.

⁽¹⁾ OJ No C 251, 19.9.1983.

At the present rate of progress, the integrated Mediterranean programmes should be adopted towards the end of 1984. If some of the Member States concerned prepare their operational plans expeditiously, the first commitments of Community grants will be made towards the end of 1985, but the first payments will probably not be made until 1986.

The programmes comprise five categories of measures :

- measures relating to agriculture and forestry ;
- measures relating to fisheries ;
- measures for non-agricultural development ;
- infrastructures ;
- training, advisory services, research.

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ARTICLE 552 — OPERATING FUND — MEASURES UNDER A PROGRAMME FOR DEVELOPING AND RESTRUCTURING THE ECONOMIES OF THE MEDITERRANEAN COUNTRIES BELONGING TO THE COMMUNITY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	0	0

1. References and description

The purpose of this Article is to establish on the basis of a future Council Regulation, an operating fund for the Mediterranean countries that are members of the Community and for the applicant countries (Spain and Portugal). Over the next six to eight years the fund should have capital resources commensurate with its requirements.

2. Type of expenditure

Appropriations to constitute investment funds in the recipient countries.

3. Method of calculation

To be determined.

CHAPTER 58 — TRANSPORT

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
580	Studies preliminary to financial aid in respect of transport infrastructure	500 000	500 000	500 000	500 000	0	0
581	Financial support for transport infrastructure projects	80 000 000	32 000 000	110 000 000	34 000 000	+ 37,5	+ 6,3
582	European Economic Community guarantee for transport infrastructure projects	—	—	—	—	—	—
583	Special transport infrastructure projects	p.m.	p.m.	—	—	—	—
584	Financial support for transport infrastructure outside the Community	p.m.	p.m.	p.m.	p.m.	0	0
585	Observation of freight markets	800 000	800 000	800 000	800 000	0	0
586	Operation of freight markets	450 000	450 000	450 000	450 000	0	0
	Total	81 750 000	33 750 000	111 750 000	35 750 000	+ 36,7	+ 5,9

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 580 — STUDIES PRELIMINARY TO FINANCIAL AID IN RESPECT OF TRANSPORT INFRASTRUCTURE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	500 000	500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	500 000	500 000
Percentage change	0	0

1. References and description

(a) References

- Articles 74-84 of the EEC Treaty.
- Communication of 30 June 1976 from the Commission to the Council on measures concerning transport infrastructure ⁽¹⁾.

(b) Description

The aid of these studies is to evaluate the Community interest of transport infrastructure projects or projects to improve the infrastructure network as a whole with a view to assessing the Community's needs as well as the amount of financial support that may be needed and what financing methods are to be used.

The scope and choice of studies is based on the needs which became apparent in the course of work by the Transport Infrastructure Committee which uses the transport infrastructure experimental programme (COM(82)828 final) to help the Commission select projects eligible for financial support and prepare the masterplan.

The general content of the studies under consideration is :

- 1. General studies on network improvement (e.g. developing a high-speed-train network : traffic forecasts, evaluation, deciding which routes should have priority). To this end existing forecasting instruments to be improved (data bank, strategies, further development of models). Use of surveys to improve traffic forecasting.
- 2. Further project evaluation studies in line with the concept put forward by the Commission (see Report from the Commission to the Council on the Community Interest of Transport Infrastructure Investments (COM(82)807 final of 7 December 1982 and the experimental programme of 10 December 1982).
- 3. Participation in technical project studies where the Community interest is sufficiently clear to justify Community participation.

⁽¹⁾ OJ No C 207, 2.9.1976.

2. Type of expenditure

Meeting of financial obligations under future contracts with outside bodies.

3. Method of calculation and explanation of changes**(a) Method of calculation**

Appropriations requested for 1984 are broken down as follows :

— studies under (b) — 1.	250 000
— studies under (b) — 2.	150 000
— studies under (b) — 3.	100 000
	<hr/>
Total	500 000

(b) Explanation of changes

The Commission's activities concerning guideline planning and financial support cannot be developed if there is no general study programme.

Studies already completed have provided useful information on the Community's infrastructure requirements, on methods of evaluating Community interest, and on the Community interest of certain large-scale projects.

This operation should continue but should concentrate more on project studies and on helping Member States prepare their technical submissions for those projects whose Community interest may be assumed.

ARTICLE 581 — FINANCIAL SUPPORT FOR TRANSPORT INFRASTRUCTURE PROJECTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	80 000 000	32 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	110 000 000	34 000 000
Percentage change	37,5	6,3

1. References and description**(a) References**

- Proposal for a Council Regulation on support for projects of Community interest in transport infrastructure ⁽¹⁾.
- Proposed amendment to the proposal for a Council Regulation on support for projects of Community interest in transport infrastructure ⁽²⁾.
- Proposal for a Council Regulation on financial support for a multiannual transport infrastructure programme ⁽³⁾.
- Council Regulation (EEC) No 3600/82 of 30 December 1982 ⁽⁴⁾ on the granting of limited support in the field of transport infrastructure (10 million ECU in the 1982 budget) and an experimental programme ⁽⁵⁾ (sent to the Council on 10 December 1982) represent major steps on the way to adopting proposals on support for projects of Community interest.

(b) Description

Financial support consisting of subsidies or interest rebates for one or more infrastructure projects of Community interest.

The projects in question must satisfy two sets of criteria simultaneously :

- first, the project must be of Community interest within the meaning of Article 1(2) of the Council Decision of 20 February 1978 instituting a consultation procedure and setting up a committee in the field of transport infrastructure ⁽⁶⁾.
- second, the granting of financial support entails more restrictive criteria according to Article 5 of the proposal for a Regulation introducing this support mechanism ⁽³⁾.

⁽¹⁾ OJ No C 207, 2.9.1976.

⁽²⁾ COM(80)58 final, 12.3.1980.

⁽³⁾ COM(83)474 final, 5.8.1983.

⁽⁴⁾ Regulation (EEC) No 3600/82 of 30 December 1982 (OJ No L 376, 31.12.1982).

⁽⁵⁾ COM(82)828 final, 10.12.1982.

⁽⁶⁾ OJ No L 54, 25.2.1978.

The progress made in examining the problems associated with the development of a network of transport links of Community interest (report to the Council on bottlenecks ⁽¹⁾, report on the Community interest of transport infrastructure investments ⁽²⁾, and the experimental programme ⁽³⁾) should make it possible to select the range of projects which could qualify for financial support in the first stage.

2. Type of expenditure

Meeting of financial obligations resulting from decisions taken in the future under the proposed Regulation.

3. Method of calculation and explanation of changes

The experimental transport infrastructure programme forwarded by the Commission to the Council in December 1982 contains a very wide range of projects of Community interest for which Community funding would be of great value.

This was clear from the Member States' reactions, particularly as expressed in the Transport Infrastructure Committee, and by the size of the projects they submitted for financing by the Community. If this financing continues along the lines of 1983 (15 million ECU) and 1984 (80 million ECU), and does not exceed the 40 % ceiling of costs to be borne by the Community, a sum of 110 million ECU will be sufficient to permit effective action to benefit the projects of greatest Community interest. To be eligible, projects should be such as to :

- eliminate bottlenecks in those parts of the transport network of importance to the Community as a whole, particularly at frontiers ;
- improve major traffic routes in the Community which are a heavy burden on transit countries ;
- improve interchanges between intra-Community modes of transport ;
- gradually create a high-speed rail network between major urban centres ;
- ensure greater integration of links within the Community network ;
- improve links to and from non-Community countries.

The links concerned by projects satisfying these criteria are given below by way of illustration. A large number of these projects have been proposed by Member States and have already been discussed by the Transport Infrastructure Committee.

1. North-South link (Scandinavia — Federal Republic of Germany — Italy) (former project to improve Helsingør — Copenhagen — Rødby line) ;
2. North-west — North-east link (Netherlands — Federal Republic of Germany — Greece) (former road and rail projects on link between Greek frontier and Yugoslavia — Evzoni — Athens — Kalamata) ;
3. North-South link (Belgium — France — Spain — Portugal) (former Willemsberg project) ;
4. Link between Ireland and the United Kingdom (former Harwich project)
5. Links between France and Italy (former project to improve access to the Fréjus tunnel).

(¹) COM(80)323 final, 20.6.1980.

(²) COM(82)807 final, 7.12.1982.

(³) COM(82)828 final, 10.12.1982.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	2 500 000	—	2 500 000			
Appropriation outstanding from 1983	15 000 000	8 000 000	2 500 000	4 500 000		
Appropriation for 1984	80 000 000	24 000 000	12 000 000	24 000 000	20 000 000	
Appropriation for 1985	110 000 000		17 000 000	33 000 000	33 000 000	27 000 000
Total	207 500 000	32 000 000	34 000 000	61 500 000	53 000 000	27 000 000

ARTICLE 582 — EUROPEAN ECONOMIC COMMUNITY GUARANTEE ON COMMUNITY BORROWINGS AND LENDINGS IN RESPECT OF TRANSPORT INFRASTRUCTURE PROJECTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

- Council Regulation (EEC) No 3600/82 of 30 December 1982 on the granting of limited support in the field of transport infrastructure (10 million ECU in the 1982 budget) ⁽¹⁾. This Regulation and the experimental programme submitted to the Council on 10 December 1982 (COM(82)828 final) represent major steps on the way to adopting proposals on support for projects of Community interest.
- Proposal for a Council Regulation on support for projects of Community interest in transport infrastructure ⁽²⁾.
- Proposal for an amendment to the proposal for a Council Regulation on support for projects of Community interest in transport infrastructure ⁽³⁾.
- Proposal for a Council Regulation on financial support for a multiannual transport infrastructure programme ⁽⁴⁾.

(b) Description

The proposal for a regulation on support for projects of Community interest in transport infrastructure provides for guarantees to encourage the funding of major Community projects which will contribute to the development of the Community.

The projects concerned must satisfy the two series of criteria mentioned under Article 581.

2. Type of expenditure

Meeting of financial obligations under contracts with outside bodies.

⁽¹⁾ OJ No L 376, 31.12.1982.

⁽²⁾ OJ No C 207, 2.9.1976.

⁽³⁾ OJ No C 89, 10.4.1980.

⁽⁴⁾ COM(83)474 final, 5.8.1983.

3. Method of calculation

Of the projects satisfying the criteria mentioned under (b), the project for a fixed cross-Channel link occupies a leading place among the projects which could qualify for a guarantee, in view of its importance to the Community and its topicality.

In view of the state of progress of the preparatory work under way at government level, the Commission reserves the right to make more detailed proposals later.

Historical Archives of the European Commission

ARTICLE 583 — SPECIAL TRANSPORT INFRASTRUCTURE PROJECTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	p.m. ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

⁽¹⁾ An appropriation of 1 202 million ECU has been entered in Chapter 100 for Articles 560 and 583, Chapters 60 and 61, Article 649 and Chapter 70.

1. References and description**(a) References**

- Conclusions of the European Council held in Stuttgart from 17 to 19 June 1983.
- Proposal for a Council Regulation (EEC) establishing special measures of Community interest relating to transport infrastructure ⁽¹⁾.

(b) Description

This Article is intended to finance special measures to improve the transport network in the United Kingdom and the Federal Republic of Germany.

(a) Type of expenditure

Subsidies.

⁽¹⁾ OJ No C 340, 17.12.1983.

ARTICLE 584 — FINANCIAL SUPPORT FOR TRANSPORT INFRASTRUCTURE PROJECTS OUTSIDE THE COMMUNITY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	p.m.	p.m.
Percentage change	0	0

1. References and description**(a) References**

- Article 75(1), subparagraph (c), of the EEC Treaty according to which the Council shall adopt, on a proposal from the Commission, any appropriate provisions to achieve a common transport policy.
- Proposal for a Council Regulation on support for projects of Community interest in transport infrastructure ⁽¹⁾ and in particular the proposal amending this proposal ⁽²⁾.

(b) Description

In response to a request by Austria for a financial contribution and in accordance with the directives adopted by the Council on 15 December 1981 and the interpretation it gave them on 20 December 1983, the Commission is continuing the negotiations with Austria in the transport field.

One of the specific measures the Commission must undertake is to make a comparative analysis of the volume of traffic and road transport costs on links between the Community and Austria so that the next stage of the talks can be instituted.

2. Type of expenditure

If the negotiations are successfully concluded, a financial contribution may be made to a transport infrastructure project in Austria.

⁽¹⁾ OJ No C 207, 2.9.1976.

⁽²⁾ COM(80)58 final, 12.3.1980.

ARTICLE 585 — OBSERVATION OF FREIGHT MARKETS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	800 000	800 000
1985 — Appropriations requested	800 000	800 000
Percentage change	0	0

1. References and description**(a) References**

- Articles 74-84 of the EEC Treaty.
- Communication from the Commission to the Council of 25 October 1973 on the development of the common transport policy (Bulletin of the EC, Supplement 16/73, in particular paragraphs 49 and 87).
- Communication from the Commission to the Council on the operation of the markets in surface goods transport within the Community ⁽¹⁾. Proposal for a Regulation concerning a system for observing the markets for the carriage of goods by rail, road and inland waterway between the Member States ⁽²⁾.
- Council statement of 12 June 1978 on market observation.
- Council statement of 6 December 1979 on the negotiations concerning bilateral road haulage quotas.
- Proposal for an amendment, in accordance with the second paragraph of Article 149 of the EEC Treaty, to the proposal for a Council Regulation (EEC) concerning a system for observing the markets for the carriage of goods by rail, road and inland waterway between the Member States ⁽³⁾.
- Council Resolution of 23 July 1981 on market observation.
- Proposal for a Council Decision on the collection of information concerning the activities of road hauliers participating in the carriage of goods to and from certain non-member countries ⁽⁴⁾.
- Conclusions of the Council meeting of 10 June 1982 on the collection of information concerning the activities of road hauliers participating in the carriage of goods by road on certain routes.
- Communication from the Commission to the Council on progress towards a common transport policy — inland transport ⁽⁵⁾, in particular Sections 5.2 to 5.4 and more specifically paragraph 5.4.2.

⁽¹⁾ COM(75)490 final, 1.10.1975.

⁽²⁾ OJ No C 1, 5.1.1976.

⁽³⁾ OJ No C 351, 31.12.1980.

⁽⁴⁾ OJ No C 36, 12.2.1982.

⁽⁵⁾ COM(83)58 final, 9.2.1983.

(b) Description

This operation forms part of the basic objectives recommended by the Commission in its communications to the Council of October 1973, 1975 and 1983 on the operation of the transport markets, the purpose of which is to organize this sector of economic activity by harmonizing the conditions of competition so that transport operations are conducted at the least cost and in the public interest, while taking into account the objectives of the other common policies.

This operation, which is intended to help the Commission and the public authorities in their decision-making in the transport policy sector, in particular concerning the carriage of goods by the inland modes of transport between the Member States (amounting to some 400 million tonnes per annum), involves setting up and developing a system to monitor trends and make forecasts in order to enable the transport markets to operate correctly and in accordance with the economic requirements.

The aim of this system is to provide information on the structure of the market and on the trend in the carriage of goods by the inland modes of transport in order to enable the economic operators concerned to make a better assessment and analysis of their economic environment, thus promoting, at individual level, more rational decision-making which is more in keeping with the current situation.

2. Type of expenditure

The various individual market-observation operations are covered by contracts with private organizations or authorities in the Member States, the related expenditure being borne entirely by the Commission.

3. Method of calculation and explanation of changes**(a) Method of calculation**

The appropriations requested for 1985 with a view to continuing with the implementation of the market-observation system break down as follows :

— Data collection by means of surveys of transport operators	300 000
— Assessment of rate and cost indices for intra-Community transport	330 000
— Short- and medium-term forecasting of intra-Community traffic	170 000
	<hr/>
Total	800 000

(b) Explanation of changes

The expenditure forecast for 1985 is the same as for 1984 - i.e. a decrease of 5 % in real terms - reflecting the amount saved in the process of applying the cost indices.

New operation**ARTICLE 586 — OPERATION OF FREIGHT MARKETS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	450 000	450 000
1985 — Appropriations requested	450 000	450 000
Percentage change	0	0

1. References and description**(a) References**

- Articles 74-84 of the EEC Treaty.
- Communication from the Commission to the Council of 25 October 1973 on the development of the common transport policy in particular paragraphs 72-74).
- Council Regulation (EEC) No 3164/76 of 16 December 1976 on the Community quota for the carriage of goods by road between Member States ⁽¹⁾, as last amended by Regulation (EEC) No 663/82 ⁽²⁾.
- Council Decision 80/48/EEC of 20 December 1979 on the adjustment of capacity for the carriage of goods by road for hire or reward between Member States ⁽³⁾.
- Communication from the Commission to the Council. Progress towards a common transport policy — inland transport ⁽⁴⁾.
- Proposal for a Council Regulation on the Community quota for the carriage of goods by road between the Member States ⁽⁵⁾.

(b) Description

This operation forms part of the basic objectives recommended by the Commission in its communications to the Council of October 1973, 1975 and 1983 on the operation of the transport markets, the purpose of which is to organize this sector of economic activity by harmonizing the conditions of competition so that transport operations are conducted at the least cost and in the public interest, while taking into account the objectives of the other common policies.

⁽¹⁾ OJ No L 357, 29.12.1976.

⁽²⁾ OJ No L 78, 24.3.1982.

⁽³⁾ OJ No L 18, 24.1.1980.

⁽⁴⁾ COM(83)58 final, 9.2.1983.

⁽⁵⁾ OJ No C 179, 6.7.1983.

This operation, which is intended to help the Commission and the public authorities in their decision-making in the transport policy sector, in particular concerning the carriage of goods by the inland modes of transport between the Member States (amounting to some 400 million tonnes per annum) involves the financing of specific operations carried out by the Council with regard to pricing and capacity policy relating to the markets for the carriage of goods by the inland modes of transport.

The only Council activity in respect of the operation of the markets with financial consequences for the Community is the following: the gathering of statistics in each Member State pursuant to Council Regulation (EEC) No 3164/74 of 16 December 1976 and Council Regulation (EEC) No 3024/77 of 21 December 1977 on the Community quota for the carriage of goods by road between Member States.

2. Type of expenditure

The various individual market-operation activities are covered by contracts with private organizations or authorities in the Member States, the related expenditure being borne entirely by the Commission.

3. Method of calculation

The forecast of expenditure for 1985 has deliberately been kept at the 1984 level in spite of the fact that the real increase in statistics is likely to result in an increase in the number of permits granted to the Member States.

TITLE 6 — APPROPRIATIONS FOR OPERATIONS IN THE SOCIAL SECTOR

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
60	Social Fund — general mea- sures	1 761 000 000	1 194 500 000	1 851 000 000	1 340 300 000	+ 5,1	+ 12,2
61	Social Fund — specific meas- ures	85 000 000	25 500 000	89 000 000	35 700 000	+ 4,7	+ 40,—
	<i>Total Social Fund</i>	1 846 000 000	1 220 000 000	1 940 000 000	1 376 000 000	+ 5,1	+ 12,79
63	Education and vocational training	16 816 000	16 816 000	17 680 000	17 680 000	+ 5,14	+ 5,14
64	Employment, social protection and health	20 752 000	19 952 000	28 427 000	27 326 000	+ 36,98	+ 36,96
65	Contribution to the ECSC for social measures in connection with the restructuring of the coal and steel industry	122 500 000	122 500 000	122 500 000	122 500 000	—	—
66	Protection of the environment and consumers	19 964 000	16 214 000	21 019 000	17 169 000	+ 5,28	+ 5,89
67	Cultural action and the European Foundation	2 140 000	2 140 000	2 680 000	2 680 000	+ 25,2	+ 25,2
68	Training of national civil ser- vants	31 770 000	31 770 000	38 070 000	38 070 000	+ 19,83	+ 19,83
69	Aid to disaster victims in the Community	2 059 942 000	1 429 392 000	2 170 376 000	1 601 425 000	+ 5,36	+ 12,03
	Total						

⁽¹⁾ Including any appropriations entered in Chapter 100.

CHAPTERS 60 and 61 — EUROPEAN SOCIAL FUND (ESF)

SUMMARY

(in Mio ECU)

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984		Appropriations requested for 1985		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3 : 1)	Approps for pay- ments (4 : 2)
		1	2	3	4	5	6
60	General measures						
600	Measures for young people under 25 years						
6000	Less favoured regions	554,0	293,0	582,0	279,3	+ 5,1	- 4,7
6001	Other regions	830,5	439,5	873,0	418,9	+ 5,1	- 4,7
601	Measures for persons over 25 years						
6010	Less favoured regions	151,0	78,0	159,0	76,3	+ 5,3	- 2,2
6011	Other regions	225,5	117,0	237,0	113,8	+ 5,1	- 2,7
607	Former Chapter 60	p.m.	130,0	p.m.	250,0	p.m.	+ 92,3
608	Former Chapter 61	p.m.	137,0	p.m.	200,0	p.m.	+ 46,0
609	Former Chapter 62	p.m.	p.m.	p.m.	2,0	p.m.	+ 100,0
	Chapter 60 — total	1 761,0	1 194,5⁽¹⁾	1 851,0	1 340,3	+ 5,1	+ 12,2
61	Specific operations	85,0	25,5 ⁽¹⁾	89,0	35,7	+ 4,7	+ 40,0
	General total	1 846,0	1 220,0	1 940,0	1 376,0	+ 5,1	+ 12,8

(¹) An appropriation of 1 202 million ECU has been entered in Chapter 100 under Article 560, Chapters 60 and 61 under Article 649, and Chapters 70 and 78.

ESF — General description

1. References and description

(a) References

- Article 123 of the EEC Treaty.
- Council Decision 83/516/EEC of 17 October 1983 on the Social Fund (OJ No L 289, 22.10.1983, p. 38).
- Council Regulation (EEC) No 2950/83 of 17 October 1983 implementing the above-mentioned Decision (OJ No L 289, 22.10.1983, p. 1).
- Commission Decision 83/621/EEC of 30 November 1983 on the rates of assistance from the European Social Fund towards expenditure on recruitment and employment premiums (OJ No L 350, 13.12.1983, p. 25).
- Commission Decision 83/673/EEC of 22 December 1983 on the management of the European Social Fund (OJ No L 377, 31.12.1983, pp. 1-3).

(b) Description

Under Article 123 of the Treaty it is the task of the Social Fund to render the employment of workers easier and increase their geographical and occupational mobility within the Community.

According to its terms of reference and Article 1 (2) of Decision 83/516/EEC, the ESF may participate in the financing of operations concerning :

- vocational training and guidance,
- recruitment and wage subsidies,
- resettlement and social and occupational integration in connection with geographical mobility,
- technical services and advice regarding employment creation.

Fund assistance may be granted for these operations on the basis of one of two types of intervention :

- general measures carried out within the context of the employment policy of each Member State. In this case measures relate to the field of application to persons defined in Article 4 of Decision 83/516/EEC which specifically refers to extending training opportunities to young people immediately on completion of compulsory education.

These measures are referred to in Article 3 (1) of the said Decision and are entered under Chapter 60 of the budget ;

- specific operations mainly intended to encourage the launching of innovatory projects as a general rule within the framework of a programme of action adopted by the Council, and measures to evaluate the effectiveness of projects for which Fund assistance has been granted and facilitate exchanges of experience.

These operations are referred to in Article 3 (2) of the said Decision and are entered under Chapter 61 of the budget.

2. Type of expenditure

Fund assistance is given for operations carried out both by bodies governed by public law and bodies governed by private law with, however, exceeding the amount of the financial contribution of the public authorities of the Member State concerned (Article 2 (1) and Article 5 (1) of Decision 83/516/EEC).

The expenditure eligible for Fund assistance referred to in Article 1 (2) of Decision 83/516/EEC relates to the following (Article 1 of Regulation (EEC) No 2950/83) :

- (a) incomes of persons undergoing vocational training ;
- (b) the costs of :
 - the preparation, operation and administration of vocational training measures, including the vocational guidance of the recipients and the cost of training teaching staff and of training teaching staff and of depreciation,
 - board and lodging, and travelling expenses for the recipients of vocational training,
 - in the case of vocational integration of the handicapped, the adaptation of workplaces ;
- (c) the granting, for a period not exceeding 12 months per person, of aid for recruitment to additional jobs or for employment in projects for the creation of additional jobs which fulfil a public need, for young people under 25 who are seeking employment and long-term unemployed ; the jobs referred to must be stable or likely to provide additional training or experience with a vocational content giving access to the labour market and facilitating employment in a stable job ;
- (d) benefits designed to facilitate the transfer and integration of migrant workers and members of their families ;
- (e) carrying out preparatory or evaluation or studies.

3. Method of calculation and explanation of changes

3.1. Rate of assistance

- (a) Within the limits of available appropriations, the Fund grants assistance equivalent (= 50 %) to the amount of the financial contribution of the public authorities for the implementation of operations by bodies governed by public or private law approved by the Commission on the advice of the Fund Committee. In the case of operations to further employment in Greenland⁽¹⁾, Greece, French Overseas Departments, Ireland, the Mezzogiorno and Northern Ireland (Article 3 (1) of Regulation (EEC) No 2950/83) the rate of assistance is 10 % higher than that provided by the national authorities (Article 5 (2) of Decision 83/516/EEC).
- (b) In the case of operations designed to examine the effectiveness of projects for which Fund assistance has been granted and which are carried out on the initiative of the Commission, assistance covers the total eligible expenditure (Article 5 (3) of Decision 83/516/EEC).

⁽¹⁾ The withdrawal of Greenland is scheduled for 1985.

3.2. Apportionment of available appropriations

The apportionment of the available appropriations in line with Article 7 of Decision 83/516/EEC is vital for the management of the Fund :

- (a) appropriations allocated to projects for young people under 25 years (Article 4 (1) of Decision 83/516/EEC) must not be lower in any one year than 75 % of all appropriations available ;
- (b) appropriations allocated to Fund assistance in respect of specific projects (Article 3 (2) of Decision 83/516/EEC) must not be higher in any year than 5 % of all appropriations available ;
- (c) appropriations allocated to operations aimed at promoting employment in Greenland, Greece, the French Overseas Departments, Ireland, the Mezzogiorno and Northern Ireland must amount to 40 % of all appropriations available for operations referred to in Article 4 (1) of Decision 83/516/EEC ;
- (d) remaining appropriations in excess of 40 % are to be allocated to operations in respect of employment in other areas of high and long-term unemployment and/or industrial and sectoral restructuring.

3.3. Assessment of appropriations for commitment

On account of the difficulties affecting the current budgetary situation, the proposals for 1985 were based on an overall increase of 5,1 % against the authorized appropriations for commitment for 1984, notwithstanding the many reasons obtaining in favour of a considerable increase in resources (unfavourable trends on the labour market ; foreseeable imbalance of the appropriations available compared with the volume of applications ; price trends, particularly in Member States affected by a very long and severe employment imbalance, which are also the largest recipients of Fund assistance).

(a) Chapter 60 (general measures)

The commitment appropriations proposed in this Chapter represent by far the largest proportion of ESF resources (1 851 million ECU out of a total of 1 940 million ECU). Amounts were allocated to the various articles in accordance with the percentage laid down in Article 7 of Decision 83/516/EEC.

Measures for people under 25 years (Article 600) receive appropriations amounting to 1 455 million ECU (75 % of the total), divided as follows :

- 582 million ECU for regions covered by the '40 % rule' (Item 6000),
- 873 million ECU for other regions (Item 6001).

The appropriation proposed for measures for people over 25 years ⁽¹⁾ represents about 20 % of the remaining balance after deduction of the 75 % for measures for young people and the 5 % (maximum) proposed for specific projects. This allocation amounts to 396 million ECU, divided as follows :

- 159 million ECU for regions covered by the '40 % rule' (Item 6010),
- 237 million ECU for all other regions (Item 6011).

(b) Chapter 61 (specific measures)

In view of the tasks to be accomplished by the ESF through this type of measure (development of innovation throughout the Community, especially with a view to operations eligible for ESF assistance ; exchanges of experience and assessment of the effectiveness of ESF assistance) it would be difficult to allocate less than 89 million ECU to this Chapter, although the percentage specified in Article 7 of Decision 83/516/EEC (5 %) is indeed a maximum ;

⁽¹⁾ Article 601.

(c) *The ESF as a whole*

The negative trends on the labour market and the growing disproportion between available appropriations and the total volume of applications would provide grounds for much higher figures than those proposed in the present preliminary draft budget.

The 5,1 % increase for 1985 as against the appropriations authorized for 1984 will mean that the reduction (linear and weighted) will weigh more heavily on all eligible applications.

3.4. Payment appropriations required in 1985

Requirements as regards payment appropriations are based partly on experience in recent financial years and partly on the rate of payment expected to result from the new provisions taking effect on 1 January 1984.

Payments to be made in 1985 relate to commitments entered into :

- before 1985,
- in 1985.

(a) *Commitments entered into before 1985*

The total amount of 2 348,8 million ECU remaining to be settled on 1 January 1985 results from the following approximate calculation :

	(in Mio ECU)
1. Commitment appropriations for 1984	1 846,0
— Payments 1984	953,0
— Outstanding commitments to be settled on 31.12.1984	893,0
2. Commitments entered into before 1984 and still to be settled on 31.12.1984	2 493,7
— Payments to be made in 1984	842,9
— Amounts released for cancellation	100,0
— Amounts released for re-use	95,0
Outstanding commitments to be settled on 31.12.1984	1 455,8

The appropriations required for each financial year have been evaluated in the light of past experience regarding amounts released for cancellation and amounts released for re-use.

The following table shows, in broad terms, the amounts in question for 1985 to 1988, the year in which all the commitments entered into before 1984 are due to be settled :

	(in Mio ECU)			
	Expected payments	Amounts released for cancellation	Amounts released for re-use	Total outstanding amount to be settled
1984	—	—	—	1 455,8
1985	452,0	50,0	—	953,8
1986	400,0	50,0	—	503,8
1987	400,0	40,0	—	63,8
1988	53,8	10,0	—	0,0

These requirements for payment appropriations appear in the annual payment appropriations under Articles 607, 608 and 609.

(b) Commitment appropriations for the 1985 financial year

The schedule of payments is based on the new rules providing, in respect of :

- general measures (Chapter 60), for the automatic payment of a 50 % advance on request, each amounting to 30 % of the approved assistance,
- specific measures (Chapter 61), for the payment of two advances on request, each amounting to 30 % of the approved assistance.

With reference to the administrative procedure for the operation of the Fund, the schedule of payments is expected to be as follows :

(%)

Chapter	Commitment appropriations for 1985	Payments				
		1985	1986	1987	1988	Subsequent years
60	100	50	10	20	10	10
61	100	30	10	20	20	20

In brief, the overall schedule of payments (Chapters 60 and 61) is as follows :

(in Mio ECU)

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	1 917,7	267,0	451,5	399,5	399,9	399,8
Appropriation outstanding from 1983	71,5	35,7	7,2	14,4	7,2	7,0
Appropriation for 1984	1 846,0 ⁽¹⁾	917,3	184,6	545,3	162,1	36,7
Appropriation for 1985	1 940,0 ⁽²⁾	—	732,7	194,0	573,1	440,2
Total	5 775,2	1 220,0	1 376,0	1 153,20	1 142,3	883,7

(¹) The schedule of payments takes no account of the rigorous management measures for the 1984 budget proposed in the Commission Document introducing measures to cover budgetary requirements in 1984 (COM(84)250 final), which could lead to reductions in certain payments.

(²) In practice, and to the extent that available appropriations for payment will not suffice to cover all requirements in 1985, there will be some delay in executing the budget for the year in question, following measures to be determined.

ESF — Detailed presentation

The following schedules are based on an increase of 5,1 % as against the appropriations authorized for 1984.

CHAPTER 60 — ESF GENERAL MEASURES

1. References and description

(a) References

- Council Decision 83/516/EEC of 17 October 1983, in particular Article 1 (2) and 3 (1) (4) (OJ No L 289, 22.10.1983, p. 38).
- Council Regulation (EEC) No 2950/83 of 17 October 1983 on the implementation of Council Decision 83/516/EEC (OJ No L 289, 22.10.1983, p. 1).

(b) Description

Various types of general measures carried out in the context of the Member States' employment policies. The Fund may participate in the financing of operations concerning :

- vocational training and guidance ;
- recruitment and wage subsidies ;
- resettlement and social integration in connection with geographical mobility ;
- technical services and advice on employment creation.

In the context of these operations Fund assistance may be granted for the following broad categories :

- job-seekers, especially young school-leavers ;
- women who wish to return to work ;
- handicapped people who are capable of working in the open labour market ;
- migrant workers who move or have moved within the Community to take up work, together with the members of their families ;
- people who are employed particularly in small or medium-sized undertakings and who require retraining with a view to the introduction of new management techniques in those undertakings ;
- people to be engaged as instructors, vocational-guidance or placement experts or development agents.

2. Type of expenditure

Subsidies.

3. Method of calculation and explanation of changes

An increase of 5,1 % for commitment appropriations as against the appropriations authorized for 1984 is proposed.

3.1. Article 600 — Measures for young people under 25 years

(a) *Commitment appropriations*

Pursuant to Article 7 (1) of Decision 83/516/EEC, measures for young people under 25 years account for 75 % of all the proposed appropriations for commitment. Pursuant to paragraph 3 of that Article the appropriations are divided between two headings.

The commitment appropriations proposed under Item 6000 are intended to finance projects to promote employment in Greenland, Greece, the French Overseas Departments, Ireland, the Mezzogiorno and Northern Ireland.

Appropriations for commitment proposed under Item 6001 are intended to finance operations in respect of employment in other areas of high and long-term unemployment and/or industrial and sectoral restructuring.

(b) *Appropriations for payment*

The proposed schedule of payments in relation to commitments is as follows:

ITEM 6000 — MEASURES FOR YOUNG PEOPLE UNDER 25 YEARS IN LESS-FAVOURED REGIONS

The schedule of payments in relation to commitments is as follows:

(in Mio ECU)

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	70,3 ⁽¹⁾	35,7 ⁽¹⁾	6,7 ⁽¹⁾	13,9 ⁽¹⁾	7,1 ⁽¹⁾	6,9 ⁽¹⁾
Appropriation for 1984	554,0	257,3	55,4	166,2	55,4	19,7
Appropriation for 1985	582,0	—	217,2	58,2	174,6	132,0
Total	1 206,3	293,0	279,3	238,3	237,1	158,6

⁽¹⁾ The appropriations are entered under Articles 607 and 608 in 1984.

ITEM 6001 — MEASURES FOR YOUNG PEOPLE UNDER 25 YEARS IN OTHER REGIONS

The schedule of payments in relation to commitments is as follows :

(in Mio ECU)

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	830,5	439,5	83,0	249,1	58,9	—
Appropriation for 1985	873,0	—	335,9	87,3	261,9	187,9
Total	1 703,5	439,5	418,9	336,4	320,8	187,9

3.2. Article 601 — Measures for young people over 25 years

(a) *Commitment appropriations*

In accordance with Article 7 (1) and (2) of Decision 83/516/EEC ; projects for persons aged over 25 account for 20 % of all proposed commitment appropriations. In accordance with paragraph 3 of that Article these appropriations are divided between two headings.

The commitment appropriations proposed under Item 6010 are intended to finance projects to promote employment in Greenland, Greece, the French Overseas Departments, Ireland, the Mezzogiorno and Northern Ireland.

The proposed commitment appropriations under Item 6011 are intended to finance operations to promote employment in other regions or areas of high and long-term unemployment and/or industrial sectoral restructuring.

(b) *Payment appropriations*

The schedule of payments in relation to commitments is as follows :

ITEM 6010 — MEASURES FOR PERSONS OVER 25 YEARS IN LESS-FAVOURED REGIONS

The schedule of payments in relation to commitments is as follows :

(in Mio ECU)

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	151,0	78,0	15,1	45,3	12,6	—
Appropriation for 1985	159,0	—	61,2	15,9	47,7	34,2
Total	310,0	78,0	76,3	61,2	60,3	34,2

ITEM 6011 — MEASURES FOR PERSONS OVER 25 YEARS IN OTHER REGIONS

The schedule of payments in relation to commitments is as follows :

(in Mio ECU)

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	225,5	117,0	22,6	67,7	18,2	—
Appropriation for 1985	237,0	—	91,2	23,7	71,1	51,0
Total	462,5	117,0	113,8	91,4	89,3	51,0

3.3. Article 607 — Former Chapter 60

In accordance with Council Decision 83/516/EEC, Decision 71/66/EEC of 1 February 1971 on the reform of the European Social Fund (OJ No L 28, 4.2.1971, p. 15) is rescinded. Nevertheless, this Decision and other Decisions adopted pursuant to its Article 4 remain applicable to operations for which an application was presented before the entry into force of Decision 83/516/EEC.

(a) *Commitment appropriations*

This refers to operations in accordance with Article 4 of Decision 71/66/EEC.

Commitment appropriations proposed for 1985 : p.m.

(b) *Payment appropriations*

The remaining payments to be settled in respect of commitments entered into before 1984 amount to 981,5 million ECU.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	981 500 000,0	130,0	250,0	200,0	200,0	201,5
Appropriation outstanding from 1983						
Appropriation for 1984						
Appropriation for 1985						
Total						

3.4. Article 608 — Former Chapter 61

In accordance with Council Decision 83/516/EEC, Council Decision 71/66/EEC of 1 February 1971 on the reform of the European Social Fund (OJ No L 28, 4.2.1971, p. 15) is rescinded. However, this Decision and any Decisions adopted pursuant to its Article 4 remain applicable to operations for which an application was submitted before the entry into force of Decision 83/516/EEC.

(a) *Commitment appropriations*

This refers to measures under Article 5 of Decision 71/66/EEC. Commitment appropriations proposed for 1985 : p.m.

(b) *Payment appropriations*

The outstanding payments to be settled in respect of commitments entered into before 1984 amount to 932,6 million ECU.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	932 600 000,0	137,0	200,0	198,0	199,5	198,1
Appropriation outstanding from 1983						
Appropriation for 1984						
Appropriation for 1985						
Total						

3.5. Article 609 — Former Chapter 62

In accordance with Council Decision 83/516/EEC, Council Decision 71/66/EEC of 1 February 1971 on the reform of the European Social Fund (OJ No L 28, 4.2.1971, p. 15) is rescinded. However, this Decision and any Decisions adopted pursuant to its Article 4 remain applicable to measures for which application was submitted before the entry into force of Decision 83/516/EEC.

(a) Commitment appropriations

This refers to measures under Article 7 of Decision 71/66/EEC. Commitment appropriations proposed for 1986 : p.m.

(b) Payment appropriations

The payments remaining to be settled in respect of commitments entered into before 1984 amount to 4,8 million ECU.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	3 600 000,0	—	1,5	1,5	0,4	0,2
Appropriation outstanding from 1983	1 200 000,0	—	0,5	0,5	0,1	0,1
Appropriation for 1984						
Appropriation for 1985						
Total	4 800 000,0	—	2,0	2,0	0,5	0,3

CHAPTER 61 — ESF — SPECIFIC OPERATIONS

1. References and description

(a) References

- Council Decision 83/516/EEC of 17 October 1983, in particular Article 1 (2), Article 3 (2) and Article 4 (OJ No L 289, 22.10.1983, p. 38).
- Council Regulation (EEC) No 2950/83 of 17 October 1983 on the implementation of Decision 83/516/EEC (OJ No L 289, 22.10.1983, p. 1).

(b) Description

Specific measures, various in kind, aimed at promoting the launching of operations of an innovative nature, in particular by way of implementation of a Community programme, evaluating the effectiveness of projects for which Fund assistance is being granted, or facilitating exchanges of experience. Measures eligible for ESF assistance are mainly of the following kinds:

- vocational training and guidance ;
- recruitment and wage subsidies ;
- resettlement and social integration in connection with geographical mobility ;
- technical services and advice on employment creation ;
- evaluating the effectiveness of projects and facilitating of experience.

The following categories of people may benefit from specific measures receiving Fund assistance :

- job-seekers, in particular young people aged under 25 ;
- women who wish to return to work ;
- handicapped people who are capable of working in the open labour market ;
- migrant workers who move or have moved within the Community to take up work, together with the members of their families ;
- people who are employed particularly in small or medium-sized undertakings and who require retraining with a view of the introduction of new management techniques in those undertakings ;
- people to be engaged as instructors, vocational-guidance or placement experts or development agents.

2. Nature of the expenditure

Subsidies.

3. Method of calculation and explanation of changes

This represents an increase of 4,7 % against appropriations authorized for 1984.

3.1. Article 610 — Specific measures

(a) *Commitment appropriations*

In accordance with Article 7 (2) of Decision 83/516/EEC specific measures account for 5 % of the total commitment appropriations proposed.

(b) *Payment appropriations*

The schedule of payments in relation to commitments is as follows :

(in Mio ECU)

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	85,0	25,5	8,5	17,0	17,0	17,0
Appropriation for 1985	89,0	—	27,2	8,9	17,8	35,1
Total	174,0	25,5	35,7	25,9	34,8	52,1

CHAPTER 63 — EDUCATION AND VOCATIONAL TRAINING

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
630	Education	5 236 000	5 236 000	5 400 000	5 400 000	+ 3,1	+ 3,1
631	Preparation of young people for working life	5 700 000	5 700 000	6 100 000	6 100 000	+ 7,0	+ 7,0
632	European Centre for the Development of Vocational Training	4 550 000	4 550 000	4 800 000	4 800 000	+ 5,5	+ 5,5
633	Community vocational train- ing and guidance operations	800 000	800 000	850 000	850 000	+ 6,3	+ 6,3
634	Continuing training, including cooperation between residen- tial centres for adults	330 000	330 000	330 000	330 000	—	—
636	Community measures in favour of minority languages and cultures	200 000	200 000	200 000	200 000	—	—
	Total	16 816 000	16 816 000	17 680 000	17 680 000	+ 5,1	+ 5,1

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 630 — EDUCATION**ITEM 6300 — IMPLEMENTATION OF THE EDUCATION PROGRAMME**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	4 736 000	4 736 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 800 000	4 800 000
Percentage change	+ 1,35	+ 1,35

1. References and description**(a) References**

- Resolution of the Council and the Ministers for Education, meeting within the Council, of 9 February 1976 comprising an action programme in the field of education (OJ No C 38, 19.2.1976), plus :
- Obligations deriving from the Treaty (Article 49) and, more specifically, in the field of education for migrant workers and their children, the measures adopted in Council Regulation No 1612/68 and Article 12 thereof (OJ No L 257, 19.10.1968) ;
- Council Resolution of 9 February 1976 on an action programme for migrant workers and their families (OJ No C 34, 14.2.1976) ;
- Resolutions of the Council and of the Ministers for Education, meeting within the Council, of 13 December 1976 and 15 January 1980 concerning measures to be taken to improve the preparation of young people for work and to facilitate their transition from education to working life (OJ No C 308, 30.12.1976 ; OJ No C 23, 30.1.1980) ;
- Council Directive of 25 July 1977 on the schooling of the children of migrant workers (OJ No L 199, 6.8.1977) ;
- Conclusions of the meeting of the Council and the Ministers for Education, meeting within the Council, of 27 June 1980 (Education Committee's programme report — OJ No C 168, 8.7.1980, p. 1) ;
- Resolution of the European Parliament of 11 February 1981 on the position of women in the European Community (OJ No C 50, 9.3.1981, p. 35).
- Resolution of 12 May 1982 embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a draft resolution concerning a new Community action programme on the promotion of equal opportunities for women (OJ No C 149, 14.6.1982, p. 56) ;

- Conclusions of the meeting of the Council and the Ministers for Education, meeting within the Council, of 22 June 1981 and Council Resolution of 12 July 1982 (OJ No C 193, 28.7.1982) ;
- Resolution of the European Parliament of 11 March 1982 on a Community programme in the field of education (OJ No C 87, 5.4.1982, p. 90) ;
- Council Resolution of 12 July 1982 on the promotion of equal opportunities for women (OJ No C 186, 21.7.1982, p. 3) ;
- Council Resolution of 11 July 1983 concerning vocational training policies in the European Communities in the 1980s (OJ No C 193, 20.7.1983, p. 2).

(b) *Description*

The Resolution of the Council and the Ministers for Education, meeting within the Council, of 9 February 1976, defines an action programme comprising a number of operations in six sectors, set out under paragraph 3 below.

2. Type of expenditure

Contributions to (national) pilot schemes, exchanges and visits, sundry services, seminars, symposia and reports, collection and dissemination of information.

3. Method of calculation and explanation of changes

(a) *Method of calculation*

— Improved facilities for the education and training of nationals and the children of nationals of other Member States of the Communities and of non-member countries	1 100 000
— Bringing education systems in Europe into closer alignment	600 000
— Compilation of up-to-date documentation and statistics on education	1 150 000
— Cooperation between higher education institutions	1 700 000
— Equality of opportunity with a view to providing full access to all forms of education	125 000
— Promotion of modern languages	125 000
Total	4 800 000

(b) *Explanation of changes*

The proposed increase can be explained by the need to step up work on the implementation and development of the various activities provided for in the programme adopted by the Council and the Ministers for Education on 9 February 1976 — especially of those relating to the provision of information and the dissemination and publication of the results of studies, pilot projects and schemes involving cooperation between Member States and the Community.

The figures for 1985 take account more particularly of the following factors :

- the need to facilitate the implementation of Directive 77/486/EEC of 25 July 1977 on the education of the children of migrant workers ;
- the development of the policy of equivalence between education systems - training of teachers and headmasters ;
- the success of the first five years of the joint study programmes, a success recognized by the Education Committee, the European Parliament Committee on Youth, Culture, Education, Information and Sport and by higher education institutions ;
- the possibility of moving towards pragmatic solutions to the problem of academic recognition of diplomas in the Community ;
- the need to bear at least 10 % of the cost of joint study programmes established in the Member States, the remaining 90 % being paid by the national institutions themselves, bearing in mind the wish expressed in May 1983 by the Council and the Ministers for Education that Community level initiatives in the area of higher education might be intensified. (Minutes of the 848th meeting of the Council of 2.6.1983. Doc. EDUC 54-7483/83.)

ITEM 6301 — EDUCATION AND NEW INFORMATION TECHNOLOGIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	100 000	100 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	200 000	200 000
Percentage change	+ 100	+ 100

1. References and description

(a) References

- Resolution of the Council and the Ministers for Education meeting within the Council of 9 February 1976 comprising an action programme in the field of education (OJ No C 38, 19.2.1976).
- Resolutions of the Council and the Ministers for Education meeting within the Council of 13 December 1976, 15 January 1980 and 12 July 1982 concerning measures to be taken to improve the preparation of young people for work and to facilitate their transition from education to working life (OJ No C 308, 30.12.1976 ; OJ No C 23, 30.1.1980 ; OJ No C 193, 2.9.1982).
- Resolution of the European Parliament of 11 February 1981 on the position of women in the European Community (OJ No C 50, 9.3.1981, p. 35).

- Resolution of 12 May 1982 embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a draft resolution concerning a new Community action programme on the promotion of equal opportunities for women (OJ No C 149, 14.6.1982, p. 56) ;
- Council Resolution of 12 July 1982 on the promotion of equal opportunities for women (OJ No C 186, 21.7.1982, p. 3) ;
- Council Resolution of 2 June 1983 concerning vocational training measures relating to new information technologies (OJ No C 166, 25.6.1983, p. 1) ;
- Resolution of the European Parliament of 11 March 1982 on a Community programme in the field of education (OJ No C 87, 5.4.1982, p. 90) ;
- Resolution of the Council and the Ministers for Education meeting within the Council of 19 September 1983 concerning specific measures at Community level in the field of new information technologies (OJ No C 256, 24.9.1983) ;

In preparation :

- Council Resolution on technological change and social adjustment (see COM(84)6 final, 26.1.1984).

(b) Description

For the period 1984-86 the specific measures at Community level will bear on the five following topics recognized as having priority status by the Council and the Ministers for Education, meeting within the Council, in their Resolution of 19 September 1983 :

- the training of teachers and teacher trainers,
- the introduction of the new technologies with reference to teaching,
- the place of the new technologies in the relationship between school and society,
- languages and equipment,
- information and exchange activities.

The implementation of these specific measures will take the form in 1985 of the development and reinforcement of a number of activities initiated in 1984, such as : the organization of meetings of teacher trainers, studies and meetings of specialists, programmes of exchanges and visits, dissemination of information.

2. Nature of the expenditure

Expenses in respect of experts and exchanges of same, seminars, symposia and reports, various services, expenditure in respect of the collection and dissemination of information.

3. Method of calculation and explanation of changes

(a) Method of calculation.

— Organization of symposia and seminars at Community level	70 000
— Training of teachers and instructors (particularly short study visits)	50 000
— Development of software and hardware systems	40 000
— Dissemination of specialized information	40 000
Total	200 000

(b) Explanation

The appropriations requested for 1985 represent the second phase of a set of specific measures at Community level extending over three years (1984-86) at the end of which an overall report is to be submitted to the Council and Ministers for Education meeting within the Council. In order to ensure the success of these initiatives concerning priority topics of common interest, it is important to reinforce the means of action necessary to develop these activities, bearing in mind the prospects opened up by the recent communication from the Commission to the Council (COM(84)6 final).

ITEM 6302 — COOPERATION BETWEEN EUROPEAN UNIVERSITIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	400 000	400 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	400 000	400 000
Percentage change	—	—

1. References and description

The appropriations under Article 630 for cooperation in higher education are primarily intended to facilitate the launching of joint study programmes in the area referred to.

This appropriation is intended to cover the initial costs for these joint study programmes.

2. Type of expenditure

Contributions towards the implementation of joint study programmes.

3. Method of calculation and explanation of changes**(a) Method of calculation**

Contribution :

— to the administrative costs of joint study programmes	100 000
— to the travel costs of students and teachers taking part in joint study programmes	300 000
Total	400 000

(b) Explanation of changes

Financial aid granted by the Community represents but a small percentage of the real cost of implementing joint study programmes.

This amount will cover only a few of the applications for financial assistance under this programme.

ARTICLE 631 — PREPARATION OF YOUNG PEOPLE FOR WORKING LIFE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	5 700 000	5 700 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	6 100 000	6 100 000
Percentage change	+ 7,02	+ 7,02

1. References and description**(a) References**

- Resolution of the Council and the Ministers for Education, meeting within the Council, of 9 February 1976 comprising an action programme in the field of education, particularly points II, III and IV, paragraphs 21-22 thereof (OJ No C 38, 19.2.1976).
- Resolutions of the Council and of the Ministers for Education meeting within the Council of 13 December 1976 and 15 January 1980 concerning measures to be taken to improve the preparation of young people for work and to facilitate their transition from education to working life (OJ No C 308, 30.12.1976 ; OJ No C 23, 30.1.1980).
- Resolution of the Council and of the Ministers for Education, meeting within the Council, of 12 July 1982 concerning measures to be taken to improve the preparation of young people for work and to facilitate their transition from education to working life (OJ No C 193, 28.7.1982, p. 1).

(b) Description

The Resolution of the Council of 12 July 1982 referred to above recommends, pursuant to the Resolution of the Council of 9 February 1976 and further to the programme of pilot projects laid down on the basis of that Resolution, the implementation until 31 December 1986 of pilot projects to assist national policy as regards the transition of young people from education to working life.

To this end, the Commission has made preparations for the establishment under this action programme of an interaction network for cooperation on the transition from education to working life comprising 30 pilot areas characterized by particularly high levels of youth unemployment and spread over the whole Community. This network will help to improve the coordination and evaluation at Community level of activities aimed at preparing pupils in schools for vocational training. These activities, normally organized by the public authorities, take the form most frequently of efforts to inform pupils about working life and the labour market so as to make it easier for them to find jobs and thus reduce unemployment amongst school-leavers. The planned network should contribute towards the development and ongoing evaluation not only of these activities but also of new forms of cooperation between schools and the outside world at local level.

2. Type of expenditure

This appropriation is mainly intended to finance :

- pilot projects and the organization of a network to coordinate and evaluate the projects, symposia, publications and information ;
- cost of experts, secretarial work and various related services.

3. Method of calculation and explanation of changes

(a) Method of calculation

— Co-financing of 30 pilot projects (an average of 150 000,00 ECU per project)	4 500 000,00
— Team of experts at Community level (8 experts, Secretariat and technical service)	1 000 000,00
— Interaction and dissemination of information (including travel costs, seminar, etc.)	600 000,00
	<hr/>
Total	6 100 000,00

(b) Explanation of changes

On the basis of activities initiated in 1983, 1985 represents the third operational year of the programme of pilot projects adopted by the Council as regards, among other things, its financial implications.

Inflation is estimated at less than 7 % (1983-85).

ARTICLE 632 — EUROPEAN CENTRE FOR THE DEVELOPMENT OF VOCATIONAL TRAINING

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	4 550 000	4 550 000
1985 — Appropriations requested	4 800 000	4 800 000
Percentage change	+ 5,50	+ 5,50

1. References and description**(a) References**

- The European Centre for the Development of Vocational Training, one of the priorities in the social action programme (Council Resolution of 21 January 1974) was set up by Council Regulation (EEC) No 337/75 of 10 February 1975.
- Proposal from the Commission to the Council to amend the abovementioned regulation (COM(81) 753 final of 13 January 1982).

(b) Description

The aim of the Centre is to :

- assist the Commission in encouraging, at Community level, the promotion and development of vocational training and in-service training ;
- act as a forum for the exchange of information and experience ;
- provide a meeting place for the interested parties where they may hammer out a joint approach to the problems of vocational training.

1985 will be the third year of a three-year outline plan adopted by the Management Board on 1 December 1982.

There are nine areas of work in which the Centre is expected to provide a contribution over the years 1983-85 : young people ; equal opportunities for women and men ; migrant workers ; the handicapped ; continuing training ; vocational training and job-creation schemes ; training of instructors ; information on developments in national training systems.

The utilization of previous work aimed at making the results accessible to decision-makers represents a major area of the Centre's activities.

The Centre has its seat in Berlin. It is administered by a management board representing the Member States, employers, workers and the Commission.

Pursuant to the abovementioned Regulation (EEC) No 337/75, a subsidy for the Centre is entered each year in the European Communities' budget under a specific heading. The appropriation under this item represents the subsidy.

3. Method of calculation and explanation of changes

(a) Method of calculation

The Centre's requirements (as set out in its estimates) are :

		Difference as compared with 1984 %
— Staff ; including four new posts (one A/5, one A/6, one B/3 and one C/2)	2 543 000	+ 8,63
— Administrative expenditure	413 000	+ 17,—
— Operating expenditure	2 042 000	+ 9,50
— Miscellaneous expenditure	p.m.	p.m.
Total	4 998 000	
To be deducted (miscellaneous revenue)	— 22 000	
Subsidy requested from the Community	4 976 000	+ 9,36

(b) Explanation of changes

The subsidy is fixed on the basis of the estimates forwarded each year by the Foundation's Management Board. The estimate is forwarded to the budgetary authority at the same time as the preliminary draft budget.

Following an examination of the estimate and in view of the current budgetary situation, the Commission is of the opinion that a subsidy of 4 800 000 ECU, being an increase of 5,5 %, should be sufficient.

The amount of operating expenditure remains the same, while staff (including one new B/3 post) and administrative expenditure is increased by 8 %.

ARTICLE 633 — COMMUNITY ACTIVITIES RELATING TO VOCATIONAL TRAINING AND GUIDANCE

ITEM 6330 — SPECIFIC MEASURES RELATING TO TRAINING IN GENERAL

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	350 000	350 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	350 000	350 000
Percentage change		—

1. References and description

(a) References

- Articles 118 and 128 of the EEC Treaty.
- Council Decision of 2 April 1963 laying down general principles for implementing a common vocational training policy (OJ No 63, 20.4.1963).
- Commission Recommendation to the Member States of 18 July 1966 on the development of vocational guidance (OJ No 154, 24.8.1966).
- Council Resolution of 21 January 1974 (social action programme), in particular priority No 3 : 'Implementation of a common vocational training policy...' (OJ No C 13, 12.2.1974).
- Commission Recommendation of 6 July 1976 on the preparation of young people for working life.
- Council Resolution of 18 December 1979 on linked work and training for young persons (OJ No C 1, 3.1.1980, p. 1).
- Council Resolution of 27 June 1980 on guidelines for a Community labour market policy.
- Resolution of Parliament of 13 May 1982 on measures to combat illiteracy.
- Council Resolution of 11 July 1983 concerning vocational training policies in the European Communities in the 1980s (OJ No C 193/2, 20.7.1983) ;
- Council Resolution of 2 June 1983 concerning vocational training measures relating to new information technologies (OJ No C 166/1, 25.6.1983).

(b) Description

On the basis of the 1963 decision and work already carried out in the field of vocational training and guidance, the Council, in adopting the Resolution of ... 1983 based on the abovementioned Commission communication, has instructed the Commission to implement Community measures in three priority areas with a view to encouraging and supporting vocational training measures taken by the Member States :

- social and vocational preparation and vocational training for young people,
- development of training measures to further equality of opportunity,
- coordination of vocational training measures in the context of local and regional development and job-creation schemes.

The implementation of this policy at Community level will take the form in 1984 of activities to support and coordinate innovation through projects receiving assistance from the European Social Fund ; meetings, visits and exchanges contributing towards the achievement of specific measures ; the collection and dissemination of information connected with the common vocational training policy.

2. Type of expenditure

The appropriations are mainly intended to finance :

- coordination and promotion of demonstration projects, symposia, studies and reports, exchanges of experts, subsidies ;
- secretarial work and various related services.

3. Method of calculation and explanation of changes**(a) Method of calculation**

— Coordination and assistance in respect of demonstration projects	210 000
— Meetings of experts in the field of vocational training (including equivalence of qualifications)	60 000
— Dissemination and gathering of information	30 000
— Subsidy to European vocational training bodies	50 000
Total	350 000

(b) Explanation of changes

The amount of the appropriation is the same as the appropriation authorized for 1984.

ITEM 6331 — ACTIVITIES RELATING TO TRAINING IN NEW INFORMATION TECHNOLOGY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	450 000	450 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	500 000	500 000
Percentage change	+ 11,11	+ 11,11

1. References and description

(a) References

- Article 128 of the EEC Treaty.
- Council Decision 63/266 of 2 April 1963 laying down general principles for implementing a common vocational policy (OJ No 63, 20.4.1963).
- Council Resolution of 21 January 1974 (social action programme) in particular priority No 3 : 'Implementation of a common vocational training policy...' (OJ No C 13, 12.2.1974).
- Council Resolution of 11 September 1979 on a Community action promoting micro-electronic technology, inviting the Commission to submit specific projects on industrial policy and further education for technicians and engineers (OJ No C 231, 13.9.1979).
- Resolutions of the European Parliament of 15 and 17 September 1981 calling for an increase in Community efforts as regards training to take account of the micro-electronic revolution (PE 74.858 of 15.9.1981 and PE 74.712 of 17.9.1981).
- Council Resolution of 2 June 1983 concerning vocational training measures relating to new information technologies (OJ No C 166/1, 25.6.1983) ;
- Council Resolution of 11 July 1983 concerning vocational training policies in the European Communities in the 1980s (OJ No C 193, 20.7.1983).

In preparation :

- Council Resolution on technological change and social adjustment (see Doc. COM(84)6 final, 26.1.1984).

(b) Description

In the context of the Community action programme presented in the abovementioned communication from the Commission to the Council concerning vocational training and new information technologies, and more generally the social implications, the Commission is setting up a network of demonstration projects aimed at encouraging exchanges of experience and promising innovations and, consequently, guiding the Member States in the development of their policies. These demonstration projects will be developed in conjunction with the Member States on the basis of the following common objectives :

- training requirements in new technologies, particularly as regards small and medium-sized firms,
- occupational integration of unemployed young people, particularly those with inadequate or unsuitable skills ;
- safeguarding jobs or re-employment for skilled workers.

The implementation of this five-year (1983-87) Community action programme, the first year of which was devoted to preparatory work, will involve the development of a continuous programme of exchanges and visits and a number of connected activities (studies, conferences, meetings of experts, publications and other activities to disseminate information) relating in particular to a study of vocational skills in the electronics and information technology sectors. A team of experts will evaluate and supervise demonstration projects forming part of the network and coordinate these projects at Community level.

2. Type of expenditure

This appropriation is mainly intended to cover the cost of :

- meetings and exchanges of experts, collection and dissemination of information, seminars, symposia and reports ;
- secretarial work and various related services.

3. Method of calculation and explanation of changes**(a) Method of calculation**

— Seminars and symposia	65 000
— Technical assistance for the demonstration projects and coordination of projects	330 000
— Exchanges and visits	65 000
— Collection and dissemination of information	40 000
	<hr/>
Total	500 000

(b) Explanation of changes

The proposed change ($500\,000/450\,000 = 11\%$) is accounted for by the need to ensure the success of training operations initiated pursuant to the above Resolution, bearing in mind developments connected with the proposals put forward by the Commission in its recent communication (COM(84)6 final).

ARTICLE 634 — CONTINUING TRAINING, INCLUDING COOPERATION BETWEEN RESIDENTIAL CENTRES FOR ADULTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	330 000	330 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	330 000	330 000
Percentage change	—	—

1. References and description

(a) References

- Article 118 of the EEC Treaty concerning cooperation between the Member States in the social field, particularly in matters relating to vocational training.
- Council Decision of 2 April 1963 laying down general principles for implementing a common vocational training policy (OJ No C 63, 20.4.1963).
- Resolution of the European Parliament of 16 June 1978 (OJ No C 163, 10.7.1978, p. 72).
- Council Resolution of 11 July 1983 concerning vocational training policies in the European Communities in the 1980s (OJ No C 193/2, 20.7.1983) ;
- Council Resolution of 2 June 1983 concerning vocational training measures relating to new information technologies (OJ No C 166/1, 25.6.1983).

(b) Description

On 16 June 1978 a Resolution of the European Parliament called for action to support existing adult residential education centres and encourage the establishment of new ones as a contribution to European understanding. In response, the Commission is supporting collaboration projects based on residential centres for adults, including the 'Europe Houses' with a view to encouraging closer contacts in a European context on problems relating to adult education in the current high-unemployment situation, for example the instructors concerned with development at local level and those in charge of programmes for teaching adults to read and write.

2. Type of expenditure

Subsidies, costs of symposia, seminars and reports.

3. Explanation

The amount of the appropriation is the same as the amount authorized in 1984.

ARTICLE 636 — COMMUNITY MEASURES IN FAVOUR OF MINORITY LANGUAGES AND CULTURES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	200 000	200 000
1985 — Appropriations requested	200 000	200 000
Percentage change		—

1. References and description**(a) References**

- Resolution of Parliament of 16 October 1981 on a Community charter of regional languages and cultures and on a charter of rights of ethnic minorities (OJ No C 287, 9.11.1981, p. 107).
- Resolution of 11 February 1983 on measures in favour of minority languages and cultures (OJ No C 68, 14.3.1983).

(b) Description

In 1985 the above Resolutions of the European Parliament will be implemented by :

- an analysis of the attitudes of the public in the Member States towards minority languages and cultures ;
- activities designed to improve the exchange of experience and information between minority groups in the Community and promote the establishment of structures likely to establish cooperation between all those concerned with the preservation and promotion of minority languages and cultures ;
- the organization of study visits by persons in a position to disseminate their knowledge so that they acquire experience of the different bilingual education systems already in operation for the benefit of minorities in other countries ;
- support for the preparation of teaching material facilitating the introduction of the European dimension to the teaching of minority languages and cultures.

2. Type of expenditure

Symposia and exchanges of experience and information, subsidies and study grants.

3. Method of calculation and explanation of changes**(a) Method of calculation**

— Symposia, studies and exchanges of information	70 000
— Support measures	130 000
	<hr/>
Total	200 000

(b) Explanation of changes

The aim is to develop a limited number of measures, as described above, in response to the request from Parliament (above-mentioned resolutions).

CHAPTER 64 — EXPENDITURE ON EMPLOYMENT, SOCIAL PROTECTION AND HEALTH

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
640	Community measures under the employment policy	2 780 000	2 780 000	5 770 000	5 770 000	+ 107,6	+ 107,6
641	European Foundation for the Improvement of Living and Working Conditions	4 300 000	4 300 000	4 475 000	4 475 000	+ 4,1	+ 4,1
642	Community measures to promote the participation of both sides of industry in the economic and social decisions of the Community	1 285 000	1 285 000	1 285 000	1 285 000	—	—
643	Measures for certain categories of workers	2 250 000	2 250 000	2 250 000	2 250 000	—	—
644	Measures which could increase the effectiveness of the social policy of the Community	2 680 000	2 680 000	2 740 000	2 740 000	+ 2,2	+ 2,2
645	Community measures for social protection	1 500 000	1 500 000	1 900 000	1 900 000	+ 26,7	+ 26,7
646	Pilot research projects on action to combat poverty	1 000 000	500 000	5 000 000	3 019 000	+ 400,—	+ 503,8
647	Community measures to improve workers' housing conditions	1 650 000	1 350 000	1 700 000	2 580 000	+ 3,—	+ 91,1
648	Community measures in the field of health	3 307 000	3 307 000	3 307 000	3 307 000	—	—
649	Special measures to promote employment	p.m. ⁽²⁾	p.m. ⁽²⁾	p.m.	p.m.	—	—
	Total	20 752 000	19 952 000	28 427 000	27 326 000	+ 36,98	+ 36,96

⁽¹⁾ Including any appropriations entered in Chapter 100.

⁽²⁾ An appropriation of 1,202 million ECU is entered under Chapter 100 for Article 560, Chapters 60 and 61, Article 649 and Chapters 70 and 78.

ARTICLE 640 — COMMUNITY MEASURES UNDER THE EMPLOYMENT POLICY**ITEM 6400 — RESEARCH AND RELATED MEASURES ON LABOUR MARKET TRENDS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	900 000	900 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	900 000	900 000
Percentage change	—	—

1. References and description**(a) References**

- EEC Treaty, Article 48 *et seq.*, Article 118.
- Programme approved by the Council on 17 June 1975 (COM(75)125 final).
- Council Resolution of 27 June 1980 on guidelines for a Community labour market policy (OJ No C 168, 8.7.1980).
- Council Resolution of 12 July 1982 on Community action to combat unemployment (OJ No C 186, 21.7.1982).
- Report from the Council to the European Council on the implementation of the economic and social strategy laid down by the European Council of 29-30 March 1982 (Annex I — Conclusions of the Joint Council — Economic and financial questions — Labour and social affairs, of 16 November 1982).
- Council Resolution of 23 January 1984 on the promotion of employment for young people (OJ No C 29/1, 4.2.1984) ;
- Council Resolution (in preparation following a communication from the Commission to the Council on Community action to combat unemployment : the contribution of local employment initiatives (COM(83)662 final, 21.11.1983) ;
- Commission communication to the Council on long-term unemployment (in preparation following a request by the Jumbo Council (ECO/FIN/SOC) of 16.11.1982) ;
- Council Directive 76/207 on the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions (OJ No L 39, 14.2.1976, p. 40) ;
- A new Community action programme on the promotion of equal opportunities for women in 1982-85 (COM(81)758 final) ;
- Council Resolution of 12 July 1982 on the promotion of equal opportunities for women (OJ No C 186, 21.7.1982) ;
- Resolution of the European Parliament on the position of women in Europe, adopted on 17.1.1984 ;
- Council Resolution - to follow - following a communication from the Commission to the Council on technological change and social adjustment (COM(84)6 final, 26.1.1984).

(b) Description

The deterioration of the employment situation in the European Community reinforces the need for a better knowledge of overall labour market conditions. To obtain this knowledge, action will be undertaken on the following fronts :

Operation a

- General policies to expand employment opportunities.

Operation b

- Employment problems of specific groups (young people, women, long-term unemployed on other specific sectors).

Operation c

- Identification and analysis of new areas of employment growth (in particular in small firms, including cooperatives and other local job-creation initiatives).

Operation d

- Improved operation of the labour market, particularly in the light of current structural changes and better utilization on intervention instruments through forward management techniques as developed in certain Member States.

Operation e

- Utilization of Community statistical sources to throw light on structural changes occurring on the labour market. Medium and long-term employment trends and forecasts.

2. Type of expenditure

Analysis and research work of a theoretical nature or in the form of demonstration projects (action research) and expenditure regarding expert groups meeting to discuss various topics and possible fields for policy measures (including translation, secretarial assistance and publication of certain studies).

3. Method of calculation and explanation**(a) Method of calculation**

The allocation of the appropriations among the specific areas will depend on the priorities established at political level. The following subdivision is given by way of information.

Operation a	58 500
Operation b	315 000
Operation c	247 500
Operation d	220 500
Operation e	58 500
Total	900 000

(b) Explanation of changes

As stated in point 1(b) 'Description', the deterioration in the employment situation and the sombre outlook for the 1980s calls for a considerable reinforcement of policy measures. Such action will have substantial budgetary repercussions at both national and Community level and will call for a thorough knowledge of the labour market to select the best form of action and facilitate coordination at Community level (including the coordination of Community measures). The need for thought and analysis to work out and evaluate the most creative and innovative means of ensuring an improvement in employment in the present difficult economic and social context represents a very small investment compared with the hoped-for results.

ITEM 6401 — COOPERATION IN THE FIELD OF EMPLOYMENT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 800 000	1 800 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 800 000	1 800 000
Percentage change	—	—

1. References and description**(a) References**

- Article 49(a) and (d) of the EEC Treaty.
- Council Regulation (EEC) No 1612/68 of 15 October 1968 on freedom of movement for workers (Article 23).
- Council Resolution of 21 January 1974 on a social action programme, in particular point 9 (promotion of the involvement of management and labour in the economic and social decisions of the Community).
- Council Resolution of 9 February 1976 on an action programme for migrant workers and members of their families (point 1(a)).
- Council Resolution of 28 October 1977 in which the Council calls on the Commission to secure an increase in assistance and cooperation among the Member States in developing their labour market institutions (Council Doc. SEC(322) of 22 December 1977).
- Decision by the Standing Committee on Employment of 24 November 1977 on Community aid to develop labour market institutions.
- Council Resolution of 18 December 1979 on linked work and training for young persons (OJ No C 1, 3.1.1980).
- Communication from the Commission to the Council of 28 April 1980 on guidelines for a Community labour market policy (COM(80)186 final).

- Council Resolution of 27 June 1980 on the Community's labour market policy (OJ No C 168, 8.7.1980).
- European Parliament Resolution on the Community's labour market policy adopted at its session on 17 September 1981 (OJ No C 260, 12.10.1981).
- Report from the Council to the European Council on the implementation of the economic and social strategy laid down by the European Council of 29-30 March 1982 (Annex 1 — Conclusions of the Joint Council — Economic and financial questions — Labour and social affairs, of 16 November 1982).
- Council Resolution of 12 July 1982 on Community action to combat unemployment (OJ No C 186, 21.7.1982).
- Council Resolution on the promotion of employment for young people (OJ No C 29/1, 4.2.1984).
- Communication from the Commission to the Council on long-term unemployment (in preparation following a request by the Jumbo Council (ECO/FIN/SOC) of 16.11.1982).
- Council Resolution of 12 July 1982 on the promotion of equal opportunities for women (OJ No C 186/4, 21.7.1982).
- Council Resolution on small-scale job creation at local level (planned on the basis of a Commission communication to the Council on Community action to combat unemployment : the contribution of local employment initiatives (COM(83)662 final, 21.11.1983).
- Resolution of the European Parliament on the position of women in Europe, adopted on 17.1.1984.
- Council Resolution - to follow - following a communication from the Commission to the Council on technological change and social adjustment (COM(84)6 final, 26.1.1984).

(b) *Description*

- (a) Continuation of measures implementing Council resolutions, particularly the Resolution of 27 June 1980 on guidelines for a Community labour market policy :
- proposal to strengthen cooperation between public employment services, the two sides of industry and non-governmental agencies.
 - Misep
 - Exchanges of employment officials and training seminars for officials using the Sedoc system.
- (b) Seminars and courses in support of studies on employment problems, in particular :
- Sectoral policies and new technologies (see Communication COM(84)6 final of 4 February 1984, Technological change and social adjustment).
 - Equal opportunities for women (Council Resolution of 12 July 1982 on the promotion of equal opportunities for women, and the European Council Resolution on the position of women in Europe of 17.1.1984).
 - Cooperation in the field of employment (Council Resolution of 27 June 1980 on Community labour market policy (OJ C 168, 8.7.1980) and Annex 1 of the conclusions of the Joint Council for Economic, Financial and Social Affairs of 16 November 1982) and the Council Resolution on Community action to combat unemployment (OJ C 186, 21.7.1982).

- Long-term unemployment following a request by the Jumbo Council (ECO/FIN/SOC) of 16.11.1982.
- National round table discussions on economic questions related to employment.
- (c) Promotion of employment for young people pursuant to Council Resolution of 23 January 1984 (OJ No C 29/1, 4.2.1984).
- (d) Small-scale job creation at local level pursuant to the communication from the Commission to the Council on Community action to combat unemployment: the contribution of local employment initiatives (COM(83)662 final, 21.11.1983).

2. Type of expenditure

This item supplements operations to be carried out jointly by the Employment Directorate and the European Social Fund and relates to items not eligible for Fund assistance, such as evaluation and monitoring, seminars, training periods, systems for the exchange of information, management and coordination of the various local data bases including also translation, secretarial assistance and other items of expenditure.

This item also includes development and follow-up costs in respect of experimental projects connected with the analysis and demonstration of policy lines developed by the Commission (100 % financing).

3. Method of calculation and explanation

(a) Misep	117 000
Exchanges of specialist officials of placement services and training courses for officials required to work with the Sedoc system	
(b) Seminars	360 000
— Sectoral policies and new technologies	112 500
— Equal opportunities for women	67 500
— Cooperation in the field of employment:	
— Forward-looking management	45 000
— Misep	45 000
— Long-term unemployment	270 000
— National round-table discussions on economic subjects related to employment	63 000
(c) Promotion of employment for young people	360 000
(d) Small-scale job creation at local level:	
— programme of consultations	135 000
— information exchange systems	135 000
— exchanges of experience	90 000

Total	1 800 000
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ITEM 6402 — WORK ORGANIZATION AND JOB ENRICHMENT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	80 000	80 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	80 000	80 000
Percentage change	—	—

1. References and description**(a) References**

- Council Resolution of 21 January 1974 concerning a social action programme (OJ No C 13, 12.2.1974).
- Commission communication to the Council on the humanization of working conditions, noted formally by the Council on 9 December 1976.
- Council Resolution of 22 November 1979 on the reorganization of working time.

(b) Description

As outlined in the draft Council recommendation (COM(83)543 final, 16.9.1983) the measures planned are intended to :

- demonstrate the feasibility of reducing and reorganizing working time in specific conditions ;
- examine, within the context of the organization of work, new ways of distributing working time ;
- examine the potential contribution the introduction of new technology could make to increasing working time flexibility ;
- in a wider sense, highlight the potential contribution a reduction in working time could make to an active employment policy.

2. Type of expenditure

Cost of studies and conferences.

3. Method of calculation and explanation of changes**(a) Method of calculation**

The amount of the appropriation is the same as the appropriation authorized for 1984.

New item**ITEM 6403 — COMMUNITY LABOUR FORCE SAMPLE SURVEY**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 990 000 ⁽¹⁾	2 990 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 990 000	2 990 000
Percentage change	—	—

⁽¹⁾ Sums entered under Item 263 A.

1. References and description**(a) References**

- Articles 213, 117, 118 and 123 of the EEC Treaty.
- Council Regulation (EEC No 276/84 of 31 January 1984 on the organization of a labour force sample survey in the spring of 1984 (OJ No L 32, 3.2.1984).

(b) Description

The surveys are being conducted on the basis of the Council Regulations with a view to establishing comparable statistical data on the structure and evolution of labour forces with the aid of Community surveys based on common criteria and definitions and subjected to the necessary checks and analysis. They are used in the preparation and implementation of Community schemes, in particular in the context of the European Social Fund and Community regional policy.

2. Type of expenditure

Contribution on completion of the surveys in the Member States.

3. Method of calculation

Lump sum plus an amount per household interviewed.

ARTICLE 641 — EUROPEAN FOUNDATION FOR THE IMPROVEMENT OF LIVING AND WORKING CONDITIONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	4 300 000	4 300 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 475 000	4 475 000
Percentage change	+ 4,1	+ 4,1

1. References and description

(a) References

- The European Foundation for the Improvement of Living and Working Conditions was set up by Council Regulation (EEC) No 1365/75 of 26 May 1975 (OJ No L 139, 30.5.1975). It comes under the environment programme, which expressly provides for its creation, and under the social action programme.
- Commission proposal to the Council to amend the above regulation (COM(81)753 final of 13 January 1982).

(b) Description

The tasks of the Foundation are to develop and study in depth the medium- and long-term improvement of living and working conditions in the light of practical experience and to identify factors leading to change. The Foundation takes Community policies into account in carrying out these tasks. It advises the Community institutions of possible objectives and policy, in particular by supplying them with scientific information and technical data.

As regards the improvement of living conditions, the Foundation deals more specifically with the following issues, also determining priorities :

- long-term aspects of environmental improvement and its influence on stress,
- distribution of human activities in space and time.

With respect to working conditions, man at work and the impact of new technologies, particular emphasis is placed on the study of :

- work organization, particularly the planning of jobs,
- problems peculiar to certain categories of worker.

The Foundation is structured on broadly the same lines as the European Centre for the Development of Vocational Training (Article 632).

2. Type of expenditure

Pursuant to Article 15(2) of Regulation No 1365/75, a subsidy for the Foundation is entered annually in the budget of the Communities under a specific heading.

3. Method of calculation and explanation of changes

(a) Method of calculation

According to its estimates the Foundation's needs are as follows :

		Difference change on 1984 %
— Staff, including one new C post, three regradings from A/7 to A/6 and two from C/5 to C/3 and four reclassifications of local staff in D posts	1 797 200	+ 1,87
— Administrative expenditure	408 000	+ 5,70
— Operating expenditure		
— Chapter 3 : 40 %	1 050 600	+ 23,89
— Chapter 4 : 60 %	1 577 200	+ 23,98
	<hr/>	
	Total	4 833 000
— To be deducted (miscellaneous revenue)	- 76 700	
	<hr/>	
— Subsidy requested from the Community	4 756 300	+ 13,24

(b) Explanation of changes

The subsidy is determined on the basis of the estimates put forward annually by the Foundation's Administrative Board. These estimates are sent to the budgetary authority together with the preliminary draft budget.

After examining the Foundation's estimates the Commission considers that a subsidy of 4 475 000 ECU, an increase of 6,55 %, should be adequate.

The amount of operating expenditure is the same as last year, with an increase of 8 % in staff and administrative expenditure. With respect to staff requirements, the Commission emphasizes the need for the regrading of two A officials and one C official.

ARTICLE 642 — COMMUNITY MEASURES TO PROMOTE THE PARTICIPATION OF BOTH SIDES OF INDUSTRY IN THE ECONOMIC AND SOCIAL DECISIONS OF THE COMMUNITY

ITEM 6420 — EUROPEAN TRADE UNION INSTITUTE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	985 000	985 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	985 000	985 000
Percentage change	—	—

1. References and description

(a) References

One of the objectives of the social action programme of 21 January 1974 is 'to help trade union organizations taking part in Community work to establish training and information services for European affairs and to set up a European Trade Union Institute'. The Institute will help trade unions taking part in Community work to train and inform their members by improving both their understanding of the Community and their linguistic ability.

The Institute was set up by the European Trade Union Confederation in February 1978. On 7 June 1978 the Community and the Institute signed an agreement under which the Commission undertook to include the granting of a subsidy for the Institute in its budget proposals (Article 2).

(b) Description

Subsidy to enable the Institute to carry out its function of training and informing trade union representatives who work with the European institutions.

2. Type of expenditure

Subsidy.

3. Method of calculation and explanation

In view of the budgetary restrictions, it is proposed to maintain the subsidy at the 1984 level.

ITEM 6421 — AID TO EUROPEAN ORGANIZATIONS OF SMALL AND MEDIUM-SIZED UNDERTAKINGS FOR THE PROVISION OF TRAINING AND INFORMATION FOR THEIR REPRESENTATIVES ON THE SUBJECT OF EUROPEAN AFFAIRS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	300 000	300 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	300 000	300 000
Percentage change	—	—

1. References and description

(a) References

- In its Resolution of 21 January 1974 on a social action programme, the Council adopted a list of priorities of which the following is No 9 : 'Promotion of the involvement of management and labour in the economic and social decisions of the Community'. By an amendment adopted on 6 November 1980, the European Parliament specified that European small and medium-sized undertakings should be the recipients of this aid in the 1981 financial year.
- Resolution of the European Parliament of 16 February 1978 on questions relating to small and medium-sized undertakings in the Community (OJ No C 63, 13.3.1978, p. 38).
- Resolution of the European Parliament of 19 February 1982 concerning the situation of small and medium-sized undertakings in the Community (PE 77.225).

(b) Description

Familiarizing management and labour representatives with the operation of decision-making institutions and mechanisms and European affairs to enable them to take a greater part in the work of Community bodies.

Operations planned

Community aid for the organization of seminars or introductory courses on European affairs (including language teaching).

Promotion of exchanges between representatives or delegates for training courses in another Community country organized by European organizations of management and labour representatives.

The aim is to give employers' liaison committees, in the small and medium-sized undertakings sector, as well as organizations representing small and medium-sized undertakings at European level (chambers of commerce, craft trades, commercial small and medium-sized undertakings, etc.) the benefit of this assistance.

2. Type of expenditure

Subsidies to organizations representing small and medium-sized undertakings.

3. Method of calculation and explanation

In view of the budgetary restrictions, it is proposed to maintain the subsidy at the 1984 level.

Historical Archives of the European Commission

ARTICLE 643 — MEASURES FOR CERTAIN CATEGORIES OF WORKERS

ITEM 6430 — TASKS ENTRUSTED TO THE INSTITUTION TO PROMOTE EXCHANGES OF YOUNG WORKERS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 250 000	2 250 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 250 000	2 250 000
Percentage change	—	—

1. References and description

(a) References

- Article 50 of the EEC Treaty :
‘ Member States shall, within the framework of the joint programme, encourage the exchange of young workers ’.
- Council Decision 79/642 of 16 July 1979 establishing a second joint programme to encourage the exchange of young workers within the Community (OJ No L 185, 22.7.1979, p. 24).
- Parliament Resolution of 12 March 1981 on youth activities (OJ No C 77/58, 6.4.1981).
- Council Resolution of 11 July 1983 concerning vocational training policies in the European Community in the 1980s (OJ No C 193, 20.7.1983).

(b) Description

General objective

To give young workers an opportunity to improve their practical and vocational knowledge in a Community country other than their own and thus to develop a more firmly based awareness of Europe.

In 1985 the following activities will be aimed at this objective :

- contribution to short-term exchanges (3 weeks to 3 months),
- contribution to long-term exchanges which include 8 weeks of language tuition,
- contribution to cover 75 % of the costs of return travel from the place of residence to the place where the course is held,
- additional measures to promote the development of exchanges and improve their effectiveness (e.g. social protection of the trainee and extension to new economic sectors).

2. Type of expenditure

This appropriation is intended to cover the financing, in particular, of:

- short and long-term exchanges and schemes to develop them ;
- cost of secretarial and various related activities ;
- colloquia, reports and dissemination of information.

3. Method of calculation and explanation

(a) Method of calculation

— Colloquia, reports and dissemination of information	175 000
— Long-term and short-term exchanges, contributions to travelling expenses	2 075 000
Total	2 250 000

(b) Explanation

On account of budgetary restrictions it is proposed to freeze appropriations at the 1984 level despite the fact that this programme is assuming greater importance as 1985 is International Youth Year.

ITEM 6431 — MEASURES FOR FRONTIER WORKERS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

This heading was entered as a result of an amendment to the 1980 budget by Parliament. The Commission is planning to follow up this move.

(b) Description

This item was established with a view to financing :

- projects to facilitate employment and geographical mobility in frontier regions within the Community ;
- measures to reduce the material and social drawbacks associated with cross-frontier work.

2. Type of expenditure

Costs of conference or information seminars.

3. Method of calculation and explanation

It is not intended to allocate an appropriation to the heading at this stage.

Historical Archives of the European Commission

ARTICLE 644 — MEASURES WHICH COULD INCREASE THE EFFECTIVENESS OF THE SOCIAL POLICY OF THE COMMUNITY

ITEM 6440 — MEASURES TO ACHIEVE EQUALITY BETWEEN MEN AND WOMEN

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	680 000	680 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	680 000	680 000
Percentage change	—	—

1. References and description

(a) References

- Council Resolution of 21 January 1974 on the social action programme giving priority to migrants, handicapped persons and women (OJ No C 13, 12.2.1974).
- Memorandum from the Commission to the Council of 12 February 1975.
- Council Directive of 10 February 1975 on the approximation of the laws of the Member States relating to the application of the principle of equal pay for men and women (OJ No L 45, 19.2.1975).
- Council Directive of 9 February 1976 on the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions (OJ No L 39, 14.2.1976, p. 40).
- Resolution of Parliament of 12 May 1982 on the draft Council Resolution concerning a new Community action programme on the promotion of equal opportunities for women, 1982-85 (communication from the Commission to the Council (OJ No C 149 OF 14.6.1982).
- Council Resolution of 12 July 1982 on the promotion of equal opportunities for women (OJ No C 186, 21.7.1982).
- Parliament Resolution of 17 January 1984 on the situation of women in Europe.

(b) Description

With a view to achieving the aims outlined in the two Council directives, the Commission :

- is participating in studies and information campaigns conducted in this area by independent bodies and by national committees for women's employment and/or for equality or similar bodies ;
- is implementing measures in liaison with the Advisory Committee on Equal Opportunities for Women and Men.

Measures undertaken for the purpose of implementing the principle of equality between men and women adopt two complementary approaches :

- implementation of the new action programme (see the above mentioned communication COM-(81)758 final, which involves 16 measures) and the Council Resolution of 12 July 1982 ;
- current activities to supplement the new programme in support, and with the participation, of independent movements or bodies responsible for equality and female labour.

2. Type of expenditure

Subsidies, documentation and publication costs.

3. Method of calculation and explanation

(a) Method of calculation

— Operation of contact and exchange groups	260 000
— Roving experts to support national initiatives	40 000
— Information campaigns	110 000
— Renewal of subsidy appropriations	160 000
— Current activities to supplement the new programme	110 000
Total	680 000

(b) Explanation

On account of budgetary restrictions it is proposed that the appropriations be frozen at the 1984 level.

ITEM 6441 — MEASURES FOR THE SOCIAL INTEGRATION OF HANDICAPPED PERSONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 700 000	1 700 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 700 000	1 700 000
Percentage change	—	—

1. References and description

(a) *References*

- Council Resolution of 21 January 1974 on the social action programme giving priority to migrants, handicapped persons and women (OJ No C 13, 12.2.1974).
- Council Resolution of 27 June 1974 (OJ No C 80, 9.7.1974, p. 30) establishing the initial Community action programme for the vocational rehabilitation of handicapped persons.
- Resolution of the Council and of the Ministers for Labour and Social Affairs meeting in the Council held on 21 December 1981 involving an action programme on the social integration of handicapped persons (OJ No C 347, 31.12.1981).

(b) *Description*

The initiatives to be undertaken will include the third year of the implementation of the new measures at Community level to promote the social integration of handicapped persons, in the light of the Council Resolution of 21 December 1981 and of the communication from the Commission to the Council of 29 October 1981 (COM(81)633 final). This will include :

- coordination, organization and evaluation at Community level of initiatives at district level concerning handicapped persons, financed by the European Social Fund ; interaction between these projects ; dissemination of the conclusions ;
- setting-up of a Community data base on technical aids for the handicapped (first stage of Handynet) ; preparation of later stages for Handynet ;
- preparation of policy initiatives concerning the environment and economic problems of handicapped persons and problems regarding prevention and the new technologies ;
- interactions and innovations in the Community network of rehabilitation centres and dissemination of the findings ;
- subsidies for priority activities, including cooperation between non-governmental bodies ;
- organization of an exchange programme for young handicapped persons.

2. Type of expenditure

This appropriation is intended to cover in particular the financing of :

- projects for implementing the programme (subsidies, seminars, studies, information and dissemination, exchanges, workshops, etc.) ;
- costs of experts, secretarial work and miscellaneous services.

3. Method of calculation and explanation of changes

(a) Method of calculation

1. Group of experts (Districts and Handynet)

Basic course	400 000	
Consultants	40 000	
Programme of study visits	80 000	
Information activities	40 000	610 000

2. Other expenses, Districts

A colloquium	40 000	40 000
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3. Other expenses, Handynet

Services, establishment of the 'Handyaids' module	140 000	
Studies, launching other modules	45 000	
Colloquium	30 000	215 000

4. Policy initiatives

Follow-up to the 'employment' theme, study on protected employment	40 000	
'Environment' theme, review and colloquium	50 000	
New themes :		
— social security, study	30 000	
— social prevention, study	30 000	
— new technologies, colloquium	65 000	215 000

5. Network of rehabilitation centres

Study visits and information activities	160 000	
Colloquium	40 000	200 000

6. Relations with NGOs

Subsidies, external projects	250 000	
Dialogue	20 000	270 000

7. Youth encounters

Project programme	90 000	
Report and seminars (International Youth Year)	60 000	150 000

Total 1 700 000

(b) *Explanation of changes*

The amount was fixed by allocating the same appropriation as in the 1984 financial year.

ITEM 6442 — PROGRAMMES TO ASSIST MIGRANT WORKERS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	140 000	140 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	200 000	200 000
Percentage change	+ 42,86	+ 42,86

1. References and description(a) *References*

- Council Resolution of 21 January 1971 on the social action programme giving priority to migrants, handicapped persons and women (OJ No C 13, 12.2.1974).
- Council Resolution of 9 February 1976 on an action programme for migrant workers and members of their families (OJ No C 34, 14.2.1976, p. 2).
- In preparation : Communication from the Commission to the Council on guidelines for a Community policy on migration.

(b) *Description*

In accordance with one of the guidelines on the social action programme, the Commission grants financial aid to organizations representing migrant workers or operating for their benefit (mainly reception, information, assistance).

Preparatory schemes for Community measures on migration.

2. Type of expenditure

Subsidies, costs of seminars, experts' fees, studies, information and dissemination.

3. Method of calculation and explanation of changes

An effort is required at Community level to achieve better integration of migrant workers.

ITEM 6443 — MEASURES TO ASSIST THE ELDERLY, INCLUDING PREPARATION FOR RETIREMENT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	60 000	60 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	60 000	60 000
Percentage change	—	—

1. References and description**(a) References**

- Resolution of Parliament concerning old people (OJ No C 66, 15.3.1982).
- Council Recommendation of 10 December 1982 on the principles of a Community policy with regard to retirement age (82/857/EEC — OJ No L 357, p. 27).

(b) Description

Financial aid to organizations set up to assist the elderly and those providing preparation for retirement ; studies.

2. Type of expenditure

Subsidies, costs of seminars, experts and studies, information and dissemination.

3. Method of calculation and explanation

The problems of the elderly (health, income, social services, isolation, etc.) are assuming and will continue to assume increasing importance.

For 1985, 25 000 ECU have been allocated for retirement preparation measures.

ITEM 6444 — MEASURES FOR FAMILIES, INCLUDING AID FOR ORGANIZATIONS REPRESENTING THE FAMILY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	100 000	100 000
1985 — Appropriations requested	100 000	100 000
Percentage change	—	—

1. References and description**(a) References**

Parliament Resolution on family policy in the European Community (Cassamagnago-Cerretti Report, Doc. EP 78.707 final).

(b) Description

Financial assistance to bodies representing the family and to organizations concerned with families.

2. Type of expenditure

Subsidies, costs of seminars, experts' fees, studies, information and dissemination.

3. Method of calculation and explanation

On account of budgetary restrictions, it is proposed to freeze the appropriations at the 1984 level despite the fact that family problems are assuming and will continue to assume increasing importance.

ITEM 6445 — JOINT RESEARCH INTO REHABILITATION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	p.m.	p.m.
Percentage change		

1. References and description**(a) References**

- Council Resolution of 27 June 1974 establishing the initial Community action programme for the vocational rehabilitation of handicapped persons ;
- Resolution of the Council and the representatives of the Governments of the Member States meeting within the Council on 21 December 1981 on the social integration of handicapped persons.

(b) Description

In accordance with the objectives laid down in the above Resolutions, the Commission will launch a programme to encourage the development of policies, innovation, the exchange of experience and the dissemination of favourable results in matters of rehabilitation.

2. Type of expenditure

Studies, seminars, programme of study visits, costs of dissemination and secretariat services ; subsidies for the activities of non-governmental organizations.

ARTICLE 645 — COMMUNITY MEASURES FOR SOCIAL PROTECTION**ITEM 6450 — ADMINISTRATIVE COMMISSION ON SOCIAL SECURITY FOR MIGRANT WORKERS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 400 000	1 400 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 800 000	1 800 000
Percentage change	+ 28,57	+ 28,57

1. References and description**(a) References**

- Articles 80 to 83 of Regulation (EEC) No 1408/71 (OJ No L 149, 5.7.1971).
- Articles 101 and 102 of Regulation (EEC) No 574/72 (OJ No L 74, 27.3.1972).

(b) Description

- Application, interpretation and amendment of regulations adopted under Article 51 of the EEC Treaty.
- Coordination of social security schemes for self-employed persons under arrangements governing the freedom of establishment and freedom to provide services.
- Extension of Community rules to insured persons other than those referred to above.

2. Type of expenditure

The appropriation under this item is intended to cover administrative matters or questions of interpretation related to the implementation of Regulations Nos 1408/71 and 574/72. In particular, it covers expenses arising from these tasks: meetings, publications (forms, manuals, etc.), outside translations, technical assistance provided by the International Labour Office, staff exchanges, experts' fees, miscellaneous (including any typing and documentation costs).

3. Method of calculation and explanation of changes

(a) Method of calculation

— Meetings of the Administrative Commission, Audit Board, Advisory Committee and working parties	200 000
— Publications, including forms, compendium of Community rules on social security, handbooks and report of the Administrative Commission	400 000
— Technical assistance from the ILO	37 000
— Experts' fees	15 000
— Freelance translations	1 123 000
— Staff exchange	20 000
— Miscellaneous (including typing and documentation costs)	5 000
Total	1 800 000

(b) Explanation of changes

The increase is due to the increase in the number of translations required on account of the Community provisions, which now also cover self-employed persons. The Commission is not in a position to comply fully with the obligations arising from Article 81(b) of Council Regulation (EEC) No 1408/71 ; consequently, all the Member States should be reimbursed for translations they are obliged to have done themselves where they cannot call on the services of the Commission.

ITEM 6451 — STUDIES AND ACTIONS IN RESPECT OF SOCIAL SECURITY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	100 000	100 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	100 000	100 000
Percentage change	—	—

1. References and description

(a) References

- Articles 117 and 118 of the EEC Treaty.
- Council Resolution of 24 January 1974 (regular consultations on social protection policies (OJ No C 13, 12.2.1974).
- Mandate from the Council to the Commission of 27 November 1978 (preparation of the third European social budget).
- Council Directive of 19 December 1978 concerning the progressive implementation of the principle of equal treatment for men and women in matters of social security (79/7/EEC) (OJ No L 6, 10.1.1979).
- Council recommendation of 10 December 1982 (82/857/EEC) on the principles of a Community policy with regard to retirement age (OJ No L 357, p. 27).
- Follow-up to the informal meetings of the Ministers for Social Security (Athens and Paris).

(b) Description

As outlined in the Commission communication to the Council presented on 17 November 1982 (COM(82)716 final) on social security problems, the growing importance of social security in the Member States in the present economic situation has led the Commission, after reviewing all its schemes, to develop research into new topics such as :

- the economic impact of altering the basis of financing ;
- social security charges and taxation : impact on competition and intra- and extra-Community competitiveness ;
- trend in expenditure and revenue in a period of economic recession and inflation in the Member States (and their repercussions on financing, employment, growth, etc.) ;
- the costs of health care.

To this should be added work deriving from the four-year programme on multiannual forecasting and the memorandum on current social security problems in the Member States.

2. Type of expenditure

Subsidies, experts' fees, studies and the related secretarial work.

3. Method of calculation and explanation

In the case of the three operations that are a continuation of operations carried out in 1984 (national correspondents on social security developments, the group responsible for the concertation of social protection policies and the group responsible for improving the forecasting methodology for social protection expenditure and its financing).

The breakdown for other work to be initiated in this field in 1985 will be made in line with the priorities emerging from the examination of the memorandum on social security matters.

It should be noted that these operations are of a permanent nature coming under the area of competence attributed to the Commission by Article 118 of the EEC Treaty.

ARTICLE 646 — SPECIFIC MEASURES TO COMBAT POVERTY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 000 000	500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	5 000 000	3 019 000
Percentage change	400	503,8

1. References and description**(a) References**

In accordance with the Council's request of 10 December 1982, the Commission will present proposals in the first half of 1984 for a new specific programme to combat poverty considered necessary by the Council. Another decision is expected at the end of 1984.

(b) Description

Although the programme of pilot projects to combat poverty was due to end with the 1981 budget (Article 306), Community action cannot be considered terminated since poverty continues to be a major concern in all the Member States and for that matter in every country in the world. In this context, the Commission is proposing a special anti-poverty operation with several facets: research operations and studies, statistical programmes, exchanges and dissemination of information and experience in this field.

2. Type of expenditure

Subsidies, costs of seminars, experts' fees, studies, financing of projects, information and dissemination, miscellaneous activities and the associated secretarial assistance.

3. Method of calculation and explanation of changes

At present, only an approximate estimate can be given of the cost of a new programme to combat poverty. The ECU requested would be earmarked for the implementation of the new specific action programme.

The European Parliament has already expressed its concern by proposing annual Community aid to ensure the continuation of research connected with the campaign against poverty and to promote operations based on the findings of these projects.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—					
Appropriation outstanding from 1983	341 143	282 606	58 537			
Appropriation for 1984	1 000 000	500 000	500 000			
Appropriation for 1985	5 000 000	—	2 460 463	2 000 000	539 537	
Total	6 341 143	782 606 ⁽¹⁾	3 019 000	2 000 000	539 537	

⁽¹⁾ Including 282 606 ECU in payment appropriations carried forward from 1983 in excess of commitments still to be settled on 1 January 1984.

ARTICLE 647 — COMMUNITY MEASURES TO IMPROVE WORKERS' HOUSING CONDITIONS**ITEM 6470 — CONTRIBUTION TO PILOT PROJECTS ON BETTER HOUSING FOR HANDICAPPED WORKERS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	950 000	750 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 000 000	1 500 000
Percentage change	+ 5,26	+ 100

1. References and description**(a) References**

- Council Resolution of 21 January 1974 (OJ No C 13, 12.2.1974).
- Council Resolution of 27 June 1974 (OJ No C 80, 9.7.1974, p. 30).
- Communication from the Commission to the Council concerning information on pilot housing actions to promote the social integration of handicapped persons and migrant workers (COM(80)491 final of 9 September 1980).
- Parliament Resolution on this subject of 11 March 1981 (PE 72.054).
- Communication from the Commission to the Council of 29 October 1981 concerning the social integration of handicapped persons (COM(81)633 final).
- Council Resolution of 21 December 1981 comprising an action programme on the social integration of handicapped persons (OJ No C 347, 31.12.1981).

(b) Description

Three types of operation are envisaged :

Operation a

- Contribution for the acquisition, improvement and modernization and adaptation of dwellings and their surroundings to meet the needs of the handicapped (physical, mental and those who have been in psychiatric care).

Operation b

- Contribution to the activities of organizations aiming to promote the independence of handicapped persons in their own homes and reintegrate into society handicapped persons living in institutions.

Operation c

— Contribution to the organization of seminars on the problems of housing for the handicapped.

Operation d

— Contribution to activities aimed at exchanges of views and ideas on questions regarding the social integration of handicapped persons and utilizing the results of the experiments financed by the Commission under Article 6470.

2. Type of expenditure

Subsidies and costs connected with the construction, conversion and/or fitting-out of buildings, the evaluation of projects and the dissemination of findings and assistance for the information services.

3. Method of calculation and explanation of changes

The request is justified by the number of valid applications for aid from the Member States ; the measure comes under the programme 'The social integration of disabled people - A framework for the development of Community action' (COM(81)633 final). The number of applications is constantly increasing while the average cost per project has risen considerably over recent years. This trend is expected to continue in the coming years.

Moreover, the Resolution of the European Parliament adopted at its session on 11 March 1981 (Doc. EP 72.054) invited the Commission to continue to finance pilot projects to an increasing extent.

The main aim of this programme is to promote social integration, which requires closer coordination of Community aids. In this case, a balance must be sought between the ongoing aid under this budgetary line and other Community sources.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	855 906	400 000	455 906	—	—	
Appropriation outstanding from 1983	744 518	150 000	394 518	200 000	—	
Appropriation for 1984	950 000	200 000	450 000	200 000	100 000	
Appropriation for 1985	1 000 000	—	199 576	500 424	300 000	
Total	3 550 424	750 000	1 500 000	900 424	400 000	

ITEM 6471 — CONTRIBUTION TO PILOT PROJECTS ON BETTER HOUSING FOR
MIGRANT WORKERS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	700 000	600 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	700 000	1 080 000
Percentage change	—	+ 80

1. References and description

(a) References

- Council Resolution of 21 January 1974 on a social action programme (OJ No C 13, 12.2.1974).
- Council Resolution of 9 February 1976 (OJ No C 34, 14.2.1976) on an action programme for migrant workers and members of their families, in particular paragraph 3 thereof.

(b) Description

Pilot projects leading to an improvement in the housing situation of migrants.

2. Type of expenditure

Subsidies and expenses related to the acquisition, construction, and/or adaptation of dwellings, and the setting-up of information services on housing aid.

3. Method of calculation and explanation of changes

The appropriation is identical with that authorized in 1984 since the number of applications submitted has hardly varied ; the appointment of an expert to coordinate the operations envisaged in 1985 will not take place.

— Payments :

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	649 476	300 000	349 476	—	—	
Appropriation outstanding from 1983	285 774	200 000	85 774	—	—	
Appropriation for 1984	700 000	100 000	400 000	200 000	—	
Appropriation for 1985	700 000	—	244 750	400 000	55 250	
Total	2 335 250	600 000	1 080 000	600 000	55 250	

ARTICLE 648 — COMMUNITY MEASURES IN THE FIELD OF HEALTH**ITEM 6480 — RADIATION PROTECTION**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	600 000	600 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	600 000	600 000
Percentage change	—	—

1. References and description**(a) References**

This item relates to the specific responsibilities of the Commission in respect of health protection under Articles 2(b) and 30 to 39 of the EAEC Treaty (Euratom).

(b) Description

The appropriation will be devoted chiefly to the following projects :

- work on the application of the Directives laying down the basic standards and updating them in the light of new scientific knowledge (Articles 30 to 33, EAEC Treaty) ;
- Community consultations on projects concerning radioactive waste (Article 37, EAEC Treaty) ;
- monitoring levels of background radioactivity and other tasks (Articles 35 and 36, EAEC Treaty).
- purchase of scientific works and publications.

The appropriation will also cover activities concerned with protecting the population against radiation from consumer goods containing radioactive substances (including building materials), radiopharmaceuticals and radiation from medical apparatus. It also includes radiation protection measures around nuclear power plants, protecting the population against radiation resulting from the storage of radioactive wastes, Community measures in the field of personal and background dosimetry (including inter-comparison programmes) and expanding the information and training programmes on radiation protection (particularly for the trade unions and the specialist press). Lastly, it will cover the cost of verifying the implementation of the Directives on radiation protection.

2. Type of expenditure

This item covers publication costs, various services, experts' and consultants' fees, related secretarial expenditure, missions and subsidies. These projects also involve the purchase of equipment and material needed for the management of the intercomparison and calibration programmes and for the scientific and technical work involved in the implementation and follow-up of the articles of the Treaty and the Directives referred to above.

3. Method of calculation and explanation

(a) Method of calculation

— Travel expenses and subsistence allowances for meetings, conferences, seminars, missions and inspections	275 000
— Experts' fees, costs of studies, consultants	265 000
— Subsidies, management costs, secretarial expenditure	35 000
— Publications on radiation protection, purchase of scientific works, including sales promotion for publications	25 000
Total	600 000

(b) Explanation

The amount of the appropriation has been determined on the principle of carrying over the appropriation authorized for 1984.

ITEM 6481 — PUBLIC HEALTH STUDIES AND MEASURES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	400 000	400 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	400 000	400 000
Percentage change	—	—

1. References and description

(a) References

- Article 118 of the EEC Treaty.
- The Ministers for Health meeting in the Council on 13 December 1977 and 16 November 1978 called on the Commission to initiate a number of measures in the field of public health.
- Resolutions of Parliament of 10 March 1980 and 14 May 1982 on the campaign against drug abuse (OJ No C 149, 14.6.1982, p. 120).
- Resolution of Parliament of 12 March 1982 on the campaign against smoking (OJ No C 87, 5.4.1982, p. 118).
- Resolution of Parliament of 12 March 1982 on the problems of alcoholism (OJ No C 87, 5.4.1982, p. 120).
- Resolution of Parliament of on the rights of patients.

(b) Description

These measures are intended to strengthen preventive medicine and health care, particularly in the following areas :

- health education (smoking, nutrition, alcoholism, drugs, abuse of medicines, etc.) ;
- mutual medical assistance in the event of major accidents and exceptionally serious diseases ;
- health record card ;
- economic aspects of health ;
- information to the public in the medical sector ;
- projects concerning target groups (handicapped persons, the aged, migrants) ;
- organ transplants ;
- self-help in the medical sector ;
- health protection for the public and patients against the dangers of non-ionizing radiation.

2. Type of expenditure

These activities will entail scientific and epidemiological studies, meetings, scientific seminars, recommendations and a search for better ways of utilizing the results. The item covers costs incurred in connection with recommendations, guidelines, publications, missions and subsidies, as well as costs resulting from the computerized management of contracts. It also covers the cost of various services, experts' fees, secretarial expenditure and the purchase of scientific works and periodicals.

3. Method of calculation and explanation of changes**(a) Method of calculation**

— Travel expenses and subsistence allowances for meetings, conferences, seminars and missions	200 000
— Experts' and consultants' fees	130 000
— Subsidies, computerized management costs, secretarial expenditure	50 000
— Services rendered, publications, purchase of scientific works	20 000
	<hr/>
Total	400 000

(b) Explanation of changes

The amount of the appropriation has been determined on the principle of carrying over the appropriation authorized for 1984.

ITEM 6482 — HEALTH PROTECTION, HYGIENE AND SAFETY AT WORK

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 267 000	2 267 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 067 000	2 067 000
Percentage change	- 8,82	- 8,82

1. References and description

(a) References

- Action programme of the European Communities on safety and health protection at work, approved by the Council Resolution of 29 June 1978 (OJ No C 165, 11.7.1978).
- The action programmes on the environment approved by the Council on 22 November 1973 and 9 December 1976 respectively provide for the objective assessment of pollution and nuisances as they affect human health, the establishment of criteria of harmfulness and measures to improve the working environment.
- Directive 77/576/EEC, as amended by the Commission Decision of 21 June 1979 (Safety signs — OJ No L 229, 7.7.1977).
- Directive 77/312/EEC (Biological screening of the population for lead — OJ No L 105, 28.4.1977).
- Directive 78/610/EEC (Vinyl chloride monomer — OJ No L 197, 22.7.1978).
- Directive 80/1107/EEC (Framework directive — OJ No L 327, 3.12.1980).
- Directive 82/501/EEC (Major-accident hazards — OJ No L 230, 5.8.1982).
- Directive 82/605/EEC (Lead — OJ No L 247, 25.8.1982).
- Directives on 'asbestos' and 'noise', in the process of approval.
- Council Resolution of ... on a second programme of action on safety and health at work (OJ No., ... COM(82)690 final of 3 November 1982).
- 'Prohibition' and 'Benzene' Directives in preparation.

(b) Description

The action programmes and the implementation of the abovementioned Directives involve the following studies, in particular :

- legal provisions and regulations,
- evaluation of effects on health,
- problems of certain categories of worker,
- problems regarding ergonomics, including new technologies,

- notices for workers exposed to harmful substances,
- protection against dangerous substances,
- protection against accidents and dangerous situations,
- organization of health, hygiene and safety at work,
- effects of the introduction of new technologies on the health and safety of workers,
- monitoring the health and safety of different groups of workers,
- training of different groups, including young workers,
- informing workers on health and safety at work,
- preparation of comparative data on mortality and occupational diseases,
- inventory of records on cancer,
- definition and coordination of applied research topics in the field of health and safety at work,
- the continuance of cooperation with international organizations such as WHO and BIT.

2. Type of expenditure

This item covers the costs of studies, training courses, experts' and consultants' fees, seminars, various services or related secretarial expenditure, missions and subsidies ; costs relating to the processing of the new programme and to the preparation and publication of the results obtained, the cost of implementing and monitoring the Directives, and expenditure incurred in preparing notices for the information of workers exposed to harmful substances.

The contract management costs are also covered by this appropriation.

3. Method of calculation and explanation of changes

(a) Method of calculation

— Travel and subsistence expenses for meetings, conferences, seminars and missions	450 000
— Experts' fees, studies, consultants, training courses	1 340 000
— Subsidies, computer processing costs, management costs, secretarial expenditure	120 000
— Costs incurred in implementing the Directives	30 000
— Services rendered, publications, purchase of scientific works	47 000
— Expenditure on notices for the information of workers exposed to harmful substances	80 000
Total	2 067 000

(b) Explanation of changes

The amount of the appropriation has been determined on the principle of renewing the appropriation authorized for 1984. For the sake of clarity, however, Item 6484 'Toxicology action programme for health protection' has been introduced with a funding of 200 000 ECU. The amount has been deducted from the appropriations carried over for the present item.

ITEM 6483 — GRANTS TO INTERNATIONAL BODIES FOR MEASURES RELATING TO HEALTH PROTECTION, HYGIENE AND SAFETY AT WORK

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	40 000	40 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	40 000	40 000
Percentage change	—	—

1. References and description**(a) References**

- Convention concluded in 1959 between the High Authority of the ECSC and the International Occupational Safety and Health Information Centre (CIS) of the International Labour Office.
- The action programme of the European Communities on safety and health at work approved by Council Resolution of 29 June 1978 (OJ No C 165, 11.7.1978).
- The second action programme on the subject, approved by Council Resolution of 27 February 1984 (OJ No C 67, 8.3.1984).

(b) Description

The grant to the ILO is paid in consideration of documentation services provided by the CIS.

2. Type of expenditure

Grant.

3. Method of calculation and explanation of changes

The amount of the appropriation has been determined on the principle of carrying over the appropriation authorized for 1984.

New item

ITEM 6484 — TOXICOLOGY ACTION PROGRAMME FOR HEALTH PROTECTION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	200 000	200 000
Percentage change	—	—

1. References and description

(a) References

- Toxicology action programme for health protection.
The programme is currently being examined by the Commission and is expected to receive approval during 1984. It will then be presented to the Council and Parliament, and will be able to start up in 1985.
- 1974 social action programme.
- Commission Decision of 28 June 1978 relating to the setting up of a scientific advisory committee to examine the toxicity and ecotoxicity of chemical compounds.
- Implementation of Council Directive 77/312/EEC of 29 March 1977 on the biological screening of the population for lead.
- Cooperation with WHO in the field of toxicology (OJ No L 300, 28.10.1982).

(b) Description

The action programme, the implementation of the abovementioned Directives and the growing importance of toxicology in a number of fields including public health call for more exact identification of this area. Hence the following projects are to be developed :

Studies to be carried out :

- Development of the dose/effect relationships (criteria) for toxic substances.
- Development of the toxicological test methods.
- Toxicological intercomparison tests.
- Assessment of the health hazards of toxic substances.

2. Type of expenditure

The item covers the costs of studies, training courses, experts and consultants, meetings and the related secretarial expenditure, missions and subsidies, publications and the purchase of scientific works and periodicals.

3. Method of calculation and explanation**(a) Method of calculation**

— Travel and subsistence expenses for meetings, conferences, seminars and missions	60 000
— Expert's fees, studies, consultants	100 000
— Subsidies, secretarial expenditure	25 000
— Publications, purchase of scientific works	15 000
Total	200 000

(b) Explanation

In view of the growing importance of health problems associated with toxic substances and the role of toxicology in evaluating their effects, it is now essential to intensify and regroup these projects.

ARTICLE 649 — SPECIAL MEASURES TO PROMOTE EMPLOYMENT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	p.m. ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

⁽¹⁾ An appropriation of 1 202 000 000 ECU is entered in Chapter 100 for Article 560, Chapters 60 and 61, Article 649 and Chapters 70 and 78.

1. References and description

(a) *References*

- Conclusions of the European Council in Stuttgart (17 to 19 June 1983).
- Proposal for a Council Regulation (EEC) establishing special measures of Community interest in the field of employment.

(b) *Description*

This article is intended to cover special measures aimed at improving the employment prospects of people in the United Kingdom most affected by the exceptionally high level of unemployment, including the young unemployed.

2. Type of expenditure

Subsidies.

**CHAPTER 65 — CONTRIBUTION TO THE ECSC FOR
TEMPORARY SOCIAL MEASURES IN CONNECTION WITH
THE RESTRUCTURING OF THE COAL AND STEEL
INDUSTRY**

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 (1)		Appropriations requested for 1985 (1)		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
650	Contribution to the ECSC for social measures in connection with the restructuring of the steel industry	62 500 000	62 500 000	62 500 000	62 500 000	—	—
651	Restructuring of the Commu- nity coal industry	60 000 000	60 000 000	60 000 000	60 000 000	—	—
	Total	122 500 000	122 500 000	122 500 000	122 500 000	—	—

(1) Including any appropriations entered in Chapter 100.

ARTICLE 650 — CONTRIBUTION TO THE ECSC FOR TEMPORARY SOCIAL MEASURES IN CONNECTION WITH THE RESTRUCTURING OF THE STEEL INDUSTRY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	62 500 000	62 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	62 500 000	62 500 000
Percentage change	—	—

1. References and description

(a) References

Council Decision of on a contribution to the ECSC from the general budget to facilitate the implementation of social support measures for restructuring in steel industry undertakings over the period 1983-86 (Commission proposal COM(83)158 final of 13 April 1983).

(b) Description

This is a contribution to the ECSC to enable the special aid measures referred to in the conclusions of the Council meeting on 24 June 1981 (early retirement, short-time working allowances and other aid measures) to be continued and supplemented.

2. Type of expenditure

Non-repayable aid.

3. Method of calculation

The resources available in the normal ECSC budget for readaptation aid in respect of steel industry workers are expected to be sufficient to meet expenditure on traditional aids under Article 56(2) (b) but not to finance the proposed extension and expansion of the 1981 programme of social measures in support of restructuring in the steel industry. For this purpose, the Commission estimates that additional Community resources of 330 million ECU will be required to supplement Member States' own expenditure. This estimate is based on the hypothesis that a further 150 000 jobs will be lost over the period 1983-86.

It is likely that roughly half of the workers affected will take early retirement or be kept in work thanks to measures involving adjustments in working time, while the remainder will have to find jobs in other sectors of the economy. The cost of measures relating to early retirement or cuts in working time is estimated at 195 million ECU, whilst measures relating to reintegration in other sectors of employment are expected to cost around 135 million ECU.

The payment schedule for the contribution of 330 million ECU (62,5 million ECU in 1984 and the same amount in 1985) involves, for budgetary reasons, a considerable delay in relation to the expected 3-year duration of the restructuring measures (1984-86) ; this is likely to cause delays in the financing of certain aids.

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Former Item 7027

ARTICLE 651 — RESTRUCTURING OF THE COAL INDUSTRY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	60 000 000 ⁽¹⁾	60 000 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	60 000 000	60 000 000
Percentage change	—	—

⁽¹⁾ Appropriations entered in Chapter 100.

1. References and description

(a) References

Council Decision of

(b) Description

Given the comparative stagnation of the market for energy-generating products, the substantial stocks of coal held in the Community and the heavy losses incurred by certain coalmines, there is a clear need to step up efforts to restructure this industry and, in particular, to close the least profitable pits. Several coal-producing Member States have already made public in part at least their plans for multiannual restructuring programmes, and the Commission envisages the loss of between 17 000 and 20 000 jobs a year over the period 1984-86. Bearing in mind that the appropriations to cover the Community contribution towards readaptation expenditure have been running at around 40-45 million ECU per year in recent years, it is therefore difficult to see how the ECSC budget can meet the additional requirements in this field without additional resources particularly given the need for special efforts to create jobs in other areas of activity.

2. Type of expenditure

Non-repayable aid.

3. Method of calculation

Taking account of the adjustments in aid procedures necessary to cope with the increase in the pace of closures, the cost of readaptation measures — notably in the form of early retirement benefits — is likely to reach around 7 000 ECU per beneficiary. It is estimated that a sum of between 80 and 85 million ECU will be required to meet these needs, at least 40 million ECU being charged to the proposed appropriation supplementing the ECSC budget.

Additional resources not obtainable from the levy on ECSC products will also be needed to maintain the programme of job creation via subsidized loans to undertakings at the level reached over the past two years and allow for the improvements in loan terms introduced in the course of 1983. The expectation is that at least a third of the jobs thus created will be in coalmining areas.

CHAPTER 66 — PROTECTION OF THE ENVIRONMENT AND CONSUMERS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
660	Protection and improvement of the environment	3 830 000	3 830 000	3 634 000	3 634 000	- 5,1	- 5,1
661	Community operations concern- ing the environment	8 600 000	4 850 000	7 650 000	3 800 000	- 11,1	- 21,7
662	Specific measures for protec- tion of the marine environ- ment	1 470 000	1 470 000	1 640 000	1 640 000	+ 11,6	+ 11,6
663	Environmental projects	700 000	700 000	1 050 000	1 050 000	+ 50	+ 50
664	Measures required to imple- ment directives and decisions on the environment	3 814 000	3 814 000	3 360 000	3 360 000	- 11,9	- 11,9
665	Direct Community action in regions where the environment is under particular threat (Mediterranean Basin)	—	—	900 000	900 000		
667	Consumer protection and in- formation	1 550 000	1 550 000	2 785 000	2 785 000	+ 79,7	+ 79,7
	Total	19 964 000	16 214 000	21 019 000	17 169 000	+ 5,3	+ 5,9

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 660 — PROTECTION AND IMPROVEMENT OF THE ENVIRONMENT**ITEM 6600 — BASIC STUDIES ON PROTECTION OF THE ENVIRONMENT**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 550 000	2 550 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 280 000	2 280 000
Percentage change	— 10,59	— 10,59

1. References and description**(a) References**

- Council Declaration (First Programme) of 22 November 1973 (OJ No C 112, 20.12.1973).
- Council debate of 16 October 1975 on new guidelines for this programme over the next five years.
- Council Resolution (Second Programme) of 17 May 1977 (OJ No C 139, 13.6.1977).
- Council debate of 9 April 1979 on the best policy for preventing pollution and nuisances.
- Council Resolution (Third Programme) of 7 February 1983 (OJ No C 46, 17.2.1983).

(b) Description

The studies are a response to the priority measures laid down in the Community Action Programmes on the environment and to the emergencies created by accidental pollution.

2. Type of expenditure

Cost of studies.

3. Method of calculation and explanation of changes

(a) Method of calculation

— Water management	420 000
— Prevention and reduction of air pollution	360 000
— Waste prevention, treatment and disposal	200 000
— Prevention and reduction of noise pollution	300 000
— Protection of the natural environment (flora, fauna, coastal regions, mountain regions, urban areas, agriculture and its environment)	500 000
— General measures and instruments for improving the environment	460 000
— Legal aspects of environmental protection	40 000
Total	2 280 000

(b) Explanation of changes

The proposed reduction is due to the creation of Items 6643 (Measures to combat pollution by waste products) and 6644 (Recycling of waste products) in 1984. It is proposed to group these two items together under a new Item 6632 (Combating pollution by waste products and recycling) in 1985.

ITEM 6601 — POLLUTION MEASUREMENT, INTERCALIBRATION AND SURVEILLANCE SYSTEMS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	200 000	200 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	200 000	200 000
Percentage change	—	—

1. References and description

(a) References

- Council Declaration (First Programme) of 22 November 1973 (OJ No C 112, 20.12.1973), Part II, Title I, Chapter 1.

- Council Resolution (Second Programme) of 17 May 1977 (OJ No C 139, 13.6.1977).
- Council Decision of 12 December 1977 establishing a common procedure for the exchange of information on the quality of surface fresh water (OJ No L 334, 24.12.1977).
- Council Resolution (Third Programme) of 7 February 1983 (OJ No C 46, 17.2.1983).

(b) *Description*

In accordance with the aims of the Action Programmes adopted by the Council, there is to be further harmonization of measurement and sampling methods — including in particular interlaboratory comparison programmes, programmes in which surveillance and monitoring networks exchange information on the results of measurements and an intercalibration exercise aimed at ensuring that the measurements made by the national laboratories taking part in the exchanges are comparable.

This programme also includes the preparation and drafting of a directive on photochemical oxidants. The programme is to increase the comparability of the measurements undertaken by national laboratories taking part in the exchanges.

In order to carry out this work, a number of activities will need to be organized, i.e. :

- meetings of national experts, consultants and working parties ;
- colloquia, symposia, technical and scientific seminars/5 ;
- studies ;
- information and coordination visits to measurement stations and research stations and participation in meetings ;
- publication of scientific reports and of the proceedings of colloquia, symposia and seminars ;
- the purchasing of equipment and materials.

2. Type of expenditure

Cost of studies and of the dissemination of information, purchases and contracts.

3. Method of calculation and explanation of changes

(a) *Method of calculation*

— First study of a multiannual programme being undertaken to define photochemical oxidants	130 000
— Intercalibration exercise for various substances under the Council Decision on the exchange of information	70 000
Total	200 000

(b) *Explanation of changes*

The amount of the appropriation has been fixed on the principle that the appropriation authorized for 1984 will be repeated.

ITEM 6602 — ASSESSMENT OF HAZARDS TO MAN AND THE ENVIRONMENT DUE TO CHEMICAL SUBSTANCES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	600 000	600 000
1985 — Appropriations requested	650 000	650 000
Percentage change	+ 8,34	8,34

1. References and description

(a) References

- Council Declaration (First Programme) of 22 November 1973 (OJ No C 112, 20.12.1973).
- Council Resolution (Second Programme) of 17 May 1977 (OJ No C 139, 13.6.1977).
- Council Decision of 12 December 1977 (OJ No L 334, 24.12.1977).
- Council Decision of 30 May 1978 authorizing the Commission to open negotiations with the United States with a view to investigating means of arriving at an agreement on the procedures for applying the Toxic Substances Control Act to Community products, and the corresponding Community legislation to products from the United States.
- Council Decision 78/618/EEC of 28 June 1978 (OJ No L 198, 22.7.1978).
- Council Resolution (Third Programme) of 7 February 1983 (OJ No C 46, 17.2.1983).

(b) Description

In accordance with the aim of the Action Programmes adopted by the Council, this action continues the objective assessment of the hazards to man and the environment of chemical substances ; this will involve :

- the work needed to monitor the environmental impact of chemical compounds and to carry out a systematic analysis of certain chemical compounds in the light of toxicity, bioaccumulation and persistence criteria (Second Programme) ;
- application of harmonized methods of assessing the impact of chemical substances and periodic listing of existing dangerous substances requiring priority assessment (Third Programme) ;
- studies on the environmental impact of chemical substances and the formulation of ecotoxicity tests and criteria ;
- projects in support of work being done by the Scientific Advisory Committee on the toxicity and ecotoxicity of chemical compounds which was set up in 1979 ;

- further work arising out of negotiations with the United States (TSCA) ;
- the Commission is having to undertake a number of intercalibration programmes between Community laboratories in order to validate new methods of testing chemical substances.

In order to carry out this work, a number of activities will have to be organized, i.e. :

- meetings of national experts, consultants and working parties ;
- colloquia, symposia, technical and scientific seminars ;
- studies ;
- information and coordinating visits to measurement and research stations and participation in meetings ;
- publication of scientific reports and of the proceedings of colloquia, symposia and seminars.

2. Type of expenditure

Cost of studies and of the dissemination of information.

3. Method of calculation and explanation of changes

(a) Method of calculation

— Continuation of the studies to assess the impact on man of chemicals present in the environment as a function of their various uses	200 000
— Scientific projects in support of the activities of the Scientific Advisory Committee on toxicology and ecotoxicology	150 000
— Inter-laboratory calibration and comparison of physico-chemical and ecotoxicological tests	200 000
— TSCA negotiations with the United States	100 000
Total	650 000

(b) Explanation of changes

These measures are high in the current order of priorities and concern a field well suited to Community-wide coordination, particularly as concerns the ecotoxicity of the products in the environment and at the place of work.

ITEM 6603 — PERMANENT INVENTORY OF SOURCES OF INFORMATION ON THE ENVIRONMENT IN THE COMMUNITY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	480 000	480 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	504 000	504 000
Percentage change	+ 5	+ 5

1. References and description

(a) References

- Article 235 of the EEC Treaty and Council Decision 76/161/EEC of 8 December 1975 establishing a common procedure for the setting-up and constant updating of an inventory of sources of information on the environment in the Community (OJ No L 31, 5.2.1976).
- Council Resolution of 17 May 1977 on the continuation and implementation of a second European Community policy and action programme on the environment (OJ No C 139, 13.6.1977).
- Council Resolution of 7 February 1983 concerning a third action programme on the environment (OJ No C 46, 17.2.1983).

(b) Description

This measure involves :

- the compilation, constant updating and administration of a permanent inventory of sources of environmental information in the Community supplied by the Member States ;
- the creation, development and maintenance of the requisite computer facilities to process data and provide data services on magnetic tape, microfiches and printed texts.

A major parallel effort in the field of terminology will also be required in the seven official languages, particularly since the accession of Greece to the Community.

Furthermore, the Council Resolutions referred to above provide, *inter alia*, for the prevention, treatment and disposal of wastes. A prerequisite for the effective implementation of this provision is a sound knowledge of the nature and distribution of the wastes to be treated. Accordingly, it is proposed to set up and develop an experimental Community information system on waste recovery.

The Commission has therefore begun a study on coordinating and harmonizing existing national data banks.

The Commission has also awarded a contract for the creation of the information system on the national and Community laws and regulations on environmental matters provided for in the above Resolutions.

Finally, point 10 of the Third Action Programme on the environment calls for measures to step up the research and to improve the dissemination of, and access to, the results.

2. Type of expenditure

Fixed data-processing costs, costs of data collection, processing and dissemination ; organization of seminars ; publicity and promotion costs ; administration costs and cost of developing the various systems.

3. Method of calculation and explanation of changes

(a) Method of calculation

The appropriations have been estimated as follows :

- In order to satisfy the conditions laid down by the Council, the inventory is in three parts, differentiated according to input criteria and type of user, i.e. :
 - Endoc (sources of information) used primarily for documentation purposes.
Cost of a new improved version in 1985 15 000
 - Enrep (environmental research project) used by researchers and ministries.
Cost of an improved version in 1985 80 000
 - ENEX (environment experts) used chiefly by bodies concerned with safety, hygiene and health.
Cost of an improved version in 1985 5 000

(All three inventories will be accessible via the Euronet-Diane network.)
- Community information system on waste recovery (307 Ewadat).
A study on the design of the system was recently completed. The system is being set up.
Estimated cost in 1985 140 000
- Community information system on environmental legislation (Enlex).
Now that the first phase (system design, development of software and format, terminology, indexation and retrieval manuals, etc.) has been completed, work is going ahead on the second (setting up of the system).
Estimated cost in 1985 180 000
- Documentation system on environmental literature (Enlit).
This is to supplement Enrep with literature on the research projects.
Estimated cost in 1985 45 000
- Multilingual descriptors system (MDS) used for indexation.
At the moment the system exists in six languages (French, English, German, Italian, Dutch and Danish). The Greek version is virtually complete. Further work will be required on the Spanish and Portuguese versions.
Cost of an improved version in 1985 39 000

Total	504 000
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(b). *Explanation of changes*

The main reason for the changes is the preparation, development and utilization of the new information systems — MDS, Enlit, Enlex and Ewadat. In addition an increase is needed to improve the three existing systems and to cover the increase in the general level of prices.

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ARTICLE 661 — COMMUNITY OPERATIONS CONCERNING THE ENVIRONMENT

ITEM 6610 — AID FOR THE DEVELOPMENT OF CLEAN TECHNOLOGIES WHICH CAUSE LITTLE OR NO POLLUTION AND CONSUME FEWER NATURAL RESOURCES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	3 000 000	1 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 625 000	750 000
Percentage change	- 45,83	- 50,-

1. References and description

(a) References

- Council Declaration (First Programme) of 22 November 1973 (OJ No C 112, 20.12.1973).
- Council Resolution (Second Programme) of 17 May 1977 (OJ No C 139, 13.6.1977).
- Summary of the decisions taken at the Council meetings of 18 December 1978, 9 April 1979 and 3 December 1981.
- Council Resolution (Third Programme) of 7 February 1983 (OJ No C 46, 17.2.1983), and in particular point (i) thereof.
- Parliament Resolution of 15 April 1983 on the Commission proposal for a Council Regulation on action by the Community relating to the environment (ACE) (OJ No C 30, 4.2.1983 ; COM(82)849 final of 11 January 1983).
- Approval by the Council on 1 March 1984 of the proposal for a Regulation on action by the Community relating to the environment (ACE) (COM(82)849 final of 11 January 1983).

(b) Description

General objective

To conserve and improve the environment by reducing pollutant emissions and nuisances, by generating less waste and consuming less raw materials.

Specific objective

To promote the development of new 'clean' technologies which cause little or no pollution and consume fewer natural resources, notably raw materials. As a result of this development, to eliminate the social costs arising from pollutant emissions and nuisances, to increase the innovative capacity particularly of small and medium-sized undertakings in the Community, to exert a positive influence on the filing of licences and patents and on Member States' balance of payments and to generate new employment.

To achieve these objectives, a number of demonstration projects in the field of clean technology will be launched and where appropriate, subsidized (operating appropriations) ; technical and economic studies will also be made of other projects in order to obtain a more accurate assessment of their real impact on environmental improvement in the Community (study appropriations).

2. Type of expenditure

Study appropriations and subsidies.

3. Method of calculation and explanation of changes

(a) Method of calculation

Since the 1982 budget was adopted, the Commission has received a great many requests for Community finance for these new technologies, the number of requests far exceeding current financial resources. The request for appropriations is based on the number of requests received.

(b) Explanation of changes

The development of new technologies which cause little or no pollution and consume fewer natural resources, notably raw materials, is one of the objectives of the Second Action Programme on the Environment which stipulates that technical or other processes must be found for each polluting sector of industry in order to reduce, eliminate or prevent the emission of polluting substances or the creation of nuisances. Such action is also consistent with the objectives of clean technology stated by the Council at its meetings of 18 December 1978 and 9 April 1979.

The proposed appropriation will enable worthwhile Community-wide action to be taken in this field ; coordinated action of this kind is also likely to bring savings in the total effort required.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—					
Appropriation outstanding from 1983	900 000	900 000 ⁽¹⁾	—			
Appropriation for 1984	3 000 000	1 500 000	750 000	750 000		
Appropriation for 1985	1 625 000	—	—	1 000 000	625 000	
Total	5 525 000	2 400 000⁽¹⁾	750 000	1 750 000	625 000	

⁽¹⁾ Including 900 000 ECU surplus of payment appropriations carried over from 1983 over and above the commitments still to be settled at 1 January 1984.

ITEM 6611 — PROTECTION OF THE NATURAL ENVIRONMENT IN CERTAIN SENSITIVE AREAS OF COMMUNITY INTEREST

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	3 500 000	1 800 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 625 000	1 000 000
Percentage change	— 53,57	— 44,44

1. References and description

(a) References

- Council Declaration (First Programme) of 22 November 1973 (OJ No C 112, 20.12.1973).
- Council Resolution (Second Programme) of 17 May 1977 (OJ No C 139, 13.6.1977).
- Council Resolution (Third Programme) of 7 February 1983 (OJ No C 46, 17.2.1983).
- Parliament Resolution of 15 April 1983 on the Commission proposal for a Council Regulation on action by the Community relating to the environment (ACE) (OJ No C 30, 4.2.1983 ; COM(82)849 final of 11 January 1983).
- Approval by the Council on 1 March 1984 of the proposal for a Regulation on action by the Community relating to the environment (ACE) (COM(82)849 final of 11 January 1983).

(b) Description

General objective

To ensure the conservation of certain environmentally sensitive natural areas of the Community in order to preserve biotopes of Community interest and to protect flora and fauna.

Specific objectives

To examine the possibility — on the basis of an appropriate descriptive analysis — of participating at Community level in projects centred on certain sensitive areas of Community interest aimed (i) at the conservation, management or acquisition of such areas by the public authorities or by authorized bodies and (ii) at the prevention of natural hazards through improved land use. To contribute to the implementation of certain pilot schemes.

The general objective referred to above is contained in the Third Action Programme on the environment under point (j). It also serves to promote implementation of the regulations already approved by the Council and of the Directive of 2 April 1979 on the conservation of wild birds which — in conjunction with the Council Resolution of 2 April 1979 — lays particular stress on the preservation of homogeneous areas providing the habitat for certain species of fauna.

2. Type of expenditure

Subsidies and study appropriations.

3. Method of calculation and explanation of changes

The proposed appropriation will enable the Community to contribute significantly to solving a considerable environmental problem and, by coordinating measures at national level, to reduce any duplication of effort.

In 1983, the Commission received requests for financial intervention in excess of the funds available, which makes it necessary to adopt restrictive criteria for eligibility. The intention is to make advances which will make it possible to speed up the implementation of the projects. Moreover, the Community should participate financially, in the pilot operations as well as in the studies, if the desired objective is to be achieved.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	490 103	490 103				
Appropriation outstanding from 1983	500 000	500 000				
Appropriation for 1984	3 500 000	809 897	1 000 000	1 690 103		
Appropriation for 1985	1 625 000	—	—	1 309 897	315 103	
Total	6 115 103	1 800 000	1 000 000	3 000 000	315 103	

ITEM 6612 — IMPLEMENTATION OF COMMUNITY RULES AND REGULATIONS GOVERNING CERTAIN FORMS OF POLLUTION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 100 000	750 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 100 000	750 000
Percentage change	—	—

1. References and description

(a) *References*

- Council Declaration (First Programme) of 22 November 1973 (OJ No C 112, 20.12.1973).
- Council Resolution (Second Programme) of 17 May 1977 (OJ No C 139, 13.6.1977).
- Summary of the decisions taken at the Council meetings of 18 December 1978, 9 April 1979 and 3 December 1981.
- Council Resolution (Third Programme) of 7 February 1983 (OJ No C 46, 17.2.1983).

(b) *Description*

General objective

To speed up the implementation of certain Community rules and regulations, particularly those on water quality, air quality and the management of toxic wastes. These regulations deal with problems which, because of their very nature (transboundary pollution) and the seriousness of possible accidents, cannot be dealt with at national level and in many cases also require very high levels of investment compared with the resources of certain authorities.

Specific objectives

Using a suitable method of descriptive analysis, to examine the possibility of contributing to the investment occasioned by the implementation of these Community rules and regulations and those intended to bring about the conversion of existing infrastructure, and to contribute to the execution of certain pilot projects.

The delays in implementing Community rules and regulations on certain forms of pollution must be made up. In fact the investment required to implement these regulations is extremely expensive compared with the financial resources of certain regions and local communities where there is particularly acute pollution and in many cases has been postponed because of the economic difficulties.

The seriousness of the environmental problems involved, the scale of the investment and the economic importance of the activities envisaged necessitate action by the Community.

2. Type of expenditure

Subsidies and study appropriations.

3. Reasons for the operation

The need to speed up implementation of regulations, as explained above, the seriousness of the environment problems concerned, the substantial amounts involved and the economic importance of these activities all serve to justify the amount proposed.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—					
Appropriation outstanding from 1983	500 000	500 000 ⁽¹⁾	—			
Appropriation for 1984	1 100 000	750 000	350 000	—		
Appropriation for 1985	1 100 000	—	400 000	700 000		
Total	2 700 000	1 250 000⁽¹⁾	750 000	700 000		

⁽¹⁾ Including 500 000 ECU surplus of payment appropriations carried over from 1983 over and above the commitments still to be settled at 1 January 1984.

ITEM 6613 — ENVIRONMENTAL MEASURES WHICH CAN HELP TO CREATE NEW JOBS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	500 000	500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	500 000	500 000
Percentage change	—	—

1. References and description

(a) References

- Council Declaration (First Programme) of 22 November 1973 (OJ No C 112, 20.12.1973).
- Council Resolution (Second Programme) of 17 May 1977 (OJ No C 139, 13.6.1977).
- Summary of the decisions taken at the Council meetings of 18 December 1978 and 9 April 1979.
- Council Resolution (Third Programme) of 7 February 1983 (OJ No C 46, 17.2.1983).

(b) Description

General objective

To take account of how the development of environment policy affects the creation of new jobs, in other words, to encourage the requisite training of environment specialists. This training often leads to a high level of competence and is required because of the need to protect the environment and the rapidly changing techniques involved.

Specific objectives

To use descriptive analysis to decide whether it is possible, at Community level, to fill at least some of the need for environment specialists arising from the development of environment policies, particularly as regards the use of techniques, e.g. by farmers, and controlling the quality of the environment. In some cases, it is a matter of setting up training structures, in others, the expenditure required is greater than the local communities alone can afford. This holds up training programmes and has negative effects on the quality of the environment in the Community.

Training, particularly vocational training, of the environment specialists required for the preservation and improvement of the environment meets the objectives of the second programme, particularly its Title IV. Moreover, it is one of the conditions for implementing a prevention policy in the Community.

2. Type of expenditure

Subsidies, contribution to the costs of studies and/or of training courses or pilot projects.

3. Reasons for the operation

The operation envisaged meets a priority need for environment policy. It is also bound to have beneficial effects on employment ; it is thus doubly justified. The great demand is reflected by the amounts of aid requested in 1984, which exceed the funds available.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	928 777	500 000	428 777			
Appropriation outstanding from 1983	71 223	—	71 223			
Appropriation for 1984	500 000	—	—	500 000		
Appropriation for 1985	500 000	—	—	—	500 000	
Total	2 000 000	500 000	500 000	500 000	500 000	

ITEM 6614 — HARMONIZATION OF ENVIRONMENTAL STATISTICS AND IMPLEMENTATION OF AN INFORMATION SYSTEM ON THE STATE OF THE ENVIRONMENT IN THE COMMUNITY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	500 000	300 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 800 000	800 000
Percentage change	+ 460, —	+ 166, —

1. References and description

(a) References

- Article 235 of the EEC Treaty.
- Council Declaration (First Programme) of 22 November 1973 (OJ No C 112, 20.12.1973).
- Council Resolution (Second Programme) of 17 May 1977 (OJ No C 139, 13.6.1977).
- Statement of the decisions taken at the Council meetings of 18 December 1978 and 9 April 1979.
- Council Resolution (Third Programme) of 7 February 1983 (OJ No C 46, 17.2.1983).
- Proposal for a Council Decision on the adoption of a work programme for the first phase of implementation of an information system on the state of the environment and natural resources in the Community (1984 to 1987) (OJ No C 291, 27.10.1983).

(b) Description

General objectives

To improve the comparability of the Member States' environmental statistics and data so creating an information tool to :

- lay down the guidelines for Community environment policy and to assess what impact its implementation will have ;
- integrate the European dimension into sectoral Community policies ;
- coordinate or promote the collection of data on the state of the environment at national and international level.

Specific objectives

- To set up gradually a coordinated and comparable data base at Community level concentrating on a priority subject in the initial phase.
- To help prepare the information needed for problems of specific Community interest.

- To help provide the comparable data needed in frontier regions.
- To help provide suitable information in certain areas where this information is not available.
- To carry out the research needed to meet these general objectives.

2. Type of expenditure

Study appropriations.

3. Method of calculation and reasons for the request

Expenditure will be less at the beginning and end of the programme (preparation and consolidation phases) than it is in the middle of the programme (collection and processing of data).

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	500 000	300 000	200 000	—		
Appropriation for 1985	2 800 000	—	600 000	1 500 000	700 000	
Total	3 300 000	300 000	800 000	1 500 000	700 000	

ARTICLE 662 — SPECIFIC MEASURES FOR PROTECTION OF THE MARINE ENVIRONMENT**ITEM 6620 — COMMUNITY PARTICIPATION IN THE ACTION PLAN FOR THE MEDITERRANEAN**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	570 000	570 000
1985 — Appropriations requested	640 000	640 000
Percentage change	+ 12,28	+ 12,28

1. References and description**(a) References**

- Barcelona Convention on the protection of the Mediterranean Sea against pollution, signed and ratified by the Community on 16 March 1978.
- Protocol on the prevention of the pollution of the Mediterranean Sea by dumping from ships and aircraft, signed and ratified by the Community on 16 March 1978.
- Protocol concerning cooperation in combating pollution of the Mediterranean Sea by oil and other harmful substances in cases of emergency, for which the instrument of approval was deposited on 12 July 1981.
- Protocol for the protection of the Mediterranean Sea against pollution from land-based sources, signed in Athens on 17 May 1980 and ratified on 28 February 1983.
- Protocol concerning Mediterranean specially-protected areas, signed by the Community on 30 March 1983 and now being concluded.

(b) Description

The Community's contribution to the Special Fund set up to cover administrative costs incurred for the various sections of the Action Plan for the Mediterranean : the Blue Plan, the Priority Action Programme and the coordinated programme of continuous monitoring and research relating to pollution in the Mediterranean (Medpol).

2. Type of expenditure

Lump-sum contribution to the Action Plan budget.

3. Method of calculation and explanation of changes

According to the information available at present, the lump-sum contribution of 590 000 ECU would amount to some 15 % of the total budget of the Action Plan for the Mediterranean for 1985. It must be remembered in this connection that 22 000 kilometres of the Mediterranean's total coastline of 41 000 kilometres belongs to the Community. The Commission gave a detailed explanation of the reasons why the Community should make a much larger contribution to the Action Plan in its communication of 5 March 1981 (COM(81)98 final).

ITEM 6621 — PROTECTION OF THE MARINE ENVIRONMENT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	900 000	900 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 000 000	1 000 000
Percentage change	+ 11,11	+ 11,11

1. References and description

(a) References

- Council Resolution of 26 June 1978 setting up an action programme of the European Communities on the control and reduction of pollution caused by hydrocarbons discharged at sea (OJ No C 162, 8.7.1978, p. 1).
- Council Decision 81/971/EEC of 3 December 1981 establishing a Community information system for the control and reduction of pollution caused by hydrocarbons discharged at sea (OJ No L 355, 10.12.1981).
- Council Decision 81/420/EEC of 19 May 1981 on the conclusion of the Protocol concerning cooperation in combating pollution of the Mediterranean Sea by oil and other harmful substances in cases of emergency (OJ No L 162, 19.6.1981).
- Council Resolution of 7 February 1983 on a Third Action Programme on the environment (OJ No C 46, 17.2.1983).
- Council Decision of 9 September 1983 on the conclusion of the Agreement for cooperation in dealing with pollution of the North Sea by oil and other dangerous substances, due to be ratified in 1984.
- Resolution of the Council of the European Communities and of the Representatives of the Governments of the Member States, meeting within the Council, on the continuation and implementation of a European Community policy and action programme on the environment (OJ No C 46, 17.2.1983).

(b) Description

Implementation of the measures set out in the Commission's communication to the Council of 26 June 1980 concerning a plan to combat oil pollution of the sea (COM(80)361) and of the tasks assumed by the Commission as part of the Community's contribution to the international agreements on accidental pollution of the sea by oil and other dangerous substances, namely :

— preparation and management of an inventory of means of combating oil pollution of the sea ;

In late 1982 the Commission compiled a preliminary version of the inventory called for by Decision 81/971/EEC and put it on computer.

In 1983 the competent authorities in the Member States sent the Commission the data to be published, for the first time, in the official version of the inventory ; the Commission passed on all the data received to the authorities.

When the Decision was adopted the Commission asked for a statement to be recorded in the Council minutes that the data submitted by the Member States would be fed into the computerized system mentioned above and said that it would send the Member States an annual compendium thereof.

— Further studies of pollution by oil and other harmful substances spilled at sea and the measures required to prevent and control it.

The authorities responsible for controlling pollution caused by accidents at sea are attaching growing importance to chemical spills. For instance, the Bonn Agreement is to be extended this year to cover chemicals as well.

In 1983 the Commission embarked on a survey of the data systems already set up in this field. At the same time the Commission, assisted by the Advisory Committee, will continue looking into the problems raised by pollution caused by hydrocarbons.

— Community support for pilot projects to improve the effectiveness of action to combat pollution due to oil spills.

2. Type of expenditure

Pilot projects, studies and subsidies.

3. Method of calculation and explanation of changes**(a) Method of calculation**

— Management of the inventory of means of combating oil pollution of the sea	50 000
— Further studies of pollution by oil and other harmful chemicals spilled at sea and the measures required to prevent and control it	150 000
— Community support for pilot projects to improve the effectiveness of action to combat pollution due to oil spills	800 000
Total	1 000 000

(b) *Explanation of changes*

The needs fulfilled by the measures in view are ever present. More information on the subject **will be** found in the Communication of 26 June 1980. The need to implement the two new Council **Decisions** referred to justifies the proposed increase in appropriations, as the action enters the operational **phase**.

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ARTICLE 663 — ENVIRONMENTAL PROJECTS AND OPERATIONS**ITEM 6630 — ENVIRONMENTAL PROJECTS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	400 000	400 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	600 000	600 000
Percentage change	+ 50,–	+ 50,–

1. References and description**(a) References**

- Council Declaration (First Programme) of 22 November 1973 (OJ No C 112, 20.12.1973).
- Council debate of 16/9 October 1975 on new guidelines for this programme over the next five years.
- Council Resolution (Second Programme) of 17 May 1977 (OJ No C 139, 13.6.1977).
- Action Programme on waste paper adopted by the Advisory Committee on Waste on 4 October 1977.
- Council Resolution (Third Programme) of 7 February 1983 (OJ No C 46, 17.2.1983).

(b) Description

- Training and education projects for the public in general on environment problems, particularly :
 - preventive policy ;
 - recovery and recycling ;
 - wild birds ;
 - management of sensitive sites ;
 - teaching farmers about reducing the use of pesticides ;
 - management and conservation of land ;
 - noise.
- Specific and *ad hoc* aid for projects carried out by national or international bodies.
- Specific education projects on the environment, network of pilot schools (primary and secondary) with environmental studies.

2. Type of expenditure

Subsidies, contributions and information.

3. Method of calculation and explanation of changes

(a) Method of calculation

— Subsidies for environmental organizations	90 000
— Training and education projects on :	
— instruments for a preventive policy (e.g. EIS mapping)	50 000
— recovery and recycling	60 000
— wild birds - management of sensitive sites	50 000
— noise	40 000
— modern agricultural methods	40 000
— management and conservation of land and protection of biotopes	50 000
— Contributions to certain national or international information campaigns	70 000
— Operation of a network of secondary schools and continuing liaison with the network of primary schools	150 000
Total	600 000

(b) Explanation of changes

The experience gained over the last few years has demonstrated the potential value — but also the inadequacy — of these measures, in particular the pilot schools project, which the group of national experts on environmental education in schools has decided is to be continued and extended. Consequently, the proposed increase seems amply justified.

ITEM 6631 — OPERATIONS TO COMBAT POLLUTION OF THE RHINE AND OTHER RIVERS CROSSING NATIONAL FRONTIERS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	100 000	100 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	100 000	100 000
Percentage change	—	—

1. References and description

(a) References

Council Resolution of 7 February 1983 on the continuation and implementation of a Third Action Programme on the environment (OJ No C 46, 17.2.1983), point (f) of the Resolution and points 16, 19 and 20 of the Programme.

(b) Description

Assessment of the quality of water from the Meuse and in particular of its organohalogen content and of the likely developments, bearing in mind in particular the plans to make wider use of water from the Meuse for industrial purposes.

To follow up in 1985 the extensive studies already, or now being, carried out on pollution of the Rhine, the plan is to attempt to combat pollution of the Meuse.

The Meuse is a typical example of a river crossing national frontiers, with three Member States crossed and four having an interest in the Meuse basin.

What is more, several of those concerned have repeatedly raised the problem of maintaining and improving the quality of water from the Meuse.

Some of the national authorities have even emphasized that the Commission must follow all problems concerning pollution of the Meuse.

2. Type of expenditure

Study appropriations.

3. Method of calculation and reasons

Knowledge of the quality of the water, the nature of the discharges and where the discharges originate is needed before it is possible to combat transfrontier pollution. An appropriation of 100 000 ECU was granted for this purpose in the 1984 budget. Continuation of the study in 1985, with an appropriation of 100 000 ECU, would make a significant contribution towards measures against pollution of this river, on which over 5 million people depend for their drinking water.

Former Items 6643 and 6644

ITEM 6632 — MEASURES TO COMBAT POLLUTION BY WASTE PRODUCTS AND RE-CYCLING

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	200 000	200 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	350 000	350 000
Percentage change	+ 75,—	75,—

1. References and description

(a) References

- Council Declaration (First Programme) of 22 November 1973 (OJ No C 112, 20.12.1973).
- Council Resolution (Second Programme) of 17 May 1977 (OJ No C 139, 13.6.1977).
- Council Resolution (Third Programme) of 7 February 1983 (OJ No C 46, 17.2.1983).
- Council Directive 75/442/EEC of 15 July 1975 on waste.
- Council Directive 78/319/EEC of 20 March 1978 on toxic and dangerous waste.
- Council Recommendation 81/972/EEC concerning the re-use of waste paper and the use of recycled paper.

(b) Description

The Action Programmes on the Environment, the Community legislation adopted by the Council and the recommendations made by Parliament, the Economic and Social Committee and the Waste Management Committee describe the action to be taken by the Commission. They all call for large-scale action spanning several years.

2. Type of expenditure

Studies and pilot projects.

3. Method of calculation and explanation of changes

(a) Method of calculation

— Specific studies on means of disposing harmlessly of the types and categories of waste listed in the Annex to Directive 78/319/EEC	75 000
— Scientific and technical work to identify the individual types of wastes falling into the 27 categories of toxic and dangerous waste listed in the Annex to Directive 78/319/EEC	25 000
— Compilation and subsequent updating of a comprehensive inventory of toxic and dangerous wastes (first stage)	20 000
— Assessment of the hazards posed by the individual types of toxic and dangerous waste falling into the categories listed in the Annex to Directive 78/319/EEC (first stage)	20 000
— Compilation and subsequent updating of a common nomenclature for wastes (first stage)	10 000
— Schemes to recover and recycle wastes (to recover solvents, to recover car batteries and small, 'button-shaped' batteries, to devise a better system for recovering wastes comprising non-ferrous metals, to make better use of waste paper, metal recovery schemes in the surface treatment and electroplating industries, etc.)	200 000
Total	350 000

(b) Explanation of changes

Parliament has stressed the need to clarify and expand the Directive on toxic and dangerous waste.

ARTICLE 664 — MEASURES REQUIRED TO IMPLEMENT DIRECTIVES AND DECISIONS ON THE ENVIRONMENT**ITEM 6640 — APPLICATION OF LEGAL ACTS RELATING TO POLLUTION AND NUISANCES**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	214 000	214 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	200 000	200 000
Percentage change	– 6,55	– 6,55

1. References and description**(a) References**

- Council Directive 75/440/EEC of 16 June 1975 concerning the quality required of surface water intended for the abstraction of drinking water (OJ No L 194, 25.7.1975).
- Council Directive 75/442/EEC of 15 July 1975 on waste (OJ No L 194, 25.7.1975, p. 47).
- Council Directive 76/160/EEC of 8 December 1975 concerning the quality of bathing water (OJ No L 31, 5.2.1976), Article 13.
- Council Directive 76/403/EEC of 6 April 1976 on the disposal of polychlorinated biphenyls (OJ No L 108, 26.4.1976, p. 41).
- Council Decision 77/795/EEC of 12 December 1977 establishing a common procedure for the exchange of information on the quality of surface fresh water in the Community (OJ No L 334, 24.12.1977), Article 3(5).
- Council Directive 78/176/EEC of 20 February 1978 on waste from the titanium dioxide industry (OJ No L 54, 25.2.1978).
- Council Directive 78/611/EEC of 29 June 1978 on the lead content of petrol (OJ No L 197, 22.7.1978).
- Council Directive 78/659/EEC of 18 July 1978 on the quality of fresh waters needing protection or improvement in order to support fish life (OJ No L 222, 14.8.1978).
- Council Directive 79/113/EEC of 19 December 1978 on the determination of the noise emission of construction plant and equipment (OJ No L 33, 8.2.1979).
- Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds (OJ No L 103, 25.4.1979).
- Council Directive 79/869/EEC of 9 October 1979 concerning the methods of measurement and frequencies of sampling and analysis of surface water intended for the abstraction of drinking water in the Member States (OJ No L 271, 29.10.1979).
- Council Directive 79/923/EEC of 30 October 1979 on the quality required of shellfish waters (OJ No L 281, 10.11.1979).

- Council Directive 80/51/EEC of 20 December 1979 on the limitation of noise emissions from subsonic aircraft (OJ No L 18, 24.1.1980).
- Council Directive 80/68/EEC of 17 December 1979 on the protection of groundwater against pollution caused by certain dangerous substances (OJ No L 20, 26.1.1980).
- Council Directive 80/778/EEC of 15 July 1980 relating to the quality of water intended for human consumption (OJ No L 229, 30.8.1980).
- Council Directive 82/501/EEC of 24 June 1982 on the major accident hazards of certain industrial activities (OJ No L 230, 5.8.1982).
- Council Directive 83/206/EEC amending Council Directive 80/51/EEC on the limitation of noise emissions from subsonic aircraft (OJ No L 117, 4.5.1983).

(b) *Description*

Commission action on the environment has resulted in a large number of directives which have to be implemented, and monitored in the long term.

The Commission has to call on outside public and private bodies and qualified experts to assist in ensuring the correct application and proper management of these directives.

2. **Type of expenditure**

Experts' fees, travel expenses, costs of studies, of collecting and publishing information, of providing services and of making purchases and performing contracts.

3. **Method of calculation and reasons**

(a) *Method of calculation*

- Annual reports on the implementation of the Directives in the 10 Member States 200 000

(b) *Reasons*

The Commission needs sufficient appropriations to fulfil the responsibilities vested in it in respect of the application of directives adopted by the Council.

ITEM 6641 — APPLICATION OF LEGAL ACTS RELATING TO POLLUTION BY TOXIC AND DANGEROUS CHEMICALS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 200 000	2 200 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 960 000	1 960 000
Percentage change	— 10,91	— 10,91

1. References and description

(a) References

- Council Directive 79/831/EEC of 18 September 1979 amending for the sixth time Directive 67/548/EEC on the approximation of the laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances (OJ No L 259, 15.10.1979).
- Council Decision 80/372/EEC of 26 March 1980 on chlorofluorocarbons (OJ No L 90, 3.4.1980).
- Commission Decision 81/437/EEC of 11 May 1981 laying down criteria relating to the inventory of chemicals (OJ No L 167, 24.6.1981, p. 31).
- Council Directive 82/501/EEC of 24 June 1982 on the major accident hazards of certain industrial activities (OJ No L 230, 5.8.1982, p. 1).
- Council Decision 82/795/EEC of 15 November 1982 on the consolidation of precautionary measures concerning chlorofluorocarbons in the environment (OJ No L 329, 25.11.1982).
- Commission Directive 83/467/EEC adapting to technical progress for the fifth time Council Directive 67/548/EEC on the classification, packaging and labelling of dangerous substances (the guide to labelling dangerous substances) (JO No L 257, 16.9.1983).

(b) Description

- (1) This item should enable the Commission to call on outside public and private bodies and qualified experts to assist it in ensuring that the legal acts are applied and managed properly. In particular it will enable the Commission to call on the Chemical Abstract Service, the only body qualified to assess the notifications of chemicals for inclusion in the inventory to be compiled by the Commission under Council Directive 79/831/EEC and Council Decision 81/437/EEC.

The sixth amendment to Directive 67/548/EEC on the approximation of the laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances — contained in Directive 79/831/EEC — imposes on the Commission the obligation :

- to draw up an inventory of the some 60 000 chemical substances on the Community market by 1985 ;
 - to take over, from September 1981, the administrative and technical management of the notification of new chemical substances placed on the market after 18 September 1981 ;
 - to continue the work of drawing up and publishing in Annex V to the abovementioned Directive, methods for determining the properties of new chemicals, and in particular their physico-chemical, toxicological and ecotoxicological properties ;
 - to expand Annexes I to IV to the abovementioned Directive and to adapt them to technical progress ; Annex I consists of a list of 1 000 substances, to which further details such as the rules for labelling each of the substances, must be added ; Annex II illustrates the hazard warning symbols, while Annexes III and IV set out the wording for the warnings against specific dangers and safety advice ;
 - to ensure that Annex V to the abovementioned Directive (i.e. the criteria for classification and labelling of dangerous wastes), and in particular the guide to the labelling of dangerous substances as adopted by the Commission on 29 July 1983, are applied correctly.
- (2) Action on the prevention and reduction of pollution from chemicals has resulted in a large number of decisions and directives which have to be implemented.

Directive 82/501/EEC on the major accident hazards of certain industrial activities — which entered into force on 8 January 1984 — imposes on the Commission the obligation :

- to set up and keep at the disposal of the Member States a data base on the major accidents which have occurred on Community territory ;
- to publish general statistical data or information on matters of safety ;
- to revise the annexes concerning industrial installations and the list of dangerous substances ;
- to arrange the exchange of information on the experience acquired with regard to major accidents.

In 1984 other legal acts will come into application and thus add to the Commission's work in this field.

3. Method of calculation and explanation

Experts' fees, travel expenses, the costs of studies and of collecting and publishing information, services.

3. Method of calculation and explanation

(a) Method of calculation

— Drawing up, with a view to completion by 1984, of an inventory of chemicals on the Community market (Einecs).	900 000
— Translation of the names of the chemicals included in the core inventory (Ecoin) in six Community languages	50 000
— Administrative matters concerning classification and labelling (Annexes I-IV to Directive 67/548/EEC)	60 000
— Notification of new chemicals : — examination of dossiers, experts, etc.	130 000
— Preparation of lists of notified substances	100 000
— Continuation of the preparation of Annex V	220 000
— Monitoring of the Directive on chlorofluorocarbons	100 000
— Accidental pollution ; compendium of major accidents and emergency situations, and in particular establishing and bringing into operation a data base on the major accidents	400 000
Total	1 960 000

(b) Explanation

The Commission needs sufficient appropriations to fulfil the responsibilities vested in it in respect of the application of legal acts adopted by the Council. The CAS's fees are higher than allowed for in the financial assessment annexed to Decision 81/437/EEC.

ITEM 6642 — APPLICATION OF THE COMMUNITY POLICY RELATING TO ATMOSPHERIC POLLUTION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	1 300 000	1 300 000
1985 — Appropriations requested	1 000 000	1 000 000
Percentage change	- 23.08	- 23,08

1. References and description**(a) References**

- Council Decision 75/441/EEC of 24 June 1975 establishing a common procedure for the exchange of information between the surveillance and monitoring networks based on data relating to atmospheric pollution caused by certain compounds and suspended particulates (OJ No L 194, 25.7.1975).
- Council Directive 80/779/EEC of 15 July 1980 on air quality limit values and guide values for sulphur dioxide and suspended particulates (OJ No L 229, 30.8.1980).
- Council Decision 82/459/EEC of 24 June 1982 establishing a (new) reciprocal exchange of information and data from networks and individual stations measuring air pollution within the Member States (OJ No L 210, 19.7.1982).
- Declaration by the European Council in Stuttgart in June 1983 stressing the need for urgent action to combat the threat to Europe's forests.
- Communication from the Commission to the Council concerning environmental policy in the field of combating air pollution (COM(83)721 final, 25.11.1983).
- Parliament Resolution of 20 January 1984 on the combating of acid rain (OJ No C 46, 20.2.1984, p. 117).

(b) Description

The legal acts cited above describe specific measures to be taken by the Commission, and in particular the carrying-out of intercalibration and intercomparison programmes on atmospheric pollutants. It is therefore essential that the Commission should have sufficient appropriations to assume the responsibilities imposed by these legal acts. These measures also include the further studies needed before the Council can debate the proposals made by the Commission.

It will be necessary to call on outside public and private bodies, purchase measuring equipment and call upon the services of experts capable of performing the scientific and technical tasks involved in applying this legislation.

2. Type of expenditure

Study costs, including the purchase of equipment, and experts' fees.

3. Method of calculation and explanation of changes

Reciprocal exchange of information.

— Management and updating of the computer programs	15 000
— Data acquisition, input and output	20 000
— Reprogramming for a further exchange of information	50 000
— Report on the 1984 exchange	50 000
— Liaison and coordination	65 000
— Inclusion of data on acid depositions	55 000
	<hr/>
Subtotal	255 000

Five-year measurement programme to be conducted jointly by the Commission and the Member States.

— Central laboratory :	
— equipment	30 000
— missions	10 000
— Measurement programme to check that the findings are reasonably comparable	80 000
— Missions	10 000
— Verification of the findings	50 000
	<hr/>
Subtotal	180 000

Implementation of the Community policy on atmospheric pollution, and in particular of the measures to combat acid rain — strategic studies to control emissions from stationary and mobile sources — assessment of the impact on certain features of the environment (e.g. forests and historic monuments)

1. Possible methods of treatment to reduce the sulphur content in emissions	45 000
2. Part 2 of the study entitled 'decision analysis for policy development on acid deposition'	70 000
3. Inventory of emissions: Part 2 of the study	100 000
4. Analysis of the financial implications of applying the proposal concerning large combustion plants	80 000
5. Application of the programmes to assess emissions from motor vehicles (i.e. private cars and lorries)	145 000
6. Economic implications of the draft Directive on solid and liquid fuels	70 000
7. Strategic studies to control emissions - anticipated impact on certain features of the environment (e.g. forests, materials and historic monuments)	55 000
	<hr/>
Subtotal	565 000
	<hr/>
Total	1 000 000

Explanation

Costs have fallen by 23 % because the apparatus needed for the five-year joint measurement programme was purchased in 1983 and 1984, leaving only maintenance expenditure to be covered for the remainder of the programme.

Former Item 6645

ITEM 6643 — IMPLEMENTATION OF THE LEGISLATION ON WASTE PRODUCTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	100 000	100 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	200 000	200 000
Percentage change	100,—	100,—

1. References and description

(a) References

- Council Directive 75/439/EEC of 16 June 1975 on the disposal of waste oils (OJ No L 194, 25.7.1975) ;
- Council Directive 75/442/EEC of 15 July 1975 on waste (OJ No L 194, 25.7.1975) ;
- Council Directive 76/403/EEC of 6 April 1976 on the disposal of polychlorinated biphenyls (OJ No L 108, 26.4.1976) ;
- Council Directive 78/319/EEC of 20 March 1978 on toxic and dangerous waste (OJ No L 84, 31.3.1978).

(b) Description

The legislation cited above and the recommendations made by Parliament describe specific measures to be taken by the Commission. It is therefore essential that the Commission should have sufficient appropriations to assume the responsibilities imposed by this legislation and other demands arising from them. The work planned includes the further studies needed before the Council can debate the proposals made by the Commission.

It will be necessary to call on outside public and private bodies and on the services of experts capable of performing the scientific and technical tasks involved in applying this legislation.

2. Type of expenditure

Costs of studies, services, experts' fees, mission expenses and publication costs.

3. Method of calculation and explanation of changes

(a) Method of calculation

— Analysis of the penalties imposed by the Member States on offenders who fail to observe the conditions laid down in Directive 78/319/EEC on toxic and dangerous waste	25 000
— Reports for the Council and Parliament in connection with Directives 75/439/EEC, 75/442/EEC and 76/403/EEC	135 000
— Services to compile the registers of competent authorities, dumps, disposal plants and approved waste transport operators called for by the proposal for a Regulation on the supervision and control of transfrontier shipment of hazardous wastes within the European Community (OJ No C 186, 12.7.1983)	40 000
Total	200 000

(b) Explanation of changes

Proposal for a Regulation on the supervision and control of transfrontier shipment of hazardous wastes (OJ No C 186, 12.7.1983).

New article

ARTICLE 665 — DIRECT COMMUNITY ACTION IN REGIONS WHERE THE ENVIRONMENT IS PARTICULARLY ENDANGERED (AS IN THE MEDITERRANEAN REGION)

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	900 000	900 000
1985 — Appropriations requested	900 000	900 000
Percentage change	—	—

1. References and description**(a) References**

Resolution of the Council of the European Communities and of the Representatives of the Governments of the Member States, meeting within the Council, of 7 February 1983 on the continuation and implementation of a European Community policy and action programme on the environment (1982 to 1986) (OJ No C 46, 17.2.1983).

(b) Description*Objectives*

To formulate a consistent package of measures to protect the environment in the Mediterranean region and to create conditions which favour harmonious development of economic and social activities in the region.

Areas concerned

Community countries on the Mediterranean.

2. Type of expenditure

Pilot projects, descriptive analyses, seminars, training courses for specialists.

3. Method of calculation and explanation of changes

— Seminar on legal, administrative and technical problems raised by applying the Community Directives on the management and protection of freshwater and seawater	35 000
— Training courses on management of water resources in the Mediterranean region	64 000
— Exploitation of low-yield aquifers	40 000
— Recycling of effluent from sewage works. Use of sewage in agriculture to avoid eutrophication along the Abruzzi coast	115 400
— Water supplies for Sicily	77 500
— Mapping of soil erosion on the Aegean islands	80 000
— Pilot study on the organization and management of the Tessali catchment basin	26 700
— Study on the management, treatment and storage of wastes from pig farms in Astra	40 000
— Technical and economic analysis of wastes caused by treatment of nickel ore	13 400
— Seminar on legal, administrative, technical and economic problems posed by integrated management of land and natural resources (systematic collection of data on the state of the environment, management of the natural habitat and impact assessments)	70 000
— Training courses on impact assessments and on integrated management of natural resources	128 000
— Preparation of integrated management plans for regions housing typical Mediterranean biotopes of exceptional importance to the Community as a whole	160 000
— Information and public awareness campaigns	50 000
Total	900 000

ARTICLE 667 — CONSUMER PROTECTION AND INFORMATION**ITEM 6670 — CONSUMER PROTECTION STUDIES**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	520 000	520 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	600 000	600 000
Percentage change	+ 15,38	+ 15,38

1. References and description**(a) References**

- Preliminary programme for a consumer protection and information policy adopted by the Council on 14 April 1975 (OJ No C 92, 25.4.1975).
- Action programme of the European Communities with regard to consumers to be adopted by the Council on 19 May 1981 (OJ No C 133, 3.6.1981).

(b) Description

These studies relate to the objectives laid down in the above programme, namely :

- protection of consumers against health and safety hazards ;
- protection of consumers' economic interests ;
- improvement of consumers' protection at law (assistance, advice and right to seek legal remedy) (see also Item 6672 of the budget) ;
- improvement of consumer education and information ;
- appropriate consultation and representation of consumers in the preparation of decisions affecting their interests.

2. Type of expenditure

Study costs.

3. Method of calculation and explanation of changes

(a) Method of calculation

1. Consumer information and education	275 000
— Comparative tests	
— Methodological studies on price monitoring	
— Consumer representation	
2. Protection of consumers' economic interests	200 000
— Services	
— Advertising	
— New technologies	
3. Interlaboratory tests and technical coordination of analysis work in relation to toy safety	50 000
4. Analysis and evaluation of substances used in cosmetic products	75 000
Total	600 000

(b) Explanation of changes

The increase is justified more especially by the fact that 1983 saw the holding of three Council meetings on consumer affairs which have given new impetus to consumer protection policy at Community level.

ITEM 6671 — GRANT TO EUROPEAN CONSUMER ORGANIZATIONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	420 000	420 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	450 000	450 000
Percentage change	+ 7,15	+ 7,15

1. References and description

(a) References

- Commission Decision of 28 June 1972 (SEC(72)2006 to 2006/6). Preliminary programme for a consumer protection and information policy (Council Resolution of 14 April 1975).
- Council Resolution of 19 May 1981 (OJ No C 183, 3.6.1981) adopting the second programme for consumers which calls on the Commission to ensure adequate consumer participation on standardization bodies.

(b) Description

- To improve the structures and management of consumer organizations at Community level with a view to helping them achieve their European role.
- To ensure consumer representation in respect of European standardization work by the CEN and the Cenelec.

2. Type of expenditure

Subsidy.

3. Method of calculation and explanation of changes

(a) Method of calculation

— Subsidies for European consumer organizations	360 000
— Special measures (participation in the drafting of technical standards for consumer products, establishment of networks of experts in specialized fields)	90 000
	<hr/>
Total	450 000

(b) Explanation of changes

- These organizations need resources if they are to play an active part in the work of the Commission (particularly through the Consumer Consultative Committee) and especially the preparation of Community opinions on matters of interest to consumers.
- In addition, the consumer organizations should be in a position, with the agreement of CEN/Cenelec, to send a consumer expert to sit on various working parties whose work may be of particular concern to consumers. The standards drawn up by CEN/Cenelec could gain in importance in the future (reference to standards, Cassis de Dijon case). It is therefore important to bear consumer interests in mind when first establishing standards. This aim was approved for the first time in 1983: since the results are not yet to hand it would not be advisable to increase the amount requested for 1984.

ITEM 6672 — CONSUMER PROTECTION AND INFORMATION MEASURES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	400 000	400 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	450 000	450 000
Percentage change	+ 12,5	+ 12,5

1. References and description

(a) References

- Council Resolution of 15 April 1975 on a preliminary programme for a consumer protection and information policy, in particular points 39, 43 and 47 of the programme.
- Council Resolution of 19 May 1981 concerning the adoption of an action programme of the European Communities with regard to consumers :
 - point 38 : the Commission will 'continue to encourage national or local schemes facilitating consumers' access to the courts and the settlement of the more common ... disputes'.
 - point 40 : the Commission will 'conduct a more general information campaign on national and Community activities which are directly or indirectly relevant to the interests of consumers' ;
 - point 45 : the Commission will continue the 'wide-ranging exchange of views on national experience and joint consideration of the aims and methods of consumer education in schools' and 'look into possibilities in adult education' ;
 - point 49 : the Commission will 'continue, and where possible increase, its aid to European consumer associations ... and it will also undertake to organize seminars for training officials from these associations, particularly on the subject of common policies' ;

(b) Description

Action under this heading includes in particular :

- support for specific measures taken by regional or national consumer organizations with a view to the further development of their activities (information campaigns, regional meetings, etc.) ;
- pilot schemes concerned with the handling of minor disputes implemented by local or national authorities ;

- assistance towards the preparation and/or publication of brochures and other material relating to consumer protection and intended for distribution on a large scale ;
- pilot schemes on consumer education in schools implemented in cooperation with the national authorities ;
- experimental measures in the field of consumer education for adults implemented with the assistance of regional authorities and consumer organizations (training courses, conferences, preparation of information packages) ;
- experiments at national or local level concerning consumer access to the courts and the manner in which the commonest consumer disputes are dealt with ; publication of the findings of the studies required in this connection.

The actions described above to achieve the aims of the consumer programmes cannot be effected through the adoption of direct Community measures, such as regulations or directives ; rather, they call for financial assistance from the Commission to encourage initiatives and pilot projects undertaken in the Member States.

2. Type of expenditure

Subsidies, contributions, information costs.

3. Method of calculation and explanation of changes

(a) Method of calculation

— Special measures taken by national organizations in those Member States which are most backward in terms of consumer protection	100 000
— Measures in the field of education : networks of schools, teacher training, adult education	100 000
— Seminars and workshops	120 000
— Targeted surveys of consumer prices	130 000
	<hr/>
Total	450 000

(b) Explanation of changes

The total number of projects put forward by national organizations has steadily increased over the years, to such an extent that they now correspond to twice the appropriations available in 1984. Leaving aside a few proposals of marginal value, an increase in the appropriation under this item would be fully justified, at least to make good the erosion in purchasing power caused by inflation and in view of the fact that the Commission proposes to support action concerning consumer access to the courts — a topic dealt with in a special communication to be considered by the Ministers at their meeting in June 1984.

ITEM 6673 — MEASURES REQUIRED FOR THE APPLICATION OF THE CONSUMER DIRECTIVES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	210 000	210 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	285 000	285 000
Percentage change	+ 35,71	+ 35,71

1. References and description

(a) References

- Council Directive 71/307/EEC of 26 July 1971 on the approximation of the laws of the Member States relating to textile names (OJ No L 185, 16.8.1971).
- Council Directive 72/276/EEC of 17 July 1972 on the approximation of the laws of the Member States relating to certain methods for the quantitative analysis of binary textile fibre mixtures (OJ No L 173, 31.7.1972).
- Council Directive 73/44/EEC of 26 February 1973 on methods for the quantitative analysis of ternary textile fibre mixtures (OJ No L 83, 30.3.1973).
- Council Directive 76/768/EEC of 27 July 1976 on the approximation of the laws of the Member States relating to cosmetic products (OJ No L 262, 27.9.1976).
- Commission Directive 79/76/EEC of 21 December 1978 adapting to technical progress Council Directive 72/276/EEC of 17 July 1972 on the approximation of the laws of the Member States relating to certain methods for the quantitative analysis of binary textile fibre mixtures (OJ No L 17, 24.1.1979) (OJ No L 17, 24.1.1979).
- Council Directive 79/112/EEC of 18 December 1978 on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs for sale to the ultimate consumer (OJ No L 33, 8.2.1979, p. 1).
- Council Directive 79/112/EEC of 18 December 1978 relating to the labelling, presentation and advertising of foodstuffs for sale to the ultimate consumer (OJ No L 33, 8.2.1979).
- Council Directive 79/581/EEC of 19 June 1979 on consumer protection in the indication of the prices of foodstuffs (OJ No L 158, 26.6.1979).
- Council Directive 81/75/EEC of 17 February 1981 amending Section 2 of Annex II to Directive 72/276/EEC on the approximation of the laws of the Member States relating to certain methods for the quantitative analysis of binary textile fibre mixtures (OJ No L 57, 4.3.1981).
- Commission Directive 82/147/EEC of 11 February 1982 adapting to technical progress Annex II to Council Directive 76/768/EEC on the approximation of the laws of the Member States relating to cosmetic products (OJ No L 63, 6.3.1982).
- Council Directive 82/368/EEC of 17 May 1982 amending for the second time Directive 76/768/EEC on the approximation of the laws of the Member States relating to cosmetic products (OJ No L 167, 15.6.1982).

- Commission Directive 82/434/EEC of 14 May 1982 on the approximation of the laws of the Member States relating to methods of analysis necessary for checking the composition of cosmetic products (OJ No L 185, 30.6.1982).
- Commission Directive 83/341/EEC adapting to technical progress Annexes II, III and V of Council Directive 76/768/EEC relating to cosmetic products (OJ No L 188, 13.7.1983).
- Commission Directive 83/514/EEC relating to methods of analysis necessary for checking the composition of cosmetic products (OJ No L 291, 24.10.1984).
- Commission Directive 83/496/EEC adapting to technical progress Annex VI of Council Directive 76/768/EEC relating to cosmetic products (OJ No L 275, 8.10.1983).
- Council Directive 83/574/EEC amending for the third time Directive 76/768/EEC relating to cosmetic products (OJ No L 332, 28.2.1983).
- Council Directive 83/623/EEC amending Directive 71/307/EEC relating to textile names (OJ No L 353, 15.12.1983).

(b) *Description*

One outcome of the Community's activities in the consumer protection field has been the adoption of a number of directives which now need to be implemented. For this purpose, the Commission requires adequate funds to enable it to call on outside assistance from both public and private bodies and individual experts to help ensure the proper management and implementation of the relevant directives and the encouragement of standardization measures.

2. **Type of expenditure**

Experts' fees, mission expenses, research and publication costs.

3. **Method of calculation and explanation of changes**

(a) *Method of calculation*

— Studies to be carried out with a view to determining the methods of chemical analysis necessary for checking the composition of cosmetic products, as required by Directives 76/768/EEC, 82/147/EEC, 82/368/EEC, 83/341/EEC, 83/469/EEC and 83/574/EEC	200 000
— Studies to be carried out with a view to determining the methods of analysis necessary for checking the composition of cosmetic products as required by Directives 82/434/EEC and 83/514/EEC	25 000
— Studies to be carried out with a view to determining arrangements for the indication of the prices of foodstuffs as required by Directive 79/581/EEC	10 000
— Studies to be carried out with a view to determining methods for the quantitative analysis of binary textile fibre mixtures as required by Directives 72/276/EEC, 73/44/EEC, 79/76/EEC and 81/75/EEC	40 000
— Studies to be carried out with a view to the approximation of the laws of the Member States relating to textile names required by Directives 71/307/EEC and 83/623/EEC	10 000
Total	285 000

(b) *Explanation of changes*

Work on monitoring the application of a series of Directives adopted in 1982 and 1983 must begin in 1985. In addition, the Decision introducing a Community system for the rapid exchange of information on dangers arising from the use of consumer products was adopted by the Council at its meeting on 2 March 1984.

New item

ITEM 6674 — MONITORING OPERATIONS IN RELATION TO THE SAFETY OF CONSUMER PRODUCTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 000 000	1 000 000
Percentage change	—	—

1. References and description

(a) *References*

- Council Resolution of 19 May 1981 on a second programme of the European Economic Community for a consumer protection and information policy (OJ No C 133, 3.6.1981 (Subject Code 15.20.10)).
- Council Decision 81/623/EEC of 23 July 1981 on the implementation of a pilot experiment relating to a Community system of information on accidents involving products outside the spheres of occupational activities and road traffic (OJ No L 229, 13.8.1981).
- Council Decision of 2 March 1984 introducing a Community system for the rapid exchange of information on dangers arising from the use of consumer products.

(b) *Description*

Objectives

To monitor the use of consumer products with a view to identifying the associated danger, to study the circumstances of accidents involving products and to prevent such dangers and accidents.

2. Type of expenditure

- Continuous collection of data from the emergency departments of 40 selected hospitals in various parts of the Community.
- Collection of data from other sources : anti-poison centres, death certificates, fire brigades, general practitioners, insurance bodies, etc.

- In-depth studies on certain products identified as priorities in terms of the frequency or seriousness of the accidents they cause.
- Measures aimed at informing and educating consumers as regards the risks associated with the use of certain products : conferences, European Product Safety Week, publications, audiovisual materials.
- Action to promote research by manufacturers, testing bodies and academics in the Community aimed at improving the safety of consumer products.

3. Method of calculation and explanation

(a) Method of calculation

40 hospitals (4 per country × 14 750 ECU per year)	590 000
Allocation of 59 000 ECU per country	59 000
10 studies (i.e. one per country or 10 subdivided joint studies ; unit cost 14 700 ECU)	147 000
Conferences	35 000
European Product Safety Week	40 000
Publications	13 000
Action to encourage research by manufacturers	38 280
Action to encourage research by academics	77 720
Total	1 000 000

(b) Explanation

With the system for detecting dangers and recording information being built up progressively and in-depth studies being launched on individual products, the related expenditure will increase throughout the period up to 1988, by which time the monitoring system will have reached its optimum size in terms of the cost-effectiveness of information gathering and exploitation by Member States and the Community.

CHAPTER 67 — CULTURAL ACTION AND THE
EUROPEAN FOUNDATION

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
670	Cultural projects and events	1 700 000	1 700 000	2 240 000	2 240 000	+ 31,8	+ 31,8
671	Promotion of the cultural sec- tor	340 000	340 000	340 000	340 000	—	—
676	European Foundation	100 000	100 000	100 000	100 000	—	—
	Total	2 140 000	2 140 000	2 680 000	2 680 000	+ 25,2	+ 25,2

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 670 — CULTURAL PROJECTS AND EVENTS**ITEM 6700 — EXPENDITURE ON CULTURAL ACTION**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	460 000	460 000
1985 — Appropriations requested	460 000	460 000
Percentage change	—	—

1. References and description**(a) References**

- EEC Treaty, Articles 117, 118 and 128.
- These operations also come under the Commission's responsibilities regarding studies, surveys, research and pilot projects.

(b) Description

Each of the operations involved derives from one or more of the points in the communication on stronger action in the cultural sector (Bulletin of the European Communities, Supplement 6/82) which the Commission adopted on 29 September 1982 and which now stands approved following Parliament's adoption of the Resolution of 18 November 1983 (OJ No C 307, 14.11.1983) and the Council meeting (Cultural Affairs) of 28 November 1983.

The outcome of the Council discussion on implementation of the part of the Solemn Declaration of European Union relating to cultural cooperation was that this cooperation should mainly involve expansion of the large number of activities which the Commission has already begun as part of Community action in the cultural sector and under two of its heads in particular: widening the audience and conserving the architectural heritage. The Ministers for Culture referred in particular to literary translation.

Priority will be given to the vocational training and further training of cultural workers, as a means of countering unemployment among them and subsequently of improving their employment situation: qualifications substantially improve a cultural worker's chances of finding work on a very tight labour market where competition is particularly keen. Community scholarships enable young people to attend courses at training centres in the various creative and craft trades in the cultural sector, and especially in trades concerned with conservation of the architectural heritage.

A limited portion of the appropriation can also be used to encourage translation of literary works in one of the three official Community languages that are spoken in relatively small areas, and to promote the dissemination of information relating to the cultural sector.

The pilot projects carried out as part of this Community action are basically concerned with combating unemployment among cultural workers and mainly follow the most reliable way to improve their employment prospects : vocational training and further training.

2. Type of expenditure

The projects are carried out under contracts specifying the requirements and through Community scholarships.

3. Method of calculation

(a) Method of calculation

— Vocational training and further training	380 000
— Dissemination of information	40 000
— Translation of literary works and plays in Danish, Greek and Dutch	40 000
Total	460 000

ITEM 6701 — FINANCIAL CONTRIBUTIONS TO CULTURAL EVENTS OF EUROPEAN IMPORTANCE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	280 000	280 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	280 000	280 000
Percentage change	—	—

1. References and description

(a) References

EEC Treaty : Preamble ; Articles 2, 117, 118 and 128.

Culture being a powerful factor for unity, the cultural events covered by the appropriation in Item 6701 derive from the first recital in the Preamble to the EEC Treaty and the last of the objectives set out in Article 2, both of which declare a resolve to unite the nations of the Community.

The objectives set out in Articles 117, 118 and 128 are no less important. The cultural events with which the Commission is concerned must, in particular, 'improve the living and working conditions' of present and future cultural workers in two ways :

- by affording them new work opportunities and, consequently, additional resources ;
- by ensuring that plurinational joint activity enhances their skills and hence their employment prospects.

(b) *Description*

The Commission is helping to finance concerts (Community Youth Orchestra, Eurojazz and Community Choir), stage works (plays, ballets) and exhibitions.

2. Type of expenditure

The projects are carried out under contracts with detailed specifications and through scholarships.

3. Method of calculation and explanation of changes

(a) *Method of calculation*

— Concerts	190 000
— Stage works	70 000
— Exhibitions	20 000
Total	280 000

ITEM 6703 — CONTRIBUTION FOR THE PREPARATION AND ORGANIZATION OF EUROPEAN MUSIC YEAR — 1985

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	60 000	60 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	500 000	500 000
Percentage change	733,33	733,33

1. References and description

(a) References

EEC Treaty : Preamble ; Articles 2, 117, 118 and 128.

The aim of European Music Year is not only to illustrate Europe's cultural identity but also to apply to the world of professional musicians (composers and performers) the economic and social measures forming part of the Community's action in the cultural sector.

The joint preparation, organization and financing of European Music Year 1985 by the Commission and the Council of Europe is in line with the wish often expressed by Parliament and the Member States for operational collaboration between Brussels and Strasbourg.

(b) Description

While the appropriations for 1982, 1983 and 1984 covered only half the operating expenditure of the European Organizing Committee (the other half being covered by the Council of Europe), the 1985 appropriation will help finance — again on a 50/50 basis with the Council of Europe — important European events which are now planned and which will call on the services of a large number of musicians from each Member State.

2. Type of expenditure

This operation is financed on a cost-sharing basis with the Council of Europe.

3. Method of calculation and explanation of changes

(a) Method of calculation

Contribution to the financing of European events in European Music Year.

(b) Explanation of changes

The change in relation to the appropriations in the three previous years is due to the fact that it is no longer a question of preparing for European Music Year — as in 1982, 1983 and 1984 — but of staging the events.

ITEM 6704 — EUROPEAN HISTORICAL MONUMENTS AND SITES FUND (PILOT PROJECTS)

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	400 000	400 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	500 000	500 000
Percentage change	+ 25	+ 25

1. References and description

(a) *References*

EEC Treaty : Article 130(a) and (c) — 'projects for developing less-developed regions' and 'projects of common interest to several Member States'.

(b) *Description*

The appropriation in this item is to support pilot projects pending the creation of a European Historical Monuments and Sites Fund, called for in Parliament's Resolution on the conservation of the architectural heritage (OJ No C 267, 10.10.1982).

This support will always take the form considered most suitable for the type of conservation project involved: either the allocation of capital or a reduction in the rate of a 'conservation loan' granted by the European Investment Bank or other body.

Trials with the 'conservation loan' accompanied by an interest subsidy were conducted successfully in 1982 and 1983 for the Archaeological Museum on the island of Milos and the Giants' Staircase in the Doges' Palace, Venice.

The special place given to the conservation of the architectural heritage in Community action in the cultural sector is inspired not only by obvious cultural considerations but also by the fact that each operation directly preserves or creates jobs on the site and can also have many spinoffs in creating other jobs, particularly in connection with tourism.

2. Type of expenditure

Financial contribution.

3. Method of calculation and explanation of changes

(a) *Method of calculation*

The terms for each contribution will have to be adapted to each case.

(b) *Explanation of changes*

The increase in the appropriation for this item from 400 000 ECU in 1984 to 500 000 ECU in 1985 will make it easier to respond to Parliament's political desire for conservation of the architectural heritage and to the interest which this activity arouses among the general public.

ITEM 6706 — SUPPORT FOR THE RESTORATION AND CONSERVATION WORK ON THE PARTHENON ON THE ATHENIAN ACROPOLIS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	500 000	500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	500 000	500 000
Percentage change	—	—

1. References and description

(a) References

In the exercise of its power of amendment, Parliament created and endowed Item 6706 in the 1983 budget, thus authorizing the Commission to initiate a new specific project.

(b) Description

The 1985 appropriation will allow maximum benefit to be derived from the investment financed by the 1983 and 1984 appropriations.

The site is now not only properly equipped but fully operational. If the appropriation is maintained at the previous level, the work planned by the Greek authorities can progress at the rate planned. The time factor is crucial for the Parthenon.

2. Type of expenditure

Financial contribution.

3. Method of calculation

The appropriation will be a supplement to the national financing of the work.

ARTICLE 671 — PROMOTION OF THE CULTURAL SECTOR

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	340 000	340 000
1985 — Appropriations requested	340 000	340 000
Percentage change	—	—

1. References and description**(a) References**

- EEC Treaty : Articles 117, 118 and 128.
- The project also comes under the Commission's responsibilities regarding studies, surveys, research and pilot projects.
- Each of the operations involved derives from the section on enlarging the audience in the communication on stronger action in the cultural sector (Bulletin of the European Communities, Supplement 6/82) which the Commission adopted on 29 September 1982 and which now stands approved following Parliament's adoption of the Resolution of 18 November 1983 (OJ No C 307, 14.11.1983) and the Council meeting (Cultural Affairs) of 28 November 1983.
- The outcome of the Council discussion on implementation of the part of the Solemn Declaration of European Union relating to cultural cooperation was that this cooperation should mainly involve expansion of the large number of activities which the Commission has already begun as part of Community action in the cultural sector in particular under the heads of widening the audience : promotion of the cultural sector. The Ministers for Culture expressly mentioned (see President's conclusions) the European Film Festival, the travelling exhibition of contemporary painting, the meeting of young theatre companies and young audiences (Europeanization of the structure organizing this meeting) and the promotion of poetry.

(b) Description

Enlarging the audience is a priority means of promoting the cultural sector. An enlarged audience will provide a market for the arts in which supply and demand will be less badly imbalanced. At the moment, there is slack demand for an abundant supply.

An enlarged audience will also be able to provide better work prospects for cultural workers and thus boost their income. Enlarging the audience is therefore also an answer to two urgent priorities : the fight against the massive unemployment among cultural workers and improving their living and working conditions.

Lastly, enlarging the audience is a fundamental objective for democratic countries. They owe it to themselves to diminish the inequalities that deprive social and professional categories, age groups and regional populations of adequate access to culture. One of the obligations incumbent on a democratic society is to bring culture to the people.

On specifically cultural grounds and for obvious social reasons, the measures to be financed by the appropriation in Article 671 aim to enlarge the audience for four main cultural forms — the cinema, the plastic arts, the performing arts and literature — both at local level (i.e. as close as possible to the young and not so young target audience) and on a Community scale.

For the performing arts and literature the measures bear first and foremost on the two forms of cultural expression most in need of promotion : the theatre and poetry.

2. Type of expenditure

The projects are carried out under contracts specifying the requirements.

3. Method of calculation

(a) Method of calculation

— Cinema	120 000
— Plastic arts	140 000
— Theatre	60 000
— Poetry	20 000
	<hr/>
Total	340 000

ARTICLE 676 — EUROPEAN FOUNDATION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	100 000	100 000
1985 — Appropriations requested	100 000	100 000
Percentage change	—	—

1. References and description**(a) References**

The formal agreement setting up the European Foundation was signed on 29 March 1982 by the representatives of the Member States on the occasion of the 25th anniversary of the Treaty.

The signatory States agreed to set up a Preparatory Committee to facilitate the final establishment of the Foundation.

(b) Description

The objective of the Foundation is to increase mutual understanding among the peoples of the Community, to improve awareness of the rich diversity and unity of the European cultural heritage and to further a greater understanding of European integration.

The activities of the Foundation will be complementary to those of other institutions or organizations operating in the same field at national, bilateral or international level, and to Community programmes. The Foundation will act as a catalyst for schemes undertaken, whilst at the same time respecting the autonomy of the existing institutions or organizations and taking constant care to avoid duplication.

The Foundation's activities will in principle be indirect : it will guide and stimulate projects undertaken by the other institutions or organizations, if necessary by making a financial contribution.

The Foundation will also be able to take the initiative in starting new direct projects in line with its objectives.

The Foundation will draft its programme accordingly.

The seat of the Foundation will be in Paris and its affairs will be managed by a Board and an Executive Committee, assisted by a Secretary-General.

2. Type of expenditure

Given the progress made with ratification procedures by the signatory States, the European Foundation may become operational during 1985.

Meanwhile, the Preparatory Committee is performing the functions assigned to it by the signatory States and must meet its expenses and the expenses of its secretariat.

CHAPTER 69 — AID TO DISASTER VICTIMS IN THE
COMMUNITY

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
690	Aid to disaster victims in the Community	4 000 000	4 000 000	4 000 000	4 000 000	—	—
691	Special aid to Italian regions following the November 1980 earthquake	25 000 000	25 000 000	31 000 000	31 000 000	+ 24	+ 24
692	Annual funding of interest subsidies on special loans to Greece following the February and March 1981 earthquakes	2 400 000	2 400 000	2 700 000	2 700 000	+ 12,5	+ 12,5
699	Assistance to victims of acci- dents in the coal and steel industries and aid to orphans	370 000	370 000	370 000	370 000	—	—
	Total	31 770 000	31 770 000	38 070 000	38 070 000	+ 19,83	+ 19,83

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 690 — AID TO DISASTER VICTIMS IN THE COMMUNITY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	4 000 000	4 000 000
1985 — Appropriations requested	4 000 000	4 000 000
Percentage change	—	—

1. References and description**(a) References**

The principle of aid for disaster victims was first expressly endorsed by the Council in the 1971 budget.

Since the 1977 budget, the original heading (Article 400) has been split between :

- this article (Aid to disaster victims in the Community), and
- Article 950 (Aid to disaster victims in non-member countries).

(b) Description

The appropriations entered under this heading are intended to finance emergency aid for disaster victims.

2. Type of expenditure

Subsidies to help disaster victims as rapidly and directly as possible.

3. Method of calculation and explanation**(a) Method of calculation**

The nature of the operations financed by these appropriations precludes any breakdown in advance of the total entered in the budget.

(b) *Explanation*

The experience of the past few years has shown :

- that the countries of the Community are affected every year by a number of disasters some of which are on a large scale ;
- that Community action is desirable not only because the national authorities always need more funds in these cases than are available, but also because this kind of assistance is tangible evidence of Community solidarity.

An entry of 4 million ECU should be made in the 1985 budget so that the Community will have an allocation immediately available to send help promptly when needed.

Historical Archives of the European Commission

ARTICLE 691 — SPECIAL AID TO ITALIAN REGIONS FOLLOWING THE NOVEMBER 1980 EARTHQUAKE**ITEM 6910 — ANNUAL FUNDING OF INTEREST SUBSIDIES ON SPECIAL LOANS TO ITALY FOLLOWING THE NOVEMBER 1980 EARTHQUAKE**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	25 000 000	25 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	31 000 000	31 000 000
Percentage change	+ 24	+ 24

1. References and description**(a) References**

Council Decision 81/19/EEC of 20 January 1981 on Community aid granted by way of exception for the reconstruction of the regions affected by the Italian earthquake in November 1980 (OJ No L 37, 10.2.1981).

(b) Description

Interest subsidies on a principal not exceeding 1 000/9million ECU may be granted on loans made either by the European Investment Bank out of its own resources or under the New Community Instrument, as provided for in Article 1 of Decision 78/870/EEC, to support investments carried out in the regions affected by the Italian earthquake in November 1980.

2. Type of expenditure

On the due dates for each loan the amounts in national currencies of the appropriate interest subsidies (non-discounted value) are paid by the Community to the lenders.

3. Method of calculation and explanation of changes

The interest subsidies of three percentage points a year on loans disbursed are paid on the dates on which interest is due. Other factors, apart from the total loans outstanding at 31 December 1983, which have been taken into account when calculating the figure for 1985 include the remaining NCI and EIB loans still to be granted and subsidized pursuant to Council Decision 81/19/33C of 20 January 1981 and movements in the ECU rates for the currencies in which these subsidies are paid. The Commission's contractual obligations will gradually decrease from 1988 when the loans begin to be repaid.

ARTICLE 692 — ANNUAL FUNDING OF INTEREST SUBSIDIES ON SPECIAL LOANS TO GREECE FOLLOWING THE FEBRUARY AND MARCH 1981 EARTHQUAKES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	2 400 000	2 400 000
1985 — Appropriations requested	2 700 000	2 700 000
Percentage change	+ 12,5	+ 12,5

1. References and description**(a) References**

Council Decision 81/1013/EEC of 14 December 1981 concerning Community aid granted by way of exception for the regions affected by the earthquakes in Greece in February and March 1981 (OJ No L 367, 23.12.1981).

(b) Description

Interest subsidies on a principal not exceeding 80 million ECU may be granted on loans made either by the European Investment Bank out of its own resources or under the New Community Instrument, as provided for in Article 1 of Decision 78/870/EEC, to support investments carried out in the regions affected by the earthquakes in Greece in February and March 1981.

2. Type of expenditure

All appropriations authorized for 1984 were used for one NCI loan.

On the due dates for this loan the amounts in national currencies of the appropriate interest subsidies (non-discounted value) are paid by the Community to the lenders.

3. Method of calculation and explanation of changes

The interest subsidies are for three percentage points a year on all loans disbursed up to an authorized limit of 80 million ECU. The appropriation for 1985 needs to be increased because the one loan involved will have been disbursed in full and because of movements in the ECU rates for the currencies in which the subsidies are paid. The amount needed for the annual funding of the subsidies will gradually decrease from 1986 when the loan begins to be repaid.

ARTICLE 699 — ASSISTANCE TO VICTIMS OF ACCIDENTS IN THE COAL AND STEEL INDUSTRIES AND AID TO ORPHANS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	370 000	370 000
1985 — Appropriations requested	370 000	370 000
Percentage change	—	—

1. References and description**(a) References****Assistance to victims**

The Marcinelle disaster in 1956, when 262 miners died, prompted Member States to set up the Mines Safety Commission, and the High Authority of the ECSC to give financial help to the families of the victims of industrial accidents. It took the form of a once-for-all payment to the widows, orphans and relatives in the ascending line of disaster victims.

Aid for the education of orphans

Acting in the same spirit, the High Authority — having decided to provide aid for the orphans of miners and steel workers who have lost their lives as a result of industrial accidents or occupational disease — set up the Paul Finet Foundation in 1965 (Decision of 24 June 1965).

(b) Description

The children of workers employed in an ECSC industry who died after 30 June 1965 as a result of an industrial accident or an occupational disease (from 1 January 1973 British, Danish and Irish nationals, too) are eligible for financial assistance on application.

They must be attending vocational training courses, courses in general secondary education or higher education at a university or at an establishment of university level and achieve good academic results.

2. Type of expenditure

Aid and subsidies.

3. Method of calculation**(a) Method of calculation**

The grants were increased by 15 % in October 1984 but at the same time it was found that the number of recipients had dropped.

In 1984 a total of 991 grants amounting of BFR 14 245 659 were granted.

One fatal accident occurred in the steel industry in 1984.

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TITLE 7 — APPROPRIATIONS FOR OPERATIONS IN THE ENERGY, INDUSTRY AND TECHNOLOGY, RESEARCH, NUCLEAR SAFEGUARDS AND INFORMATION MARKET AND INNOVATION SECTORS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
70	Energy policy	149 735 000	96 750 000	153 000 000	88 500 000	+ 2,18	— 8,53
71	Nuclear safeguards	3 300 000	3 300 000	3 465 000	3 465 000	+ 5,00	+ 5,00
72	General and preparatory projects in the field of scien- tific and technological research	3 740 000	3 740 000	4 050 000	4 050 000	+ 8,29	+ 8,29
73	Research and investment	740 097 000	505 827 000	910 717 000	610 000 000	+ 23,05	+ 20,59
75	Information market and innovation	27 435 000	23 185 000	23 200 000	15 550 000	— 15,44	— 32,93
77	Industry and the internal mar- ket	64 021 000	61 901 000	52 370 000	56 030 000	— 18,19	— 9,48
79	Guarantee by the European Economic Community of Euratom borrowing oper- ations	p.m.	p.m.	p.m.	p.m.	—	—
Total		988 328 000 ⁽²⁾	694 703 000 ⁽²⁾	1 146 802 000	777 595 000	+ 16,04	+ 11,94

(¹) Including any appropriations entered in Chapter 100.
(²) An appropriation of 24 600 000 ECU in payment appropriations and 30 000 000 ECU in commitment appropriations is entered in Chapter 100 for Chapters 70, 73, 75, 77 and 58 (in 1984 Chapter 58 was Chapter 78).

CHAPTER 70 — ENERGY POLICY

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
700	Projects concerning hydrocarbons	35 800 000	26 115 000	40 000 000	20 000 000	+ 11,73	- 23,42
701	Projects concerning nuclear energy	300 000	300 000	5 500 000	2 500 000	+ 1 733,33	+ 733,33
702	Community projects concerning coal	36 000 000	16 700 000	38 000 000	23 500 000	+ 5,5	+ 40,7
703	Projects concerning new sources of energy	29 000 000	14 300 000	38 000 000	15 500 000	+ 31,03	+ 8,40
704	Community energy-saving programme	22 000 000	10 700 000	24 000 000	21 000 000	+ 9,09	+ 96,26
705	Promotion of energy investments	20 000 000	20 000 000	p.m.	p.m.	- 100	- 100
706	Energy programming	5 000 000	3 000 000	6 000 000	4 500 000	+ 20,0	+ 50,0
707	Specific Community measures relating to energy strategy	p.m.	p.m.	p.m.	p.m.	—	—
708	Contribution to the Oxford Energy Institute	135 000	135 000	—	—	- 100	- 100
709	Studies in the energy sector	1 500 000	1 500 000	1 500 000	1 500 000	—	—
	Total	149 735 000	96 750 000⁽²⁾	153 000 000	88 500 000	+ 2,18	- 8,53

⁽¹⁾ Including any appropriations entered in Chapter 100.

⁽²⁾ Including 4 million ECU entered in Chapter 100.

ARTICLE 700 — PROJECTS CONCERNING HYDROCARBONS**ITEM 7000 — COMMUNITY TECHNOLOGICAL DEVELOPMENT PROJECTS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	35 000 000	25 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	40 000 000	20 000 000
Percentage change	+ 14,30	— 20

1. References and description**(a) References**— *Basic regulation*

Council Regulation (EEC) No 3056/73 of 9 November 1973 (OJ No L 312, 13.11.1973) on the support of Community projects in the hydrocarbons sector.

— *Relevant decisions*

The following Council decisions on the granting of support measures for Community projects in the hydrocarbons sector :

- Council Decision of 19 December 1974 (Doc. R 3600/74) ;
- Council Decision of 4 May 1976 (Doc. R 854/76) ;
- Council Decision of 25 October 1977 (Doc. R 2426/77) ;
- Council Decision of 30 October 1978 (Doc. R 2671/78) ;
- Council Decision of 29 October 1979 (OJ No L 281, 10.11.1979) ;
- Council Decision of 27 October 1980 (Doc. 10.142/80) ;
- Council Decision of 27 October 1981 (Doc. R 114/81) ;
- Council Decision of 28 July (ENER 129) and 21 December 1982 (ENER 208) ;
- Council Decision of 22 November 1983 (Doc. 10.375/83).

(b) Description

Regulation No 3056/73 is aimed at stimulating, in the context of the establishment of a common energy policy, those technology development projects directly linked with hydrocarbon exploration, exploitation, storage and transport operations which are calculated to enhance the security of the Community's hydrocarbon supplies. It is based on the fact that the development of suitable technologies in the fields of hydrocarbon exploration, exploitation, storage and transport does correspond with this objective.

It is accepted that the main responsibility for these developments lies with industry but the Council's thinking in adopting this Regulation was that there is some justification for financial support from the Community because of the high investment risks involved and the tremendous importance of developing these technologies rapidly and coordinating efforts at Community level.

It takes the form of a programme of financial support, whether by the granting of loans, by the guarantee of loans or by subsidies to be repaid in certain circumstances, for the sponsoring undertakings. In any project adopted, however, Community participation does not exceed 49,9 %.

Between 1974 and 1983, the Community allocated to this support programme financial resources totalling 307 000 000 ECU in commitment appropriations corresponding to total investment expenditure of some 1 000 000 000 ECU. To date the projects supported have had a high success rate. At the end of 1983, 140 of the 319 Community projects so far supported had been completed in accordance with the work programmes. The average rate of repayment of the support granted to projects in 1975, 1976, 1977 and 1978 was around 20 %, failures accounting for no more than 7 %. It is not yet possible to give the repayment rate for subsequent years as the projects are still in progress.

2. Type of expenditure

Subsidies repayable if the results of a project are exploited commercially.

Financing the cost of experts' reports, the organization of conferences, the computerized processing of proposals and contracts and visits to carry out technical and financial checks.

Also charged to this item are the extra costs of experts' technical and financial reports arising from these operations, costs relating to publicity and the dissemination of results (e.g. publicizing invitations to submit proposals; publication of brochures and reports; organizing symposiums), the cost of computerized processing of projects (project selection; contract administration; processing of results, including those of demonstration projects supported at national level) and the cost of visits to carry out technical and financial checks, and of any studies which may be necessary.

3. Method of calculation

Community financing averages 35 % of a project's cost.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	71 700 000	13 000 000	14 000 000	14 000 000	14 000 000	16 700 000
Appropriation outstanding from 1983	5 800 000	1 500 000	500 000	1 000 000	1 000 000	1 800 000
Appropriation for 1984	35 000 000	10 500 000	3 500 000	5 000 000	5 000 000	11 000 000
Appropriation for 1985	40 000 000	—	2 000 000	10 000 000	12 000 000	16 000 000
Total	152 500 000	25 000 000	20 000 000	30 000 000	32 000 000	45 500 000

ITEM 7001 — JOINT HYDROCARBONS EXPLORATION PROJECTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	315 000
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

- Proposal for a regulation forwarded by the Commission to the Council on 29 November 1974 (OJ No C 18, 25.1.1975), concerning support to common projects for hydrocarbons exploration.
- Council Resolution of 26 June 1975.
- Amendment to the proposal of 29 November 1974 submitted to the Council on 31 October 1977 (OJ No C 70, 21.3.1978).
- European Parliament opinions of 10 November 1975 and 8 May 1978 (OJ No C 131, 5.6.1978).
- Amendment to the proposal for a Council regulation concerning support to common projects for hydrocarbons exploration sent to the Council on 7 August 1978 (OJ No C 200, 22.8.1978).
- Council Regulation No 1038/79 of 24 May 1979 concerning support for a joint exploration project for hydrocarbons in Greenland (OJ No L 132, 30.5.1979).
- Energy and energy research in the Community : a five-year programme of action and its financing (COM(83)315 final).

(b) Description

The intention of the Commission proposal is the encouragement, in the context of the Community's energy supply policy, of hydrocarbons exploration within the Community by granting financial support for exploratory projects involving drilling offshore or at great depths.

The Council of Ministers, at the meeting held on 26 June 1975, decided to grant support initially for a limited surveying programme in well-defined fields.

A Working Party of geological experts from the Member States convened by the Commission on 27 December 1978, was instructed to draw up a list of exploration sites for which Community support could be granted and to draw up a list of priorities.

The Council decided to give priority to supporting offshore seismic surveys to the east of Greenland.

2. Type of expenditure

Subsidies, repayable if the project succeeds.

Costs of experts' reports, the organization of conferences, the computerized processing of proposals and contracts and visits to carry out technical and financial checks.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	315 000	315 000	p.m.	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m.	p.m.	p.m.	—	—	—
Appropriation for 1985	p.m.		p.m.	—	—	—
Total	315 000	315 000	p.m.	—	—	—

ITEM 7002 — EUROSTOCK

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	800 000	800 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

In the United States the American Petroleum Institute publishes weekly information on the level of stocks supplied by the oil industry.

There is no reliable and rapid system for obtaining information on total stocks of oil and petroleum products held by the oil industry in the Community. The information which the Member States are required to provide under Directive 68/414/EEC only concerns compulsory stocks. In addition to these there are stocks held by firms for technical reasons or by virtue of their commercial strategy. These may be appreciable and vary considerably.

It is highly desirable to have information on total European stocks such as exists in the United States. Not only is it essential to establish what effect the variations in stocks may have on the market, but it is also important to know what degree of additional security they could provide.

A feasibility study has been in progress since 1983 (study appropriations) with the assistance of the oil industry, into a system called Eurostock which may come into effect in 1984. This will be concerned with the collection and publication of, initially, monthly and, then, weekly information on total stocks.

The appropriation of 800 000 ECU for 1984 should cover the cost of undertaking this operation, on a trial basis, for the first year. If the trial proves successful the oil industry is prepared to assume the subsequent costs of operating this system.

2. Type of expenditure

In the light of the findings of the study being undertaken, contracts will be concluded for the following operations: study, survey and experts' costs, creation of a communications network, publication and dissemination of the results.

3. Method of calculation

The schedule of payments will be determined according to the work programme which will be drawn up on the basis of the studies now under way.

ITEM 7004 — INTERCONNECTION OF NATURAL GAS NETWORKS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

- Proposal for a Council Regulation (EEC) of ... concerning the rules governing financial contributions for the co-financing of projects to interconnect natural gas networks.
- Opinion of the European Parliament of
- Opinion of the Economic and Social Committee of
- Energy and energy research in the Community : a five-year programme and its financing (COM(83) 315 final).
- Communication from the Commission to the Council concerning natural gas (COM(84)120 final).

(b) Description

In view of the importance of natural gas for the Community's energy supplies and the need to pursue a policy of diversification and thereby reduce the Community's dependence on oil, provision must be made for measures to interconnect natural gas networks both within and outside the Community.

2. Type of expenditure

Subsidies or loans granted by the Community and intended to help Community gas undertakings with their investment costs.

ARTICLE 701 — PROJECTS CONCERNING NUCLEAR ENERGY**ITEM 7010 — PROSPECTING FOR URANIUM IN THE COMMUNITY**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	5 000 000	2 000 000
Percentage change		—

1. References and description**(a) References**

- EAEC Treaty (first and second paragraphs of Article 70).
- Council Resolution of 17 December 1974 (OJ No C 153, 9.7.1975).
- Council Resolution of 13 February 1975 (OJ No C 153, 9.7.1975).
- Commission Regulation (Euratom) No 2014/76 of 23 July 1976.
- 'An energy strategy for the Community : the nuclear aspect' (COM(82)36 of 9 February 1982).
- 'Uranium exploration in the Community : second progress report and orientations for the future' (COM(83)169 final of 23 March 1983).

(b) Description

The purpose is to encourage the exploitation of the uranium resources in the Community, and hence ensure that Community users are supplied with uranium and reduce Community dependence on the producing countries (see in particular COM(76)20 of 16 January 1976, 'Implementation of the energy policy guidelines drawn up by the European Council at its meeting in Rome on 1 and 2 December 1975').

In pursuance of Article 70 of the EAEC Treaty and in accordance with Commission Regulation (Euratom) No 2014/76 of 23 July 1976 (OJ No L 221, 14.8.1976), the Commission between 1976 and 1981, granted financial support for 58 projects for an amount of 27 500 000 million ECU in the following areas :

- prospecting for uranium at regional level,
- evaluating uranium resources at local level,
- evaluating uranium reserves.

The projects adopted were selected on the advice of a group of geology experts representing the Member States.

The main guiding principle always followed by the Commission has been that Community aid should properly complement, but not replace, financial aid from national and private sources.

Because the Community uses large quantities of uranium, most of which has to be imported, there is cause for concern at the current decline in prospecting activity throughout the world because of the effects this will have on future supplies and hence on long-term security of supply.

For this reason the Commission intends to continue to support prospecting on a large scale.

2. Type of expenditure

Non-repayable subsidies.

Financing of the costs of experts' reports, the organization of conferences, the computerized processing of proposals and contracts and visits to carry out technical and financial checks.

3. Method of calculation and explanation of changes

(a) Method of calculation

Community participation in the uranium prospecting campaigns would finance between 30 and 70 % of the costs of the selected exploration projects. This support would be additional to the Member States' exploration programmes and could cover some 25 % of the Community's needs.

As a general rule, payments in respect of these contracts, which cover three years, will be made as follows :

20 % on signature of the contract ;

60 % while the contract is being executed ;

20 % after the Commission approves the final report.

(b) Explanation of changes

The commitment appropriations requested will restore a proper rate of progress : in recent years the project has suffered an appreciable slowdown for lack of sufficient appropriations. The payment appropriations requested correspond to the advance of 40 % to be paid on expected commitments.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m.	p.m.				
Appropriation for 1985	5 000 000		2 000 000	1 500 000	1 000 000	500 000
Total	5 000 000	p.m.	2 000 000	1 500 000	1 000 000	500 000

ITEM 7015 — TRANSPORT OF RADIOACTIVE MATERIALS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	300 000	300 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	500 000	500 000
Percentage change	+ 66,7	+ 66,7

1. References and description*(a) References*

- Chapter III of the Euratom Treaty on the protection of the health of workers and the general public against ionizing radiations.
- Article 75 of the EEC Treaty on the laying-down of common rules applicable to international transport.
- Council Resolution of 22 July 1975 on the technological problems of nuclear safety (OJ No C 185, 14.8.1975, p. 1).
- Parliament Resolution of 22 January 1982 on the transport of radioactive substances and radioactive waste (OJ No C 40, 13.2.1982).

(b) Description

The project has been coordinated since 1982 by the EEC's special standing working party on the transport of radioactive substances set up in response to the Resolution passed by Parliament on 22 January 1982.

It is composed of experts representing the Member States' competent authorities ; its task is to advise and guide the Commission on all activities relating to the transport of radioactive substances.

Although the international conventions and the recommendations of the Vienna Agency, largely incorporated in national legislation on radioactive substances, form an adequate legal framework, there are nevertheless a number of differences between national laws, at both technical and administrative level, which impede the movement of radioactive materials between Member States. As the volume of this traffic is likely to increase rapidly, action should be taken at Community level to reach the best solutions for overcoming these differences while at the same time ensuring the safety of the public and of workers exposed to ionizing radiations in the course of their work.

2. Type of expenditure

Cover for the financial commitments arising from the study and survey contracts to be concluded with outside bodies ; the costs of technical assistance are also charged to this item.

3. Method of calculation

The total cost of this operation in 1985 is estimated at 500 000 ECU, broken down as follows :

— Deformation tests on shock-absorbent materials and structural parts of transport packages Phase 2 (experiments)	110 000
— Estimating the consequences of a criticality accident during the transport of irradiated fuel Phase 3	80 000
— Development of a large transport package for (non-irradiated) contaminated components from dismantled nuclear installations Phase 2	125 000
— Tests relating to the impact of packages designed for the transport of medium-activity radioactive waste ; risk assessment	70 000
— Estimating the consequences of a criticality accident during the storage and transport of plutonium and uranium nitrate solutions	70 000
— Study of derived limits for surface contamination on transport packages	45 000
Total	500 000

ITEM 7016 — STUDIES IN THE CONTEXT OF TECHNICAL ASSISTANCE FOR NUCLEAR POWER PLANT OPERATORS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

Article 1 of the EAEC Treaty which requires the Community to contribute to the raising of the standard of living in the Member States and to the development of relations with the other countries by creating the conditions necessary for the speedy establishment and growth of nuclear industries.

(b) Description

Studies completed so far have been concerned with the training of operators of nuclear power stations and simulators of such stations. They complement the activities of the JRC which collaborates with the operators *inter alia* through the European Reliability Data System.

In the course of 1984 the departments concerned will take stock of activities to date so as to determine guidelines for future work.

2. Type of expenditure, method of calculation and explanation of changes

Any expenditure is on a contract basis and entirely covered by the Commission.

Historical Archives of the European Commission

ARTICLE 702 — COMMUNITY PROJECTS CONCERNING COAL**ITEM 7020 — NEW TECHNOLOGIES FOR BURNING SOLID FUELS AND USING THE RESIDUES THEREOF**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	3 000 000 ⁽²⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	14 000 000	10 000 000
Percentage change	—	+ 233,3

⁽¹⁾ An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.

⁽²⁾ In Chapter 100.

1. References and description**(a) References**

- Council Regulation (EEC) No 1972/83 of 11 July 1983 on the granting of financial support for demonstration projects relating to the exploitation of alternative energy sources and to energy savings and the substitution of hydrocarbons (OJ No L 195, 19.7.1983, p. 6) ;
- Council Regulation (EEC) No _____ amending Council Regulation (EEC) No 1972/83 of 11 July 1983.

(b) Description

The allocation of financial support to firms or bodies in the Community for the implementation of demonstration projects in the field of new technologies for burning solid fuels and the industrial utilization of solid fuel residues (charcoal, ash, shale, etc.).

The combustion projects mostly concern fluidized-bed technologies at atmospheric or high pressure, technologies relating to combined steam- and gas-turbine cycles for electricity generation, the combustion of mixtures (coal-water, coal-petrol) and the use of new or improved burners. The purpose of the measure is to encourage new solid-fuel combustion technologies and the use of the residues by promoting the execution of projects which can demonstrate the industrial and commercial viability of these technologies.

The technical risks involved and the high cost of investment and implementing partly new techniques and technologies mean that the projects would not be implemented or would have to be postponed unless the Community provides financial support. The working programme on solid fuels adopted by the Commission (COM(83)54 final) highlights the importance of this action.

2. Type of expenditure

Subsidy of up to 49 % of the total cost of the project. Half of the subsidy is repayable under the conditions laid down by the implementing provisions of the Regulation in each field.

This item also covers the payment of experts' fees (for instance for the selection and evaluation of projects), the cost of publicizing and disseminating the results (e.g. publicity for invitations to submit proposals for projects, publication of leaflets and reports, organization of symposia), costs arising from the computerized management of projects (project selection, management of contracts, processing of results including those of demonstration projects receiving national support), visits to carry out technical and financial checks and, where necessary, the undertaking of studies.

3. Method of calculation

There is no standard pattern for calculating financial support — it depends on the benefits which may accrue to the Community from the completion of these projects and on whether they meet Community energy policy objectives.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	2 400 000	1 400 000	1 000 000			
Appropriation outstanding from 1983	93 000	93 000				
Appropriation for 1984	p.m. ⁽¹⁾	1 507 000	5 800 000	3 000 000	2 000 000	693 000
Appropriation for 1985	14 000 000		3 200 000	5 000 000	3 000 000	2 800 000
Total	16 493 000	3 000 000 ⁽²⁾	10 000 000	8 000 000	5 000 000	3 493 000

⁽¹⁾ An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.

⁽²⁾ This appropriation is entered in Chapter 100.

ITEM 7021 — PROJECTS FOR THE LIQUEFACTION AND GASIFICATION OF SOLID FUELS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	12 500 000 ⁽²⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	18 000 000	11 000 000
Percentage change	—	— 12

(¹) An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.

(²) Including 3 500 000 in Chapter 100.

1. References and description

(a) References

- Council Regulation (EEC) No 1302/78 of 12 June 1978 on the granting of financial support for projects to exploit alternative energy sources (OJ No L 158, 16.6.1978, p. 3).
- Council Regulation (EEC) No 726/79 of 9 April 1979 fixing the maximum amount of aid to be made available pursuant to Regulation (EEC) No 1302/78 on the granting of financial support for projects to exploit alternative energy sources (OJ No L 93, 12.4.1979, p. 2), as last amended by Council Regulation (EEC) No 2039/82 of 19 July 1982 (OJ No L 219, 28.7.1982, p. 9).
- Council Regulation (EEC) No 728/79 of 9 April 1979 on the implementation in the solid fuel liquefaction and gasification sectors of Regulation (EEC) No 1302/78 on the granting of financial support for projects to exploit alternative energy sources (OJ No L 93, 12.4.1979, p. 5).
- Council Regulation (EEC) No 2039/82 of 19 July 1982 amending Council Regulation (EEC) No 726/79 on the granting of financial support for projects to exploit alternative energy sources.
- Council Regulation (EEC) No 1971/83 of 11 July 1983 on the granting of financial support for pilot industrial projects and demonstration projects relating to the liquefaction and gasification of solid fuels (OJ No L 195, 19.7.1983, p. 1).
- Council Regulation (EEC) No of (OJ No) amending Council Regulation (EEC) No 1971/ 83.

(b) Description

To achieve its objective of reducing its dependence on imported energy, the Community must endeavour, on the one hand, to save energy and, on the other hand, to develop the resources indigenous to its territory. This effort, on which some countries have already embarked, in some cases calls for a specific Community operation. This is especially so when it is a matter of extrapolating to an industrial or semi-industrial scale new techniques, processes, equipment or substances which have passed their laboratory tests but whose technical and economic viability is as yet unproven.

Community support would enable demonstration or pilot-plant projects to be implemented which would make use of new techniques and technologies.

The technical risks involved, the high cost of investment and implementing partly new techniques and technologies mean that the projects would not be implemented or would have to be postponed, unless the Community provides financial support. The working programme on solid fuels adopted by the Commission (COM(83)54) highlights the importance of this action.

2. Type of expenditure

Subsidy amounting to 49 % or less of the total cost of the project, in the case of demonstration projects, half of which is repayable under the conditions laid down by the implementing provisions of the regulation relating to each field.

This item also covers the payment of experts' fees (for instance for the selection and evaluation of projects), the cost of publicizing and disseminating the results (e.g. publicity for invitations to submit proposals for projects, publication of leaflets and reports, organization of symposia), costs arising from the computerized management of projects (project selection, management of contracts, processing of results including those of demonstration projects receiving national support), visits to carry out technical and financial checks and, where necessary, the undertaking of studies.

3. Method of calculation

There is no standard pattern for calculating financial support — it depends on the benefits which may accrue to the Community from the completion of these projects and on whether they meet Community energy policy objectives.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	22 853 000	6 000 000	6 000 000	6 000 000	4 853 000	
Appropriation outstanding from 1983	5 050 000	3 000 000	1 000 000	1 000 000	50 000	
Appropriation for 1984	p.m. ⁽¹⁾	3 500 000 ⁽²⁾	2 000 000	2 000 000	2 000 000	12 500 000
Appropriation for 1985	18 000 000		2 000 000	5 000 000	4 000 000	2 000 000
Total	45 903 000	12 500 000⁽²⁾⁽³⁾	11 000 000	14 000 000	10 903 000	14 500 000

⁽¹⁾ An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and for Article 704.

⁽²⁾ This appropriation is entered in Chapter 100.

⁽³⁾ Including 3 500 000 ECU entered in Chapter 100.

ITEM 7022 — OPERATIONS IN THE FIELD OF ELECTRICITY AND HEAT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	1 200 000 ⁽²⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	6 000 000	2 500 000
Percentage change	—	+ 108,3

⁽¹⁾ An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.

⁽²⁾ In Chapter 100.

1. References and description

(a) References

- Council Regulation (EEC) No 1972/83 of 11 July 1983 on the granting of financial support for demonstration projects relating to the exploitation of alternative energy sources and to energy saving and the substitution of hydrocarbons (OJ No L 195, 19.7.1983, p. 6).
- Council Regulation (EEC) No (OJ No) amending Council Regulation (EEC) No 1972/83.

(b) Description

To achieve the objectives of its energy policy (see Council Resolution of 9 June 1980, OJ No C 149, 18.6.1980), the Community must step up its efforts to save energy and develop the resources indigenous to its territory.

One major contribution towards achieving these objectives is to provide financial support for demonstration projects aimed at increasing the efficiency of the energy used and using energy sources that can be substituted for hydrocarbons.

The Community's financial participation means that projects can be executed which, whilst using innovative techniques, processes and products or new applications of known techniques, fit in at a point after the research stage because they are already on an industrial scale and because one requirement is that they should be economically viable and, at the same time, before the investment stage because the risks involved are still too high for entrepreneurs.

2. Type of expenditure

Subsidy amounting to 49 % of the total cost of the project half of which is repayable if it is established that the operation has reached break-even point after the investment has been made.

This item also covers the payment of experts' fees (for instance for the selection and evaluation of projects), the cost of publicizing and disseminating the results (e.g. publicity for invitations to submit proposals for projects, publication of leaflets and reports, organization of symposia), costs arising from the computerized management of projects (project selection, management of contracts, processing of results including those of demonstration projects receiving national support), visits to carry out technical and financial checks and, where necessary, the undertaking of studies.

3. Method of calculation

There is no standard pattern for calculating financial support — it depends on the benefits which may accrue to the Community from the completion of these projects and on whether they meet Community energy policy objectives.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	p.m.(¹)	1 200 000(²)	1 000 000	2 400 000	1 400 000	
Appropriation for 1985	6 000 000		1 500 000	1 500 000	1 500 000	1 500 000
Total	6 000 000	1 200 000(²)	2 500 000	3 900 000	2 900 000	1 500 000

(¹) An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7033, 7034 and 7035 and for Article 704.
(²) This amount is entered in Chapter 100.

ITEM 7024 — AID TO INVESTMENT FOR THE PRODUCTION OF SOLID FUELS IN THE COMMUNITY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

- Proposal for a Council regulation (EEC) of investment in the production of solid fuels in the Community (COM(83)447 final of 8 August 1983).
- European Parliament Resolution of 16 March 1984 (OJ No C 104, p. 123).
- Opinion of the Economic and Social Committee (ENER 92/96).

(b) Description

In 1984/85 investment in the Community's coal industry will tend to fall because of the uncertain market situation and the heavy burden of financing big stocks. To stabilize — or increase — investment in the mines effective provision will therefore have to be made to decrease either investment costs of the interest undertakings have to pay on loans.

Where lignite and peat production are concerned it is likely that the industries concerned will in future build very big units. As it is largely beyond the capacity of the companies to finance the requisite investment themselves, there is some danger of their incurring an unacceptable level of indebtedness. Provision for effective aid must therefore be made to deal with these problems.

2. Type of expenditure

A subsidy which will relieve the burden of investment costs in the Community's solid fuel producing industries.

3. Method of calculation

It may be estimated that total investment in the industries concerned will amount to some 2 000 million ECU. The budget outlay will depend on the rate finally decided upon for aid to this investment.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	p.m.	p.m.				
Appropriation for 1985	p.m.		p.m.			
Total	p.m.	p.m.	p.m.			

ITEM 7025 — OPERATIONS RELATING TO COAL STOCKS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change		

1. References and description

(a) References

- Proposal, based on Article 235 of the EEC Treaty, for a Council regulation (EEC) of ... concerning the rules governing Community financial aid for financing cyclical stocks of hard coal, coke and patent fuel (COM(83)447 final).
- European Parliament Resolution of 16 March 1984 (OJ No C 104, p. 123).

(b) Description

Coal production cannot react quickly to short-term fluctuations in the market. If a minimum stock (20 million t) were built up, the mines would be able to maintain a certain level of production.

Community help with financing stocks in excess of the minimum would alleviate the burden borne by the mining undertakings.

Stocks up to a maximum of 20 million t will be eligible for aid ; total Community stocks in excess of 20 million t will be considered as basic stocks the costs of which must be borne by the undertakings.

2. Type of expenditure

Non-repayable subsidy covering some 25 % of the costs involved.

3. Method of calculation

The budget outlay will depend on the annual amount of aid decided upon, which will itself depend on quantities of stocks.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	p.m.	p.m				
Appropriation for 1985	p.m.		p.m.			
Total	p.m.	p.m.	p.m.			

ARTICLE 703 — PROJECTS CONCERNING NEW SOURCES OF ENERGY

ITEM 7031 — PROJECTS CONCERNING GEOTHERMAL ENERGY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m. ⁽¹⁾	5 500 000 ⁽²⁾
1985 — Appropriations requested	8 000 000	2 500 000
Percentage change	—	— 55,5

(¹) An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.
(²) Including 1 000 000 ECU entered in Chapter 100.

1. References and description

(a) References

- Council Regulation (EEC) No 1302/78 of 12 June 1978 on the granting of financial support for projects to exploit alternative energy sources (OJ No L 158, 16.6.1978, p. 3).
- Council Regulation (EEC) No 726/79 of 9 April 1979 fixing the maximum amount of aid to be made available pursuant to Council Regulation (EEC) No 1302/78 on the granting of financial support for projects to exploit alternative energy sources (OJ No L 93, 12.4.1979, p. 2), as last amended by Council Regulation (EEC) No 2039/82 of 19 July 1982 (OJ No L 219, 28.7.1982, p. 9).
- Council Regulation (EEC) No 729/79 of 9 April 1979 on the implementation in the geothermal energy sector of Council Regulation (EEC) No 1302/78 on the granting of financial support for projects to exploit alternative energy sources (OJ No L 93, 12.4.1979, p. 7).
- Council Regulation (EEC) No 2039/82 of 19 July 1982 amending Council Regulation (EEC) No 726/79 on the granting of financial support for projects to exploit alternative energy sources.
- Council Regulation (EEC) No 1972/82 of 11 July 1983 on the granting of financial support for demonstration projects relating to the exploitation of alternative energy sources and to energy saving and the substitution of hydrocarbons (OJ No L 195, 19.7.1983, p. 6).
- Council Regulation (EEC) No amending Council Regulation (EEC) No 1972/83 of 11 July 1983.

(b) Description

To achieve the objectives of its energy policy (see Council Resolution of 9 June 1980, OJ No C 149, 18.6.1980), the Community must step up its efforts to save energy and develop the resources indigenous to its territory.

One major contribution towards achieving these objectives is to provide financial support for demonstration projects aimed at increasing the efficiency of the energy used and using energy sources than can be substituted for hydrocarbons.

The Community's financial participation means that projects can be executed which, whilst using innovative techniques, processes and products or new applications of known techniques, fit in at a point after the research stage because they are already on an industrial scale and because one requirement is that they should be economically viable and, at the same time, before the investment stage because the risks involved are still too high for entrepreneurs.

2. Type of expenditure

Subsidy amounting to 49 % of the total cost of the project half of which is repayable if it is established that the operation has reached break-even point after the investment has been made.

This item also covers the payment of experts' fees (for instance for the selection and evaluation of projects), the cost of publicizing and disseminating the results (e.g. publicity for invitations to submit proposals for projects, publication of leaflets and reports, organization of symposia), costs arising from the computerized management of projects (project selection, management of contracts, processing of results including those of demonstration projects receiving national support), visits to carry out technical and financial checks and, where necessary, the undertaking of studies.

3. Method of calculation

There is no standard pattern for calculating financial support — it depends on the benefits which may accrue to the Community from the completion of these projects and on whether they meet Community energy policy objectives.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	9 212 000	5 000 000 ⁽²⁾	1 000 000	1 500 000	1 212 000	500 000
Appropriation outstanding from 1983	1 000 000	500 000	300 000	200 000		
Appropriation for 1984	p.m. ⁽¹⁾	p.m.	p.m.	p.m.	p.m.	p.m.
Appropriation for 1985	8 000 000	—	1 200 000	3 000 000	2 000 000	1 800 000
Total	18 212 000	5 500 000⁽¹⁾	2 500 000	4 700 000	3 212 000	2 300 000

⁽¹⁾ An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.

⁽²⁾ Including 1 500 000 ECU which have been entered in Chapter 100.

ITEM 7032 — PROJECTS CONCERNING SOLAR ENERGY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	3 200 000 ⁽²⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	8 000 000	2 200 000
Percentage change	—	— 31,3

⁽¹⁾ An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.

⁽²⁾ Including 1 500 000 ECU entered in Chapter 100.

1. References and description

(a) References

- Council Regulation (EEC) No 1302/78 of 12 June 1978 on the granting of financial support for projects to exploit alternative energy resources (OJ No L 158, 16.6.1978, p. 3).
- Council Regulation (EEC) No 726/79 of 9 April 1979 fixing the maximum amount of aid to be made available pursuant to Council Regulation (EEC) No 1302/78 on the granting of financial support for projects to exploit alternative energy sources (OJ No L 93, 12.4.1979, p. 2), as last amended by Council Regulation (EEC) No 2039/82 of 19 July 1982 (OJ No L 219, 28.7.1982, p. 9).
- Council Regulation (EEC) No 727/79 of 9 April 1979 on the implementation in the solar energy sector of Council Regulation (EEC) No 1302/78 on the granting of financial support for projects to exploit alternative energy sources (OJ No L 93, 12.4.1979, p. 3).
- Council Regulation (EEC) No 2039/82 of 19 July 1982 amending Council Regulation (EEC) No 726/79 on the granting of financial support for projects to exploit alternative energy sources.
- Council Regulation (EEC) No 1972/83 of 11 July 1983 on the granting of financial support for demonstration projects relating to the exploitation of alternative energy sources and to energy saving and the substitution of hydrocarbons (OJ No L 195, 19.7.1983, p. 6).
- Council Regulation (EEC) No amending Council Regulation (EEC) No 1972/83 of 11 July 1983.

(b) Description

To achieve the objectives of its energy policy (see Council Resolution of 9 June 1980, OJ No C 149, 18.6.1980), the Community must step up its efforts to save energy and develop the resources indigenous to its territory.

One major contribution towards achieving these objectives is to provide financial support for demonstration projects aimed at increasing the efficiency of the energy used and using energy sources than can be substituted for hydrocarbons.

The Community's financial participation means that projects can be executed which, whilst using innovative techniques, processes and products or new applications of known techniques, fit in at a point after the research stage because they are already on an industrial scale and because one requirement is that they should be economically viable and, at the same time, before the investment stage because the risks involved are still too high for entrepreneurs.

2. Type of expenditure

Subsidy amounting to 49 % of the total cost of the project half of which is repayable if it is established that the operation has reached break-even point after the investment has been made.

This item also covers the payment of experts' fees (for instance for the selection and evaluation of projects), the cost of publicizing and disseminating the results (e.g. publicity for invitations to submit proposals for projects, publication of leaflets and reports, organization of symposia), costs arising from the computerized management of projects (project selection, management of contracts, processing of results including those of demonstration projects receiving national support), visits to carry out technical and financial checks and, where necessary, the undertaking of studies.

3. Method of calculation

There is no standard pattern for calculating financial support — it depends on the benefits which may accrue to the Community from the completion of these projects and on whether they meet Community energy policy objectives.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	11 132 000	1 400 000	1 000 000	3 000 000	5 000 000	732 000
Appropriation outstanding from 1983	300 000	300 000	—	—	—	—
Appropriation for 1984	p.m. ⁽¹⁾	1 500 000 ⁽²⁾	700 000	2 100 000	2 000 000	700 000
Appropriation for 1985	8 000 000	—	500 000	2 400 000	2 500 000	2 600 000
Total	19 432 000	3 200 000⁽³⁾	2 200 000	7 500 000	9 500 000	4 032 000

⁽¹⁾ An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.

⁽²⁾ This appropriation is entered in Chapter 100.

⁽³⁾ Including 1 500 000 ECU which have been entered in Chapter 100.

ITEM 7033 — PROJECTS CONCERNING WIND ENERGY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	3 200 000 ⁽²⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	8 000 000	4 500 000
Percentage change	—	+ 40,60

⁽¹⁾ An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.

⁽²⁾ Including 1 200 000 ECU entered in Chapter 100.

1. References and description

(a) References

- Council Regulation (EEC) No 1302/78 of 12 June 1978 on the granting of financial support for projects to exploit alternative energy resources (OJ No L 158, 16.6.1978, p. 3).
- Council Regulation (EEC) No 726/79 of 9 April 1979 fixing the maximum amount of aid to be made available pursuant to Council Regulation (EEC) No 1302/78 on the granting of financial support for projects to exploit alternative energy sources (OJ No L 93, 12.4.1979, p. 2), as last amended by Council Regulation (EEC) No 2039/82 of 19 July 1982 (OJ No L 219, 28.7.1982, p. 9).
- Council Regulation (EEC) No 2039/82 of 19 July 1982 amending Council Regulation (EEC) No 726/79 on the granting of financial support for projects to exploit alternative energy sources.
- Council Regulation (EEC) No 1972/83 of 11 July 1983 on the granting of financial support for demonstration projects relating to the exploitation of alternative energy sources and to energy saving and the substitution of hydrocarbons (OJ No L 195, 19.7.1983, p. 6).
- Council Regulation (EEC) No amending Council Regulation (EEC) No 1972/83 of 11 July 1983.

(b) Description

To achieve the objectives of its energy policy (see Council Resolution of 9 June 1980, OJ No C 149, 18.6.1980), the Community must step up its efforts to save energy and develop the resources indigenous to its territory.

One major contribution towards achieving these objectives is to provide financial support for demonstration projects aimed at increasing the efficiency of the energy used and using energy sources than can be substituted for hydrocarbons.

The Community's financial participation means that projects can be executed which, whilst using innovative techniques, processes and products or new applications of known techniques, fit in at a point after the research stage because they are already on an industrial scale and because one requirement is that they should be economically viable and, at the same time before the investment stage because the risks involved are still too high for entrepreneurs.

2. Type of expenditure

Subsidy amounting to 49 % of the total cost of the project half of which is repayable if it is established that the operation has reached break-even point after the investment has been made.

This item also covers the payment of experts' fees (for instance for the selection and evaluation of projects), the cost of publicizing and disseminating the results (e.g. publicity for invitations to submit proposals for projects, publication of leaflets and reports, organization of symposia), costs arising from the computerized management of projects (project selection, management of contracts, processing of results including those of demonstration projects receiving national support) visits to carry out technical and financial checks and, where necessary, the undertaking of studies.

3. Method of calculation

There is no standard pattern for calculating financial support — it depends on the benefits which may accrue to the Community from the completion of these projects and on whether they meet Community energy policy objectives.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	5 360 000	1 910 000	2 000 000	1 450 000		
Appropriation outstanding from 1983	90 000	90 000				
Appropriation for 1984	p.m. ⁽¹⁾	1 200 000 ⁽²⁾	1 250 000	2 000 000	2 000 000	1 550 000
Appropriation for 1985	8 000 000		1 250 000	3 000 000	2 000 000	1 750 000
Total	13 450 000	3 200 000⁽³⁾	4 500 000	6 450 000	4 000 000	3 300 000

⁽¹⁾ An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.

⁽²⁾ This appropriation is entered in Chapter 100.

⁽³⁾ Including 1 200 000 ECU which have been entered in Chapter 100.

ITEM 7034 — OPERATIONS IN THE FIELD OF HYDROELECTRIC POWER

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m. ⁽¹⁾	1 200 000 ⁽²⁾
1985 — Appropriations requested	6 000 000	1 800 000
Percentage change	—	+ 50,0

(1) An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.
(2) In Chapter 100.

1. References and description

(a) References

- Council Regulation (EEC) No 1972/83 of 11 July 1983 on the granting of financial support for demonstration projects relating to the exploitation of alternative energy sources and to energy saving and the substitution of hydrocarbons (OJ No L 195, 19.7.1983, p. 6) ;
- Council Regulation (EEC) No amending Council Regulation (EEC) No 1972/83 of 11 July 1983.

(b) Description

To achieve the objectives of its energy policy (see Council Resolution of 9 June 1980, OJ No C 149, 18.6.1980), the Community must step up its efforts to save energy and develop the resources indigenous to its territory.

One major contribution towards achieving these objectives is to provide financial support for demonstration projects aimed at increasing the efficiency of the energy used and using energy sources than can be substituted for hydrocarbons.

The Community's financial participation means that projects can be executed which, whilst using innovative techniques, processes and products or new applications of known techniques, fit in at a point after the research stage because they are already on an industrial scale and because on requirement is that they should be economically viable and, at the same time, before the investment stage because the risks involved are still too high for entrepreneurs.

2. Type of expenditure

Subsidy amounting to 49 % of the total cost of the project half of which is repayable if it is established that the operation has reached break-even point after the investment has been made.

This item also covers the payment of experts' fees (for instance for the selection and evaluation of projects), the cost of publicizing and disseminating the results (e.g. publicity for invitations to submit proposals for projects, publication of leaflets and reports, organization of symposia), costs arising from the computerized management of projects (project selection, management of contracts, processing of results including those of demonstration projects receiving national support), visits to carry out technical and financial checks and, where necessary, the undertaking of studies.

3. Method of calculation

There is no standard pattern for calculating financial support — it depends on the benefits which may accrue to the Community from the completion of these projects and on whether they meet Community energy policy objectives.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m. ⁽¹⁾	1 200 000 ⁽²⁾	1 000 000	2 000 000	1 000 000	800 000
Appropriation for 1985	6 000 000		800 000	1 400 000	2 000 000	1 800 000
Total	6 000 000	1 200 000⁽²⁾	1 800 000	3 400 000	3 000 000	2 600 000

⁽¹⁾ An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for article 704.

⁽²⁾ This appropriation is entered in Chapter 100.

ITEM 7035 — OPERATIONS IN THE FIELD OF BIOMASS AND THE PRODUCTION OF ENERGY FROM WASTE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	1 200 000 ⁽²⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	8 000 000	4 500 000
Percentage change	—	+ 275,0

⁽¹⁾ An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7033, 7034 and 7035 and for Article 704.

⁽²⁾ In Chapter 100.

1. References and description

(a) References

- Council Regulation (EEC) No 1972/83 of 11 July 1983 on the granting of financial support for demonstration projects relating to the exploitation of alternative energy sources and to energy saving and the substitution of hydrocarbons (OJ No L 195, 19.7.1983, p. 6) ;
- Council Regulation (EEC) No amending Council Regulation (EEC) No 1972/83 of 11 July 1983.

(b) Description

To achieve the objectives of its energy policy (see Council Resolution of 9 June 1980, OJ No C 149, 18.6.1980), the Community must step up its efforts to save energy and develop the resources indigenous to its territory.

One major contribution towards achieving these objectives is to provide financial support for demonstration projects aimed at increasing the efficiency of the energy used and using energy sources than can be substituted for hydrocarbons.

The Community's financial participation means that projects can be executed which, whilst using innovative techniques, processes and products or new applications of known techniques, fit in at a point after the research stage because they are already on an industrial scale and because one requirement is that they should be economically viable and, at the same time before the investment stage because the risks involved are still too high for entrepreneurs.

2. Type of expenditure

Subsidy amounting to 49 % of the total cost of the project half of which is repayable if it is established that the operation has reached break-even point after the investment has been made.

This item also covers the payment of experts' fees (for instance for the selection and evaluation of projects), the cost of publicizing and disseminating the results (e.g. publicity for invitations to submit proposals for projects, publication of leaflets and reports, organization of symposia), costs arising from the computerized management of projects (project selection, management of contracts, processing of results including those of demonstration projects receiving national support), visits to carry out technical and financial checks and, where necessary, the undertaking of studies.

3. Method of calculation

There is no standard pattern for calculating financial support — it depends on the benefits which may accrue to the Community from the completion of these projects and on whether they meet Community energy policy objectives.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	6 344 000	800 000	2 000 000	2 000 000	1 000 000	544 000
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m. ⁽¹⁾	400 000	2 000 000	2 600 000	2 000 000	1 000 000
Appropriation for 1985	8 000 000		500 000	2 400 000	3 000 000	2 100 000
Total	14 344 000	1 200 000 ⁽²⁾	4 500 000	7 000 000	6 000 000	3 644 000

(¹) An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.

(²) This appropriation is entered in Chapter 100.

ARTICLE 704 — COMMUNITY ENERGY-SAVING PROGRAMME

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	10 700 000 ⁽²⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	24 000 000	21 000 000
Percentage change	—	+ 96,3

⁽¹⁾ An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.

⁽²⁾ Including 4 200 000 ECU entered in Chapter 100.

1. References and description**(a) References**

- Council Recommendation 76/492/EEC of 4 May 1976 on the rational use of energy by promoting the thermal insulation of buildings (OJ No L 140, 28.5.1976).
- Council Recommendation 76/493/EEC of 4 May 1976 on the rational use of energy in the heating systems of existing buildings (OJ No L 140, 28.5.1976).
- Council Regulation (EEC) No 1303/78 of 12 June 1978 on the granting of financial support for demonstration projects in the field of energy-saving (OJ No L 158, 16.6.1978, p. 6).
- Council Regulation (EEC) No 725/79 of 9 April 1979 fixing the maximum amount of aid to be made available pursuant to Council Regulation (EEC) No 1303/78 on the granting of financial support for demonstration projects in the field of energy-saving (OJ No L 93, 12.4.1979, p. 1) as last amended by Regulation (EEC) No 2038/82 of 19 July 1982 (OJ No L 219, 28.7.1982, p. 8).
- Council Regulation (EEC) No 2038/82 of 19 July 1982 amending Council Regulation (EEC) No 725/79 on the granting of financial support for demonstration projects in the field of energy saving.
- Commission Recommendation (80/823/EEC) of 29 July 1980 on the rational use of energy in industrial enterprise (OJ No L 239, 12.9.1980).
- Council Regulation (EEC) No 1972/83 of 11 July 1983 on the granting of financial support for demonstration projects relating to the exploitation of alternative energy sources and to energy saving and the substitution of hydrocarbons (OJ No L 195, 19.7.1983).
- Council Regulation (EEC) No ... amending Council Regulation (EEC) No 1972/83.
- Draft Council resolutions on an action programme for the rational use of energy in buildings and inland transport.

(b) *Description*

To achieve the objectives of its energy policy (see Council Resolution of 9 June 1980, OJ No C 149, 18.6.1980), the Community must step up its efforts to save energy and develop the resources indigenous to its territory.

One major contribution towards achieving these objectives is to provide financial support for demonstration projects aimed at increasing the efficiency of the energy used and using energy sources than can be substituted for hydrocarbons.

The Community's financial participation means that projects can be executed which, whilst using innovative techniques, processes and products or new applications of known techniques, fit in at a point after the research stage because they are already on an industrial scale and because one requirement is that they should be economically viable and, at the same time before the investment stage because the risks involved are still too high for entrepreneurs.

An 'energy bus' programme is being set up to supplement the consultation and technical assistance services currently available in the Community in respect of the rational use of energy.

Pilot projects concerning transport and buildings will exploit and improve upon the results obtained in the demonstration projects.

2. Type of expenditure

Subsidy amounting to 49 % of the total cost of the project, half of which is repayable if it is established that the operation has reached break-even point after the investment has been made.

This item also covers the payment of experts' fees (for instance for the selection and evaluation of projects), the cost of publicizing and disseminating the results (e.g. publicity for invitations to submit proposals for projects, publication of leaflets and reports, organization of symposia), costs arising from the computerized management of projects (project selection, management of contracts, processing of results including those of demonstration projects receiving national support), visits to carry out technical and financial checks and, where necessary, the undertaking of studies.

(b) *Pilot projects*

Financing — possibly through joint funding with Member States or local authorities. Payment of experts' fees, management costs and costs arising from the publicizing and disseminating of results.

(c) *Energy bus*

Under the energy bus programme the Commission funds all the costs of managing and operating the data bank.

3. Method of calculation

(a) Demonstration projects and pilot projects

There is no standard pattern for calculating financial support — it depends on the benefits which may accrue to the Community from the completion of these projects and on whether they meet Community energy policy objectives.

(b) Energy bus

Annexe III to the Commission's recommendation on the 'energy bus' programme provides for the signing of an agreement between the Commission and the data bank operator and sets out their respective obligations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	59 257 000	6 080 000	14 000 000	14 000 000	13 000 000	12 177 000
Appropriation outstanding from 1983	420 000	420 000	—	—	—	—
Appropriation for 1984	p.m. ⁽¹⁾	4 200 000 ⁽²⁾	5 000 000	5 000 000	5 000 000	2 800 000
Appropriation for 1985	24 000 000		2 000 000	6 000 000	8 000 000	8 000 000
Total	83 677 000	10 700 000 ⁽²⁾	21 000 000	25 000 000	26 000 000	22 977 000

⁽¹⁾ An overall reserve of 87 000 000 ECU in commitment appropriations and 4 000 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7020, 7021, 7022, 7031, 7032, 7033, 7034 and 7035 and for Article 704.

⁽²⁾ This appropriation is entered in Chapter 100.

⁽³⁾ Including 4 200 000 ECU which have been entered in Chapter 100.

ARTICLE 705 — PROMOTION OF ENERGY INVESTMENTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	20 000 000	20 000 000
1985 — Appropriations requested	p.m.	p.m.
Percentage change	— 100	— 100

1. References and description**(a) References**

- Communication by the Commission to the European Council (Community initiatives on energy ; COM(80)130 final).
- Resolutions of the European Council of 27 and 28 April 1980.
- Council Resolution of 9 June 1980 concerning Community energy policy objectives for 1990 and convergence of the policies of the Member States (OJ No C 149, 18.6.1980).
- A Community programme for the promotion of investment in energy (COM(80)220 final).
- Review of energy policy objectives for 1990 and Member States' investment programmes (COM(81)64 final).
- Development of an energy strategy for the Community (COM(81)540).
- Fifth medium-term economic policy programme (COM(81)344).
- Investment in the rational use of energy (COM(82)24).
- Energy and energy research in the Community : a five-year programme of action and its financing (COM(83)315 final).

(b) Description

The maintenance of a high level of economic development requires a faster rate of investments to promote the rational use of energy in the broadest sense (energy saving, development of alternative sources, conversion to coal, etc.).

Investment may be encouraged by means of assistance from the general budget of the European Communities linked with loans given by the EIB and from funds obtained through NCI II borrowings.

To qualify for this scheme, the loans should cover investment in the following sectors :

- investment in the generation of heat for district heating networks from industrial waste heat and from solid and residual fuels ;
- investment in converting oil-fired industrial boilers to coal ;
- investment connected with the preparation of imported coal ;
- utilization of urban, agricultural and industrial waste for energy purposes ;
- investment for the purpose of making significant energy savings in industry and the building industry.

These funds are reserved for individual projects which :

- will serve the infrastructure and the general interest ;
- will involve investment, not expenditure on day-to-day maintenance ;
- will use technology which is sufficiently proven to produce the results expected in the energy sector (no experimental projects) ;

2. Type of expenditure

Non-returnable payments in the form of interest rebates or subsidies of an equivalent amount.

3. Method of calculation

The amount entered in the budget every year corresponds to the value of the interest rebate to be paid during the first five or 10 years of the loan period, discounted by three percentage points, depending on the category of recipient.

ARTICLE 706 — ENERGY PROGRAMMING

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	5 000 000	3 000 000
1985 — Appropriations requested	6 000 000	4 500 000
Percentage change	+ 20,0	+ 50,0

1. References and description**(a) References**

- Decision of the Council (Energy) of 30 October 1978.
- Conclusions of the European Council of 21 and 22 June 1979.
- Communications from the Commission of 7 March 1980, 2 October 1981 and 10 June 1982.
- Recommendation of the Development Council of 15 June 1982.
- Recommendation of the Energy Council of 13 and 28 July 1982.

(b) Description

The changes which have affected the world energy situation as a result of oil price rises means that more information is needed on each country's energy resources and requirements. As oil is supremely important, especially for the industrialized countries, a way must be found of assessing future consumption and the extent to which oil can be replaced by other traditional or new forms of energy. It is therefore essential that world and regional energy balances should be available. Furthermore, energy demand can be steered by a policy for the efficient use of energy, the development of new and renewable sources and the technology for the production, processing and utilization of energy resources.

The Commission has undertaken to develop jointly with specialist institutes in the developing countries instruments which will make it possible to analyse the energy situation in those countries more accurately and evaluate future developments as regards energy supply and demand more correctly. Thereafter, the instruments will have to be applied and the maximum technical and political benefit derived from them.

The Commission is collaborating with the governments of the Member States at national, regional and local level in order to analyse final energy demand in the regions of the Community more accurately and determine how energy, the environment, the economy and the labour market interact at regional and even local level.

2. Type of expenditure

Expenditure will take various forms and will cover :

- studies and surveys for compiling energy balances (global or sectoral forecasts of supply and demand) and related administrative costs ;
- the organization of and attendance at information seminars and conferences ;
- the organization of and participation in training courses for energy planners ; experts' fees and all related costs.

3. Method of calculation

The total requirement in commitment appropriations for 1985 will be 6 000 000 ECU, probably allocated as follows :

— Development of methods and establishment of criteria for assessing energy supply and demand (continuation of work in progress in regions of Europe, Latin America, Asia and China)	2 200 000
— Aid to establish energy programming structures for conducting the activities carried out in this sector (in countries in Europe, Latin America, Asia and China)	1 800 000
— Aid to implement regional energy programming projects in the Community	2 000 000
Total	6 000 000

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	2 470 000	1 470 000	1 000 000	—	—	—
Appropriation outstanding from 1983	60 000	60 000	—	—	—	—
Appropriation for 1984	5 000 000	1 470 000	2 060 000	1 470 000		
Appropriation for 1985	6 000 000		1 440 000	4 000 000	560 000	
Total	13 530 000	3 000 000	4 500 000	5 470 000	560 000	

ARTICLE 707 — SPECIFIC COMMUNITY MEASURES RELATING TO ENERGY STRATEGY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

ARTICLE 709 — STUDIES IN THE ENERGY SECTOR

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 500 000	1 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 500 000	1 500 000
Percentage change	—	—

1. References and description**(a) References**

- Council Resolution of 17 December 1974 concerning Community energy policy objectives (OJ No C 153, 9.7.1975).
- Council Resolution of 13 February 1975 concerning measures to be implemented to achieve the Community energy policy objectives (OJ No C 153, 9.7.1975).
- Council Resolution of 9 June 1980 concerning Community energy policy objectives for 1990 and convergence of the policies of the Member States (OJ No C 149, 18.6.1980).

(b) Description

The Commission wishes to facilitate the implementation of specific energy projects by making Community funds available in cases where Community-scale research would be more effective than action at national level.

The selection of the most promising projects for Community funding requires preliminary studies and research which the Commission departments are unable to carry out.

Studies are also needed to help the Commission to draft proposals by providing the technical guidelines for new Community operations.

These will concern :

- energy-saving, the rational use of energy and energy modelling,
- pricing policy,
- energy investment,
- the hydrocarbons sector,
- the development of alternative energy sources,
- the electricity sector,
- energy cooperation,
- the attitude of the public to energy problems.

2. Type of expenditure

The expenditure will be covered by contracts.

3. Method of calculation and explanation of changes**(a) Method of calculation**

The overall sum required in 1985 is 1 500 000 ECU. This may be roughly broken down as follows :

— Analyses and forecasts	150 000
— Hydrocarbons sector	260 000
— Natural gas sector	40 000
— Nuclear sector	300 000
— Rational use of energy	380 000
— Electricity sector	110 000
— New energy sources	260 000

Total

1 500 000

CHAPTER 71 — NUCLEAR SAFEGUARDS

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
710	On-the-spot inspections and other missions	1 190 000	1 190 000	1 240 000	1 240 000	+ 4,2	+ 4,2
711	Cost of training courses, train- ing of inspectors	70 000	70 000	90 000	90 000	+ 28,6	+ 28,6
712	Sampling and analyses	960 000	960 000	770 000	770 000	- 19,8	- 19,8
713	Equipment, specific work and transport of equipment	1 075 000	1 075 000	1 360 000	1 360 000	+ 26,5	+ 26,5
714	Expenditure on formal and other meetings	5 000	5 000	5 000	5 000	0	0
	Total	3 300 000	3 300 000	3 465 000	3 465 000	+ 5	+ 5,0

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 710 — ON-THE-SPOT INSPECTIONS AND OTHER MISSIONS RELATING TO SAFEGUARDS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 190 000	1 190 000
— Appropriations as amended by transfers or by amending or supplementary budget	1 171 000	1 171 000
1985 — Appropriations requested	1 240 000	1 240 000
Percentage change	+ 5,9	+ 5,9

1. References and description**(a) References**

Chapter VII of the EAEC Treaty ; Commission Regulation (Euratom) No 3227/76 of 19 October 1976 relating to safeguards ; external obligations which the Commission has assumed towards non-member States under the cooperation agreements (notably with the USA, Canada and Australia) and international organizations, in particular the verification agreement concluded by the Community, seven of the Member States and the IAEA ; the tripartite agreements concluded between the Community, the United Kingdom and the IAEA, and between the Community, France and the IAEA (latter agreement not yet in force).

(b) Description

- Pursuant to Chapter VII, Article 77 of the EAEC Treaty, the Commission must satisfy itself that in the territories of the Member States :
 - nuclear materials are used for peaceful purposes ;
 - the obligations assumed by the Commission towards non-member States (e.g. the cooperation agreement with the USA and Canada) and international bodies (e.g. the verification agreement with the IAEA, Vienna) are complied with.
- In accordance with Article 81 of the EAEC Treaty, the Commission must send inspectors to monitor all nuclear installations located in Community territory which form part of the fuel cycle from the mining stage to the reprocessing stage, including uranium enrichment, and all nuclear research centres, including university institutes processing nuclear material.

This is an on-going project.

2. Type of expenditure

Administrative expenditure.

3. Method of calculation and explanation of changes

(a) *Method of calculation*

Anticipated number of days for missions \times daily allowances + average travelling expenses + additional expenses (e.g. hire of offices on the spot plus sundry expenses and, if necessary, hire of cars).

(b) *Explanation of changes*

The body of inspectors will total 141 in the course of the year, compared with 64 in 1981. The number of days for missions and the related expenditure will obviously increase as a result.

In concrete terms, 4 100 and 4 600 man/days of inspection were completed in 1981 and 1982 respectively, and 6 400 man/days in 1983; 8 000 man/days are planned for 1984 and this figure will reach 10 500 man/days in 1985 in order to achieve the aim to which the Commission is committed and take account of the increase in the volume of inspection (e.g. power reactor construction programme in one Member State increased fabrication of fuel elements and reprocessing).

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ARTICLE 711 — COST OF TRAINING COURSES, TRAINING OF INSPECTORS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	70 000	70 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	90 000	90 000
Percentage change	+ 28,60	+ 28,60

1. References and description**(a) References**

As for Article 710.

(b) Description

General and special vocational training and information, in particular for recently recruited inspectors :

- courses and periods of training for Commission inspectors (especially at headquarters in Luxembourg and possibly at the JRC establishments) ;
- information and training periods in State and international organizations and institutions, both within and outside the Community (e.g. the USA and the IAEA), which are competent in the field of safeguards, the aim being to keep inspectors constantly up to date with the latest methods in this field, since they must handle with care instruments of high value ;
- in accordance with the Euratom Basic Standards — issued by the Council as Directives on 12 July 1976 (76/579/Euratom) and 17 September 1980 (80/836/Euratom) — the inspectors must have sufficient knowledge to be able to discern and pinpoint hazards and keep abreast of scientific progress in the field of health protection. It is therefore important to ensure participation in specialized courses either at the JRC or at the national centres in the Member States.

2. Type of expenditure

Administrative expenditure.

3. Method of calculation and explanation of changes

(a) *Method of calculation*

Number of participants in the courses and training schemes \times (daily allowance \times number of days' training + average travelling expenses + enrolment expenses).

(b) *Explanation of changes*

Given the diversity of the different methods of control applied in nuclear installations, inspectors should receive specific training, especially as these methods develop rapidly.

As a general rule, courses are organized within the Euratom Safeguards Directorate, which reduces costs to a minimum. However, it is essential that inspectors should also participate in courses organized by State and international bodies.

The number of newly recruited inspectors (staff complement in 1981: 64 inspectors; in 1984: 141 inspectors) justifies the request to increase appropriations to 70 000 ECU for 1985, since expenditure in this area already amounted to 44 000 ECU in 1981 and to 90 000 ECU in 1982 (after transfer).

ARTICLE 712 — SAMPLING AND ANALYSES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	960 000	960 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	770 000	770 000
Percentage change	— 19,8	— 19,8

1. References and description**(a) References**

As for Article 710.

(b) Description

Sampling and analyses in the Community's nuclear installations. The need for this arises from the application of safeguards on a physical and chemical basis. In the context of destructive methods, analyses are generally performed at specialized installations, in particular the JRC establishments or certain national research centres (CEA — GfK — Cogema — UKAEA), which have to be paid for the work. This appropriation is also intended to cover expenditure incurred in the acquisition of ionizing sources and reference standards for non-destructive-method analyses.

2. Type of expenditure

Technical operating costs.

3. Method of calculation and explanation of changes**(a) Method of calculation**

The breakdown of the appropriations requested for the financial year is as follows :

- (Cost of the material + cost of sampling + packaging cost + transport cost, if necessary + insurance cost + cost analysis) × number of samples — 1985 estimate : 675 000 ECU.
- (Cost per source or reference standard + packaging cost + transport cost, if necessary + insurance cost) × number of orders — 1985 estimate : 95 000 ECU.
- The appropriation requested includes an advance of 60 000 ECU to the IAEA to be refunded by the latter and booked as revenue under the general budget (Article 616).

(b) *Explanation of changes*

The results of destructive analyses are used primarily to assess the quantity of nuclear materials, to determine the uranium and plutonium concentration and to establish the isotope composition.

In line with the Commission's commitments, it is planned to take between 450 and 900 samples from reprocessing, fuel element fabrication and enrichment plants in 1985 and to subject them to 1 350 destructive analyses. An analysis costs between 380 and 420 ECU, depending on the type. The appropriation of 770 000 ECU proposed in respect of all the activities to be financed under this item for 1984 is thus justified. Any reduction would prevent the Commission from fulfilling its commitments. Like the Agency in Vienna, the Safeguards Directorate is, in fact, committed to a set number of analyses.

To ensure that the results obtained remain objective, most of the analyses are entrusted to the JRC establishments (CBNM, Transuranics Institute and Ispra).

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ARTICLE 713 — EQUIPMENT, SPECIFIC WORK AND TRANSPORT OF EQUIPMENT**ITEM 7130 — EQUIPMENT PROCUREMENT AND SCIENTIFIC AND TECHNICAL WORK**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 040 000	1 040 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	1 310 000	1 310 000
Percentage change	+ 26	+ 26

1. References and description**(a) References**

— As for Article 710.

— All the measures described in point (b) below are essential to ensure compliance with the obligations laid down in Chapter VII of the Euratom Treaty and with all the legal obligations assumed by the Commission pursuant to the provisions of Articles 77 and 81 of the Euratom Treaty.

(b) Description

- Procurement, maintenance and replacement of technical equipment, spare parts and accessories and provision of all other technical services, including computer programming, especially the equipment and instrumentation used in nuclear installations throughout the Community, and in particular in power reactor installations, fuel element fabrication plants, irradiated fuel reprocessing plants and uranium enrichment plants. The reactors, in particular, are equipped with specialized high-performance equipment (e.g. video cameras) for visual monitoring purposes.
- Scientific and technical work necessary for the design, development and application of a large number of techniques for the measurement and control of fissile materials.

2. Type of expenditure

Technical operating costs.

3. Method of calculation and explanation of changes

(a) Method of calculation

Purchase price of new hardware (equipment, instruments, apparatus) + maintenance and repair of existing material + cost of technical services.

Planned expenditure :

— Consumables	90 000
— Non-destructive analysis equipment	740 000
— Confinement/monitoring equipment	300 000
— Destructive analysis equipment	180 000
Total	1 310 000

The costs of the technical and scientific work are calculated individually according to the nature of each request and the duration of each contract.

Factors of uncertainty :

- market sensitive to price fluctuations ;
- complexity of the projects, which may at times be very costly.

(b) Explanation of changes

Following the entry into force of the Agreements concluded with the IAEA and of the provisions of Commission Regulation (Euratom) No 3227/76 on methods of inspection, inspectors have to be provided with the most up-to-date and efficient equipment available. This will necessitate the procurement of highly advanced equipment (gamma and neutron-spectrometers, ultrasonic scanners, etc.).

The fulfilment of these new obligations and the growth in the volume of nuclear materials will involve a constant increase in the inspection workload, and the stock of specialized equipment essential for the non-destructive tests in question will have to be built up accordingly. Account has also been taken of price trends, as provided for in the economic hypothesis.

ITEM 7131 — TRANSPORT OF EQUIPMENT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	35 000	35 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	50 000	50 000
Percentage change	+ 43	+ 43

1. References and description**(a) References**

As for Article 710.

(b) Description

Procurement or hiring of adequate means for the transport of equipment required in the Community's nuclear installations :

- instruments and apparatus for non-destructive measurements,
- specialized high-performance equipment for visual monitoring,
- samples for the destructive analyses,
- standards containing nuclear materials and forming an integral part of equipment for non-destructive measurements.

2. Type of expenditure

Technical operating costs.

3. Method of calculation and explanation of changes**(a) Method of calculation**

Procurement or hiring of the means of transport required.

Planned expenditure :

- | | |
|---|--------|
| — Transport of equipment (together with sources as specific accessories) for destructive and non-destructive analyses | 45 000 |
| — Means of transport | 5 000 |

Total	50 000
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(b) Explanation of changes

Need to ensure that the Safeguards Directorate has at its disposal the means of transport necessary for the performance of its duties, based on :

- freedom of action as regards the planning and execution of transfers,
- guarantees with regard to the carriage of fragile and cumbersome equipment and radioactive substances,
- an increase in the number of inspections,
- an appreciable increase in expenditure on vehicle hire (use of specialized haulage firms).

ARTICLE 714 — EXPENDITURE ON FORMAL AND OTHER MEETINGS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	5 000	5 000
— Appropriations as amended by transfers or by amending or supplementary budget	24 000	24 000
1985 — Appropriations requested	5 000	5 000
Percentage change	– 79,2	– 79,2

1. References and description

(a) *References*

As for Article 710.

(b) *Description*

The Commission should take part in and/or organize the following meetings :

- meetings of experts in the field of safeguards,
- meetings relating to the implementation of the agreements concluded with the IAEA,
- meetings in connection with the application of Regulation (Euratom) No 3227/76,
- meetings on the procedures for drawing up physical inventories and on the use of equipment, seals, etc.

Most of the meetings will be held at the headquarters of the Euratom Safeguards Directorate in Luxembourg. The main venue for the other meetings will be the JRC establishments.

2. Type of expenditure

Technical operating costs.

3. Method of calculation

Number of experts × (daily allowances × number of days present + average travelling expenses):

The appropriations entered in the 1984 budget increase (by 19 000 ECU) in order to cover the execution of the following activities :

- a contribution to the drafting of legislation consequential upon the new provisions of Chapter VI (Supplies) of the Euratom Treaty ;
- examination of the problems associated with the application of Article 80 (Safeguards) of the Euratom Treaty with a view to the possible establishment of a Community system for plutonium storage.

CHAPTER 72 — GENERAL AND PREPARATORY PROJECTS IN THE FIELD OF SCIENTIFIC AND TECHNOLOGICAL RESEARCH

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
720	Research projects in the field of technology and industry	500 000	500 000	520 000	520 000	+ 4	+ 4
721	Preparation of new research programmes	2 100 000	2 100 000	2 000 000	2 000 000	- 5	- 5
722	Studies in the field of nuclear energy	890 000	890 000	970 000	970 000	+ 9	+ 9
723	Aid for COST cooperation	160 000	160 000	165 000	165 000	+ 3,1	+ 3,1
724	Studies in the steel sector	90 000	90 000	95 000	95 000	+ 5,6	+ 5,6
725	Assessment of research	—	—	300 000	300 000	—	—
	Total	3 740 000	3 740 000	4 050 000	4 050 000	+ 8,3	+ 8,3

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 720 — RESEARCH PROJECTS IN THE FIELD OF TECHNOLOGY AND INDUSTRY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	500 000	500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	520 000	520 000
Percentage change	+ 4,0	+ 4,0

1. References and description

(a) References

- Council Resolution of 14 January 1974 to promote the development of a common policy for science and technology (OJ No C 7, 29.1.1974).
- Resolution of the European Parliament of 16 February 1978 (OJ No C 63, 13.3.1978) calling for specific Community measures on behalf of small and medium-sized undertakings (SMUs) and, in particular, requesting the Commission to take steps in this connection to promote the development of new production techniques and intra-Community cooperation in the SMU sector.

(b) Description

One of the major aims of the 1984-87 framework programme for a European scientific and technical strategy is an improvement in industrial competitiveness. As indicated in the framework programme, an important means of analysis is the observation and performance of studies in consultation with the sectors concerned. The initial aim of these studies is the analysis, for a given sector or product, of its characteristics, its functions, its market and the production process, with a view to assessing to what extent existing technologies could be used to improve quality or to modify the product and increase productivity. Subsequently, a functional study will be conducted to identify important conventional and new technologies and to decide where they can be used to best effect. It is also necessary to observe experience as regards the technological infrastructure renewal that is taking place in Europe and elsewhere and to look closely at the way in which small and medium-sized undertakings can be brought into this process of renewal.

2. Type of expenditure

The actions consist of studies carried out under contract.

3. Method of calculation and explanation of changes

(a) *Method of calculation*

As expenditure varies from sector to sector, it is impossible to have a standardized method of calculation for all the sectors concerned. The Committee on Industrial Research and Development (Cordi) is consulted about the allocation of appropriations to be committed as appropriate.

(b) *Explanation of changes*

The communication from the Commission to the Council /'Scientific and technical research and the European Community — Proposals for the 1980s' (COM(81)574) includes :

'The common R&D strategy which is needed in the years to come implies an increase in the financial resources required to effect it. It is the Commission's intention over the next few years to seek this increase both in the framework of Community budget resources which are already available (particularly by making more use of existing funds) and by asking the Council for additional resources.'

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ARTICLE 721 — PREPARATION OF NEW RESEARCH PROGRAMMES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 100 000	2 100 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 000 000	2 000 000
Percentage change	- 5,0	-5,0

1. References and description

(a) References

Council resolutions of 14 January 1974 (OJ No C 7, 29.1.1974) to promote the development of a common policy for science and technology.

(b) Description

The Council resolutions of 14 January 1974, amplified in the conclusions of the Council meeting of 20 December 1979, assigned to the Commission specific tasks for implementing a common policy for science and technology, namely :

- to determine progressively the objectives of this policy by comparing and examining national policies and by identifying, analysing and comparing the Member States' objectives with a view to establishing priorities ;
- to develop this policy progressively by coordinating and undertaking projects of importance to the Community.

On the basis of the communication (COM(81)574 final of 12 October 1981), the Council, in its resolution of 25 July 1983, also reached a large measure of agreement on the need for extended support to Community scientific and technical activities and for the implementation of an outline programme. It also underlined the importance of evaluating the programmes.

The 1985 projects are in the following sectors :

- horizontal activities in preparation for and as a follow-up to the outline programme,
- coordination of national policies,
- preparation of proposals for Community projects,
- collaboration with international organizations.

2. Type of expenditure

Operations consist of studies carried out under contract, seminars and subsidies to non-governmental international organizations.

The appropriations requested for the projects described are necessary for analysing case studies in consultation with the industries concerned, with a view to examining the nature of a given sector or of a product of a particular production process or to increasing productivity and finding ways of introducing these technologies, in order to find out to what extent the existing technologies or those being developed can improve product quality.

These case studies are to serve as a guide for individual firms as to how and to what extent they will be affected by the new technologies.

Experts' expenses for carrying out the above projects, including the provision of appropriate services, also come under this Article.

3. Method of calculation and explanation of changes

(a) Method of calculation

As expenditure varies from sector to sector, it is impossible to standardize on a method of calculation for all sectors concerned.

As a general guide, the appropriations needed to carry out these operations can be broken down as follows :

— Horizontal activities, preparation of the outline programme, coordination of national policies as part of CREST projects	800 000
— Seminars	130 000
— Preparation of new programmes	1 000 000
— Collaboration with non-governmental organizations	70 000
	<hr/>
Total	2 000 000

(b) Explanation of changes

The increase in these appropriations over those for 1984 (taking into account the creation of a new Article 725 — Assessment of research) is to be considered in conjunction with the Council resolution of 25 July 1983 confirming its 'agreement on the need to increase Community spending on R & D'. This Article contributes to 'upstream' projects that are indispensable to the preparation of new programmes in the priority sectors.

ARTICLE 722 — STUDIES IN THE FIELD OF NUCLEAR ENERGY

Item	Heading	1983 Approps authorized	1984 Approps requested	Percentage change (2 : 1)
		1	2	3
7221	Studies of safety techniques	530 000	580 000	+ 9,4
7222	Studies on advanced reactor design	170 000	185 000	+ 8,8
7223	Studies on the nuclear fuel cycle	190 000	205 000	+ 7,9
	Article 722 — Total	890 000	970 000	+ 9,0

1. References and description**(a) References**

- Article 1 of the Euratom Treaty, which makes it the task of the Community 'to contribute to the raising of the standard of living in the Member States and to the development of relations with the other countries by creating the conditions necessary for the speedy establishment and growth of nuclear industries'.
- Council resolution on nuclear safety of 22 July 1975 (OJ No C 185, 14.8.1975).

(b) Description

This expenditure covers technical studies undertaken in the fields of nuclear power plant safety, advanced reactors and the fuel cycle.

These measures require ad hoc meetings and the performance of highly specialized studies which are contracted out to qualified experts in these fields and which cannot be carried out by Commission departments.

2. Type of expenditure, method of calculation and explanation of changes

The appropriations under this Article are intended to cover the financing of the ad hoc meetings and of the specialized studies which are contracted out to qualified experts in these fields.

Item 7221

- The work requested under Item 7221 concerns a number of studies on the safety of light-water reactors, as part of the harmonization of safety standards, the coordination of applied research into safety, the safety of fuel-cycle installations, particular problems arising from the generation of nuclear energy, analysis of accident phenomena and their effects and the problems presented by fast reactors.

The need to perform these studies will be greater in 1985 because of the Commission's more ambitious objectives as regards harmonization of safety standards and techniques. These more ambitious objectives are the result of a process of evolution and of the Community countries' tendency to standardize new nuclear power plants, which necessitates a greater technical back-up for the harmonization studies at Community level.

The Commission defined its position concerning these objectives in its communication to the Council of 22 July 1983 concerning the Community's role as regards the safety of nuclear installations and the protection of public health (COM(83)472 final).

Item 7222

— The studies to be carried out with the aid of the appropriations in Item 7222 relate to the design and construction of fast and other advanced reactors and to the technological processes necessary for the optimum use of such reactors.

High temperature gas-cooled reactors in particular are experiencing something of a revival both inside and outside the Community, and a budget increase is therefore proposed in order to carry out other studies on this family of reactors.

Item 7223

The studies provided for under Item 7223 concern problems of safety and radiation protection and the technological development in the field of the nuclear fuel cycle. The problem of the fuel cycle in Europe becomes more complicated and delicate as the number of nuclear power plants in operation grows, and this means that a greater study effort will have to be made.

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ARTICLE 723 — AID FOR COST COOPERATION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	160 000	160 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	165 000	165 000
Percentage change	+ 3,1	+ 3,1

1. References and description**(a) References**

- Council resolution of 14 January 1974 on the coordination of national policies and the definition of projects of interest to the Community in the field of science and technology (OJ No C 7, 29.1.1974, p. 2).
- Council Decision of 18 July 1978 on cooperation within the COST framework (OJ No C 100, 21.4.1979).

(b) Description

This appropriation is intended for projects developed as part of European cooperation in the field of scientific and technical research, i. e., for supporting :

- the organization of seminars and workshops,
- the dissemination of the results of COST projects,
- certain specific studies, with a set time-scale, designed to help with the progress of projects,
- the possible convening of experts.

2. Type of expenditure

These projects necessitate studies carried out under contract, the subsidizing of seminars, the help of experts and the granting of contracts for the dissemination of research results.

3. Explanation

Experience has shown that the implementation of category III and IV COST projects, which are 'concerted action' projects and do not require a substantial joint fund, none the less calls for a modicum of financial support in order to be effective.

New article

ARTICLE 724 — STUDIES IN THE STEEL SECTOR

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	90 000	90 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	95 000	95 000
Percentage change	+ 5,6	+ 5,6

1. References and description**(a) References**

Article 55 of the ECSC Treaty aiming to promote technical and economic research concerning the production and development of steel consumption.

(b) Description

The appropriation requested is intended to support forward studies or surveys aimed at assuring the future development of the European steel industry's capacity for technical adaptation, on a state-of-the-art basis. These are specific detailed studies of limited duration, designed to allow projects to progress, the reports being subsequently distributed.

2. Type of expenditure

As indicated above, the projects require studies carried out under contract by high-level experts and the distribution of reports.

3. Explanation

The appropriations requested for the proposed projects are intended to be used for preparatory studies and surveys, vital for the drawing-up of programmes geared to the short- and medium-term needs of the Community's steel industry.

New article

ARTICLE 725 — ASSESSMENT OF RESEARCH

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	300 000	300 000
Percentage change	—	—

1. References and description

(a) References

Council resolution of 28 June 1983 on a Community plan of action relating to the evaluation of Community research and development programmes (OJ No C 213, 9.8.1983).

(b) Description

The appropriations requested are for developing methods of assessing research, promoting research activities at Community level and an exchange of information with experts in the Member States and in non-Community countries.

2. Type of expenditure

Studies carried out under contract for the assessment of research programmes, and study contracts for the development of assessment methods.

CHAPTER 73 — RESEARCH AND INVESTMENT

SUMMARY OF SHARED-COST ACTION PROGRAMMES INCLUDING HORIZONTAL ACTIVITIES AND OTHER ACTIONS EXCLUDING DIRECT ACTIONS

Chapter/ Article/ Item	Heading	Appropriations authorized 1984		Appropriations requested 1985		Percentage change	
		Approps for commitments	Approps for payments	Approps for commitments	Approps for payments	Approps for commitments (3 : 1)	Approps for payments (4 : 2)
		1	2	3	4	5	6
730	Shared-cost action — Industrial technologies, biotechnologies and raw materials						
7300	Industrial technologies : applied metrology and reference materials	6 000 000	3 000 000	5 000 000	5 500 000	— 16,7	+ 83,3
7301	Industrial technologies : research and development in the textiles and clothing field	140 000	1 000 000	—	700 000	— 100	— 30,0
7302	Industrial technologies : basic technological research and applications of new technologies	p.m.(¹)	p.m.(¹)	54 322 000	10 000 000	—	—
7303	Industrial technologies : research in the field of applications of new technologies	p.m.(¹)	p.m.(¹)	—	—	—	—
7305	Biotechnologies : biomolecular engineering	6 490 000	3 770 000	1 500 000	4 100 000	— 76,9	+ 8,8
7306	Biotechnologies : biotechnology	p.m.(¹)	p.m.(¹)	30 000 000	5 000 000	—	—
7308	Raw materials : research and development in the raw materials sector	12 000 000(¹)	12 000 000(¹)	9 279 000(²)	14 400 000(²)	— 22,7	+ 20,0
731	Shared-cost action — Thermonuclear fusion and nuclear fission						
7310	Thermonuclear fusion : general programme	81 760 000	82 500 000	108 650 000	87 400 000	+ 32,9	+ 5,9
7311	Thermonuclear fusion : participation in the JET joint undertaking	89 000 000	89 000 000	80 000 000	70 700 000	— 10,1	— 20,6

(Continuation)

Chapter/ Article/ Item	Heading	Appropriations authorized 1984		Appropriations requested 1985		Percentage change	
		Approps for commitments	Approps for payments	Approps for commitments	Approps for payments	Approps for commitments (3 : 1)	Approps for payments (4 : 2)
		1	2	3	4	5	6
7315	Nuclear fission : management and storage of radioactive waste	2 995 000	6 000 000	700 000 ⁽²⁾	6 700 000 ⁽²⁾	- 76,6	+ 11,7
7316	Nuclear fission : decommissioning of nuclear power stations	p.m. ⁽¹⁾	400 000 ⁽¹⁾	3 200 000	2 300 000	—	+ 475,0
7317	Nuclear fission : reactor safety	p.m. ⁽¹⁾	85 000 ⁽¹⁾	6 000 000	1 800 000	—	+2 017,6
7318	Nuclear fission : codes and standards — technological problems of nuclear safety	930 000	750 000	1 100 000	1 000 000	+ 18,3	+ 33,3
732	Shared-cost action — Non-nuclear energy, health and safety and environment						
7320	Non-nuclear energy sources : non-nuclear energy	p.m. ⁽¹⁾	13 000 000 ⁽¹⁾	56 000 000	20 000 000	—	+ 53,8
7323	Acquired immune deficiency syndrome (AIDS)	—	—	p.m. ⁽²⁾	p.m. ⁽²⁾	—	—
7324	Health and safety : health and safety at work	—	—	p.m. ⁽²⁾	p.m. ⁽²⁾	—	—
7325	Health and safety : medical research III	5 700 000	2 150 000	3 870 000	3 800 000	- 32,1	+ 76,7
7326	Health and safety : biology and health protection	5 690 000	9 000 000	24 000 000	11 800 000	+ 321,8	+ 31,1
7327	Health and safety : non-ionizing radiation	—	—	p.m. ⁽²⁾	p.m. ⁽²⁾	—	—
7328	Environment : sectoral programme on the environment	12 000 000 ⁽¹⁾	8 410 000 ⁽¹⁾	6 577 000 ⁽²⁾	11 500 000 ⁽²⁾	- 45,2	+ 36,7
733	Shared-cost action — Research connected with development and information technology						
7330	Research connected with development : science and technology for development	14 000 000	5 000 000	18 000 000 ⁽²⁾	9 900 000 ⁽²⁾	+ 28,6	+ 98,0
7331	Research connected with development : development of endogenous research capacity in developing countries	p.m. ⁽¹⁾	p.m. ⁽¹⁾	7 000 000	3 500 000	—	—
7335	Information technology : Esprit	207 000 000	45 000 000	223 000 000	100 000 000	+ 7,7	+ 122,2

(Continuation)

Chapter/ Article/ Item	Heading	Appropriations authorized 1984		Appropriations requested 1985		Percentage change	
		Approps for commitments	Approps for payments	Approps for commitments	Approps for payments	Approps for commitments (3 : 1)	Approps for payments (4 : 2)
		1	2	3	4	5	6
7336	Advanced communication technologies in Europe	—	—	p.m. ⁽³⁾	p.m. ⁽³⁾	—	—
7338	Transport technology	p.m. ⁽¹⁾	p.m. ⁽¹⁾	p.m. ⁽³⁾	p.m. ⁽³⁾	—	—
734	Pilot projects						
7340	Pilot projects : participation in the decommissioning of nuclear power stations	p.m.	p.m.	—	—	—	—
7341	Pilot projects : participation in radioactive waste storage operations	p.m.	p.m.	—	—	—	—
7342	Pilot projects : participation in installations for desulphurizing the smoke from thermal power plants	p.m.	p.m.	—	—	—	—
735	Shared-cost horizontal activities						
7350	Horizontal activities : long-term forecasting and assessment (FAST)	2 000 000	1 500 000	3 540 000	1 300 000	+ 77,0	- 13,3
7351	Horizontal activities : stimulation of scientific and technical potential	3 000 000	1 000 000	15 900 000	6 000 000	+ 430,0	+ 500,0
7352	Horizontal activities : aquaculture	p.m. ⁽¹⁾	p.m. ⁽¹⁾	p.m. ⁽²⁾	p.m. ⁽²⁾	—	—
7353	Horizontal activities : feeding-stuffs for ruminants	p.m. ⁽¹⁾	p.m. ⁽¹⁾	176 000	125 000	—	—
7354	Horizontal activities : food technology III	175 000	180 000	185 000	150 000	+ 5,7	- 16,7
7355	Horizontal activities : food technology IV	p.m. ⁽¹⁾	p.m. ⁽¹⁾	190 000	125 000	—	—
7356	Horizontal activities : marine navigation aid system	800 000	300 000	500 000	600 000	- 37,5	+ 100,0
7358	Horizontal activities : scientific and technical training	2 584 000	2 000 000	—	1 600 000	—	- 20,0

(Continuation)

Chapter/ Article/ Item	Heading	Appropriations authorized 1984		Appropriations requested 1985		Percentage change	
		Approps for commitments	Approps for payments	Approps for commitments	Approps for payments	Approps for commitments (3 : 1)	Approps for payments (4 : 2)
		1	2	3	4	5	6
7359	Horizontal activities : research and development projects under cooperation agreements with non-member countries	2 000 000	1 730 000	3 000 000	2 000 000	+ 50,0	+ 15,6
736	Other actions and completion of previous shared-cost programmes						
7360	Other actions : research staff placed at the disposal of outside bodies in accordance with Article 6(c) of the Euratom Treaty	700 000	700 000	750 000	750 000	+ 7,1	+ 7,1
7361	Other actions : staff awaiting assignment to a post	3 500 000	3 500 000	—	—	—	—
7362	Services performed for outside bodies	135 000	135 000	150 000	150 000	+ 11,1	+ 11,1
7365	Completion of previous shared-cost programmes : recycling of industrial and urban waste	—	2 000 000	—	1 800 000	—	- 10,0
7366	Completion of previous shared-cost programmes : primary raw materials	—	501 000	—	—	—	—
7367	Completion of previous shared-cost programmes : uranium ore prospecting and processing	—	353 000	—	—	—	—
7368	Completion of previous shared-cost programmes : other programmes completed	—	—	—	—	—	—
Total (under the headings)		458 599 000	294 964 000	662 589 000	384 700 000	+ 44,5	+ 30,4
		(¹)	(¹)	(²) (³)	(²) (³)		
Grand total (headings + Chapter 100)		542 099 000	323 554 000	699 639 000	394 600 000	+ 29,1	+ 22,0

(¹) In addition, an overall reserve of 83 500 000 ECU in appropriations for commitments and 28 590 000 ECU in appropriations for payments is entered in Chapter 100 for Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

(²) In addition, an overall reserve of 17 050 000 ECU in appropriations for commitments and 2 900 000 ECU in appropriations for payments is entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

(³) In addition, a reserve of 20 000 000 ECU in appropriations for commitments and 7 000 000 ECU in appropriations for payments is entered in Chapter 100. Of this, 15 000 000 ECU in appropriations for commitments and 5 000 000 ECU in appropriations for payments is earmarked for Item 7336 and 5 000 000 ECU in appropriations for commitments and 2 000 000 ECU in appropriations for payments is earmarked for Item 7338.

The framework programme for the Community' scientific and technical activities is intended to constitute, for the benefit of the Member States and the Community institutions :

- a tool for concerting action and choosing the scientific and technical objectives to be pursued at Community level in the light of the major socio-economic goals of the EEC ;
- a planning tool for guiding the preparation — as far as their approach and aims are concerned — of action programmes and activities to be carried out in order to achieve the objectives selected (choice between national, international and Community activities) ;
- a financial forecasting tool that is capable of facilitating programme allocation decisions and the preparation of annual budgets.

The approach adopted in the framework programme is geared to a number of objectives : on the basis of seven socio-economic goals for the Community — to which, it is acknowledged, science and technology can make a significant contribution — the Commission has evolved a set of major scientific and technical objectives to be pursued at Community level.

For each goal and each major objective within that goal, the Commission has drawn up a list of financial priorities in terms of both absolute amounts for the period 1984-87 and relative value.

By its resolution of 25 July 1983 ⁽¹⁾ the Council, taking account of the favourable opinion of Parliament, approved the principles, objectives and selection criteria of the 1984 to 1987 framework programme for Community research, development and demonstration activities. In the same resolution, although it confirmed its 'agreement on the need to increase Community spending on R, D and D', it did not approve the financial allocation proposed by the Commission for the period in question while 'awaiting the outcome of the general discussion of the Communities' resources and policies'.

The Council nevertheless took note of 'the financial indications relating to the objectives to be attained in the period 1984 to 1987' and stated that 'these indications are to serve as a guide for Commission planning and the adoption by the Council of specific R, D and D activities during that period'. Finally, the Council stressed that 'the planning and adoption of programmes will, of course, take account of financial constraints'.

⁽¹⁾ OJ No C 208, 4.8.1983, p. 1.

The table below sets out the financial indications :

Financial indications by objectives
(1984 to 1987)

	(million ECU ⁽¹⁾)	(%)
1. Promoting agricultural competitiveness :	130	3,5
— developing agricultural productivity and improving products :		
— agriculture	115	
— fisheries	15	
2. Promoting industrial competitiveness :	1 060	28,2
— removing and reducing barriers	30	
— new techniques and products for the traditional industries	350	
— new technologies	680	
3. Improving the management of raw materials	80	2,1
4. Improving the management of energy resources	1 770	47,2
— developing nuclear fission energy	460	
— controlled thermonuclear fusion	480	
— developing renewable energy sources	310	
— rational use of energy	520	
5. Stepping up development aid	150	4,0
6. Improving living and working conditions :	385	10,3
— improving safety and protecting health	190	
— protecting the environment	195	
7. Improving the effectiveness of the Community's scientific and technical potential :		
— horizontal action	85	2,3 ⁽²⁾
	90	2,4
Total	3 750	100,0

⁽¹⁾ At 1982 constant values.

⁽²⁾ Corresponds to 5 % by the end of the period.

Owing to the absence of an allocation for the general framework programme and the current ' financial constraints ' this draft Community R, D and D budget only partly, and therefore very imperfectly, corresponds to the financial forecasts set out in the framework programme 1984 to 1987, forecasts that were supposed to be used as a guide in the preparation of annual R, D and D budgets during the period in question.

For 1985 it has been necessary to provide for some choices, basically connected with the present difficult financial conditions and not the relative priorities and weightings to be found in the framework programme. Under numerous headings considerable reductions of appropriations for both commitments and payments have been made in this preliminary draft budget. As a result it reflects the current financial constraints rather than a balanced implementation of the guidelines adopted in the Council resolution of 25 July 1983.

ARTICLE 730 — SHARED-COST ACTION PROGRAMMES — INDUSTRIAL TECHNOLOGIES, BIOTECHNOLOGIES, AND RAW MATERIALS

ITEM 7300 — INDUSTRIAL TECHNOLOGIES : APPLIED METROLOGY AND REFERENCE MATERIALS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	6 000 000	3 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	5 000 000	5 500 000
Percentage change	- 16,7	+ 83,3

1. References and description

(a) References

Decision of 21 December 1982 adopting a five-year research and development programme (1983-87) in the field of applied metrology and reference materials (Community Bureau of References — BCR) (OJ No L 26, 28.1.1983).

(b) Description

Applied metrology and reference materials

The object of the programme is to achieve greater agreement of results or analyses in fields of economic importance at Community level, corresponding to the objectives of the Treaty. The projects will also have the effect of establishing calibration means (transfer standards and reference materials) which will ensure that the level of agreement is maintained. Lastly, this work could lead to the description of methods of obtaining accurate measurements.

The programme consists of two closely-linked sections :

— Applied metrology

This section covers measurements of physical quantities and physical properties associated with fundamental quantities.

Activities will include :

- joint performance of measurement programmes (intercomparisons),
- the improvement of measuring methods and their accuracy,
- the manufacture and improvement of the instruments required to make accurate measurements, and, in particular, transfer standards.

— Reference materials.

This part of the programme covers chemical analyses and physical and technological measurements which could be used to establish reference materials.

These activities include :

- joint performance of measurement programmes (intercomparison),
- the preparation of reference materials from the raw material stage to the finished product (i.e. packaged samples),
- certification of these materials at Community level,
- the preservation and dissemination of the reference materials resulting from the programme.

The experimental work will be carried out under contract.

2. Type of expenditure

Covering of staff expenditure, administrative expenditure (meetings of management committees and working parties, coordination costs, missions and diffusion of results) or technical operating expenditure (sample preparation, the purchase or hiring and maintenance of computerized management equipment, including the necessary software) and above all shared-cost study and research contracts concluded or to be concluded with firms, laboratories and national bodies in the Member States for the purpose of performing the programme.

3. Method of calculation

(a) *Staff expenditure*

The staff for this programme consists of 16 officials (10 A + 1 B + 5 C). The estimated cost is 1 084 500 ECU (including the reserve).

(b) *Recurring administrative and technical operating expenditure*

This expenditure is estimated at 1 000 000 ECU.

(c) *Expenditure under contracts*

Estimated expenditure is 2 915 500 ECU in commitment appropriations and 3 415 500 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	3 282 559	456 377	1 316 638	1 509 544		
Appropriation outstanding from 1983	539 342	63 122	189 164	233 122	53 934	
Appropriation for 1984	6 000 000	2 480 501	1 398 010	1 722 889	398 600	
Appropriation for 1985	5 000 000	—	2 596 188	1 237 812	874 500	291 500
Total	14 821 901	3 000 000	5 500 000	4 703 367	1 327 034	291 500

ITEM 7301 — INDUSTRIAL TECHNOLOGIES : RESEARCH AND DEVELOPMENT IN THE FIELD OF TEXTILES AND CLOTHING

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	140 000	1 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	—	700 000
Percentage change	— 100,0	— 30,0

1. References and description

(a) References

— Textiles and clothing :

Decision adopting a three-year (1981-83) programme in the field of textiles and clothing (OJ No L 367, 23.12.1981).

(b) Description

The (1981-83) programme decision aims to improve the competitiveness of the Community's textiles and clothing industry and to improve working conditions and production through the introduction of new methods.

2. Type of expenditure

The Commission's financial obligations arising out of shared-cost study and research contracts concluded with bodies in the Member States.

3. Method of calculation

Expenditure under contracts.

Estimated expenditure is 700 000 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	1 506 580	782 844	622 785	100 951	—	
Appropriation outstanding from 1983	203 420	77 156	77 215	28 707	20 342	
Appropriation for 1984	140 000	140 000	—	—	—	
Appropriation for 1985	—	—	—	—	—	
Total	1 850 000	1 000 000	700 000	129 658	20 342	

ITEM 7302 — INDUSTRIAL TECHNOLOGIES — BASIC TECHNOLOGICAL RESEARCH AND APPLICATION OF NEW TECHNOLOGIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	p.m. ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	54 322 000	10 000 000
Percentage change	—	—

⁽¹⁾ An overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 000 ECU in payment appropriations is entered in Chapter 100 for Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

1. References and description

(a) References

Proposal for a four-year (1984-87) programme concerning basic technological research and the application of new technologies (COM(83)350 final, 20.6.1983).

(b) Description

The purpose of this research is to help to provide European industry with a technological basis whereby it can become or remain competitive on the world market in important industrial sectors. The basic technological research covered by this programme is applied research geared to producing results of relevance to several industrial sectors and to a number of technologies, rather than results directly applicable only to a single new product, process or industrial sector. This is basically long-term research at the pre-competition stage.

The project concerns :

(a) basic technological research which can be used by a number of industrial sectors :

- (1) reliability, wear and damage,
- (2) laser technology and its applications and other new methods of moulding and shaping metals,
- (3) new assembly techniques,
- (4) new testing methods including non-destructive tests, carried out during production, and computer-aided tests,
- (5) CAD/CAM and mathematical models,
- (6) polymers, compound materials and other new materials,
- (7) science and technology of membranes and problems related to electrochemistry,
- (8) catalysis ;

(b) the application of new technologies, in the manufacture of products based on flexible materials :

- (1) maximum exploitation of existing technology (demonstration projects),
- (2) the adaptation and transfer of existing technology in other industrial sectors (flexible handling of materials, cutting technology, control systems, storage and distribution),
- (3) new technologies (basic research into sizes (measurements), computer-aided design, computerized pattern production, computerized making-up).

2. Type of expenditure

Staff costs, administrative and technical operating expenditure (in particular, the purchase or hiring and maintenance of computerized management equipment, including the necessary software, meetings of management committees and working parties, coordination costs, missions) and, above all, shared-cost study and research contracts concluded or to be concluded with firms, laboratories and national bodies in the Member States for the purpose of performing the programme.

3. Method of calculation

(a) Staff expenditure

The proposed staff complement is 31 officials (18 A, 4 B, 9 C) at an estimated cost of 1 727 600 ECU (including the reserve).

(b) *Recurring administrative and technical operating expenditure*

This expenditure is estimated at 686 000 ECU.

(c) *Expenditure under contracts*

This expenditure is estimated at 51 908 400 ECU in commitment appropriations and 7 586 400 in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984						
Appropriation for 1985	54 322 000		10 000 000	23 496 400	15 619 200	5 206 400
Total	54 322 000		10 000 000	23 496 400	15 619 200	5 206 400

TEM 7305 — BIOTECHNOLOGIES : BIOMOLECULAR ENGINEERING

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	6 490 000	3 770 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 500 000	4 100 000
Percentage change	- 76,9	+ 8,8

1. References and description

(a) *References*

1st phase : Council Decision of 7 December 1981 (OJ No L 375, 30.12.1981) adopting a research and training programme in the field of biomolecular engineering (indirect action — April 1982 to March 1986).

2nd phase : Council Decision of 26 October 1983 (OJ No L 305, 8.11.1983) adopting the second stage (January 1984-March 1986) of the research and training programme in the field of biomolecular engineering.

(b) *Description*

The biomolecular engineering programme is based on man's potential capacity for altering the genetics structure of the living organisms which perform essential functions in his life, and for exploiting directly the properties of enzymes (biological catalysts) for the production of substances with high added value.

The programme is subdivided into research and training projects.

1st phase : During the first phase, research will be concentrated on the applications of genetic engineering and enzyme engineering to agriculture and the food-processing industries, and on the development of methods of assessing certain risks likely to be involved in the development of modern biotechnology. Training covers wider fields, including the applications of biomolecular engineering (construction of bioreactors and transfer of genetic information) to the chemical and pharmaceutical industries.

2nd phase : The research objectives fixed for the second phase relate closely to the priorities defined in respect of the first phase. The revision of the programme provides for an intensification of the activities already partly supported during the first phase, rather than for the expansion of activities to cover other areas of biotechnology. The only innovation concerns the extension of research on second-generation enzymatic reactors to applications in fields other than agriculture or food processing. Training will be developed in line with the provisions adopted for the first phase.

Throughout the various phases of the programme, emphasis is placed upon the need to establish an initial basis of Community R&D in the fields of enzyme engineering, genetic engineering and the methodological safety of biotechnology, which together constitute a crucial sector for the competitiveness of European agriculture and industry.

2. Type of expenditure

- Staff expenditure.
- Recurring administrative expenditure (meetings, missions, experts, publications).
- Technical operating expenditure, in particular, the purchase or hiring and maintenance of computerized management equipment, including the necessary software.
- Shared-cost contracts concluded with bodies in the Member States for the purpose of implementing the research programme ; contracts to promote the training of research workers in the field of biomolecular engineering at centres of excellence in the Community.

3. Type of expenditure and explanation of changes

(a) *Staff expenditure*

The proposed staff complement is 5 officials (3 A, 1 B, 1 C) at an estimated cost of 346 100 ECU (including the reserve).

(b) *Recurring administrative and technical operating expenditure*

This expenditure is estimated at 346 200 ECU.

(c) *Expenditure under contract*

This expenditure is estimated at 807 700 ECU in commitment appropriations and 3 407 700 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	4 341 112	2 117 340	1 155 601	1 068 171	—	—
Appropriation outstanding from 1983	128 889	26 426	43 633	45 942	12 888	—
Appropriation for 1984	6 490 000	1 626 234	2 071 171	2 180 775	611 820	—
Appropriation for 1985	1 500 000	—	829 595	347 604	242 100	80 700
Total	12 460 001	3 770 000	4 100 000	3 642 492	866 808	80 700

ITEM 7306 — BIOTECHNOLOGIES : BIOTECHNOLOGY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	p.m. ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	30 000 000	5 000 000
Percentage change	—	—

(¹) An overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 000 ECU in payment appropriations is entered in Chapter 100 for Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

1. References and description

(a) References

Proposal for a five-year programme (1985-89) on the development of biotechnologies (in preparation).

a) *Description*

The proposed programme covers two types of action :

- Concertation between the Community and the Member States as regards biotechnology policies.
This action should make it possible to create instruments permitting a regular comparison of policies concerning the development of biotechnologies, with a view to achieving harmonization between the Community and the Member States and preventing overlapping of tasks. The aim of the concerted measures will be to improve the context of biotechnology in Europe in the following fields :
 - Exploitation of natural resources in Europe ;
 - Regional distribution of tasks ;
 - Repercussions of non-European innovations on European industry ;
 - Increased effectiveness of national programmes ;
 - Identification and listing of available means and skills ;
 - Diffusion of knowledge and information to the general public ;
 - Creation of ad hoc coordination networks.
- A research and training project, divided into two subprogrammes :
 - Contextual measures.
Community management of banks of biotic materials existing in the Member States, setting-up of data banks and data-processing systems, all measures designed to create infrastructures that will promote the development of research.
 - Basic biotechnology.
Research and training will be promoted in six priority sectors (enzyme engineering, genetic engineering, physiology and genetics of manipulated organisms, cell culture technology, evaluation of the biological activities of molecules, risk detection).

2. **Type of expenditure**

Staff costs, administrative and technical operating expenditure (in particular, the purchase or hiring and maintenance of computerized management equipment, including the necessary software, meetings, missions, experts, publications, apparatus), shared-cost research contracts in the Member States, training contracts and study contracts.

European non-member States collaborating in COST (European cooperation in the field of scientific and technical research) are expected to participate. Any financial contribution they make will be entered in Article 602 of the statement of revenue.

3. **Method of calculation and explanation of changes**

(a) *Staff expenditure*

The proposed staff complement is 21 officials (8 A, 2 B, 11 C) at an estimated cost of 931 600 ECU (including the reserve).

(b) *Recurring administrative and technical operating expenditure*

This expenditure is estimated at 1 050 000 ECU.

(c) *Expenditure under contracts*

This expenditure is estimated at 28 018 400 ECU in commitment appropriations and 3 018 400 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984						
Appropriation for 1985	30 000 000	—	5 000 000	13 682 000	8 488 500	2 829 500
Total	30 000 000	—	5 000 000	13 682 000	8 488 500	2 829 500

ITEM 7308 — RAW MATERIALS : RESEARCH AND DEVELOPMENT IN THE RAW MATERIALS SECTOR

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	12 000 000 ⁽¹⁾	12 000 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	9 279 000	14 400 000
Percentage change	— 22,7	+ 20,0

⁽¹⁾ An overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 000 ECU in payment appropriations is entered in Chapter 100 for Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

1. References and description

(a) References

- Decision of 17 May 1982 (OJ No L 174, 21.6.1982) adopting a four-year (1982-85) research and development programme in the raw materials sector (metals and mineral substances, wood, recycling of non-ferrous metals, substitution and technical ceramics), as amended by Decisions 83/332/EEC (OJ No L 181, 6.7.1983) and 83/634/EEC (OJ No L 357, 21.12.1983).
- Proposal for a decision concerning a new subprogramme (1985-88) on advanced materials (in preparation).

(b) Description

The programme that has already been adopted involves a series of research and development subprogrammes, the results of which should provide the know-how required for an increased self-supply potential in mineral and renewable raw materials, improved recycling, replacement of critical materials, better use of materials in industry and technological innovation.

The programme is to be performed on the basis of shared-cost contracts concluded with industrial firms, research bodies and universities and in the form of coordination projects at Community level covering research financed by the Member States under the following subprogrammes :

- (1) metals and mineral substances (prospecting, ore processing, mining technology, argillaceous materials for the ceramics industry) ;
- (2) wood as a renewable material (production, harvesting, storage and transport, basic properties of wood, wood technology, pulp and paper production, lignochemistry) ;
- (3) recycling of non-ferrous materials (collection and physico-chemical characterization of non-ferrous waste and metals, treatment by physical and metallurgical processes) ;
- (4) recycling of urban and industrial wastes (sorting, heat treatment, fermentation, hydrolysis) ;
- (5) replacement materials and technical ceramics (technologies used in the electrical and electronics industries, surface-treatment and machining technology, development of technical ceramics).

The proposed subprogramme concerns the preparation and use of new advanced materials for the transport industries.

2. Type of expenditure

Staff costs, administrative expenditure (management-committee and working-party meetings and missions, Commission financial contributions to meetings and seminars organized by third parties) or technical operating expenditure (in particular, the purchase or hiring and maintenance of computerized management equipment, including the necessary software) and, above all, study contracts or shared-cost research contracts to be concluded with individuals or bodies in the Member States for the purpose of implementing the programme.

European non-member countries collaborating in European cooperation in the field of scientific and technical research (COST) will participate in some of the studies.

Any financial contribution will be entered under Article 602 of the statement of revenue ; it will give rise to commitment and payment appropriations and may be used to cover expenditure arising out of Community contracts of association and study contracts.

3. Method of calculation and explanation of changes**(a) Staff expenditure**

The proposed staff complement is 19 officials (11 A + 2 B + 6 C). The estimated annual cost is 1 258 600 ECU (including the reserve).

(b) Recurring administrative and technical operating expenditure

This expenditure is estimated at 550 000 ECU.

(c) *Expenditure under contracts*

The estimates are 7 470 400 ECU in commitment appropriations and 12 591 400 ECU in payment appropriations.

In addition, for the proposed subprogramme, an overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations is entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	14 638 018	6 337 975	4 721 660	3 578 383		
Appropriation outstanding from 1983	8 244 982	1 762 959	2 979 803	2 677 722	824 498	
Appropriation for 1984	12 000 000	3 899 066	3 724 020	3 346 494	1 030 420	
Appropriation for 1985	9 279 000 ⁽¹⁾	—	2 974 517	3 226 483	2 308 500	769 500
Total	44 162 000	12 000 000	14 400 000 ⁽¹⁾	12 829 082	4 163 418	769 500

⁽¹⁾ An overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 in payment appropriations is entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

ARTICLE 731 — SHARED-COST ACTION PROGRAMMES — THERMONUCLEAR FUSION AND NUCLEAR FISSION**ITEM 7310 — THERMONUCLEAR FUSION : GENERAL PROGRAMME**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	81 760 000	82 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	108 650 000	87 400 000
Percentage change	+ 32,9	+ 5,9

1. References and description**(a) References**

Council Decision 82/350/Euratom of 25 May 1982 adopting a research and training programme (1982 to 1986) in the field of controlled thermonuclear fusion (OJ NO L 157, 8.6.1982, p. 22).

Proposal for a Decision on a new five-year programme (1985 to 1989) in the field of controlled thermonuclear fusion.

(b) Description

This programme forms part of a long-term cooperation project embracing all the research and development activities carried out in the Member States in the field of controlled thermonuclear fusion and is designed to lead to the joint construction of prototype fusion reactors with a view to their industrial-scale production and marketing.

Under the 1985 to 1989 programme, which follows on from and expands the preceding programmes, it is planned to :

- continue a major programme on Tokamaks with a view to the construction of a demonstration reactor (DEMO),
- take suitable measures, in the context of available resources, to design replacement confinement systems which could be used to develop a fusion reactor,
- continue the design studies on NET (Next European Torus), initiate preliminary design work on NET and continue the development of the technologies required for its construction as well as those which will be required at a later date for the fusion reactor.

Sweden has been associated with this programme since May 1976, Switzerland since 1978 and Spain since July 1980.

The commitment appropriations and the payment appropriations for this part include a figure of 6 150 000 ECU covered by the following items in the statement of revenue :

- 6010 : 3 210 000 ECU in the case of Sweden,
- 6011 : 2 904 000 ECU in the case of Switzerland,
- 6012 : 36 000 ECU in the case of Spain.

2. Type of expenditure

Staff costs, administrative expenditure (meetings of the ACFP and of its subcommittees and working parties, missions and publications, contributions to the cost of seminars) and technical operating expenditure (purchase or hiring and maintenance of computerized management equipment) and, in particular, expenditure arising from contracts of association concluded with national bodies and third countries (Sweden, Switzerland, Spain) as well as study contracts and contracts concluded with experts for the purpose of implementing the programme, from the agreement on the definition of NET, from industrial contracts, particularly in the field of technology, and from the mobility of the research workers.

3. Method of calculation

(a) Staff expenditure

The proposed staff complement for this project is 105 officials (73A, 29B, 3C). The estimated annual cost is 7 946 400 ECU (including the reserve).

(b) Recurring administrative and technical operating expenditure

This expenditure is estimated at 685 000 ECU.

(c) Expenditure under contracts

The estimates are 100 018 700 ECU in commitment appropriations and 78 768 700 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	113 924 102	58 744 147	32 449 777	22 730 178		
Appropriation outstanding from 1983	915 409	193 120	340 066	290 683	91 540	
Appropriation for 1984	81 760 000	23 562 733	27 400 272	23 421 235	7 375 760	
Appropriation for 1985	108 650 000	—	27 209 885	41 432 915	30 005 400	10 001 800
Total	305 249 511	82 500 000	87 400 000	87 875 011	37 472 700	10 001 800

ITEM 7311 — THERMONUCLEAR FUSION — PARTICIPATION IN THE JET JOINT UNDERTAKING

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	89 000 000	89 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	80 000 000	70 700 000
Percentage change	- 10,1	- 20,6

1. References and description**(a) References**

Council Decision 78/471/Euratom of 30 May 1978 on the establishment of the Joint European Torus (JET) joint undertaking (OJ No L 151, 7.6.1978, p. 10).

Council Decision 82/350/Euratom of 25 May 1982 adopting a research and training programme (1982 to 1986) in the field of controlled thermonuclear fusion (OJ No L 157, 8.6.1982, p. 22).

Proposal for a Decision on a new five-year programme (1985-89) in the field of controlled thermonuclear fusion.

(b) Description

The aim of the JET project is to construct, operate and exploit, as part of the Fusion programme and for the benefit of the participants therein, a large facility of the Tokamak type and its auxiliary facilities in order to extend the parameter range applicable to controlled thermonuclear fusion experiments up to conditions close to those needed in a thermonuclear reactor.

The Joint European Torus (JET) joint undertaking has been set up pursuant to Chapter V of the Euratom Treaty in order to carry out this project.

Part of the Community contribution is covered by two non-member countries, Sweden and Switzerland, under cooperation agreements signed with Euratom.

2. Type of expenditure

Pursuant to Article 9 of the statutes of the joint undertaking, the Community contribution will amount to 80 % of its expenditure (payment appropriations), after deduction of its own revenue.

The contributions from Sweden and Switzerland are deducted from this figure and appear as revenue booked to Items 6010 and 6011 in the statement of revenue.

3. Method of calculation and explanation of changes

The estimates are 80 000 000 ECU in commitment appropriations and 70 700 000 ECU in payment appropriations.

The contributions from Sweden and Switzerland amount to 3,95 and 3,57 % respectively of the Community's contribution, i.e. 2 597 000 ECU in the case of Sweden and 2 347 000 ECU in the case of Switzerland. They are shown under Items 6010 and 6011 of the statement of revenue.

JET's staff includes 165 temporary staff in the Commission's establishment plan relating to research activities (indirect action).

These temporary staff are assigned to Culham.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	12 092	12 092				
Appropriation for 1984	89 000 000	88 987 908	12 092			
Appropriation for 1985	80 000 000	—	70 687 908	9 312 092		
Total	169 012 092	89 000 000 ⁽¹⁾	70 700 000	9 312 092		

(1) Including 12 092 ECU in payment appropriations carried over from 1983 which are surplus to the commitments remaining to be settled on 1 January 1984.

ITEM 7315 — NUCLEAR FISSION : MANAGEMENT AND STORAGE OF RADIOACTIVE WASTE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 995 000	6 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	700 000	6 700 000
Percentage change	— 76,6	+ 11,7

1. References and description

(a) *References*

Decision of 18 March 1980 (OJ No L 78, 25.3.1980, p. 22) adopting a five-year (1980-84) programme on the management and storage of radioactive waste.

Proposal for a four-year programme (1985-88) (in preparation).

(b) *Description*

This third programme covers the development and implementation of a complete system for the management, storage and disposal of radioactive waste and the contribution to the definition of a comprehensive legal, administrative and financial system to govern radioactive waste storage and disposal measures.

Its objective is to safeguard and protect the general public and the environment from potential hazards associated with the management of radioactive waste and to develop the appropriate technologies.

The programme relates to the following topics :

- studies of the management and storage of radioactive waste and related R&D activities ;
- construction and/or operation of underground experimental facilities which can be used for joint Community projects.

2. Type of expenditure

The corresponding commitment and payment appropriations are intended to cover staff costs and administrative expenditure (meetings of working parties, organization of symposia, missions). The payment appropriation is also intended to cover expenditure to meet the Commission's financial obligations arising from contracts concluded under the programme.

3. Method of calculation and explanation of changes

(a) *Staff expenditure*

The proposed staff complement for this project is 10 officials (4A, 3B, 3C). The estimated annual cost is 608 300 ECU (including the reserve).

(b) *Recurring administrative operating expenditure*

This expenditure is estimated at 91 700 ECU.

(c) *Expenditure under contracts*

The estimated requirement is 6 000 000 ECU in payment appropriations.

In addition, for the proposed new programme an overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations is entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	16 661 417	4 787 371	5 023 059	6 850 987		
Appropriation outstanding from 1983	415 657	49 012	162 960	162 120	41 565	
Appropriation for 1984	2 995 000	1 163 617	813 981	809 781	207 621	
Appropriation for 1985	700 000 ⁽¹⁾	—	700 000	—	—	—
Total	20 772 074	6 000 000	6 700 000 ⁽¹⁾	7 822 888	249 186	

⁽¹⁾ An overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations is entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

ITEM 7316 — NUCLEAR FISSION : DECOMMISSIONING OF NUCLEAR POWER STATIONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	400 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	3 200 000	2 300 000
Percentage change	—	+ 475,0

An overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 000 ECU in payment appropriations is entered in Chapter 100 for Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

1. References and description

(a) References

Council Decision 79/344/Euratom of 27 March 1979 adopting a five-year research programme (1979-83) on the decommissioning of nuclear power stations (OJ No L 83, 3.4.1979, p. 19).

Council Decision 84/60/Euratom of 31 January 1984 adopting a five-year research programme (1984-88) on the decommissioning of nuclear power stations (OJ No L 36, 8.2.1984, p. 23).

(b) Description

The programme covers the following topics :

- research and development in connection with specialized techniques and basic data,

- identification of guiding principles,
- testing of new techniques within the context of large-scale decommissioning operations.

In addition to the general public and workers employed in nuclear power stations, the programme concerns, in particular, the authorities responsible for nuclear safety and radiation protection, the operators of power stations and, in so far as they are potential contractors, bodies and enterprises engaged in nuclear research.

The project's overall objective is to contribute to the development of nuclear fission as a source of energy. Its specific objective is to perfect methods and techniques for the decommissioning of nuclear power stations which can ensure the greatest possible protection for both man and the environment.

2. Type of expenditure

Staff costs, administrative expenditure (meetings of working parties, organization of symposia, missions) and technical operating expenditure (in particular the purchase or hiring and maintenance of computerized management equipment, including the necessary software), and, above all, study or research contracts concluded or to be concluded with national bodies and laboratories or, in certain special cases, with bodies and laboratories in non-member countries. Participation in international agreements.

3. Method of calculation and explanation of changes

(a) Staff expenditure

The proposed staff complement for this project is 3 officials (3A). The estimated annual cost is 258 000 ECU (including the reserve).

(b) Recurring administrative and technical operating expenditure

This expenditure is estimated at 89 000 ECU.

(c) Expenditure under contracts

The estimates are 2 853 000 ECU in commitment appropriations and 1 953 000 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	734 594	384 600	349 994	—		
Appropriation outstanding from 1983	53 099	15 400	37 699	—		
Appropriation for 1984	—	—	—	—		
Appropriation for 1985	3 200 000	—	1 912 307	141 183	861 210	285 300
Total	3 987 693	400 000	2 300 000	141 183	861 210	285 300

ITEM 7317 — NUCLEAR FISSION : SAFETY OF REACTORS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	85 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	6 000 000	1 800 000
Percentage change	—	+ 2 017,6

⁽¹⁾ An overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 000 ECU in payment appropriations is entered in Chapter 100 for Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

1. References and description

(a) References

Council Decision 79/345/Euratom of 27 March 1979 adopting a five-year research programme (1979-83) on the safety of thermal water reactors (OJ No L 83, 3.4.1979, p. 21).

Proposal for a new four-year programme on reactor safety (1984 to 1987).

(b) Description

The reactor safety programme comprises (a) a continuation of the 1979-83 programme on the 'Safety of thermal water reactors' covering a greatly increased number of technical subjects and (b) a new project relating to the safety of sodium-cooled fast reactors. In defining the programme and selecting the technical topics, the Commission drew upon the studies relating to water reactors carried out by Working Party No 2 — Safety of light water reactors — Research, and by various groups of specialists, and those relating to sodium-cooled fast reactors by the Fast Reactor Coordinating Committee and the Safety Working Group.

The Commission has taken substantial account of the recommendations put forward by these different committees and the proposed project should make it possible to improve and consolidate technical knowledge in the following fields :

— for light-water reactors :

- human factors and man/machine interaction,
- protection of nuclear installations against gas-cloud explosions,
- mechanical problems and materials problems posed by the steel components of light-water reactors,
- thermohydraulics and serious damage to fuel incurred during loss-of-primary coolant accidents,
- problems concerning the distribution, combustion and control of hydrogen following an accident,

- source term due to fission products in serious accidents,
- the release and distribution of fission products in the atmosphere following an accident,
- method used for probabilistic risk assessment ;
- for fast reactors :
 - instrumentation, control and protection,
 - analysis of transients,
 - integrity of components and structures,
 - safety aspects of sodium technology,
 - fuel behaviour and post-accident phenomena,
 - fission-product pathways in the case of serious accidents.

The Commission intends each of these aspects to be the subject of collaborative research projects conducted by Community and/or non-Community bodies, possibly involving participation in international agreements.

2. Type of expenditure

Staff costs, administrative expenditure (meetings of working parties, organization of symposia, missions) and technical operating expenditure (in particular the purchase or hiring and maintenance of computerized management equipment, including the necessary software) and, above all, study or research contracts concluded or to be concluded with national bodies and laboratories or, in certain special cases, with bodies and laboratories in non-member countries. Participation in international agreements.

3. Method of calculation and explanation of changes

(a) Staff expenditure

The proposed staff complement for this project is 6 officials (5A, 1B).

The estimated annual cost is 484 000 ECU (including the reserve).

(b) Recurring administrative and technical operating expenditure

This expenditure is estimated at 420 000 ECU.

(c) Expenditure under contracts

The estimates are 5 096 000 ECU in commitment appropriations and 896 000 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	10 062	9 686	376	—		
Appropriation outstanding from 1983	75 314	75 314	—	—		
Appropriation for 1984	—	—	—	—		
Appropriation for 1985	6 000 000	—	1 799 624	2 109 245	1 570 231	520 900
Total	6 085 376	85 000	1 800 000	2 109 245	1 570 231	520 900

ITEM 7318 — NUCLEAR FISSION : CODES AND STANDARDS — TECHNOLOGICAL PROBLEMS OF NUCLEAR SAFETY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	930 000	750 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 100 000	1 000 000
Percentage change	+ 18,3	+ 33,3

1. References and description

(a) References

Council resolution of 22 July 1975 relating to the technological problems of nuclear safety (OJ No C 185, 14.8.1975, p. 1).

(b) Description

The appropriations entered under this item are intended to finance the scientific and technical support provided by Community officials to various groups of experts in the Member States who are responsible for the study of safety problems in nuclear installations. In this context, the object of the 'Codes and standards' project is to progress towards the establishment of a common technological basis in order to ensure optimum safety and economy in respect of the mechanical components of fast-breeder reactors.

2. Type of expenditure

Staff costs, administrative expenditure (meetings of working parties, organization of symposia, missions) and technical operating expenditure (in particular the purchase or hiring and maintenance of computerized management equipment, including the necessary software) and, above all, study or research contracts concluded or to be concluded with national bodies and laboratories or, in certain special cases, with bodies and laboratories in non-member countries. Participation in international agreements.

3. Method of calculation and explanation of changes

(a) Staff expenditure

The proposed staff complement for this project is 8 officials (4A, 2B, 2C).

The estimated annual cost is 520 200 ECU (including the reserve).

(b) Recurring administrative and technical operating expenditure

This expenditure is estimated at 78 800 ECU.

(c) Expenditure under contracts

The estimates are 501 000 ECU in commitment appropriations and 401 000 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	249 237	—	118 319	130 918		
Appropriation outstanding from 1983	163 365	58 196	58 914	29 919	16 336	
Appropriation for 1984	930 000	691 804	133 431	67 765	37 000	
Appropriation for 1985	1 100 000	—	689 336	210 264	150 300	50 100
Total	2 442 602	750 000	1 000 000	438 866	203 636	50 100

ARTICLE 732 — SHARED-COST ACTION PROGRAMMES — NON-NUCLEAR ENERGY, HEALTH AND SAFETY AND ENVIRONMENT

ITEM 7320 — NON-NUCLEAR ENERGY SOURCES ; NON-NUCLEAR ENERGY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	13 000 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	56 000 000	20 000 000
Percentage change	—	+ 53,8

⁽¹⁾ An overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 000 ECU in payment appropriations is entered in Chapter 100 for Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

1. References and description

(a) References

Council Decision 79/785/EEC of 11 September 1979 adopting an energy research and development programme 1979 to 1983 (OJ No L 231, 13.9.1979, p. 30).

Proposal for a research and development programme in the field of non-nuclear energy (1983-87) (COM(83)311 final, 16.6.1983).

(b) Description

This programme is one of the main elements of the framework programme for scientific and technical activities within the Community. The research and development activities for which it provides are essentially intended to lead to an 'improvement in the management of energy resources and a reduction in dependence on energy' and also to contribute to the achievement of the goals associated with the promotion of industrial and agricultural competitiveness, the improvement of living and working conditions and increased aid to development.

The programme is concerned with both the investigation of potential resources and the improvement of existing technologies, the development of new techniques, processes and products and the execution of pilot projects with a view to the implementation of demonstration projects and marketing.

The programme covers activities in the following nine fields, which are divided into two main groups :

- Development of renewable energy sources
 - solar energy,
 - use of biomass for energy production,
 - wind energy,
 - geothermal energy.

- Rational uses of energy
 - energy conservation,
 - use of solid fuels,
 - production and use of new energy vectors,
 - optimization of hydrocarbons production and use,
 - energy systems analysis and modelling.

This programme is in part a continuation of the previous programme, completed on 30 June 1983, which covered :

- energy-saving,
- production and use of hydrogen,
- solar energy,
- geothermal energy,
- systems analysis.

2. Type of expenditure

The appropriations requested cover :

- (a) staff expenditure ;
- (b) recurring administrative operating expenditure relating, in particular, to missions, meetings, expert's expenses, the organization of seminars and conferences, financial support for the organization of seminars and conferences by non-Community bodies and publications relating to the dissemination and evaluation of results ;
- (c) technical operating expenditure relating, in particular, to the purchase or hiring and the maintenance of computerized-management equipment, including the necessary software ;
- (d) expenditure to meet the Commission's financial obligations resulting from shared-cost study, coordination or research contracts concluded or to be concluded with individuals, organizations or specialized firms in the Member States with a view to the execution of the programme.

3. Method of calculation and explanation of changes

(a) Staff expenditure

The proposed staff complement for this project is 40 officials (21A + 7B + 12C). The estimated annual cost is 2 593 200 ECU (including the reserve).

(b) Recurring administrative and technical operating expenditure

This expenditure is estimated at 2 015 600 ECU.

(c) Expenditure under contracts

The estimates are 53 391 200 ECU in commitment appropriations and 15 391 200 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	22 863 096	12 005 460	6 149 208	4 708 428		
Appropriation outstanding from 1983	4 011 785	994 540	1 248 048	1 368 019	401 178	
Appropriation for 1984	—	—	—	—	—	
Appropriation for 1985	56 000 000	—	12 602 744	22 840 856	15 417 300	5 139 100
Total	82 874 881	13 000 000	20 000 000	28 917 303	15 818 478	5 139 100

ITEM 7323 — HEALTH AND SAFETY : ACQUIRED IMMUNE-DEFICIENCY SYNDROME (AIDS)

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

Proposal for a Council Decision on an emergency Community research programme relating to AIDS (acquired immune-deficiency syndrome) (1985-88).

Parliament Resolution of 20.1.1984.

(b) Description

The aim of the emergency programme is to combat this disease, which has become a national public health problem, by instituting close cooperation between national organizations and institutes. Community action proves necessary because the number of cases in each country is too small as yet to enable effective research to be carried out on a national scale alone.

The proposed activities (epidemiological, immunological, virological, clinical, etc.) will concentrate on the etiology, prevention, early detection and treatment of this disease. It is planned to establish a monitoring centre for the collection and publication of data and to centralize experiments based on an animal model.

2. Type of expenditure

An overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations is entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352. Provision has been made for participation in some of these activities by European third countries involved in European cooperation in the field of scientific and technical research (COST). Any financial contribution will be entered in Article 602 of the statement of revenue. The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984						
Appropriation for 1985	p.m.(¹)		p.m.(¹)			
Total	p.m.		p.m.			

(¹) An overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations is entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

New item

ITEM 7324 — HEALTH AND SAFETY : SAFETY AND HYGIENE AT WORK

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

Proposal for a Decision on a multiannual research and development programme in the field of safety and hygiene at work (17 April 1984).

Research relating to risk prevention in the field of safety and health in the building industry (1985 to 1989 pilot programme).

(b) Description

The pilot project, based on the development and/or strengthening of close multidisciplinary cooperation between the national research institutes, will be concerned with the execution of a Community programme designed to reduce and prevent occupational accidents and disease.

The research topics are grouped under the following headings :

- influence of the working environment and materials used,
- work and site organization,
- training, information and human factors.

2. Type of expenditure

An overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations is entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

Provision has been made for participation in some of these activities by European third countries involved in European cooperation in the field of scientific and technical research (COST).

Any financial contribution will be entered in Article 602 of the statement of revenue.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984						
Appropriation for 1985	p.m.(¹)		p.m.(¹)			
Total	p.m.		p.m.			

(¹) An overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations is entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

ITEM 7325 — HEALTH AND SAFETY — MEDICAL RESEARCH III

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	5 700 000	2 150 000
1985 — Appropriations requested	3 870 000	3 800 000
Percentage change	- 32,1	+ 76,7

1. References and description**(a) References**

Decision of 17 August 1982 adopting a sectoral R&D programme of the European Economic Community in the field of medical and public health research (1982-86) (OJ No L 248, 24.8.1982).

(b) Description

The aim of the projects envisaged under the Medical Research III programme is to ensure the gradual coordination of national programmes in 30 or so areas, classified under three main sectors :

- health problems ;
- health-care resources ;
- personal environment.

The Member States participating in the programme will be responsible for the performance and financing of research, coordination being provided by the Commission.

2. Type of expenditure

The appropriations requested cover :

- staff costs ;
- recurring administrative operating expenditure (meetings of the management committee, the concerted action committees and working parties, missions and financial contribution to the costs of general services) ;
- technical operating expenditure relating, in particular, to the purchase or hiring and the maintenance of computerized management equipment, including the necessary software ;
- the cost of contracts to be concluded with project leaders from bodies in the Member States for the scientific coordination of activities relating to the programme adopted.

Provision has been made for participation in some of these activities by European third countries involved in European cooperation in the field of scientific and technical research (COST).

Any financial contribution will be entered in Article 602 of the statement of revenue.

3. Method of calculation

(a) Staff expenditure

The proposed staff complement for this project is 9 officials (5A, 2B, 2C). The estimated annual cost is 606 200 ECU.

(b) Recurring administrative and technical operating expenditure

This expenditure is estimated at 930 000 ECU.

(c) Expenditure under contracts

The estimates amount to 2 333 800 ECU in commitment appropriations and 2 263 800 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	567 507	—	200 525	366 982		
Appropriation outstanding from 1983	493 852	105 474	161 457	177 536	49 385	
Appropriation for 1984	5 700 000	2 044 526	1 519 651	1 671 003	464 820	
Appropriation for 1985	3 870 000	—	1 918 367	1 018 433	699 900	233 300
Total	10 631 359	2 150 000	3 800 000	3 233 954	1 214 105	233 300

ITEM 7326 — HEALTH AND SAFETY — BIOLOGY AND HEALTH PROTECTION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	5 690 000	9 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	24 000 000	11 800 000
Percentage change	+ 321,8	+ 31,1

1. References and description

(a) References

- Decision of 18 March 1980 (OJ No L 78, 25.3.1980) adopting a five-year (1980-84) programme on biology and health protection (radiation protection).
- Commission proposal to the Council for a multiannual programme (1985-89) in the field of radiation protection (COM(83)301 final, 1 June 1983).

(b) Description

The objectives of this programme, to be attained through European cooperation, are :

- to screen and assess problems relating to the protection of man and his environment against ionizing radiation,
- to study such problems by scientific research,
- to suggest action before such problems become a threat to man,
- to improve the methods necessary for protecting workers and the general public by updating the scientific basis for appropriate standards and by further developing techniques to prevent and counteract harmful effects of radiation,
- to provide methods of coping with the consequences of radiation accidents,
- to evaluate radiation risks and assess them with respect to other risks that arise in modern society,
- to provide pertinent and up-to-date information for decision making.

2. Type of expenditure

The appropriations requested cover :

- staff costs ;
- recurring administrative operating expenditure (meetings of experts, missions, publication and financial contribution to the costs of general services at the JRC Ispra Establishment for the 'Biology' Group set up there) ;
- technical operating expenditure (leasing, purchase and maintenance of equipment, particularly for the 'Biology' Group, use of the scientific and technical support services of the Ispra Establishment and the purchase or hiring and the maintenance of computerized-management equipment, including the necessary software ;
- association and shared-cost contracts concluded with bodies in the Member States for the purpose of carrying out the radiation protection subprogramme ; contracts designed to promote exchanges, cooperation and training of research workers in the different laboratories ;

3. Method of calculation

(a) Staff expenditure

The proposed staff complement for this project is 60 officials (37 A, 12 B, 10 C, 1 D). The estimated annual cost is 4 201 400 ECU (including the reserve).

(b) Recurring administrative operating expenditure

This expenditure is estimated at 695 500 ECU.

(c) *Recurring technical operating expenditure*

The estimates come to 182 000 ECU.

(d) *Expenditure under contracts*

The estimates amount to 18 921 100 ECU in commitment appropriations and 6 721 100 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	13 473 584	3 805 009	3 260 961	6 407 614		
Appropriation outstanding from 1983	1 440 123	178 443	427 008	690 660	144 012	
Appropriation for 1984	5 690 000	5 016 548	227 925	368 657	76 870	
Appropriation for 1985	24 000 000	—	7 884 106	8 547 493	5 676 301	1 892 100
Total	44 603 707	9 000 000	11 800 000	16 014 424	5 897 183	1 892 100

New item

ITEM 7327 — HEALTH AND SAFETY — NON-IONIZING RADIATION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	p.m.	p.m.

1. References and description

(a) *References*

Proposal to be submitted to the Commission on 17 April 1984 for a multiannual programme (1985 to 1989) on non-ionizing radiation (in preparation).

(b) *Description*

The objectives of the non-ionizing radiation programme, to be attained through European cooperation, are ;

- to screen and assess problems relating to the protection of man and his environment against non-ionizing radiation,
- to encourage any advantageous cooperation in the research field,
- to draw up appropriate standards for protecting workers and the public and further to develop the techniques designed to prevent and counteract the harmful effects of radiation,
- to suggest action before such problems become a threat to man,
- to identify methods for coping with the consequences of radiation accidents,
- to provide pertinent and up-to-date information for decision making.

2. Type of expenditure**3. Method of calculation**

An overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations is entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984						
Appropriation for 1985	p.m. ⁽¹⁾		p.m. ⁽¹⁾			
Total	p.m.		p.m.			

⁽¹⁾ An overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations is entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

ITEM 7328 — ENVIRONMENT — SECTORAL PROGRAMME 'ENVIRONMENT'

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	12 000 000 ⁽¹⁾	8 410 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	6 577 000	11 500 000
Percentage change	— 45,2	+ 36,7

⁽¹⁾ In addition, an overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

1. References and description

(a) References

- Decision of 3 March 1981 (OJ No L 101, 11.4.1981) adopting a research and development sectoral programme on the environment (1981 to 1985) (Environmental protection and climatology) — indirect and concerted action.
- Council Decision 84/139/EEC of 1 March 1984 amending the research and development sectoral programme on the environment (1981 to 1985) (Environmental protection and Climatology) — indirect and concerted action — adopted by Decision 81/213/EEC (OJ No L 71, 14.3.1984, p. 13).
- Proposal for a decision adopting a subprogramme on the ecoclimatology of regions affected by water shortages (1985 to 1989) (in preparation).
- Proposal for a decision adopting the subprogramme on earthquakes (1985 to 1989) (in preparation).

(b) Description

The programme decided upon — including the revised programme — covers indirect- and concerted-action research projects on environmental protection and climatology. The aim of the decision adopting a sectoral programme (1981 to 1985) is to carry out coordinated research on the environment and to study climate mechanism and variability. The research will be executed by means of shared-cost contracts concluded with bodies in the Member States and through concerted action involving the following subprogrammes :

- Environmental protection : this subprogramme covers the following areas :
 - sources, environmental pathways and effects of pollutants ;
 - reduction and prevention of pollution and nuisance, including clean technologies ;
 - protection, conservation and management of the natural environment ;
 - management of information on the environment (data banks) ;
 - interaction between man and his environment.

The concerted-action projects on environmental protection under Community-COST agreements cover the following topics :

- analysis of organic micropollutants in water ;
- physico-chemical behaviour of atmospheric pollutants ;
- coastal benthic ecosystems ;
- treatment and use of sewage sludge and liquid agricultural waste ;
- effects of atmospheric pollutants on terrestrial and aquatic ecosystems :

Climatology : this subprogramme covers the following areas :

- study of the climate mechanism and reconstruction of past climates ;
- study of the effects of climate variability on certain resources, in particular water resources, and on energy requirements ;
- study of the effects of certain human activities, and in particular pollution caused by such activities, on the climate ;
- setting-up of an interdisciplinary group of European experts to study climatic effects.

The object of the proposals for a decision adopting the subprogramme on the ecoclimatology of regions affected by water shortages and the subprogramme on earthquakes is to promote coordinated research on the identification of desertification causes and mechanisms and to promote the study of earthquakes.

The research will be executed by means of shared-cost contracts concluded with bodies in the Member States and through concerted action involving the following subprogrammes :

- Ecoclimatology of regions affected by water shortages : this subprogramme covers the following areas :
 - climatic causes and desertification mechanisms ;
 - human factors in the desertification process, including socio-economic and demographic studies ;
 - response and evolution of the ecosystems under climatic and anthropogenic stress.
- Earthquakes : this subprogramme covers the study of the forecasting, prevention and mitigation of natural disasters.

European non-member countries collaborating in European cooperation in the field of scientific and technical research (COST) will participate in some of these studies.

Any financial contribution will be entered under Article 602 of the statement of revenue and will occasion new commitment and payment appropriations. It can be used to cover expenditure on Community contracts of association and study contracts.

2. Type of expenditure

Staff costs, administrative expenditure (management committee and working-party meetings and missions) or technical operating expenditure (purchase or leasing and maintenance of computerized management equipment together with the necessary software), financial participation of the Commission in the organization of meetings and seminars by outside bodies and, above all, study contracts, coordination contracts or shared-cost contracts concluded or due to be concluded with individuals, bodies or specialized firms in the Member States for the purpose of implementing the programme.

3. Method of calculation and explanation of changes

(a) Staff expenditure

The proposed staff complement is 16 officials (10 A + 1 B + 5 C). The estimated annual cost is 1 084 500 ECU (including the reserve).

(b) *Recurring administrative and technical operating expenditure*

This expenditure is estimated at 1 053 600 ECU.

(c) *Expenditure under contracts*

The estimates for a contribution to the research expenditure of about 50 % come to 4 438 900 ECU in commitment appropriations and 9 361 900 ECU in payment appropriations.

In addition, for the subprogrammes proposed, an overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	7 485 158	2 145 488	2 998 031	2 341 639		
Appropriation outstanding from 1983	7 899 796	1 887 786	2 775 143	2 446 888	789 979	
Appropriation for 1984	12 000 000	4 376 726	3 518 900	3 102 674	1 001 700	
Appropriation for 1985	6 577 000 ⁽¹⁾	—	2 207 926	2 249 073	1 590 001	530 000
Total	33 961 954	8 410 000	11 500 000⁽¹⁾	10 140 274	3 381 680	530 000

⁽¹⁾ An overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

ITEM 7330 — RESEARCH LINKED TO DEVELOPMENT : SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	14 000 000	5 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	18 000 000	9 900 000
Percentage change	+ 28,6	+ 98,0

1. References and description

(a) References

- Decision of 3 December 1982 (OJ No L 352, 14.12.1982, p. 24) adopting a four-year (1983-86) programme on science and technology for development.
- Proposal for a decision amending this programme (1985-86) (Article 4 of the above-mentioned decision) (COM(84))

(b) Description

(1) The general context of the programme decided on by the Council is a gradual redefining of the sharing of knowledge and scientific capacity between North and South.

The programme involves two subprogrammes concerning the following sectors:

- tropical agriculture
- medicine, health and nutrition in the tropical zones.

A. The subprogramme concerning tropical agriculture covers four areas of research:

- Improvement of agricultural production
 - crops for food and industrial purposes
 - production of animal proteins
 - forestry production
- Horizontal topics and development of the environment
 - resources and use of water
 - protection, stabilization and restoration of soils
 - crop protection
- Post-harvest technology
 - preservation of products
 - processing of products
- Training.

B. The subprogramme on medicine, health and nutrition in the tropical zones has been subdivided into three sections:

- medicine and health,
- nutrition,
- training.

The topics in the medicine and health section are:

- communicable diseases,
- health of mothers and children,
- genetics,
- environmental hygiene.

(2) Revision of the programme will entail the redefining and clarifying of the aims of certain sections of the programme described in point 1, above, notably with a view to ensuring closer links between basic research and operational research.

Account will be taken of the specific needs of the developing countries as expressed in the numerous proposals received, and in this way the revised programme will be extended to take in new research topics such as:

- tropical medicinal plants;
- back-up support for the health services through operational research conducted in an environment characteristic of the developing countries;
- agricultural development and its impact on the economy.

In addition, as a result of increased appropriations, the revised programme will enable support to be extended to certain high-quality research projects submitted during the initial phase and regarded as provisional.

2. Type of expenditure

Programme implementation costs : staff costs, recurring administrative and technical operating expenditure (in particular, meetings of the advisory committees on programme management and working-party meetings, missions, purchase or leasing and maintenance of computerized management equipment together with the necessary software), study contracts, coordination contracts, shared-cost contracts or consultancy contracts concluded or due to be concluded with individuals, bodies or specialized firms in the Member States and the developing countries, organization of seminars, meetings, ..., training activities.

In addition, for the purposes of revising the programme, an overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

3. Method of calculation

(a) Staff expenditure

The staff complement for this project is 9 officials (5 A + 1 B + 3 C). The estimated annual cost is 586 300 ECU (including the reserve).

(b) Administrative and technical operating expenditure

This expenditure is estimated at 145 500 ECU.

(c) Expenditure under contracts

The estimates are 17 268 200 ECU in commitment appropriations and 9 168 200 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984, to be settled against new payment appropriations	387 337	—	31 650	355 687		
Appropriation outstanding from 1983	3 112 663	826 500	1 114 760	860 137	311 266	
Appropriation for 1984	14 000 000	4 173 500	4 791 518	3 697 082	1 337 900	
Appropriation for 1985	18 000 000 ⁽¹⁾	—	3 962 072	7 197 927	5 130 001	1 710 000
Total	35 500 000	5 000 000	9 900 000 ⁽¹⁾	12 110 833	6 779 167	1 710 000

⁽¹⁾ An overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

ITEM 7331 — RESEARCH LINKED TO DEVELOPMENT — DEVELOPMENT OF ENDOGENOUS RESEARCH CAPACITY IN DEVELOPING COUNTRIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	p.m. ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	7 000 000	3 500 000
Percentage change	—	—

⁽¹⁾ An overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 000 ECU in payment appropriations is entered in Chapter 100 for Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

1. References and description

(a) References

Proposal for a decision on a four-year programme for the development of indigenous scientific and technical research capacities in the developing countries (OJ)

(b) Description

This programme is concerned with assisting the development of indigenous scientific research capacities in the developing countries, so as to enable these countries to carry out themselves the research necessary for their economic and social development with a view to improving scientific and technical knowledge regarding man and his environment.

This aid will apply to research capacities in the following areas (corresponding to the priority guidelines of the Community and the majority of developing countries): agriculture, public health, environment, resources in the soil and under ground, energy, population and small-scale industrial technology linked to agricultural development. The aid is intended for research institutions in the developing countries and, as such, completes the programme decided on by the Council on 3 December 1982 for the promotion of knowledge in the Member States and the developing countries. The details of the research projects will be worked out by agreement with the bodies responsible in the countries where they are to be carried out.

The Community aid will involve mainly the functioning and equipment of research centres, the training of technicians and research workers, the dissemination of scientific data and research results.

To begin with, this aid will be concentrated in the areas of agriculture, food and health, these being areas which concern more particularly the least favoured countries. The funds required for this initial phase are estimated at 60 000 000 ECU, i.e. 40 000 000 ECU for agriculture (including food) and 20 000 000 ECU for the health sector.

2. Type of expenditure

Staff costs, operating expenditure (management-committee and working-party meetings and missions), study contracts, coordination contracts, research contracts or consultancy contracts concluded or due to be concluded with individuals, bodies or specialized firms for the purpose of implementing the programme, seminars, retraining programmes for researchers and exchanges of research workers, publications and other information activities, and financial and technical assistance for the installation of research equipment (including the essential infrastructures).

3. Method of calculation and explanation of changes

(a) Method of calculation

The conventional method of calculating the budget does not apply in the case of this aid. In view of the major financial requirements entailed, the allocation made available must be capable of making a significant impact both in economic and political terms. The level of appropriation proposed is geared to this aim, due account having been taken of existing budgetary constraints.

While certain projects call for payments to be made virtually at once, or even partly in advance (experts, studies, etc.), other projects, such as training and assistance in the running of research centres, involve preparation and execution deadlines occasionally extending over long periods.

(b) Explanation of changes

In the Commission's opinion, the appropriation must be sufficient to ensure that the project makes significant progress in 1985, following its expected launching in the course of 1984.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m. ⁽¹⁾	p.m. ⁽¹⁾				
Appropriation for 1985	7 000 000	—	3 500 000	2 000 000	1 500 000	
Total	7 000 000	p.m.	3 500 000	2 000 000	1 500 000	

⁽¹⁾ An overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 000 ECU in payment appropriations has been entered in Chapter 100 for Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

ITEM 7335 — INFORMATION TECHNOLOGIES : ESPRIT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	81 760 000	82 500 000
1985 — Appropriations requested	108 650 000	87 400 000
Percentage change	+ 32,9	+ 5,9

1. References and description**(a) References**

- Council Decision 82/878/EEC of 21 December 1982 (OJ No L 369, 29.12.82) on the preparatory measures for the Esprit programme.
- Council Decision 84/130/EEC of 28 February 1984 (OJ No L 67, 9.3.1984) concerning a European programme (1984-88) for research and development in information technologies (Esprit).
- Draft Esprit workplan for 1984 COM(84)56 of 13 February 1984 (OJ No C 47, 20.2.1984).

(b) Description

The Member States and the Community institutions considered information technologies to be of strategic importance to the Community, requiring priority treatment (European Council of 28-29 June 1982, debates in the European Parliament on 28 October 1982, opinion of the Economic and Social Committee of 17 November 1982, Versailles Summit).

The main European industrial companies got together with the Commission's departments in 1982 to put into effect the Joint European Planning Exercise (JEPE-IT), which backed up the need for a Community research and development project.

On 25 May 1982 the Commission sent the Council a communication (COM(82)287) entitled 'Towards a European Strategic Programme for Research and Development in Information Technologies' setting out the broad lines of the Esprit programme. On the basis of consultation between the Member States, industry and the universities this should be the cornerstone of a strategy for building up a strong Community information technology industry by 1990.

Extensive consultations with the main industrial companies in the Community, which continued throughout 1982 and 1983 and were extended to small businesses and universities, served as a basis for the drafting of the communication from the Commission to the Council on the launching of the Esprit programme (COM(83)258 of 11 May 1983 ; OJ No C 321, 6.11.1983, p. 1) and the first annual work plan (COM(84)56 of 13 February 1984).

A programme on this scale raises a number of practical problems, especially as regards the organization of cooperative industrial research, financing methods and industrial property rights.

This five-year programme, which is the first stage of a 10-year plan, will continue the work begun in the pilot phase.

Because of the strategic nature and length of the programme it will have to be reviewed periodically, the technical objectives will have to be updated and the projects in progress will have to be closely monitored at all times.

Another important task in the management of the programme is to coordinate the projects with each other and with projects launched in the individual Member States.

In order to gather practical data for evaluation, pilot projects were launched from January 1983 onwards and are still in progress. On the basis of the experience gained in cooperative R & D, it was proposed to get the main programme under way on 1 January 1984.

The objective of the Esprit programme is to develop to a precommercial level the technological basis for a Community industry in the following fields:

- (1) advanced microelectronics ;
- (2) software technology ;
- (3) advanced data processing ;
- (4) office automation ;
- (5) computer-integrated manufacturing.

In addition, the programme provides for infrastructure projects such as an Information Exchange System (IES), measures for promoting standards of Community origin, the dissemination of results and coordination of national activities.

2. Type of expenditure

Staff costs, administrative operating expenditure (management committee and working party meetings, consultation of experts, missions, distribution of technical documents, dissemination of results, for example by organizing conferences, seminars and technical workshops, the procurement, installation and use of data-processing equipment) and above all shared-cost research contracts (Community contribution generally 50 %).

3. Method of calculation

(a) Staff expenditure

The proposed staff complement for this programme is 105 officials (60 A + 11 B + 34 C). The estimated annual cost is 6 913 400 ECU (including the reserve).

(b) Administrative and technical operating expenditure

This expenditure is estimated at 2 600 000 ECU, 1 100 000 ECU of which is for administrative operation and 1 500 000 ECU for the procurement, setting up and use of technical installations.

(c) Expenditure under contracts

Subprogramme 1 : Advanced microelectronics

Type A projects

- 1.1 Submicron MOS
- 1.2 Submicron bipolar
- 1.3 CAD
- 1.4 Compound integrated circuits
- 1.5 Optoelectronics

Total type A ⁽¹⁾	33 943 000
Total type B ⁽¹⁾	11 314 000
Total	45 257 000

Subprogramme 2 : Software technology

- 2.1 Process
- 2.2 Management
- 2.3 Environment
- 2.4 Evolution
- 2.5 Demonstration projects

Total type A	29 094 000
Total type B	9 698 000
Total	38 792 000

Subprogramme 3 : Advanced information processing

- 3.1 Knowledge engineering
- 3.2 External interfaces
- 3.3 Information and knowledge storage
- 3.4 Computer architectures
- 3.5 Design and system aspects

Total type A	33 943 000
Total type B	11 314 000
Total	45 257 000

⁽¹⁾ See COM(84)56 final of 13 February 1984, pages II and III.

Subprogramme 4 : Office systems

- 4.1 OS science and human factors
- 4.2 Advanced work stations
- 4.3 Communication systems
- 4.4 Advanced filing and retrieval systems

Total type A	29 094 000
Total type B	9 698 000
Total	38 792 000

Subprogramme 5 : Computer integrated manufacture

- 5.1 Integrated systems architecture
- 5.2 CAD/CAE
- 5.3 CAM
- 5.4 Machine control systems
- 5.6 CIM systems applications

Total type A	19 396 000
Total type B	6 465 000
Total	25 861 000

Horizontal projects

1. Information exchange system	12 649 000
2. Analysis of standards problems	2 919 000
3. Acquisition and dissemination of information	3 892 000

Total for horizontal projects

19 460 000

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	207 000 000	45 000 000	59 000 000	70 000 000	22 000 000	11 000 000
Appropriation for 1985	223 000 000	—	41 000 000	60 000 000	80 000 000	42 000 000
Total	430 000 000	45 000 000	100 000 000	130 000 000	102 000 000	53 000 000

New item**ITEM 7336 — ADVANCED COMMUNICATIONS TECHNOLOGIES IN EUROPE (RACE)**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	15 000 000 ⁽¹⁾	5 000 000 ⁽¹⁾
Percentage change	—	—
⁽¹⁾ Appropriations entered in Chapter 100.		

1. References and description**(a) References**

- Council Resolution of 15 July 1974 on a Community policy on data processing.
- Communication from the Commission to the European Council of 26 November 1979 « European society faced with the challenge of new information technologies : a Community response » COM(79) 650 final.
- Communication from the Commission to the European Summit in Stuttgart of 5 and 6 June 1983 concerning a Community policy on telecommunications.
- Communication from the Commission to the Council concerning telecommunications COM(83)329 final.
- Communication from the Commission to the European Council of June 1984 'Towards the formation of a European telecommunications space — Community plan of action' COM(83)573 final of 29 September 1983.
- Council Decision 84/130/EEC concerning a European programme for research and development in information technologies (Esprit) (OJ No L 67, 9.3.1984).
- Proposal to the Council 'R & D in advanced communications technologies in Europe (RACE)' COM(84) final of 10.1984.

(b) Description

The Member States have identified the telecommunications infrastructure as a vital factor for the strength of the European economies. Endorsing Commission's conclusion on the need to exploit the strategic advantage of the Community dimension and rapidly to develop relevant proposals for action as outlined in the Communication to the Council on lines of action (COM(83)573 final of 29 September 1983), the Council of Ministers (Industry) meeting on 4 November 1983 set up a special committee, the Senior Officials Group on Telecommunications, to examine opportunities, prepare proposals for action and suggest to the European Council the approach for implementing these activities.

The Telecommunications Hearing of the European Parliament, the Stuttgart and Athens Summits, Parliament's Leonardi Report and the Albert-Ball Report have identified the telecommunications industry and technology as a key to the establishment of a European industrial continuum and as a priority for the further development of the Community.

'Work sharing' in the development of advanced telecommunications technologies provides a unique opportunity to improve the use of limited R & D resources, reduce risk by better coverage of promising R & D and technological options, acquire a more rapid mastery of key technologies through specialization and concentration of effort, stimulate competition between different options in the formative stages of development, and lay the foundations for future industrial strength, compatibility of products and services and early availability of economically viable telecommunications services.

A shared technology base appears to be both a necessary condition and a key factor for success in the long run, especially in view of the need for international competitiveness in telecommunications services, for integrated and compatible services and for industrial competitiveness both within the Community and on world markets.

Agreeing with the Commission on the urgent need to devise a Community telecommunications strategy covering in particular the rapid exploration and development of advanced telecommunication technologies to which the main world competitors are devoting vast resources, the major telecommunications and IT companies in the Community have decided to join with the Commission in defining suitable projects at Community level.

The Council will be asked to approve a specific proposal known as RACE which in the autumn of this year will put forward opportunities for R & D work-sharing in advanced telecommunications technologies.

The purpose is to promote the development of a common technology base in advanced telecommunications technologies for the 1990s by means of R & D work-sharing at pre-competitive level amongst the PTT research centres, industry and the universities in the following fields :

- broadband switching,
- optronics and terrestrial optical transmission,
- networking and network analysis and development,
- advanced mobile communications,
- security engineering of networks, facilities and services.

A considerable effort will have to be devoted to these areas in the years ahead. Numerous technological options will have to be explored, each calling for massive deployment of human and financial resources and the development of appropriate facilities and test beds, before any decision on product development can be taken.

Within each area there are specific opportunities for work-sharing and specialization. The Commission is now defining specific projects in which a Community approach offers convincing advantages. These could include :

- components and materials research and dedicated designs,
- optronics and optronics manufacturing processes,
- telecommunications software tools,
- signal processing and algorithms,

- new architectures and advanced systems engineering,
- system and service security engineering,
- advanced standards research.

RACE will consist of research projects that cannot be expected to yield results for three to five years. Tying in with each other and with national and industrial efforts, these projects will form part of an integrated work plan initially involving a five year commitment.

The R & D projects under consideration include :

- optical switching
 - optical bi-stability
 - optorefraction
 - accousto-optics
- optical material for wavelengths exceeding 1,3 microns
 - fibres
 - components and devices
- synoptic devices for highly asynchronous processes
- telecom-oriented system in design and software development
 - axiomatic definition of data types
 - formal language definition (CHILL successor)
 - software design and manufacturing techniques
 - network planning and modelling tools
 - network operation and maintenance tools
- voice and image processing
- circuit design
 - development of signal processing (diversity combining, error correction, encryption-decryption).

2. Type of expenditure

As a general rule the Community contribution is limited to 50 % of the expenditure on carrying out pre-competitive R & D projects by work-sharing at Community level, in line with the work plan for the RACE programme. The objectives will be defined in close cooperation with PTT laboratories, industry and universities and the annual work plan produced will be put before the Council for approval.

The remaining 50 % will be put up by industry or by national governments.

This budget item also covers research staff costs (7A, 1B, 4C). The estimated cost is 396 200 ECU (including the reserve). Administrative and technical operating expenditure is estimated at ... ECU and covers expenditure on experts and specialized services, the use of data-processing facilities, the organization of meetings to review the objectives and the progress of the work and for the launching, management and monitoring of the programme and the costs of disseminating the results.

3. Method of calculation

Past experience with comparable R & D programmes, especially the Esprit programme.

— Components and materials research and dedicated designs	2
— Optronics and optronics manufacturing processes	2
— Telecommunications software tools	2
— Signal processing and new algorithms	2
— New architectures and advance systems engineering	2
— Systems and service security engineering	3
— Advanced standards research	1,6

Total for projects to be launched in 1985 14,6 Mio ECU

Operating and staff costs 0,4 Mio ECU

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	—	—	—	—	—	—
Appropriation for 1985	15 000 000 ⁽¹⁾	—	5 000 000 ⁽¹⁾	7 000 000	3 000 000	—
Total	15 000 000	—	5 000 000	7 000 000	3 000 000	—

⁽¹⁾ Appropriations entered in Chapter 100.

ITEM 7338 — TRANSPORT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	p.m. ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	5 000 000 ⁽²⁾	2 000 000 ⁽²⁾
Percentage change	—	—

(1) An overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 000 ECU in payment appropriations is entered in Chapter 100 under items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

(2) Appropriations entered in Chapter 100.

1. References and description

(a) References

Proposal for a four-year (1984-87) research, development and demonstration programme in the field of transport (in preparation).

(b) Description

The Community has particularly well developed transport systems but they are suffering from the effects of the crisis and have to be adapted to future requirements. Two serious dangers are inherent in this situation :

- Transport systems may impede the economic transformation and development of the Community if they do not properly satisfy the requirements of the market and its sociological environment ;
- the competitiveness of the transport industries will be increasingly jeopardized if they do not offer a supply that meets requirements and has a substantial internal market in the Community.

A Community research programme is therefore necessary and must complement national and European activities.

It must in particular create or stimulate research which the Member States cannot carry out for reasons of scale or which they conduct at random without achieving the desired effectiveness.

Moreover, by coordinating certain research work and encouraging cooperative or joints projects, the programme will facilitate the adoption of common standards in the case of transnational transport systems.

The programme ties in with the Community's framework programme of scientific and technical activities, linking up with four of its objectives :

- competitiveness : improving the efficiency and competitiveness of transport systems and the relevant industries by reducing costs and improving performance, the quality of service and the management of the various systems and their components ;
- rational use of energy : improving the energy efficiency of modes of transport and offering ways of reducing dependence on oil ;
- safety : improving the safety of modes of transport and working conditions ;
- environmental protection : reducing the harmful effects of modes of transport on the environment.

Each of these objectives defines one of the four subprogrammes which in turn contain projects in the following sectors :

- guided land transport,
- road transport,
- sea transport,
- air transport.

The programme is in line with the need to give a European dimension to research projects which are traditionally characterized by national barriers. Several COST concerted-action projects have clearly demonstrated this need but have not provided the overall planning and incentives inherent in a Community programme.

Activities under this programme will consist mainly of shared-cost projects lasting two to three years.

2. Type of expenditure

Staff costs, administrative operating expenditure (management committee and working party meetings, coordination costs, missions) and study and shared-cost research contracts with companies, research centres, universities, administrations and transport companies in the Member States for execution of the programme.

3. Method of calculation

(a) Staff expenditure :

The proposed staff complement for this programme is 14 officials (6A + 4B + 4C). The estimated cost is 4 076 000 ECU for the four years of the programme including 175 000 ECU for 1985.

(b) Technical and operating expenditure

This expenditure is estimated at 1 950 000 ECU for the duration of the programme and 250 000 ECU for 1985.

(c) Expenditure under contract

This is estimated at 74 000 000 ECU for the duration of the programme, including 3 425 000 ECU in commitment appropriations and 1 075 000 ECU in payment appropriations for 1985.

The schedule of payments in relation to commitments is as follows:

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—	—	—			
Appropriation for 1984	p.m. ⁽¹⁾	p.m. ⁽¹⁾	—			
Appropriation for 1985	5 000 000 ⁽²⁾	—	2 000 000 ⁽²⁾	620 000	955 000	1 425 000
Total	5 000 000	p.m.	2 000 000	620 000	955 000	1 425 000

⁽¹⁾ An overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 ECU in payment appropriations is entered in Chapter 100 under Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

⁽²⁾ Appropriations entered in Chapter 100.

ITEM 7350 — HORIZONTAL ACTIONS : LONG-TERM FORECASTING AND ASSESSMENT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	2 000 000	1 500 000
1985 — Appropriations requested	3 540 000	1 300 000
Percentage change	+ 77,0	- 13,3

1. References and description**(a) References**

Decision of 17 October 1983 (OJ No L 293, 25.10.1983) adopting a five-year (1983-87) programme on forecasting and assessment in the field of science and technology (FAST).

(b) Description

The principal task in the FAST programme is to analyse scientific and technological changes from all angles with a view to understanding their implications and long-term consequences as regards the common research and development policy and other Community policies.

It is thus part of the new programme to propose, at the appropriate time, the priority options for the new long-term guidelines for Community action in the fields indicated by the Council :

- the relationship between technology, employment and work,
- the evolution of services and technological change,
- the emergence of new strategic industrial systems in the fields of communication and food,
- the integrated development of renewable natural resources.

The other major function of the FAST programme is to build up basic forecasting theory in Europe by reinforcing the cooperation network established between research centres in the Member States and the national institutions responsible for long-term activities.

The activities consist in :

- carrying out research in priority areas,
- promoting the circulation of information relating to exploratory research in Europe,
- organizing conferences and study seminars geared to the research requirements set out above.

In 1985, the main activities will be supervision of the research performed under contract, making sure that the networks of national units function properly and preparation of the interim report the Commission will present to the Council and Parliament in the middle of the year.

2. Type of expenditure

Covering staff costs, administrative and technical operating expenditure including the purchase or hiring and maintenance of computerized management equipment with the necessary software (expenditure in respect of associated research workers seconded by the Member States, meetings of management committees and working parties, missions, performance of network activities including conference organization), and especially the study contracts and cost-sharing research contracts to be concluded with national bodies in the Member States with a view to implementing the programme.

3. Method of calculation and explanation of changes

(a) Staff expenditure

The proposed staff complement for this programme is 12 officials (6 A, 2 B, 4 C). The estimated annual cost is 760 400 ECU (including the reserve).

(b) Recurring administrative and technical operating expenditure

This expenditure is estimated at 322 000 ECU.

(c) Expenditure under contracts

This expenditure is estimated at 2 457 600 ECU in commitment appropriations and 217 600 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	174 129	49 982	100 000	24 147		
Appropriation for 1984	2 000 000	1 450 018	500 000	49 982		
Appropriation for 1985	3 540 000	—	700 000	1 689 200	988 100	162 700
Total	5 714 129	1 500 000	1 300 000	1 763 329	988 100	162 700

ITEM 7351 — HORIZONTAL ACTIONS : STIMULATION OF SCIENTIFIC AND TECHNICAL POTENTIAL

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	3 000 000	1 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	15 900 000	6 000 000
Percentage change	+ 430,0	+ 500,0

1. References and description

(a) References

- Council Resolution of 14 January 1974 on the coordination of national policies and the definition of projects of interest to the Community in the field of science and technology (OJ No C 7, 29.1.1974, p. 2).
- Council Resolution of 14 January 1974 on the participation of the European Communities in the European Science Foundation (OJ No C 7, 29.1.1974, p. 5).
- Council Resolution of 14 January 1974 on an initial outline programme of the European Communities in the field of science and technology (OJ No C 7, 29.1.1974, p. 6).
- Council Resolution of 14 January 1974 on a programme of research as an instrument of forecasting, assessment and methodology in the European Communities (OJ No C 7, 29.1.1974, p. 7).
- Council Decision 83/331/EEC of 28 June 1983 adopting an experimental Community action to stimulate the efficacy of the European Economic Community's scientific and technical potential (OJ No L 181, 6.7.1983, p. 20).
- Proposal for a first plan to stimulate scientific and technical cooperation and exchanges in Europe (1985-88) (COM(84)...).

(b) Description

Three types of activity are being supported :

(1) Measures to aid communication between scientists and technologists within Europe

- promoting mobility of research workers : bursaries and research grants to encourage exchanges (particularly between the universities and industry), European travel passes for research workers ;
- promoting communication : support for specialized news-sheets, establishment of true scientific data banks in Europe.

(2) Measures to aid scientific and technical cooperation in Europe

- financial support for defined periods linked to laboratory twinning contracts and operation contracts ;
- aid towards making better use of nationally available equipment : inventory, information about equipment available.

(3) Measures to aid the training and employment of young research workers

Bursaries, research grants.

For this purpose, the Commission will employ a range of financial support measures in the form of incentives and temporary assistance accorded to national or multinational teams :

- research grants,
- laboratory twinning contracts,
- operation contracts.

Furthermore, the Commission will look into the ways and means of initiating practical measures to facilitate the mobility of research workers :

- travel passes,
- recognition of periods abroad in career structures,
- institution of a system to supply information about possible exchanges and communication channels,
- provision of bursaries and research grants to facilitate exchanges.

The plan will be implemented for the first time in 1985.

2. Type of expenditure

Staff expenditure, administrative operating costs (management committee and working party meetings, missions) and recurring technical expenses (including the purchase or hiring and maintenance of computerized management equipment with the necessary software) and above all costs relating to financial obligations of the Commission under contracts concluded for the purposes of implementing the plan.

3. Method of calculation and explanation of changes

(a) *Staff expenditure*

The proposed staff complement is 12 officials (7 A, 2 B and 3 C).

The estimated annual cost is 683 300 ECU (including the reserve).

(b) *Recurring administrative and technical expenditure*

This expenditure is estimated at 285 000 ECU.

(c) *Expenditure under contracts*

The estimates are 14 391 700 ECU in commitment appropriations and 5 031 700 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	1 675 639	—	923 989	751 650		
Appropriation outstanding from 1983	324 361	69 798	126 982	95 145	32 436	
Appropriation for 1984	3 000 000	930 202	1 032 464	773 604	263 730	
Appropriation for 1985	15 900 000	—	3 916 565	6 023 435	4 470 000	1 490 000
Total	20 900 000	1 000 000	6 000 000	7 643 834	4 766 166	1 490 000

ITEM 7352 — HORIZONTAL ACTIONS : AQUACULTURE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	p.m. ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

⁽¹⁾ An overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 ECU in payment appropriations is entered in Chapter 100 under Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

1. References and description

(a) References

Proposal for a concerted action programme (1984-87) in the field of aquaculture is in preparation (COM(84)...).

(b) Description

This programme will be concerned with the coordination of the research conducted in the Member States on the following topics :

- production of live foods for aquaculture species,
- rearing and on-growing of mollusc spat,

- genetics of cultivable invertebrate aquatic species,
- smolt quality in the sea-ranching of salmonids.

The research will be implemented and financed by the Member States involved while the Commission will be responsible for coordination.

2. Type of expenditure

The programme provides for the participation of non-Community countries in Europe involved in European cooperation in the field of scientific and technical research (COST).

Any financial contributions from these countries will be entered in Article 602 in the schedule of revenue.

An overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations is entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984						
Appropriation for 1985	p.m. ⁽¹⁾		p.m. ⁽¹⁾			
Total	p.m.		p.m.			

⁽¹⁾ An overall reserve of 17 050 000 ECU in commitment appropriations and 2 900 000 ECU in payment appropriations is entered in Chapter 100 for Items 7308, 7315, 7323, 7324, 7327, 7328, 7330 and 7352.

ITEM 7353 — HORIZONTAL ACTIONS : RUMINANT NUTRITION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	p.m. ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	176 000	125 000
Percentage change	—	—

⁽¹⁾ An overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 000 ECU in payment appropriations is entered in chapter 100 for Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

1. References and description -

(a) *References*

Proposal of 7 November 1983 for a concerted-action project on the use of lignocellulose-containing by-products and other plant residues for animal feeding (COM(83)648 final).

(b) *Description*

This project is concerned with the coordination of the research conducted in the Member States on the following topics :

- use of substrates : lignocellulose-containing substrates, starch-containing substrates, certain soluble carbohydrates ;
- use of products converted into animal feed : nutritional evaluation and toxicological tests.

The Member States involved will be implementing and financing this research while the Commission is responsible for coordination.

2. Type of expenditure

Administrative expenditure (Comac and working party meetings, missions), technical expenses including the purchasing or hiring and maintenance of computerized management equipment with the necessary software, costs related to contracts with persons or bodies in the participating countries as required in coordinating the project and costs related to exchanges of research workers between laboratories (about four researchers on one-month visits).

Provision has been made for participation by non-Community countries in Europe involved in European cooperation in the field of scientific and technical research (COST).

Any financial contributions from them will be entered in Article 602 of the schedule of revenue.

3. Method of calculation

(a) *Staff expenditure*

The proposed staff complement for this project is one official (C). The estimated cost is 17 000 ECU (including the reserve).

(b) *Recurring administrative and technical expenditure*

This expenditure is estimated at 69 000 ECU.

(c) *Expenditure under contracts*

The estimates are 90 000 ECU in commitment appropriations and 39 000 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984						
Appropriation for 1985	176 000	—	125 000	27 000	24 000	—
Total	176 000	—	125 000	27 000	24 000	—

ITEM 7354 — HORIZONTAL ACTIONS : FOOD TECHNOLOGY III

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	175 000	180 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	185 000	150 000
Percentage change	+ 5,7	— 16,7

1. References and description

(a) References

Decision of 22 November 1983 adopting a concerted-action project on the effect of processing on the physical properties of foodstuffs (OJ No L 353, 15.12.1982).

(b) Description

This concerted-action project is a continuation and extension of the first such project in this field adopted by the Council on 20 February 1978 (OJ No L 54, 25.2.1978) and completed in 1981.

The project has a twofold objective :

- to bring the first project to a satisfactory conclusion and to promote applications of the results obtained ;

- to make use of the experience gained in the field of application already studied (activity of water and rheological and thermal properties) by extending the area of coordination to mechanical, diffusion and electrical properties.

2. Type of expenditure

Staff expenditure, recurring administrative and technical expenditure including the purchase or hiring and maintenance of computerized management equipment with the necessary software (Comac and working party meetings, missions) and costs related to contracts with persons of bodies in the participating countries for the purpose of coordination.

Provision has been made for the participation of non-Community countries in Europe involved in European cooperation in the field of scientific and technical research (COST).

Any financial contributions from them will be entered in Article 602 of the schedule of revenue.

3. Method of calculation

(a) Staff expenditure

The staff complement for this project is one official (B). The estimated annual cost is 54 000 ECU (including the reserve).

(b) Recurring administrative and technical expenditure

This expenditure is estimated at 65 000 ECU.

(c) Expenditure under contracts

The estimates are 66 000 ECU in commitment appropriations and 31 000 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	8 277	8 059	218			
Appropriation for 1984	175 000	171 941	3 059			
Appropriation for 1985	185 000	—	146 723	38 277		
Total	368 277	180 000⁽¹⁾	150 000	38 277		

⁽¹⁾ Includes 3 276 ECU in payment appropriations carried over from 1983 in excess of commitments available on 1 January 1984.

ITEM 7355 — HORIZONTAL ACTIONS : FOOD TECHNOLOGY IV

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	p.m. ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	190 000	125 000
Percentage change	—	—

(1) An overall reserve of 83 500 000 ECU in commitment appropriations and 28 590 000 ECU in payment appropriations is entered in Chapter 100 for Items 7302, 7303, 7306, 7308, 7316, 7317, 7320, 7328, 7331, 7338, 7352, 7353 and 7355.

1. References and description

(a) References

Proposal of 13 July 1983 for a concerted-action project on the effects of processing and distribution on the nutritive value of food (COM(83)446 final).

(b) Description

This concerted-action project represents a continuation of the Community project adopted by the Council in 1979 and completed in 1982 (OJ No L 270, 27.10.1979).

The project is concerned with the coordination of research in the participating Member States and non-Community countries relating to the influence on certain foodstuffs of :

- short duration heat treatment,
- biotechnology applications in foodstuffs manufacture,
- chilling and refrigerated storage.

The foodstuffs whose quality and nutritonal value is being studied are :

- milk products,
- fruit and vegetables,
- cereals,
- fish,
- meat.

2. Type of expenditure

Staff expenditure, recurring administrative and technical costs including the purchase or hiring and maintenance of computerized management equipment with the necessary software (Comac and working party meetings, missions), costs relating to contracts with persons or bodies in the participating countries for the purpose of coordination and costs related to exchanges of research workers between laboratories (about five researchers on three-month visits).

Provision has been made for the participation of non-Community countries in Europe involved in European cooperation in the field of scientific and technical research (COST).

Any financial contributions from them will be entered in Article 602 of the schedule of revenues.

3. Method of calculation

(a) Staff expenditure

The staff complement for this project is one official (C). The estimated annual cost is 17 000 ECU (including the reserve).

(b) Recurring administrative and technical expenditure

This expenditure is estimated at 71 000 ECU.

(c) Expenditure under contracts

The estimates are 102 000 ECU in commitment appropriations and 37 000 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984						
Appropriation for 1985	190 000		125 000	34 400	30 600	
Total	190 000		125 000	34 400	30 600	

ITEM 7356 — HORIZONTAL ACTIONS : MARINE NAVIGATION AIDS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	800 000	300 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	500 000	600 000
Percentage change	— 37,5	+ 100,0

1. References and description**(a) References**

Decision adopting a concerted-action project in the field of shore-based marine navigation aids (COST 301) (OJ No L 378, 31.12.1982).

(b) Description

This concerted-action project consists in coordinating research carried out in the field of technical aids to ships in coastal waters or in existing or planned port approaches in the participating Member States and non-Community countries with a view to reducing the potential hazards of navigation to human life, the environment and capital equipment. The following areas of research will be coordinated in this project :

- movement of ships in confined waters :
 - criteria for uniform identification of problem areas for marine traffic,
 - identification of critical areas for marine navigation ;
- inventory of shore-based maritime traffic systems in western Europe ;
- identification of ships ;
- specifications and standards for location and accurate tracking of ships under way ;
- shore-to-ship communications ;
- harmonization of marine traffic service procedures.

2. Type of expenditure

Staff expenditure, recurring administrative and technical costs including the purchase or hiring and maintenance of computerized management equipment with the necessary software (Comac and working party meetings, missions), costs relating to the financial participation of the Community in studies under contracts with undertakings and laboratories in the Member States with special experience in this field.

Provision has been made for the participation of non-Community countries in Europe involved in European cooperation in the field of scientific and technical research (COST).

Any financial contributions from them will be entered in Article 602 of the schedule of revenues.

3. Method of calculation

(a) Staff expenditure

The staff complement for this project is one official (C). The estimated cost is 34 100 ECU (including the reserve).

(b) Recurring administrative and technical expenditure

This expenditure is estimated at 125 000 ECU.

(c) Expenditure under contracts

The estimates are 340 900 ECU in commitment appropriations and 440 900 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	199 425	—	93 368	106 057		
Appropriation outstanding from 1983	145 421	26 962	52 382	51 535	14 542	
Appropriation for 1984	800 000	273 038	233 016	229 256	64 690	
Appropriation for 1985	500 000	—	221 234	142 766	102 000	34 000
Total	1 644 846	300 000	600 000	529 614	181 232	34 000

ITEM 7358 — HORIZONTAL ACTION — SCIENTIFIC AND TECHNICAL TRAINING

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 584 000	2 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	—	1 600 000
Percentage change	—	— 20,0

1. References

(a) References

Decision of 17 March 1981 (OJ No L 101, 11.4.1981) adopting a four-year (1981-84) programme on scientific and technical training.

The payment appropriations are designed to cover the Commission's expenditure arising out of the implementation of this programme (grants and further-training courses).

The estimates come to 1 600 000 ECU in commitment appropriations and 1 808 400 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	2 558 795	1 141 422	795 493	621 880		
Appropriation outstanding from 1983	36 003	7 539	13 001	11 863	3 600	
Appropriation for 1984	2 584 000	851 039	791 506	722 255	219 200	
Appropriation for 1985	—	—	—	—	—	
Total	5 178 798	2 000 000	1 600 000	1 355 998	222 800	

ITEM 7359 — HORIZONTAL ACTION — R & D PROJECTS IN THE CONTEXT OF COOPERATION AGREEMENTS WITH NON-MEMBER STATES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 000 000	1 730 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	3 000 000	2 000 000
Percentage change	+ 50,0	+ 15,6

1. References and description

(a) References

- Articles 113, 211, 228, 235 and 238 of the EEC Treaty and Article 101 of the Euratom Treaty ;
- the agreements so far concluded by the Community with Ascan, Andean Pact, Pakistan, India, Bangladesh, Sri Lanka, Mexico, Brazil, Yugoslavia, Canada, Romania, China, Israel, the United States and Switzerland ;
- the scientific and technological framework agreement between the EEC-EAEC and Japan, to be concluded in 1984.

(b) Description

These are research and development projects of various types, depending upon whether the countries in question are (A) developing countries or (B) industrialized countries.

(A) : Developing countries : the aim is to support the promotion and development of scientific capacities within developing countries, and the performance of research programmes and projects in various scientific and technological fields of mutual interest, with the exception of those already covered by the Development aid programme (Item 7308). This objective will be pursued through the encouragement and promotion of cooperation as extensive as possible between the bodies concerned in the developing countries and specialized bodies of firms in the Member States.

(B) : Industrialized countries : the basic aim is to achieve an exchange of information, participation in meetings of scientists organized by one party or the other, joint organization of technical meetings, coordination of research projects undertaken by the two parties, and implementation of joint studies or projects.

2. Type and breakdown of expenditure

(a) Type of expenditure

The expenditure covers :

- financing of research and development projects and technological development projects carried out in developing countries and performed by bodies of the developing countries and/or of the Member States ;
- financing of short- or long-term missions by experts from the Member States in the developing countries for the purpose of carrying out studies supplying scientific, technical and technological assistance and providing specialized training ;
- financing of the purchase of specialized scientific and technical equipment or apparatus ;
- financing of specialized scientific and technical training courses, including study visits to the Member States for nationals — individuals or groups — of the developing countries ;
- subsidizing the organization and holding of major international or multilateral conferences of scientific and/or technological interest ;
- financing of the organization of specialized seminars and workshops ;
- financing of projects concerning the dissemination of knowledge and of research results, particularly those of Community research ;
- technical operating costs, notably the purchase or hire and maintenance of computerized-management equipment, including the necessary software.

(b) Breakdown of expenditure

It is not currently possible to propose a precise breakdown of appropriations between the different types of project scheduled nor between the beneficiary countries or regional groups.

3. Method of calculation and explanation of changes

(a) Recurring administrative and technical operating expenditure

This expenditure is estimated at 47 000 ECU.

(b) Expenditure under contracts

The estimates amount to 2 953 000 ECU in commitment appropriations and 1 953 000 ECU in payment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	2 000 000	1 730 000	270 000			
Appropriation for 1985	3 000 000	—	1 730 000	210 000	840 000	220 000
Total	5 000 000	1 730 000	2 000 000	210 000	840 000	220 000

ARTICLE 736 — ACTIVITIES OTHER THAN DIRECT ACTION**ITEM 7360 — RESEARCH STAFF PLACED AT THE DISPOSAL OF OUTSIDE BODIES (IN ACCORDANCE WITH ARTICLE 6(c) OF THE EURATOM TREATY)**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	700 000	700 000
1985 — Appropriations requested	750 000	750 000
Percentage change	+ 7,1	+ 7,1

1. References and description**(a) References**

Agreements based on Article 6(c) of the Euratom Treaty and concluded or to be concluded between Euratom and :

Bodies	Agreement signed on	Duration	Officials
Kernforschungszentrum Karlsruhe (KfK)	21 March 1974 as amended on 12 May 1980 and on 22 November 1982	1.7.1973 - 31.12.1984 1.1.1981 - 31.12.1984	4 A 2 A
Commissariat à l'énergie atomique française (CEA)	21 December 1979 as amended on 19 October 1982	14.1.1980 - 31.12.1985 1.1.1984 - 31.12.1985	1 A 1 A

A procedure has been initiated designed to extend the employment of officials covered by agreements which end on 31 December 1984.

(b) Description

The Commission has placed at the disposal of these bodies, at their request and against reimbursement of the relevant expenditure, a certain number of its staff as experts for performing studies or research in the national laboratories concerned.

2. Type of expenditure

Staff costs and administrative operating expenditure (missions and duty travel) in respect of these staff.

Revenue for the reimbursement of this expenditure is included in Item 6210 of the statement of revenue. Expenditure over and above the estimates will have to be covered by additional revenue under Item 6210, pursuant to Article 91(2) of the Financial Regulation of 21 December 1977, as amended on 25 June 1979.

3. Method of calculation

(a) Staff expenditure

The staff complement for this project is 8 officials (8 A). The estimated annual cost is 688 000 ECU (including the reserve).

(b) Administrative operating expenditure

This expenditure is estimated at 62 000 ECU.

ITEM 7362 — SERVICES PERFORMED FOR OUTSIDE BODIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	135 000	135 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	150 000	150 000
Percentage change	+ 11,1	+ 11,1

1. References and description

(a) References

Articles 3(1), 87 (last paragraph) and 91(2) of the Financial Regulation of 21 December 1977, as amended on 25 June 1979.

(b) Description

The Council has assigned to the Commission the task of providing administrative and secretarial services for projects coming under European cooperation in the field of science and technology (COST) in which the Community is not taking part as such. The relevant staff expenditure is covered by contributions from the participant countries.

In addition, the 'Reference materials and methods — Applied metrology' programme may be called upon to perform analyses or specific work for outside bodies, at their request and against payment.

Furthermore, there may also be studies, against payment, requested by Belgian safety bodies (safety at the Doel and Tihange power plants).

2. Type of expenditure

Staff costs in respect of officials providing secretarial services for the COST projects.

Analysis costs, where they occur, or payments in respect of safety studies are referred to in the form of a token entry.

3. Method of calculation and explanation of changes

(a) Staff expenditure

The proposed staff complement for this project is 4 officials (4 C). The estimated annual cost is 136 400 ECU (including the reserve).

National contributions to cover these staff costs are set out in Article 608 of the statement of revenue.

(b) Recurring administrative operating expenditure

This expenditure will be estimated according to the type of analyses requested (13 600 ECU).

Any reimbursement of expenditure on analyses will appear under Article 623 of the statement of revenue, which has been assigned a token entry.

In accordance with the provisions of Article 91(2) of the Financial Regulation of 21 December 1977, as amended on 26 June 1979, expenditure over and above the estimates can be covered by additional revenue under the corresponding items in the statement of revenue.

ITEM 7365 — COMPLETION OF CURRENT PROJECTS: RECYCLING OF URBAN AND INDUSTRIAL WASTE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	2 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	—	1 800 000
Percentage change		- 10,0

(¹) Including the appropriations for the completion of the former 'Environment' programme (former Item 7360).

1. References and description

(a) References

Decision of 12 November 1979 (OJ No L 293, 20.11.1979) adopting a four-year (1979-82) programme on the recycling of urban and industrial waste.

2. Type of expenditure

Financial obligations arising out of shared-cost contracts concluded with research bodies in the Member States.

In addition, there is the participation of the non-member States collaborating in COST (European cooperation in the field of scientific and technical research), which is already planned for a number of these studies.

This financial contribution is entered under Article 602 of the statement of revenue.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	3 101 636	1 735 469	1 244 070	122 097		
Appropriation outstanding from 1983	1 106 153	264 531	555 930	175 077	110 615	
Appropriation for 1984	—	—	—	—	—	
Appropriation for 1985	—	—	—	—	—	
Total	4 207 789	2 000 000	1 800 000	297 174	110 615	

COMMON FACTORS FOR THE ASSESSMENT OF THE BUDGET ESTIMATES CONCERNING THE CALCULATION OF STAFF EXPENDITURE UNDER SHARED-COST ACTION IN RESPECT OF ITEMS 7300 TO 7365

	Staff authorized 1984 ⁽¹⁾			Staff proposed 1985				Changes			
	Perma- nent	Temporary		Perma- nent DG XII	Temporary			Perma- nent	Temporary		
		JET	Esprit		JET	Esprit	RACE		JET	Esprit	RACE
A	229	100	51	245	100	60	7	+ 16	—	+ 9	+ 7
B	73	59	9	75	59	11	1	+ 2	—	+ 2	+ 1
C	70	6	31	87	6	34	4	+ 17	—	+ 3	+ 4
D	1	—	—	1	—	—	—	—	—	—	—
Subtotal	373	165	91	408	165	105	12	+ 35	—	+ 14	+ 12
Total	629			690				+ 61			

⁽¹⁾ Including 20 A, 3 B and 6 C posts which can only be filled on the basis of corresponding programme decisions. .
JET = Joint European Torus Joint Undertaking (Item 7311).
Esprit = Information technologies (Item 7335).
RACE = Advanced communications technologies in Europe (Item 7336).

The situation of staff in relation to programmes is as follows :

	Projects adopted	Staff proposed for 1985		
		Proposals sent to the Council	Proposals in preparation	Total
A — ESTABLISHED POSTS				
Programme projects proper	205	172 ⁽¹⁾	19 ⁽²⁾	396
Services performed on behalf of outside bodies and individuals	4	—	—	4
Placed at the disposal of Member States, persons or undertakings pursuant to Article 6(c) of the EAEC Treaty	8	—	—	8
Subtotal A	217	172	19	408
B — TEMPORARY POSTS				
JET	165	—	—	165
Esprit	105	—	—	105
RACE	—	—	12	12
Grand total	487	172	31	690

- (¹) The following items are involved :
- 7302 Basic technological research : 31 officials
 - 7306 Biotechnology : 21 officials
 - 7317 Reactor safety : 6 officials
 - 7320 New sources of energy : 40 officials
 - 7326 Radiation protection : 60 officials
 - 7331 Development of indigenous capacities : 1 official
 - 7351 Stimulation : 12 officials
 - 7355 Footstuffs IV : 1 official.
- (²) The following items are involved :
- 7315 Radioactive waste : 14 officials
 - 7330 Developing countries : 5 officials

The staff expenditure calculations were based on the data shown in the Council Decision of 21 February 1983 concerning the adjustment of remuneration and weightings, taking into account requirements arising from assumptions adopted for the entire staff of the European institutions in respect of changes in remuneration, namely :

Reference period	Date of entry in to force	% ⁽²⁾					
		Belgium	Italy	UK	France	FR of Germany	Netherlands
<i>I. Purchasing period</i>							
(a) 1.7.83 - 30.6.84	1.7.84	- 1					
(b) 1.7.84 - 30.6.85	1.7.85	- 1					
		(of which - 0,5 in 1985)					
<i>II. Cost of living⁽¹⁾</i>							
(a) 1.7.83 - 31.12.83	1.1.84	3,4	5,4	2,0	3,8	1,0	0,9
(b) 1.1.84 - 30.6.84	1.7.84	3,8	6,4	3,5	3,5	2,1	2,1
(c) 1.7.84 - 31.12.84	1.1.85	2,6	5,3	2,5	2,5	1,1	1,1
(d) 1.1.85 - 30.6.85	1.7.85	3,5	5,4	3,1	3,5	2,2	2,2

⁽¹⁾ The rates shown (positive and negative) apply to the results of the calculations of the necessary appropriations based on the level of remunerations and pensions in force since 1 July 1983.

To respect the dates of entry into force of the adjustments referred to in A(b) and B(d), the rates shown apply to the volume of appropriations with half the value of each only.

⁽²⁾ The rates shown already take account of the deduction made at the time of the interim adjustment of remunerations and pensions of half the negative percentage change included in the specific indicator, as well as of the deduction to be made at the annual review (Section II (6), third paragraph, of the Annex to the Council Decision of 15 December 1981 amending the method of adjusting the remunerations).

**SUMMARY OF ACTION PROGRAMMES, OTHER ACTIVITIES AND THE COMPLETION OF
FORMER PROGRAMMES — DIRECT ACTION**

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
737	Action programme — Direct action						
7370	Industrial technologies — Direct action	25 600 000	19 600 000	27 292 000	25 933 000	+ 6,6	+ 32,3
7371	Thermonuclear fusion — Direct action	15 800 000	12 200 000	13 559 000	13 437 000	- 14,2	+ 10,1
7372	Nuclear fission — Direct action	95 000 000	71 800 000	100 567 000	97 781 000	+ 5,9	+ 36,2
7373	Non-nuclear energy sources — Direct action	10 800 000	8 500 000	11 349 000	10 987 000	+ 5,1	+ 29,3
7374	Environment	27 800 000	21 900 000	29 831 000	28 610 000	+ 7,3	+ 30,6
7375	Projects of European significance — Direct action	—	—	5 000 000	1 500 000	—	
738	Other activities — Direct action						
7382	Services performed at the request of outside bodies and individuals	721 000	721 000	964 000	964 000	+ 33,7	+ 33,7
7383	Services provided for other Commission departments	5 000 000	5 000 000	6 000 000	4 000 000	+ 20,0	- 20,0
7389	Operation of the HFR reactor	17 277 000	12 843 000	16 516 000	15 488 000	- 4,4	+ 20,6
739	Completion of former programmes — Direct action						
7390	Completion of joint programmes 1980-83	—	25 000 000	—	16 700 000	—	- 33,2
7391	Completion of the complementary programme 1980-83	—	4 709 000	—	—		—
	Total	197 998 000	182 273 000	211 078 000	215 400 000	+ 6,6	+ 18,2

⁽¹⁾ Including any appropriations entered in Chapter 100.

New article

ARTICLE 737 — ACTIONS PROGRAMMES — DIRECT ACTION

New item

ITEM 7370 — INDUSTRIAL TECHNOLOGIES — DIRECT ACTION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	25 600 000	19 600 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	27 292 000	25 933 000
Percentage change	+ 6,61	+ 32,31

1. References and description

(a) References

Decision of 22 December 1983 (OJ No L 3, 5.1.1984, p. 21) for a four year (1984-87) programme concerning the Joint Research Centre.

(b) Description

The programme embraces two areas of research which constitute JRC subprogrammes, namely :

- Reference measurements and materials, involving two projects :
 - nuclear measurements ;
 - reference materials.
- High-temperature materials, involving five projects :
 - studies on steels and alloys ;
 - studies on subassemblies ;
 - studies on ceramics ;
 - the use of a data bank on high-temperature materials ;
 - an information centre on high-temperature materials.

2. Type of expenditure

Research staff costs, expenditure on technical support and general services, some of the administrative and technical operating expenditure for the JRC establishments, research expenditure involving scientific equipment and installations and costs of financing study contracts relating to certain specific aspects of the research.

3. Method of calculation and explanation of changes

(a) Staff expenditure

The staff complement for this action programme consists of 291 officials. Total staff costs amount to 15 681 096 ECU (including reserve funds) (see the common calculation criteria given after Article 739).

(b) Specific expenditure

This expenditure is estimated at 11 610 904 ECU in commitment appropriations and 10 251 904 ECU in payment appropriations (see the main items of expenditure on this action programme and their breakdown under the headings 'Administrative operation', 'Technical operation', 'Investment' and 'Contracts' given after Article 739).

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—					
Appropriation outstanding from 1983	—					
Appropriation for 1984	25 600 000	19 600 000	6 000 000			
Appropriation for 1985	27 292 000	—	19 933 000	7 359 000		
Total	52 892 000	19 600 000	25 933 000	7 359 000		

New item

ITEM 7371 — FUSION — DIRECT ACTION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	15 800 000	12 200 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	13 559 000	13 437 000
Percentage change	— 14,18	+ 10,14

1. References and description

(a) References

Decision of 22 December 1983 (OJ No L 3, 5.1.1984, p. 21) for a four-year (1984-87) programme concerning the Joint Research Centre.

(b) Description

The programme embraces one area of research which constitutes a JRC subprogramme, namely :

- Fusion safety and technology, involving five projects :
 - design studies in respect of fusion reactors ;
 - technology of the breeding blanket ;
 - studies on structural materials ;
 - risk evaluation ;
 - studies on a tritium laboratory.

2. Type of expenditure

Research staff costs, expenditure on technical support and general services, some of the administrative and technical operating expenditure for the JRC Establishments, research expenditure involving scientific equipment and installations and costs of financing study contracts relating to certain specific aspects of the research.

3. Method of calculation and explanation of changes**(a) Staff expenditure**

The staff complement for this action programme consists of 171 officials. Total staff costs amount to 8 820 926 ECU (including reserve funds) (see the common calculation criteria given after Article 739).

(b) Specific expenditure

This expenditure is estimated at 4 738 074 ECU in commitment appropriations and 4 616 074 ECU in payment appropriations (see the main items of expenditure on this action programme and their breakdown under the headings 'Administrative operation', 'Technical operation', 'Investment' and 'Contracts' given after Article 739).

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—					
Appropriation for 1984	15 800 000	12 200 000	3 600 000			
Appropriation for 1985	13 559 000	—	9 837 000	3 722 000		
Total	29 359 000	12 200 000	13 437 000	3 722 000		

New item**ITEM 7372 — FISSION — DIRECT ACTION**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	95 000 000	71 800 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	100 567 000	97 781 000
Percentage change	+ 5,86	+ 36,19

1. References and description**(a) References**

Decision of 22 December 1983 (OJ No L 3, 5.1.1984, p. 21) for a four-year (1984-87) programme concerning the Joint Research Centre.

(b) Description

The programme embraces four areas of research which constitute JRC subprogrammes, namely :

- Reactor safety, involving 7 projects relating to :
 - reliability and risk evaluation ;
 - integrity of components and systems for light-water reactors ;
 - study on abnormal behaviour of core cooling systems in light water reactors ;
 - study of severely damaged fuel ;
 - modelling of accidents in fast reactors ;
 - study of the properties of materials and the behaviour of structures in fast reactors ;
 - study of a vibrating table.
- Management of radioactive waste, involving three projects relating to :
 - waste management and fuel cycle ;
 - storage safety of waste in continental geological formations ;
 - feasibility and safety of the storage of waste in deep ocean sediments.
- Safeguarding and management of fissile materials, involving three projects relating to :
 - methods and instruments for the determination of fissile materials and for confinement and monitoring ;
 - data processing, transmission and evaluation of safeguards data ;
 - integration of safeguards activities.
- Nuclear fuels and actinides research, involving four projects relating to :
 - Limits to the use of nuclear fuels ;

- behaviour of oxide fuels under transitory conditions and release of fission products in the event of severe damage ;
- safety of the actinide cycle ;
- actinide research.

2. Type of expenditure

Research staff costs, expenditure on technical support and general services, some of the administrative and technical operating expenditure for the JRC Establishments, research expenditure, involving scientific equipment and installations and costs of financing study contracts relating to certain specific aspects of the research.

3. Method of calculation and explanation of changes

(a) Staff expenditure

The staff complement for this action programme consists of 1 203 officials. Total staff costs amount to 61 401 303 ECU (including reserve funds) (see the common calculation criteria given after Article 739).

(b) Specific expenditure

This expenditure is estimated at 39 169 697 ECU in commitment appropriations and 36 379 697 ECU in payment appropriations (see the main items of expenditure on this action programme and their breakdown under the headings ‘ Administrative operation ’, ‘ Technical operation ’, ‘ Investment ’ and ‘ Contracts ’ given after Article 739).

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983	—					
Appropriation for 1984	95 000 000	71 800 000	23 200 000			
Appropriation for 1985	100 567 000	—	74 581 000	25 986 000		
Total	195 567 000	71 800 000	97 781 000	25 986 000		

New item**ITEM 7373 — NON-NUCLEAR ENERGY SOURCES — DIRECT ACTION**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	10 800 000	8 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	11 349 000	10 987 000
Percentage change	+ 5,08	+ 29,26

1. References and description**(a) References**

Decision of 22 December 1983 (OJ No L 3, 5.1.1984, p. 21) for a four-year (1984-87) programme concerning the Joint Research Centre.

(b) Description

The programme consists of two areas of research which constitutes JRC subprogrammes, namely :

- solar system testing methods, involving two projects relating to :
 - photovoltaic systems ;
 - heat conversion.
- Energy management in the household, involving three projects relating to :
 - evaluation of hybrid systems ;
 - passive technologies ;
 - energy auditing.

2. Type of expenditure

Research staff costs, expenditure on technical support and general services, some of the administrative and technical operating expenditure for the JRC Establishments, research expenditure involving scientific equipment and installations and costs of financing study contracts relating to certain specific aspects of the research.

3. Method of calculation and explanation of changes**(a) Staff expenditure**

The staff complement for this action programme consists of 147 officials. Total staff costs amount to 7 650 079 ECU (including reserve funds) (see the common calculation criteria given after Article 739).

(b) *Specific expenditure*

This expenditure is estimated at 3 698 921 ECU in commitment appropriations and 3 336 921 ECU in payment appropriations (see the main items of expenditure on this action programme and their breakdown under the headings 'Administrative operation', 'Technical operation', 'Investment', and 'Contracts' given after Article 739).

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—					
Appropriation outstanding from 1983	—					
Appropriation for 1984	10 800 000	8 500 000	2 300 000			
Appropriation for 1985	11 349 000	—	8 687 000	2 662 000		
Total	22 149 000	8 500 000	10 987 000	2 662 000		

ITEM 7374 — ENVIRONMENT — DIRECT ACTION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	27 800 000	21 900 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	29 831 000	28 610 000
Percentage change	+ 7,31	+ 30,64

1. References and description

(a) *References*

Decision of 22 December 1983 (OJ No L 3, 5.1.1984, p. 21) for a four-year (1984-87) programme concerning the Joint Research Centre.

(b) *Description*

This programme covers the following three research objectives or subprogrammes, which will be executed within the framework of the JRC :

- Environmental protection, comprising three projects relating to :
 - chemical products in the environment,
 - quality of the environment,
 - energy and the environment.
- Application of aerospace remote-sensing techniques, involving three projects relating to :
 - agriculture and land use ;
 - protection of the sea ;
 - natural disasters.
- Industrial hazards, involving two projects relating to :
 - accident prevention ;
 - accident monitoring and control.

2. Type of expenditure

Research staff costs, expenditure on technical support and general services, a proportion of the administrative and technical operating expenditure of the JRC Establishments, expenditure on scientific equipment and installations for research and the financing of study contracts relating to certain specific aspects of the research.

3. Method of calculation and explanation of changes

(a) *Staff expenditure*

The total staff complement for this action programme is 371 officials. Total staff costs amount to 19 511 033 ECU (including the reserve) (see common calculation criteria after Article 739).

(b) *Specific expenditure*

This expenditure is estimated at 10 319 967 ECU in commitment appropriations and 9 098 967 ECU in payment appropriations (the main items of expenditure relating to this action programme and the breakdown under the headings ' Administrative operations ', ' Technical operations ', ' Investments ' and ' Contracts ' are shown after Article 739).

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—					
Appropriation outstanding from 1983	—					
Appropriation for 1984	27 800 000	21 900 000	5 900 000			
Appropriation for 1985	29 831 000	—	22 710 000	7 121 000		
Total	57 631 000	21 900 000	28 610 000	7 121 000		

New Item

ITEM 7375 — PROJECTS OF EUROPEAN SIGNIFICANCE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	5 000 000	1 500 000
Percentage change	—	—

1. References and description

(a) References

Decision of 22 December 1983 (OJ No L 3, 5.1.1984, p. 21) for a four-year (1984-87) programme concerning the Joint Research Centre.

(b) Description

The decision for this programme provides for an amount of 12,5 million ECU in specific appropriations designed to finance projects of European significance. The JRC is currently studying two projects which could be established at the Ispra site.

2. Type of expenditure

Initial expenditure on the establishment at Ispra of a large installation of European significance and on the definition of certain aspects of the experimental programme.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	—					
Appropriation for 1985	5 000 000	—	1 500 000	3 500 000		
Total	5 000 000	—	1 500 000	3 500 000		

Former Article 733

ARTICLE 738 — DIRECT ACTION — JOINT RESEARCH CENTRE (JRC) — OTHER ACTIVITIES

Former Item 7331

ITEM 7382 — SERVICES PERFORMED AT THE REQUEST OF OUTSIDE BODIES AND INDIVIDUALS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	721 000	721 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	964 000	964 000
Percentage change	+ 33,70	+ 33,70

1. References and description

(a) References

Articles 3(1), 87 (last paragraph) and 91(2) of the Financial Regulation of 21 December 1977 as amended on 25 June 1979.

(b) Description

The appropriations under this item cover the estimated expenditure involved in work which the JRC intends to carry out in 1984 at the request of outside bodies or individuals. This expenditure is covered by repayments from the requesting outside bodies or individuals entered under Article 622 of the statement of revenue.

The following services will be provided :

- revenue relating to training ;
- external customers of the Ispra Computer Centre ;
- analyses or studies conducted on behalf of outside bodies or individuals by the scientific departments of the Geel and Karlsruhe Establishments ;
- irradiations conducted on behalf of outside bodies or individuals in the HFR reactor at the Petten Establishment ;
- any revenue arising from the provision of services and from work in general performed against payment.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—					
Appropriation outstanding from 1983	—					
Appropriation for 1984	721 000	721 000	—			
Appropriation for 1985	964 000		964 000			
Total	1 685 000	721 000	964 000			

ITEM 7383 — SERVICES PERFORMED ON BEHALF OF OTHER COMMISSION DEPARTMENTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	5 000 000	5 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	6 000 000	4 000 000
Percentage change	+ 20,00	- 20,00

1. References and description

(a) References

Article 8(1) of the Treaty establishing the European Atomic Energy Community (EAEC).

(b) Description

The appropriations in this item represent the estimated expenditure on work to be allocated by the Commission to the Joint Research Centre with a view to providing specialized scientific and technical support to certain departments.

The specific departments in question are Euratom Safeguards (Luxembourg) in respect of analyses of samples of fissile materials from fuel fabrication plants, power stations and reprocessing plants, the Directorate-General for Energy in respect of systems analysis and the Customs Union Service in respect of expert technical reports on imported equipment liable for classification as equipment intended for scientific use.

In addition, provision has been made for support for the Directorate-General for Agriculture and the Directorate-General for Industry in the field of analytical chemistry, for the Directorate-General for Employment and Social Affairs and the Directorate-General for the Environment as regards problems connected with the protection of workers and the environment, for the Directorate-General for Development in the field of energy and the use of remote sensing, for the Statistical Office in the field of models and methods and for the Directorate-General for the Information Market and Innovation as regards activities connected with the development of new techniques to an industrial level.

2. Type of expenditure

Mission expenses and technical operating expenditure (use of scientific equipment, computers, etc.).

3. Method of calculation

In the absence of detailed requests, estimates based on past experience of a similar nature are used. The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	5 000 000	5 000 000	—	—	—	—
Appropriation for 1985	6 000 000	—	4 000 000	2 000 000		
Total	11 000 000	5 000 000	4 000 000	2 000 000		

New item

ITEM 7389 — OPERATION OF THE HFR REACTOR — DIRECT ACTION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	17 277 000	12 843 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	16 516 000	15 488 000
Percentage change	— 4,40	+ 20,59

1. References and description

(a) References

Decision of 22 December 1983 adopting a four-year (1984-87) programme (OJ No L 3, 5.1.1984, p. 21) concerning the Joint Research Centre.

(b) Description

This programme relates to the operation of the HFR reactor at the JRC's Petten Establishment.

2. Type of expenditure

Research staff costs, expenditure on technical support and services, some of administrative and technical operating expenditure for the Petten Establishment, research expenditure involving scientific equipment and installations and costs of financing study contracts relating to certain specific aspects of the research.

3. Method of calculation and explanation of changes

(a) Staff expenditure

The total staff complement for this action programme is 77 officials. Total staff costs amount to 4 035 563 ECU (including the reserve) (see the common calculation criteria after Article 739).

(b) Specific expenditure

This expenditure is estimated at 12 480 437 ECU in commitment appropriations and 11 452 437 ECU in payment appropriations (the main items of expenditure relating to this action programme and the breakdown under the headings 'Administrative operations', 'Technical operations', 'Investments' and 'Contracts' are shown after Article 739).

The schedule of payments in relation to commitments is as follows:

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—					
Appropriation outstanding from 1983	—					
Appropriation for 1984	17 277 000	12 843 000	4 434 000			
Appropriation for 1985	16 516 000		11 054 000	5 462 000		
Total	33 793 000	12 843 000	15 488 000	5 462 000		

ARTICLE 739 — COMPLETION OF PROGRAMMES — DIRECT ACTION

Former Items 7300, 7301, 7302, 7303 and 7304

ITEM 7390 — COMPLETION OF JOINT PROGRAMMES, 1980-83

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	25 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	—	16 700 000
Percentage change	—	— 33,20

1. References and description

(a) References

Decision of 13 March 1980 (OJ No L 72, 18.3.1980, p. 11) adopting a four-year (1980-83) programme concerning the Joint Research Centre.

(b) Description

The joint programme of the JRC covered the following five topics :

- nuclear safety (Former Item 7300),
- new sources of energy (Former Item 7301),
- study and protection of the environment (Former Item 7302),
- nuclear measurements (Former Item 7303),
- specific support for the Commission's sectoral activities (Former Item 7304).

2. Type of expenditure

An estimated 16 700 000 ECU in payment appropriations to cover all types of expenditure incurred during the execution of the four-year programme which was not covered by the payment appropriations available in 1983 and preceding years ; a breakdown of this expenditure by topic is given in the following table :

New nomenclature	Former nomenclature	Topic	Payment appropriations for 1984
7390/0	7300	Nuclear safety	11 000 000
7390/1	7301	New sources of energy	2 050 000
7390/2	7302	Study and protection of the environment	1 350 000
7390/3	7303	Nuclear measurements	1 300 000
7390/4	7304	Specific support for the Commission's sectoral activities	1 000 000
		Total	16 700 000

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	41 700 000	25 000 000	—	—		
Appropriation outstanding from 1983	—	—	—	—		
Appropriation for 1984	—	—	—	—		
Appropriation for 1985	—	—	16 700 000	—		
Total	41 700 000	25 000 000	16 700 000	—		

Former Item 7310

ITEM 7391 — COMPLETION OF 1980-83 SUPPLEMENTARY PROGRAMME

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	4 709 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	—	—
Percentage change	—	—

1. References and description

(a) References

Decision of 13 March 1980 (OJ No L 72, 18.3.1980, p. 11) adopting a four-year (1980-83) programme concerning the Joint Research Centre.

(b) Description

This supplementary programme relates to the operation of the HFR reactor at the JRC's Petten Establishment for the benefit of research projects conducted by the Federal Republic of Germany and the Netherlands, which each provide 50 % of the finance for this programme.

Common factors for the assessment of the budget estimates for Articles 735 and 738 (JRC)

A — Staff expenditure

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	108 777 000	108 777 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	117 100 000	117 100 000
Percentage change	+ 7,9	+ 7,9

The appropriations in respect of staff have been calculated on the basis of 2 260 at the end of the financial year 1985, i.e. 38 more than in 1984 which corresponds to the authorized programme complement. Furthermore, provision has been made for the sum of 825 000 ECU to cover expenditure relating to an initial group of 50 officials to be replaced (the planned total being 100) as part of a 'cutting-down/rejuvenation' operation; this corresponds to an additional cost of 16 500 ECU per official concerned.

Changes in the table of the JRC staff complement	1984 authorized staff complement	1985 proposed staff complement
Established posts	2 222	2 260

Lastly, estimates are based on the data contained in the Council Decision of 19 December 1983 adjusting remunerations and weightings, and on the requirements arising from the assumptions concerning the adjustment of remunerations that were adopted for the entire staff of the Community institutions, namely :

Reference period	Date of entry into force	in %					
		Belgium (Geel and Brussels)	Italy (Ispra)	Germany (Karlsruhe)	Netherlands (Petten)		
<i>I — Purchasing power</i>		Community average					
(a) 1.7.83-30.6.84	1.7.84	- 1					
(b) 1.7.84-30.6.85	1.7.85	- 1					
		(including - 0.5 in 1985)					
<i>II — Cost of living ⁽¹⁾</i>							
(a) 1.7.83-31.12.83	1.1.84	3,4	5,4	1,0	0,9		
(b) 1.1.84-30.6.84	1.7.84	3,8	6,4	2,1	2,1		
(c) 1.7.84-31.12.84	1.1.85	2,6	5,3	1,1	1,1		
(d) 1.1.85-30.6.85	1.7.85	3,5	5,4	2,2	2,2		

(¹) The figures indicated already make allowance for the deduction of half of the expected drop in the specific indicator made in the interim adjustment of salaries and pensions and for the final adjustment to be made at the time of the annual review (the third paragraph of Section 6 of the Annex to the Council Decision of 15 December 1981 amending the method of adjusting remunerations).

B — Current expenditure, investment and contracts

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	83 500 000	38 066 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	87 014 000	76 636 000
Percentage change	+ 4,21	+ 101,32

Expenditure for 1985 is a reflection of the second year of forecasts made as part of the programme.

1985, the second year of the four-year (1984-87) programme, corresponds to the average annual expenditure estimated for the programme, apart from the appropriations entered as specific appropriations for projects of European significance which amount to 5,0 million ECU and will be allocated in accordance with a Council Decision to be taken during 1984. If this specific investment were disregarded, the level of appropriations requested to cover current expenditure, investments and contracts would be lower in terms of current value than the level authorized for 1984.

The apparently high rate of increase of payment appropriations results solely from the need to make provision for covering, during the second year of a programme, legal commitments entered into in the first year.

It should be noted that cover for the commitment appropriations for the financial year 1985 by payment appropriations has been ensured, in conformity with the results set out in the administrative accounts of previous financial years, to the extent of 53 % on average in the case of Articles 737 and 738 (current expenditure, investments and contracts), the staff appropriations being, moreover, fully covered.

The following is a list of the main items of expenditure provided for in respect of the financial year 1985 in millions of ECU.

1. General services

Generally, the appropriations provided for meet the current expenditure on the main items of energy supplies, telecommunications, cleaning, transport, site maintenance and supporting contracts in the case of the Geel, Karlsruhe and Petten Establishments.

Some investments should be noted :

At the Karlsruhe establishment

- | | |
|---|-------|
| — work in connection with the physical protection measures | 0,150 |
| — work on the modernization of the alarm system, purchase of a spectrometer, replacement of measuring apparatus | 0,190 |
| — modernization and interconnection of cooling-water installations | 0,150 |
| — energy recovery facility | 0,160 |

At the Petten establishment

- | | |
|--|-------|
| — replacement of the finance and administration computer and the associated software | 0,260 |
| — construction of a lightweight building for the storage of bulky equipment (containers, etc.) and heavy machinery | 0,160 |
| — refitting of the test workshops and of the service building | 0,200 |

2. Scientific and technical support and the HFR reactor

- | | |
|---|-------|
| — purchase of a wire electro-erosion machine (Ispra Central Workshop) | 0,200 |
| — setting up of the technical installations associated with the operation of the accelerators (technical support, Geel) | 0,200 |
| — purchase of a numerically controlled lathe (technical support, Geel) | 0,080 |
| — modernization of the ventilation installations (Karlsruhe) following checks by the supervisory authorities | 0,180 |
| — heavy-water tank and associated installations (improvement of the neutron flux in the HB 3 and 4 bundles) | 0,275 |

3. Specific research programmes :

(a) Item 7370 — Industrial technology

Programme — measurements and reference materials

Main investments

A neutron calorimeter	0,070
Equipment for a microactivity laboratory and a neutron source with white spectrum for a total amount of	0,095
Installation of alchemically ultra-pure laboratory (white lab) for mass spectrometry	0,200
Instruments and equipment for the CBR building	0,120

Main contracts

A series of research contracts in the field of measurements and reference materials for a total amount of	0,100
Programme — high-temperature materials	

Main investments

A high-temperature and controlled-atmosphere test installation (fatigue, creep, corrosion resistance, etc.)	0,325
Equipment for the preparation and mechanical testing of ceramic materials for a total amount of	0,153

Main contracts

— study of production procedures for ceramic materials	0,080
— acquisition of data and specification of evaluation methods	0,053
— review of the state of the art of materials for high-temperature industrial use	0,030

These activities are the continuation of studies begun in 1984.

(b) Item 7371 — Fusion

Programme — Fusion technology and safety

Main investments

Ion gun for high-energy light ions	0,100
Completion of the large-scale installation for the testing of lithium-lead alloys	0,100
Equipment for the simulation of electrodynamic forces on molten layers	0,130
Completion of the fatigue testing installation	0,008
Purchase of two irradiation chambers for the cyclotron	0,100

Main contracts

— three contracts concerning the mechanical aspects, the design and the engineering aspects of Tokamak-type reactors	0,120
— two study contracts concerning the characterization and supply of manganese steels	0,080
— contract on the characterization of lithium-lead alloys	0,050

(c) Item 7372 — Fission

Programme — Nuclear reactor safety

Main investments

In the case of the project concerning the integrity of components and systems in light-water reactors	
— an automatic scanner for studying austenitic steel	0,050
— additional data-acquisition equipment	0,050
— construction of full-scale 'safe end' models (vessel-primary circuit junction)	0,200
In the case of the project concerning the study of abnormal behaviour of core-cooling systems in light-water reactors	

In the case of the project concerning the study of abnormal behaviour of core-cooling systems in light-water reactors

- pumps for the LOBI circuit 0,300
- plotting table, video, accessories 0,120
- instrumentation and components for the Salos circuit (separate effects tests) 0,130
- terminals (replacements and new equipment) 0,100

In the case of the project concerning the modelling of accidents in fast reactors (Part One)

- a power supply unit for an ultra-fast camera 0,050
- expansion of a data-acquisition system (multiphase tests) 0,050
- construction of a mock-up for thermohydraulic tests under accident conditions 0,200
- instrumentation for the study of sodium thermohydraulics 0,100

In the case of the project concerning the modelling of accidents in fast reactors (Part Two, PAHR analysis)

- various items of equipment (crucibles, electrodes, sodium container, etc) for the FARO-TERMOS project 0,250
- a gamma source 0,050

In the case of the project concerning the study of materials properties and the behaviour of structures in fast reactors

- a data acquisition system (transient recording instrument) 0,100
- modification of the large traction machine and instrumentation 0,180

Main contracts

In the case of the project concerning reliability and risk assessment

- aid for the implementation of RPDB (Reliability Parameter Data Bank) 0,100
- Analysis of AORS (Abnormal Occurrences Reporting System) data 0,100
- CEDB (Component Event Data Bank) transcription and analysis 0,200
- support for the organization of intercalibration analyses (benchmark exercises) 0,050
- development of methods for accident simulation 0,100

In the case of the project concerning the integrity of components and systems in light-water reactors

- PISC II analysis and parametric studies 0,100
- support for the development of models for predicting the residual lifetime of structures 0,050
- analysis and classification of data on 1/5th-scale vessels 0,100

In the case of the project concerning studies of the abnormal behaviour of core-cooling systems in light-water reactors

Extension of 'work packages' 2 A thermoh. analysis, 1 A mechanical engineer for measurement techniques, 1 B thermohydraulics expert, 1 B mechanic 0,700

- negotiation of a 'work package' for the analysis of the results in order to take over the corresponding BMFT contracts (1 A code analysis, 1 A thermohydraulic analysis, 1 A computer expert, 1 B instrumentation expert, 1 B computer expert) 0,800
- development of special instrumentation 0,300
- analysis of experimental data 0,100
- development of models 0,050

In the case of the project concerning the study of severely damaged fuel

- studies of fuel behaviour models 0,050
- studies and development of fission-product release models 0,080

In the case of the project concerning the modelling of accidents in fast reactors
(Part One)

- cooperation in the analysis of data and sodium boiling 0,060
- analysis of multiphase/multiflux models 0,050
- support (modelling) for the study of fuel movements 0,050

In the case of the project concerning the modelling of accidents in fast reactors
(Part Two, PAHR)

- cooperation in developing codes and in-pile test analyses 0,150
- phenomenological studies associated with in-pile tests 0,250
- development of models in connection with the FARO experiment 0,100

In the case of the project concerning studies of materials properties and the
behaviour of structures in fast reactors

- development of advanced methods for displacement measurements 0,060
- cooperation in the interpretation of results of tests on the large test machine 0,050
- development of constitutive laws for damaged materials 0,050

In the case of the project concerning the evaluation of a vibrating table

- international cooperative projects in the field of seismic analysis 0,200
- preparation of a preliminary vibrating table project 0,750

Programme — Radioactive waste

Main investments

- analytical equipment and instrumentation for the Petra project 0,100
- data-processing system and instrumentation for the study of penetrometers 0,060

Main contracts

- studies on and acquisition of software concerning the safety of geological storage 0,050
- participation in a Community survey concerning the characterization of the seabed as part of a study of the feasibility of storage in ocean sediments 0,100
- studies of alternative strategies for the treatment of waste 0,050

Programme — Safeguarding and management of fissile materials

Main investments

- a neutron and gamma-emission scanner 0,060
- a digital spectrum analyser 0,050

Main contracts

- development of software for microprocessors 0,075
- contracts with plant operators for the analysis of the safeguards system 0,075
- development of codes, software for the analysis of gamma-spectrometry data modelling of a measuring system software for image analysis, etc., for a total amount of 0,225

Programme — Nuclear fuels and actinides research

Main investments

- Machine for arc welding under inert gas for the encapsulation of radioactive samples 0,055

Differential thermal analysis apparatus for determining the melting point of actinide compounds (2 500°C) 0,300

High-temperature (2 500°C) diffractometer for studying the phase diagrams of actinide compounds and inflammable materials 0,130

'Drasc' equipment for studying the temperature and concentrations of gaseous molecules produced during the oxidation of advanced nuclear fuels 0,150

Main contracts

— irradiation contracts for the study of oxide fuels subjected to temperature and power transients	0,300
— contract covering participation in the studies on the release of fission gases by oxide fuels subjected to power transients	0,080
— contracts for the determination of the dynamics of aerosol propagation in fires occurring in glove-boxes and radioactive laboratories	0,080
— actinide synthesis under high pressures	0,030
— contract for measurement of the properties of Np and Pu compounds under high pressures (10 kbar)	0,050

(d) Item 7373 — Non-nuclear energy sources

Programme — Methods for testing solar-energy systems

Main investments

— 'global light' type simulator	0,200
— laboratory for characterization measurements of high-technology photovoltaic cells and panels	0,200
— installation of solar water-heating systems for intercomparison tests	0,120

Main contracts

— contracts for the analysis of test data relating to photovoltaic panels	0,070
— contracts for the analysis of test data relating to thermal	0,070

Programme — Energy management in the home

Main investments

— installation of roof modules with solar tiles and ambient heat collectors with heat pumps	0,070
— prototype of a 'passive solar' test cell	0,050
— test bench for Rankine machines for studying solar air conditioning	0,070
— test unit for the comparison of various types of chemical storage	0,060

Main contracts

Contracts for data analysis and modelling	0,060
Study contracts for data collection and surveys (Energy Audit Activity)	0,066

(e) Item 7374 — Environment

Programme — Environmental protection

Main investments

In the case of the project concerning chemical products in the environment	
— components for a tandem mass spectrometer (1st stage)	0,250
In the case of the project concerning quality of the environment	
— associated electronics and data acquisition system for a portable IR spectrometer	0,100
In the case of the energy and environment project	
— modernization of mobile Lidar equipment	0,050
— automatic mass spectrometer for isotope analysis of light elements (purchase initially intended for 1984, feasibility study under way)	0,250

Main contracts

Continuation of data acquisition for Ecdin

— toxicological data collection	0,200
— collection of data concerning chemical processes	0,100
— statistics on production and trade, chemical processes and production plant	0,300
— collection of data concerning indoor atmospheric pollutants	0,030
— levels of metal traces in human tissues	0,030

Programme — Application of spatial remote-sensing techniques

Main investments

In the case of the project concerning agriculture and land use

— rapid transportable radiometer (enables transects to be taken)	0,060
— platform for the collection of meteorological and hydrological data for agriculture in the Milo basin, retransmission by satellite (Argos) to Toulouse	0,050
— hardware for the modernization of the image processing laboratory unit for the new tape formats with 6 250 bits/inch rapid plotter	0,125
Array processor (multiplies the computer speed by 10, which is necessary with current high-resolution satellites)	

In the case of the project concerning protection of the sea

— advanced electronics for hydrocarbon fluorosensor	0,090
— two buoys for the collection of marine parameters	0,070
— modernization and expansion of a data processing system	0,060

Main contracts

In the case of the project concerning agriculture and land use

— contracts for the maintenance of the image processing laboratory	0,140
— modelling : potential of and evaluation criteria for 'less-favoured regions'	0,100
— development of software for the pre-processing and correction of images provided by artificial-aerial radar	0,047
— flights for the collection of data over the chosen test site (Freiburg/Les Vans) for correlation with the satellite images	0,100
— ground truth (data collection, digital ground model)	0,050

In the case of the project concerning protection of the sea

— aircraft flights over the Adriatic for the collection of marine pollution data	0,100
— hydrocarbon measurement survey in the North Sea	0,100
— design and construction of an airborne fluorosensor (first stage)	0,170
— software (user friendly) for the processing of CZCS (Coastal Zone Colour Scanner) images	0,60

Programme — Industrial hazards

Main contracts

— acquisition and development of models of accident consequences	0,070
— comparative study of risk assessment processes	0,060
— study of reference data bases concerning accidents at work	0,070
— a series of contracts concerning various aspects of industrial hazards for a total amount of	0,260

(f) *Item 7375 — Projects of European significance*

The JRC is currently studying two projects of significance which are suitable for siting at the Ispra Establishment of the JRC.

One of these projects involves a vibrating table and is being studied under the Nuclear Reactor Safety Programme, while the other concerns a laboratory for studying and handling tritium and is being studied within the framework of the Fusion Reactor Technology and Safety Programme.

As regards the latter facility, the Council should express its opinion on the advisability of setting up such a laboratory towards the end of the first half of 1984. Under these conditions, the first major investments would be made during 1985 and would chiefly concern :

— the construction of the building	1,800
— the ventilation system of the controlled area	1,400
— the gas analysis system	0,500
— the system for the continuous monitoring of tritium	0,500

In addition, a series of contracts would cover the definition of certain aspects of the experimental programme associated, in particular, with the tritium — first wall and tritium — blanket zone interactions for a total amount of

(g) <i>Item 7389 — Operation of the HFR reactor</i>	0,500
— One contract for a market survey and for the development of new means of irradiation	0,030

CHAPTER 75 — INFORMATION MARKET AND INNOVATION

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
750	Three-year plans for the information market	5 000 000	4 500 000	5 000 000	5 000 000	0	+ 11,1
751	Promotion of the transfer of information between European languages	2 200 000	1 500 000	1 500 000	1 500 000	- 31,82	0
752	Community projects in the field of innovation	5 500 000	3 000 000	7 250 000	4 000 000	+ 31,8	+ 33,3
753	Dissemination, transfer and optimum use of scientific and technical knowledge	1 700 000	850 000	3 400 000	1 700 000	+ 100	+ 100
754	Eurotra modular machine-translation system	p.m.	300 000	4 200 000	1 500 000		+ 400
755	Other projects in the field of information retrieval	600 000	600 000	600 000	600 000	0	0
756	Community projects for developing the information market	p.m.	p.m.	500 000	500 000		
757	Community contribution to the financing of innovation for the purpose of assisting small and medium-sized enterprises	12 000 000	12 000 000	p.m.	p.m.	- 100	- 100
758	Purchase of scientific and technical books and subscriptions	235 000	235 000	350 000	350 000	+ 49	+ 49
759	Information and procedure concerning patents	200 000	200 000	400 000	400 000	+ 100	+ 100
	Total	27 435 000	23 185 000	23 200 000	15 550 000	- 15,4	- 32,9

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 750 — THREE-YEAR PLANS FOR THE INFORMATION MARKET

ITEM 7501 — SECOND PLAN OF ACTION (1978-80)

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

Council Decision of 9 October 1978 (OJ No L 311, 4.11.1978) on the second plan of action in the field of scientific and technical information and documentation (STID).

(b) Description

This budget heading groups together expenditure for the settlement of commitments entered into during previous years.

Such expenditure covers :

— technical consolidation of the Euronet network :

by adapting its structure to international norms and standards, so as to make it possible, in the near future, for it to be linked up with other European national networks and to promote the flow of non-Community traffic ;

by increasing its capacity to process data and by improving the response time in the face of increased demand. In this connection, the Commission is working with the national PTT administrations to carry out a programme of extensions to the network, in view of the need to cater for the interests of new partners (Switzerland, Greece, Spain, Portugal and the Scandinavian countries).

— improvement of the Diane services to users :

in quantitative terms, by increasing the number of hosts linked to the network (about 50 at the end of 1983) and data banks available to users (about 400 at the end of 1983). Several Community bases or systems are already operational, mainly in the areas of agriculture, the environment and energy ; in qualitative terms, by taking steps to train and educate users and specialists and by making available access facilities, whether in the form of technical manuals in several languages or directories and yearbooks of the services performed or through the creation of multilingual tools and a common inquiry and command language.

Moreover, efforts to promote the network in the eyes of the public must continue through the stepping-up of information campaigns, with the short-term aim of ensuring the profitability of Euronet-Diane as a commercial operation.

2. Type of expenditure

Non-repayable subsidies.

3. Method of calculation

The balance of the commitments entered into under this second three-year plan will be settled against payment appropriations carried forward. This line is left open for 1985 owing to the legal obligations still existing throughout the plans of action.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	—	—	—	—	—	
Appropriation for 1985	p.m.	—	p.m.	—	—	
Total	p.m.	—	p.m.	—	—	

ITEM 7502 — THIRD THREE-YEAR PLAN FOR THE INFORMATION MARKET

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	2 500 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	p.m.	2 000 000
Percentage change	—	— 20,0

1. References and description**(a) References**

Council Decision 81/599/EEC of 27 July 1981 adopting a third three-year plan of action in the field of scientific and technical information and documentation (1981-83) (OJ No L 220, 6.8.1981).

(b) Description

The basic aim of the third plan of action is to promote the harmonious development of the European information industry, in order to ensure Community independence in a sector of economic activity characterized by a high level of expansion and rapid technological and structural change. Accordingly, the main thrust of the Commission's action will be to organize the information market and to consolidate the Euronet-Diane network as a preferential Community instrument of this policy.

Consolidation of Community attainments

The Euronet network must be capable of directing trends in the European information market. The object of stepping up the drive to promote the network and services is to familiarize representatives of the various sectors of the economy with this new telecommunications mode. At the same time, the extension of the network's geographical coverage and the increase in traffic will require efforts to rationalize management methods and also the adaptation of the physical network to comply with new, more demanding international standards.

Moreover, the diversification and increase in the number of data bases and banks accessible on the network and improvements in the back-up services offered to users have the secondary effect of attracting an increased number of potential users.

These measures, calculated at 3 million ECU, are likely over the long term to contribute to the balanced operation of the network and, in the meanwhile, to limit the Community's financial involvement to a total of 3,5 million ECU for five years at a rate of 1,5 million ECU in 1982 and 2 million ECU spread over 1983 and subsequent financial years.

Development of the information market

The aim of Community action must be to remove barriers to the free circulation of information in Europe through the harmonization of national regulations and the laying-down of common standards. In addition, steps must be taken to stimulate competition on the European market by providing services to users (in particular, small and medium-sized firms) and by the acquisition of unredeemable shares to encourage public and private investment in projects of Community dimensions. This action will be pursued in the context of the invitation-to-tender procedure, which was tried successfully during the second plan of action. An appropriation of 1,9 million ECU was allocated to this venture both in 1983 and 1984.

Lastly, the aim of selectively promoting new technologies through the completion of feasibility studies and pilot projects is to enhance the role of European industry on the world market and to encourage the export of information products and services. The cost of these measures amounted to 0,5 million ECU in 1983.

2. Type of expenditure

Non-repayable subsidies.

3. Method of calculation and explanation of changes

The balance of the commitments entered into under this third three-year plan of action will be settled against payment appropriations entered in the 1985 and subsequent budgets.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	3 942 000	750 000	1 000 000	2 192 000		
Appropriation outstanding from 1983	2 971 000	1 750 000	1 000 000	221 000		
Appropriation for 1984	p.m.	p.m.	p.m.	p.m.	p.m.	
Appropriation for 1985	p.m.		p.m.	p.m.	p.m.	
Total	6 913 000	2 500 000	2 000 000	2 413 000	p.m.	

New action

ITEM 7503 — COMMUNITY ACTIVITIES IN THE SPECIALIZED INFORMATION SECTOR

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	5 000 000 ⁽¹⁾	2 000 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	5 000 000	3 000 000
Percentage change	0	+ 50

⁽¹⁾ This appropriation is entered in Chapter 100.

1. References and description

(a) References

- Article 235 of the EEC Treaty.
- Council Resolution of 24 June 1971 (OJ No C 122, 10.12.1971).
- Proposal for a Council Decision, (COM(83)661 final), 17 November 1983 (OJ No C 328, 2.12.1983).
- Parliament Resolution of 26 March 1984 (OJ No C ,).

(b) *Description*

The basic aim of the Community's activities in the specialized information sector is to provide for the social and economic development of this branch of the industry, which is destined to play a decisive role in the information market over the coming decade.

The growing importance of this sector calls for the work put in hand under the three-year plans on STID over the period 1975-83 to be extended by means of continued action to :

- *improve the information environment and market conditions* in order to encourage the use of information products and services originating in Europe and thereby to ensure as far as possible that they are economically viable. This will be achieved by measures designed to overcome the present technical, linguistic, commercial and other barriers and thus to clarify the supply and demand situation in the information market ;
- *improve the range and quality of European information services and products* in areas of Community interest, by promoting innovation. The choice of these areas will be guided by a greater knowledge of the market and information needs expressed in the manufacturing and R&D sectors. It has become evident in practice that in certain regions greatly requiring exchange of information the necessary experience and resources are lacking ; this illustrates the need for active guidance and support to encourage improvement of the quantity and quality of information available in these regions.

The activities to be pursued include :

- improving the information environment and the market conditions by :
 - improving the technical and administrative conditions of the specialized information market ;
 - developing and using multilingual tools and machine translation ;
 - giving due regard to the social, commercial and political aspects of the supply and use of information services ;
 - educating, training and assisting users ;
 - developing automatic referral systems and improving access to information ;
 - making available reference and information files ;
 - developing and monitoring the ECHO (European Commission Host Organization) services ;
 - connecting up new countries and cooperating with the ACP countries ;
- stepping up the supply and improving the quality of European information products and services by :
 - creating and distributing non-independent information systems and services where they yield tangible profits without competing with the private sector ;
 - initial reference to the development of high-quality information services and products which are of interest to the Community and are eventually to be placed on the market ;
 - stimulating the development of integrated information services, including all the links in the information chain ;
 - encouraging innovation ;
 - monitoring, assessing and applying new methods and technologies in the specialized information field ;
 - promoting common practices in the distribution and use of information products, services and processes.

2. Type of expenditure

Non-repayable subsidies.

3. Method of calculation and explanation*(a) Method of calculation*

The commitment appropriations requested for 1985 are broken down as follows :

Activities

— User-oriented developments :		850 000
— improvement of the technical environment, reference files, automatic referral systems	510 000	
— education, training and assistance of users, improvement of regional infrastructures	340 000	
— operation of the ECHO services	(p.m.)	
— Activities to promote multilingualism :		375 000
— development of multilingual tools	270 000	
— application of machine translation	105 000	
— Market-oriented developments :		375 000
— administrative developments	135 000	
— connecting up new countries	135 000	
— exporting information	105 000	
— Development of new systems and information services		2 000 000
— encouraging the creation of integrated information services	700 000	
— stimulating the creation of high-quality information services : calling for proposals	950 000	
— developing sectoral systems and services	350 000	
— New technologies and methods and pilot projects :		950 000
— Videotex development and applications	350 000	
— electronic publishing and delivery of documents	450 000	
— developing artificial intelligence for information processing	150 000	
— Expenses of outside experts		450 000
		<hr/>
Total		5 000 000

The payment appropriations required for 1985 amount to 3 000 000 ECU.

(b) *Explanation*

The request for appropriations is based on :

- the cost of work carried out under the third plan of action on STID ;
- estimates made by national experts or as part of detailed feasibility studies, concerning in particular the costs of introducing new technologies, of supporting the European information market and of assisting users ;
- schedules of charges in force and already applied in certain study contracts and contracts for the provision of documentary and data-processing services.

The proposed programme should make it possible :

- to develop and set in a wider context a number of activities initiated under the third three-year plan of action, thus ensuring the necessary continuity with previous activities ;
- to put in hand new activities designed not only to cover all three aspects of the specialized information market, but also to arrive at as wide as possible a coverage of market structures in areas where the Communities are involved.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	5 000 000 ⁽¹⁾	2 000 000 ⁽¹⁾	2 000 000	1 000 000		
Appropriation for 1985	5 000 000		1 000 000	2 000 000	2 000 000	
Total	10 000 000⁽²⁾	2 000 000	3 000 000	3 000 000	2 000 000	

⁽¹⁾ This appropriation is entered in Chapter 100.

⁽²⁾ Of which 5 000 000 ECU are entered in Chapter 100.

ARTICLE 751 — PROMOTION OF THE TRANSFER OF INFORMATION BETWEEN EUROPEAN LANGUAGES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 200 000	1 500 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	1 500 000	1 500 000
Percentage change	- 31,8	0

1. References and description

(a) References

- Article 2 of the EEC Treaty.
- Council Resolution of 24 June 1971 (OJ No C 122, 10.12.1971).
- Commission Decision of 25 November 1982 introducing a third plan of action for the improvement of the transfer of information between European languages (SEC(82)1886 final).

All these texts require the Commission to allow the greatest possible number of users, irrespective of their linguistic or geographical situation, to have access to its data bases and to provide the facilities which will enable them to overcome the obstacles resulting from this situation.

(b) Description

These activities cover :

- The development and introduction of machine translation systems and other multilingual tools, as provided for in the plans of action for the improvement of the transfer of information between European languages, adopted by the Commission on 23 December 1976, 10 June 1980 and 25 November 1982.
- In the case of machine translation, the Commission developed several language versions of an integrated type of system known as Systran, i.e. a system which embodies a close interaction between the programming grammar and algorithms. This system is now in operation for translation from English into German, French and Italian, on the one hand, and from French into German and English, on the other.
The Commission will continue to improve this system in 1985 and extend its application to all possible fields, with particular reference to the types of text currently produced in the Community institutions and the government departments of the Member States.
- As regards terminology data banks, the Commission intends to enlarge its terminology bank, Eurodicautom, in 1985 to include all fields covered by its translation services and all languages. Emphasis will be given to specialized terminology in the less common languages (c.g. Dutch, Danish, Greek) and, if necessary, to the languages of future Member States (Spanish, Portuguese).

- In its work on multilingual methods and tools in 1985, the Commission will concentrate on mastering the constraints and evaluating the requirements in this field so as to provide support for all concerned with the information market. This will involve feasibility studies and surveys, drafting of standards (multilingual keyboard coding in office automation), promotion of multilingual tools (symposia and seminars) and user training.
- The conversion of the various data bases and banks, existing or being developed in the Community institutions, to the standards and characteristics of the Euronet network with a view to their on-line accessibility to the various user categories in the Community together with the launching by independent hosts of data bases developed by the Commission (start-up appropriations).
The back-up measures required since 1980, when Euronet was made accessible to the public, will in 1985 be concentrated on the provision and improvement of a computer-based guidance and referral service for users of the network, high-level protocols and interfaces and powerful search software (ECHO service).
- Computerization of these information and translating systems and their connection to the Euronet network and the link-up with users in the Community institutions, the purchase of services to ensure the necessary infrastructure for the proper functioning of the information services opened up through Euronet.

2. Type of expenditure

Non-repayable subsidies.

3. Method of calculation and explanation of changes

(a) Method of calculation

The commitment appropriations requested for 1985 are broken down as follows :

1. Multilingual tools :

(a) machine translation systems	425 000
(b) terminology banks and dictionaries for machine translation	150 000
(c) other activities (studies, standards, promotion, training)	175 000
(d) technical infrastructure	150 000
Subtotal	900 000

2. Conversion of Community data bases :

(a) Conversion of data bases	50 000
(b) Start-up appropriations for the bringing into service and launching of data bases	50 000
(c) Adaptation to Euronet standards	50 000
Subtotal	150 000

3. Data processing and information technology services :

(a) Operation of ECHO services	205 000
(b) Infrastructure cost of ECHO services	205 000
(c) Hardware and connections to Euronet	10 000
(d) Leasing, maintenance and back-up of GRIPS/DIRS software	30 000
Subtotal	450 000
Total	1 500 000

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	442 000	442 000				
Appropriation outstanding from 1983	1 143 000	558 000	585 000	—		
Appropriation for 1984	2 200 000	500 000	415 000	700 000	585 000	
Appropriation for 1985	1 500 000	—	500 000	500 000	500 000	
Total	5 285 000	1 500 000	1 500 000	1 200 000	1 085 000	—

ARTICLE 752 — COMMUNITY PROJECTS IN THE FIELD OF INNOVATION

ITEM 7520 — EXPLORATORY PROJECTS IN THE FIELD OF INNOVATION

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 000 000	2 000 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	2 000 000	2 000 000
Percentage change	—	—

1. References and description

(a) References

- Conclusions of the Presidency of the European Council of 1 and 2 December 1980 — Section on industrial innovation and development.
- Communication from the Commission to the Council (COM(81)620 final) of 20 October 1981, 'A policy for industrial innovation — Strategic lines of a Community approach'.

(b) Description

The objectives are the coordination of Member States' innovation policies, the strengthening of the internal consistency of common policies affecting innovation and the promotion of innovation by analyses, recommendations and individual and specific experimental operations.

This operation will undergo rapid and appreciable expansion, in accordance with the strategic lines of a Community approach to industrial innovation set out by the Commission in its communication to the Council of 20 October 1981 (COM(81)620 final) following requests made by the European Council on 1 and 2 December 1980 and by the heads of Industrial Affairs Departments who, on 23 June 1978, invited the Commission to present proposals in this field.

Furthermore, the European Council of 28 and 29 June 1982 confirmed the conclusions it reached in March concerning the development of an industrial strategy for the Community on the basis of a technology and innovation policy.

In particular the Commission will respond to the request made to 'the competent authorities of the Community' by the Luxembourg European Council in December 1980 'to examine ways of eliminating the fragmentation of markets and improving incentives to innovation and the dissemination of knowledge'.

Better policy coordination, improvement of incentives to innovation and the dissemination of knowledge will require several types of operation :

- Studies and services which are capable of :
 - providing better information which could lead to greater convergence between the national policies on innovation, or
 - influencing other Community policies, or
 - by means of experiments or pilot projects, gathering the data necessary for defining any operational Community measures.

Such studies, surveys, seminars, experimental operations and services should cover the following :

- venture capital and financing of innovation,
- consolidation of needs and markets,
- obstacles to the common market in technology ;
- taxation policies,
- security market regulations,
- patents and licences,
- innovation indicators in firms, especially in small and medium-sized firms,
- technology transfers,
- public contracts,
- improvement of relations between industry and the universities,
- monitoring of the latest developments in innovation policies in Europe, the United States and Japan,
- feasibility studies and pilot projects for the setting up of European networks to aid innovative firms, on the lines of the US Retired Executive Corps,
- studies of how firms, especially innovative firms, come to be set up,
- European innovation competition,
- experimental actions, seminars and surveys designed to prepare for measures to promote trade in technologies and their exploitation in the fields of the evaluation of new technologies and the new equipment, products and services markets.

2. Type of expenditure

Expenditure on studies or services and operating appropriations.

Any revenue may be re-used for this item.

3. Method of calculation

(a) Method of calculation

— In-depth studies of venture capital, innovation financing, taxation policies and rules for the securities market	50 000
— Consolidation of needs and markets, barriers to the common market in technology and public contracts	50 000
— Identification of barriers to innovation (+) and methods for stimulation in various key sectors of industry, notably by means of surveys and seminars	120 000
— Promotion of collaboration between small and medium-sized enterprises with a view to Europe-wide and possibly world-wide marketing of new products and services (action to be taken subsequent to the symposium of 15 and 16 May 1984)	75 000
— Technology transfers, analysis of patents and licences	100 000
— Innovation indicators in firms, especially in small and medium-sized firms, and measurement of the performance of innovative small and medium-sized firms	50 000
— Monitoring of the latest developments in innovation policies in Europe, the United States and Japan	50 000
Experimental and pilot projects in the following specific areas, with a view to preparing proposals for Council Decisions :	
— Preparation of a multiannual programme of action of assist STCELA (Standing Technological Conference of European Local Authorities)	75 000
— Trial cooperation with the aim of setting up networks on the lines of the US Retired Executive Corps	200 000
— Pilot project concerned with the use of patent literature, bibliographies and statistics on the lines of the OTAF in the USA	300 000
— Studies of how firms, especially innovative firms, come to be set up	200 000
— Trial cooperation between different types of public and private bodies working towards closer relations between industry and universities	200 000
— Looking into the expediency and feasibility of launching a major European innovation competition and initial experiments	400 000
— Organizing cooperation between specialized collective research centres in several Community countries	50 000
— Pilot experiment to set up a 'transfrontier innovation pool'	100 000
— Pilot project to train intermediaries, especially consultants in small and medium-sized firms, in technology and management	100 000
Subtotal	2 020 000
(+) The amount of revenue which may be re-used is estimated at 20 000 ECU, coming from the admission charges to the seminars and symposia to be organized	— 20 000
Total	2 000 000

**ITEM 7521 — PROMOTION OF A SUPPORTING INFRASTRUCTURE FOR INNOVATION
AND TECHNOLOGY TRANSFERS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	3 500 000 ⁽¹⁾	1 000 000 ⁽²⁾
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	5 250 000	2 000 000
Percentage change	+ 50	+ 100

⁽¹⁾ Of which 2 000 000 ECU are entered in Chapter 100.

⁽²⁾ Of which 250 000 ECU are entered in Chapter 100.

1. References and description

(a) References

- Article 235 of the Treaty.
- Council Decision 83/624/EEC of 25 November 1983 concerning a plan for the transnational development of the supporting infrastructure for innovation and technology transfer (OJ No. L 353, 15.2.1983).

(b) Description

The purpose of these appropriations is to :

- enable innovating firms to gain greater benefit from the dimension of the common market through :
 - promotion of a transnational supporting infrastructure for innovation, and
 - technology transfer ;
- promote the coordination of Community and Member State activities concerning innovation.
- develop cross-frontier cooperation between national or regional services and bodies supporting innovating firms in the Community, so as to improve their efficiency and create a process of innovation on a common market scale.

The aim is not to provide direct aid for specific new technologies but to create the right conditions for the launching of new products on the market on a Community-wide scale.

2. Type of expenditure

Non-repayable subsidies for the most part, and costs of organizing promotional activities (especially symposia and conferences) involving the collection of revenue which may be re-used.

3. Method of calculation and explanation of changes

(a) Method of calculation

The appropriations necessary for the execution of this three-year programme — a **total of 10,0 million ECU** — are set out against the following three lines of action described in Annex I to the Council Decision :

Chapter 1 — European cohesion between existing innovation promotion organizations.

Chapter 2 — Strengthening the foundations : people, know-how, communication.

Chapter 3 — Concertation of Member States and Community action.

The schedule for the commitment of the appropriations is approximately as follows :

1.1 The industry/research interface	450 000	
1.2 Technology and management advisory services	850 000	
1.3 Venture finance operations	300 000	
1.4 Interface between public users and innovative industries	400 000	
1.5 Exploration and promotion of further initiatives	300 000	
	Subtotal	2 300 000
2.1 Joint support functions for the awareness and assessment of new technologies and potential markets	900 000	
2.2 Access to patents and licensing markets	450 000	
2.3 Opening new channels of communication to accelerate marketing of new products	650 000	
	Subtotal	2 000 000
3.1 Exchanges of information and experience	150 000	
3.2 Cataloguing of programmes and measures	100 000	
3.3 Support for the introduction of new methods	700 000	
	Subtotal	950 000
	Total	5 250 000

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	1 250 000 ⁽¹⁾	1 000 000 ⁽²⁾	250 000	—	—	—
Appropriation for 1984	3 500 000 ⁽¹⁾	1 000 000 ⁽²⁾	1 000 000	1 000 000	500 000	—
Appropriation for 1985	5 250 000	—	750 000	2 000 000	1 750 000	750 000
Total	10 000 000⁽¹⁾	2 000 000⁽²⁾⁽³⁾	2 000 000	3 000 000	2 250 000	750 000

⁽¹⁾ 2 million ECU entered in Chapter 100.

⁽²⁾ Including 250 000 ECU entered in Chapter 100.

⁽³⁾ Including 1 million ECU payment appropriations carried over from 1983 in relation to commitments at 1 January 1984.

ARTICLE 753 — DISSEMINATION, TRANSFER AND OPTIMUM USE OF SCIENTIFIC AND TECHNICAL KNOWLEDGE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 700 000	850 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	3 400 000	1 700 000
Percentage change	+ 100	+ 100

1. References and description

(a) References

- EAEC Treaty (Articles 12 to 15).
- ECSC Treaty (Article 55).
- EEC Treaty (Article 41).
- Council Regulation (EEC) No 2380/74 of 17 September 1974 (OJ No L 255, 20.9.1974).
- Communication from the Commission to the Council of 3 March 1983 (COM(83)18 final) on promoting the utilization of the results of Community-sponsored R & D, and the draft Council resolution relating to it.

(b) Description

To ensure full, effective and rapid access to the results of research and scientific or technical studies financed or coordinated by the Community through periodical and occasional publications, electronic or hard copy, and through specialized seminars, conferences and exhibitions.

To stimulate the effective exploitation of inventions deriving from research within the Community by means of projects designed to secure optimum use, including :

- evaluation of the results of research aimed at assessing the prospects of industrial-scale production or marketing of inventions by means of feasibility or market studies to determine whether they justify a marketing operation and additional research and development work ;
- projects for the demonstration, testing and promotion of inventions, the marketing of which necessitates the construction of a prototype.

Generally, to promote through studies, seminars and experimental projects better circulation of the results of research in the fields covered by the Treaties.

This operation is expected to expand in accordance with the communication from the Commission to the Council of 3 March 1983, Parliament's resolution of 18 November 1983, the Economic and Social Committee's opinion of 23 November 1983 and the proposal for a resolution which is being discussed in the Council.

- | | |
|---|---------|
| — Market research and feasibility studies | 150 000 |
| — Advertising of inventions | 50 000 |
| — Services rendered by the JRC | 100 000 |
| — Services rendered under contract (for monitoring the optimum use of inventions) | 100 000 |

— Financial contributions to prototypes and pilot projects relating to inventions deriving from :	
— JCR research projects ⁽¹⁾	1 275 000
— cost-sharing research projects	650 000
	<hr/>
Subtotal	2 325 000
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Total	3 600 000
Estimated revenue	— 200 000
	<hr/>
Grand total	3 400 000

⁽¹⁾ Including a process for the desulphurization of gaseous effluents from thermal power stations using the 'Mark 13 A' process invented under the 'Hydrogen' research programme completed in 1983. At its final meeting in December 1983, the APCM hoped that this invention would continue to be exploited.

(b) *Explanation of changes*

From 1973 to 1983, Community expenditure on research and development increased substantially from 70,0 million ECU to 409 million ECU, a growth of about 484 % in 10 years. At the same time, the appropriations for dissemination and optimum use of R&D results went up by some 189 %, from 299 620 EUA in 1973 to 850 000 ECU in 1983. Other scientific and technical activities have also been developed, such as support for energy demonstration projects. The effects of this trend on the volume of the results to be disseminated, already appreciable for several years, will continue to be felt in 1985.

In accordance with a request by the Council on 20 December 1979, and with a view to achieving better exploitation of the results of Community research, the Commission set out, in a communication to the Council (COM(80)889 of 31 December 1980), a range of measures calculated to bring about such an improvement.

In February 1982, CREST reacted favourably to the guidelines proposed in this communication and added some suggestions of its own. This prompted the Commission to send the Council on 3 March 1983 a communication on promoting the utilization of the results of Community-sponsored R&D (COM(83)18 final), which requests it not only to approve a set of measures in this field, but also to recognize the budgetary implications as regards those measures whose implementation requires additional appropriations. These budgetary implications are reflected above.

They mainly involve the availability of :

- appropriations to allow more information to be given on research projects in progress, especially in *Euro-abstracts* and the EABS data base and to make more regular use of newsletters ;
- appropriations for promotion and popularization projects to disseminate research results among the economic operators, especially the small and medium-sized firms ;
- appropriations for studies, services, seminars and conferences to achieve better coordination of the means of dissemination at the disposal of the Commission and the Member States ;

— appropriations for a translation fund with the aim of encouraging private publishers to publish basic works of importance to the Community.

As regards optimum use of the research, the appropriations requested will be used :

- to carry out technical and commercial work with a view to finding industrial applications for certain results, to verify whether the product of the research meets the established requirements of the market and identify the economic operators who possess the capacity required to exploit the results and benefit from licences ;
- to ensure, in cooperation with the JRC and the contractors in cost-sharing research programmes, that licensees make optimum use of promising inventions arising from research and the relevant technology is transferred to them ;
- to promote the results of research by demonstration operations and the construction of prototypes, if necessary on an industrial scale.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	1 700 000	850 000	500 000	360 000		
Appropriation for 1985	3 400 000	—	1 200 000	1 100 000	1 100 000	
Total	5 100 000	850 000	1 700 000	1 460 000	1 100 000	

ARTICLE 754 — EUROTRA — MODULAR MACHINETRANSLATION SYSTEM

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	300 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	4 200 000	1 500 000
Percentage change	+ 100	+ 400

1. References and description

(a) References

Council Decision of 4 November 1982 on the adoption of a European Economic Community research and development programme for a machine-translation system of advanced design (OJ No L 317, 13.11.1982).

(b) Description

The aim of the project is to create a computer-assisted translation system capable of dealing with all the official Community languages.

The programme provides for :

- the development of an analysis module for each language, which will carry out morphological, syntactic and logico-semantic analysis of the source text to the levels specified by the definition of the commonly agreed interface structure ;
- the development of a generation module for each language, which will be able to accept an interface structure of the type commonly agreed and generate from it a surface representation in that language ;
- the development of a transfer module for each language pair, which will take as input an interface structure of the type commonly agreed, derived from an analysis of the source text, and produce from it an interface structure of the same type, from which the target text may be generated ;
- the compilation of monolingual dictionaries in two steps :
 - an initial test dictionary for each language, to be used both in analysis and in generation, comprising approximately 2 500 entries in a specific subject field ;
 - an expanded monolingual dictionary, whose final size will be approximately 20 000 entries ;
- the compilation of a multilingual lexical data base for use in the transfer phase, in two stages as for the monolingual dictionaries ;
- the development of a basic software package, including support software for dictionary handling and updating as well as software capable of dealing with the analysis, transfer and generation modules described above. This will include interpreter compiler programs for the specially-defined high-level language in which grammars and dictionaries are to be written ;

- the development of the software for the user-system interface, by which the different modules may be combined into integrated systems corresponding to the various user options defined.

The programme is planned to run for five and a half years.

The work planned for 1985 includes the following :

- (1) completion of initial analysis and generation for each language by national research teams working on a limited corpus of 2 500 terms and using the experimental set-up devised in 1984 ;
- (2) completion of the first part of the basic software ;
- (3) coordination of the work and integration of the results ;
- (4) organization of meetings, seminars and workshops for the research teams involved in the programme ;
- (5) acquiring the data-processing equipment needed by the national research teams and the Commission's central team.

2. Type of expenditure

The work specified in (1) above will be carried out by national centres under contracts of association, the Commission covering about 40 % of total expenditure.

The work in (2) will be done by a European industrial body specializing in information processing, to be selected by means of an open invitation to tender.

The work in (2) to (5) will be financed entirely by the Commission and completed in accordance with contracting procedures (studies, services rendered, purchase or rental of equipment).

3. Method of calculation and explanation of changes

(a) Method of calculation

The Council Decision of 4 November 1982 provides for an expenditure of 8 500 000 ECU in the second phase (two years) of the Eurotra programme : the 4 200 000 ECU commitment appropriations requested represent the first part of this.

The following expenditure is planned :

— Contribution to the work of the national research teams	2 600 000
— Completion of software	1 000 000
— Coordination of work	300 000
— Meetings, seminars, workshops	100 000
— Data-processing equipment	200 000
Total	4 200 000

NB : Direct contributions by the national partners are estimated at some 3 000 000 ECU in 1985.

(b) *Explanation of changes*

No commitment appropriation has been entered for 1984 (p.m.). This is because the delayed start of the programme (Decision of 4 November 1982) meant that execution of the first phase (two years) had to be carried over into 1983 and 1984 for appropriations authorized in 1982 and 1983.

The appropriations requested for 1985 therefore represent the first part assigned by the Council Decision to implementing the second phase of the programme.

— collaboration among the national institutions at European level, to be financed jointly by the national authorities and the Commission.

This programme complies with the recommendations of the Cetil Working Party made up of national experts appointed by the Commission.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	1 000 000	—	220 000	200 000	280 000	
Appropriation for 1984	p.m.	300 000	p.m.	p.m.	p.m.	
Appropriation for 1985	4 200 000	—	1 280 000	2 000 000	920 000	
Total	5 200 000	300 000	1 500 000	2 200 000	1 200 000	

ARTICLE 755 — OTHER PROJECTS IN THE FIELD OF INFORMATION RETRIEVAL

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	600 000	600 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	600 000	600 000
Percentage change	0	0

1. References and description**(a) References**

- EAEC Treaty (Article 13): nuclear documentation system.
- Resolution of the Council and of the representatives of the governments of the Member States meeting within the Council of 24 June 1971 on the coordination of the activities of the Member States in the field of scientific and technical information and documentation (STID) (OJ No C 122, 10.12.1971).

(b) Description

The general objective is improvement of the use of scientific, technical, economic and social information and implementation of coordinated projects in the field of information and documentation, more particularly in those fields not covered by the plans of action relating to STID and by Community projects in the specialized information field, through:

- the encouragement of initiatives, irrespective of origin, aimed at the creation and rational development of scientific and technical information systems;
- the introduction of rules and operating procedures, and in particular the formulation of standards;
- the introduction of new information technologies by means of pilot experiments for specific applications such as document transmission by satellite in cooperation with the European Space Agency;
- the preparatory work on a programme of Community projects for developing the information market;
- the strengthening of collaboration among the specialized centres in the Member States and those in other European countries;
- the continuous development and operation of the already established documentary systems, especially in the nuclear field;
- the extension of information activities connected with the accession to the Community of Portugal and Spain;
- the purchase, leasing and maintenance of teleprocessing, office automation, reproduction and documentation hardware and software, the acquisition of reference works and the keying-in of documents;
- the re-use of revenue derived from information systems operated by the Commission on Euronet-Diane.

2. Type of expenditure

Technical operating expenditure.

3. Method of calculation

(a) Method of calculation

The estimate of the appropriations is based on the following considerations :

- experience with operational systems in the past, supplemented by information supplied by experts in the Member States ;
- estimates made in the course of detailed feasibility studies concerning, in particular, the application of new technologies to information and the definition of a programme of Community projects for developing the information market ;
- in the case of the sectoral systems, an estimate of the number of items of information to be processed and the unit cost of processing ;
- the cost of the special equipment required, taken from the catalogues of the main suppliers.

Breakdown of costs

— Provision of services	390 000
— Feasibility studies	100 000
— Leasing/purchasing of equipment	120 000
	<hr/>
	610 000
	<hr/>
— Revenue expected for 1982	- 10 000
	<hr/>
Total	600 000

New action**ARTICLE 756 — COMMUNITY PROJECTS FOR DEVELOPING THE INFORMATION MARKET**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	500 000	500 000
Percentage change	+	+

1. References and description**(a) References**

- EEC Treaty : Articles 2 and 3 (c).
- Council Resolution on a Community policy for the information market (in preparation).

(b) Description

During the course of this decade, there will be considerable growth in the information market, not only in terms of the Community's economic and social development, but also in its external relations, in particular with the United States and Japan. The mass introduction of new electronic information technologies in all fields will engender a whole new generation of services, above all, information services which will radically transform the bases of this industry and its market.

The problems which will then arise will be intersectoral and will affect businessman and consumer, company and State, economic and political life as well as social life, because a great many traditional distinctions will begin to disappear.

The multi-disciplinary aspect of matters concerning information in conjunction with these technological developments has already produced a need for cooperation and coordination between sectors which in turn calls for a common approach to information problems.

Such an approach should make it possible to avoid :

- the emergence of conflicting trends in the Member States of the Community, which would lead to the Community market being extremely fragmented ;
- imbalances in the development of the sectors themselves ;
- a weakening of the Community's strategic position *vis-à-vis* its non-European trading partners.

At present, European national information policies do not exist as such. Instead there are isolated patterns of behaviour which carry the risk of differing objectives. This situation is compounded by the political and economic aspects brought into play by the cross-frontier nature of the information flow made possible by computerized telecommunications.

The development of Community projects concerning the information market will thus contribute to two aims :

- the promotion of national- and Community-level awareness of the complexity and interdependence of these problems, thus preparing the ground for a concerted approach ;
- the achievement of a solution to the cross-frontier problems associated with the information flows.

It will also make it possible to affirm a common strategy towards non-Member States and to supplement the Community actions and the policies already pursued by the Commission in specific areas such as the promotion of the development of new technologies — Esprit, the promotion of the specialized information market, etc.

Lastly, when it comes to the debate on the respective roles of the private and public sectors in the information field, the Commission itself can play a full part since it consumes, produces and disseminates information. In this respect, one of the essential features of the more general actions concerning the development of the information market is the implementation of a consistent internal policy relating to the Commission's own data bases.

The draft Council Resolution provides for a detailed examination, over a period of 2 years, of the problems mentioned in the communication from the Commission to the Council and the preparation of detailed proposals of the action to be taken.

2. Type of expenditure

Non-repayable aid.

3. Method of calculation and explanation of changes

(a) Method of calculation

The appropriations requested for the 1985 financial year amount to 500 000 ECU. This amount is broken down as follows :

— Community information market policy (in-depth studies, conferences and experts' expenses)	350 000
— Internal policy for the Commission's data bases (studies and expert assessment)	50 000
— Project concerning vocational training and user-education with regard to the various aspects of the information market	100 000
Total	500 000

(b) *Explanation*

Estimates of expenditure are based on experience as regards the cost of studies and of the provision of this type of service.

These amounts should make it possible :

- to prepare a programme concerning the formulation of Community actions designed to develop the information market,
- to begin actions in support of an internal policy with regard to the Commission's data bases, in so far as this type of policy fits into the more general context of the information market,
- to promote educational or vocational training projects relating to the various aspects of the information market.

Historical Archives of the European Commission

ARTICLE 757 — COMMUNITY CONTRIBUTION TO THE FINANCING OF INNOVATION FOR THE PURPOSE OF ASSISTING SMALL AND MEDIUM-SIZED ENTERPRISES

New action

ITEM 7570 — DISCOUNTED VALUE OF INTEREST MORATORIUM

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	12 000 000 ⁽¹⁾	12 000 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	p.m.	p.m.
Percentage change		

⁽¹⁾ This appropriation is entered in Chapter 100.

1. References and description

(a) References

- EEC Treaty, Article 235.
- Council Decision 83/200/EEC of 19 April 1983 empowering the Commission to contract loans under the New Community Instrument for the purpose of promoting investment within the Community (OJ No L 112, 28.4.1983).
- Amended Proposal for a Council Decision empowering the Commission to participate in the financing of innovation in the Community (OJ No C 178, 5.7.1983 and OJ No C 40, 15.2.1984).

(b) Description

The basic aim of this project is to promote the adaptation of the Community's production structures to changing economic conditions by enabling small businesses to play an effective part in the innovation process, which is one of the generators of growth.

Under present market conditions, the potential for innovation of these small businesses is limited by the difficulty they face in providing the necessary finance for such activity.

The reasons for this situation relate, on the one hand; to the characteristic features of small businesses (inadequate own investment resources ; limited access to the capital markets ; poor guarantees provided to the credit institutions, etc.) and, on the other, to the particular nature of innovation financing (high financial risk ; deferment of profit ; need for huge markets, etc.).

Small businesses, however, constitute a major source and vehicle of innovation, particularly as regards the technology employed in the information, biology, energy, and food-processing sectors as well as in the fields of flexible manufacturing systems and new materials.

The Community's action should make it possible to increase the volume of resources allocated to innovation by supplementing existing national machinery and by encouraging credit institutions to make loans to small firms or to make their own funds available to those small businesses involved in innovation on the basis of shared-risk financing.

In principle, it will provide cover for the phase in which small businesses place innovative products on the market, by a combination of loans on-lent from the proceeds of borrowings and grants from budget resources :

— *Borrowed resources :*

Community loans granted to small firms in association with financial intermediaries in the Member States are provided by the allocation of a capital sum of 100 million ECU in principal from the Community loans to be contracted under the Council Decision prolonging the New Community Instrument (NCI) which is currently being adopted.

The loans, to which conditions of eligibility are attached, are normally granted for a period of 10 years, without guarantees on the part of the small businesses.

They are accompanied, under similar conditions, by funds provided by the financial intermediary.

An additional advantage of the Community loan is that it can be converted, under certain conditions, by the financial intermediary in the form of a capital contribution.

— *Budget resources :*

The general budget of the European Communities (Item 7570) provides cover, for a period not exceeding three years, for the interest on European innovation loans at a rate of % of the principal. The duration of this moratorium differs in the Member States depending on the exchange-rate policy pursued.

The European Investment Bank (EIB) administers the budget resources made available by the Commission by compounding the interest on the capital invested.

2. Type of expenditure

Non-returnable subsidies.

3. Method of calculation

The appropriations to be included in the budget item represent % of the overall total of European innovation loans ; i.e. ... million ECU on the basis of an appropriation of 100 million ECU in principal.

ARTICLE 758 — PURCHASE OF SCIENTIFIC AND TECHNICAL BOOKS AND SUBSCRIPTIONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	235 000	235 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	350 000	350 000
Percentage change	+ 48,9	+ 48,9

1. References

- EAEC Treaty (Articles 12 to 29).
- Council Resolution of 14 January 1974 on an initial outline programme of the European Communities in the field of science and technology (OJ No C 7, 29.1.1974).
- Council Decision of 4 November 1982 on a research and development programme for a machine-translation system of advanced design (OJ No L 317, 8.11.1982).
- Council Decision 83/624/EEC of 25 November 1983 concerning a plan for the transnational development of the supporting infrastructure for innovation and technology transfer (OJ No L 353, 15.12.1983).

2. Type of expenditure

Purchase of reference works and reports, regular subscriptions, conservation and upkeep of the reference works and periodicals, preparation of library card-indexes and catalogues and related photographic and data-processing operations.

3. Method of calculation and explanation of changes**(a) Method of calculation**

— Purchase of reference works	60 000
— 1 453 subscriptions to periodicals	250 000
— Bindings, shelving	20 000
— Photographic work and printing of catalogues	20 000
Total	350 000

(b) *Explanation of changes*

The increase in appropriations is attributable to :

- the need to update existing documentation, notably by the purchase of indispensable reference works on new policies (innovation, combined data-processing/telecommunications systems, energy, the environment, R&D programmes), and to meet the growing demand for information on office automation and management aids ;
- the need to maintain the present level of subscriptions, the number of which has been declining since 1980 (491 fewer subscriptions) because of trade price increases (averaging 11 % a year) ;
- the binding of the most important periodicals and the printing of catalogues ;
- the general increase in prices in publishing and the fluctuations in the dollar which affect many periodicals published in the United States.

Historical Archives of the European Commission

ARTICLE 759 — INFORMATION AND PROCEDURE CONCERNING PATENTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	200 000	200 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	400 000	400 000
Percentage change	+ 100	+ 100

1. References and description*(a) References*

- EAEC Treaty (Article 12).
- ECSC Treaty (Article 55).
- EEC Treaty (Article 41).
- Council Regulation (EEC) No 2380/74 of 17 September 1974 (OJ No L 255, 20.9.1974).
- Draft Council resolution on promoting the utilization of the results of Community-sponsored research and developments (COM(83)18 final, 3.3.1983)

*(b) Description**(1) Procedure for patents and similar rights in respect of the results of Community research*

Filing, grant, renewal and defending of patents and similar rights protecting inventions resulting from Community research, including research carried out under cost-sharing contracts, and opposition procedures.

Monitoring observance of the patents and similar rights system by the Commission's contractors.

This activity affords the Community industries priority in exploiting the results of Community research.

(2) Information on activities in respect of patents and similar rights

Analyses, studies, surveys, summary reports and publications relating to patents and similar rights (plant breeders' rights, copyrights on software, etc.) or concerning the knowledge, characteristics and objects thereby protected.

The aim of this activity is :

- to collect the documentary and statistical material for delivering opinions and advice and providing documentation for the purpose of preparing Commission standpoints and proposals on industrial and commercial innovation, in the relevant area of legislation, and in respect of Community research ;
- to inform the public by disseminating the analyses, studies, surveys, reports and summaries produced.

2. Type of expenditure

Technical operating costs.

3. Method of calculation and explanation of changes

(a) Method of calculation

The appropriations requested for 1985 have been calculated as follows :

— Patent procedure :		190 000
— filing of patents	35 000	
— examination procedure	75 000	
— state-of-the-art research	50 000	
— renewal	30 000	
— Information on activities concerning patents :		210 000
— analyses, etc.	200 000	
— drafting	10 000	
		<hr/>
Total		400 000

(b) Explanation of changes

The increase in the value of appropriations over 1984 is 100 %.

This difference is attributable to :

- the continuing and substantial increase since 1978 in the cost of the patents examination procedure (in particular in patent agents' fees) which up to now has been offset by the relatively constant number of inventions stemming from the JRC in earlier years and a stricter policy of waiving patents ;
- the development of activities with the purpose of protecting inventions and processes stemming from research carried out by the Community directly and under cost-sharing contracts (a rapidly increasing number of contracts) and of crucial importance to the process of industrial and technological innovation ;
- the increase in the general level of prices in the Community.

CHAPTER 77 — INDUSTRY AND THE INTERNAL MARKET

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
770	Operations in the data-processing sector	22 000 000	10 000 000	p.m.	3 200 000	- 100	- 68
771	Operations in the field of new information technologies	12 250 000	25 250 000	14 950 000	20 500 000	+ 22	- 18,8
773	Community strategy on information technology	p.m.	p.m.	2 000 000	1 500 000		
774	Industrial redevelopment	1 500 000	1 500 000	1 500 000	1 500 000	—	—
775	Monitoring application of certain steel industry measures	17 056 000	17 056 000	20 000 000	20 000 000	+ 17,26	+ 17,26
776	Economic and social studies provided for in Articles 46 and 47 of the ECSC Treaty	1 800 000	1 800 000	1 800 000	1 800 000	—	—
777	Specific industry measures	7 420 000	4 300 000	7 520 000	3 530 000	+ 1,3	- 18
778	Studies on industrial guidelines	795 000	795 000	900 000	900 000	+ 13,21	+ 13,21
779	Projects concerning the internal market	1 200 000	1 200 000	3 700 000	3 100 000	+ 208,33	+ 158,33
	Total	64 021 000	61 901 000	52 370 000	56 030 000	- 18,19	- 9,47

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 770 — OPERATIONS IN THE DATA-PROCESSING SECTOR**ITEM 7702 — COMMUNITY OPERATIONS FOR THE DEVELOPMENT OF DATA PROCESSING**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	22 000 000 ⁽¹⁾	10 000 000 ⁽²⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	3 200 000
Percentage change	—	— 68

⁽¹⁾ Appropriations entered in Chapter 100.

⁽²⁾ Of which 8 000 000 ECU is entered in Chapter 100.

1. References and description**(a) References**

- Council Decision 77/615/EEC of 27 September 1977 (OJ No L 259, 6.10.1977).
- Council Decision 79/783/EEC and Regulation (EEC) No 1996/79 of 11 September 1979 (OJ No L 231, 13.9.1979) pursuant to Article 235 of the EEC Treaty.
- Council Decision 84/.../EEC of 10 April 1984 amending Council Decision 79/783/EEC (2nd part of the multiannual programme, OJ No L... of ...).
- Proposal for a Council Decision amending Council Decision 79/783/EEC to be forwarded to the Council on ... (first part of the multiannual programme) (COM(83)658).

(b) Description

The programme is a sequel to the first and second data-processing programmes. It is designed to develop the computer industry in the Community — in particular to bring more coherence into European firms' and governments' policies. Priority is given to measures which preclude contradictory national solutions, promote the coordination of activities in several Member States and strengthen the common understanding of developments and of the chief legal and social problems of relevance.

Special importance is attached to standardization and public procurement policies in the data-processing field, with particular regard to the application of standards. Here the programme is aimed at the design and definition of interfaces and architectures to facilitate intercommunication between hardware and systems, and the joint development of programming languages to facilitate subsequent compatible applications.

Checking compliance of hardware and software with standards is another prime field of action.

The high rates of economic growth and technical progress in these activities dictate close **monitoring** of developments through a more extensive programme of studies and assessments than in **other, more** pedestrian, sectors. Studies will concern the economic and technological situation *per se* and the **social** effects (on employment, ergonomic aspects) and legal effects (personal data protection ; protection of intellectual property in software, etc.).

The programme consists of Part 1, horizontal and supporting measures, and Part 2, the software plan.

Part 1 comprises measures in the following fields :

- standardization and verification of compliance ;
- public procurement contracts ;
- sector studies ;
- studies on the confidentiality, security and legal protection of software ;
- cooperation on basic research among specialist research centres in the Community and in certain other countries.

Part 2 — the software plan — is intended to promote high-technology software projects of Community interest which :

- contribute to the implementation of software standardization and portability policies ;
- promote market unifications ;
- assist the development of a strong, competitive European data-processing industry in the Community, particularly through industrial collaboration to enable it to improve its market penetration.

There is provision for European non-member countries which are engaged in European cooperation in the field of scientific and technical research (COST) to participate in some of these projects.

2. Type of expenditure

- Meeting of financial obligations under contracts with outside bodies.
- Action programme management expenses.
- Non-repayable subsidies.
- Cost of committee meetings.
- Cost of services of experts.

3. Method of calculation

The detailed estimate of commitments and payments in the various areas in 1985 is set out below :

The following are also charged to this item : the cost of experts' services and of related miscellaneous or secretarial services ; the expense of organizing symposia on information gained whilst implementing the projects ; the cost of disseminating this information.

European non-member countries involved in COST (European cooperation in the field of scientific and technical research) will take part in these projects.

Programme of work, 1985 (Part 1)

1985 will be the second year of the proposed extension. Most of the standardization projects will be undertaken in 1985. The main objectives are :

1. The OSI sector, up to and including the transport layer, ought to be covered by standards, or intercept standards, which are complete and understood and accepted by industry and the users.
2. A number of projects in connection with languages (including CKS II) ought to proceed satisfactorily.
3. New studies to be developed in the field of data protection.

Part 1	Commitments
Standardization	4 050 000
Public contracts	450 000
Research centre cooperation	2 000 000
Knowledge of the sector	500 000
Total	7 000 000

Programme of work, 1985 (Part 2)

This part of the programme is currently being revised owing to the impact made by the reduction of funds from 40 to 15 million ECU.

European non-member countries involved in COST (European cooperation in the field of scientific and technical research) will take part in some of these projects.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	1 340 000	500 000	840 000		—	—
Appropriation outstanding from 1983	4 000 000	1 500 000	1 000 000	1 000 000	500 000	—
Appropriation for 1984	22 000 000 ⁽¹⁾	8 000 000	1 360 000	5 600 000	5 000 000	2 040 000
Appropriation for 1985	p.m.	—	p.m.	p.m.	p.m.	p.m.
Total	27 340 000	10 000 000⁽²⁾	3 200 000	6 600 000	5 500 000	2 040 000

⁽¹⁾ This appropriation is entered in Chapter 100.

⁽²⁾ Including 8 million ECU entered in Chapter 100.

ARTICLE 771 — OPERATIONS IN THE FIELD OF NEW INFORMATION TECHNOLOGIES

ITEM 7710 — COMMUNITY OPERATIONS FOR DEVELOPING MICROELECTRONICS TECHNOLOGY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget		
— Appropriations as amended by transfers or by amending or supplementary budget	p.m.	9 000 000
1985 — Appropriations requested	450 000	7 000 000
Percentage change	—	— 22,23

1. References and description

(a) References

- Council Resolution of 11 September 1979 on a Community action promoting microelectronic technology (OJ No C 231, 13.9.1979).
- Council Regulation (EEC) No 3744/81 of 7 December 1981 concerning Community projects in the field of microelectronic technology (OJ No L 376, 30.12.1981).

(b) Description

The objective of this operation is to improve competitiveness in the microelectronic sector as regards :

- cooperation between industry and users, particularly by providing access to advanced microelectronic techniques towards the mid-1980s ;
- operations aimed at creating a joint advanced technology capability in the field of integrated circuits similar to that of Japan and at possessing resources comparable to those of American companies. In particular, the aim is to :
 - coordinate national activities in this field ;
 - set up a European industry producing equipment for the manufacture of integrated circuits ;
 - develop basic CAD knowledge necessary to industry.

The Community's contribution to the financing of this operation will have a catalytic effect and could be expected to bring about a balanced distribution of work and benefits.

2. Type of expenditure

- Meeting of financial obligations under contracts to be concluded with outside bodies.
- Programme-management expenses.
- Cost of meetings and seminars.
- Cost of services of experts.

Evaluation workshop	56 000,—
Meetings of technical committees	12 600,—
Experts	6 300,—
Meeting of Advisory Committee	15 000,—
Projects : engineers	105 600,—
of projects	158 500,—
Service contracts	91 000,—
Total	450 000,—

3. Method of calculation

Experience with comparable operations in the past.

The projects that would be financed by means of these appropriations break down into four categories :

- development studies,
- financing of laboratory research,
- industrial development contracts,
- project-management expenses.

The rate of payment keeps step with the Commission's contractual obligations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	26 067 000	9 000 000	6 550 000	4 000 000	4 500 000	1 017 000
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Appropriation for 1985	450 000	—	450 000	—	—	—
Total	26 517 000	9 000 000	7 000 000	4 000 000	4 500 000	1 017 000

ITEM 7711 — INTER-INSTITUTIONAL INFORMATION SYSTEMS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	6 000 000	6 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 000 000	4 000 000
Percentage change	— 33,33	— 33,33

1. References and description*(a) References*

- Council Decision 77/619/EEC of 27 September 1977 instituting a study of informatic systems for the processing of data on imports/exports and on the management and financial control of agricultural market organizations (OJ No L 255, 6.10.1977).
- Communication from the Commission to the Council concerning some structural aspects of growth (COM(78)255 final of 22 June 1978).
- Report from the Commission to the Council entitled, 'European society faced with the challenge of new information technologies' (COM(79)650 final (2) of 23 November 1979).
- Council Decision 82/869/EEC of 13 December 1982 relating to the coordination of the activities of the Member States and Community institutions with a view to setting up a Community inter-institutional information system (OJ No L 368, 28.12.1982).
- Council Decision 82/607/EEC of 28 July 1982 concerning the coordination of the action of Member States and the Commission related to activities preparatory to a long-term programme for the use of telematics for Community information systems concerned with imports/exports and the management and financial control of agricultural market organizations (OJ No L 247, 23.8.1982).
- Proposal from the Commission to the Council concerning Caddia (COM(84) final).
- Proposal from the Commission to the Council concerning Insis (COM(84) final).

(b) Description

Work in preparation for projects for the development and use of the electronic tool with a view to improving the management of Community work :

- the proposed integrated-service inter-institutional information system (Insis) came into operation in 1982 when a number of pilot projects were launched ; pilot studies had been carried out in 1980 and 1981 and work continued in 1983 with a small number of inter-institutional or transfrontier pilot projects ; these continue in 1984, concurrently with feasibility studies for further pilot projects put forward by Member States.

The process of inter-institutional cooperation which has existed for some years, consultation with Member States within the Insis Users' Advisory Committee (which was stepped up in 1983) and coordination with the telecommunications authorities resulted in a common work programme, drawn up in 1983. The aim of this programme, which the Commission will submit to the Council this year, is to demonstrate the feasibility, at the pilot stage, of new applications which will improve the flow of information about the Community between the authorities concerned.

Insis is an integrated-service information network which will carry all the information that has to be exchanged between the various offices of the Community institutions and the public authorities of the Member States. The purpose of introducing this network is to improve the efficiency of the Community institutions and create a stimulus to speed up the establishment of integrated information networks of general interest on a basis of agreement with the industries which are to derive from these pointers to their future markets and ways of enhancing their competitiveness in this field. In 1985 Insis should promote the execution of new projects with Member States' authorities. Under the supervision of the Users' Advisory Committee, these projects — which will involve as many Member States and interested institutions as possible — should foster equipment compatibility and effective standardization among Community countries.

- the Caddia (Cooperation in automation of data and documentation for imports/exports and agriculture) project.

The Caddia project will make use of the new technologies to improve the efficiency of the Community-wide information system used in operating the customs union and the common agricultural policy.

The predevelopment studies and pilot projects started in 1983 are to be continued and extended in 1984, particularly in respect of interface problems between the national systems and the Commission, and of transfrontier links between the Member States' networks.

This work is to prepare for the implementation — without prejudging the outcome — of a Council decision on the adoption of a long-term programme in cooperation with the public agricultural authorities, the statistical offices and the customs authorities in the Member States. A proposal should be sent to the Council early in 1984.

2. Type of expenditure

- Meeting of financial obligations under contracts to be concluded with outside bodies.
- Cost of meetings and seminars.
- Cost of services of experts.

3. Method of calculation

Experience with comparable operations in the past.

The work that would be financed by means of these appropriations breaks down into five categories:

- development studies,
- financing of laboratory research,
- industrial development contracts,
- cost of meetings and seminars,
- cost of services of experts.

The appropriations requested for 1985 in respect of the work referred to in point 1(b) break down as follows :

- Basic electronic mail system
- Pilot operation of electronic message systems
- Strada system for high-speed transmission of documents
- Improvement of access to data bases
- Interlinking of national statistics offices
- Management of Community financial instruments
- Procedures for user access to data bases
- Multiservice tests of terminal equipment
- Videoconference experiment
- Standardization within the context of Insis (interception strategies)
- References in connection with certification, tests and standards
- Standards for connecting local company networks
- Multiservice terminal for computer-aided translation
- Organization and human factors
- Data security
- Information on Insis
- Management of the Insis programme

Total	2 000 000
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Caddia project

Department : Customs Union

- Community transit
- Intra-Community trade
- Trader interface
- List of customs offices
- Customs information system (Phase I)
- Customs information system (Phase II)
- Taric management system
- Chemical repertoire
- Data exchange project (customs applications)
- Specification of long-term requirements
- Development of interface with the Member States

Department : DG VI Agriculture

- Agricultural markets information system (AMIS)
- Agricultural licences management system (ALMS)
- Agricultural intervention stocks management system (AIMS)
- Agricultural production quotas management system (AQMS)
- Agricultural production/consumption monthly balance system (MMBS)
- 1188 data exchange
- Special nomenclatures for agriculture
- Agricultural data entry system (ADMS)
- Automatic processing of periodic acts (Apaco)
- Interface with Publications Office
- Animal diseases notification system (ADNS)
- Agricultural report production system (ARPS)

Department : SOEC

- External trade statistics input data base
- External trade statistics output data base
- Data base for GATT negotiations
- International trade statistics data bases
- Transmission of statistics over networks
- System for retrieving keywords in the Nimexco nomenclature
- Graphical presentation of commercial data

Department : Common projects

- Standardization of data and messages
- Review of regulations and procedures
- Community data exchange project (Comar)
- Irregularities information system
- Administration of the central Caddia team
- Work meetings and committees

Total	2 000 000
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Grand Total	4 000 000
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The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	1 854 000	1 854 000	—	—	—	
Appropriation outstanding from 1983	977 000	977 000	—	—	—	
Appropriation for 1984	6 000 000	3 169 000	2 500 000	331 000	—	
Appropriation for 1985	4 000 000	—	1 500 000	1 500 000	1 000 000	
Total	12 831 000	6 000 000	4 000 000	1 831 000	1 000 000	

Former Item 7730

ITEM 7712 — PREPARATORY MEASURES FOR THE ESPRIT PROGRAMME

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	4 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

- Council Resolution of 15 July 1974 on a Community data-processing policy.
- Communication from the Commission to the European Council entitled 'European society faced with the challenge of new information technologies: a Community response' (COM(79)650 final of 26 November 1979).
- Council Resolution of 11 September 1979 on Community action to promote microelectronic technology.
- Council Decision 82/878/EEC of 21 December 1982 on a preparatory phase for a Community research and development programme in the field of information technologies (OJ No L 369, 29.12.1982).

(b) *Description*

Execution of pilot projects under the Esprit programme. See Item 7335 for the main programme.

2. Type of expenditure

The Community provides 50 % of the funds for the pilot projects and industry the remainder.

3. Method of calculation and explanation of changes(a) *Method of calculation*

Estimate made in conjunction with industry based on the cost of the highly-qualified staff to be assigned to the pilot projects.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	4 840 000	3 340 000	1 500 000	1 500 000		
Appropriation outstanding from 1983	660 000	660 000				
Appropriation for 1984	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Appropriation for 1985	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Total	5 500 000	4 000 000	p.m.	1 500 000	p.m.	p.m.

Former Item 7733

ITEM 7713 — ACTION PLAN FOR INFORMATION TECHNOLOGIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	4 000 000	4 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 000 000	4 000 000
Percentage change	—	—

1. References and description

(a) References

- Communication from the Commission to the European Council entitled 'European society faced with the challenge of new information technologies : a Community response' (COM(79)650 final of 26 November 1979).
- Communication from the Commission to the Council entitled 'A Community strategy to develop Europe's industry' (COM(81)639 final).
- Communication from the Commission to the Council entitled 'A policy for industrial innovation' (COM(81)620 final).
- Communication from the Commission to the Council entitled 'Towards a European strategic programme for research and development in information technologies'.
- Council Decision 130/84/EEC on a strategy programme for research and development 1984-... (OJ No L 67, 9.3.1984).

(b) Description

The Member States, the European Parliament and the Commission have identified information technologies as a sector of key importance for the future of the Community and have called for priority action (European Council of 28 and 29 June 1982, the European Parliament debate of 28 October 1982, opinion of the Economic and Social Committee of 17 November 1982, the Versailles Summit of 1982, the Stuttgart Summit in 1983 and the Athens Summit in 1983).

After assessing the situation and the prospects for European industry, the Commission has concluded that the information technologies have an essential role to play in restoring Europe's competitiveness and capacity for innovation (COM(81)639 'A Community strategy to develop Europe's industry', COM(82)365 'Commission Communication to the Council on the problem of investment', COM(81)620 'A policy for industrial innovation'.

In its deliberations on the Esprit programme (European Strategic Programme for Information Technology — COM(83)258 final) the European Parliament laid stress on the need for further strategic action to follow up Esprit. These measures should strengthen the economic and technological impact of the information technologies and have significant advantages if implemented at Community level.

In the course of their participation in drawing up the Esprit programme, the industry and the users of information technology pointed out other possibilities of action outside the conceptual framework of Esprit.

The Commission supports this viewpoint and believes that action should be taken in this field as matter of priority (presentation by the President of the Commission's programme for 1984 and beyond).

Specific problems have been pinpointed and are to be given careful examination. Among them are the following :

- stimulation of the markets for information technology in the Community ;
- speed-up of technology transfer between the information technology manufacturers and the user industries (development of 'poles of technology transfer') ;
- adaptation of the information technologies to technological developments in other high technology sectors.

A careful study will be made of the areas in which strategic action can be taken with special reference to :

- the possibilities afforded by public contracts ;
- joint action by private industry (e. g. electronics for the general public) ;
- the establishment of an ' information technology exchange ' for the benefit of small and medium-scale firms engaged in high technology.

The research will bear on the various strategic options and the measures that might be taken to exploit the potential advantages of the Community market for the information technologies and their applications.

After detailed examination and concertation, the Commission will present to the Council, in the course of 1984, proposals for action in areas in which the Community dimension and a broad measure of support by various participants, public or private, could play a vital role.

Community financing for the preparatory work on drawing up proposals for future action would enable the objectives and the advantages that would follow from Community involvement to be clearly defined. The work would entail thorough preparation and consultation with the parties concerned in the member countries (industry, universities and administrations), who may be either responsible for or affected by the proposed measures.

New operation

ITEM 7714 — INFORMATION TECHNOLOGY IN THE CONTEXT OF THE EDUCATION AND TRAINING TECHNOLOGIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change		

1. References and description

(a) References

- Communication from the Commission to the European Council of 26 November 1979 on ' European society faced with the challenge of new technologies — a Community response ' COM(79)650 final ;
- Communication from the Commission to the Council of 12 September 1983 on the introduction of the new information technologies in education COM(83)256 ;
- Council Resolution of 2 June 1983 concerning vocational training measures relating to new information technologies (OJ No C 166, 25.6.1983) ;

- Communication from the Commission to the Council of 26 January 1984 on technological change and social adjustment COM(84)6 final ;
- Council Resolution of 19 September 1983 concerning measures aimed at the introduction of the new information technologies in education (OJ No C 256, 24.9.1983) ;
- Council Decision 84/130/EEC on the European strategic programme for R & D in the information technologies (OJ No L 167, 9.3.1984).

(b) *Description*

The competitiveness of industry, the level of real wages and the future development of the industrial economies are increasingly dependent on the availability and quality of a highly skilled workforce. The need for training continues throughout working life and requires the ability to adapt quickly to a changing environment that calls for higher levels of specialization and work division.

If the vocational training system is to be able to adapt easily, the workers must have a high level of training and skill which enables them to accept and even collaborate in whatever changes are necessary.

At the same time the cost of acquiring and updating specialized skills is constantly increasing so that vocational training is becoming a very important cost factor in the national economies.

The Community is currently faced with a deficit in the numbers and quality of specialists in the information technologies and other high technology sectors, both in industry and in the services. This is a situation that will have to be overcome, for it is a crucial problem in all the Member States and represents a common need.

On various occasions the Member States, the European Parliament and the Commission have underlined the need to improve the Community's situation with respect to skilled staff. They have called for proposals to supplement the existing projects and take advantage of the Community dimension.

The common requirements are :

- to improve the quality of specialized training ;
- to increase the availability of skilled workers in those areas where they are most needed ;
- to improve access to training facilities by encouraging :
 - the adoption of time limits for meeting the requirements of companies and individuals ;
 - personal initiatives to obtain further training ;
 - company training projects ;
- to improve the efficiency of training programmes with respect to :
 - cost ;
 - relevance ;
 - speed.
- to identify training requirements in terms of quantity and quality in the light of technological innovation ;
- the use of techniques for assessing the new technologies as a guide to training policy (in the smaller firms as well) in order to pinpoint staff training requirements and ensure that the fullest use is made of available economic and technical assessment data ;
- adjustment of workforce administration and staff training in the light of requirements evident at Community level in order to facilitate the free movement of workers in the Community.

The information technologies hold out numerous possibilities of achieving these aims. Possible areas of Community action have been identified in the development of:

- training schemes using advanced multimedia facilities ;
- equipment for use as teaching aids ;
- low-cost training projects.

The Commission is studying these possibilities with a view to defining measures that benefit from the Community dimension.

(c) Type of expenditure

The type and level of expenditure will have to be determined when drawing up the plan of action. An initial communication on this subject will be presented in 1984.

New operation

ITEM 7715 — DEVELOPMENT OF THE INFORMATION TECHNOLOGIES TO FURTHER SCIENTIFIC AND TECHNOLOGICAL PROGRESS

DIFFERENTIATED APPROPRIATIONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change		

1. References and description

(a) References

- Communication from the Commission to the European Council of 26 November 1979 on 'European society faced with the challenge of the new information technologies — a Community response' COM(79)650 final ;
- Communication from the Commission to the Stuttgart European Council on the framework programme for Community scientific and technical activities COM(83)260 final ;
- Communication from the Commission to the Council on 'A policy industrial innovation' (COM(81)620 final) ;
- Council Decision 84/130/EEC on the European strategic programme for research and development in the information technologies (OJ No L 67, 9.3.1984).

(b) *Description of the operation*

In their strategic assessment of the long-term prospects, the Member States, the European Parliament and the Commission have identified the information technologies as a key factor for the European economy. The productivity of research and development in the field of high technology is therefore a matter of fundamental concern to the administration, industry and the universities alike.

The levels of R & D productivity are of vital importance for the industrial economies owing to their direct and indirect impact on :

- the lowering of the R & D cost factor in the products marketed ;
- the reduction on the expenditure associated with the R & D programmes, which employ a growing proportion of the active population ;
- the strengthening of Europe's strategic position in terms of technological progress and economic competitiveness ;
- the creation of new activities resulting from the expansion of those goods and services in which Europe is relatively well placed ;
- the growing proportion of R & D that finds an outlet in applications ;
- the time between the start of an R & D programme and its commercial exploitation.

Europe has failed to ensure that the results of its research and development find an industrial outlet on a scale comparable to the days when it was the world centre of technological research. It is therefore no longer able to maintain a rate of innovation that compares well either with its own past achievements or with its new competitors in the world markets. Whether the problem can be resolved depends on the extent to which Europe realizes the situation and proves equal to improving the efficiency of its research and development and finding practical applications for its results.

The information technologies vitally affect the ability to find applications for R & D results in the economy and are also a major factor in raising productivity of R & D programmes. Within the R & D programmes in information technology it is easy to demonstrate the economic advantages that ensue from the increased capacity to process information, the reduction of energy and material requirements for components and the lowering of costs (at the level of selling prices). The wider impact of information technology components can be attributed to their effect in increasing the capacity to transmit information (telecommunications), offering new possibilities of preparing and processing data, improving the control of industrial processes, streamlining the distribution of products and providing less costly components in the capital goods sector.

Hence the information technologies not only have a vital part to play in the administration and use of R & D techniques, they also affect, directly or indirectly, the overall benefits that R & D results can be expected to yield within the economy.

The information technologies play an essential part in the preparation and transfer of information at the interface between industry and the R & D centres. Information transfer is an essential factor in the usual market surveys and in procedures relating to the purchase or sale of goods. The quality of the information to which industry has access affects its ability to define its technical requirements and locate any bottlenecks that might arise in connection with labour or with the increased cost of imported products. This kind of information is of direct concern to the R & D establishments when determining priorities for their programmes. Owing to the solutions afforded by the results of research and development, the communication infrastructures permit a constant feedback between industry and the R & D sector.

Apart from this essential function of providing an interface between industry and research, the information technologies have growing importance in ensuring effective administration and management of R & D.

Many of the existing R & D programmes would be inconceivable without the all-important contribution made by data processing. For instance, the analysis of complex systems in biology and biotechnology requires substantial data processing capacities. The integration in the decision-making procedures of social and economic factors and factors relating to natural resources is currently limited by the state of the art in information technology, and will probably depend on the progress achieved in the processing capacities of 5th generation computers.

The growth of R & D productivity is a critical requirement for all the member countries, and information technology is a key factor in any programme designed to achieve that aim.

The requirements for implementation in all the European countries include :

- data acquisition equipment ;
- low-cost preparation and transmission of data ;
- the preparation of specific research tools ;
- advanced logical tools for experimental design and interpretation ;
- advanced decision tools for assessing the indirect technological and economic effects ;
- decision-making tools (expert systems).

Stimulation and constant support by the Community for efforts in this field could bring very substantial benefits in the medium and long term.

The Commission is studying the economic and technical requirements for Community action in this area, and assessing the measures that will be needed.

(c) *Type of expenditure*

The type and level of expenditure will be determined when drawing up the plan of action. An initial communication on this topic is to be presented by the end of 1984 or early 1985.

New operation

ITEM 7716 — INTRODUCTION OF INFORMATION TECHNOLOGIES INTO COMPUTER-INTEGRATED MANUFACTURING PROCESSES

DIFFERENTIATED APPROPRIATIONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget		
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change		

1. References and description

(a) References

- Communication from the Commission to the European Council of 26 November 1979 entitled 'European society faced with the challenge of new information technologies : a Community response' (COM(79)650 final).
- Communication from the Commission to the Stuttgart European Council meeting on a European strategic framework programme for scientific and technical activities (COM(83)260 final).
- Communication from the Commission to the Council on industrial innovation policy (COM(81)620 final).
- Council Decision 84/130/EEC concerning a European strategic programme for research and development in information technologies (OJ No L 67, 9.3.1984).
- Communication from the Commission to the Council on the status and prospects of the machine-tools industry (COM(84) ...)

(b) Description

Industrial innovation in the Community and the productivity, profitability and export performance of Community industry hinge on progress made in manufacturing technologies.

The manufacturing industries have undergone and are continuing to experience major transformations and organizational changes under the influence of information technology. The increasing demand for productivity and product quality, the need to reduce or limit the adverse effects of industry on the environment, and the need to use natural resources more efficiently and to recycle materials all come together to make computer-integrated manufacturing (CIM) a decisive factor enabling these objectives to be attained.

The Member States individually, Parliament, industry and universities recognize the strategic importance of this field and the benefits that can be derived from a Community approach.

The common needs in the CIM field comprise:

- greater adaptability of systems, through the development of compatible, modular subsystems ;
- greater productivity of systems, through adaptation to specific fields ;
- the means of assessing CIM systems from a technical and economic standpoint ;
- consultancy services providing data on a regular basis on the performance of CIM systems, as well as information on optimum applications in terms of technological and economic performance ;
- the use of information networks which make it possible :
 - to improve the dissemination of R & D results ;
 - to provide rapid feedback from industry and research centres ;
 - to provide forecasting and planning tools in order to optimize the transitions, including in the areas of labour, products used, financial costs, etc. ;
 - to assess all the technical and economic constraints and indirect effects associated with the scale of the operation (or with other factors) in order to steer :
 - the production and process design activities ;
 - the approach taken in R & D programmes ;
 - labour training programmes ;

- to stimulate industrial cooperation aimed at acquiring a common technological base thanks to :
 - joint ventures in the production of key CIM subsystems (advanced robots) ;
 - cooperation in the design of manufacturing plant using CIM methods ;
 - the evaluation of advanced CIM concepts in the context of the environment.

Measures designed to stimulate and support the development and application of computer-integrated manufacturing cannot fail to have considerable repercussions on the competitiveness of Community industries.

The Commission is drawing up proposals for action in this area.

(c) *Type of expenditure*

The level and type of expenditure will be determined when the action plans are prepared.

A communication proposing specific lines of action is scheduled for the end of 1984 or the beginning of 1985.

New operation

ITEM 7717 — STANDARDIZATION : INFORMATION TECHNOLOGIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget		
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 000 000	3 000 000
Percentage change.	—	—

1. References and description

(a) *References*

- Communication from the Commission to the Council entitled 'Standardization for Interconnection between Information Systems' (COM(84) ...).
- Council Directive 83/189/EEC of 28 March 1983 laying down a procedure for the provision of information in the field of technical standards and regulations (OJ No L 109, 26.4.1983).
- Conclusions of the Council meeting on the internal market of 25 November 1983 (Council 10888/83 ECO 65).
- Communication from the Commission to the European Council entitled 'European society faced with the challenge of new information technologies: a Community response' (COM(79)650 final of 26 November 1979).
- Communication from the Commission to the Council on telecommunications (COM(83)329).
- Communication from the Commission to the Council on telecommunications — lines of action (COM(84)573 of 29 September 1983).

— Communication from the Commission to the Council on telecommunications — progress report and initial proposals (COM(84) ..., ... March 1983).

(b) Description

The Council has selected the new information technologies as the preferential area for Community action to promote the integration of the internal market through standardization.

The establishment and industrial implementation of common standards in the data-processing field requires a considerable and costly effort, involving studies and drafting work both on paper and using machines, as well as rigorous tests and verifications.

The purpose here is to strengthen, develop and finance on a permanent basis the standardization activity in the data-processing and telecommunications industries which was begun in the context of the multiannual programme on data processing.

The action covers :

- Europe's contribution to international standardization work ;
- the preparation of intermediate standards, with a view to their application, in particular to public-sector purchasing ;
- the harmonization of the standards applicable to telecommunications ;
- certification of conformity with standards.

This action relates to one of the most important fields for the establishment of a dynamic telecommunications equipment market and the existence of coherent and efficient telecommunications services, namely standardization. The activity to be supported here consists in finalizing common arrangements for applying standards and procedures for the type approval of equipment to be connected to the network. This involves, on the one hand, study and consultation work at Community level, which is covered by the appropriations entered in Article 7730. On the other hand, however, technical work must be carried out on the standards and type-approval procedures in order to remove the ambiguities therein, specify the tests to be carried out and draw up versions which meet with the agreement of all telecommunications carriers in the Community. This work would normally be entrusted to the CEPT working parties, which should also set up a special standing group on type-approval procedures. The financing for the work of this group is provided here.

2. Type of expenditure

The Community financing is to be used to frame and implement the standardization action in consultation with the main participants : industry, the national and European standards institutions, the public-sector purchasing agencies in the Member States, users and industrial policy-markers.

The appropriations requested are intended to cover :

- (a) financial obligations arising from contracts to be signed with competent organizations ; and
- (b) secretarial costs and expenditure on meetings, experts' fees and the publication of results.

This appropriation also covers contract management costs.

3. Method of calculation

This is based on experience with similar operations in the past. Expenditure is broken down into the following categories :

- (a) provision of services ;
- (b) meetings of working groups ;
- (c) experts' fees.

The schedule of payments will correspond to the Commission's contractual obligations and takes account of the experience gained in carrying out the multiannual (1979-83) programme on data processing.

— Organization of consultations/meetings	600 000
— Standardization contracts	2 000 000
— Auxiliary and temporary staff	600 000
— Drafting of technical specifications with a view to public-sector purchasing	300 000
— Data-processing equipment	250 000
— Publication and dissemination of information	250 000
Total	4 000 000

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	—	—	—	—		
Appropriation for 1985	4 000 000	—	3 000 000	1 000 000		
Total	4 000 000	—	3 000 000	1 000 000		

ITEM 7718 — PREPARATORY MEASURES ON NEW INFORMATION TECHNOLOGIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 250 000	2 250 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 500 000	2 500 000
Percentage change	+ 11,11	+ 11,11

1. References and description

(a) References

- Communication from the Commission to the European Council entitled 'European society faced with the challenge of new information technologies : a Community response' (COM(79)650 final of 26 November 1979).
- Council Resolution of 11 September 1979 on microelectronic technology (OJ No C 231, 13.9.1979).
- Resolution of the Council of 2 June 1983 concerning vocational training measures relating to new information technologies (OJ No C 166, 25.6.1981).
- Resolution of the Council and the Ministers for Education, meeting within the Council, of 19 September 1983 on measures relating to the introduction of new information technology in education (OJ No C 256, 24.9.1983).

(b) Description

Studies designed to meet the European Council's call to map out a strategy in this sector.

It is essential to continue and step up efforts to improve understanding of the new information technology sector and its social, industrial, economic and political impact in view of the budgetary cutbacks in 1982 and the priority studies in progress.

The main aspects to be studied are as follows :

- technical and economic understanding of the sectors involved and of the national and Community programmes,
- social repercussions on employment and working conditions,
- implications for education and vocational training,
- promotion of new fields of information technology,
- regional impact of new information technologies,
- effects of new information technologies on transport.

2. Type of expenditure

To meet the financial obligations arising from study contracts to be concluded with third parties or outside agencies.

3. Method of calculation

The appropriations needed to carry out the studies are broken down as follows :

— New information technologies and social changes (employment, working conditions, education, vocational training)	1 120 000
— More information about the sector and national programmes (advanced technologies and applications — industrial structures and markets)	600 000
— Promotion of new fields of application for information technologies	140 000
— Regional impact of information technologies	320 000
— Effect of information technologies on transport	320 000
Total	2 500 000

ARTICLE 773 — MEASURES IN THE TELECOMMUNICATIONS FIELD**Former Item 7715****ITEM 7730 — PREPARATORY MEASURES IN THE TELECOMMUNICATIONS FIELD**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 000 000	1 500 000
Percentage change	—	—

1. References and description**(a) References**

- Communication from the Commission to the European Council entitled 'European society faced with the challenge of new information technologies: a Community response' (COM(79)650 final of 26 November 1979).
- Communication from the Commission to the Council on telecommunications (COM(83)329).
- Communication from the Commission to the Council on telecommunications: lines of action (COM(83)573 of 29 September 1983).
- Communication from the Commission to the Council on establishing a European telecommunications space — a Community action plan (COM(84) ... of ... March 1984).

(b) Description

The vital importance of the quality of our telecommunications network to the entire Community economy and the strategic significance of industry's competitiveness in this sector were recognized by the Member States at the Stuttgart and Athens Summits and by Parliament, with its Hearings in September 1983, the Leonardi Report and the Albert-Ball Report. Being itself aware of the key role of telecommunications in the information technology field and of the threats in this sector in the long run, the Commission as part of its work on new policies has framed a plan of action to make the most of the European dimension to promote both the technologies and the market.

The plan was submitted to the Council in Commission Communication COM(83)573 of 29 September 1983. This described the importance of the sector, analysed its problems and set out first the objectives of Community action and then the lines of action derived from the analysis.

On 4 November 1983 the Council (Industry) endorsed the Commission's approach and set up the Group of Senior Telecommunications Officials, briefed to assist the Commission in working out the elements of Community action without delay.

The Group met regularly, approved the Commission's analysis and proposed lines of action, and reached a consensus enabling the Commission to send its Communication (COM(..)... of ... March 1984) to the Council. This Communication put forward concrete proposals, some sufficiently definite to be put into effect at once, others needing further definition in the light of the Council's response before being sent to it for decision in the second half of 1984.

The plan of action envisaged in COM(83)573 has a dual objective, namely :

- to foster the establishment of a modern telecommunications network at Community level ; and
- to boost the competitiveness of the Community telecommunications industry.

To pursue these objectives requires on overall Community policy whose elements interact for mutual reinforcement so as to produce the desired effects on the technologies and the market.

Community policy for telecommunications is based on six lines of action :

- Line I : Joint determination of medium- and long-term objectives ;
- Line II : Cooperation in research, development and engineering (RD&E) ;
- Line III : Joint action to establish a market for computerized telecommunications equipment ;
- Line IV : Cooperation in the execution of transnational infrastructure projects ;
- Line V : Use of modern telecommunications technologies to advance the Community's least-favoured areas ;
- Line VI : Opening-up of public sector purchasing.

Some of the activities envisaged in these lines of action are such that the intervention spending on them requires the use of Community resources included elsewhere than in the usual chapter for operations relating to industry. This is due to the inclusion as part of the package of Community policy for telecommunications of elements which are to be financed under specific chapters of the budget (R&D ; regional policy) or by Community investment instruments.

These investment instruments are thus to contribute to attaining Community objectives in the telecommunications field, specifically :

- Line of action II (RD&E), which it is proposed to finance under a special article of Chapter 73 ; and
- Lines of action IV and V, whose implementation is to rely on Community lending facilities (EIB and NCI) and budgetary instruments such as the Regional Fund.

There are, of course, other elements in Community telecommunications policy ; they constitute its core and require budgetary resources. These are entered in Item 7730, making it the nucleus about which Community telecommunications policy is to be organized in budgetary terms.

Programme activities are as follows :

(a) Line I

Action here will be based on the work of an Advisory Group which is to assist the Commission with the preparation of Council instruments relating to the Community's medium- and long-term objectives. The Group will have a key role in guiding the entire Community policy for telecommunications. It will address firstly the setting-up of the integrated digital services network ; business communication systems ; prospects for the development of broadband networks ; and charging arrangements. Resources to be provided in Item 7730 for this activity thus have chiefly to cover meetings of the Advisory Group and specialist groups and the services of technical experts.

(b) Line II

The R&D operations envisaged are intended to remedy Community industry's acknowledged shortcomings in microelectronics and the development of broadband technologies. Support is planned for precompetitive research projects of the Esprit type ; such intervention management activities are covered by Item 7335.

(c) Line III

This is the section of the telecommunications policy for creating a Community market in terminals for computerized telecommunications by laying down common technical procedures for their specification, testing and connection to the network.

Activities on Line of action III consist of the work of an Advisory Group and specialist subgroups, the subcontracting of technical tasks relating to equipment specification to bodies such as the CEPT, and handling the services of experts.

All expenditure relating to this line of action is covered by Item 7730.

(d) Line IV

This line of action is aimed at investment in infrastructure projects of Community interest particularly in connection with the integrated digital services network, business communications and broadband land line networks (optical fibres). Two types of activity are to be covered by the intervention appropriations : (i) development engineering and (ii) investment. This combination can best be catered for by combining two types of intervention : repayable advances for development engineering ; and recourse along the usual lines to the EIB and the NCI. The sums budgeted for project definition, preparation and management are entered in Item 7730. Those for repayable advances are included in Item 7731, which has been newly introduced for this purpose in view of the specificity of the mechanism employed.

(e) Line V

Investments are to be made in telecommunications infrastructure in the Community's least-favoured regions using modern technologies and services which will have an impact on economic development while serving the objectives of Community telecommunications policy. Resources for intervention are to come from the EIB and the Regional Fund, which already finance each year an average of 5 % of investment in telecommunications in the Community. Resources for project selection (meetings and the services of experts) are provided for in Item 7730.

(f) Line VI

This line of action relates to the operation of mechanisms for opening up public sector purchasing. There will be a system for joint consultation by the Member States and a system for monitoring progress with the opening up of public sector purchasing. An Advisory Group would be the forum for consultation. Its meetings and the necessary experts' services are to be covered by Item 7730.

2. Type of expenditure

The resources provided for in this item cover the expenditure required to implement the Community telecommunications policy with the exception — as pointed out earlier — of intervention expenditure under specialized items elsewhere in the budget or from Community investment instruments used in accordance with their own rules.

The resources provided for in Item 7718 cover the following types of expenditure :

- (a) financial obligations under contracts to be concluded with outside bodies ;
- (b) administrative and technical operating expenditure, in particular on meetings, experts' services, use of computerized equipment and the publication of results.

3. Method of calculation

This is based on experience with similar operations in the past.

The breakdown of expenditure is as follows :

LINE I	700 000
LINE II	250 000
LINE III	650 000
LINE IV	150 000
LINE V	50 000
LINE VI	200 000
	<hr/>
Total	2 000 000

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m.	p.m.	—	—	—	—
Appropriation for 1985	2 000 000	—	1 500 000	500 000	—	—
Total	2 000 000	p.m.	1 500 000	500 000	—	—

New operation

ITEM 7731 — JOINT DEVELOPMENT OF ADVANCED TELECOMMUNICATIONS INFRA-STRUCTURE PROJECTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

- Communication from the Commission Council of 26 November 1979 entitled 'European society faced with the challenge of new information technologies : a Community response' (COM(79)650 final).
- Communication from the Commission to the Council of 8 June 1983 concerning telecommunications (COM(83)329).
- Communication from the European Council of June 1984 on establishing a European telecommunications space — Community action plan (COM(84) ... final).
- Commission proposal to the Council concerning the joint development of advanced telecommunications infrastructure projects aimed at boosting European competitiveness (COM(84)... final).

(b) *Description*

The aim of this action is to promote the implementation of advanced telecommunications infrastructure projects which will be of common benefit to the Member States, have a high applied technology and engineering content and enable European firms to cooperate in joint projects.

The implementation of advanced telecommunications infrastructure projects of common benefit to the European countries takes high priority in the context of the joint development of the transnational part of the Community's future telecommunications infrastructure. Moreover, this project forms part of the common strategy for telecommunications adopted by the Community, which is described in detail in Item 7730. In agreement with the Commission's view of the need to exploit strategically the advantage provided by the Community dimension, the Ministers for Industry decided, at the Council meeting of 4 November 1983, to set up a special committee called the Senior Officials Group on Telecommunications.

The task of this Group was quickly to put forward detailed proposals for action along the line set out by the Commission in its communication to the Council COM(83)573.

The discussions within the working parties have confirmed the part that can be played by joint projects in developing telecommunications infrastructures and boosting competitiveness in the Community, these being the key to any coherent action in this sector.

The main areas of this action cover advanced telecommunications infrastructure projects, with the corresponding applied development and engineering work, which would be carried out jointly by the Member States of the telecommunications carriers, or by firms, when it comes to preparing the projects. The latter relate to the development of:

- a transnational ISDN network in the Community, which will serve as a common basis for the telematics markets at Community level, these being the area of telecommunications which is enjoying the fastest growth;
- high-speed advanced communications services for business users in the Community, making full use of satellite services and taking the needs of potential users into account;
- a broadband ground structure for international communications in the Community, which should be able to carry the international traffic load as soon as the new broadband services are launched, i.e. from the second half of this decade onwards.

The projects concern in particular the Community's participation in the development of associations between Member States or carriers with a view to establishing advanced transnational infrastructures. Such infrastructures will be built up in connection with the establishment of an optical fibre network, which is to provide the basis for the intracommunity ground telecommunications infrastructure during the 1990s.

The above-mentioned three areas will provide a stimulus for joint industrial development projects in which cooperation between European firms is essential in order to achieve economies of scale. In view of the nature of these advanced telecommunications projects (their high technological development and engineering content, long capital repayment periods and high risk factor), they could be financed from three sources;

- the Member States or their respective telecommunications carriers;
- the Community financial instruments, in particular the EIB and the NCI, the purpose of both of which is to finance investment projects;
- the Community budget, in order to take into account the advanced nature of the above-mentioned projects and their high applied development and engineering content.

If finance from the Community budget were not forthcoming, the use of the first two sources mentioned would be jeopardized, which would call into question the very ability to undertake such advanced projects of benefit to Europe.

Nevertheless, given that the development work under consideration is of the applied type and in view of the competitive advantage it would give the firms taking part, the Community's budgetary involvement will take the form of repayable advances instead of subsidies.

The involvement envisaged is explained in detail in paragraph (c).

(c) Type of expenditure

Community involvement under this Item will be limited to applied development and engineering work undertaken in the context of joint projects grouping together several Community carriers or firms.

These appropriations will be made available in the form of repayable advances against development and engineering expenditure. They will make it possible to carry out work with a high applied development and engineering content and involving substantial risks and long capital repayment periods.

This Community participation will also make it possible to obtain further finance from the Community lending instruments for the other aspects of these investment projects; it will thus encourage the optimum use of the potential these instruments represent for the implementation of projects in the common interest.

ARTICLE 774 — INDUSTRIAL REDEVELOPMENT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 500 000	1 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 500 000	1 500 000
Percentage change	—	—

1. References and description

(a) References

ECSC Treaty (Article 46(4)).

(b) Description

The appropriations in this article are intended to help the Commission in its operations concerning the redevelopment of those areas suffering from the sharp decline of certain industrial sectors throughout the Community where existing regional problems may be aggravated or new ones created.

The Commission is thus bringing particular attention to bear on the problems of industrial decline, which for several years now have been getting worse all the time. Now the Commission is to take measures to face up to this situation. In general terms it has proposed allocating substantially increased resources to regional policy in order to cope with problems affecting areas in industrial decline. In particular, it recently decided to step up the redevelopment of regions hit by the steel crisis.

The funds made available under this article are for the preparatory work most suited to the various situations which arise : various types of study, pilot projects, seminars and symposiums, the use of consultants, etc. In particular these measures should help to develop small businesses, which do much to promote employment, and to encourage them to innovate in the broadest sense (not only technology but also management and marketing).

Measures of this kind may be taken on the initiative of the Commission or at the request of the Member States. Depending on the circumstances, the total cost of measures may be financed, or a smaller proportion of the cost if the Member States are also contributing.

2. Type of expenditure

To begin with, the intention is to use this new article to support Community action in the steel industry in accordance with the guidelines and decisions taken recently by the Commission. At a later stage, consideration may also be given to other declining industries like coal, textiles, clothing and shipbuilding.

As far as steel is concerned, the Commission, in Document SEC(82)1568 final, expressly envisaged increasing the number of preparatory studies under Article 46 of the ECSC Treaty or through the ERDF, estimating the total cost of these projects at 3 million ECU.

Wider use of the possibilities for action provided in Article 46(4) of the ECSC Treaty is envisaged in order to support and increase the redevelopment activity provided for in Article 56 of the ECSC Treaty.

3. Method of calculation

Appropriations for studies under Article 774 amounting to 1,5 million ECU are requested for 1985, calculated as described below.

Implementation of the General Objectives for Steel — 1985 will result in the loss of at least 150 000 jobs in the steel industry which, in spite of tremendous efforts at national and Community level to re-employ these workers, will require the creation of 70 000 alternative jobs over a period of four years in those areas affected by the restructuring of the steel industry.

An important part of the action programme to create new jobs is the reinforcement of the ECSC redevelopment measures which will require not only better and more studies but also preparatory measures to encourage small-scale projects with a view to the creation of new activities by small businesses which provide the greatest potential for the creation of new jobs.

Alongside these measures, more will have to be done in the way of practical measures to monitor progress and to encourage small industries in the areas concerned in order to make more use of ECSC redevelopment loans in conjunction with other Community instruments and funds.

The easiest and most straightforward way of doing this would be to expand the present network of three consultants. The Commission has therefore decided to recruit six consultants with wide knowledge of the main steel areas for a period of two years. These consultants would be attached to the Directorate-General for Regional Policy, but would be made available to all Commission departments responsible for redevelopment problems. They would also help the Commission's departments solve management problems and monitor the progress being made in these regions.

Expenditure on this programme is estimated at 1,5 million ECU, which can be broken down as follows :

— Redevelopment activity	1 000 000
— Consultants' costs	500 000
	<hr/>
Total	1 500 000

Meeting the Commission's target of creating 70 000 jobs over a period of four years means creating 17 500 new jobs a year, on the basis of some 1 000 different projects in the small business sector.

The expenditure involved will amount to around 3 000 ECU per project, or 170 ECU for each new job created.

Allocating these costs over the 30 regions covered by the 36 financial agencies responsible for managing ECSC global loans (a list of these regions will be published in the near future in the *Official Journal of the European Communities*), gives an average of 50 000 ECU per region.

Since ECSC redevelopment activities currently cost some 300 million ECU, the expenditure in question accounts for 0,5 %.

ARTICLE 775 — MONITORING APPLICATION OF CERTAIN STEEL INDUSTRY MEASURES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget		
— Appropriations as amended by transfers or by amending or supplementary budget	17 056 000 ⁽¹⁾	17 056 000 ⁽¹⁾
1985 — Appropriations requested	20 000 000	20 000 000
Percentage change	+ 17,30	+ 17,30

⁽¹⁾ Of which 10 056 000 ECU have been entered under Chapter 100.

1. References and description

(a) References

Commission Decision on the basis of Articles 47, 58 and 60 of the ECSC Treaty.

(b) Description

The Commission has introduced a system for monitoring production and deliveries of certain steel products, prices, particularly minimum prices, exports to the USA and the use of operating aids. This monitoring activity is carried out by the Commission in conjunction with independent bodies (audit companies and experts seconded from steel firms).

2. Type of expenditure

This appropriation is intended to cover the cost of monitoring the production and supply of certain steel products, checking prices, exports to the United States and the use of operational aids.

3. Method of calculation and explanation of changes

(a) Method of calculation

Staff required to monitor production, prices exports and the use of operating aids :

Monthly cost in 1984	1 560 000
Indexed at 6%	93 600
Monthly cost in 1985	1 653 600
	× 12
Annual cost in 1985	19 843 200

(b) *Explanation of changes*

The Commission has proposed that prices be monitored more closely. This proposal was backed by the governments of the Member States at Council meetings held by Industry Ministers in November and December 1983 to examine the Commission's proposals, thus paving the way for the adoption of decisions on minimum prices, production certificates, and documents to accompany steel deliveries.

The scope of monitoring activities has now been widened considerably, and this has inevitably led to an increase in checks carried out by outside personnel.

Increased wage and salary costs and travel expenses are reflected in the higher expenditure.

Historical Archives of the European Commission

ARTICLE 776 — ECONOMIC AND SOCIAL STUDIES PROVIDED FOR IN ARTICLE 46 OF THE TREATY ESTABLISHING THE EUROPEAN COAL AND STEEL COMMUNITY

ITEM 7760 — STUDIES RELATING TO POINT 1 OF THE THIRD SUBPARAGRAPH OF ARTICLE 46 OF THE TREATY ESTABLISHING THE EUROPEAN COAL AND STEEL COMMUNITY

ITEM 7761 — STUDIES RELATING TO POINT 2 OF THE THIRD SUBPARAGRAPH OF ARTICLE 46 OF THE TREATY ESTABLISHING THE EUROPEAN COAL AND STEEL COMMUNITY

ITEM—7762 — STUDIES RELATING TO POINT 3 OF THE THIRD SUBPARAGRAPH OF ARTICLE 46 OF THE TREATY ESTABLISHING THE EUROPEAN COAL AND STEEL COMMUNITY

ITEM 7764 — STUDIES RELATING TO POINT 5 OF THE THIRD SUBPARAGRAPH OF ARTICLE 46 OF THE TREATY ESTABLISHING THE EUROPEAN COAL AND STEEL COMMUNITY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	900 000	900 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	900 000	900 000
Percentage change	—	—

1. References and description

Article 46 of the ECSC Treaty :

“The High Authority may at any time consult governments, the various parties concerned (undertakings, workers, consumers and dealers) and their associations, and any experts.

Undertakings, workers, consumers and dealers, and their associations, shall be entitled to present any suggestions or comments to the High Authority on questions affecting them.

To provide guidance, in line with the tasks assigned to the Community, on the course of action to be followed by all concerned, and to determine its own course of action, in accordance with the provisions of this Treaty, the High Authority shall, in consultation as provided above :

1. conduct a continuous study of market and price trends ;
2. periodically draw up programmes indicating foreseeable developments in production, consumption, exports and imports ;
3. periodically lay down general objectives for modernization, long-term planning of manufacture and expansion of productive capacity ;
4. obtain the information it requires to assess the possibilities for improving working conditions and living standards for workers in the industries within its province, and the threats to those standards.'

2. Type of expenditure

The meeting of financial obligations arising from study contracts with outside agencies. May also include expenditure in respect of the purchase of multiclient studies, reference works and subscriptions to specialized publications.

3. Method of calculation and explanation of changes

(a) Method of calculation

The breakdown of appropriations is as follows :

Item	1983 Appropriations authorized	1984 Appropriations requested	Percentage change
7760	70 000	70 000	—
7761	100 000	100 000	—
7762	660 000	660 000	—
7764	70 000	70 000	—
Article 776 — Total	900 000	900 000	—

The appropriations requested for Items 7760 and 7761 are to finance a number of studies made necessary by measures designed to restore order on the Community steel markets and also to improve the effectiveness of the measures recommended by the Commission to solve the problems caused by the unfavourable economic situation and the structural difficulties.

The increases requested for the different items stem from the need to strengthen Community action in the face of an unremitting steel crisis and reflect experience concerning the increase of costs for similar studies.

Item 7760 is intended to allow the Commission to carry out further and more thorough monitoring of trends on the world and Community steel markets in order to assess what effect its measures will have both within and outside the Community.

Item 7761 is intended to allow the Commission to perform the tasks incumbent upon it under the Treaty and shape its future policy in the steel sector so as to provide guidelines for the parties concerned and above all set out general objectives regarding modernization, long-term production strategy and development of production capacities.

Against the background of the restructuring process under way in the steel industry, it is essential to have a permanent monitoring system for market and price trends and carefully to analyse the present situation and long-term prospects in order to match supply and demand for steel products.

The appropriation to be allocated to Item 7762 is intended to cover the costs in respect of the projected development of the European steel industry and of carrying out the long-term studies of supply and demand, analyses of steel consumption in each sector and trends in the consumption of alloy, fine and special steels.

Item 7762 also covers the cost of analyses of individual steel companies or groups of companies additional to the analyses in respect of restructuring plans.

As regards Item 7764, the trend in new mining techniques requires a continuous reappraisal of mine safety and working conditions.

The same applies to the problems affecting the steel industry where technological change is rapid and likely to become faster still under the impact of the restructuring measures agreed. The social and safety aspects must be taken into account at the same time as the technical side.

ITEM 7765 — FINANCIAL ANALYSES AND ASSESSMENTS IN THE IRON AND STEEL SECTOR

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	900 000	900 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	900 000	900 000
Percentage change	—	—

1. References and description

(a) References

- Paragraph 2 of Article 46, and Article 47 of the ECSC Treaty : ‘The High Authority may obtain the information it requires to carry out its tasks. It may have any necessary checks made. The High Authority must not disclose information of the kind covered by the obligation of professional secrecy...’

- Communication from the Commission to the Council on 'Steel restructuring policies' of 16 March 1981 (COM(81)67 final/3).
- Commission Decision 2320/81/ECSC of 7 August 1981 on aids to the steel industry (OJ No L 228, 13.8.1981).

(b) Description

Technical, economic and financial analyses, and the results provided by special assessments are needed in order to assess the impact of the measures taken by steel undertakings and governments under the restructuring plans.

More particularly, these surveys consist of individual technical, economic and financial analyses designed to determine the viability of certain sectors or sub-sectors, undertakings or groups of undertakings and ascertain whether profitability can eventually be restored.

The Commission's departments, and in particular those responsible for industrial policy, competition and investment must have all the information they require to assess the effect of measures taken by steel undertakings and governments in accordance with restructuring plans.

2. Type of expenditure

Covering the financial obligations resulting from contracts with outside agencies.

3. Method of calculation

The appropriation requested is intended to allow the carrying-out of 15 or so special analyses and assessments, depending on circumstances, the cost of which is estimated at a minimum of between 40 000 and 50 000 ECU.

ARTICLE 777 — SPECIFIC INDUSTRY MEASURES

ITEM 7771 — MINERAL RAW MATERIALS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 000 000 ⁽¹⁾	500 000 ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 000 000	500 000
Percentage change	—	—

⁽¹⁾Appropriations entered in Chapter 100.

1. References and description

(a) References

- Council Regulation based on Article 235 of the EEC Treaty, to be adopted on the basis of a communication from the Commission to the Council (COM(82)415 final).
- European Parliament Resolution of 14 January 1983.

(b) Description

The Commission proposes to establish a system to encourage programmes, conducted by the mining industry itself, on prospecting for the Member States' non-energy-generating mineral resources, with a view to enhancing the Community's security of supply and contributing towards a harmonious development of economic activities throughout the Community.

The financial support is to be granted chiefly — although not exclusively — for drilling.

2. Type of expenditure

Interest-free loans repayable if resources are exploited, and with interest from a date to be set by the Council.

3. Method of calculation and explanation of changes

(a) Method of calculation

A prospecting programme may cost between 500 000 and 1 000 000 ECU a year. As the Community may not contribute more than 50 %, the commitment appropriation requested will allow the Community to support an initial series of between six and 12 programmes.

(b) *Explanation of changes*

The European Community's heavy dependence — of the order of 75 % — on external supplies of non-energy-producing minerals to its industries is a genuine and serious problem. Consequently, the discovery of promising deposits, no matter where in the Community, is significant for the security of supply of the Community as a whole.

The operation proposed here fits into the supply policy conducted over recent years, partly through the various raw materials research and development programmes which the Council has adopted and partly through the extensive chapter on mining included in the Lomé Convention with a view to promoting prospecting and mining in the ACP countries.

The Commission feels that Community aid in this field should not systematically favour non-Community countries, but that the Member States' mineral resources should likewise be exploited.

In its Resolution of 15 May 1979, Parliament felt that the Member States should do all that they could to ensure optimum exploitation of the Community's natural resources.

The schedule of payments in relation to commitments is as follows:

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	2 000 000 ⁽¹⁾	500 000	400 000	800 000	300 000	
Appropriation for 1985	2 000 000	—	100 000	700 000	900 000	300 000
Total	4 000 000	500 000⁽¹⁾	500 000	1 500 000	1 200 000	300 000

⁽¹⁾ This appropriation is entered in Chapter 100.

ITEM 7772 — DEVELOPMENT OF A COMMUNITY STRATEGY FOR THE MACHINE-TOOL INDUSTRY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	500 000	500 000
— Appropriations as amended by transfers or by amending or supplementary budget	600 000	600 000
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

- Commission communication to the Council on a Community strategy to develop Europe's industry (COM(81)639 final).
- Commission statement 'SEC(83)151 final' of 8/February 1983 or 'The European machine tool industry'.

(b) Description

- The general objective of this operation is to define the likely demand trends, in terms of both quantity and quality, and thereby help producers plan their activities. In this way, it should help producers to make strategic decisions.
- The more specific objective is to take stock of the market potential, of the technologies which are in the best position to satisfy it and of the changes which the industry will have to make in order to balance supply and demand.

2. Type of expenditure

The most appropriate way of achieving the declared objectives with the cooperation of the industry is to conclude a study contract.

ITEM 7775 — SPECIFIC MEASURES FOR IMPROVING KNOWLEDGE OF THE JAPANESE MARKET

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	4 420 000	2 800 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 900 000	2 410 000
Percentage change	+ 10,85	– 13,90

1. References and description

(a) References

- Article 113 of the EEC Treaty.
- The Council's conclusions of 25 November 1980 :
'On the European side further progress must be made in getting European industries to develop positive strategies to deal with Japanese competition, including not only restructuring in Europe but also greater involvement in the Japanese market' ;

and of 26 October 1981 :

'The Council approved the principles underlying the Commission proposals. It recommended that the proposed general programme be initiated by the Commission, in its capacity as the executive authority, within the agreed financial limits and in cooperation with the Article 113 Committee.'

(b) *Description*

On 26 October 1981 the Council, acting on the proposal which the Commission put to it on 18 June 1981 (COM(81)385 final) and in the light of the discussions in the Article 113 Committee, reached the conclusions set out above.

In line with those conclusions, and with the Article 113 Committee discussions of 17 September and 8 October 1981, at which it approved the various operations which the Commission had proposed, the Commission now proposes to implement the following parts of its general programme with the appropriation requested :

1. Training programme

(a) *Executive Training Programme*

Continuation of the training programme being run in Japan for young executives from European companies. The programme is intended to help European companies interested in exporting goods to Japan or in cooperating with Japanese firms. The 18-month programme comprises a one-year intensive Japanese language course plus six months on-the-job training with a Japanese firm.

Continuation of the programme in the 1985 financial year (in principle it is run on an annual basis) will consist of a course in Japan for about 40 participants (from January 1985 to June 1986).

(b) *Other training :*

The granting of aid to a limited number of centres providing basic crash courses in the Japanese language for businessmen.

Courses in Japan for middle and top industrial managers and technicians to provide the experience needed to deal with Japanese competition.

2. Measures to enhance the presence of European industries in Japan.

Continuation of the measures to promote certain sectors of industry (selected in collaboration with the European Chambers of Commerce in Tokyo under the auspices of the EC Steering Committee), by means of the following :

(a) 'Sectoral' measures :

- studies of the Japanese market in specific sectors ;
- seminars held in the Community ;
- financing and organizing sales missions to Japan ;
- studies to expand the services provided for all SMEs.

(b) Other measures :

- financial support for the organization of meetings between European and Japanese businessmen in the form of symposia and seminars ;

- preparation of studies on specific aspects of the Japanese market and translation of texts of common interest (in scientific, economic, legal or administrative fields) ;
- acquisition of information which is useful to European exporters — survey of the best European exporters in Japan and the reasons for their success ;
- information on the ‘technological’ image of Europe in Japan ;
- survey of new Japanese technologies which could be transferrable to Europe.

2. Type of expenditure

The contribution to the measures listed under 1(b) will take the form of contracts for the procurement of the relevant services.

3. Method of calculation

Subject to the fluctuation of the yen and the cost of living in Japan, which would be hard to predict in detail, and to the increase in expenditure in Europe, the sum proposed might be broken down as follows :

ETP VI		Commitments
Executive training programme		3 265 000
Other training		670 000
Measures to enhance the European presence in Japan		
Sectoral measures		310 000
Other measures		655 000
Total		4 900 000

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	4 420 000	2 800 000	920 000	400 000	300 000	
Appropriation for 1985	4 900 000		1 490 000	2 000 000	1 000 000	410 000
Total	9 320 000	2 800 000	2 410 000	2 400 000	1 300 000	410 000

New operation**ITEM 7776 — SPECIFIC MEASURES CONCERNING MARKETS OF NON-MEMBER COUNTRIES**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	300 000	300 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	420 000	420 000
Percentage change	40,0	40,0

1. References and description**(a) References**

Article 113 of the EEC Treaty.

(b) Description

The purpose of this new operation is to take various measures to help Community undertakings promote their exports on the markets of non-member countries. It is in addition to existing budgetary resources which allow the Community to participate in major international trade fairs where it is desirable to provide information promoting the Community image, or engage in reciprocal economic cooperation schemes in the context of cooperation agreements. It should be possible, however, within clear and reasonable limits, to take specific measures to give direct assistance to Community undertakings in promoting their exports on specific sectors of markets in non-member countries. The value of such measures has already been demonstrated by the measures for improving knowledge of the Japanese market (Item 7775).

2. Type of expenditure

Measures to promote Community exports would include trade missions, market studies, attending trade fairs, disseminating information, and specific training programmes. A contribution of about 420 000 ECU would be made to these measures.

ITEM 7777 — EUROPEAN CENTRE FOR SMALL AND MEDIUM-SIZED ENTERPRISES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	100 000	100 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change		

1. References and description**(a) References**

European Parliament Amendment No 220 of 10 December 1982 submitted by the Liberal and Democratic Group (PE 81794/220).

(b) Description

In the Resolution of 19 February 1982 on the situation of small and medium-sized enterprises in the Community, Parliament considered that the organization of a Year of the Craft Industry and Small and Medium-sized Enterprises in 1983 should be a way of making the public aware of the renewal of the spirit of enterprise in the Community by means of a large-scale information campaign directed at small and medium-sized enterprises, on the one hand in order to inform them of the services available and the policy being pursued by the Community and on the other to find out what they expect from the Community.

The Resolution also asked for the establishment of a centre for small and medium-sized enterprises.

In order to help SMEs and the craft industry, and also the Community institutions, this will have to be a research centre which studies and coordinates information on SMEs at Community level, while at the same time acting as a link between individual businessmen and their business organizations on the one hand, and those responsible for initiating Community action to help small businesses and the craft industry on the other.

2. Type of expenditure

Subsidy for the management and operation of the European Centre for Small and Medium-sized Enterprises and the Craft Industry.

3. Explanation of changes

After an initial running-in period, the Centre should be fully operational and performing all its particular functions by 1985.

New operation**ITEM 7778 — ENCOURAGEMENT OF ACTIVITIES TO HELP SMALL AND MEDIUM-SIZED ENTERPRISES AND THE CRAFT INDUSTRY**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	200 000	200 000
Percentage change	—	—

1. References and description**(a) References**

- Parliamentary Resolution of 8 January 1982 based on the report, by the Committee on Economic and Monetary Affairs, on the situation of small and medium-sized undertakings in the Community (Documents 1-854/81 and PE 74.355 final).
- Communication by the Commission to the Council on following up the Year of the Craft Industry and Small and Medium-Sized Enterprises (in preparation).

(b) Description

- Assisting the Member States in their efforts to devise *ad hoc* policies to enable SMEs to overcome their problems.

Commission participation could take the following forms :

- continuing to analyse, compare and evaluate the conclusions of meetings held in 1983 as part of the Year of the Craft Industry and Small and Medium-Sized Enterprises and those which are held in 1984. This could be done by organizing special study groups and meetings of experts and making use of the services of consultants and specialist organizations ;
- organizing seminars to find ways of applying successful national policies in other Member States ;
- disseminating information on the conclusions and results obtained from the Year of the Craft Industry and Small and Medium-Sized Enterprises and from the above working groups. This information will be mainly for the public authorities of the Member States and the Community institutions.
- Carrying out studies to compile lists of legal and administrative provisions and to disseminate the results ; developing SMEs and the craft industry in transfrontier areas and investigating their economic circumstances.
- Encouraging the analysis of problems specific to SMEs in peripheral areas and finding ways of solving them.

(c) Breakdown of expenditure

— cost of organizing symposia and seminars	30 000
— fees of consultants organizing or attending symposia and seminars	20 000
— studies	100 000
— dissemination of results of studies, symposia and seminars	50 000
Total	200 000

2. Type of expenditure

The cost of organizing symposia and seminars, paying fees to consultants who take part in the activities described above, and paying for studies the aim of which is to put forward proposals on following up the Year of the Craft Industry and Small and Medium-Sized Enterprises and to analyse the prospects of the craft industries in frontier and peripheral areas.

ITEM 7779 — YEAR OF THE CRAFT INDUSTRY AND SMALL AND MEDIUM-SIZED ENTERPRISES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	100 000	100 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	— 100 %	— 100 %

1. References and description

(a) References

Parliamentary Resolution of 8 January 1982 based on the report, by the Committee on Economic and Monetary Affairs, on the situation of small and medium-sized undertakings in the Community (Documents 1-854/81 and PE 74.355 final).

(b) Description

- Assist the Member States in their efforts to devise *ad hoc* policies to enable SMEs to overcome the problems on which attention has been focused at meetings and seminars organized by the Member States and the Community institutions in the course of the Year of the Craft Industry and Small and Medium-sized Enterprises.

Commission participation could take the following forms :

- analysis, comparison and evaluation of the conclusions of meetings held in 1983. This could be done by organizing special study groups and experts' meetings and making use of the services of consultants and specialist organizations ;

- organizing seminars to find ways of applying successful national policies in other Member States ;
- disseminating information on the conclusions and results obtained from the Year of the Craft Industry and Small and Medium-sized Enterprises and from the above working groups. This information will be mainly for the public authorities of the Member States and for the Community institutions.
- Ensure general knowledge of the problems facing the craft industry and seek ways and means of assisting its development. The Commission will contribute as follows :
 - by organizing seminars in one or more Member States on the financial, technical and administrative problems facing the craft industry. Every effort will be made at these meetings to make full use of the opportunity to exchange information and experience concerning the policies of the Member States in this field ;
 - by setting up a working party comprising government experts, consultants and representatives of the craft industry organizations, the aim being to identify the prospects and needs of the craft industry during the next five years. The findings of this working party will form the basis for suggestions to the Member States on coordinating and, where necessary, changing their present national policies on the craft industries.

2. Type of expenditure

The cost of organizing seminars, paying fees to consultants who take part in the activities described above, and paying for studies the aim of which is to put forward proposals as to how to apply the conclusions obtained during the Year of the Craft Industry and Small and Medium-sized Enterprises and to analyse the prospects of the craft industries.

3. Explanation

Follow-up to the Year of the Craft Industry and Small and Medium-sized Enterprises.

These activities are necessary in order to apply the conclusions of the conferences and seminars organized in 1983 as part of the Year of the Craft Industry and Small and Medium-sized Enterprises. Another aim is to make up for the absence of specific measures relating to the craft industries in 1983.

ARTICLE 778 — STUDIES ON INDUSTRIAL GUIDELINES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	795 000	795 000
— Appropriations as amended by transfers or by amending or supplementary budget	695 000	695 000
1985 — Appropriations requested	900 000	900 000
Percentage change	+ 29,5	+ 29,5

1. References and description**(a) References**

- Decision by Council of 19-20 December 1977 (OJ No L 357, 31.12.1977) concerning the textile industry.
- Report on certain structural aspects of growth (COM(78)255 final of 22 June 1978).
- Council Resolution of 19 September 1978 on the reorganization of the shipbuilding industry (OJ No C 229, 27.9.1978).
- Commission communication to the Council on industrial development and innovation (COM(80)755/2 of 26 November 1980) forwarded to the European Council meeting in December 1980.
- Council statement of 25 November 1980 on relations with Japan (second paragraph analysing Japanese industrial strategy).

(b) Description

This operation entails the execution of studies or participation by the Commission in studies or surveys of certain industries which are of particular importance to the Community, and studies or surveys of the impact of international economic changes on European industrial structures.

Firstly, the preparation of Commission proposals has to be based on a thorough knowledge of the problems created by structural change, as regards both analysing the causes and evaluating the consequences, sector by sector.

The resulting information will make it possible to estimate the degree of harmony between macroeconomic objectives and the evolution of various industries in the Community.

In view of the current state of Community industry it is vital that studies be undertaken in the textile and clothing, footwear, timber, chemical, petrochemicals, non-ferrous metals, rubber and service sectors.

Moreover, under the mandate of 30 May, the Commission proposed to the Council a Community industrial strategy involving, in particular, better analysis of and information about the industrial situation and outlook in the Community as a basis for consultation with firms and the Member States for drawing up Community measures.

At the same time, it is essential to have detailed information about the strategy of firms and governments in non-Community countries and to identify what opportunities there are for industrial cooperation.

2. Type of expenditure

Meeting of financial obligations under study contracts with outside bodies. A contribution from the industry in question could be contemplated in certain circumstances.

Buying specialist works and taking out subscriptions to specialist publications.

3. Method of calculation

The Commission carries out these studies in conjunction with the industries concerned and if possible with their financial participation. The sum requested will be divided between a few major studies.

Experience indicates that the cost of a study on a specific industry could be between 50 000 ECU and 200 000 ECU, depending on the degree of depth required.

The expenditure breaks down as follows :

Industrial studies :

— chemicals and petrochemicals	35 000
— footwear	30 000
— timber	70 000
— non-ferrous metals	15 000
— services	60 000
— textiles and clothing, tanning, non-ferrous metals and other industries	130 000
	<hr/>
	340 000

Industrial strategy :

— identification of obstacles to and promotion of transfers of Japanese technology to European undertakings	130 000
— identification and elimination of obstacles to investment in Japan	200 000
— selection of industrial sectors interested in transfers of technology to developing countries	50 000
— analysis of critical factors affecting industrial competitiveness (supply and demand of industrial goods and services)	180 000
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	560 000

Total	<hr/>	900 000
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ARTICLE 779 — COMMUNITY PROJECTS CONCERNING THE INTERNAL MARKET

ITEM 7790 — HARMONIZATION OF INDUSTRIAL LAWS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 200 000	1 200 000
— Appropriations as amended by transfers or by amending or supplementary budget	840 000	840 000
1985 — Appropriations requested	1 100 000	1 100 000
Percentage change	+ 30,9	+ 30,9

1. References and description

(a) References

- General programme of 28 May 1969 for the elimination of technical barriers to trade which result from disparities between the provisions laid down by law, regulation, or administrative action in Member States (in particular the resolution on the adaptation of directives to technical progress) (OJ No C 76, 17.6.1969).
- Council Resolution of 17 December 1973 on industrial policy (OJ No C 117, 31.12.1973).
- Directives for the elimination of technical barriers to trade (some 150).
- General programmes of 18 December 1961 for the elimination of restrictions on the freedom of establishment and on the freedom to supply services (OJ No 2, 15.1.1962).
- GATT agreements to which the Community as such is a contracting party (OJ No L 71, 17.3.1980).
- Directives adopted for the recognition of professional qualifications (some 15 in number).
- Council Directive 83/189/EEC of 28 March 1983 laying down a procedure for the provision of information in the field of technical standards and regulations (OJ No L 109, 26.4.1983, p. 8).

(b) Description

In order to draw up preliminary draft directives it is essential to carry out basic technical studies yielding common standards. In addition, the directives must be incorporated into national legislation by the Member States. For each directive the Commission must therefore examine the conformity of the nine national implementing measures. As regards the elimination of technical barriers to trade in industrial products, it must also constantly prepare new measures adapting Community legislation to technical progress.

The operation must be carried out at four levels :

- the preparation of new directives,
- the adaptation of existing directives,
- the monitoring of the application of directives,
- the preparation of opinions or recommendations supplementing the directives adopted on the recognition of diplomas to ensure a comparably high level of vocational training in the Member States for the professions involved.

In most cases it requires the drawing-up of :

- detailed opinions on any discrepancies between Community directives and the national regulations implementing the directives,
- drafts aimed at adapting Community legislation to new scientific and technical discoveries,
- drafts aimed at applying framework directives covering broad sectors to specific products falling within their scope,
- drafts for specific technical directives.

The implementation of the GATT agreements concerning technical standards and regulations and public supply contracts in order to facilitate international trade in general and Community exports in particular makes it necessary for information and documents resulting directly from the Community's participation in these two agreements to be collected, processed and forwarded to the interested parties. In addition, an information programme will enable the sectors involved to cooperate with the Commission in implementing the GATT agreements.

The cooperation of experts will be required in order to operate the information systems for technical regulations. They will assist the Commission in examining draft regulations forwarded by the Member States.

2. Type of expenditure

Meeting financial obligations arising from contracts to be concluded with outside bodies. Purchase of reference works and subscriptions to specialized publications.

3. Method of calculation and explanation of changes**(a) Method of calculation**

The breakdown of expenditure is as follows :

Preparation of new directives

— motor vehicles	90 000	
— household electrical appliances	15 000	
— building aeronautics	16 000	
— building	295 000	
— television	30 000	
— mining	8 000	
		454 000

Modification of existing directives

— motor vehicles	60 000	
— household electrical appliances	35 000	
— radio-electrical interference	21 000	
— foodstuffs	18 000	
— fertilizers	25 000	
— asbestos	30 000	
— dangerous substances	70 000	
		259 000

Monitoring the application of the directives

— measuring instruments	15 000
— dangerous substances	40 000

Professional legislation 157 000

Operation of information systems 175 000

387 000

Total

1 100 000

(b) Explanation of changes

The request for appropriations is slightly lower than the figure entered for the previous financial year.

New operation**ITEM 7791 — INTRODUCTION OF AN INFORMATION SYSTEM FOR TECHNICAL STANDARDS AND REGULATIONS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget	360 000	360 000
1985 — Appropriations requested	1 400 000	1 400 000
Percentage change	+ 288,9	+ 288,9

1. References and description**(a) References**

Council Directive of 28 March 1983 laying down a procedure for the provision of information in the field of technical standards and regulations (OJ No L 109, 26.4.1983).

(b) Description

The Directive provides for the introduction of a system of providing and exchanging information on proposed technical standards and regulations prior to their adoption, so obviating new technical barriers. This system will operate between national standards institutions and CEN and CENELEC as regards private standards and between the Member States and the Commission as regards technical regulations. The Commission is responsible for setting up the system for technical regulations and is looking into the possibility of using computerized systems. The private standards institutions will be responsible for standards but the Community will have to provide funds for the central organization for the system.

Moreover, to ensure that the national procedures for product trials are completely clear and in this way to encourage intra-Community trade in industrial products, it is necessary to prepare and update a list of all the laboratories within the Community which carry out trials — either those made in application of legal provisions, qualification trials or trials on a contract basis.

2. Type of expenditure

Under a contract to be concluded between the Commission and CEN and CENELEC, the latter will be responsible for the introduction and management of an information system for standards. The maximum annual cost of the system to be set up is estimated to be 1 000 000 ECU.

The Commission intends to let one or more service contracts for the preparation and updating of the list. The cost of these services is estimated at 400 000 ECU.

Former Item 7724

ITEM 7792 — MULTIANNUAL ACTION TO STRENGTHEN THE EUROPEAN STANDARDS ORGANIZATIONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 200 000	600 000
Percentage change	—	—

1. References and description

(a) References

- Council Directive 83/189/EEC of 28 March 1983 laying down a procedure for the provision of information in the field of technical standards and regulations.
- Concil Resolution of on standardization (OJ No C).

(b) Description

- The above-mentioned Directive provides that the European standards organizations may be entrusted with preparing European standards by prescribed deadlines. During the entire period when the European standards are being prepared, the national standardization organizations should refrain from introducing standards covering the subjects in question.
- To ensure that this standstill is effective, it is important that European standards be prepared in a reasonable space of time. Moreover, the Council included in its principles for a European standardization policy — in respect of Community practice governing technical harmonization — the principle of applying as a matter of priority standards of European origin to define the technical features of products.
- As a corollary to this first principle the Council also accepted the principle of the rapid strengthening of the standardization capacity at European level through the agency of the European standardization organizations.

2. Type of expenditure

Under contracts to be concluded between the Commission and CEN and between the Commission and Cenelec, the Commission will entrust to these European organizations the preparation of European standards.

These authorizations will be decided by the Commission in conjunction with the Committee for Standards and Technical Rules created by Directive 83/189/EEC of 28 March 1983.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	(10 000 000)(¹)					
Appropriation for 1985	1 200 000	—	600 000	300 000	300 000	
Total	1 200 000	—	600 000	300 000	300 000	

(¹) Appropriations of a special nature.

CHAPTER 79 — EUROPEAN ECONOMIC COMMUNITY
GUARANTEE FOR EURATOM LOANS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

- Council Decision 77/270/Euratom of 29 March 1977 empowering the Commission to issue Euratom loans for the purpose of contributing to the financing of nuclear power stations (OJ No L 88, 6.4.1977).
- Council Decision 77/271/Euratom of 29 March 1977 on the implementation of Decision 77/270/Euratom, which sets a ceiling of 500 million ECU for the first tranche of loans to be raised.
- Council Decision 80/29/Euratom of 20 December 1979 authorizing a second tranche of loans for 500 million ECU (OJ No L 12, 17.1.1980).
- Council Decision 82/170/Euratom of 15 March 1982 raising from 1 000 to 2 000 million ECU the total of Euratom loans that the Commission is authorized to contract (OJ No L 78, 24.3.1982).
- Commission proposal for a Council decision raising from 2 000 to 3 500 million ECU the total of Euratom loans that the Commission is authorized to contract.

(b) Description

The above decisions empower the Commission to raise loans on behalf of the European Atomic Energy Community, the proceeds of which are for on-lending to finance investment projects involving the industrial generation of nuclear-based electricity and industrial fuel-cycle installations.

To reduce Europe's dependence on imported energy, the use of nuclear energy to generate electricity must be encouraged.

2. Type of expenditure

This heading is to accommodate the Community's guarantee of proper implementation. If the recipient of a loan defaults and the guarantees attached to the loan cannot be implemented in time to meet the due-dates, the Commission will use its cash resources to service, provisionally, the debt contracted by the Community by virtue of its legal commitment to the lenders.

Any expenditure definitively incurred by the Community will be entered against this item; the Community must then exercise its right to bring proceedings against the defaulting debtors.

3. Explanation

The token entry will enable the budgetary authority to enter the appropriations required to cover any obligations resulting from the implementation of the guarantee offered by the Community.

Historical Archives of the European Commission

**TITLE 8 — REPAYMENTS AND AID TO MEMBER STATES, LOAN
GUARANTEES AND MISCELLANEOUS**

**CHAPTER 80 — FLAT-RATE REPAYMENT TO THE
MEMBER STATES OF COSTS INCURRED IN COLLECTING
OWN RESOURCES**

**ARTICLE 800 — FLAT-RATE REPAYMENT TO THE MEMBER STATES OF COSTS INCURRED
IN COLLECTING OWN RESOURCES**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 057 343 000	1 057 343 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 047 098 000	1 047 098 000
Percentage change	- 1	- 1

1. References and description

(a) References

- Decision 70/243 (ECSC, EEC, Euratom) of 21 April 1970 (OJ No L 94, 28.4.1970).
- Council Regulation (ECSC, EEC, Euratom) No 2891/77 of 19 December 1977 (OJ No L 336, 27.12.1977).

(b) Description

To cover collection costs on a flat-rate basis, the Decision of 21 April 1970 provides for the refunding to the Member States of 10 % of sums remitted pursuant to Articles 1 to 3 of that Decision.

2. Type of expenditure

Within 30 days of notification by the Member States of the entry of own resources other than those accruing from VAT, the Commission repays 10 % of the sums entered.

3. Method of calculation and explanation of changes**(a) Method of calculation**

10 % of own resources, except those accruing from VAT.

(b) Explanation of changes

The amount of these appropriations is therefore proportional to the estimate of own resources ; this gives :

Belgium	82 208 000
Denmark	23 120 000
Germany	279 660 000
Greece	20 000 000
France	160 000 000
Ireland	14 540 000
Italy	121 642 000
Luxembourg	475 000
The Netherlands	93 903 000
United Kingdom	251 550 000
Total	1 047 098 000

CHAPTER 82 — FINANCIAL COMPENSATION TO
MEMBER STATES WHICH ARE NOT EFFECTIVELY AND
FULLY PARTICIPATING IN THE EUROPEAN MONETARY
SYSTEM

ARTICLE 820 — FINANCIAL COMPENSATION TO THE UNITED KINGDOM

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

European Council Resolution of 5 December 1978. Council Regulation (EEC) No 1736/79 and implementing Decision 79/691/EEC of 3 August 1979 on interest subsidies for certain loans granted under the EMS (OJ No L 200, 8.8.1979).

(b) Description

The appropriations for the interest subsidies introduced by the above legislation are financed from own resources pursuant to the Council Decision of 21 April 1970. Member States not participating effectively and fully in the mechanisms of the EMS receive financial compensation : this is the case of the United Kingdom.

2. Type of expenditure

The expenditure is a counterpart to the United Kingdom's contributions to interest subsidies under the EMS. As and when the appropriations for interest subsidies (Article 520) are used during the financial year, the Commission will, in the following quarter, pay financial compensation to the United Kingdom.

3. Method of calculation and explanation

The financial compensation is calculated by reference to the British VAT-based contribution to the budget.

Only a token entry is made for 1985, as for 1984, because the interest subsidy operation under Article 520 lasted only for the five years from 1979 to 1983.

However, should the Council decide to extend this operation, the appropriations required to repay to the United Kingdom its contributions to interest subsidies will be entered in this article by appropriate budget procedures.

Historical Archives of the European Commission

ARTICLE 821 — FINANCIAL COMPENSATION TO GREECE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description**(a) References**

European Council Resolution of 5 December 1978. Council Regulation (EEC) No 1736/79 and implementing Decision 79/691/EEC of 3 August 1979 on interest subsidies for certain loans granted under the EMS (OJ No L 200, 8.8.1979).

(b) Description

The appropriations for the interest subsidies introduced by the above legislation are financed from own resources pursuant to the Council Decision of 21 April 1970. Member States not participating effectively and fully in the mechanisms of the EMS are to receive financial compensation : this is the case of Greece.

2. Type of expenditure

The expenditure is a counterpart to Greece's contributions to interest subsidies under the EMS. As and when the appropriations for interest subsidies (Article 520) are used during the financial year, the Commission will, in the following quarter, pay financial compensation to Greece.

3. Method of calculation and explanation of changes

The financial compensation is calculated by reference to Greece's GNP-based contribution to the budget.

Only a token entry is made for 1985, as for 1984, because the interest subsidy operation under Article 520 lasted only for the five years from 1979 to 1983.

However, should the Council decide to extend this operation, the appropriations required to repay to Greece its contributions to interest subsidies will be entered in this article by appropriate budget procedures.

**CHAPTER 83 — EUROPEAN ECONOMIC COMMUNITY
GUARANTEE FOR COMMUNITY LOANS RAISED FOR
BALANCE OF PAYMENTS SUPPORT**

**ARTICLE 830 — EUROPEAN ECONOMIC COMMUNITY GUARANTEE FOR COMMUNITY
LOANS FOR BALANCE OF PAYMENTS SUPPORT, INSTRUMENT INTRO-
DUCED IN 1975**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	—	—
Percentage change	—	—

1. References and description

(a) References

Council Regulation (EEC) No 397/75 of 17 February 1975 on Community loans and implementing Regulation (EEC) No 398/75 of 17 February 1975 (OJ No L 46, 26.2.1975).

(b) Description

Council Regulation (EEC) No 397/75 authorizes the Community, on the initiative of one or more Member States and within the limit fixed by the Regulation of USD 3 000 million in monetary units of account, including interest on loans granted, to borrow funds for on-lending on the same terms to Member States whose balance of payments is affected by the increase in the price of petroleum products. These loans are subject to economic policy conditions stipulated by the Council and accepted by the recipient State with a view to redressing its balance of payments. Capital lent and repaid may not be re-used.

2. Type of expenditure

If the other measures provided for in Council Regulation (EEC) No 398/75 of 17 February 1975 cannot be implemented in time, the Commission will use its cash resources to service, provisionally, the debt contracted by the Community by virtue of its legal commitment to the lenders.

Any expenditure definitively incurred by the Community will be entered against this article ; the Community must then exercise its right to bring proceedings against the defaulting debtors.

Operations under this instrument ceased on 1 June 1984.

They were subject to a ceiling of USD 3 000 million in European monetary units of account including both the principal and interest. Capital lent and repaid could not be re-used.

3. Explanation

The token entry will enable the budgetary authority to enter the appropriations required to cover any obligations resulting from the implementation of the guarantee offered by the Community. As this operation ends in 1984, only a dash need be entered for 1985.

Historical Archives of the European Commission

ARTICLE 831 — EUROPEAN ECONOMIC COMMUNITY GUARANTEE FOR COMMUNITY LOANS FOR BALANCE OF PAYMENTS SUPPORT, INSTRUMENT INTRODUCED IN 1981

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

- Council Regulation (EEC) No 682/81 of 16 March 1981 adjusting the Community loan mechanism designed to support the balance of payments of Member States (OJ No L 73, 19.3.1981).
- Council Decision 83/298/EEC of 16 May 1983 for a loan to the French Republic of 4 000 million ECU or the equivalent in other currencies in one amount (OJ No L 153, 11.6.1983).
- Commission proposal for a Council Regulation extending Council Regulation (EEC) No 682/81 adjusting the Community loan mechanism (OJ No.....).

(b) Description

Council Regulation (EEC) No 682/81 of 16 March 1981, empowers the Community to contract loans, within the limit for borrowings outstanding fixed by the Regulation of 6 000 million ECU, solely for on-lending to any Member States in balance of payments difficulties as a result of an increase in prices of petroleum products. Each loan operation must be linked to the adoption by the Member State of economic policy measures designed to restore a tolerable balance of payments situation. Loan repayments may be re-used up to the limit for borrowings outstanding. For the calculation of the balance available within the authorized limit, borrowing operations are recorded in the accounts at the exchange rate for the day on which they are made, and loan repayments at the rate for the day on which the corresponding borrowing operation took place.

2. Type of expenditure

Should the debtor Member State default, the Commission will use its cash resources to service, provisionally, the debt contracted by the Community by virtue of its legal commitment to the lenders.

Any expenditure definitively incurred by the Community will be entered against this Article ; the Community must then exercise its right to bring proceedings against the defaulting debtors.

3. Explanation

The token entry will enable the budgetary authority to enter the appropriations required to cover any obligations resulting from the implementation of the guarantee offered by the Community.

Historical Archives of the European Commission

**CHAPTER 84 — EUROPEAN ECONOMIC COMMUNITY
GUARANTEE FOR COMMUNITY LOANS RAISED TO
PROMOTE INVESTMENT IN THE COMMUNITY (NEW
COMMUNITY INSTRUMENT)**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

- Council Decision 78/870/EEC of 16 October 1978 empowering the Commission to contract loans (OJ No L 298, 25.10.1978).
- Council Decision 79/486/EEC of 14 May 1979 authorizing a first tranche of 500 million ECU (OJ No L 125, 22.5.1979).
- Council Decision 80/739/EEC of 22 July 1980 authorizing a second tranche of 500 million ECU (OJ No L 205, 7.8.1980).
- Council Decision 80/1103/EEC of 25 November 1980 concerning the allocation of part of the second tranche.
- Council Decision 82/169/EEC of 15 March 1982 empowering the Commission to contract loans of 1 000 million ECU for the purpose of promoting investment within the Community (OJ No L 78, 7.3.1982).
- Council Decision 82/268/EEC of 26 April 1982 implementing Decision 82/169/EEC empowering the Commission to contract loans for the purpose of promoting investment within the Community (OJ No L 116, 30.4.1982).
- Council Decision 83/200/EEC of 19 April 1983 empowering the Commission to contract loans totalling 3 000 million ECU under the new Community instrument (NCI) for the purpose of promoting investment in the Community (OJ No L 112, 28.4.1983).
- Council Decision 83/308/EEC of 13 June 1983 authorizing a first tranche of 1 500 million ECU pursuant to the Decision empowering the Commission to contract loans under the NCI for the purpose of promoting investment within the Community.

- Commission proposal for a Council Decision presented on 7 June and amended on 18 January 1984 empowering the Commission to raise loans up to 100 million ECU to help finance innovation within the Community (OJ No C 178, 5.7.1983 and OJ No C 40, 15.2.1984).
- Commission proposal for a Council Decision presented on 26 January 1984 authorizing a second tranche of 1 400 million ECU pursuant to the Decision 83/200/EEC empowering the Commission to contract loans under the NCI for the purpose of promoting investment within the Community (OJ No C 48, 21.2.1984).

(b) *Description*

The above instruments empower the Commission to raise loans on behalf of the European Economic Community, the proceeds of which are for on-lending to finance investment projects which contribute to greater convergence and integration of the economies of the Member States. These are back-to-back borrowing and lending operations which should not represent a financial charge on the Community budget. The possibility of temporarily investing borrowed funds deposited by the Commission with the European Investment Bank (Treasury) as provided in Article 4 of the new Community instrument (NCI) Decisions should not affect the neutral nature, from the point of view of the charge to the budget, of borrowing and lending operations under this instrument.

These projects must help to attain the priority Community objectives in energy, industry, and infrastructure, and help to finance investment by small and medium-sized enterprises in the productive sectors and to promote new technologies and innovation, taking account *inter alia* of the regional impact of the projects and the need to combat unemployment. The Council, acting by a qualified majority on a proposal from the Commission, and after consulting Parliament, authorizes each tranche and lays down the guidelines for the eligibility of projects.

2. Type of expenditure

If the recipient of a loan should default and the guarantees attaching to this loan cannot be implemented in time to meet the due-dates, the Commission will use its cash resources to service, provisionally, the debt contracted by the Community by virtue of its legal commitment to the lenders.

Any expenditure definitively incurred by the Community will be entered against this chapter; the Community must then exercise its right to bring proceedings against the defaulting debtors.

3. Explanation

The token entry will enable the budgetary authority to enter the appropriations required to cover any obligations resulting from the implementation of the guarantee offered by the Community.

CHAPTER 85 — EXCHANGE LOSSES AND DEFICIT
CARRIED OVER FROM PREVIOUS YEAR

ARTICLE 850 — EXCHANGE LOSSES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References

Article 22(4) of the Financial Regulation of 21 December 1977.

2. Type of expenditure

Exchange losses and gains are made when transferring funds. Similar entries also occur because monthly rates are used for the ECU.

3. Method of calculation

According to Article 22 of the Financial Regulation, exchange losses and gains made when transferring funds may be set off against each other.

ARTICLE 851 — DEFICIT CARRIED OVER FROM PREVIOUS YEAR

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References

Article 27 of the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities and Article 16 of Council Regulation (EEC, Euratom, ECSC) No 2891/77 of 19 December 1977 implementing the Decision of 21 April 1970 on the replacement of financial contributions by the Communities' own resources.

2. Type of expenditure

Article 27 of the Financial Regulation of 21 December 1977 states that the balance from each financial year shall be entered as revenue in the case of a surplus or expenditure in the case of a deficit in the budget of the subsequent financial year upon adoption of the amending budget referred to in Article 16(2) of Regulation No 2891/77.

3. Method of calculation

The balance will be calculated in accordance with Article 15 of Regulation No 2891/77 when drawing up the revenue and expenditure account for the financial year 1984. A surplus will be entered in Article 300 on the revenue side.

CHAPTER 86 — OTHER PAYMENTS**ARTICLE 860 — REFUNDS TO GREECE**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	46 165 033	46 165 033
1985 — Appropriations requested	26 963 023	26 963 023
Percentage change	— 42	— 42

1. References

Article 127 of the Act of 28 May 1979 concerning the accession of the Hellenic Republic and the adjustments to the Treaties (OJ No L 291, 19.11.1979).

2. Type of expenditure

During the transitional period (1981-85) a decreasing proportion of the GNP-based financial contributions or VAT own resources transferred to the Community budget by Greece will be refunded to that country during the month following that in which they are made available to the Commission, as follows :

- 70 % in 1981,
- 50 % in 1982,
- 30 % in 1983,
- 20 % in 1984,
- 10 % in 1985.

3. Method of calculation

The financial contribution from Greece included in Item 2003 of the statement of revenue is 269 630 234 ECU.

The refund will therefore be $269\,630\,234 \times 10\% = 26\,963\,023$ ECU.

If the ratification procedure for the new own resources decision is not completed by 1 October 1985, an appropriation of 23 994 776 ECU in Article 860 is sufficient.

New chapter

CHAPTER 87 ⁽¹⁾ — CAPITAL REPAYMENTS AND
PROCEEDS FROM INTEREST ON LOANS GRANTED TO
THE COMMUNITY BY THE MEMBER STATES

ARTICLE 871 — CAPITAL REPAYMENTS AND PROCEEDS FROM INTEREST ON LOANS
GRANTED TO THE COMMUNITY BY THE MEMBER STATES IN 1985

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change		

1. References and description

(a) *References*

- Articles 235 of the EEC Treaty and 203 of the Euratom Treaty ⁽²⁾.
- Proposal for a Council Regulation (EEC, Euratom) No /84 introducing supplementary measures to cover budgetary requirements in 1985 (OJ).

(b) *Description*

Expenditure to finance common policies and operations may exceed the Decision of 21 April 1970. Moreover should the measures which the Council will have to adopt to give the Communities new own resources and which will have to be ratified in each of the Member States not enter into force by 1 October 1985, it will not be possible to balance the 1985 budget : a loan to the Community by the Member States for the surplus expenditure would restore the balance.

⁽¹⁾ Article 870 is to be entered by a supplementary and amending budget for 1984.
⁽²⁾ See COM(84)250 final of 17 April 1984.

2. Type of expenditure

This article will record capital repayments and interest payments on the loan entered in Article 821 of the statement of revenue.

3. Method of calculation

It is planned that the loan entered in Article 821 of the statement of revenue will be paid off, in capital and interest, in six-monthly instalments from 30 June 1986.

A token entry is therefore sufficient for this article.

Historical Archives of the European Commission

TITLE 9 — COOPERATION WITH DEVELOPING AND OTHER NON-MEMBER COUNTRIES

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
90	European Development Fund : Cooperation with the African, Caribbean and Pacific States	p.m.	p.m.	p.m.	p.m.	—	—
91	European Development Fund : Cooperation with the Overseas Countries and Territories associated with the Community	p.m.	p.m.	p.m.	p.m.	—	—
92	Food aid and food projects in place of food aid	506 100 000	506 100 000	671 900 000	492 400 000	+ 33	- 3
93	Cooperation with non-associated developing countries	237 050 000	131 305 000	325 232 000	173 770 000	+ 37	+ 32
94	Specific measures for cooperation with developing countries	41 670 000	39 670 000	39 480 000	24 480 000	- 5	- 38
95	Exceptional measures to assist developing and other non-member countries	71 500 000	55 500 000	30 500 000	46 500 000	- 57	- 16
96	Cooperation with Mediterranean countries	108 000 000	106 073 000	326 600 000	349 250 000	+ 202	+ 229
97	Cooperation in the field of commodities	—	—	p.m.	p.m.	—	—
98	Operating expenses of Commission delegations in developing countries	56 000 000	56 000 000	61 300 000	61 300 000	+ 9	+ 9
99	Cooperation with non-member countries	2 500 000	2 500 000	4 000 000	4 000 000	+ 60	+ 60
	Total	1 022 820 000	897 148 000	1 459 012 000	1 151 700 000	+ 43	+ 28

⁽¹⁾ Including any appropriations entered in Chapter 100.

CHAPTER 92 — FOOD AID AND FOOD PROJECTS IN PLACE OF FOOD AID

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
920	<i>Food aid in cereals</i>						
9200	Food aid in cereals other than rice	113 900 000	113 900 000	140 100 000	98 900 000	+ 23	- 13
9201	Food aid in rice	35 800 000	35 800 000	33 400 000	22 000 000	- 7	- 38
9202	Additional food aid in cereals	31 400 000	31 400 000	32 900 000	19 700 000	+ 5	- 37
921	<i>Food aid in milk products</i>						
9210	Food aid in milk powder	129 000 000	129 000 000	190 400 000	131 800 000	+ 48	+ 2
9211	Food aid in butteroil	85 000 000	85 000 000	140 700 000	101 600 000	+ 65	+ 20
922	<i>Food aid in sugar</i>						
9220	Food aid in sugar	3 000 000	3 000 000	3 000 000	1 800 000	—	- 40
9221	Food aid in sugar to UNRWA	p.m.	p.m.	p.m.	p.m.	—	—
923	<i>Food aid in vegetable oil</i>	13 000 000	13 000 000	13 900 000	8 300 000	+ 7	- 36
924	<i>Food aid (other commodities)</i>	23 000 000	23 000 000	23 000 000	13 800 000	—	- 40
925	<i>Food aid transport costs</i>	66 000 000	66 000 000	88 500 000	88 500 000	+ 34	+ 34
926	<i>Expenditure resulting from the convention between the EEC and UNRWA</i>	4 000 000	4 000 000	4 000 000	4 000 000	—	—
	Total	504 100 000	504 100 000	669 900 000	490 400 000	+ 33	- 3

⁽¹⁾ Including any appropriations entered in Chapter 100.

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
927	Other expenditure associated with food aid						
9270	Exceptional measures for im- plementing food aid	800 000	800 000	800 000	800 000	—	—
9271	Control of supply and delivery of food aid	1 200 000	1 200 000	1 200 000	1 200 000	—	—
929	Food projects in place of food aid	p.m.	p.m.	p.m.	p.m.	—	—
	Total	506 100 000	506 100 000	671 900 000	492 400 000	+ 33	- 3

⁽¹⁾ Including any appropriations entered in Chapter 100.

METHOD OF CALCULATING FOOD AID EXPENDITURE

1. Calculation of the cost of food aid to be entered in Title 9 of the preliminary draft budget is based on the internal price of the goods supplied as determined by the Council for each product. This price is broken down into a world price component and a refund component. The unit cost of food aid operations is made up of this world price plus additional costs (preparation, packaging, etc.), which are explained by the fact that food aid operations are not quite the same as normal commercial operations. The cost of the food aid and the cost of the refunds are entered under separate buget headings. The costs are expressed in ECU, in conformity with the provisions governing the common agricultural policy.
2. Since in the case of certain national currencies the value of the ECU is not equivalent in this field to that of the budgetary ECU, and as the anticipated agricultural expenditure must be expressed in the latter unit there arises in the budget a discrepancy — in accounting terms only — that is known as the 'dual rate effect'. The dual rate coefficient is indicated for all the products listed in the table set out below.
3. The appropriation required for each product is therefore calculated as follows :
- quantity delivered × unit cost of food aid
- + impact of dual rate
- + amount of food aid refund

The unit cost of food aid corresponds to the internal price less the refund plus the additional costs.
To take the example of cereals other than rice (Food Aid Convention + additional food aid) :

$$\begin{aligned}
 &\text{Quantity : } 960\,000 \text{ t} \\
 &\text{Unit cost} = \text{internal price (209,6)} \\
 &\quad - \text{refund (83)} \\
 &\quad = \text{world price (126,6)} \\
 &\quad + \text{additional costs (11,0 ECU/t)} \\
 &\quad = 209,6 - 83 + 11 = 137,6
 \end{aligned}$$

Dual rate coefficient = 1,030

hence :

$$\begin{aligned}
 \text{Value of food aid} &= 960\,000 \times 141,73 \text{ ECU/t} = 136\,060\,800 \\
 \text{Refund} &= 960\,000 \text{ t} \times 83 \times 1,030 \text{ (dual rate) ECU/t} = 82\,070\,400
 \end{aligned}$$

Total budget cost =

218 131 200

4. In the case of milk powder, the cost of vitamin enrichment (116 ECU/t) for the quantities to undergo such treatment has to be added to the price. For butteroil, the butter price is increased by the technical coefficient for processing the butter as butteroil (1,22) and the cost of such processing (285 ECU/t) is then added.

5. The various cost components indicated above are set out in the following table :

	Internal price	Refund	World price	Additional costs	Unit cost of food aid	Dual rate coefficient	
Cereals other than rice (Bread-making wheat)	209,6 (1)	83	126,6	11	137,6	1,030	141,73
Rice (husked)	560,09(2)	210	350,09	18	368,09	1,034	380,6
Milk powder	1 658,8 (3)	800	858,8	13	871,8	1,059	923,24
Milk powder (vitamin enriched)	1 744,8 (4)	800	974,8	13	987,8	1,059	1 046,08
Butteroil	4 185 (5)	1 870	2 315	13	2 328	1,049	2 442,07
Sugar	626,6 (6)	375	251,6	13	264,6	1,025	271,22

(1) Reference price of bread-making wheat (minimum quality) + five monthly increases.

(2) Target price of husked rice + five monthly increases.

(3) Intervention price of skimmed milk powder.

(4) Intervention price of skimmed milk powder plus vitamin enrichment costs (116 ECU/t).

(5) Intervention price of butter \times 1,22 (processing coefficient) + 285 ECU/t (processing costs).

(6) Intervention price of white sugar + storage levy (42,5 ECU/t) + costs (marketing) (49,4 ECU/t).

ARTICLE 920 — FOOD AID IN CEREALS

Former Items 9200 and 9201

ITEM 9200 — FOOD AID IN CEREALS OTHER THAN RICE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	113 900 000	113 900 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	140 100 000	98 900 000
Percentage change	+ 23	– 13

1. References and description

- (a) *References*
- 1980 Food Aid Convention.
 - Council Regulation (EEC) No 3331/82 of 3 December 1982.

(b) *Description*

The aim of the operation is to supply, for crop year 1985/86 (financial year 1985), 727 663 t of cereals other than rice to applicant developing countries or organizations under the Food Aid Convention which expires in 1983, out of a total Community commitment of 1 160 000 t of unprocessed cereals.

Under that Convention the Community is supplying 927 663 t of unprocessed cereals (including the equivalent of 200 000 t of rice). The figure of 927 663 t corresponds to the share the Community has undertaken to supply under the said Convention, its total commitment being 1 650 000 t :

This quantity is intended for distribution to the inhabitants of developing countries with a food shortfall (direct or via specialized bodies) with a view to sale on the market or distribution free-of-charge.

The operation is also intended to help the victims of disasters in developing countries. A certain quantity of cereals is kept in reserve for this purpose.

The bulk of the cereals supplied will be common wheat but some supplies will be in the form of other cereals such as maize and sorghum or of flour. These products will be supplied to the recipient countries either direct or through international organizations.

2. Type of expenditure

This expenditure is intended to cover the costs of acquiring the cereals, such packaging as may be necessary and their carriage to the port of shipment, minus the refund charged to the Guarantee Section of the EAGGF.

3. Method of calculation and explanation of changes

(a) Method of calculation

For commitment appropriations the calculation is as follows :

Quantity to be supplied × *unit cost* × *dual rate*

727 663 t × 141,73 ECU/t = 103,1 million ECU

(The 'refund' component comes to 62 million ECU.)

To this amount is added 37 million ECU, i.e. appropriations re-entered in order to cover the implementation of part of the quantities to be delivered under the heading of earlier financial years.

The timetable would therefore be as follows :

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	113 900 000 ⁽¹⁾	113 900 000 ⁽¹⁾	—	—	—	—
Appropriation for 1985	140 100 000	—	98 900 000	36 000 000	5 200 000	—
Total	254 000 000	113 900 000⁽¹⁾	98 900 000	36 000 000	5 200 000	—

⁽¹⁾ Non-differentiated appropriations.

Former Items 9202 and 9203**ITEM 9201 — FOOD AID IN RICE**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	35 800 000	35 800 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	33 400 000	22 000 000
Percentage change	+ 7	— 38

1. References and description**(a) References**

Same as Item 9200 (other cereals).

(b) Description

The aim of the operation is to supply in 1985 to applicant developing countries or organizations under the Food Aid Convention 74 500 t of husked rice (equivalent to 200 000 t of unprocessed cereals) out of a total of 927 663 t of unprocessed cereals. This aid will be distributed in accordance with the same criteria as other cereals under the cereals food aid programme for 1985.

2. Type of expenditure

This expenditure is intended to cover the costs of acquiring the rice, such packaging as may be necessary and carriage to the port of shipment, minus the refund charged to the Guarantee Section of the EAGGF.

3. Method of calculation and explanation of changes**(a) Method of calculation**

For commitment appropriations the calculation is as follows :

Quantity to be delivered × *unit cost*

74 500 t × 380,6 ECU/t = 28 400 000 ECU

(The 'refund' component accounts for 21 million ECU.)

(b) Explanation of changes

To this amount is added 5 million ECU, i.e. appropriations re-entered in order to cover the implementation of part of the quantities to be delivered under the heading of earlier financial years.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	35 800 000 ⁽¹⁾	35 800 000 ⁽¹⁾	—	—	—	—
Appropriation for 1985	33 400 000	—	22 000 000	10 000 000	1 400 000	—
Total	69 200 000	35 800 000⁽¹⁾	22 000 000	10 000 000	1 400 000	—

(¹) Non-differentiated appropriations.

Former Item 9204

ITEM 9202 — ADDITIONAL FOOD AID IN CEREALS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	31 400 000	31 400 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	32 900 000	19 700 000
Percentage change	+ 5	— 37

1. References and description

(a) References

Council Regulation (EEC) No 3331/82 of 3 December 1982.

(b) Description

The aim of the operation is to deliver a quantity of 232 337 t in 1985 on an exceptional basis and in addition to the minimum aid under the Convention.

Accordingly, the total cereals food aid to the developing countries will amount in 1985 to 1 160 000 t (927 663 t under the Convention).

2. Type of expenditure

This expenditure is intended to cover the costs of acquiring the cereals, such packaging as may be necessary and carriage to the port of shipment, minus the refund charged to the Guarantee Section of the EAGGF.

The cereals to be supplied will be wheat, maize, rice or millet, or any other cereals, depending on the most urgent requirements of the populations concerned.

3. Method of calculation and explanation of changes

(a) Method of calculation

For commitment appropriations the calculation is as follows :

$Quantity\ to\ be\ delivered \times unit\ cost$
 $232\ 337\ t \times 141,73\ ECU/t = 32,9\ million\ ECU$

(The 'refund' component represents 20 million ECU.)

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	31 400 000 ⁽¹⁾	31 400 000 ⁽¹⁾	—	—	—	—
Appropriation for 1985	32 900 000	—	19 700 000	11 600 000	1 600 000	—
Total	64 300 000	31 400 000 ⁽¹⁾	19 700 000	11 600 000	1 600 000	—

⁽¹⁾ Non-differentiated appropriations.

ARTICLE 921 — FOOD AID IN MILK PRODUCTS**Former Items 9200 and 9201****ITEM 9210 — FOOD AID IN MILK POWDER**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	129 000 000	129 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	190 400 000	131 800 000
Percentage change	+ 48	+ 2

1. References and description**(a) References**

Council Regulation (EEC) No 3331/82 of 3 December 1982.

(b) Description

The aim of the operation is to supply 150 000 t of milk powder (of which 64 500 t (43 %) vitamin-enriched) to developing countries, particularly those in greatest need, to cover their food shortfall.

A portion of this quantity is allocated to the general reserve for use as emergency aid. The milk powder will be delivered to the recipient countries either direct or through international organizations. The detailed breakdown of the operations will be decided on the basis of the overall quantities allocated in the budget procedure.

2. Type of expenditure

This expenditure is intended to cover the costs of acquiring the milk powder, vitamin enrichment (A and D), packaging and forwarding to the port of shipment, minus the refund charged to the Guarantee Section of the EAGGF.

3. Method of calculation and explanation of changes

(a) Method of calculation

For commitment appropriations the cost of food aid in the form of skimmed-milk powder is calculated on the basis of the internal Community price as follows :

— Quantity to be delivered × unit cost

(in Mio ECU)

64 500 t (vitamin-enriched) (43 %) × 1 046,08 ECU/t =	67,5
85 500 t (non-enriched) (57 %) × 923,24 ECU/t =	78,9
Total	146,4

(The ‘ refund ’ component represents 127 million ECU.)

To this amount is added 44 million ECU, i.e. appropriations re-entered in order to cover the implementation of part of the quantities to be delivered under the heading of earlier financial years.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	129 000 000 ⁽¹⁾	129 000 000 ⁽¹⁾	—	—	—	—
Appropriation for 1985	190 400 000	—	131 800 000	51 000 000	7 600 000	—
Total	319 400 000	129 000 000 ⁽¹⁾	131 800 000	51 000 000	7 600 000	—

⁽¹⁾ Non-differentiated appropriations.

Former Items 9212 and 9213**ITEM 9211 — FOOD AID IN BUTTEROIL**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	85 000 000	85 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	140 700 000	101 600 000
Percentage change	+ 65	+ 20

1. References and description*(a) References*

Council Regulation (EEC) No 3331/82 of 3 December 1982.

(b) Description

The aim of the operation is to supply 40 000 t of butteroil to developing countries, particularly those in greatest need, to cover their food shortfall.

A portion of this quantity is allocated to the general reserve for use as emergency aid. The butteroil will be delivered to the recipient countries either direct or through international organizations. The detailed breakdown of the operations will be decided on the basis of the overall quantities allocated in the budget procedure.

2. Type of expenditure

This expenditure is intended to cover the costs of acquiring the butteroil, packaging and forwarding to the port of shipment, minus the refund charged to the Guarantee Section of the EAGGF.

3. Method of calculation

For commitment appropriations the cost of food aid in the form of butteroil is calculated on the basis of the internal Community price for this product as follows :

Quantity to be delivered × unit cost

$40\,000\text{ t} \times 2\,442,07\text{ ECU/t} = 97,7\text{ million ECU}$

(The 'refund' component represents 78 million ECU.)

To this amount is added 43 million ECU, i.e. appropriations re-entered in order to cover the implementation of part of the quantities to be delivered under the heading of earlier financial years.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	85 000 000 ⁽¹⁾	85 000 000 ⁽¹⁾	—	—	—	—
Appropriation for 1985	140 700 000	—	101 600 000	34 200 000	4 900 000	—
Total	225 700 000	85 000 000 ⁽¹⁾	101 600 000	34 200 000	4 900 000	—

⁽¹⁾ Non-differentiated appropriations.

ARTICLE 922 — FOOD AID IN SUGAR**Former Items 9220 and 9221****ITEM 9220 — FOOD AID IN SUGAR**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	3 000 000	3 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	3 000 000	1 800 000
Percentage change	—	— 40

1. References and description**(a) References**

Council Regulation (EEC) No 3331/82 of 3 December 1982.

(b) Description

The purpose of the operation is to supply 11 000 t of sugar to developing countries and specialized organizations.

Several developing countries, international agencies and non-governmental organizations have made requests to the Community which, up to now, have been met only in part.

These quantities are relatively small but would be greatly appreciated, particularly in the case of emergency aid, in view of the energy value of sugar. There is also the fact that sugar can be added to skimmed milk powder, particularly for infants.

2. Type of expenditure

The expenditure is intended to cover all costs resulting from the acquisition, packaging and transport of the sugar to the port of shipment, minus the refund charged to the Guarantee Section of the EAGGF.

3. Method of calculation

For commitment appropriations the cost of food aid in the form of sugar is calculated on the basis of the internal Community price for that commodity as follows :

Quantity to be delivered × unit cost

11 000 t × 271,22 ECU/t= 3,00 million ECU.

(The 'refund' component represents 4 million ECU.)

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	3 000 000 ⁽¹⁾	3 000 000 ⁽¹⁾	—	—	—	—
Appropriation for 1985	3 000 000	—	1 800 000	1 000 000	200 000	—
Total	6 000 000	3 000 000 ⁽¹⁾	1 800 000	1 000 000	200 000	—

⁽¹⁾ Non-differentiated appropriations.

Former Item 9222**ITEM 9221 — FOOD AID IN SUGAR TO THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST (UNRWA)**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description**(a) References**

Fifth Convention between the EEC and the UNRWA, covering the period 1 January 1984 to 31 December 1986 being negotiated.

From 1973 to 1981 the Community granted UNRWA annually approximately 6 000 t of aid in sugar. In 1982 and 1983 the appropriations under this heading were used, wholly or in part, to help finance UNRWA's education programme. For 1985, as in 1984, it is proposed to enter a token item rather than the amount of approximately 1,8 million ECU, corresponding to 6 000 t of sugar, since it is planned once again to finance a contribution towards the education programme from Article 959.

ARTICLE 923 — FOOD AID IN VEGETABLE OIL

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	13 000 000	13 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	13 900 000	8 300 000
Percentage change	+ 7	— 36

1. References and description*(a) References*

Council Regulation (EEC) No 3331/82 of 3 December 1982.

(b) Description

The purpose of the operation is to supply to developing countries 12 600 t of vegetable oil.

There is a very large oils and fats shortfall in the developing countries. The Community can meet these needs either by providing animal oils and fats (food aid programme for butteroil) or by supplying vegetable oils available on the Community market, which is more economical.

In addition, food aid in the form of vegetable oil has the advantage of being precisely attuned to the recipients' needs, since the products supplied — for which there are substantial shortfalls — are suited to their normal diet.

2. Type of expenditure

This expenditure is intended to cover all the costs of purchasing and delivering these products to the port of shipment.

3. Method of calculation

For commitment appropriations the cost of food aid in the form of vegetable oil is calculated on the basis of the market price of colza oil, for oil supplied in 200 kg barrels, as follows :

Quantity to be delivered multiplied by price

12 600 t × 1 100 ECU/t = 13,9 million ECU

It should be noted that no refund is applied in respect of exports of colza oil.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	13 000 000 ⁽¹⁾	13 000 000 ⁽¹⁾	—	—	—	—
Appropriation for 1985	13 900 000	—	8 300 000	4 900 000	700 000	—
Total	26 900 000	13 000 000⁽¹⁾	8 300 000	4 900 000	700 000	—

⁽¹⁾ Non-differentiated appropriations.

ARTICLE 924 — FOOD AID (OTHER COMMODITIES)

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	23 000 000	23 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	23 000 000	13 800 000
Percentage change	—	— 40

1. References and description

(a) References

Council Regulation (EEC) No 3331/82 of 3 December 1982.

(b) Description

The operation is designed to supply to developing countries, under regular programmes, products other than cereals, milk products, vegetable oils and sugar, in order to improve the diet of the populations concerned.

In the light of the debates in Parliament on hunger in the world, diversification of the products supplied as food aid must be given priority in the reframing of food aid policy.

It would have the advantage of corresponding more closely to the needs of the populations concerned since the aid supplied would be better suited to their eating habits. Furthermore, in the case of emergency food aid, the delivery of high protein foods would be highly desirable and diversification is frequently a necessity. Lastly, such supplies could be a valuable supplement to the diet of those in need.

2. Type of expenditure

The expenditure is intended to cover all the costs of purchasing and delivering these products to the port of shipment.

3. Method of calculation

The commitment appropriations requested would for example enable the following quantities to be financed :

(in Mio ECU)

Dried leguminous vegetables (beans, pulses, etc.)	21,5
	1,5
Total	23,0

The schedule of payments in relation to commitments is as follows :

Commitments				Payments		
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	23 000 000 ⁽¹⁾	23 000 000 ⁽¹⁾	—	—	—	—
Appropriation for 1985	23 000 000	—	13 800 000	8 000 000	1 200 000	—
Total	46 000 000	23 000 000⁽¹⁾	13 800 000	8 000 000	1 200 000	—

⁽¹⁾ Non-differentiated appropriations.

ARTICLE 925 — FOOD AID TRANSPORT COSTS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	66 000 000	66 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	88 500 000	88 500 000
Percentage change	+ 34	+ 34

1. References and description

(a) *References*

Council Regulation (EEC) No 3331/82 of 3 December 1982.

(b) *Description*

The aim of the operation is to finance carriage by sea and, where appropriate, by land, in 1985, of part of the overall quantities of food aid available. The financing of transport costs is mainly to help the poorest countries and those which, owing to their economic situation (external finances) or geographical location (landlocked or island countries, etc.) are not able to bear the financial burden that such transport entails.

In addition, the Community will normally bear the transport costs arising from emergency operations and indirect aid operations conducted by international agencies.

2. Type of expenditure

This expenditure is intended to cover, under the 1985 aid programmes, carriage by sea and land of the products supplied, together with related expenses (mainly insurance). This expenditure covers carriage from the port of shipment through to the port of unloading and, where appropriate, through to the final destination.

3. Method of calculation and explanation of changes

(a) Method of calculation

The transport costs are calculated by multiplying the number of tonnes transported by the average unit cost estimated in ECU.

— <i>Cereals</i>	
900 000 × 54 ECU/t	48 600 000
— <i>Skimmed-milk powder</i>	
123 500 × 190 ECU/t	23 465 000
— <i>Butteroil</i>	
33 250 × 235 ECU/t	7 814 000
— <i>Vegetable oil</i>	
12 600 × 86 ECU/t	1 084 000
— <i>Sugar</i>	
10 000 × 128 ECU/t	1 280 000
— <i>Other products</i>	
35 000 t (beans) × 60 ECU/t	2 160 000
1 000 t (fish) × 60 ECU/t	84 403 000
— <i>Increase in transport costs in 1985</i> (approx. ± 5 %)	4 097 000
	<hr/>
Total	88 500 000

(b) Explanation of changes

- Increase in quantities to be delivered by comparison with 1984 (+ 2,9 % in cereals, + 22 % in milk products) (re-establishment of 1983 programme).
- More precise calculation of quantities to be delivered beyond the fob stage, which were considerably underestimated in the 1984 budget.
- 5 % increase in the estimated cost of transport in 1985 by comparison with 1984.

ARTICLE 926 — EXPENDITURE RESULTING FROM THE CONVENTION BETWEEN THE EEC AND UNRWA

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m. ⁽¹⁾	p.m. ⁽¹⁾
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 000 000	4 000 000
Percentage change	—	—

⁽¹⁾ An appropriation of 4 000 000 ECU is entered in Chapter 100.

1. References and description

(a) References

Fifth Convention between the EEC and UNRWA, which covers the period from 1 January 1984 to 31 December 1986, being negotiated.

(b) Description

Cash contribution by the Community for the implementation of the UNRWA supplementary food aid programme, to which contributions in kind are also made under appropriations for food aid: the recipients are Palestinian refugees dispersed among several Middle Eastern countries (about 200 000 persons). The aim of the operation is to ensure that the minimum food requirements of young children and expectant mothers are met.

2. Type of expenditure

The cash contribution allocated annually to UNRWA is intended to cover three categories of expenditure under its supplementary food aid programme:

- purchase of foodstuffs in Europe (corned beef and tomato concentrate);
- purchase of foodstuffs on the spot;
- administration and distribution costs resulting from the programme (mainly staff costs).

3. Method of calculation and explanation of changes

The amount of 4 million ECU proposed for 1985 is only a partial contribution towards the financing of the Supplementary food aid programme (UNRWA estimates that it will cost about 7 million ECU in 1985). The amount of 4 million ECU, which is the same as for 1982, 1983 and 1984, nevertheless constitutes substantial aid for important UNRWA fields of activity.

ARTICLE 927 — OTHER EXPENDITURE ASSOCIATED WITH FOOD AID**ITEM 9270 — EXCEPTIONAL MEASURES FOR IMPLEMENTING FOOD AID**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	800 000	800 000
1985 — Appropriations requested	800 000	800 000
Percentage change	—	—

1. References and description**(a) References**

Council Regulation (EEC) No 3331/82 of 3 December 1982.

(b) Description

The purpose of the operation is to carry out certain measures essential for the implementation of food aid operations in special circumstances (emergencies, relief operations, etc.), for which other programmes make no provision. These are mainly exceptional and unforeseeable measures involving air transport and storage and also include action to safeguard certain aid supplies in danger of partial or total deterioration (fumigation, disinfection, etc.) as well as exceptional internal transport facilities where the distribution of food aid is particularly difficult.

2. Type of expenditure

The expenditure is intended to cover all costs resulting from the operations referred to in 1(b) above.

3. Method of calculation and explanation of changes

By reason of its nature (unforeseeable circumstances), only a flat-rate estimate can be given for this appropriation. It is proposed to maintain the amount of 800 000 ECU to provide a means of coping effectively with the many operations required to deal with emergency or relief situations or transport problems involving certain food aid supplies.

ITEM 9271 — CONTROL OF SUPPLY AND DELIVERY OF FOOD AID

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 200 000	1 200 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 200 000	1 200 000
Percentage change	—	—

1. References and description

(a) *References*

Council Regulation (EEC) No 3331/82 of 3 December 1982.

(b) *Description*

In view of repeated criticism from Parliament and the Court of Auditors and complaints from recipient countries about such matters as the quality, packaging, weight, transportation and delivery of the products supplied as Community food aid, it has become essential to carry out checks covering all the supply and delivery conditions contained in the regulations governing the award of contracts and in the exchanges of letters.

These checks would be carried out either at the shipment or unloading stage or on arrival at final destination, in order to ensure that the conditions of supply and delivery have been fulfilled and to monitor the conditions of distribution. If necessary, the checks could serve also to ascertain responsibility where charges of infringements are made.

2. Type of expenditure

The expenditure is intended to cover all costs resulting from the checks necessitated by the operations referred to above (sampling, analyses, appraisals, transport, travel, etc.).

3. Method of calculation

In view of the fact that quality control operations can vary greatly, depending on geographical location, stage of delivery and other factors, it is not possible to make a precise evaluation beforehand of the expenditure which will be incurred under this heading.

Product checks will be carried out by the tonne with a minimum of 200 t.

The appropriation requested is 1 200 000 ECU, which will enable the necessary samplings to be made to satisfy the Commission that food aid deliveries comply with the statutory specifications.

ARTICLE 929 — FOOD PROJECTS IN PLACE OF FOOD AID

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	p.m.
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description**(a) References**

- Council Regulation (EEC) No 3331/82 of 3 December 1982.
- Commission communication to the Council (COM(83)141 final of 6 April 1983), 'Food aid for development'.
- Proposal for implementing regulation (COM(83)695 fin, 25.11.1983).

(b) Description

This operation, whilst remaining within the overall limit for appropriations earmarked for food aid in kind, involves the financing of agricultural and food crop development projects in countries that believe they can forgo a proportion of the quantities of food aid in kind allotted to them under the Community's annual programme.

This operation is intended to encourage efforts by countries in receipt of aid which are carrying out food self-sufficiency programmes.

2. Type of expenditure

The appropriations will be disbursed in the form of grants for operations in the agriculture and food sectors in accordance with procedures similar to those generally applied in the context of financial and technical cooperation with the non-associated developing countries (Article 930).

In view of the nature of the projects in question and the fact that their implementation is necessarily spread over a period of four to six years, sound financial management requires that differentiated appropriations be entered under this heading in due course.

CHAPTER 93 — COOPERATION WITH NON-ASSOCIATED
DEVELOPING COUNTRIES

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 (1)		Appropriations requested for 1985 (1)		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
930	Financial and technical coop- eration with non-associated developing countries	218 000 000	118 000 000	304 700 000	157 533 000	+ 40	+ 33,5
931	Promotion of trade relations with non-associated develop- ing countries	8 000 000	6 000 000	8 000 000	7 000 000	—	+ 16,5
932	Measures to encourage region- al or subregional integration between non-associated devel- oping countries	850 000	850 000	900 000	900 000	+ 5,8	+ 5,8
933	Cooperation with non-as- sociated developing countries on energy	4 300 000	2 455 000	4 300 000	2 455 000	—	—
934	Training of nationals of non- associated developing coun- tries	2 000 000	1 100 000	2 382 000	2 182 000	+ 19	+ 98
935	Aid for the management of training institutes for nationals of developing countries	900 000	900 000	950 000	950 000	+ 5,5	+ 5,5
936	Aid towards self-sufficiency of refugees and displaced persons	3 000 000	2 000 000	4 000 000	2 750 000	+ 33,3	+ 37,5
	Total	237 050 000	131 305 000	325 232 000	173 770 000	+ 37	+ 32

(1) Including any appropriations entered in Chapter 100.

ARTICLE 930 — FINANCIAL AND TECHNICAL COOPERATION WITH NON-ASSOCIATED DEVELOPING COUNTRIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	218 000 000	118 000 000
— Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	304 700 000	157 533 000
Percentage change	+ 40	+ 33,5

1. References and description**(a) References**

Council Regulation on financial and technical aid to non-associated developing countries (Regulation (EEC) No 442/81 of 17 February 1981, in OJ No L 48, 21.2.1981).

(b) Description

Operation undertaken from the 1976 financial year onwards.

The financial and technical cooperation is intended for non-associated developing countries, particularly the poorest, comprising around 30 countries in all which contain 85 % of the total population of the world's poorest 38 countries.

At national level it is aimed at rural development in the broadest sense, including increased production, of food in particular, and generally at improving living standards in these areas, above all among the neediest sections of the population. In addition, this cooperation makes it possible to finance regional operations, which if necessary can extend beyond the strictly rural sphere up to a point.

Lastly, a part of the annual appropriation (of the order of 5-6 % of the total) is set aside for post-disaster reconstruction and/or damage prevention.

2. Type and breakdown of expenditure**(a) Type of expenditure**

The cooperation covered by the appropriations under Article 930 may take the form of aid for investment projects, programme aid, or the financing of preparatory studies for projects and general or project-linked technical assistance. Such aid also covers the cost of studies, technical assistance and back-up surveys for the purposes of identifying, evaluating and monitoring the execution of projects.

In view of the nature of this expenditure, the type of scheme which it is intended to finance taking several years to carry out, a distinction has to be made between commitment appropriations and payment appropriations.

(b) Breakdown

A precise breakdown of the appropriations between the various types of operation and between the various beneficiary countries can be proposed only on the basis of the projects submitted and appraised, and appraisal cannot take place until appropriations have been entered in this chapter definitively. However, such breakdown will take account of the general guidelines for each year's aid programme laid down by the Council at the end of the preceding year on the basis of a Commission proposal and after consultation of Parliament. These rough general guidelines cover such matters as the geographical spread of appropriations and the relative size of the disaster reserve fund.

3. Method of calculation and explanation of changes

(a) Method of calculation

The traditional method of budgetary calculation does not apply to this aid : given the immense financial requirements, it is necessary to provide for a budgetary allocation in the form of commitments, which has a significant economic and political impact. The size of the commitment appropriation proposed is conducive to this, account being taken of the budgetary constraints.

The nature of the operations to be financed implies the need for a multiannual framework for implementation, and payment is to be made in annual instalments calculated in the light of the normal rate of payments arising from commitments for operations of the type being financed. Apart from special projects such as the contribution to the budgets of agricultural research institutes or supply programmes, for which payments must be completed in two years (including the year of their adoption), the average indicative rate of payment for rural development projects over the six-year execution period, not including the year in which financing is approved, is : 10 % — 25 % — 25 % — 20 % — 10 % — 10 %.

(b) Explanation of changes

Commitment appropriations

After an initial phase of virtual stagnation of this form of aid in 1980 and 1981, there is this time a marked reduction in the allocation for 1984 in the form of commitment appropriations. The Commission's proposals for 1984, i.e. 300 million ECU, have been reduced to 218 million ECU, which is 17 million ECU lower than the initial 1983 budget allocation (235 million ECU) and 25 million ECU lower than the final 1982 budget allocation.

While by comparison with the 1984 allocation this represents an appreciable 40 % increase at current values, in practice the increase corresponds to an average annual growth at constant values of 8 % over the last two years, i.e. since 1983, and of 2 % in the last three years if account is taken of the boosting of Article 930 for the benefit of Central America in 1982.

Given the objectives of this aid and the scale of the field at which it is aimed, the appropriation level proposed for 1985 (304,7 million ECU) is therefore reasonable.

The non-associated developing countries account for the bulk of the total population of the poorest developing countries. Financial and technical aid to these countries is the chief instrument whereby the Community helps to combat world hunger by providing the tools of structural development and also in certain appropriate cases, where necessary and subject to certain guarantees, support for stimulating production by means of sector programmes.

Obviously, the European Community cannot cope with a problem of this magnitude single-handed. Nevertheless, the Community's contribution, coming in addition to what the Member States provide bilaterally, must reflect its political will to play its part and be indicative of a clear progression towards a significant degree of impact despite straitened budgetary circumstances.

It should be stressed that these appropriations have always been used up during their period of validity.

Payment appropriations

The appreciable increase on the amount for 1984 (+ 33,5 %) has been made for the following reasons :

- By definition, this type of cooperation consists largely of rural development schemes which can only succeed over a period of years, given the complexity of the factors involved and the cumulative effect inherent in such operations (five to six years needed for execution proper).
- After nine years of this type of cooperation, and with the implementation phases of the individual annual programmes overlapping, the level of payments is gradually tending to catch up with the level of commitments.
- Programme aid has increased appreciably relative to project aid. Although the latter type of operation still predominates, both numerically and from the standpoint of overall expenditure, the growing economic difficulties facing the non-associated developing countries — notably the least developed among them — and the Commission's improving acquaintance with their national structures, administration and procedures, justify a reduction from now on in the preponderance of project aid, for which payments are made more rapidly, over a maximum of two years.
- Commission's proposals for 1984, i.e. 133 million ECU, have been reduced to 118 million ECU.
- In practice the foreseeable payments level for 1984 is of the order of 200 million ECU, which can be met with the amount carried over from 1983, i.e. 83,9 million ECU, leaving an available total of 201,9 million ECU.

Finally, the rate of utilization of the 1983 payment appropriations was lower than expected, mainly for the following reasons :

- The transfer of 58 million ECU in commitment appropriations to Article 930 in 1982 was accompanied by the same amount in payment appropriations. This was due to the fact that the sums transferred were taken from EAGGF guarantee headings with non-differentiated appropriations. In such a case budgetary technique requires the same amount to be transferred as commitment appropriations and as payment appropriations because non-differentiated appropriations are entered as both commitment and payment appropriations. It was out of the question for payment appropriations to be used in the first year ; this is never the case for projects funded under Article 930.

This constraint resulting from budgetary technique has therefore the effect of increasing artificially the payment appropriations available under the heading of 1982 and the payment appropriations carried over from 1982 to 1983 :

— apart from the effect of the amount carried over, the relative slowness of payments in 1983 was due notably to the late submission (early 1984) by India of an invoice for a fertilizer supply programme, which in the normal way should have been charged against the appropriations for 1983.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	423 432 887	83 000 000	105 533 000	100 000 000	100 000 000	34 899 887
Appropriation outstanding from 1983	123 230 992	25 000 000	30 000 000	30 000 000	30 000 000	8 230 992
Appropriation for 1984	218 000 000	10 000 000	20 000 000	50 000 000	50 000 000	88 000 000
Appropriation for 1985	304 700 000	—	2 000 000	60 000 000	60 000 000	182 700 000
Total	1 069 363 879	118 000 000	157 533 000	240 000 000	240 000 000	313 830 879

ARTICLE 931 — PROMOTION OF TRADE RELATIONS WITH NON-ASSOCIATED DEVELOPING COUNTRIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	8 000 000	6 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	8 000 000	7 000 000
Percentage change		+ 16,5

1. References and description**(a) References**

Council Resolution of 30 April 1974 on the promotion of exports from developing countries.

(b) Description**General aim**

The promotion of non-associated developing countries' (NADCs) exports began in 1973.

It embraces operations covering all stages from production right through to distribution, with the aim of adapting production more closely to the target markets. These include not only the Community markets but also all the natural markets of the NADCs — domestic, regional and other — which contribute to the development of 'South-South' trade relations, and also, of course, the internal markets of the developing countries.

In the interests of effectiveness, promotion activities can be directed towards either a single NADC or a regional group, such as Asean or the Andean Pact.

The measures to be undertaken are drawn up mainly on the basis of requests by NADCs or regional groups involving those countries.

The operations requested are grouped according to long-term specific objectives, so as to ensure greater consistency and effectiveness of individual operations.

The operations concern the different stages of the production process through to the marketing stage and cover the following :

- the search for new markets ;
- the organization of production and distribution ;
- adaptation of existing products to the requirements of the target markets ;
- the search for possible new products on the basis of existing potential.

2. Type and breakdown of expenditure

(a) *Type of expenditure*

Article 931 funds can be used as project aid, or to finance pilot schemes approved under financing agreements with governments, or again for studies, technical assistance and expert back-up for project identification, evaluation and monitoring.

Expenditure resulting from operations of this type consists of remuneration for services rendered by experts from official organizations or consultants (payable partly in the form of advances and partly on production of supporting evidence) and also of payments in the form of flat-rate grants.

(b) *Breakdown*

It is not possible to give an exact breakdown in advance of appropriations among the various types of operation envisaged and the different recipient countries or bodies.

The 1985 trade promotion programme provides for commitments totalling 8 000 000 ECU to be used for national or regional operations on behalf of some 45 countries in Latin America or Asia. Regional operations are those involving regional organizations such as Asean or the Andean Pact, or two or more NADCs jointly.

It is difficult to give a detailed breakdown between the possible types of operation, but it looks as though less will be spent, in comparison with previous years' experience, on such 'downstream' activities as trade fairs and missions, which involve operating expenses and travel and subsistence allowances, and formerly accounted for 30 % of the budget, while more money will go towards organizing production and adapting existing product lines to suit new target markets.

3. Method of calculation and explanation of changes

(a) *Method of calculation*

The traditional method of budgetary calculation does not apply to this aid : given the immense financial requirements, it is necessary to provide for a budgetary allocation which has a significant economic and political impact. The size of the allocation proposed is conducive to this, account being taken of the budgetary constraints.

Although certain operations call for payments to be made virtually immediately, or even partially in advance (experts, studies), for others preparation and implementation extends beyond the period of validity of non-differentiated appropriations (experts on long-term contracts, trade bureaux, etc.).

The orienting of programmes towards operations according to long-term specific objectives gives still greater weight to the need for differentiation.

(b) *Explanation of changes*

Commitment appropriations

The Community has been helping the NADCs with trade promotion for 11 years now, and the people concerned in those countries appreciate increasingly the value and economic impact of this work.

The broader trade promotion policy which has been applied since 1980 has further increased their interest in exploiting trade possibilities with EEC support.

Trade promotion has also proved a very useful instrument for the most advanced developing countries, which receive virtually no other form of support from the EEC.

Given the budget constraints as regards the payment appropriations under the budget for 1985 it is proposed to maintain unchanged the amount of the commitment appropriations.

Payment appropriations

Differentiation of appropriations is necessary, but the implementation period for this type of aid is relatively short (2-4 years). Accordingly, the payment appropriations must very rapidly catch up with the commitment appropriations.

Since 1981, payment appropriations have been threatening to run out before the end of the year, and the Commission has had to slow down the rate of commitment to avoid damaging both the operations themselves and the Community's image with recipients. The situation was aggravated by the fact that the appropriations voted in the 1984 budget fell short of what was proposed in the preliminary draft.

The sharp increase proposed in payment appropriations for 1985 is the result of a realistic assessment of payments falling due under past commitments, and inevitably allows for the need to catch up in early 1985 on contractual undertakings which could not be honoured in 1984. It would thus ensure that past contractual commitments can be met and allow the smooth implementation of the 1985 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	6 599 835	4 000 000	2 599 835	—	—	—
Appropriation outstanding from 1983	1 455 583	1 000 000	455 583	—	—	—
Appropriation for 1984	8 000 000	1 000 000	3 000 000	4 000 000	—	—
Appropriation for 1985	8 000 000	—	944 582	4 000 000	3 055 418	—
Total	24 055 418	6 000 000	7 000 000	8 000 000	3 055 418	—

ARTICLE 932 — MEASURES TO ENCOURAGE REGIONAL OR SUBREGIONAL INTEGRATION BETWEEN NON-ASSOCIATED DEVELOPING COUNTRIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	850 000	850 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	900 000	900 000
Percentage change	+ 5,8	+ 5,8

1. References and description

(a) References

Council Resolution of 30 April 1974 on regional integration between non-associated developing countries.

(b) Description

Operation undertaken from the 1974 financial year onwards. These measures are intended to make Community aid directly available to regional integration organizations of non-associated developing countries by giving them the benefit of the Community's experience and achievements ; they are also intended to help spread and support the concept of integration in these countries in university, political, industrial and scientific circles in Latin America, Asia and the Middle East.

Additionally, for political reasons and in its own interest the Community intends to undertake a cooperation scheme with the Gulf Cooperation Council, which was set up in 1981 with Saudi Arabia, Kuwait, Oman, the United Arab Emirates, Qatar and Bahrain as members.

2. Type and breakdown of expenditure

(a) Type of expenditure

The expenditure relates to the following five main fields :

- Provision of experts, e.g. on harmonizing structures and on regulations in the fields of customs, law, industry, transport and technology.
- Agricultural, commercial, industrial and transport studies.

- Basic and advanced vocational training on the spot or in Europe (e.g. on customs matters, statistics or other fields of relevance to the process of regional or subregional economic and political integration).
- Publication and translation (particularly into Spanish) of documents relating to the above activities.
- Participation in seminars on integration.

(b) *Breakdown*

For each financial year, a detailed programme is drawn up which includes cost estimates for each type of operation, based on experience to date with regional integration.

The appropriation is apportioned between the following regional organizations :

— *Latin America*

- The Andean Group
- Latin American Integration Association (LAIA)
- Institute for Latin American Integration (Intal)
- The River Plate Basin
- Permanent Secretariat of the General Treaty on Central American Economic Integration (Sicca)
- Universities in Europe and the non-associated developing countries concerned.

— *Asia*

- Association of South-East Asian Nations (Ascan) and related bodies
- Regional Cooperation for development (RCD).

— *Middle East*

- Gulf Cooperation Council (GCC).

3. Method of calculation and explanation of changes

(a) *Method of calculation*

The precise nature of each individual operation and the apportionment of appropriations between types of operations and geographical areas depend mainly on applications from the non-associated developing countries concerned. There is not general method of calculation, only one tailored to each operation (e.g. mission expenses of experts = daily rate \times duration of mission ; publication of documents = cost per page \times number of pages \times number of copies, based on the printer's estimate accepted by the Commission after consulting the Advisory Committee on Procurements and Contracts ; and so on).

(b) *Explanation of changes*

The marked rise in the costs of the various operations and the expected increase in the number of projects to be undertaken with the Andean Pact because of the conclusion of a cooperation agreement between the EEC and the Andean Group and the inclusion of an initial programme of support for the Gulf Cooperation Council costing 300 000 ECU are the reasons for the increase in appropriations requested for 1985.

ARTICLE 933 — COOPERATION WITH NON-ASSOCIATED DEVELOPING COUNTRIES ON ENERGY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	4 300 000	2 455 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 300 000	2 455 000
Percentage change	—	—

1. References and description

(a) References

- Council Resolution of 16 July 1974 on financial and technical cooperation with non-associated developing countries.
- Council Resolution of 8 November 1976 on the harmonization and coordination of development cooperation policies within the Community.

(b) Description

This heading figured for the first time in the 1982 budget, with an initial appropriation of 1 500 000 ECU. In the 1983 budget there was only a token entry, as Parliament decided to add a new article, Article 947, to Chapter 94 for similar operations. In the interests of budget transparency the Commission advocated that Article 933 be revived and a commitment appropriation of 4,3 million ECU was allocated to it in 1984.

The general aim is to promote closer cooperation on energy between the Community and non-associated developing countries, in order to :

- reduce their dependence on imported energy sources,
- improve production and use of domestic energy sources, and
- thus boost their development potential.

2. Type and breakdown of expenditure

(a) *Type of expenditure*

The appropriation requested would be used to finance preliminary studies aimed at identifying energy priorities and specific cooperation projects, possibly for cofinancing, in the following fields :

- energy forecasting and programming ;
- research, technical adjustments and demonstration schemes, in particular in the field of new and renewable sources of energy ;
- prospecting for and exploiting local energy sources, in particular, substitutes for fuelwood ;
- studies and implementation of energy-producing projects ;
- development of techniques for promoting the rational utilization of energy ;
- technical assistance and training, seminars, etc., related to the operation.

(b) *Breakdown*

Most of the money would be used for specific projects, identified jointly with the countries concerned, and as far as possible chosen so as to ensure a balanced spread between different regions and the main technologies concerned.

A small portion of the appropriation would be earmarked to finance general studies of interest to a number of countries, on e.g.

- support for energy strategies, particularly in relation to fuelwood ;
- campaigns for the dissemination of knowledge in the energy sector.

3. Method of calculation and explanation of changes

The sum requested is needed to follow up operations started in 1982, extend cooperation to other countries and make the transition from the study phase to demonstration projects and technical assistance.

Part of the proposed sum is needed for launching technological cooperation projects with the People's Republic of China.

For the demonstration projects and technical assistance, which must be financed on a multiannual basis, differentiated appropriations continue to be needed.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	1 000 000 ⁽¹⁾	1 000 000	—	—	—	—
Appropriation for 1984	4 300 000	1 455 000	2 000 000	845 000	—	—
Appropriation for 1985	4 300 000	—	455 000	2 500 000	1 345 000	—
Total	9 600 000	2 455 000	2 455 000	3 345 000	1 345 000	—

⁽¹⁾ Entered under Article 947 in the 1983 budget.

ARTICLE 934 — TRAINING OF NATIONALS OF NON-ASSOCIATED DEVELOPING COUNTRIES**ITEM 9340 — VISITS FROM EXPERTS, FURTHER TRAINING COURSES, STUDY AWARDS AND SUPPORT FOR LOCAL TRAINING CENTRES IN FAVOUR OF NON-ASSOCIATED DEVELOPING COUNTRIES**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 900 000	1 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 200 000	2 000 000
Percentage change	+ 15,8	+ 100

1. References and description**(a) References**

- Council decision to finance such an operation by entering an appropriation in the budget ; decision taken when the 1966 budget was drawn up.
- Council Resolution of 16 July 1974 on financial and technical assistance to non-associated developing countries.

(b) Description

Operation undertaken from 1974 onwards.

The Community, in common with other international bodies and the developing countries themselves, is aware of the crucial importance for development of the provision of suitable training for technical and administrative staff.

The aim of this operation is to promote faster and better-balanced development by providing technical and vocational training in the fields with the highest priority for the development process.

In order to ensure that the best possible use is made of resources which fall far short of what is needed, the focus of the operation is on helping the developing countries make the most of their own training facilities and budgets and, in a number of specific priority fields, on providing short courses to upgrade or update the skills of technical and other staff.

Sectors covered include :

- agriculture, fisheries and forestry ;
- rural and urban environment ;
- public health and hygiene ;
- industry, science and technology ;
- administration and management.

The types of operation to be undertaken in the various fields include :

- specific short courses of seminars (to be held locally or in Europe) aimed at upgrading or updating existing skills ;
- technical assistance to advise government departments or other establishments on their training programmes or policies ;
- in some cases, financial and technical assistance towards the setting-up of new national or regional training establishments or the reorganization or upgrading of existing establishments ;
- selective assistance for university exchange schemes ;
- individual study or advanced training awards at European or local establishments, organizations or companies ;
- a modest sum to be spent on sending experts out on short missions to identify, evaluate and monitor operations carried out under this programme.

Countries eligible for assistance under this programme include all the Asian, Latin American and African non-associated developing countries.

2. Type and breakdown of expenditure

(a) Type of expenditure

- organization of collective courses or seminars, to be held locally or at a European training establishment or other organization ;
- provisions of experts for technical assistance or training activities ;
- assistance with the setting-up or upgrading of national or regional training establishments in recipient countries (technical assistance, teaching or scientific equipment and materials) ;
- individual awards.

(b) Breakdown

It is not possible at this stage to offer a detailed breakdown of the appropriations among the various types of operation envisaged or the recipient countries or organizations.

This is something which will depend mainly on the requests they submit and whatever other needs are identified in the course of other aid operations.

The emphasis will be on collective training schemes rather than individual awards. Studies will account for only a marginal share of the appropriations.

3. Method of calculation and explanation of changes

(a) *Method of calculation*

The 2,2 million ECU in commitment appropriations requested will provide for no more than about 400 individual beneficiaries in Asia and Latin America together.

The cost of an individual grant for a short course is of the order of 10 000 ECU ; a course for about 20 people, lasting a few months, will cost from 50 000 to 200 000 ECU depending on the subject matter and whether it is held locally or in Europe.

The cost of financial and technical support for establishments in the recipient countries varies very widely, owing to the enormous range of forms the Community aid may take ; the spread will be from 500 000 ECU to 1 000 000 ECU.

(b) *Explanation of changes*

Commitment appropriations

The following reasons explain the higher appropriations requested :

In general, training is recognized as being of crucial importance to the development process ; in particular, the lack of administrative skills is causing bottlenecks in a number of countries.

— More specifically, the Community is keen to diversify and extend its development activities involving non-associated countries ; furthermore, these countries themselves show an increasing interest in having Community support in this field, and such support is important for our presence in those countries.

— So far, training has accounted for only a minute proportion of our cooperation with NADCs (less than 1 % in 1983), whereas it represents 11 % of our financial and technical assistance to ACP countries and a still larger proportion of assistance to the Maghreb and Mashreq countries.

Payment appropriations

Payments for operations of this type are relatively swift, and are phased over a period of no more than 3 years. Differentiated appropriations were introduced under the 1982 budget, so new payment appropriations will be used to honour commitments entered into in previous years.

The setting up of an EEC-China Management Training Centre, which gave rise in 1983 to a commitment of 3,5 m ECU and payments of 0,5 m ECU, will call in 1985 for payments of the order of 0,6 m ECU.

Accordingly, in 1985 payment appropriations will be up to the same level as commitment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	3 696 408 ⁽¹⁾	700 000 ⁽¹⁾	800 000 ⁽¹⁾	1 000 000 ⁽¹⁾	1 196 408 ⁽¹⁾	—
Appropriation outstanding from 1983	256 000	256 000	—	—	—	—
Appropriation for 1984	1 900 000	44 000 ⁽²⁾	700 000	1 000 000	156 000	—
Appropriation for 1985	2 200 000	—	500 000	1 000 000	700 000	—
Total	8 052 408	1 000 000	2 000 000	3 000 000	2 052 408	—

⁽¹⁾ Appropriation corresponding essentially (3,5 million ECU) to the commitment undertaken at the end of 1983 to fund the EEC-China Management Training Centre.

⁽²⁾ A payments appropriation transfer will probably prove necessary in order to cope with larger payments following new commitments in 1984.

ITEM 9341 — TRAINING AT THE COMMISSION FOR NATIONALS OF NON-MEMBER COUNTRIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	100 000	100 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	182 000	182 000
Percentage change	+ 82	+ 82

1. References and description

(a) References

Operation undertaken by the High Authority of the ECSC and continued by the single Commission as part of the training visits organized by its departments.

— Cooperation Agreements between the Community and the Maghreb and Mashreq countries and Israel.

— Council Resolution of 8 February 1977 on the Euro-Arab Dialogue.

(b) Description

The appropriations are to be used to organize group or individual training courses of varying length for officials — generally of senior rank — from non-member countries.

Intended beneficiaries will include officials from democratic South American or Central American countries, Asean member countries, the Indian subcontinent, Eastern Mediterranean and Middle East countries, and now from China as well.

The courses are aimed not only at familiarizing participants with Community policies and regulations, but at providing them with a useful opportunity to get to know the Community institutions and staff involved in trade or cooperation links with their own countries.

2. Type of expenditure

The cost of organizing each of the visits for the Arab officials may include the following :

- travelling time allowances for the journey to Brussels and back ;
- the cost of hotel accommodation ;
- a daily allowance for the officials ;
- the cost of travel within Europe.

In the case of the Latin American and Asian officials, these costs comprise :

- a monthly allowance for the trainees ;
- travel expenses from the country of origin to Brussels and back ;
- the costs of organizing visits within Europe.

3. Method of calculation and explanation of changes**(a) Method of calculation**

The calculation of the expenditure is based on the experience gained with the training visits organized in previous years. The total appropriation requested for 1985 is obtained by multiplying the number of visits by the costs calculated for each one.

Some Latin American or Asian officials may be recruited from a provisional place of residence in Europe. Only the travel expenses for the official's journey within Europe are refunded in such cases. The funds thus released are used either to extend certain visits from two to three months or to recruit additional officials in Europe.

(b) Explanation of changes

The appropriations for 1985 remain at the 1984 level, which in real terms represents a fall of 5,1 %. Actual expenditure in 1983 reached 135 000 ECU, so the 1984 cutback has meant a reduction in the previous level of activities, despite the fact that these contacts with so many government departments in non-member countries are of great value to the Community.

ARTICLE 935 — AID FOR THE MANAGEMENT OF TRAINING INSTITUTES FOR NATIONALS OF DEVELOPING COUNTRIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	900 000	900 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	950 000	950 000
Percentage change	+ 5,5	+ 5,5

1. References and description

(a) References

Council decision to finance such aid by entering an appropriation in the budget ; decision taken when the 1973 budget was drawn up (OJ No L 307, 31.12.1972).

(b) Description

Operation undertaken from 1973 onwards.

Contribution to the financing of management and operating expenditure of various centres or institutes specializing in training schemes in the various Member States for nationals of developing countries with which the Commission has established links.

Until 1977 support went only to the CESD (European Training Centre for Statisticians-Economists from Developing Countries) in Paris. The expansion of the Commission's operations in this field has led it to establish cooperation with other specialist centres, and this appropriation enables it to support and guide their work in the training of scientific and technical staff from the developing countries, and see that they can offer the best teaching environment for such students in Europe.

From 1977 on, the Commission extended this eminently worthwhile support to other establishments and has thus established links with certain specialist centres which can offer technical and university courses geared to developing-country nationals.

The aid has been broken down by sector as follows :

Sector :	1977-82	1983
Statistics	50 %	29 %
Agriculture	14 %	30 %
Urban development etc.	12 %	20 %
Health	4 %	6 %
Data processing	2 %	7 %
Education	2 %	6 %
Energy	2 %	2 %
Financial management	1 %	—
Other	13 %	—

Because of budgetary constraints and the smallness of the increase proposed for 1985, it will not be possible to extend Community assistance appreciably to a larger number of establishments. On the other hand, the range of disciplines will continue to be widened in the light of the most urgent needs of the developing countries and the broad lines for Community development policy (agricultural and rural development and food strategies, training of development planners, population trends, urban development, etc.).

Care should also be taken to see that courses are sufficiently original and suited to the requirements (course content, how training is organized, expected results).

The main criteria for provision of support will therefore be (a) whether the type of training is in line with the developing countries' priorities and the thrust of the Community's development policy and (b) whether the courses are sufficiently original and suitable.

Establishments may apply to the Commission for subsidies. They must provide the appropriate particulars of their training programmes in support of their applications. Establishments which receive subsidies will be subject to the last paragraph of Article 82 of the Commission's Financial Regulation, which requires the recipient of a subsidy to be prepared to allow the Commission to check the use to which the money has been put.

2. Type and breakdown of expenditure

(a) *Type of expenditure*

Contribution towards the cost of organizing courses, engaging instructors and providing educational equipment.

(b) *Breakdown*

The contributions will be allocated to institutions in the Member States on the basis of the criteria mentioned above.

3. Method of calculation and explanation of changes

(a) *Method of calculation*

The amounts allocated to the establishments chosen will be based on a flat-rate estimate, calculated by reference to the stated criteria and the establishments' objectives and the extent to which they contribute to implementing the Community's training programmes.

(b) *Explanation of changes*

The increase requested in the appropriation for 1985 is justified on the grounds of the rise in the cost of various inputs.

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ARTICLE 936 — AID TOWARDS SELF-SUFFICIENCY FOR REFUGEES AND DISPLACED PERSONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	3 000 000	2 000 000
1985 — Appropriations requested	4 000 000	2 750 000
Percentage change	+ 33,3	+ 37,5

1. References and description**(a) References**

New aid instrument supplementing existing instruments.

(b) Description

The aid is to go to non-associated developing countries to help groups of refugees and displaced persons and other population groups which have left their country of origin or residence.

These are interim measures to be implemented after the emergency relief stage and pending the adoption of a final decision on whether people should be integrated into the host country, return to their country of origin or be resettled in another country.

They include the supply of means of production (farming, fishing, craft industry), basic infrastructure and training suited to the refugees' immediate needs (though not to the exclusion of longer-term needs as well).

Other Community instruments exist to cover the emergency relief stage (Article 950) and the long-term integration stage (Article 930) but they do not allow for the financing of interim measures.

2. Type and breakdown of expenditure

This is a new form of aid.

Article 936 will provide for the financing of investment and operating costs in the following fields: production, health and hygiene, training and housing. It will also cover the technical assistance necessary for the implementation of such measures and the cost of preparation and monitoring of the measures.

This expenditure, since some of the operations will run for longer than two years, calls for a distinction to be made between commitment appropriations and payment appropriations.

It is too early to give a detailed breakdown of the emphasis to be placed on the various types of measures which will be eligible for aid under this heading or of the geographical spread or allocation among recipient countries. These will depend essentially on particular circumstances and the applications the Commission receives.

3. Method of calculation and explanation of changes

(a) Method of calculation

The traditional method of budgetary calculation does not apply to this aid : in view of the immense financial requirements, appropriations must be sufficiently large to make a significant economic or political impact and amounts likely to achieve this objective are being proposed, after making due allowance for budgetary constraints.

(b) Explanation of changes

Commitment appropriations

This new form of aid is being implemented in 1984 for the first time as a pilot experiment. It would seem essential to continue the operation, with the same aim and with a larger appropriation, for another year.

Payment appropriations

It is necessary for these to be differentiated, but the time schedule for this form of aid is relatively short. As a consequence, the level of payment appropriations should rapidly catch up with that of commitment appropriations.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	3 000 000	2 000 000	750 000	250 000	—	—
Appropriation for 1985	4 000 000	—	2 000 000	1 500 000	500 000	—
Total	7 000 000	2 000 000	2 750 000	1 750 000	500 000	—

CHAPTER 94 — SPECIFIC MEASURES FOR COOPERATION WITH DEVELOPING COUNTRIES

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
940	Expenditure on the organiza- tion of seminars on the Com- munity's generalized system of preferences	170 000	170 000	170 000	170 000	—	—
941	Community contribution to- wards schemes concerning de- veloping countries carried out by non-governmental organi- zations (NGOs)	35 000 000	33 000 000	35 000 000	20 000 000	—	- 39
942	Advisory Committee on De- velopment Policies	200 000	200 000	210 000	210 000	+ 5	+ 5
943	Community pledge to the In- ternational Fund for Agricul- tural Development (IFAD)	p.m.	p.m.	p.m.	p.m.	—	—
944	Evaluation of the results of Community aid	2 000 000	2 000 000	2 000 000	2 000 000	—	—
945	Cooperation with the Arab countries at regional level	1 000 000	1 000 000	500 000	500 000	- 50	- 50
946	Ecology in the developing countries	250 000	250 000	300 000	300 000	+ 20	+ 20
948	Statistical operations in con- nection with the implementa- tion and monitoring of pro- grammes in ACP countries	1 200 000	1 200 000	1 200 000	1 200 000	—	—
949	Renegotiation of the Lomé Convention	1 850 000	1 850 000	100 000	100 000	- 95	- 95
	Total	41 670 000	39 670 000	39 480 000	24 480 000	- 5	- 38

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 940 — EXPENDITURE ON THE ORGANIZATION OF SEMINARS ON THE
COMMUNITY'S GENERALIZED SYSTEM OF PREFERENCES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	170 000	170 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	170 000	170 000
Percentage change	—	—

1. References and description

(a) References

- Council Resolution of 30 April 1974 on the promotion of developing countries' exports.
- Council Resolution of 3 March 1975 on the future development of the Community's generalized tariff preferences.
(Advisability of continuing to apply the GSP after the expiry of its initial period of application in 1980.)

(b) Description

The Community scheme of generalized tariff preferences entered into force on 1 July 1971. The organization of seminars on the GSP, which have been held since 1972, forms an integral part of Community measures to improve the opportunities for the export of manufactured products from developing countries.

Intended initially to acquaint the relevant authorities and business circles in the beneficiary countries with the fact that the system exists and to familiarize them with its complex rules of application, they subsequently also aimed to draw the attention of those countries' producers and exporters to the problems raised by the export of specific products and to the practical opportunities open to them so that better use could be mad of the Community's system. In 1981 the Community introduced a new system, to run for 10 years, involving an element of differentiation in the advantages offered. Essentially, the developing countries in greatest need — and especially the least developed — are given greater scope for preferential access. The Commission's activities in connection with GSP seminars are therefore aimed mainly at those countries. In recent years the Commission has accordingly been working with various development bodies such as Unctad/UNDP and the *Deutsche Stiftung für Internationale Entwicklung (DSE)*. This has proved most fruitful, and should be continued.

It was also considered necessary to begin work in 1979 on the preparation, publication and distribution of a 'Guide to the Generalized Tariff Preferences' in order to explain to the Member States' and beneficiary countries' administrations how the system works in practice.

2. Type and breakdown of expenditure

(a) *Type of expenditure*

Expenditure to cover the various costs involved in the organization of seminars (hiring of rooms, interpretation facilities, documentation, sending and/or loan of experts, etc.). In 1985 the Commission plans to organize seminars in Asian and Central and Latin American countries.

(b) *Breakdown*

The appropriation entered in the 1985 budget will cover the following :

- 2 seminars in a member country of the Association of South-East Asian Nations (Ascan)
- 3 seminars in two other Asian countries
- 2 seminars in Latin America
- 2 regional seminars in developing countries in collaboration with Unctad/UNDP
- preparation, publication and distribution of the 'Guide to the Generalized Tariff Preferences' intended for the administrations and chambers of commerce of the Member States and the beneficiary countries, for organizations specializing in the promotion of the developing countries' trade and for development research centres
- basic documentation (various studies and publications on utilization of the system).

3. Method of calculation

The amount requested breaks down as follows :

— 2 Ascan seminars	13 000
— 3 seminars in Asian countries	19 000
— 2 seminars in Latin America	13 000
— 2 regional seminars in developing countries in collaboration with Unctad/UNDP	60 000
— GSP Guide	55 000
— Documentation	10 000
Total	170 000

As regards the 'Guide to the Generalized Tariff Preferences', the total amount of 55 000 ECU is to cover the cost of preparing, publishing and distributing this Guide in three languages. Provision is made for 10 000 ECU to cover the documentation on which the Commission is increasingly having to draw.

ARTICLE 941 — COMMUNITY CONTRIBUTION TOWARDS SCHEMES CONCERNING DEVELOPING COUNTRIES CARRIED OUT BY NON-GOVERNMENTAL ORGANIZATIONS (NGOs)

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	35 000 000	33 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	35 000 000	20 000 000
Percentage change	—	— 39

1. References and description

(a) References

- Commission Communication to the Council of 6 October 1975 (COM(75)504 final).
- Approval by the Council (Development) on 28 November 1977 of the procedure, general criteria and arrangements established by the Commission for the use of the funds.

(b) Description

Operation undertaken from the 1976 financial year onwards.

The objective is the financing with the NGOs of operations to benefit the most deprived people in developing countries, whether associated or not. This approach obviates the cumbersome procedures and considerable administrative expense involved when official aid is used for this type of operation and also allows cooperation with experienced private organizations in schemes which in many cases complement those conducted by the public authorities.

2. Type and breakdown of expenditure

(a) Type of expenditure

This is a Community contribution towards the cost of development schemes selected by the NGOs and is paid to them on the basis of the state of advancement of the work. The schemes vary widely in both scale and scope (rural services, welfare, training, health, etc.).

(b) *Breakdown*

- *Cofinancing of projects in the developing countries* : in view of point (a) above, it is impossible to break down the appropriations from the very outset into the various fields of application ; this breakdown can only take shape as the projects submitted by the NGOs are appraised and decisions taken by the Commission.
- *NGO Liaison Committee budget* : the appropriation should be 320 000 ECU, i.e. much the same as the 1984 figure (300 000 ECU). This contribution is being maintained first of all in view of the Liaison Committee's role in the coordination of the European NGOs in contact with the Commission. Secondly, it is necessary because since 1982 the Commission has no longer been meeting the Committee's costs or paying for the General Assembly of the European NGOs. The Committee actually bears this expenditure itself, and manages its own finances under the budget placed at its disposal by the Commission.

It should also be noted that this budget is intended to enable the Committee to maintain a permanent secretariat in Brussels with responsibility for ensuring the requisite continuity in coordination with the Commission departments.

Lastly, the increased budget will enable the Committee to continue to meet, at the Commission's request, the expenditure resulting from the expanding tasks of coordination in the various sectors of activity (co-financing, development education, emergency aid, food aid, volunteer schemes).

- *Schemes to educate and increase the awareness of public opinion in the Member States* : a slightly higher appropriation than that for the 1984 financial year (3 million ECU) should be allocated to the NGOs ; the reason for this is that the steadily increasing number of admissible requests and the value of such schemes to the developing countries as well as to the Community as a whole necessitate an increase in the appropriation referred to above so that the admissible requests can be met, at least in part ; for example, the budget adopted for 1984, namely 3 million ECU, already has to face (at 15 February 1984) some 2,3 million ECU in admissible requests carried over from 1983 and new requests requiring some 600 000 ECU submitted for 1984 i.e. some 97 % of the funds earmarked for 1984.

A higher appropriation, of the order of 3,5 million ECU, would help bring us nearer to the 10 % of the overall budget which the majority of the NGOs have on a number of occasions advocated as a target for campaigns to increase awareness of development issues.

3. Method of calculation and explanation of changes

(a) *Method of calculation*

For the same reasons as those given in point 2 above, it is not possible to adopt a uniform method of calculation for all the proposed schemes. Community participation in these schemes should normally be in the range of 12 000 ECU to 120 000 ECU and should not, save in exceptional circumstances, exceed 50 % of the cost of any one project.

(b) *Explanation of changes*

Commitment appropriations

Recent years have seen increases, some of them large, in the budget made available to the NGOs. The 1985 budget will need to be kept at more or less the 1984 level. The Commission is of the view that the 1984 appropriation represents the maximum that can be fully taken up at present, both by the NGOs and the Commission departments responsible for cooperation with them. It is therefore requesting for 1985 the same amount as was entered in the 1984 budget, i.e. 35 million ECU.

Payment appropriations

This budget heading is still showing the effects of having been allocated, on two previous occasions, identical sums for commitment and payment appropriations (1982 : 20 million ECU in the initial budget and 8 million ECU through transfer No 30/82). These decisions have resulted in a false picture of the payments figures. The rate of use of payment appropriations is bound to be much lower than in the past, since this heading has been topped up with very large additional payment appropriations (6-7 million ECU) which it will not be possible to spend within the normal time schedule. Accordingly the payment appropriations should be cut back considerably (– 39 %) in 1985, so that in the coming years the balance can be re-established.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	10 341 120	10 000 000	341 120	—	—	—
Appropriation outstanding from 1983	6 333 909	6 000 000	333 909	—	—	—
Appropriation for 1984	35 000 000	17 000 000	6 824 971	7 000 000	4 175 029	—
Appropriation for 1985	35 000 000	—	12 500 000	12 500 000	10 000 000	—
Total	86 675 029	33 000 000	20 000 000	19 500 000	14 175 029	—

ARTICLE 942 — ADVISORY COMMITTEE ON DEVELOPMENT POLICIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	200 000	200 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	210 000	210 000
Percentage change	+ 5	+ 5

1. Description

Continuation of the process of reflection on the prospects for North-South relations and for the economic and social situation in the developing countries and in the Community. This will help the Community to work out long-term guidelines for its development policy.

To that end, the Commission will continue to rely on the work of the leading European figures who make up this Advisory Committee :

- the Committee must examine the results of the analyses put before it and in particular the results of the work on long-term demographic prospects in Africa and the role of secondary urban centres, and on data processing and development ;
- it must initiate, or ensure the continuation of, research and analyses which will back up its own work.

2. Type and breakdown of expenditure

These are costs arising from the meetings of the Advisory Committee on Development Policies, the remuneration of top-level experts in the various economic and social disciplines and also the financing of studies and administrative costs entailed in providing the documentary and material back-up needed to enable the Advisory Committee to function.

3. Method of calculation

— Expenditure on meetings	65 000
— Studies	70 000
— Remuneration of experts	55 000
— Administrative, management and secretarial costs	20 000
	210 000
Total	210 000

ARTICLE 943 — COMMUNITY PLEDGE TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

This heading was inserted in the 1977 budget by Parliament and has been maintained ever since.

Discussions on the replenishment of IFAD's capital for 1981-83 were concluded without a contribution by the Community as such to this financing.

The question of a contribution by the Community will be raised again in the discussions which began recently on the replenishment of IFAD's capital for 1984-86 ; it is therefore proposed that a token entry be maintained.

ARTICLE 944 — EVALUATION OF THE RESULTS OF COMMUNITY AID AND PRACTICAL FOLLOW-UP OPERATIONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 000 000	2 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	2 000 000	2 000 000
Percentage change	—	—

1. References and description

(a) References

- Resolution of the European Parliament of 7 July 1977 on the discharge in respect of the budget for 1975 (OJ No L 229, 7.9.1977).
- Article 118 of the second Lomé Convention.
- Resolution of the European Parliament's Committee on Development and Cooperation on the evaluation of Community development policies and the role of the European Parliament (17 September 1981).

(b) Description

The evaluation of a number of representative operations is an essential instrument for increasing the effectiveness of the financial aid granted by the Community and administered by the Commission. It produces operational proposals for improving policies, methods and procedures for cooperation between the developing countries and the Community.

The work of evaluation involves in-depth analyses, carried out in the developing countries, of the effects and results of the aid financed by the Community. The cost of this work must be entered in the Community budget and must not be deducted from the volume of aid to the developing countries, so that the Community can select for itself truly independent experts to perform this task and thus obtain an objective evaluation of the operations carried out.

In order to reap the necessary benefits from evaluation, and to test the operational proposals for improving cooperation policies and methods, it should also be possible to launch practical follow-up operations. In the preparation of development projects, new approaches, in which research would be closely linked with the actual operation, and also 'alternative technologies', could often be considered, but would have to be tried out in a real situation before they could be adopted on a larger scale.

The following examples have emerged in the course of evaluation :

- appropriate technology : highly labour-intensive programmes and technology, such as the intensive use of local materials and know-how for building or maintenance work (in rural areas or areas of non-structured urban development) ;

- operations in support of sectoral policies, e.g. food strategies, particularly in the sphere of credit for village communities (for storage, or in other areas) ;
- new approaches to rapid training methods with a view to the acquisition of specific technical skills ;
- new approaches to the provision of health care or the development of simple health facilities ;
- test projects on the mobilization of women in the development process, in the context of general projects and programmes ;
- pilot research projects in the social and cultural spheres, on the basis of the situation in a region of an ACP country, to be used as a starting point for drawing up a future development project ;
- preparation of development operations with the participation of people other than the representatives of the central authorities alone ;
- programmes to support the efforts made by the population concerned (preparation and application of long-term contracts, etc.) ;
- experiments with expanded microproject programmes ;
- formulation and implementation of programmes in support of sectoral or regional policies.

2. Type of expenditure

The expenditure is first of all to cover the remuneration of experts who are highly specialized in the sector or instrument of aid being evaluated. These experts will have to pay working visits to the countries concerned. Given the shortcomings of the sources of information (particularly statistics) in the developing countries, the evaluation will sometimes have to include sample surveys. These three elements (qualifications of the experts, travel and surveys) mean that the cost of the evaluation work will be rather high if it is to produce the results expected.

The expenditure will also cover the costs of organizing seminars bringing together experts from the Member States and the developing countries (mainly ACP) at which the principles that are to guide the choice of new projects or operations will be worked out. These seminars must be financed by the Commission since most of the developing countries are not in a position to bear the costs of their participation.

Lastly, the expenditure includes the cost of practical follow-up operations designed to make optimum use of the proposals put forward as part of evaluation.

3. Method of calculation

— Follow-up of completed evaluations	
— Seminar on the evaluation of hydro-agricultural operations	190 000
— Seminar on the evaluation of trade promotion operations	190 000
— Sectoral evaluation	
— Heavy infrastructure (ports, airports)	250 000
— Operations aimed at the development of energy resources	250 000
— Evaluation of aid instruments	200 000
— Overall evaluation	250 000
— Special evaluation	120 000
— Practical follow-up operations	550 000
	<hr/>
Total	2 000 000

ARTICLE 945 — COOPERATION WITH THE ARAB COUNTRIES AT REGIONAL LEVEL

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 000 000	1 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	500 000	500 000
Percentage change	— 50	— 50

1. References and description

(a) References

Council Resolution of 8 February 1977 on the Euro-Arab Dialogue, in which the Council undertook to provide a financial contribution from the budget of the European Communities without prejudice to the financial resources which might come from other sources.

(b) Description

The measures to be financed involve the preparation of projects to be executed within the framework of the Euro-Arab Dialogue, excluding the financing of the projects themselves, except in the form of technical assistance.

2. Type and breakdown of expenditure

- participation in the financing of feasibility studies ;
- participation in the financing of cultural activities (symposia, seminars, publication of records of conferences, etc.) ;
- provision of technical assistance for Euro-Arab centres (centre for the transfer of technology and trade promotion centre).

3. Method of calculation

In 1977 the Community undertook to contribute a total of USD 3,5 million. In order to be able to honour this commitment, every year since 1979 the Community has included in the budget appropriations for financing part of the proposed activities (1979 : 2 100 000 ECU ; 1980 : 745 000 ECU ; 1981 : 1 000 000 ECU ; 1982 : 1 000 000 ECU in Chapter 100 ; 1983 : 500 000 ECU in Chapter 100 ; 1984 : 1 000 000 ECU).

Although two sets of studies or operations were decided on by the General Committee of the Euro-Arab Dialogue in Brussels in October 1977 and in Damascus in December 1978 for a total of USD 8 276 000, of which USD 1 778 500 as a contribution from the Community, the vicissitudes of the Euro-Arab Dialogue account for the insignificant level of use of the appropriations, for commitments or payments, over the period 1979-82.

In 1983, when the Euro-Arab Dialogue was revived, and with a view to organizing the symposium in Hamburg on 'relations between two civilizations' and the signing of two contracts for studies on the petrochemical and oil-refining industries, the budgetary authority authorized the transfer of 500 000 ECU from Chapter 100 to the heading concerned. The two operations referred to above represented commitments accounting for some 35 % of the funds earmarked for 1983. The rate of use of appropriations in 1984 will depend on how quickly the various specialized committees of the Euro-Arab Dialogue resume their work.

In view of the difficulty of predicting how this work will proceed and at what pace, the amount of the appropriations requested for 1985 respects the need to earmark a sum that is sufficient to be of significance politically, while taking account of the fact that the take-up of funds in the past has never exceeded 500 000 ECU.

ARTICLE 946 — ECOLOGY IN THE DEVELOPING COUNTRIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	250 000	250 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	300 000	300 000
Percentage change	+ 20	+ 20

1. References and description

(a) References

- Commission Communication to the Council (COM(81)626 final of 4 November 1981 ; OJ No/C 305, 25.11.1981). Draft action programme of the European Communities on the environment (1982-86).
- Resolution on the world conservation strategy, adopted by Parliament on 20 May 1980 (OJ No/C 147, 16.6.1980, p. 27).

(b) Description

This heading was entered by Parliament in the 1982 budget for the first time.

The general objective is to promote and organize close and effective cooperation between the Community and the developing countries on ecological matters and the rational, long-term exploitation of natural resources.

The specific aim of the operation is to identify and quantify the biggest threats to natural resources, notably from agriculture, rural development and population growth.

The operation should enable the Community and the developing countries to work out together a *modus operandi* for overcoming the problems in question and to establish in the medium term a strategy for the conservation of natural resources.

2. Type and breakdown of expenditure

(a) *Type of expenditure*

The appropriation requested would make it possible to continue, provided a start has been made on their implementation, studies and preparatory measures in the following fields :

- assistance to the developing countries for establishing national or regional strategies for the conservation of natural resources,
- studies and research on resolving the most pressing ecological problems in the developing countries, notably with regard to desertification, the destruction of tropical forests and the protection of endangered species (fauna and flora),
- technical assistance and vocational training in ecology and the environment,
- the promotion of appropriate technology to safeguard natural resources in the long term.

(b) *Breakdown of expenditure*

It is not possible at this stage to give a precise breakdown of the appropriations by type of operation and recipient country, as the breakdown will be determined largely by specific situations and the requests presented to the Commission.

3. Method of calculation and explanation of changes

(a) *Method of calculation*

In view of the very large sums needed, it is a question of providing a budget appropriation which reflects the Community's desire to make a valid contribution in this sphere despite budget constraints.

(b) *Explanation of changes*

The requested increase is for financing an environmental protection operation to be carried out with Brazil.

ARTICLE 948 — STATISTICAL OPERATIONS IN CONNECTION WITH THE IMPLEMENTATION AND MONITORING OF PROGRAMMES IN DEVELOPING COUNTRIES

ITEM 9480 — STATISTICAL OPERATIONS IN CONNECTION WITH THE IMPLEMENTATION AND MONITORING OF PROGRAMMES IN DEVELOPING COUNTRIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 200 000	1 200 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 200 000	1 200 000
Percentage change	—	—

1. References and description

(a) References

This appropriation stems from the Commission's freedom to manage its own affairs.

(b) Description

General objective

The implementation of the new guidelines for the Commission's development policy, and the continuation of certain programmes provided for under the Lomé Convention, call for closer knowledge of the social and economic realities of the countries concerned. In particular, in the sphere of selfsufficiency in food, it is essential that the Community and the African countries themselves should be able to make a quantitative assessment of the situation in order to determine which programmes are most appropriate for the rural development of the poorest regions.

This means that in these countries small-scale surveys should be carried out of existing food resources, distribution channels, stocks, costs, prices, consumer habits, etc.

It is also necessary to improve the social and economic statistics which European and African planners need in order to be able to implement a coherent development policy.

Lastly, the improvement of statistical information on external trade remains one of the prerequisites for applying Stabex in a way which technically conforms more closely to the provisions of the Lomé Convention and for enabling the ACP countries to assess supply markets and outlets more accurately.

The Community's Statistical Office, in close conjunction with the Member States' statistical institutes and with the back-up of African statistical services, is able to undertake these investigations and provide those who have to take the decisions (Commission, Member States and countries concerned) with the information that is needed for the establishment of and follow-up to development programmes.

Operations planned

- Surveys to determine food resources in the ACP countries ;
- ACP States' national accounts : study for the purpose of proposing a programme to improve the methods of collecting data for and drawing up the ACP countries' national accounts ;
- Programme to improve external trade statistics.

2. Type of expenditure

The appropriations are intended to cover the costs of the direct measures described above. This work will be given to European and African specialists in each sphere and will be supervised and monitored by the Statistical Office of the European Communities.

3. Method of calculation and explanation of changes

(a) Method of calculation

In 1985 it is planned :

— to conduct a programme of surveys in certain CILSS (Permanent Inter-State Committee for Drought Control in the Sahel) and East African countries of food production, distribution channels, stocks, costs, prices and consumer habits	900 000
— through the national accounting departments of certain ACP countries, to improve and adapt to actual circumstances in Africa the methods used by their accountants	150 000
— to conduct a programme to improve external trade statistics within the West African Economic Community	150 000
Total	1 200 000

ITEM 9481 — SUPPORT FOR STUDIES ON DEMOGRAPHY IN RELATION TO EVALUATION OF THE NECESSARY RESOURCES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

Item entered in 1984, on the initiative of Parliament, during the budget procedure.

(b) Description

This heading was entered in the budget for the first time in 1984, at Parliament's request. The general aim is to create tools for research on population phenomena in developing countries, in order that the trends can be taken into account in their development planning. It will cover a study on the resources required to cope with the problems associated with population trends and the cooperation measures the Community might adopt to help developing countries deal with them.

2. Type and breakdown of expenditure

(a) Type of expenditure

Any appropriations transferred to this item would be used for the following :

- technical assistance to developing countries for establishing population policies in relation to development planning ;
- studies and research on the effects of policies in the public health, education, urban or rural development sectors, and on population and migration trends ;
- organization of meetings of specialists in these fields to pool their experience.

(b) Breakdown

This will be dependent on the amount of financing that can be made available during the year and the priorities still to be identified for this category of operation.

ARTICLE 949 — EXPENDITURE ON RENEGOTIATION OF THE LOMÉ CONVENTION**New item****ITEM 9490 — EXPENDITURE ON RENEGOTIATION OF THE LOMÉ CONVENTION**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	170 000	170 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	170 000	170 000
Percentage change	—	—

1. References and description**(a) References**

Article 188 of the second Lomé Convention, which stipulates that negotiations for the renewal of the Convention shall begin 18 months before it expires.

(b) Description

The appropriation, first entered in the 1983 budget and renewed in the 1984 budget, served to cover all the expenditure resulting from the renegotiation of the Lomé Convention. It is proposed to maintain a token entry in the 1985 budget so that payments due as a result of commitments made in 1984 can be cleared.

New item**ITEM 9491 — CONSULTATIONS AND INFORMATION ACTIVITIES FOLLOWING THE SIGNING OF THE NEW ACP-EEC CONVENTION**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget		
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	100 000	100 000
Percentage change	—	—

1. References and description

(a) *References*

- Second Lomé Convention, Article 168(6) and (10) and Article 175(7), providing for contacts and consultations on questions having direct bearing on the matters covered by the Convention.
- Parliament Resolution of 16 December 1981 on the outcome of the proceedings of the ACP-EEC Joint Committee and Consultative Assembly in 1981, which stressed the need for consultation with the economic and social partners and hoped that they would be more closely involved in the implementation of the Convention.

(b) *Description*

- Organization of contacts and consultations, following the signing of the Convention, between representatives of business, industry, labour, etc. and also prominent individuals or bodies, from both the Member States and the ACP countries, and between these persons or groups and the Commission.
- Informing these groups as to the outcome of the negotiations, hearing their opinions on the cooperation policies laid down in the new convention and encouraging them to make a contribution to the achievement of cooperation objectives.

2. Type of expenditure

Financing of meetings and travel and subsistence costs of participants, who may consist of representatives from the Member States or from the developing countries, or from both.

3. Method of calculation

— One joint meeting of ACP and EEC representatives (15 delegates from each side)	43 000
— One meeting of European representatives on aspects of development policy (15 delegates)	7 000
— Cost of holding consultations on specific cooperation themes	50 000
	<hr/>
Total	100 000

4. Reasons for entering a new budget heading

In order to meet the Commission's objectives under the new Convention, it will be necessary to extend the consultation procedure to groups or bodies capable of making a tangible contribution to cooperation.

In the 1984 budget it was possible to combine under a single budget heading (Article 949) the direct expenditure on renegotiation of the Lomé Convention and the costs of consulting the groups concerned, as such consultations were directly related to the subject of the negotiations.

On the assumption that the negotiations can be concluded by the end of 1984, in the 1985 budget there will be only a token entry against Item 9490, which will simply be used, where necessary, to settle the payments resulting from 1984 commitments.

It is therefore proposed to include a new heading (Item 9491) for the specific purpose of financing the consultations described above.

CHAPTER 95 — EXCEPTIONAL MEASURES TO ASSIST DEVELOPING COUNTRIES AND OTHER NON-MEMBER COUNTRIES

ARTICLE 950 — AID TO DISASTER VICTIMS IN DEVELOPING AND OTHER NON-MEMBER COUNTRIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	13 500 000	13 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	13 500 000	13 500 000
Percentage change	—	—

1. References and description

(a) *References*

Council decision to finance such aid by entering an appropriation in the budget ; decision taken when the 1971 budget was drawn up.

(b) *Description*

The appropriation entered under this Article enables the Community to provide rapid emergency aid to disaster victims.

2. Type and breakdown of expenditure

(a) *Type of expenditure*

The appropriation constitutes an emergency fund from which aid is drawn for countries hit by disasters.

(b) *Breakdown*

These appropriations are used as and when the need arises (that is, when disasters occur that warrant rapid Community assistance).

3. Method of calculation and explanation of changes

Because of the nature of the measures to be financed, it is impossible to calculate the requirements precisely. The appropriation requested for 1985 is for the same amount as was entered in the 1984 budget.

Should the need arise during 1984, therefore, the Commission hopes that, as in the past, this Article may be bolstered by a transfer of appropriations or supplementary budget within a timescale compatible with the nature of the measures to be undertaken.

ARTICLE 952 — SPECIAL AID FOR LEBANON

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) *References*

Decision taken by the budgetary authority in the context of the budgetary procedure relating to the preparation of the 1983 budget and confirmed during the 1983 financial year by the adoption of a financing decision and the transfer of 20 million ECU to Article 952.

(b) *Description*

The appropriations entered against this heading during 1983 enabled the Community to participate in the financing of a major water supply project for Beirut as part of the reconstruction of Lebanon.

2. Type and breakdown of expenditure

(a) *Type of expenditure*

The expenditure charged against this heading comprises grants for the execution of works and the purchase of supplies.

(b) *Breakdown*

— Equipment and supplies	1 943 000
— Buildings	3 604 000
— Works	13 064 000
— Contingencies 7,5%	1 389 000
Total	20 000 000

3. Reasons for maintaining token entry

The appropriations entered against this heading in 1983 by means of a transfer were non-differentiated. As they were fully committed as soon as the financing decision was taken, they were automatically carried over to 1984.

It should have been possible, under normal circumstances, for the water supply project to be completed by the end of 1984, ensuring that the appropriations would be fully used within the time schedule laid down. However, the situation in Lebanon now renders it impossible to make accurate forecasts of the time needed for projects to be completed.

Even though the unused part of the appropriations may have to be cancelled at the end of the year, the Commission is unable to assess, eight months in advance, the amount that may have to be re-entered in the 1985 budget.

A token entry is therefore being requested to provide for any expenditure needed under this heading in 1985.

Historical Archives of the European Commission

ARTICLE 958 — SPECIAL PROGRAMME TO COMBAT HUNGER IN THE WORLD

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	58 000 000	42 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	—	16 000 000
Percentage change	— 100	— 62

1. References and description*(a) References*

Council Regulation (EEC) No 1993/83 of 11 July 1983 on the implementation of the special programme to combat hunger in the world.

(b) Description

Operation entered for the first time in the 1983 budget (50 million ECU) and again in the 1984 budget (58 million ECU). The programme will aim to cover all the developing countries, in particular the least developed.

It has two general objectives :

- to help certain countries which are pursuing, or are about to pursue, effective food policies or strategies, by providing them with resources which, on account of internal or external financial difficulties, they lack for the purposes of effectively implementing such policies or strategies ;
- to initiate measures on a much larger scale and for a longer duration, with the aim of preserving the natural environment and improving the productive capital of the developing countries.

The programme in general involves measures which cannot be financed under existing aid and programme agreements.

2. Type and breakdown of expenditure*(a) Type of expenditure*

The expenditure covered by Article 958 will, in the case of aid measures in respect of food policies and strategies, mainly involve temporary assistance for agricultural production in the countries concerned : supplies, equipment and financial resources for the bodies responsible for product marketing and storage, price stabilization and the distribution of agricultural credit. The measures concerned will involve :

- the supply of materials for local craft industries or small-scale industries specializing in agricultural machinery,
- the supply of fertilizers with a view to establishing and developing a policy of encouraging the use of this input,

- help in the reorganization of regional development structures involving the coverage, on a reducing scale, of certain operating costs during the period when changes and the transfer of responsibilities are taking place.

To begin with, the aid measures will involve the preparation of comprehensive inventories on problems of desertification and the execution of pilot projects, in particular reafforestation projects and schemes to make improved cooking facilities more widely available. Consideration must also be given to schemes to give greater protection to wild animals, improve the domestic livestock situation and carry out rural water-engineering projects.

(b) *Breakdown*

It is currently not possible to breakdown the appropriations between the various types of scheme and the various recipients. The breakdown will be determined on the basis of the requests to be submitted to the Commission and the intrinsic merit of each request, the priority which can be given to individual requests and the efforts made to achieve a satisfactory balance between the countries involved.

3. Method of calculation and explanation of changes

As Regulation (EEC) No 1993/83 expires on 31 December 1984, no new commitment appropriations are being requested for the special programme to combat hunger in the world. The type of operation included in the programme will be covered by existing aid instruments (EDF, aid to non-associated developing countries, Article 930, etc.). Payment appropriations are being requested because of the likely tempo of commitments in 1984 or possibly early in 1985 (differentiated appropriations).

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	(¹)	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	58 000 000	42 000 000	16 000 000	—	—	—
Appropriation for 1985	—	—	—	—	—	—
Total	58 000 000	42 000 000	16 000 000	—	—	—

(¹) The appropriations entered in the 1983 budget (50 million ECU) were non-differentiated. Commitments amounted to 49 613 000 ECU and payments to 70 600 ECU. The outstanding payments will therefore be made in 1984 out of the carried-over appropriations, which do not appear in this table.

ARTICLE 959 — SUPPLEMENTARY AID TO THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINIAN REFUGEES IN THE MIDDLE EAST

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	17 000 000	17 000 000
Percentage change	—	—

1. References and description**(a) References**

Fifth Convention between the EEC and UNRWA now being negotiated for the period from 1 January 1984 to 31 December 1986.

(b) Description

The appropriations are intended as a contribution towards the financing of UNRWA's education programme, which provides primary education for 340 000 children of Palestinian refugees in Middle East countries.

3. Method of calculation and explanation of changes**(a) Method of calculation**

The appropriation of 17 million ECU represents a symbolic increase in the amount granted to UNRWA (16 million ECU) in 1982, 1983 and 1984.

(b) Explanation of changes

In 1982, 1983 and 1984 this operation had to be financed by means of transfers from various food aid items. With a view to simplifying the budgetary procedure, it is proposed that the appropriation in question be entered directly under Article 959. The tonnage of food aid products to be supplied to UNRWA and the appropriations to be entered in Chapter 92 have been adjusted accordingly.

CHAPTER 96 — COOPERATION WITH MEDITERRANEAN COUNTRIES

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 (1)		Appropriations requested for 1985 (1)		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
960	<i>Financial cooperation with Portugal</i>						
9600	Financial Protocol	—	—	—	—	—	—
9601	Aid in preparation for access- sion	p.m.	10 000 000	29 000 000	40 000 000		+ 300
9602	Specific aid to improve agricul- tural structures			50 000 000	25 000 000		
961	<i>Financial cooperation with Malta</i>						
9610	First Financial Protocol	—	p.m.	—	2 090 000	—	
9611	Second Financial Protocol	p.m.	p.m.	1 000 000	p.m.		—
962	<i>Financial cooperation with Greece</i>	—	3 933 000	—	p.m.	—	—
963	<i>Financial cooperation with Turkey</i>						
9630	Third Financial Protocol	—	5 000 000	—	36 000 000	—	+ 620
9631	Fourth Financial Protocol	p.m.	p.m.	50 000 000	10 000 000		
9632	Special aid	p.m.	5 000 000	29 000 000	27 000 000		+ 440
964	<i>Financial cooperation with Cyprus</i>						
9640	First Financial Protocol	—	3 040 000	—	2 460 000	—	— 19
9641	Second Financial Protocol	3 000 000	1 000 000	4 000 000	3 000 000	+ 33	+ 200
965	<i>Financial cooperation with the Maghreb countries</i>						
9650	First Financial Protocol with Algeria	p.m.	6 100 000	6 400 000	28 300 000		+ 364
9651	Second Financial Protocol with Algeria	10 000 000	5 000 000	21 500 000	9 200 000	+ 115	+ 84
9652	First Financial Protocol with Morocco	p.m.	8 000 000	p.m.	p.m.	—	—

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
9653	Second Financial Protocol with Morocco	40 000 000	20 000 000	24 700 000	38 400 000	— 38	+ 92 [▲]
9654	First Financial Protocol with Tunisia	p.m.	7 000 000	p.m.	12 100 000	—	+ 73
9655	Second Financial Protocol with Tunisia	8 000 000	4 500 000	14 100 000	9 500 000	+ 76	+ 111
966	<i>Financial cooperation with the Mashreq countries</i>						
9660	First Financial Protocol with Egypt	p.m.	5 000 000	800 000	35 000 000		+ 600
9661	Second financial Protocol with Egypt	32 000 000	11 000 000	59 100 000	35 600 000	+ 85	+ 224
9662	First Financial Protocol with Jordan	p.m.	2 000 000	p.m.	3 700 000	—	+ 85
9663	Second Financial Protocol with Jordan	6 000 000	2 500 000	7 900 000	7 900 000	+ 32	+ 216
9664	First Financial Protocol with Lebanon	p.m.	2 000 000	p.m.	3 900 000	—	+ 95
9665	Second Financial Protocol with Lebanon	3 000 000	1 000 000	9 700 000	3 900 000	+ 223	+ 290
9666	First Financial Protocol with Syria	p.m.	2 000 000	1 000 000	8 400 000		+ 320
9667	First Financial Protocol with Syria	6 000 000	2 000 000	18 400 000	7 800 000	+ 206	+ 290
969	<i>EEC guarantee for EIB loans</i>	p.m.	p.m.	p.m.	p.m.	—	—
Total		108 000 000	106 073 000	326 600 000	349 250 000	+ 200	+ 229

⁽¹⁾ Including any appropriations entered in Chapter 100.

FINANCIAL COMMITMENTS OUTSIDE THE COMMUNITY

CEILINGS FOR FINANCIAL COMMITMENTS IN RESPECT OF THE MEDITERRANEAN COUNTRIES

Recipient country	Amounts granted (million ECU)		Total	Validity
	EEC budget	EIB		
<i>Portugal</i>				
Pre-accession aid	125	225	350	Until entry into force of the treaty of accession
<i>Malta</i>				
Second Financial Protocol ⁽¹⁾	12	16	28	Until 31.10.1988
<i>Turkey</i>				
Fourth Financial Protocol ⁽²⁾	375	225	600	Until 31.10.1986
Special aid	75	—	75	
<i>Cyprus</i>				
Second Financial Protocol	16	28	44	Until 31.12.1988
<i>Maghreb countries</i>				
— Algeria	44	107	151	Until 31.10.1986
— Morocco	109	90	199	
— Tunisia	61	78	139	
<i>Total for Maghreb countries</i>	214	275	489	
<i>Mashreq countries</i>				
— Egypt	126	150	276	
— Syria	33	64	97	
— Jordan	26	37	63	
— Lebanon	16	34	50	
<i>Total for Mashreq countries</i>	201	285	486	
<i>Israel</i>	—	40	40	
<i>Yugoslavia</i>	—	200	200	Until 30.6.1985
<i>Spain</i>	—	300	300	Until entry into force of the treaty of accession
Grand total	1 018	1 594	2 612	

⁽¹⁾ Negotiations in progress.

⁽²⁾ Not yet signed.

ARTICLE 960 — FINANCIAL COOPERATION WITH PORTUGAL

ITEM 9600 — FINANCIAL PROTOCOL WITH PORTUGAL

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	—	—
Percentage change	—	—

References

- Article 235 of the EEC Treaty.
 - Financial Protocol signed on 20 September 1976.
 - Council Regulation concluding the Additional Protocol and the Financial Protocol between the European Economic Community and the Portuguese Republic.
- The application of the Financial Protocol ended on 31 October 1981, following the Council Decision of 15 January 1980 to speed up its implementation.

ITEM 9601 — AID TO PREPARE FOR THE ACCESSION OF PORTUGAL TO THE EEC

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	10 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	29 000 000	40 000 000
Percentage change		+ 300

1. References and description

(a) References

- Article 235 of the EEC Treaty.
- Agreement in the form of an exchange of letters signed on 3 December 1980.
- Council Regulation (EEC) No 3323/80 of 18 December 1980 on the conclusion of the Agreement in the form of an exchange of letters between the European Economic Community and the Portuguese Republic concerning the implementation of pre-accession aid for Portugal.

(b) Description

In order to help prepare Portugal for accession, the appropriations will be used to finance cooperation projects, programmes or schemes and interest rate subsidies on loans granted by the EIB from its own resources for capital projects. The first type of activity will be aimed mainly at industry (industrial SME), agriculture and regional development (in particular of infrastructure) and vocational training.

2. Type and breakdown of expenditure

(a) Type of expenditure

The appropriations entered under this item are intended:

- to finance cooperation projects, programmes or schemes in the fields mentioned under 1(b);
- to cover 3 % interest rate subsidies on loans granted by the EIB from its own resources.

(b) Breakdown

It is difficult to give a detailed breakdown of the appropriations for this aid, given the nature of the projects, which are usually small-scale with a high technical assistance component. In addition, the length of the various procedures — submission of projects, approval by the Community authorities and implementation — resulted in an interval between the entry into force of the agreement and the first substantial commitments or payments. However, all the projects due to absorb the balance of the available commitment appropriations are now in the hands of the Community and decisions should be taken by the end of 1985, at the latest. The majority of the projects will be completed by the end of 1986, at the latest, with only a few payments extending into 1988.

3. Method of calculation

The total amount of budgetary aid granted to Portugal for the life of the Agreement is 125 million ECU in the form of grants (100 million ECU for financing cooperation projects, programmes or schemes and a maximum of 25 million ECU for the interest-rate subsidy), to be committed before the date of accession.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	45 244 249	10 000 000	30 000 000	5 244 249	—	—
Appropriation outstanding from 1983	15 000 000	—	5 000 000	4 000 000	6 000 000	—
Appropriation for 1984	p.m.	—	—	—	—	—
Appropriation for 1985	29 000 000	—	5 000 000	10 000 000	14 000 000	—
Total	89 244 249	10 000 000	40 000 000	19 244 249	20 000 000	—

New Operation

ITEM 9602 — SPECIFIC AID TO IMPROVE AGRICULTURAL STRUCTURES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget		
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	50 000 000	25 000 000
Percentage change		

1. References and description

(a) References

- Article 235 of the EEC Treaty.
- Commission Communication of 22 July 1983 (COM(83)310).
- Commission Recommendation for a Council Decision (COM(84)92 final).
- Council Decision of 13 March 1984 authorizing the Commission to open negotiations with Portugal for the conclusion of an agreement on financial aid to improve agricultural structures in Portugal.
- Proposal for a Council Regulation on the conclusion of the Agreement in the form of an exchange of letters between the European Economic Community and the Portuguese Republic concerning the implementation of specific financial aid to improve agricultural and fishery structures in Portugal.

(b) Description

The further 50 million ECU of pre-accession aid proposed by the Commission is designed as a bridge between existing operations and what the Community is going to have to do for Portugal as from accession to provide its agriculture with the infrastructure and structural organization it needs to facilitate its integration into the common agricultural policy. The main areas to be covered are : advisory services, infrastructure measures, measures to develop the cooperative spirit, research, veterinary measures, statistical services and training of administrative staff.

2. Type and breakdown of expenditure**(a) Type of expenditure**

These appropriations are intended to provide Portugal with non-repayable budget aid to finance projects and programmes for improving agricultural structures.

(b) Breakdown

The expenditure cannot be broken down into smaller items. It will all be allocated to projects and programmes for improving agriculture structures and will meet up to 70 % of the total cost of these, except for the technical assistance component (up to 100 % of the cost).

3. Method of calculation

The total amount of financing being proposed by the Commission as aid to Portugal for the period of the agreement is 50 million ECU.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984						
Appropriation for 1985	50 000 000	—	25 000 000	25 000 000	—	—
Total	50 000 000	—	25 000 000	25 000 000	—	—

ARTICLE 961 — FINANCIAL COOPERATION WITH MALTA

ITEM 9610 — FIRST FINANCIAL PROTOCOL WITH MALTA

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	—	2 090 000
Percentage change	—	

1. References and description

(a) References

- Article 238 of the EEC Treaty.
- Financial Protocol signed on 4 March 1976.
- Council Regulation (EEC) No 939/76 of 23 April 1976 concluding the Financial Protocol between the EEC and Malta.

(b) Description

The appropriations entered under this item are intended to permit the implementation of the non-EIB financial aid provided for in the Financial Protocol annexed to the Agreement establishing an association between the EEC and Malta.

2. Type and breakdown of expenditure

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %). The amount of the loans, as laid down in the Protocol, is 5 million ECU ;
- non-repayable aid (grants and 2 % interest rate subsidies on loans granted by the EIB from its own resources). The amount of this aid, as laid down in the Protocol, is 5 million ECU.

3. Method of calculation

The total amount of budget aid accorded to Malta for the life of the Protocol is 10 million ECU (5 million ECU for special loans and 5 million ECU for non-repayable aid), which is to be committed over a period expiring five years after the entry into force of the Protocol.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	2 090 000	p.m.	2 090 000	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	—	—	—	—	—	—
Appropriation for 1985	—	—	—	—	—	—
Total	2 090 000	p.m.	2 090 000	—	—	—

ITEM 9611 — SECOND FINANCIAL PROTOCOL WITH MALTA

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 000 000	p.m.
Percentage change		—

1. References and description

(a) References

Commission Communication to the Council on the renewal of Community financial aid to the Mediterranean countries (Maghreb, Mashreq, Israel, Cyprus and Malta) (COM(80)474 final of 1.8.1980 and Commission Communication on relations between the Community and Malta (COM(82)644 final of 6.10.1982).

(b) Description

The appropriation entered under this item is to permit the implementation of non-EIB financial aid provided for in the second Financial Protocol currently under negotiation.

The negotiating directives provide for aid as follows over a period expiring on 31 October 1988 :

- 12 million ECU from the Community budget to cover special loans and non-repayable aid (grants and interest rate subsidies) ;
- 16 million ECU in loans from the EIB's own resources.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m.	p.m.	—	—	—	—
Appropriation for 1985	1 000 000	—	p.m.	1 000 000	—	—
Total	1 000 000	p.m.	p.m.	1 000 000	—	—

ARTICLE 962 — FINANCIAL COOPERATION WITH GREECE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	—	3 933 000
1985 — Appropriations requested	—	p.m.
Percentage change		—

1. References and description**(a) References**

- Article 238 of the EEC Treaty.
- Financial Protocol between the European Economic Community and Greece signed on 28 February 1977.

(b) Description

The appropriations entered under this article are intended to permit the implementation of the non-EIB financial aid provided for in the Financial Protocol signed with Greece.

2. Type and breakdown of expenditure

The expenditure charged to this article is of two kinds :

- loans on special terms (duration : 30 years ; grace period : 8 years ; interest rate : 2,5 /86). The amount of the loans, as laid down in the Protocol, is 10 million ECU ;
- non-repayable aid (grants and 3 % interest rate subsidies (discounted to present values) on loans granted by the EIB from its own resources). The amount of the aid, as laid down in the Protocol, is 45 million ECU.

3. Method of calculation

The total amount of budget aid accorded to Greece for the duration of the Protocol, namely 55 million ECU (10 million ECU for special loans and 45 million ECU for non-repayable aid), was committed by 31 October 1980.

The commitment appropriations entered in the 1980 budget in fact used almost the entire amount.

It should be noted that the financial terms for EIB loans were such that it was not necessary to commit the entire amount of the subsidized loans.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	3 933 000	3 933 000	p.m.	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	—	—	—	—	—	—
Appropriation for 1985	—	—	—	—	—	—
Total	3 933 000	3 933 000	p.m.	—	—	—

ARTICLE 963 — FINANCIAL COOPERATION WITH TURKEY**ITEM 9630 — THIRD FINANCIAL PROTOCOL WITH TURKEY**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	5 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	—	36 000 000
Percentage change	—	+ 620

1. References and description**(a) References**

— Article 238 of the EEC Treaty.

— Financial Protocol between the European Economic Community and Turkey signed on 12 May 1977.

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB financial aid provided for in the Financial Protocol signed with Turkey.

2. Type and breakdown of expenditure

For the Protocol which expires on 31 October 1981, the appropriations entered under this heading are to cover special loans (duration : 30 years ; grace period : 8 years ; interest rate : 2,5 /86) granted to Turkey by the EIB acting upon a mandate from the Community.

3. Method of calculation

The total amount of budget aid accorded to Turkey for the life of the Protocol, namely 220 million ECU, was to be committed by 31 October 1981.

The commitment appropriations entered in the 1981 budget did in fact use up the entire amount.

Payments should build up rapidly in 1985 and 1986, following the delays of previous years.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	106 700 477	5 000 000	36 000 000	51 000 000	14 700 477	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	—	—	—	—	—	—
Appropriation for 1985	—	—	—	—	—	—
Total	106 700 477	5 000 000	36 000 000	51 000 000	14 700 477	—

ITEM 9631 — FOURTH FINANCIAL PROTOCOL WITH TURKEY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	p.m.
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.(¹)	p.m.(¹)
Percentage change	—	—

(¹) Commitment appropriation of 50 000 000 ECU and payment appropriation of 10 000 000 ECU entered in Chapter 100.

1. References and description

(a) References

The fourth Financial Protocol between the European Economic Community and Turkey was initialled on 19 June 1981, but has still not been approved. This Protocol provides for an entry in the budget of 375 million ECU for a period of five years expiring on 31 October 1986.

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB financial aid provided for in the Financial Protocol.

2. Type and breakdown of expenditure

The appropriations entered under this item are to cover the special loans (325 million ECU ; duration : 40 years ; grace period : 10 years ; interest rate : 1 /86) to Turkey administered by the EIB acting upon a mandate from the Community and grants (50 million ECU) intended for financing economic and technical cooperation.

3. Method of calculation

The appropriation (for commitment) requested for 1985 takes into account the total amount of the budgetary aid granted to Turkey for the life of the Protocol, i.e. 375 million ECU, and committed for a period of five years.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m.	p.m.	—	—	—	—
Appropriation for 1985	50 000 000 ⁽¹⁾	—	10 000 000 ⁽¹⁾	20 000 000	20 000 000	—
Total	50 000 000⁽¹⁾	p.m.	10 000 000⁽¹⁾	20 000 000	20 000 000	—

⁽¹⁾ Appropriation entered in Chapter 100.

ITEM 9632 — SPECIAL AID FOR TURKEY

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	5 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	29 000 000	27 000 000
Percentage change		+ 440

1. References

Council Decision of 2 April 1979.

2. Type of expenditure

This appropriation will be for financing cooperation measures (involving, subject to the approval of the appropriate authorities and as an exceptional measure, certain specific types of operation designed to have a multiplier effect in the shorter term with a view to eliminating certain bottlenecks particularly affecting the Turkish economy at the moment).

These measures will comprise (a) cooperation projects situated upstream or downstream of EIB operations in Turkey, with the object of enabling better use to be made of capital projects financed by the EIB and improving the return on such projects, and (b) projects not covered by loans granted under the Financial Protocol by the EIB, particularly in the field of technical assistance.

These two kinds of operation are expected to involve agriculture, the social field, the small business sector and trade promotion.

3. Method of calculation

The amount of aid is 75 million ECU and 46 million ECU has been committed. The payment appropriations are spread over four years.

The schedule of payments in relation to commitments is as follows:

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	30 608 434	5 000 000	18 500 000	7 108 434	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m.	—	—	—	—	—
Appropriation for 1985	29 000 000	—	8 500 000	14 000 000	6 500 000	—
Total	59 608 434	5 000 000	27 000 000	21 108 434	6 500 000	—

ARTICLE 964 — FINANCIAL COOPERATION WITH CYPRUS**ITEM 9640 — FIRST PROTOCOL WITH CYPRUS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	3 040 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	—	2 460 000
Percentage change	—	— 19

1. References and description*(a) References*

- Article 238 of the EEC Treaty.
- Financial Protocol between the European Economic Community and the Republic of Cyprus signed on 15 September 1977.

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB financial aid provided for in the Financial Protocol with Cyprus.

2. Type and breakdown of expenditure

The expenditure charged to this item is of two kinds :

- loans on special terms (duration : 40 years ; grace period : 10 years ; interest rate : 1 %). The amount of the loans, as laid down in the Protocol, is 4 million ECU ;
- non-repayable aid (grants and 2 % interest-rate subsidies on loans granted by the EIB from its own resources). The amount of the aid, as laid down in the Protocol, is 6 million ECU.

3. Method of calculation

As all the projects have now been signed, the payments corresponding to the commitments should be made at a fairly rapid pace, the non-repayable aid being intended to cover technical assistance. This type of financing requires relatively short periods of implementation, which justifies the amount of the payment appropriation requested.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	5 500 000	3 040 000	2 460 000	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	—	—	—	—	—	—
Appropriation for 1985	—	—	—	—	—	—
Total	5 500 000	3 040 000	2 460 000	—	—	—

ITEM 9641 — SECOND FINANCIAL PROTOCOL WITH CYPRUS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	3 000 000	1 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 000 000	3 000 000
Percentage change	+ 33	+ 200

1. References and description

(a) *References*

- Article 238 of the EEC Treaty
- Financial Protocol between the European Economic Community and the Republic of Cyprus signed on 20 December 1983

(b) *Description*

The appropriations entered under this item are to permit the implementation of the non-EIB aid provided for in the second financial protocol with Cyprus, which expires on 31 December 1988.

2. Type and breakdown of expenditure

The appropriations entered under this item are intended to cover :

- loans on special terms (duration : 40 years ; grace period : 10 years ; interest rate : 1 %) amounting to 6 million ECU ;
- non-repayable aid (grants and interest-rate subsidies on loans granted by the EIB (28 million ECU) from its own resources) amounting to 10 million ECU.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations						
Appropriation outstanding from 1983						
Appropriation for 1984	3 000 000	1 000 000	2 000 000	—	—	—
Appropriation for 1985	4 000 000	—	1 000 000	2 000 000	1 000 000	—
Total	7 000 000	1 000 000	3 000 000	2 000 000	1 000 000	—

ARTICLE 965 — FINANCIAL COOPERATION WITH THE MAGHREB COUNTRIES**ITEM 9650 — FIRST FINANCIAL PROTOCOL WITH ALGERIA**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	6 100 000
1985 — Appropriations requested	6 400 000	28 300 000
Percentage change		+ 364

1. References and description**(a) References**

- Article 238 of the EEC Treaty
- Financial Protocol annexed to the Cooperation Agreement signed on 26 April 1976.
- Council Regulation concluding the Cooperation Agreement between the European Economic Community and the People's Democratic Republic of Algeria (Regulation (EEC) No 2210/78 of 26 September 1978 ; OJ No L 263, 27.9.1978).

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB financial aid provided for in Protocol No 1 to the Agreement signed with Algeria.

2. Type and breakdown of expenditure**(a) Type of expenditure**

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %) ;
- non-repayable aid (grants and 2 % interest-rate subsidies on loans granted by the EIB from its own resources).

(b) Breakdown

Two project identification teams have visited Algeria ; some projects are still under appraisal.

The pattern of utilization of the budget aid is at present as follows :

— Vocational training	28 000 000
— Agriculture, stock-farming	4 100 000
— Technical assistance, scientific cooperation and other projects	5 700 000
— Interest-rate subsidies on EIB loans	6 200 000

3. Method of calculation

The total amount of budgetary aid accorded to Algeria for the life of the Protocol, namely 44 million ECU (19 million ECU for special loans and 25 million ECU for non-repayable aid) was, according to the Protocol, due to be committed by 31 October 1981.

The payment appropriation has been calculated on the basis of commitments made between 1979 and 1983, or due to be made, account being taken of the payment appropriation carried over from 1983 or entered in the 1984 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	29 441 461	6 100 000	23 300 000	41 461	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m.	—	—	—	—	—
Appropriation for 1985	6 400 000	—	5 000 000	1 400 000	—	—
Total	35 841 461	6 100 000	28 300 000	1 441 461	—	—

ITEM 9651 — SECOND FINANCIAL PROTOCOL WITH ALGERIA

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	10 000 000	5 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	21 500 000	9 200 000
Percentage change	+ 115	+ 84

1. References and description

(a) *References*

- Article 238 of the EEC Treaty
- Financial Protocol signed on 28 October 1982.
- Council Regulation concluding the second Financial Protocol (Regulation No 3177/82, of 22 November 1982, OJ No L 337, 29.11.1982).

(b) *Description*

The appropriations entered under this item are to permit the implementation of the non-EIB aid provided for in the second Financial Protocol signed with Algeria.

2. Type and breakdown of expenditure

(a) *Type of expenditure*

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %) ;
- non-repayable aid (grants and 2 % interest-rate subsidies on loans granted by the EIB from its own resources).

(b) *Breakdown*

Two project identification teams have visited Algeria and projects are currently under appraisal.

3. Method of calculation

The total amount of budgetary aid accorded to Algeria for the life of the second Protocol, namely 44 million ECU (16 million for special loans and 28 million ECU for non-repayable aid), must in principle be committed by 31 October 1986, when this Protocol is due to expire.

The amounts requested for 1985 have been calculated on the basis of the progress made in the appraisal of the various projects submitted by the government and the probable implementation schedules of those projects.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	300 000	300 000	—	—	—	—
Appropriation for 1984	10 000 000	4 700 000	5 000 000	300 000	—	—
Appropriation for 1985	21 500 000	—	4 200 000	17 300 000	—	—
Total	31 800 000	5 000 000	9 200 000	17 600 000	—	—

ITEM 9652 — FIRST FINANCIAL PROTOCOL WITH MOROCCO

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	8 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

- Article 238 of the EEC Treaty.
- Financial Protocol annexed to the Cooperation Agreement signed on 27 April 1976.
- Council Regulation concluding the Cooperation Agreement between the European Economic Community and the Kingdom of Morocco (Regulation (EEC) No 2211/78 of 26 September 1978, OJ No L 264, 27.9.1978).

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB financial aid provided for in Protocol No 1 to the Agreement signed with Morocco.

2. Type and breakdown of expenditure

(a) *Type of expenditure*

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %) ;
- non-repayable aid (grants and 2 % interest-rate subsidies on loans granted by the EIB from its own resources).

(b) *Breakdown*

Two project identification teams have visited Morocco and all projects are currently being implemented ; since Morocco renounced the interest-rate subsidy on loans accorded by the EIB from its own resources, the pattern of utilization of the budget aid is at present as follows :

— Infrastructure	45 500 000
— Vocational training	15 500 000
— Industrial development	7 750 000
— Scientific cooperation, trade promotion, other projects	5 250 000

3. Method of calculation

The total amount of budget aid accorded to Morocco for the life of the Protocol, namely 74 million ECU (58 million ECU for special loans and 16 million ECU for non-repayable aid) was committed, in accordance with the Agreement, by 31 October 1981.

The payment appropriation has been calculated on the basis of the commitments made, account being taken of the appropriation for payment carried over from 1983 or entered in the 1984 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	5 978 854	5 978 854	—	—	—	—
Appropriation outstanding from 1983	—	—	—	—	—	—
Appropriation for 1984	p.m.	2 021 246 ⁽¹⁾	—	—	—	—
Appropriation for 1985	p.m.	—	p.m.	—	—	—
Total	5 978 854	8 000 000⁽¹⁾	p.m.	—	—	—

⁽¹⁾ Payment appropriation surplus resulting from a 1.88 million ECU transfer made at the end of 1983. This surplus will be used, where necessary, to cover other payment requirements in 1984 within Chapter 96.

ITEM 9653 — SECOND FINANCIAL PROTOCOL WITH MOROCCO

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	40 000 000	20 000 000
1985 — Appropriations requested	24 700 000	38 400 000
Percentage change	- 38	+ 92

1. References and description*(a) References*

- Article 238 of the EEC Treaty
- Financial Protocol signed on 10 June 1982.
- Council Regulation concluding the Second Financial Protocol (Regulation (EEC) N° 3181/82 of 22 November 1982, OJ No L 337, 29.11.1982).

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB aid provided for in the Second Financial Protocol signed with Morocco.

2. Type and breakdown of expenditure*(a) Type of expenditure*

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %) ;
- non-repayable aid (grants and 2 % interest-rate subsidies on loans granted by the EIB from its own resources).

(b) Breakdown

A project identification team visited Morocco in April 1982 and projects are currently under appraisal. The pattern of utilization of the budget aid is as follows :

— Infrastructure	35 000 000
— Health	24 000 000
— Urban sanitation	18 000 000
— Training	19 000 000
— Studies and other	1 250 000
— Interest-rate subsidies on EIB loans	11 750 000

3. Method of calculation

The total amount of budget aid accorded to Morocco for the life of the second Protocol, namely 109 million ECU (42 million ECU for special loans and 67 million ECU for non-repayable aid) must in principle be committed by 31 October 1986, when this Protocol is due to expire.

The amounts requested for 1985 have been calculated on the basis of the progress made in the appraisal of the various projects submitted by the government and the probable implementation schedules of those projects.

The significant increase in the payment appropriation requested is due to the implementation of the Aït Chouarit dam project. The Community contribution, from budget funds, amounts to 35 million ECU.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	13 689 694	6 689 694	7 000 000	—	—	—
Appropriation outstanding from 1983	7 000 000	7 000 000	—	—	—	—
Appropriation for 1984	40 000 000	6 310 306	31 400 000	2 289 694	—	—
Appropriation for 1985	24 700 000	—	—	22 710 306	1 989 694	—
Total	85 389 694	20 000 000	38 400 000	25 000 000	1 989 694	—

ITEM 9654 — FIRST FINANCIAL PROTOCOL WITH TUNISIA

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	7 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	12 100 000
Percentage change	—	+ 73

1. References and description*(a) References*

- Article 238 of the EEC Treaty.
- Financial Protocol annexed to the Cooperation Agreement signed on 25 April 1976.
- Council Regulation concluding the Cooperation Agreement between the European Economic Community and the Republic of Tunisia (Regulation (EEC) No 2212/78 of 26 September 1978, OJ No L 265, 27.9.1978).

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB financial aid provided for in Protocol No 1 to the Agreement signed with Tunisia.

2. Type and breakdown of expenditure*(a) Type of expenditure*

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %) ;
- non-repayable aid (grants and 2 % interest-rate subsidies on loans granted by the EIB from its own resources).

(b) *Breakdown*

A project identification team has visited Tunisia and all the projects are currently being implemented. The pattern of utilization of the budget aid is as follows :

— Infrastructure	41 000 000
— Interest-rate subsidies on EIB loans	5 000 000
— Vocational training	4 500 000
— Scientific research, trade promotion, technical assistance	3 500 000

3. Method of calculation

The total amount of budget aid accorded to Tunisia for the life of the Protocol, namely 54 million ECU (39 million ECU for special loans and 15 million ECU for non-repayable aid), was to be committed, in accordance with the Agreement, by 31 October 1981. The outstanding balance of the commitment appropriation must, however, be committed in 1984.

The payment appropriation has been calculated on the basis of the commitments made, account being taken of the payment appropriation carried over from 1983 or entered in the 1984 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	18 635 000	6 535 000	12 100 000	—	—	—
Appropriation outstanding from 1983	465 000	465 000	—	—	—	—
Appropriation for 1984	p.m.	—	—	—	—	—
Appropriation for 1985	p.m.	—	—	—	—	—
Total	19 100 000	7 000 000	12 100 000	—	—	—

ITEM 9655 — SECOND FINANCIAL PROTOCOL WITH TUNISIA

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	8 000 000	4 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	14 100 000	9 500 000
Percentage change	+ 76	+ 111

1. References and description**(a) References**

- Article 238 of the EEC Treaty.
- Financial Protocol signed on 28 October 1982.
- Council Regulation concluding the Second Financial Protocol (Regulation (EEC) No 3182/82 of 22 November 1982, OJ No L 337, 29.11.1982).

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB aid provided for in the second Financial Protocol signed with Tunisia.

2. Type and breakdown of expenditure**(a) Type of expenditure**

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %) ;
- non-repayable aid (grants and 3 % interest-rate subsidies on loans granted by the EIB from its own resources).

(b) Breakdown

A project identification team went to Tunisia in January 1983 and projects are currently under appraisal. All the budget aid should be allocated to projects in the agricultural or agri-industrial sector.

3. Method of calculation

The total amount of budget aid accorded to Tunisia for the life of the second Protocol, namely 61 million ECU (24 million ECU for special loans and 37 million ECU for non-repayable aid) must in principle be committed by 31 October 1986, when this Protocol is due to expire.

The amounts requested for 1985 have been calculated on the basis of the progress made in the appraisal of the various projects submitted by the government and the probable implementation schedules of those projects.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	6 300 000	4 500 000	1 800 000	—	—	—
Appropriation for 1984	8 000 000	—	7 700 000	300 000	—	—
Appropriation for 1985	14 100 000	—	—	14 100 000	—	—
Total	28 400 000	4 500 000	9 500 000	14 400 000	—	—

ARTICLE 966 — FINANCIAL COOPERATION WITH THE MASHREQ COUNTRIES**ITEM 9660 — FIRST FINANCIAL PROTOCOL WITH EGYPT**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	p.m.	5 000 000
1985 — Appropriations requested	800 000	35 000 000
Percentage change		+ 600

1. References and description**(a) References**

- Article 238 of the EEC Treaty.
- Financial Protocol annexed to the Cooperation Agreement signed on 18 January 1977.
- Council Regulation concluding the Cooperation Agreement between the European Economic Community and the Arab Republic of Egypt.

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB financial aid provided for in Protocol No 1 to the Agreement signed with Egypt (Regulation (EEC) No 2213/78 of 26 September 1978, OJ No L 266, 27.9.1978.)

2. Type and breakdown of expenditure**(a) Type of expenditure**

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %).
- non-repayable aid (grants and 2 % interest-rate subsidies on loans granted by the EIB from its own resources).

(b) Breakdown

Two project identification teams have visited Egypt and all the projects are currently being implemented. The pattern of utilization of the budget aid is as follows :

— Infrastructure	33 500 000
— Vocational training	5 700 000
— Agriculture	15 700 000
— Interest-rate subsidies on EIB loans	8 000 000
— Scientific cooperation	7 700 000
— Technical assistance and other	6 400 000

3. Method of calculation

The total amount of budget aid accorded to Egypt for the life of the Protocol, namely 77 million ECU (14 million ECU for special loans and 63 million ECU for non-repayable aid) was to be committed, in accordance with the Agreement, by 31 October 1981.

The payment appropriation has been calculated on the basis of the commitments made, account being taken of the payment appropriation carried over from 1983 or entered in the 1984 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	55 269 122	4 727 000	35 000 000	9 700 000	5 842 122	—
Appropriation outstanding from 1983	273 000	273 000	—	—	—	—
Appropriation for 1984	p.m.	—	—	—	—	—
Appropriation for 1985	800 000	—	—	800 000	—	—
Total	56 342 122	5 000 000	35 000 000	10 500 000	5 842 122	—

ITEM 9661 — SECOND FINANCIAL PROTOCOL WITH EGYPT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	32 000 000	11 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	59 100 000	35 600 000
Percentage change	+ 85	+ 224

1. References and description

(a) *References*

- Article 238 of the EEC Treaty.
- Financial Protocol signed on 25 May 1982.
- Council Regulation concluding the second Financial Protocol (Regulation No 3178/82 of 22 November 1982, (OJ No L 337, 29.11.1982).

(b) *Description*

The appropriations entered under this item are to permit the implementation of the non-EIB financial aid provided for in the second Financial Protocol signed with Egypt.

2. Type and breakdown of expenditure

(a) *Type of expenditure*

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %) ;
- non-repayable aid (grants and 3 % interest-rate subsidies on loans granted by the EIB from its own resources).

(b) *Breakdown*

A project identification team visited Egypt in June 1982 and projects are currently under appraisal. The pattern of utilization of the budget aid is as follows :

— Jonglei Canal	45 000 000
— Agriculture	9 000 000
— Water engineering	21 000 000
— Training, studies, research	24 000 000
— Interest-rate subsidies, risk capital	27 000 000

3. Method of calculation

The total amount of budget aid accorded to Egypt for the life of the second Protocol, namely 126 million ECU (50 million ECU for special loans and 76 million ECU for non-repayable aid) must in principle be committed by 31 October 1986, when this Protocol is due to expire.

The amounts requested for 1985 have been calculated on the basis of the progress made in the appraisal of the various projects submitted by the government and the probable implementation schedules of those projects. The significant increase in the payment appropriation requested is due to the implementation of the Jonglei Canal project (for which the Community contribution is 45 million ECU) and the Helwān project (31,5 million ECU), which was decided in 1983.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	15 500 000	5 800 000	4 500 000	5 200 000	—	—
Appropriation for 1984	32 000 000	5 200 000	16 600 000	10 200 000	—	—
Appropriation for 1985	59 100 000	—	14 500 000	25 900 000	18 700 000	—
Total	106 600 000	11 000 000	35 600 000	41 300 000	18 700 000	—

ITEM 9662 — FIRST FINANCIAL PROTOCOL WITH JORDAN

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	2 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	3 700 000
Percentage change	—	+ 85

1. References and description

(a) References

- Article 238 of the EEC Treaty.
- Financial Protocol annexed to the Cooperation Agreement signed on 18 January 1977.
- Council Regulation concluding the Cooperation Agreement between the European Economic Community and the Hashemite Kingdom of Jordan (Regulation (EEC) No 2215/78, OJ No L 268, 27.9.1978).

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB financial aid provided for in Protocol No 1 to the Agreement signed with Jordan.

2. Type and breakdown of expenditure

(a) Type of expenditure

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 /86) ;
- non-repayable aid (grants and 2 /86 interest-rate subsidies on loans granted by the EIB from its own resources).

(b) Breakdown

A project identification team has visited Jordan and all the projects are currently being implemented. The pattern of utilization of the budget aid is as follows :

— Vocational training	13 000 000
— Agriculture	4 650 000
— Interest-rate subsidies on EIB loans	2 000 000
— Scientific cooperation and other projects	2 350 000

3. Method of calculation

The total amount of budget aid accorded to Jordan for the life of the Protocol, namely 22 million ECU (4 million ECU for special loans and 18 million ECU for non-repayable aid), was to be committed, in accordance with the Agreement, by 31 October 1981.

The payment appropriation has been calculated on the basis of the commitments made between 1979 and 1982, account being taken of the payment appropriation carried over from 1983 or entered in the 1984 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	5 455 807	2 000 000	3 455 807	—	—	—
Appropriation outstanding from 1983	267 000	—	244 193	22 807	—	—
Appropriation for 1984	p.m.	—	—	—	—	—
Appropriation for 1985	p.m.	—	—	—	—	—
Total	5 722 807	2 000 000	3 700 000	22 807	—	—

ITEM 9663 — SECOND FINANCIAL PROTOCOL WITH JORDAN

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	6 000 000	2 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	7 900 000	7 900 000
Percentage change	+ 32	+ 216

1. References and description

(a) References

- Article 238 of the EEC Treaty.
- Financial Protocol signed on 10 June 1982.
- Council Regulation concluding the second Financial Protocol (Regulation No 3179/82 of 22 November 1982, OJ No L 337, 29.11.1982).

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB financial aid provided for in the second Financial Protocol signed with Jordan.

2. Type and breakdown of expenditure

(a) Type of expenditure

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %) ;
- non-repayable aid (grants and 2 % interest-rate subsidies on loans granted by the EIB from its own resources).

(b) Breakdown

A project identification team visited Jordan in April 1982 and projects are currently under appraisal. The pattern of utilization of the budget aid is as follows :

— Training	6 100 000
— Agriculture	5 100 000
— Industry	3 800 000
— Scientific cooperation and technical assistance	3 000 000
— Infrastructure	3 500 000
— Interest-rate subsidies	4 500 000

3. Method of calculation

The total amount of budget aid accorded to Jordan for the life of the second Protocol, namely 26 million ECU (7 million ECU for special loans and 19 million ECU for non-repayable aid) must in principle be committed by 31 October 1986, when this Protocol is due to expire.

The amounts requested for 1985 have been calculated on the basis of the progress made in the appraisal of the various projects submitted by the government and the probable implementation schedules of those projects.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	3 693 100	2 500 000	1 193 100	—	—	—
Appropriation outstanding from 1983	1 886 900	—	1 886 900	—	—	—
Appropriation for 1984	6 000 000	—	720 000	5 000 000	280 000	—
Appropriation for 1985	7 900 000	—	4 100 000	1 720 000	2 080 000	—
Total	19 480 000	2 500 000	7 900 000	6 720 000	2 360 000	—

ITEM 9664 — FIRST FINANCIAL PROTOCOL WITH LEBANON

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	2 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	3 900 000
Percentage change	—	+ 95

1. References and description*(a) References*

- Article 238 of the EEC Treaty.
- Financial Protocol to the Cooperation Agreement signed on 3 May 1977.
- Council Regulation (EEC) No 2214/78 concluding an agreement between the European Economic Community and the Lebanese Republic (OJ No L 267, 27.9.1978).

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB financial aid provided for in Protocol No 1 to the Agreement signed with Lebanon.

2. Type and breakdown of expenditure*(a) Type of expenditure*

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %) ;
- non-repayable aid (grants and 2 % interest-rate subsidies on loans granted by the EIB from its own resources).

(b) Breakdown

A project identification team has visited Lebanon and projects are currently under appraisal or being implemented. The pattern of utilization of the budget aid is as follows :

— Interest-rate subsidies on EIB loans	1 750 000
— Training	1 720 000
— Agriculture	1 400 000
— Technical assistance and other projects	3 000 000
— Health infrastructure	2 130 000

3. Method of calculation

The total amount of budget aid accorded to Lebanon for the life of the Protocol, namely 10 million ECU (2 million ECU for special loans and 8 million ECU for non-repayable aid), was to be committed, in accordance with the Agreement, by 31 October 1981. An outstanding balance of the commitment appropriation must, however, be committed in 1983.

The payment appropriation has been calculated on the basis of the funds committed between 1979 and 1983, or to be committed in 1984, account being taken of the payment appropriation carried over from 1983 or entered in the 1984 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	3 179 831	1 000 000	2 179 831	—	—	—
Appropriation outstanding from 1983	2 849 000	1 000 000	1 720 169	128 831	—	—
Appropriation for 1984	p.m.	—	—	—	—	—
Appropriation for 1985	p.m.	—	—	—	—	—
Total	6 028 831	2 000 000	3 900 000	128 831	—	—

ITEM 9665 — SECOND FINANCIAL PROTOCOL WITH LEBANON

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	3 000 000	1 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	9 700 000	3 900 000
Percentage change	+ 223	+ 290

1. References and description

(a) References

- Article 238 of the EEC Treaty.
- Financial Protocol signed on 17 June 1982.
- Council Regulation concluding the second Financial Protocol (Regulation No 3180/82 of 22 November 1982, OJ No L 337, 29.11.1982).

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB financial aid provided for in the second Financial Protocol signed with Lebanon.

2. Type and breakdown of expenditure**(a) Type of expenditure**

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %) ;
- non-repayable aid (grants).

(b) Breakdown

A programming team visited Lebanon in April 1982 and projects are currently under appraisal.

The pattern of utilization of the budget aid is as follows :

— Agriculture	2 500 000
— Infrastructure	9 500 000
— Training	2 000 000
— Technical assistance and other	2 000 000

3. Method of calculation

The total amount of budget aid accorded to Lebanon for the life of the second Protocol, namely 16 million ECU (5 million ECU for special loans and 11 million ECU for non-repayable aid) must in principle be committed by 31 October 1986, when this Protocol is due to expire.

The amounts requested for 1985 have been calculated on the basis of the progress made in the appraisal of the various projects submitted by the government and the probable implementation schedules of those projects.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	1 982 000	1 982 000	—	—	—	—
Appropriation for 1984	3 000 000	800 000	2 200 000	—	—	—
Appropriation for 1985	9 700 000	—	1 700 000	5 200 000	2 800 000	—
Total	14 682 000	2 782 000⁽¹⁾	3 900 000	5 200 000	2 800 000	—

ITEM 9666 — FIRST FINANCIAL PROTOCOL WITH SYRIA

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	p.m.	2 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	1 000 000	8 400 000
Percentage change	—	+ 320

1. References and description

(a) References

- Article 238 of the EEC Treaty.
- Financial Protocol to the Cooperation Agreement signed on 18 January 1977.
- Council Regulation (EEC) No 2216/78 concluding the Cooperation Agreement between the European Economic Community and the Syrian Arab Republic (OJ No L 269, 27.9.1978).

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB financial aid provided for in Protocol No 1 to the Agreement signed with Syria.

2. Type and breakdown of expenditure

(a) Type of expenditure

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %) ;
- non-repayable aid (grants and 2 % interest-rate subsidies on loans granted by the EIB from its own resources).

(b) Breakdown

A project identification team has visited Syria and projects are currently under appraisal or being implemented. The pattern of utilization of the budget aid is as follows :

— Interest-rate subsidies on EIB loans	4 800 000
— Infrastructure	4 900 000
— Scientific research	4 800 000
— Vocational training	4 200 000
— Stock-farming	3 500 000
— Studies, trade promotion, other projects	3 800 000

3. Method of calculation

The total amount of budget aid accorded to Syria for the life of the Protocol, namely 26 million ECU (7 million ECU for special loans and 19 million ECU for non-repayable aid), was to be committed, in accordance with the Agreement, by 31 October 1981. The outstanding balance of the commitment appropriations must, however, be committed in 1984.

The appropriation for payment has been calculated on the basis of the funds committed between 1979 and 1983, or to be committed in 1984, account being taken of the appropriation for payment carried over from 1983 or entered in the 1984 budget.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	6 155 380	2 000 000	4 155 380	—	—	—
Appropriation outstanding from 1983	5 128 000	—	3 744 620	1 383 380	—	—
Appropriation for 1984	p.m.	—	—	—	—	—
Appropriation for 1985	1 000 000	—	500 000	500 000	—	—
Total	12 283 380	2 000 000	8 400 000	1 883 380	—	—

ITEM 9667 — SECOND FINANCIAL PROTOCOL WITH SYRIA

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	6 000 000	2 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	18 400 000	7 800 000
Percentage change	+ 206	+ 290

1. References and description**(a) References**

- Article 238 of the EEC Treaty
- Financial Protocol signed on 10 June 1982.
- Council Regulation concluding the second Financial Protocol (Regulation No 3182/82 of 22 November 1982, OJ No L 337, 29.11.1982).

(b) Description

The appropriations entered under this item are to permit the implementation of the non-EIB aid provided for in the second Financial Protocol signed with Syria.

2. Type and breakdown of expenditure**(a) Type of expenditure**

The expenditure charged to this item is of two kinds :

- loans on special terms, including contributions towards risk capital formation (duration : 40 years ; grace period : 10 years ; interest rate : 1 %) ;
- non-repayable aid (grants and 3 % interest-rate subsidies on loans granted by the EIB from its own resources).

(b) Breakdown

A programming team visited Syria in April 1982 and projects are currently under appraisal.

The pattern of utilization of the budget aid is as follows :

— Agriculture	4 500 000
— Infrastructure and energy	6 500 000
— Education	7 500 000
— Scientific research	2 000 000
— Technical assistance and operations	1 500 000
— Interest-rate subsidies	11 000 000

3. Method of calculation

The total amount of budgetary aid accorded to Syria for the life of the second Protocol, namely 33 million ECU (11 million ECU for special loans and 22 million ECU for non-repayable aid), must in principle be committed by 31 October 1986, when this Protocol is due to expire.

The amounts requested for 1985 have been calculated on the basis of the progress made in the appraisal of the various projects submitted by the government and the probable implementation schedules of those projects.

The schedule of payments in relation to commitments is as follows :

Commitments		Payments				
		1984	1985	1986	1987	Subsequent years
Commitments entered into before 1984 to be settled against new payment appropriations	—	—	—	—	—	—
Appropriation outstanding from 1983	3 954 000	1 500 000	2 454 000	—	—	—
Appropriation for 1984	6 000 000	500 000	2 700 000	2 800 000	—	—
Appropriation for 1985	18 400 000	—	2 646 000	12 100 000	3 654 000	—
Total	28 354 000	2 000 000	7 800 000	14 900 000	3 654 000	—

ARTICLE 969 — EEC GUARANTEE FOR LOANS GRANTED BY THE EUROPEAN INVESTMENT BANK TO NON-MEMBER COUNTRIES

1. References and description

(a) *References*

Council Regulations and Decisions of 7 October 1975 (emergency aid to Portugal), 19 October 1976 (Agreement with Yugoslavia), 8 March 1977 (Mediterranean protocols), 20 December 1977 (exceptional aid to Lebanon), 23 May 1980 (Interim Protocol with Yugoslavia), 25 November 1980 (pre-accession aid to Portugal) and 4 June 1981 (financial cooperation with Spain), 19 July 1982 (further exceptional aid for the reconstruction of Lebanon), 22 November 1982 (Mediterranean Protocols), 17 October 1983 (pre-accession loans for Spain and Portugal), 22 November 1983 (Protocol with Israel) and ... 1984 (Protocol with Cyprus).

(b) *Description*

Initially, as part of the emergency aid to Portugal, the Council decided that the 100 % guarantee granted to the EIB for its operations in that country would be entered in the budget of the European Communities. The Council has taken a similar decision in connection with the Agreement with Yugoslavia.

Subsequently, in 1976 and 1977, the Community entered into a number of financial commitments *vis-à-vis* non-member countries. Most of these commitments are embodied in financial protocols which themselves form part of comprehensive economic, financial and technical cooperation agreements. These protocols and agreements all provide for the granting of EIB loans (from the Bank's own resources) to the recipient countries.

By its Decision of 8 March 1977, the Council included in the budget the guarantee to be provided for these loans. The text adopted by the Council reads as follows :

'The agreement of the Council to Community guarantees applies at the earliest in the EEC budget for 1978 and only to loans made by the EIB to third countries under agreements concluded on the basis of Article 238 of the EEC Treaty and under the Financial Protocol with Portugal.'

It is understood that this decision does not affect the case of Yugoslavia or that of emergency aid to Portugal, which have already been the subject of specific Council decisions.

This entry covers the guarantee for all loans granted by the EIB from its own resources to the following countries :

Portugal	Tunisia
Greece	Egypt
Turkey	Jordan
Malta	Lebanon
Cyprus	Syria
Algeria	Israel
Morocco	Yugoslavia

Moreover, the Council agreed by its Decision of 20 December 1977 to provide the Community guarantee for the loans totalling 20 million ECU granted by the EIB to Lebanon as exceptional aid for reconstruction. On that occasion, the Council also decided that the Community would provide the guarantee for the loans referred to above within the framework of the guarantee set up to cover the Bank's transactions in all the Mediterranean countries.

This guarantee has meanwhile, under an Agreement between the Commission and the EIB signed in October and November 1978, been reduced to 75 % of the outstanding loans, which, in theory at least, should represent a reduction in the security. However, the loans granted to Portugal as emergency aid continue to be covered by a 100 % guarantee.

Subsequently, the security, aggregated at 75 %, was extended :

- by the Council Decision of 25 November 1980, to the EIB loans to be granted to Portugal under the Agreement signed on 3 December 1980 between the Community and Portugal ;
- by the Council Decision of 4 June 1981, to the loans granted by the EIB to Spain ;
- by the Council Decision of 17 October 1983 to the EIB loans to be granted to Spain and Portugal as part of the extension of financial cooperation ;
- by the Council Decision of 22 November 1983 to the EIB loans to be granted to Israel ;
- by the Council Decision of 26 March 1984 to the EIB loans to be granted to Cyprus.

CHAPTER 97 — COOPERATION IN THE FIELD OF COMMODITIES

ARTICLE 970 — COMMON FUND

ITEM 9700 — FINANCING OF BUFFER STOCKS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	—	—
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) *References*

- Commission Communication to the Council of 25 April 1979 (COM(79)223).
- European Parliament Resolution of 26 April 1979 (OJ No C 127, 21.5.1979).

(b) *Description*

The Common Fund for Commodities is an institution set up, on the initiative of the developing countries, pursuant to Resolution 93(IV) on commodities adopted at the Fourth United Nations Conference on Trade and Development in Nairobi in May 1976.

This Fund is intended to finance international stocks of commodities within the framework of arrangements between producers and consumers.

The International Agreement on the Common Fund was finalized in July 1980. It has been signed by the Community as such and the Member States but the ratification process has not yet been completed.

2. Type of expenditure

Community contribution to the Common Fund for Commodities.

Pending a decision in principle in favour of such financial participation, it is requested that the budget heading be retained in the form of a token entry.

ITEM 9701 — FINANCING OF MEASURES FOR THE STRUCTURAL IMPROVEMENT OF THE WORLD MARKET

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	—	—
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	p.m.	p.m.
Percentage change	—	—

1. References and description

(a) References

- Commission Communication to the Council of 25 April 1979 (COM(79)223).
- European Parliament Resolution of 26 April 1979 (OJ No C 127, 21.5.1979).

(b) Description

The Common Fund for Commodities is an institution set up, on the initiative of the developing countries, pursuant to Resolution 93(IV) on commodities adopted at the Fourth United Nations Conference on Trade and Development in Nairobi in May 1976.

This Fund is intended to finance, in addition to international stocks of commodities (see Item 9700), structural measures for improving the market situation (improvement of outlets) and primarily for products which cannot be stocked.

The International Agreement on the Common Fund was finalized in July 1980. It has been signed by the Community as such and the Member States but the ratification process has not yet been completed.

2. Type of expenditure

A possible Community contribution to the Common Fund for Commodities.

Pending a decision in principle in favour of such financial participation, it is requested that the budget heading be retained in the form of a token entry.

CHAPTER 98 — OPERATION OF COMMISSION
DELEGATIONS IN DEVELOPING COUNTRIES

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
980	EEC subsidy for the operation of the European Association for Cooperation (EAC)	3 000 000	3 000 000	3 225 000	3 225 000	+ 7,5	+ 7,5
981	Commission delegations in the southern Mediterranean coun- tries	5 000 000	5 000 000	5 375 000	5 375 000	+ 7,5	+ 7,5
982	Commission delegations in the ACP countries and OCT	48 000 000	48 000 000	52 700 000	52 700 000	+ 9,8	+ 9,8
	Total	56 000 000	56 000 000	61 300 000	61 300 000	+ 9,4	+ 9,4

⁽¹⁾ Including any appropriations entered in Chapter 100.

ARTICLE 980 — EEC SUBSIDY FOR THE OPERATION OF THE EUROPEAN ASSOCIATION FOR COOPERATION (EAC)**ITEM 9800 — OPERATING EXPENSES OF THE EAC HEADQUARTERS**

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 942 900	2 942 900
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	3 129 000	3 129 000
Percentage change	+ 6,3	+ 6,3

1. References and description**(a) References**

Undertaking given by the Community to the AASM in 1969 on the occasion of the renewal of the Convention of Association to cease deducting EAC headquarters expenditure from the volume of aid.

The Association will be replaced in due course by the European Agency for Cooperation. Council Regulation (EEC) No 3245/81 of 26 October 1981 setting up a European Agency for Cooperation was published in the OJ No L 328, 16.11.1981.

However, implementing measures have yet to be taken to establish the Agency.

(b) Description

The Association, under its Statute and the Conventions concluded between it and the Commission of the European Communities, is responsible for recruiting, placing and administering cooperation and technical control personnel and for administering in Belgium the grants awarded by the Community.

All staff is administered from EAC headquarters.

2. Type and breakdown of expenditure**(a) Type of expenditure**

EAC headquarters expenditure comprises :

- remuneration for staff and ancillary costs,
- operating expenses proper.

(b) Breakdown

— Staff costs as follows :

Grade A3	1
Grade A4/5	6
Grade A6/7	7
Grade B	14
Grade C	26
Grade D	2
	<hr/>
	56

Remuneration, including effect of decisions on remunerations to be taken in 1984	2 446 000
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Miscellaneous staff costs	171 000
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Subtotal	<hr/> 2 617 000
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— Operating expenses as follows :

Office rent and rental charges	249 000
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Equipment and technical facilities	130 000
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Office and documentation expenses	110 000
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Other operating expenses	23 000
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Subtotal	<hr/> 512 000
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Grand total	<hr/> 3 129 000
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3. Method of calculation and explanation of changes**(a) Method of calculation**

The staff appropriation has been calculated on the same basis as the Commission staff costs.

The operating expenses have been calculated in the light of the corresponding expenses in 1983 and the likely trend of prices, as anticipated in line with Community parameters.

(b) *Explanation of changes*

The grounds for the increase in this appropriation are as follows :

— increase in remunerations, calculated on the basis of the criteria adopted by the Commission	111 300
— application of Commission budget parameters	46 000
— increase in essential expenditure (data-processing facilities, visits of inspection, expenses in connection with recruitment)	28 800
Total	186 100

ITEM 9801 — PROVISIONAL APPROPRIATION FOR ADJUSTMENTS TO THE REMUNERATIONS OF EAC STAFF

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	57 100	57 100
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	96 000	96 000
Percentage change	+ 68	+ 68

1. References and description

(a) *References*

Same references as Item 9800.

(b) *Description*

Provisional appropriation intended for any adjustments, in 1984, to the remunerations and various allowances of EAC headquarters staff, who will receive the same adjustments as Community staff.

2. Type and breakdown of expenditure**(a) *Type of expenditure***

This appropriation is of the same type as and complementary to that entered under Item 9800.

(b) *Breakdown*

The appropriation has been calculated on the basis of the criteria adopted by the Commission for its officials.

3. Explanation of changes

The increase is due to the application of parameters established by the Commission.

Historical Archives of the European Commission

ARTICLE 981 — COMMISSION DELEGATIONS IN THE SOUTHERN MEDITERRANEAN COUNTRIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	5 000 000	5 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	5 375 000	5 375 000
Percentage change	+ 7,5	+ 7,5

1. References and description

(a) References

Cooperation Agreements signed by the EEC with the Maghreb and Mashreq countries and Israel.

(b) Description

Under the Council Decisions of 17 and 18 October 1977, the EAC is responsible for establishing and running the Commission delegations in each of the above countries. It administers non-establishment staff and attends to the actual running of the offices under the same conditions as in the case of the Commission delegations in the ACP States party to the Lomé Convention.

2. Type and breakdown of expenditure

(a) Type of expenditure

Staff expenditure, excluding remuneration of the heads of delegation.

All operating expenses are included in this estimate. Extra staff already authorized under the 1983 budget should take up their appointments in 1985, but this will be possible only in so far as the appropriations authorized allow for recruitment.

Number of delegations : 8.

(b) *Breakdown*

— Staff expenses (the number of staff authorized is 20 at the end of 1984 ; expenses are for 17 staff) :

remuneration (including overseas service allowances and effect of decisions on remunerations to be taken in 1984)	1 468 000
effect of decisions on remunerations to be taken in 1985	44 000
local staff	1 476 000
miscellaneous staff costs	154 000

Subtotal 3 142 000

— Operating expenses as follows :

rents and rental charges	1 563 000
expenditure on inventory-listed equipment and new equipment	407 000
office and documentation expenses	246 000
other operating expenses	17 000

Subtotal 2 233 000

Grand total 5 375 000

3. Method of calculation and explanation of changes

(a) *Method of calculation*

The heads of all the delegations are included in the Commission's establishment plan and are therefore paid out of the Title 1 appropriations of the Commission budget. The same applies to the delegate's secretary where three delegations are concerned. Hence these staff are also paid out of the Title 1 appropriations of the Commission budget.

The staff appropriations have been calculated on the basis of the cost of the EAC staff serving overseas, as in 1984.

Administrative staff are recruited locally, as are ancillary staff (drivers, security staff and others).

The cost of local administrative staff is virtually the same as in Europe.

The operating expenses have been calculated on the basis of the expenditure incurred in 1983 and the probable rise in prices, depending on the type of expenditure, in the geographical area covered ; nevertheless, budget restrictions are imposed on delegations in order to keep the increase within stricter limits.

Rental costs are a very significant part of these expenses and increases are difficult to estimate.

(b) *Explanation of changes*

The grounds for the increase in this appropriation are as follows :

— The effect of the decisions to be taken in 1984 regarding remunerations	28 000
— The effect of the decisions to be taken in 1985 regarding remunerations	44 000
— The probable effect of price levels on local expenditure	303 000
	<hr/>
Total	375 000

ARTICLE 982 — COMMISSION DELEGATIONS IN THE ACP COUNTRIES AND OCT

	Commitments	Payments
1984 — Appropriations authorized in the initial budget — Appropriations as amended by transfers or by amending or supplementary budget	48 000 000	48 000 000
1985 — Appropriations requested	52 700 000	52 700 000
Percentage change	+ 9,8	+ 9,8

1. References and description**(a) References**

Application of Annex XXXI — Community declaration on Article 95 of the second Lomé Convention.

(b) Description

Running costs of Commission delegations in the ACP States and the OCT.

In accordance with the Conventions of 13 July 1965 and 14 June 1974 between the Commission and the EAC, the Commission has left the administration of the staff and the actual running of the overseas delegations in the hands of the EAC.

2. Type and breakdown of expenditure**(a) Type of expenditure**

Expenditure relating to expatriate staff and running costs of the overseas delegations (local staff, rents for offices and accommodation, maintenance and administrative costs, travel expenses, etc.).

The general or specific clauses of the contracts drawn up between the staff members and the EAC specify the nature and extent of the Association's financial obligations both in Europe (salary, allowances) and overseas (accommodation, allowances, travel expenses, missions, entertaining).

The basic salaries and allowances are based on those of Commission employees. A deduction for tax is made from the salary according to a scale corresponding to that applied by the Commission. Adjustments to remuneration are made under the same conditions, at the same rates and on the same dates.

Number of delegations :	47
Number of subdelegations :	12
Number of local staff :	930

Expatriate staff are recruited in the following grades (corresponding Commission grades in brackets) :

Grade I (A 4/3)	47
Grade II (A 7/4)	148
Grade III (A 8/7)	21
Grade IV (B 3/1)	47
Grade V (B 5/2)	4
	<hr/> 267

(b) *Breakdown*

— Staff expenditure

The authorized complement of staff is 261 at the end of 1984. The complement for 1985 includes staff to be assigned to the Angolan and Mozambique delegations, which are scheduled to open in 1985 ; this will lead to a total complement of 267 staff.

— Remuneration (including overseas service allowances, in local currency and effect of decisions on remunerations to be taken in 1984)	25 189 000
— Effect of decisions on remunerations to be taken in 1985	746 000
— Expenditure on local staff	6 553 000
— Miscellaneous staff costs	5 408 000

Subtotal	<hr/> 37 896 000
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— Operating expenditure

— Rents and rental charges	7 591 000
— Expenditure on inventory-listed equipment and new equipment	5 191 000
— Office and documentation expenses	1 644 000
— Other operating expenditure	378 000

Subtotal	<hr/> 14 804 000
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Grand total	<hr/> 52 700 000
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3. Method of calculation and explanation of changes

(a) *Method of calculation*

The appropriation for staff has been calculated on the same bases as the appropriation for Commission staff, account being taken, however, of local price trends (application of UN indices to that part of remunerations paid in local currency).

The operating expenditure has been calculated, according to the nature of the overseas expenditure, on the basis of expenditure in 1983 and the probable trend of prices.

(b) *Explanation of changes*

The increase in the appropriation entered under this item results from :

— the effect of the decisions on remuneration to be taken in 1984	953 000
— the effect of the decisions on remuneration to be taken in 1985	746 000
— the probable effect of price levels on local expenditure	3 001 000

Total	4 700 000
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NB : The effect which the opening of the delegations in Angola and Mozambique will have is included in the explanation of changes.

CHAPTER 99 — COOPERATION WITH NON-MEMBER COUNTRIES

ARTICLE 990 — OPERATIONS UNDER COMMERCIAL AND ECONOMIC COOPERATION AGREEMENTS WITH NON-MEMBER COUNTRIES

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	2 500 000	2 500 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	4 000 000	4 000 000
Percentage change	+ 60	+ 60

1. References and description

(a) References

Articles 113, 211, 228, 235 and 238 of the EEC Treaty and Article 101 of the Euratom Treaty.
— The agreements concluded by the Community with Asean, Pakistan, India, Bangladesh, Sri Lanka, Mexico, Brazil, the Andean Pact, Yugoslavia, Canada, Romania, China and Israel.

(b) Description

The operations are of many kinds and result from the implementation of the cooperation agreements concluded by the Community in the fields of industry, finance, science, cultural matters, energy, mining, transport, communications, tourism, fisheries and agriculture.

2. Type and breakdown of expenditure

(a) Type of expenditure

The expenditure covers the organization of conferences and seminars, the provision of experts and/or experts' services, visits and contacts between businessmen, missions to promote industrial cooperation, the exploration of opportunities for joint ventures and investment.

(b) *Breakdown*

It will not be possible to give a precise breakdown of the different types of activity until projects are put forward and appraised, which will be done in 1985 in conjunction with the countries or group of countries concerned. Nevertheless, provision must be made for a budgetary allocation which is economically and politically significant in terms of its impact. The proposed level of appropriations is in line with that objective and takes account of budgetary constraints.

3. Explanation of changes

The Community budgetary authorities have granted the amounts given under this budget item for 1983 and 1984, 2 435 000 and 2 500 000 ECU respectively, as an experiment. The results to date are very satisfactory. In view of the inclusion in 1983 of a further three countries (Pakistan, Bangladesh and Sri Lanka), the cooperation programme planned with the Andean Pact for 1984 and the increasing number of requests for cooperation in Asean and China, the effort proposed for 1985 is to be considered as a matter of priority.

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TITLE 10 — OTHER EXPENDITURE

SUMMARY

Chapter/ Article/ Item	Heading	Appropriations authorized for 1984 ⁽¹⁾		Appropriations requested for 1985 ⁽¹⁾		Percentage change	
		Approps for commit- ments	Approps for pay- ments	Approps for commit- ments	Approps for pay- ments	Approps for commit- ments (3:1)	Approps for pay- ments (4:2)
		1	2	3	4	5	6
100	Provisional appropriations	1 202 000 000	1 202 000 000	178 050 000	110 900 000	— 85,2 %	— 90,8 %
101	Contingency reserve	5 000 000	5 000 000	5 000 000	5 000 000	—	—
102	Reserve for ECU conversion rates			p.m.	p.m.		
	Total	1 207 000 000	1 207 000 000	183 050 000	115 900 000		

⁽¹⁾ Including any appropriations entered in Chapter 100.

CHAPTER 100 — PROVISIONAL APPROPRIATIONS

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	1 202 000 000	1 202 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	178 050 000	110 900 000
Percentage change	— 85,2 %	— 90,8 %

1. References

Article 15(4) of the Financial Regulation of 21 December 1977, which states :

‘Each section of the budget may include a chapter in respect of provisional appropriations and a contingency reserve chapter. The appropriations entered in these chapters may be used only by means of transfer in accordance with the procedure laid down in Article 21’.

2. Type

This is not an ordinary budget heading to which expenditure may be booked. It is a reserve made up of a series of amounts specifically earmarked for certain headings. These appropriations cannot be used until transferred by the budgetary authority under the second, third, fourth or fifth subparagraphs of Article 21(2) of the Financial Regulation of 21 December 1977.

3. Method of calculation

1. In the introduction to Volume 7 of the preliminary draft budget for 1979, the Commission defined its criteria for the inclusion of new policies in the budget :

‘The Commission is therefore duty bound to define its policy on this point precisely, particularly as regards new policies which will have financial consequences. The Commission’s doctrine is based on the following three principles, for those cases where the Council first has to lay down the legal basis for the implementation of a given item of expenditure :

(a) appropriations are entered under a budget heading when a Commission proposal has been accepted or, if a Commission proposal has been submitted by 15 June, when there is every likelihood of it being adopted by 31 December in view of the tenor of the earlier discussions in the Community’s institutions ;

(b) a token entry is made under the appropriate budget heading in Section III and an appropriation entered under Chapter 100 when a Commission proposal has not yet been adopted but there is every reason to believe that it will be adopted during the next financial year. The amount of the appropriation depends on the date when the policy concerned is expected to come into force ;

(c) a budget heading is simply given a token entry when a new policy is under discussion in the Community's institutions but has not yet been embodied in the form of an official Commission proposal for a Regulation, or where, when such a proposal has been made, it is not yet possible to cost the policy and it is therefore inadvisable to set aside appropriations and thereby unnecessarily increase the amount of own resources that have to be levied².

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CHAPTER 101 — CONTINGENCY RESERVE

	Commitments	Payments
1984 — Appropriations authorized in the initial budget	5 000 000	5 000 000
— Appropriations as amended by transfers or by amending or supplementary budget		
1985 — Appropriations requested	5 000 000	5 000 000
Percentage change	—	—

1. References

Article 15(4) of the Financial Regulation of 21 December 1977, which states :

‘Each section of the budget may include a chapter in respect of provisional appropriations and a “contingency” reserve chapter. The appropriations entered in these chapters may be used only by means of transfer in accordance with the procedure laid down in Article 21.’

2. Type

This is not an ordinary budget heading to which expenditure may be booked. It is a reserve intended to meet expenditure which was not foreseen when the budget was established. The appropriation can be used only for transfers to other chapters under the procedure laid down in the Financial Regulation.

3. Method of calculation

This appropriation is calculated as an overall amount, based on past experience.

REVENUE

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RESOURCES AVAILABLE AND CALCULATION OF THE SHORTFALL TO BE FINANCED

Title	Heading	1984 (¹)	1985 (¹)	Percentage change
1	Own resources available up to 1 % VAT Limit (²)			
	Agricultural levies	1 426 650 000	1 387 850 000	- 2,72
	Sugar and isoglucose levies	973 280 000	986 930 000	+ 1,40
	Customs duties	7 623 500 000	8 096 200 000	+ 6,20
	Value-added tax	14 608 500 000	15 221 600 000	+ 4,20
		24 631 930 000	25 692 580 000	+ 4,31
2	Financial contributions	—	239 947 760	—
		24 631 930 000	25 932 527 760	+ 5,28
3	Surpluses available	p.m.	p.m.	—
4	Miscellaneous Community taxes, levies and dues	135 709 600	153 262 048	+ 12,93
5	Revenue accruing from the administrative operation of the institution	44 539 200	64 120 500	+ 43,96
6	Contributions to Community programmes, repayments of expenditure and remuneration for services rendered against payment	38 514 000	36 034 922	- 6,44
7	Interest on late payments and fines	p.m.	p.m.	—
8	Borrowing and lending operations	1 899 600	2 661 500	+ 40,11
9	Miscellaneous revenue	1 453 500	2 204 500	+ 51,67
	Resources available	24 854 045 900	26 190 811 230	+ 5,38
	Shortfall to be financed	2 333 000 000	1 912 653 843	- 18,02
	Total expenditure	27 187 045 900	28 103 465 073	+ 3,37

(¹) All institutions.

(²) Taking into account the revised estimate of agricultural own resources (reduction of 550 million ECU) contained in COM (84) 250 final of 17 April 1984.

TITLE 1 — OWN RESOURCES

CHAPTER 10 — LEVIES, PREMIUMS, SUPPLEMENTARY OR COMPENSATORY AMOUNTS, ADDITIONAL AMOUNTS OR PART AMOUNTS AND OTHER DUTIES ESTABLISHED BY THE INSTITUTIONS OF THE COMMUNITIES IN RESPECT OF TRADE WITH NON-MEMBER COUNTRIES UNDER THE COMMON AGRICULTURAL POLICY (ARTICLE 2(a) OF THE COUNCIL DECISION OF 21 APRIL 1970)

ARTICLE 100 — LEVIES, PREMIUMS, SUPPLEMENTARY OR COMPENSATORY AMOUNTS, ADDITIONAL AMOUNTS OR PART AMOUNTS AND OTHER DUTIES ESTABLISHED BY THE INSTITUTIONS OF THE COMMUNITIES IN RESPECT OF TRADE WITH NON-MEMBER COUNTRIES UNDER THE COMMON AGRICULTURAL POLICY (ARTICLE 2(a) OF THE COUNCIL DECISION OF 21 APRIL 1970)

1984 — Budgeted amount	1 946 650 000
1985 — Estimate	1 387 850 000 ⁽¹⁾
Percentage change	— 28,71

⁽¹⁾ The breakdown by country shown in the remarks to Article 100 is as follows (million ECU) :

Belgium	278,4	Ireland	5,5
Denmark	5,8	Italy	342,1
Germany	190,0	Luxembourg	0,15
Greece	41,3	Netherlands	154,6
France	90,0	United Kingdom	280,0

1. References and type of revenue

1.1. References

Article 2(a) of the Council Decision of 21 April 1970 (OJ No L 94, 28.4.1970).

The basic regulations covering the main products subject to agricultural levies are as follows :

— Cereals	Regulations Nos 2727/75 - 1451/82
— Rice	Regulation No 1418/76
— Milk and milk products	Regulation No 804/68
— Sugar	Regulation Nos 1785/81 - 606/82
— Beef and veal	Regulation No 805/68
— Pigmeat	Regulations Nos 2759/75 - 2966/80
— Sheepmeat and goatmeat	Regulations Nos 1837/80 - 1195/82
— Eggs and poultry	Regulations Nos 2771/75 - 2777/75 - 3643/81
— Olive oil	Regulations Nos 136/66 - 1413/82

The expenditure section in the general introduction to the preliminary draft budget for 1985 (Titles 1 and 2 — EAGGF) describes the organization of each of the common markets and gives details of the way they operate, including arrangements for imports and exports.

1.2. Type of revenue

Levies are variable charges on imports from non-member countries of agricultural products covered by a market organization regulation, which are designed to offset the difference between world prices and the price levels agreed upon within the Community. The fact that these levies are assigned to the Community budget corresponds to one of the basic features of the common agricultural policy : Community preference. The Member States which draw their supplies from outside the common market cause extra expenditure for the EAGGF, and must therefore pay over the proceeds of the levies rather than keep it for their own national budget.

2. Economic background

2.1. Regulation No 25 of 5 April 1962 on the financing of the common agricultural policy provided that the revenue from agricultural levies would — in the single market stage — accrue to the Community and be used for Community expenditure. This revenue was entered in full in the Community budget from 1 January 1971 for the six founder members, when the own resources arrangements provided for in the Decision of 21 April 1970 came into force. The levies and other own resources collected by the States which acceded in 1973 were paid over as follows : 45 % in 1973, 56 % in 1974, 67,5 % in 1975, 79,5 % in 1976 and 92 % in 1977.

2.2. Greece, which joined the European Communities on 1 January 1981, is applying the Decision of 21 April 1970 in accordance with Articles 125, 126 and 127 of the Act of Accession (OJ No L 291, 19.11.1979).

Since accession, Greece has been paying into the Community budget all revenue accruing from the levies, amounts and duties referred to in Article 2(a) of the abovementioned Decision, i.e. all agricultural levies charged on imports from non-member countries, taking into account any monetary compensatory amount levied because of differences between Community prices and Greek prices.

2.3. Agricultural levies have varied very markedly over the past few years, for a variety of reasons (the weather, monetary factors, trade, etc.). However, the main cause of this variability is probably the wide fluctuations in world prices, and particularly cereal prices (cereals provide between 60 and 80 % of levies). The following table shows the trend in agricultural levies for each Member State from 1975 to 1983. The figures are for total amounts collected at frontiers.

AGRICULTURAL LEVIES

(in Mio ECU)

	1975	1976	1977	1978	1979	1980	1981	1982	1983
Belgium	55,6	140,5	248,9	184,5	229,7	193,1	178,4	238,6	293,9
Denmark	2,7	12,4	17,7	9,7	7,9	7,5	10,1	7,5	6,9
Germany	121,0	220,3	328,0	289,3	263,7	223,7	179,9	201,9	143,0
Greece	—	—	—	—	—	—	17,4	63,5	38,0
France	45,2	72,0	114,7	142,2	96,5	91,6	103,1	70,9	78,9
Ireland	2,8	6,0	12,9	5,1	3,6	3,9	4,3	6,0	7,0
Italy	97,4	203,6	426,5	507,7	410,6	379,3	247,6	285,1	323,2
Luxembourg	0,1	0,1	0,1	0,2	0,1	0,1	0,1	0,1	0,1
Netherlands	121,4	310,5	416,3	395,3	313,2	234,7	175,4	172,5	135,8
United Kingdom	87,8	74,7	251,8	338,7	353,2	401,5	348,6	475,9	320,3
Total	534,0	1 040,1	1 816,9	1 872,7	1 678,5	1 535,4	1 264,9	1 522,0	1 347,1

2.4. From 1975 to 1977 levies rose in what was almost geometric progression, with annual rates of increase of 90 %, 94 % and 75 %. This was due partly to the drop in world prices pushing up levies and in particular to the very poor cereal harvests in 1976, which resulted in an exceptionally high demand for imports.

In 1978 the situation stabilized as a result of two trends with divergent effects on revenue : the drop in world prices and the fall in cereal imports due to greater availability of supplies and increased demand for substitute products (manioc) not subject to levies.

Revenue fell in 1979, 1980 and 1981 because of the combined effects in the cereals sector, which accounts for more than 70 % of levies, of higher world prices from May 1979 and the continuation of the declining trend in imports which began in 1976. The levy rates for the four main cereals imported — maize, common wheat, durum wheat and barley — fell by between 25 % and 43 % during the period corresponding to the 1980 financial year and by between 4 % and 28 % during that corresponding to the 1981 financial year. In the second case this was due to the rise in the value of the dollar in ECU terms which started in 1981. World sugar prices rose continuously from the end of 1979 and very substantially exceeded common prices. In May 1980 this led to the imposition of export levies. Prices started to fall at the beginning of 1980 and their downward trend has become more marked since then.

After falling for three consecutive years, agricultural levies increased in 1982 (by 20,3 % compared with 1981). This was because of the large increase in levy rates (by 40,6 % for common wheat, 51,9 % for maize, 47,9 % for durum wheat and 61,8 % for barley) at a time when imports of maize and barley were falling (by 12,5 % and 24,3 % respectively) and wheat imports rising.

The fall in the world prices was the result of over-supply after record harvests of wheat and feed grain in 1981/82 at a time of stagnant demand.

There was once again a considerable reduction in levies in 1983 because of the continuing downward trend in the volume of cereal imports and the drop in rates. While maize imports remained virtually the same, durum wheat imports fell by 25,3 %, common wheat imports by 33,5 % and barley imports by 59,8 %. The rates increased for common wheat and barley but fell substantially for durum wheat and, in particular, maize (down by 17 %). The fall in rates was particularly marked in the three months from August to October 1983 because of the considerable increase in feed grain prices on the world market prompted by the prospect of a substantial drop in production in 1983/84. This drop in production, following record harvests in 1982/83, is due to adverse weather conditions notably, for maize, the continued drought in the United States combined with the effects of the voluntary reduction in areas under cultivation. Since world sugar production in 1982/83 once again outstripped consumption and stocks were very high, world prices remained very low up to May 1983. The downward trend in production expected for 1983/84 then caused prices to pick up only to drop at the end of the year when production forecasts were raised.

2.5. The following table gives the trend in threshold prices and levy rates for maize, barley and common wheat, which account for more than 65 % of total levies.

THRESHOLD PRICES AND LEVY RATES

Type of cereal	Year	74/75	75/76	76/77	77/78	78/79	79/80	80/81	81/82	82/83
Common wheat						(¹)	(¹)	(¹)	(¹)	(¹)
– Threshold price		129,94	144,03	156,99	163,06	167,31	202,27	207,15	219,33	237,68
– Import levy		19,84	30,84	80,20	87,45	80,47	97,28	80,26	68,65	84,09
– Export levy		29,77	2,41	—	—	—	—	—	—	—
Barley										
– Threshold price		118,19	131,58	142,79	149,91	152,16	183,95	188,60	199,63	217,13
– Import levy		16,46	19,37	45,56	77,35	84,42	102,06	71,48	50,55	74,21
– Export levy		20,31	3,06	—	—	—	—	—	—	—
Maize										
– Threshold price		115,18	130,98	142,79	149,91	152,16	183,95	188,60	199,63	217,13
– Import levy		12,82	28,53	55,08	76,01	76,62	92,63	89,40	64,13	90,73
– Export levy		24,59	2,47	—	—	—	—	—	—	—

(¹) ECU/t.

The average levy rate for 1983 was about 99,78 ECU/t for common wheat, 91,61 ECU/t for barley, and 72,54 ECU/t for maize.

In February 1984 the rates were about 98,36 ECU/t for common wheat, 69,94 ECU/t for barley, and 66,03 ECU/t for maize.

3. Estimate of levies for 1985

3.1. The estimates of agricultural levies are based on import forecasts derived from assumptions concerning production, domestic consumption and stock variations, and on forecasts of average levy rates.

The estimates are drawn up in the ECUs used in the common agricultural policy regulations and are then converted into the ECUs used as budgetary units since 1 January 1981. The monetary unit is the same in both cases, the difference being that, under the agricultural policy, ECUs are converted into national currencies on the basis of rates agreed by the Council — representative rates — whereas, for budget purposes, resources from agriculture paid in national currencies are converted not at the representative rate but at an ECU rate varying from month to month; payments made by Member States in a given month are entered in the accounts at the ECU rate obtaining on the 20th of that month or, where there is no quotation that day, on the first preceding day for which a quotation is available.

The result is a difference between the amount of resources calculated in agricultural ECUs and the same amount expressed in budgetary ECUs, the difference being termed the 'double rate effect'.

For the purposes of the estimates, the conversion operation is based on the representative rates resulting from the Council's decisions of 30-31 March 1984 and on the central rates of 18 May 1983 for the EMS currencies with a 2,25 % fluctuation margin and on market rate assumptions for the lira, sterling and the drachma.

3.2. The Community cereals crop in 1982/83 reached the record level of 130,5 million tonnes (excluding rice), 7,1 % higher than the previous year, thanks to excellent growing conditions in the Member States. A drop of around 9 % is expected for 1983/84 because of the adverse climatic conditions in many areas of Europe (heavy rain followed by serious drought).

Cereal imports in 1981/82 were 14,7 million tonnes including 8,7 million tonnes of maize. Imports for 1982/83 are expected to be 14 million tonnes. In 1981/82 59 % of all cereals were used for animal feed. In recent years the use of Community cereals has suffered from the growth in imports of substitute feeds, which reached the equivalent of 16,2 million tonnes in 1982. Imports of manioc totalled 8,1 million tonnes, and imports of corn gluten feed, a by-product of the industrial use of maize, 2,8 million tonnes.

Even if imports of manioc should remain stable following voluntary restraint agreements with the main suppliers, especially Thailand, imports of similar products will probably rise in the medium term, especially in the case of corn gluten feed which should reach 3,2 million tonnes in 1983 as a result of increased production of alcohol from maize in the United States.

The assumptions made concerning imports for 1985 are as follows :

3.2.1. Assumptions of cereals imports for 1985

	(1 000 t)
Common wheat	2 000
Durum wheat	900
Maize	4 900
Grain sorghum	150
Barley	200
Rye and meslin	100
Oats and summer mix- tures	100

3.2.2. Assumptions of average levy rates

	(ECU/tonne)
Common wheat	110
Durum wheat	145
Maize	95
Grain sorghum	
Barley	
Rye	
Oats	

It should be noted that these rates do not correspond to the rates actually applied at frontiers, which must take into account, under the rules laid down by Commission Regulation (EEC) No 1380/75, the monetary compensatory amounts in force (see 3.5). The resultant rates will be higher than the set rates for countries whose currencies have appreciated and lower for countries whose currencies have depreciated, in line with the amount of the appreciation or depreciation of each currency.

3.2.3. Furthermore, an import licence issued by a Member State has to be produced for all imports into the Community. The levy charged is the one obtaining on the day on which the application for the licence is lodged, and this applies throughout the licence's period of validity. However, levy rates are fixed by the Commission daily for each cereal by reference to the difference between the Community threshold price and a cif price calculated on the basis of the most favourable offer at Rotterdam.

The levy rate applied (fixed in advance when the application for a licence is lodged) may therefore differ appreciably from the rate for the day when the goods are actually imported. A study of quantities imported at the various rates of levy in past years reveals that the average rates weighted by actual imports are at least 5 % less than the average daily rates of levy and that applications for licences are concentrated on the lowest rates, particularly in the case of maize. The levy actually charged is 5-10 % less than what should in theory have been applied on the day of import. This is taken into account when estimates are being prepared.

3.3. The following assumptions have been made for products other than cereals :

Pigmeat: 110 000 tonnes, including 96 000 tonnes of live animals and fresh meat at a levy rate of 450-700 ECU per tonne, the remainder being made up for the most part of processed products.

Beef and veal : total imports are estimated at 411 400 tonnes, dead weight equivalent, but 285 900 tonnes of this will be imported at zero rates under various special arrangements (GATT quotas, pure-bred breeding animals, and preserved meat bound under GATT, 'A' quality frozen meat for processing). Of the remaining 125 500 tonnes imported at positive rates it is estimated that only 2 500 tonnes of fresh meat and the equivalent of 2 000 tonnes of live animals will actually be subject to the full rate, while the remainder will come in at reduced rates under various preferential schemes (Yugoslavia, ACP, 'B' quality frozen meat for processing).

Butter : imports will come from New Zealand at a special levy rate of 773 ECU per tonne. A figure of 81 000 tonnes has been assumed.

The volume of cheese imports has been estimated at 90 000 tonnes, including 7 455 tonnes imported at the full levy rate of 1 600 ECU per tonne.

Rice : 400 000 tonnes will be imported at a rate of 65 to 210 ECU per tonne according to the category of rice (210 ECU per tonne for long-grain husked rice).

3.4. Estimates of levies, expressed in the ECU used for the common agricultural policy, without allowing for the effects of MCAs, are obtained by multiplying assumed import quantities by the rates.

The following table breaks down the Commission's estimates by sector and by Member State.

ESTIMATES OF AGRICULTURAL LEVIES FOR 1985 (EXCLUDING MCAs)

(in Mio ECU)

	BLEU	Den- mark	Ger- many	Greece	France	Ire- land	Italy	Nether- lands	United Kingdom	Total
Cereals	230,3	1,0	71,5	11,7	55,4	4,4	226,2	98,9	168,8	868,2
— common wheat	16,5	0,2	2,8	0,3	9,9	2,8	47,8	38,5	101,2	220,0
— durum wheat	5,8	0,3	3,6	—	10,1	0,4	101,5	4,4	4,4	130,5
— maize	199,5	0,5	57,0	11,4	33,2	1,0	57,0	42,7	63,2	465,5
— grain sorghum	7,6	—	1,9	—	0,9	—	—	3,8	—	14,2
— barley	0,9	—	0,6	—	0,4	—	17,1	—	—	19,0
— rye	—	—	2,9	—	0,9	—	—	5,7	—	9,5
— oats	—	—	2,7	—	—	0,2	2,8	3,8	—	9,5
Beef and veal	4,4	—	13,5	5,9	—	—	51,8	5,4	4,2	85,2
Pigmeat	5,0	—	23,2	7,9	12,6	—	19,2	0,4	15,9	84,2
Rice	24,7	0,3	14,1	0,7	12,8	—	8,7	28,7	12,1	102,1
Sugar	1,4	3,5	20,3	0,4	8,4	0,3	3,1	4,6	14,0	56,0
Milk products	3,3	0,7	6,6	1,5	1,2	—	10,2	0,9	61,5	85,9
Other products	0,4	0,4	20,7	4,8	2,9	—	10,9	1,1	31,5	72,7
Total	269,5	5,9	169,9	32,9	93,3	4,7	330,1	140,0	308,0	1 354,3

3.5. The purpose of monetary compensatory amounts is to avoid distortion in prices and trade flows which would be produced, in the case of some Member States, by the difference between the market rate and the agricultural conversion rate.

They were introduced by Council Regulation (EEC) No 974/71 of 12 May 1971. The rules for their application were laid down by Commission Regulation (EEC) No 1380/75, as amended.

In trade between the Member States, the compensatory amounts are considered to form part of the system of intervention for stabilizing agricultural markets. In trade with non-member countries, the compensatory amounts charged on imports are considered as own resources, while those charged on exports are deducted from refunds. However, the proportion of the compensatory amount to be charged which exceeds the refund also belongs to own resources. The compensatory amounts granted are considered as forming part of the export refunds. However, MCAs granted on imports are deducted from the levy.

- For the Member States whose currency has appreciated in relation to the agricultural conversion rate MCAs are charged on imports. The MCAs charged on imports from non-member countries are regarded as own resources and are added to the levies.
- For the Member States whose currency has depreciated in relation to the agricultural conversion rate MCAs are granted on imports. MCAs granted on imports from non-member countries are deducted from the levies.

The amount of the MCA depends on the price of the product, the quantities imported and the percentage of appreciation or depreciation of each particular currency.

For currencies fully integrated into the EMS, which must be held by the participating States within a margin of 2,25 % of each other, the compensatory amounts depend on the difference between the representative rate and the central rate. In the case of these currencies, therefore, the MCA rate is constant as long as the representative rate or the central rate remains unchanged. In the case of the lira, which has a 6 % fluctuation margin, and sterling, which is in the ECU basket but not the EMS exchange rate system, the MCA depends on the exchange rate.

MCAs are reviewed every week, and if there is a change of one point or more from the percentage previously fixed, they are adjusted.

The MCA rate reflects the difference between the representative rate and the central rate or market rate, with a neutral margin of 1,5 points for negative-MCA countries and 1 point for positive-MCA countries.

3.5.1. Article 4 of Commission Regulation 1380/75 of 29 May 1975 laying down detailed rules for the application of monetary compensatory amounts states that in trade with non-Community countries the levy shall be multiplied by a coefficient and that 'the amount obtained after multiplication shall, after conversion into national currency, be reduced or increased, as the case may be, by the monetary compensatory amount'.

Application of the coefficient makes it possible to fix for each Member State a single MCA per product, whether it be imported from another Member State or from a non-Community country.

For example, in intra-Community trade, when a product for which a common price is set in ECU is imported into Germany, a percentage is levied representing the monetary difference between the central rate and the agricultural conversion rate. If the central rate is 1 DM = 0,446062 ECU and the representative rate is 0,397682⁽¹⁾, as decided by the Council under the agri-monetary measures for 1983/84, this difference is 10,8 %.

⁽¹⁾ For products other than milk and cereals.

If, to take an example, the common price is 100 ECU, converting this amount on the basis of the representative rate gives a price in national currency of DM 251,457. Converting it on the basis of the central rate gives a price of DM 224,184. The DM 27,2 difference ($DM\ 251,457 \times 10,8\ \%$) is the MCA charged at the German border.

In actual fact, the MCA charged at the German border would be only 9,8 % owing to the application of Article 3 of Regulation (EEC) No 652/79 which establishes an allowance of 1 point for Member States applying positive compensatory amounts.

In intra-Community trade the MCAs are considered to form part of the system of intervention for stabilizing agricultural markets. In the above example the sum of DM 27,2 is not an own resource but a reduction in expenditure. In extra-Community trade the price to be paid by the importer is the Community price, which is the world price plus the levy. But the levy is expressed in ECUs and converted at the green rate, so for this part of the price the MCA does not have to be applied. However, the world price is converted into national currency on the basis of the market rate, so the MCA has to be applied to make up for the difference between the agricultural rate and the market rate. So that it will not be necessary to fix two MCAs per product, one for intra-Community and the other for extra-Community trade, the levy is converted, applying the coefficient representing the monetary difference, at the market rate (central rate for the currencies of Member States participating in the European Monetary System) ; then the MCA is applied to the whole common price (world price plus levy) as in intra-Community trade.

For example : world market price = 80 ECU ; levy = 20 ECU ; Community price = 100 ECU ; German agricultural conversion rate = 1 ECU = DM 2,51457 ; German MCA in intra-Community trade 10,8 % ; German coefficient (89,2 %) 0,892⁽¹⁾.

Application of the coefficient	Calculation of the MCAs on the basis of the world price
(a) World price × 'green' rate (80 ECU × 2,51457) = DM 201,17	(a) World price × 'green' rate (80 ECU × 2,51457) = DM 201,17
(b) Levy × 'green' rate × coefficient (20 ECU × 2,51457 × 0,892) = DM 44,86	(b) Levy × 'green' rate (20 ECU × 2,51457) = DM 50,29
(c) MCAs in intra-Community trade (100 ECU × 10,8 % × 2,51457) = DM 27,16	(c) MCAs on the basis of the world price (80 ECU × 10,8 % × 2,51457) = DM 21,73
— Total (b + c) = DM 72,02	Total (b + c) = DM 72,02
— Total (a + b + c) = DM 273,19	Total (a + b + c) = DM 273,19

As this example shows, the same result is achieved with both methods of calculation. Thus, to assess the impact of the MCAs on revenue from levies, either method may be used.

⁽¹⁾ For the sake of clarity the one point allowance has been ignored in the example.

3.5.2. Revenue from levies for 1985 has been estimated on the basis of the Council's decisions for dismantling MCAs. The monetary differences are thus calculated by applying a coefficient to the central rates, resulting in a three-point reduction in the positive MCAs for Germany, the Netherlands and the United Kingdom. The negative MCAs which then result in the other Member States are dismantled by devaluing the green rates, while the existing negative MCAs are partly or fully dismantled. Apart from this dismantling process which took place for each product at the beginning of the 1984/85 marketing year, there will be an additional reduction of five points in the German MCAs and a simultaneous reduction in Dutch MCAs by means of a revaluation of the green rates on 1 January 1985.

The double-rate effects are calculated on the basis of the representative rate resulting from the above-mentioned reductions and on the basis of the central rates fixed under the EMS on 18 May 1983 and the assumed market rates for the drachma, lira and sterling.

The amounts of the agricultural levies actually paid by Member States differ from the amounts given in paragraph 1.4 on account of the application of MCAs and the double-rate coefficients. The effect of MCAs on revenue from levies can be estimated by calculating the difference between the levies appearing in Table 1.4 (quantities imported by each Member State multiplied by the single rate of levy for all the Member States) and the levies obtained by multiplying the quantities imported by the rates of levy adjusted by the monetary compensatory amounts of each Member State.

The difference between the MCAs charged and MCAs granted comes to +20,1 million ECU.

3.6. The table below shows the Commission's initial estimates of levies for 1985 by country, with allowance being made for the effects of compensatory amounts and of conversion into budgetary ECUs. The last line shows the estimates finally adopted for the preliminary draft budget following discussions with the Member States at the meeting of the ACOR on 26 April 1984.

ESTIMATES OF AGRICULTURAL LEVIES FOR 1985

	BLEU	Den- mark	Ger- many	Greece	France	Ire- land	Italy	Nether- lands	United Kingdom	Total
(a) Agricultural levies in million ECU used for the CAP	269,5	5,9	169,9	32,9	93,3	4,7	330,1	140,0	308,0	1 354,3
(b) MCA effect	—	—	+ 6,5	—	- 2,0	—	—	+ 4,5	+ 11,1	+ 20,1
<i>Total (a) + (b) in million ECU used for the CAP</i>	269,5	5,9	176,4	32,9	91,3	4,7	330,1	144,5	319,1	1 374,4
Total in million budget ECU	278,6	6,1	190,0	34,0	95,4	4,9	342,1	154,6	334,8	1 440,5
Amounts resulting from the final estimates accepted by the Member States	278,55	5,8	190,0	41,3	90,0	5,5	342,1	154,6	280,0	1 387,85

CHAPTER 11 — LEVIES AND OTHER DUTIES PROVIDED
FOR UNDER THE COMMON ORGANIZATION OF THE
MARKETS IN SUGAR AND ISOGLUCOSE (ARTICLE 2(a)
OF THE COUNCIL DECISION OF 21 APRIL 1970)

ARTICLE 110 — SUGAR PRODUCTION LEVIES

1984 — Budgeted amount	517 900 000
1985 — Estimate	494 080 000 ⁽¹⁾
Percentage change	- 4,60

⁽¹⁾ See footnote ⁽¹⁾, Article 112.

ARTICLE 111 — SUGAR STORAGE LEVIES

1984 — Budgeted amount	481 700 000
1985 — Estimate	488 900 000 ⁽¹⁾
Percentage change	+ 1,49

⁽¹⁾ See footnote ⁽¹⁾, Article 112.

ARTICLE 112 — ISOGLUCOSE PRODUCTION LEVIES

1984 — Budgeted amount	3 680 000
1985 — Estimate	3 950 000 ⁽¹⁾
Percentage change	+ 7,34

⁽¹⁾ The breakdown by country shown in the remarks to Articles 110, 111 and 112 is as follows (million ECU) :

	Sugar production levies	Sugar storage levies	Isoglucose production levies
Belgium	38,02	36,01	1,65
Denmark	18,09	17,31	—
Germany	150,16	115,65	0,79
Greece	7,6	13,6	p.m.
France	192,3	153,27	0,43
Ireland	6,0	8,8	—
Italy	14,0	54,9	0,42
Luxembourg	—	—	—
Netherlands	39,8	39,6	0,03
United Kingdom	28,11	49,76	0,63

ARTICLE 113 — CHARGES LEVIED ON NON-EXPORTED C SUGAR AND ISOGLUCOSE PRODUCTION

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

ARTICLE 114 — CHARGES LEVIED ON SUBSTITUTED C SUGAR AND ISOGLUCOSE

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References and type of resource

1.1. References

Article 2(a) of the Decision of 21 April 1970 (OJ No, L 94 28.4.1970).

Regulation (EEC) No 1785/81 of 30 June 1981, which entered into force on 1 July 1981, recast the rules for the organization of the markets in sugar and isoglucose, set out initially in the case of sugar in Regulation No 3330/74 and in the case of isoglucose in Regulation No 1111/77 amended by Regulation No 1293/79.

1.2. Type of resource

1.2.1. Regulation No 1785/81 governing the Community sugar market maintained the production quota system for each Member State based on quota for sugar undertakings.

Total production is divided into three :

- 'A' sugar — sugar produced up to the A quota ;
- 'B' sugar — sugar produced in excess of the A quota up to the total of the A and B quotas ;
- 'C' sugar (non-quota sugar) — the quantity produced over and above the total of the A and B quotas ; manufacturers receive no guarantee in respect of C sugar and it may not be marketed within the EEC.

Resources derive from :

- production levies paid initially for total A + B production and, if necessary, for B production in accordance with the system set out at 3.3 below. These levies, which are paid by producers, finance the cost of exporting A and B sugar in excess of Community consumption ;
- storage levies which producers must pay to ensure the financial balance of the equalization system introduced to guarantee regular sales of sugar throughout the marketing year. Manufacturers receive a refund of storage costs and, at the time of sale, pay levies which are calculated on the basis of a given bank interest rate, the intervention price, rental and insurance costs and the average storage period. Storage levies relate to A and B quota production.

1.2.2. The production of isoglucose is governed by a quota system similar to that applying to sugar. The B quota for isoglucose is equivalent to 23,55 /83 of the A quota, and may not be lower than B quota production between 1/July and 30/June 1980. The production levy is imposed on both A and B production and subsequently, if necessary, on B production.

1.2.3. Two new articles, Articles 113 and 114, were inserted created in Chapter 11 in the 1983 budget. Article 113 covers charges levied on non-exported C sugar and isoglucose in line with Article 26(3) of Regulation No 1785/81 of 1/July 1981, for which the implementing rules, laid down in Commission Regulation (EEC) No 2670/81 of 14/September 1981, state that, if no proof is furnished that the C sugar and isoglucose were exported by the given deadline, charges will be levied as if the quantity in question had been disposed of on the internal market. This article has a token entry.

Article 114 covers charges to be paid by manufacturers who, for export, replace C sugar or isoglucose by another sugar or isoglucose produced by another manufacturer. The rules implementing this system are set out in Article 2(2) of Regulation No 2670/81.

The charges covered by Articles 113 and 114 have always constituted own resources. The two new articles were created to improved budgetary transparency.

2. Economic background

2.1. In 1982/83 total sugar production in the Community reached 13,94 million tonnes, 7,3 % less than the record level of 15 million tonnes in 1981/82 because the area planted to sugarbeet was reduced by 9,3 %.

Including the 1 million tonnes carried over during the previous marketing year, the production of A quota sugar was 9,4 million tonnes, B sugar 2,5 million tonnes and C sugar 3,5 million tonnes.

Isoglucose production in 1982/83 remained virtually unchanged at 182 300 tonnes.

Sugar production should fall in 1983/84 since a smaller area was planted and yields were lower.

2.2. The table below gives a breakdown by country of sugar levies from 1975 to 1983.

BREAKDOWN OF SUGAR LEVIES

(in Mio ECU)

	1975	1976	1977	1978 ⁽¹⁾		1979 ⁽¹⁾		1980 ⁽¹⁾		1981 ⁽¹⁾		1982 ⁽¹⁾		1983 ⁽¹⁾	
Belgium	6,2	9,2	15,7	3,5	16,2	11,2	19,6	12,8	16,9	2,6	24,4	16,8	27,2	30,3	34,4
Denmark	4,2	5,8	14,2	9,5	9,9	12,0	9,1	9,6	9,5	6,0	13,3	11,4	13,9	20,4	18,6
Germany	25,6	34,5	119,7	75,9	68,9	81,8	64,5	73,5	57,3	42,1	84,8	83,1	106,9	146,5	123,3
Greece	—	—	—	—	—	—	—	—	—	—	1,0	3,3	9,7	5,0	11,6
France	28,8	44,7	64,1	53,5	63,9	79,9	72,4	77,0	80,9	46,0	108,5	86,7	124,2	149,6	142,9
Ireland	1,5	2,2	3,3	—	3,6	0,3	4,3	0,4	4,2	—	4,6	0,8	6,2	3,5	8,1
Italy	9,0	16,7	54,2	21,5	24,5	14,8	31,1	26,6	28,1	16,0	46,4	32,6	50,8	41,7	53,0
Luxembourg	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Netherlands	6,3	12,0	33,4	15,0	18,1	17,0	20,8	22,1	18,7	11,6	27,6	24,9	34,0	42,7	39,5
United Kingdom	4,4	8,1	15,5	—	22,2	—	26,1	0,5	31,4	0,9	46,1	16,3	56,0	25,9	47,2
Total	86,0	133,2	320,2	178,9	227,3	217,0	247,9	222,5	247,2	125,2	356,7	275,9	428,9	465,6	478,6

(¹) The left-hand column shows the production levy, and the right-hand column the storage levy.

3. Changes in the sugar and isoglucose arrangements

3.1. The Community rules on sugar and isoglucose production quotas (sugar : Regulation (EEC) No 3330/74 amended, expiring 30 June 1980 ; isoglucose : Regulation (EEC) No 1111/77, last amended by Regulation (EEC) No 387/81) were extended to cover the 1980/81 marketing year by Regulation (EEC) No 1592/80 of 24 June 1980⁽¹⁾.

3.2. A number of regulations have been adopted and a number of court cases brought in connection with the isoglucose production quota :

- Regulation (EEC) No 1111/77 was declared void by the Court of Justice in a judgment dated 25 October 1978 because Articles 8 and 9 were held to impose a levy on all production. On 25 June 1979 it was duly amended by Regulation (EEC) No 1293/79, which replaced the general levy by a levy covering only production falling between a basic and a maximum quota, similar to the arrangement for sugar.
- Two companies, Roquette and Maizena, challenged the new Regulation (EEC) No 1293/79 for the 1979/80 marketing year on the grounds that it breached the principles of competition law, proportionality and non-discrimination. On 29 October 1980 the Court of Justice rejected these arguments but ruled that the Regulation was void on the formal ground that Parliament's opinion had not been given as required under Article 43 of the Treaty.
- As the Court had held that the Regulation complied in substance with Community law, Parliament's opinion was obtained and a new regulation, Regulation (EEC) No 387/81 of 10 February 1981, was adopted to re-establish the isoglucose arrangements with retroactive effect from 1 July 1979 ; and those arrangements were then extended to cover the 1980/81 marketing year by Regulation (EEC) No 388/81.

3.3. After the 1980/81 marketing year, which was covered by the extension of the existing rules, the arrangements for sugar and isoglucose were recast in a new regulation, Regulation (EEC) No 1785/81 of 30 June 1981⁽²⁾, which came into force on 1 July 1981.

The quota system is maintained for marketing years 1981/82 to 1985/86 :

- the A quotas remain at the previous levels, except for the Italian sugar quota and the German isoglucose quota, which are increased. Greece receives a 290 000 tonne sugar quota and a 10 522 tonne isoglucose quota ;
- the B quotas were reviewed on the basis of the three highest recorded annual B quota sugar production levels for the marketing years 1975/76 to 1979/80 ; they may not, however, be less than 10 % of the basic quotas.

The effect was to increase the quotas of the largest producers — Denmark, metropolitan France and Germany — and reduce the quotas of the rest, principally the French overseas departments, Ireland and the United Kingdom.

The B quota for isoglucose is equivalent to 23,55 % of the A quota, and may not be lower than B quota production between 1 July 1979 and 30 June 1980. The effect of this adjustment is to reduce the quotas in all Member States except the BLEU.

⁽¹⁾ OJ No L 160, 26.6.1980.

⁽²⁾ OJ No L 177, 1.7.1981.

The full cost of exporting A and B production which exceeds Community requirements is met by levies not only on B production but now on total A + B production, initially in accordance with the following system :

- basic production levies are imposed on both A and B sugar and isoglucose production, with a ceiling of 2 % of the intervention price for white sugar in the case of sugar and of the share of the production levy borne by sugar manufacturers (about 40 % of the sugar levy) in the case of isoglucose ;
- if these levies fail to cover the full cost, the remainder is paid for by a supplementary levy on B sugar and isoglucose production of not more than 30 % of the intervention price for white sugar in the case of sugar and of not more than the share of the levy borne by manufacturers in the case of isoglucose. However, Article 28(5) of Regulation No 1785/81 provides that it may be increased to 37,5 % if the previous year's costs were not covered in full by the levies within those limits, and this provision has been applied since the 1982/83 marketing year.

The rules for calculating and applying the levy for compensation of storage costs remain unchanged. However, following negotiations with the ACP States, which have resulted in an increase in the guaranteed price for preferential sugar for the 1981/82 marketing year to match the rise in the Community intervention price for white sugar (8,5 %), it has been decided to compensate the refiners of preferential sugar by discontinuing the storage levy on it for 1982/83 and 1983/84.

This means storage levies imposed after the end of 1983 will only affect Community production.

4. Estimated levies for 1985

4.1. Articles 5 and 7 of Regulation (EEC) No 1443/82 of 8 June 1982⁽¹⁾, which lay down the way in which production levies are to be paid, mean that the sugar and isoglucose production levies payable in 1985 will comprise :

- the balance of the levy for the 1983/84 marketing year. This will be entered in the Commission's accounts in February 1985 ;
- the first payment of the levy for the 1984/85 marketing year. This will be entered in the accounts in June 1985.

Article 28(5) of Regulation No 1785/81 applies to these two marketing years, bringing the levy on B sugar to 37,5 % of the intervention price for white sugar.

In view of the Council decision to keep the intervention price for white sugar at the same level in the 1984/85 marketing year as in 1983/84, the production levy rate will be the same for the 1983/84 and 1984/85 marketing years ; viz : 10,69 ECU/tonne for the levy on basic production (A + B) equal to 2 % of the intervention price for white sugar and 200,5 ECU/tonne for the levy on B production (37,5 % of the intervention price).

The initial assumptions were that A and B production would be 10 931 416 tonnes in 1983/84 and 11 124 000 tonnes in 1984/85, of which 1 661 024 million tonnes and 1 846 000 million tonnes respectively would be B sugar.

Following the discussion with the Member States at the ACOR meeting on 26 April 1984, these assumptions were amended as follows : 11 040 864,5 tonnes for 1983/84, including 1 754 073,5 tonnes of B sugar ; 11 121 451,5 tonnes for 1984/85, including 1 834 065,3 tonnes of B sugar. The resulting production quotas are shown in the following table.

⁽¹⁾ OJ No L 158, 9.6.1981.

4.2. The isoglucose production levies are equivalent to around 40 % of the sum of the sugar levies. The estimates are derived from production forecasts of 147 701 tonnes for A production and 36 209 tonnes for B production.

4.3. The sugar storage levies will apply only to Community A and B production ; the rate is 42,5 ECU/tonne.

ESTIMATED SUGAR AND ISOGLUCOSE LEVIES FOR 1985

	BLEU	Denmark	Germany	Greece	France	Ireland	Italy	Netherlands	United Kingdom	Total
1. Sugar production levies										
(a) Balance of levies for 1983/1984										
— basic levy	4,39	2,11	13,68	1,66	19,29	1,1	6,7	4,2	5,96	59,09
— B levy	14,00	6,64	56,89	2,02	76,86	1,8	0,1	10,1	7,41	175,82
<i>Total in million agricultural ECU</i>	18,39	8,75	70,57	3,68	96,15	2,9	6,8	14,3	13,37	234,91
(b) First payment of 1984/1985 levy										
— basic levy	4,39	2,11	13,68	1,66	19,29	1,1	6,7	4,7	5,96	59,59
— B levy	14,00	6,64	56,89	2,02	76,86	1,8	—	18,3	7,41	183,92
<i>Total in million agricultural ECU</i>	18,39	8,75	70,57	3,68	96,15	2,9	6,7	23,0	13,37	243,51
Total production levies										
— million agricultural ECU	36,78	17,50	141,14	7,36	192,3	5,8	13,5	37,3	26,74	478,42
— million budgetary ECU	38,02	18,09	150,16	7,60	192,3	6,0	14,0	39,8	28,11	494,08
2. Isoglucose production levies										
(a) Balance of levies for 1983/1984	1,29	—	0,56	—	0,34	—	0,32	—	0,48	2,99
(b) First payment of levies for 1984/1985	0,31	—	0,15	p.m.	0,09	—	0,09	0,03	0,12	0,79
Total production levies										
— million agricultural ECU	1,60	—	0,71	p.m.	0,43	—	0,41	0,03	0,60	3,78
— million budgetary ECU	1,65	—	0,79	p.m.	0,43	—	0,42	0,03	0,63	3,95
3. Sugar storage levies										
— million agricultural ECU	34,84	16,75	108,69	13,18	153,27	8,5	53,0	37,1	47,34	472,67
— million budgetary ECU	36,01	17,31	115,65	13,60	153,27	8,8	54,9	39,6	49,76	488,90

**CHAPTER 12 — CUSTOMS DUTIES AND OTHER DUTIES
REFERRED TO IN ARTICLE 2(b) OF THE COUNCIL
DECISION OF 21 APRIL 1970**

**ARTICLE 120 — CUSTOMS DUTIES AND OTHER DUTIES REFERRED TO IN ARTICLE 2(b) OF
THE COUNCIL DECISION OF 21 APRIL 1970**

1984 — Budgeted amount	7 623 500 000
1985 — Estimate	8 096 200 000 ⁽¹⁾
Percentage change	+ 6,20

⁽¹⁾ The breakdown by country shown in the remarks to Article 120 is as follows (million ECU):

Belgium	468	Ireland	125,1
Denmark	190	Italy	805
Germany	2 340	Luxembourg	4,6
Greece	137,5	Netherlands	705
France	1 164	United Kingdom	2 157

1. References and type of resource

1.1. References

Article 2(b) of the Decision of 21 April 1970 (OJ No L 94, 28.4.1970).

1.2. Type of resource

The use of customs duties for the financing of common expenditure, for which provision is made in Article 201 of the Treaty of Rome, is a logical consequence of the free movement of goods within the EEC, since it is inconceivable that customs duties on goods in free circulation within the Community should be paid into the budgets of those Member States which are better endowed with large seaports.

Upon acceding to the Community on 1 January 1981, Greece applied Article 2(b) of the Decision of 21 April 1970 as laid down by Article 126 of the Act of Accession. It pays into the Community budget customs duties corresponding to the amounts which will ultimately be collected once the transition period is over, i.e. calculated as if, as from accession, Greece applied the rates in trade with non-member countries determined by the Common Customs Tariff and the reduced rates determined by any tariff preference applied by the Community.

2. Economic background

2.1. The following table gives a breakdown, by Member State, of customs duties from 1975 to 1983.

CUSTOMS DUTIES

(in Mio ECU)

	1975	1976	1977	1978	1979	1980	1981	1982	1983
Belgium	232,5	280,4	303,8	295,7	335,7	392,6	408,4	403,7	423,8
Denmark	106,0	140,5	134,0	107,9	124,3	130,2	135,1	142,6	159,8
Germany	1 044,4	1 288,1	1 378,8	1 376,0	1 586,6	1 799,1	1 943,8	1 966,5	2 019,8
Greece	—	—	—	—	—	—	84,6	108,7	107,4
France	547,6	654,8	669,6	649,5	754,2	900,0	977,3	1 071,2	1 051,8
Ireland	31,7	40,6	42,4	46,7	57,1	67,1	81,9	87,8	100,4
Italy	341,5	407,5	426,1	400,8	497,2	636,9	633,0	660,8	657,1
Luxembourg	3,7	3,8	3,7	3,5	3,8	4,3	4,5	4,3	4,5
Netherlands	338,7	395,6	441,5	444,3	485,6	535,5	572,8	585,2	633,2
United Kingdom	882,7	980,2	1 059,0	1 066,5	1 344,6	1 440,1	1 550,9	1 784,5	1 830,8
Total	3 528,8	4 191,5	4 458,9	4 390,9	5 189,1	5 905,8	6 392,3	6 815,3	6 988,6
Annual growth rate		+ 18,8	+ 6,4	- 1,5	+ 18,2	+ 13,8	+ 8,2	+ 6,6	+ 2,5

(¹) The breakdown into protective and fiscal duties is not available.

The average annual increase from 1978 to 1983 was 9,7 %. The very low rate of increase in 1983 (2,5 %) was due to the virtual stagnation of imports from outside the Community in terms of value.

The figures in the previous table are the total amounts levied at frontiers. They do not represent the amounts paid into the Community budget.

Until 1975 the amount of customs duties to be paid over by the six original Member States was calculated in accordance with a reference base which represented a gradually increasing percentage of the total customs duties and agricultural levies collected by each Member State. From 1 January 1975 the Six transferred the entire sum raised through duties. The Three have been paying over total receipts from customs duties since 1 January 1978 ; up to that date only that percentage of own resources provided for in the Act of Accession was transferred. The figures for 1981 include ten months of payments by Greece made as described in section 1.2 above.

2.2. Revenue from customs duties arises from the application of the Common Customs Tariff to the value for customs purposes of goods imported.

If the CCT rates were to stay the same, an increase in the value of imports should generate a proportional increase in customs revenue. Other things being equal, a reduction in the rates does not necessarily entail a fall in customs revenue : on the contrary, revenue may increase as a result of the creation or deflection of import flows which the reduction in rates, and hence in prices, may entail.

The Community has been negotiating tariff reductions for many years, under GATT and bilaterally :

- progressive removal of duties following enlargement in 1973, and Greece's accession in 1981 ;
- reductions negotiated under association agreements of the customs-union type (Greece before accession, Turkey and Yugoslavia) or free-trade-area type (ACP, EFTA, Finland, Morocco, Tunisia, Algeria, Malta and Cyprus) ;
- On 1 January 1984 trade with EFTA was completely liberalized in the industrial sector, including the industrial element in processed agricultural products. Negotiations to renew the Lomé Convention opened on 6 October 1983. The Third Convention should enter into force in 1985.
- reductions negotiated under preferential trade agreements (Spain, Israel, Egypt, Lebanon, Syria, Jordan) ;
- generalized tariff preferences ; a new scheme has been introduced for 1981 to 1985 and preferences have been extended for a new ten-year period of application. The new scheme endeavours to vary the benefits granted so that they accord more closely with the real needs of the recipient country. To achieve this, the former general control on suppliers as regards limits on amounts permitted (quotas or ceilings) has been replaced by controls on individual suppliers, especially those considered to be the most competitive. The benefits granted to China and Romania have been extended. This system of tariff preferences now applies to 123 developing countries and 24 dependent countries and territories.

Duties may also be suspended temporarily for certain products because of cyclical difficulties. The tariffs applied on entry into the Community have therefore varied considerably ; the impact on customs revenue has been very marked, but it is very difficult to gauge because of the effects of simultaneous reductions of various kinds on the volume of trade.

2.3. The following table shows imports by main products in the period 1969-82.

Except in 1978, food, beverages and tobacco have increased steadily in value, but at a lower rate than Community imports as a whole. As a result, their share in total Community imports has fallen and was only 9,5 % in 1982.

Cereal imports continued their downward movement in 1982 ; Community production of cereals in 1981/82 was 122 million tonnes, excluding rice, 2,2 % lower than in the previous marketing year.

In 1982/83 it reached the new record of 130,5 million tonnes because of the excellent growing conditions. World prices dropped because of a market situation with surplus supply caused mainly by the record world barley and feed grain production in 1981/82 and stagnant demand.

The abundance of supplies, including stocks, and certain monetary factors such as the appreciation of the dollar and the high level of interest rates, explain why the main importers made few purchases and prices therefore failed to pick up.

There was a similar situation on the sugar market, although this was even more marked as it followed the price surge of 1979-80. Prices dropped because of excellent world production in 1981/82, in particular in India, in Thailand and in the Community, which produced a considerable surplus at the same time as consumption stagnated, contrary to the previous two years.

Prices on other agricultural markets were depressed. This was the case with cocoa in view of the expansion of stocks and the sales made.

IMPORTS INTO THE COMMUNITY FROM NON-MEMBER COUNTRIES

(in Mio ECU)

Standard International Trade Classification	Average		1975	%	1976	%	1977	%	1978	%
	1969-74	%								
0-1 Food, beverages and tobacco	12 358	16,3	16 960	13,5	21 036	13,1	23 938	13,9	23 221	12,9
3 Mineral fuels	17 161	22,6	39 461	31,4	50 010	31,3	49 942	28,9	47 451	26,4
2-4 Crude materials, inedible oils and fats	13 720	18,1	17 339	13,8	22 287	13,9	23 165	13,4	22 099	12,3
5 Chemicals	3 576	4,7	5 421	4,3	7 090	4,4	7 888	4,6	8 797	4,9
7 Machinery and transport equip- ment	10 331	13,6	17 254	13,7	22 458	14,0	25 916	15,0	30 740	17,1
6-8 Manufactured articles	18 160	23,9	26 648	21,2	34 875	21,8	38 819	22,5	43 308	24,1
9 Products not classified elsewhere	637	0,8	2 643	2,1	2 401	1,5	2 939	1,7	4 134	2,3
Total	75 943	100	125 842	100	160 047	100	172 882	100	179 720	100

(Continued)

Standard International Trade Classification	1979	%	1980	%	1981 ⁽¹⁾	%	1982	%		
0-1 Food, beverages and tobacco	24 558	11,2	26 003	9,5	28 289	9,3	30 655	9,5		
3 Mineral fuels	63 228	28,8	90 622	33,2	103 531	34,1	106 071	33,0		
2-4 Crude materials, inedible oils and fats	27 411	12,5	30 286	11,1	29 996	9,9	30 139	9,4		
5 Chemicals	10 920	5,0	12 056	4,4	13 116	4,3	14 381	4,5		
7 Machinery and transport equip- ment	34 981	16,0	42 761	15,7	47 161	15,5	50 909	15,8		
6-8 Manufactured articles	52 821	24,1	63 528	23,3	60 384	19,9	65 252	20,3		
9 Products not classified elsewhere	5 264	2,4	7 641	2,8	21 325	7,0	24 058	7,5		
Total	219 343	100	272 899	100	303 802	100	321 467	100		

⁽¹⁾ Including trade with Greece from 1981 and following the new Eurostat data-processing system.

Contrary to the general trend, coffee recorded its highest prices since 1980, mainly because of inadequate supplies of certain varieties and the strict rationing of supplies.

Imports of raw materials other than mineral fuels (hides and skins, rubber, wood, textile fibres, minerals, oils and fats) which had fallen off in value in 1978 and 1981, remained at virtually the same level in 1982 as a result of the fall in demand for raw materials and the continuing depression of prices. Because of good harvests, the prices for palm oil and groundnut oil fell to their lowest-ever levels. After recovering slightly, the price of rubber dropped again. Textile prices moved downwards, except in the case of cotton which picked up at the end of the year in anticipation of record consumption and a reduction in the American crop.

Raw materials are either subject to a low rate of duty or duty-free.

Imports of mineral fuels (including oil and petroleum products) rose by 33,4 % in 1979 and by 43,51 % in 1980 because of oil price increases which led to December 1980 prices being over 170 % higher on average than those two years earlier. The rise in 1982 was, however, only 2,4 %. From 1979 to 1982 gross energy consumption within the Community fell by 11,5 % and oil consumption dropped by 20,2 %. Energy-saving measures, the slowdown in economic activity and increased production within the Community meant that net oil imports in 1982 were 33,6 % lower in volume terms than in 1979.

The average oil prices in dollars started to fall in 1982 because of the drop in spot prices, the reduction of premiums or the offer of larger discounts by some OPEC countries.

The customs duty on crude oil is zero and duties charged on coal, coke and patent fuel, which are ECSC products, are not own resources.

Imports of chemicals (fertilizers, pharmaceuticals, plastics, dyestuffs, etc.) continued their upward movement in 1982 rising by 9,6 %. The increase in the case of machinery and transport equipment was 7,9 %. Imports of other manufactured goods (tanned leather, rubber articles, wood, paper, board, textiles, minerals, sanitary equipment, scientific instruments, furniture, clothing, etc.) rose by 8,1 % despite the fall in non-oil raw materials, including non-ferrous metals entered under item 8 of the SITC. Lead prices dropped considerably (by 31 %) because of the slump in car production in the United States which led to a fall in battery purchases and because of the prospect that lead would be replaced by plastic. Zinc prices fell by 8 % ; nickel prices dropped to their lowest level for eight years because of the deep slump in the world steel industry, the only customer for new metal. Aluminium has gone through an unprecedented crisis owing to the collapse of demand in the automobile and building sectors, which are the main users. Only copper prices, after a drop, picked up again to reach their late 1981 levels as a result of production difficulties and mine closures.

Revenue from duties on all these industrial products is high because exemptions are few and tariffs are high.

2.4. The following table provides a comparison between imports from non-member countries and customs duties for the Nine from 1975 to 1982.

The tariff impact for the Nine, i.e. the relationship between customs duties and imports, fell from 5,11 in 1975 to 3,68 in 1982 for products other than raw materials and from 2,80 to 2,12 for all products.

The impact is not, however, very significant for all products (including mineral fuels) particularly when there is a sharp change in the prices of raw materials and energy products carrying very low or nil customs duties, as happened in 1974, 1979 and 1980.

COMPARISON BETWEEN IMPORTS FROM NON-MEMBER COUNTRIES AND CUSTOMS DUTIES

(in Mio ECU)

	1975	1976	1977	1978	1979	1980	1981	1982
a) Imports, all products	125 842	160 047	172 882	179 720	219 343	272 899	303 802	321 467
± %	- 3,3	+ 27,2	+ 8,0	+ 4,0	+ 22,0	+ 24,4	+ 11,3	+ 5,8
b) Imports products other than raw materials ⁽²⁾	69 042	87 750	99 775	110 170	128 704	151 991	170 275	185 257
± %	+ 4,6	+ 27,1	+ 13,7	+ 10,4	+ 16,8	+ 18,1	+ 12,0	+ 8,8
c) Customs duties	3 529	4 191	4 459	4 391	5 189	5 906	6 392	6 815
± %	+ 34,2	+ 18,8	+ 6,4	- 1,5	+ 18,2	+ 13,8	+ 8,2	+ 6,6
d) Average impact	2,80	2,62	2,58	2,44	2,37	2,16	2,10	2,12
c/a %	5,11	4,78	4,47	3,99	4,03	3,89	3,75	3,68
c/b								

⁽¹⁾ Only for the six original Member States.⁽²⁾ Codes 0, 1, 5 to 9 of the SITC nomenclature.

The tariff impact has declined steadily over the entire period in question and the same phenomenon can be observed from 1968 onwards as regards the original six Member States. This is clearly connected with the tariff cuts under the various agreements listed in Section 2.2, and their extension and the increased use made of them by the countries to which they have been granted (in the case of generalized preferences). In 1982 the third of the eight stages of tariff reductions resulting from the GATT multilateral trade negotiations was put into effect. Despite these cuts, customs duties rose by 93,1 % between 1975 and 1982, falling off only in 1978. This represents growth in real terms.

Tariff reductions might have encouraged imports from non-member countries ⁽¹⁾. However very complicated elasticity calculations would be needed to quantify with any degree of precision the effects of the reductions on the trend of trade within the Community and between the Community and its partners.

Between 1967 and 1973 trade within the Community grew from 7,2 % of GDP in 1967 to 10,7 % in 1973, a faster rate than for trade with other countries, which increased from 9 % of GDP to 10 %. After 1973, mainly as a result of the increased cost of imported energy, imports from non-member countries rose from 10 % of GDP in 1973 to 12,94 % in 1982 while intra-Community trade grew from 10,7 % to 12,42 %.

⁽¹⁾ A tariff reduction in respect of a particular product may result in Community firms wanting more of this product or buying it abroad rather than from an EEC partner. It should be emphasized, however, that the customs tariff represents only a small proportion of the price of a product and that exchange rate fluctuations, for example, have a much more significant effect on the value of imports and on customs duties.

3. Evaluation of customs duties for 1985

3.1. The first reductions resulting from the GATT multilateral trade negotiations from 1973 to 1979 took effect on 1 January 1980. At its meeting of 2 and 3 April 1979, the Council agreed that the tariff reductions for the textile, steel and ceramic sectors would take effect on 1 January 1982 and not 1 January 1980, and would be introduced in six annual stages.

3.2. The estimate of customs duties for 1984 has been made on the basis of the forecasts of each country's imports from outside the Community prepared by Commission staff. The following assumptions were made as regards the rate of increase in imports from outside the Community in 1985 in value and in national currencies : BLEU : 10 % — Denmark : 9 % — Germany : 8,5 % — Greece : 22 % — France : 9 % — Ireland : 15 % — Italy : 13 % — Netherlands : 8 % — United Kingdom : 9 %.

For each Member State, imports from outside the Community are disaggregated into four major product categories in accordance with the SITC Nomenclature : foodstuffs, raw materials, mineral fuels and manufactured goods. They are also broken down by five groups of countries : the industrialized countries to which the Common Customs Tariff applies, groups enjoying preferential trade agreements — the ACP States, the Mediterranean countries and the EFTA countries — and the countries eligible for the generalized system of preferences, under which imports of certain product categories carry a reduced or zero rate of customs duty.

To determine what customs duties will be paid, tariffs have to be aggregated for each Member State by the above product categories and groups of country of origin.

This has been done by weighting the basic tariffs supplied by the Statistical Office of the European Communities for 1 696 products by individual import flows.

The tariffs applied take account of the phased reductions to which the Community committed itself in the multilateral trade negotiations. From 1980 this sees tariffs reduced by a fixed percentage based on the difference between the original and the final tariffs. The tariffs used for the 1985 estimates are those resulting from the sixth set of reductions⁽¹⁾.

3.3. The estimates of customs duties for 1985 are given in the following table, together with the outturn for 1983 and the estimates in the 1984 budget. The Commission's initial estimates for 1985 totalled 8 050,5 million ECU (B : 470 — DK : 181 — D : 2 330 — GR : 145 — F : 1 150 — IRL : 120 — I : 795 — L : 4,5 — NL : 710 : UK : 2 145). These estimates were amended during the ACOR meeting of 26 April 1984 since the Member States' estimates were generally higher than those of the Commission. The following table shows how the 8 096,2 million ECU finally adopted is broken down by Member State.

(1) They do not take account of the possibility of cuts under GATT being applied ahead of schedule.

ESTIMATES OF CUSTOMS DUTIES FOR 1985

(in Mio ECU)

	Outturn 1983	Estimate 1984	Estimate 1985
Belgium	423,8	451	468
Denmark	159,8	166	190
Germany	2 019,8	2 180	2 340
Greece	107,4	130	137,5
France	1 051,8	1 257	1 164
Ireland	100,4	105	125,1
Italy	657,1	800	805
Luxembourg	4,5	4,5	4,6
Netherlands	633,2	610	705
United Kingdom	1 830,8	1 920	2 157
EEC	6 988,6	7 623,5	8 096,2

**CHAPTER 13 — OWN RESOURCES ACCRUING FROM
VALUE-ADDED TAX PURSUANT TO ARTICLE 4 OF THE
COUNCIL DECISION OF 21 APRIL 1970 AND THE
DECISION OF ... 1984**

**ARTICLE 130 — OWN RESOURCES ACCRUING FROM VALUE-ADDED TAX PURSUANT TO
ARTICLE 4 OF THE COUNCIL DECISION OF 21 APRIL 1970 AND THE
DECISION OF ... 1984**

1984 — Budgeted amount	14 565 915 463
1985 — Estimate	17 104 571 369 ⁽¹⁾ ⁽²⁾
Percentage change	+ 17,43

⁽¹⁾ Amount obtained by applying the rate to 1,1237 % of the VAT base (15 221,6 million ECU).

⁽²⁾ The breakdown by country shown in the remarks to Article 130 is as follows (ECU):

Belgium	567 470 472	Ireland	152 374 250
Denmark	350 595 619	Italy	2 560 359 349
Germany	5 000 482 380	Luxembourg	44 948 156
Greece	—	Netherlands	843 339 781
France	3 876 778 474	United Kingdom	3 708 222 888

**ARTICLE 131 — OWN RESOURCES ACCRUING FROM VALUE-ADDED TAX PURSUANT TO
ARTICLE 4 OF THE COUNCIL DECISION OF 21 APRIL 1970**

1984 — Budgeted amount	15 221 600 000 ⁽¹⁾ ⁽²⁾
1985 — Estimate	
Percentage change	

⁽¹⁾ Amount obtained by applying the rate to 1 % of the VAT base.

⁽²⁾ The breakdown by country shown in the remarks to Article 131 is as follows (ECU).

Belgium	505 000 000	Ireland	135 600 000
Denmark	312 000 000	Italy	2 278 500 000
Germany	4 450 000 000	Luxembourg	40 000 000
Greece	—	Netherlands	750 500 000
France	3 450 000 000	United Kingdom	3 300 000 000

1. References and type of resource

1.1. References

- Article 4(1) of the Decision of 21 April 1970 (OJ No L 94, 28.4.1970).
- Sixth Council Directive of 17 May 1977 (OJ No L 145, 13.6.1977).
- Council Regulation No 2891/77 of 19 December 1977 (OJ No L 336, 27.12.1977).
- Council Regulation No 2892/77 of 19 December 1977 (OJ No L 336, 27.12.1977).
- Decision of ... 1984.
- Council Regulation No ... of ... 1984.

1.2. Type of resource

Unlike the own resources accruing from customs duties, agricultural levies and sugar levies, which are Community resources by their very nature, value-added tax, which replaces the financial contributions, is a financial resource intended to cover the remaining expenditure. In theory it also represents the capacity of each Member State to contribute.

Adoption of the Sixth Directive has made VAT the first form of harmonized taxation in the Nine, and application of this Directive made it possible to assign this resource to the Community budget in 1979 for six Member States and for the Nine from 1980.

Greece was granted a temporary derogation from applying the common VAT system until 31 December 1983. The Fifteenth Council Directive of 19 December 1983 allowed Greece to defer application until 1 January 1986 at the latest. In 1985 it will therefore pay a financial contribution based on the share of its GNP in the total GNP of the Member States.

Under Article 127 of the Act of Accession the Community will refund to Greece a decreasing proportion of its financial contribution until 1985. In 1984, this refund, entered in Article 860 amounted to 20 % of the GNP-based contribution and in 1985 it will be 10 % of VAT resources.

Until 1985 VAT own resources were limited to 1 % of the base in accordance with Article 4 of the Decision of 21 April 1970. Since, with this ceiling, the Communities' resources are insufficient to cover the requirements resulting from their activities, the new own resources decision changes this ceiling. The VAT own resources needed to cover expenditure and based on a rate of 1,1237 % are entered in Article 130, which will apply only after the new decision enters into force on 1 October 1985.

Until the own resources new decision does enter into force on 1 October 1985, Article 131 will apply. This article contains the provisional amounts of VAT own resources resulting from application of the 1 % ceiling.

2. Development of VAT resources from 1980 to 1984

2.1. In 1980 all nine Member States applied the Sixth Directive and paid over VAT own resources, in 1979 three of them had continued to pay GNP-based financial contributions.

In 1980, after taking account of supplementary and amending budgets Nos 1 and 2, the VAT rate was 0,7322, 1 % of the base 9 910 million ECU and the margin available 2 654 million ECU.

By 1 July 1981 the nine Member States had sent the final figures for their 1980 VAT bases to the Commission, which worked out the balances and informed the Member States. The resultant surplus was 558,2 million ECU.

Following controls, the balance of VAT own resources for 1980 was twice increased : by 60,985 million and by 35,6 million ECU. The real 1980 bases for the nine Member States, converted at the budgetary rate, totalled 10 739 million ECU.

2.2. In 1981 Greece, which joined the Communities on 1 January that year, was still temporarily exempted from applying the common VAT system and paid a financial contribution calculated on the basis of the share of its GNP in the sum of the GNPs of the Member States for the years 1976, 1977 and 1978, which worked out at 1,62 %.

As amended by supplementary and amending budgets Nos 1 and 2, the financial contribution came to 151,33 million ECU.

The other nine Member States again paid over VAT own resources on an overall VAT base of 11 680,3 million ECU at a rate of 0,7868. The margin available for the Nine was 2 490,1 million ECU ; the margin for the Ten, including Greece's financial contribution less its 70 % repayment, came to 2 502,4 million ECU.

The nine Member States had sent the final figures for their 1981 VAT bases to the Commission by 1 July 1982. The VAT balance and the adjustment of Greece's financial contribution meant a reduction of 141,93 million ECU. This was increased by 26,8 million ECU as a result of the controls. The total amount of the Nine's base for 1981, converted at the budget rate, was 11 526 million ECU.

2.3. In 1982 Greece again paid a financial contribution set at 197,52 million ECU, reflecting its 1,6196 % share of GNP. The other nine Member States paid over VAT own resources on an overall base of 12 974 million ECU, at a rate of 0,9248. The margin available for the Nine was 975,7 million ECU ; the margin for the Ten, including Greece's financial contribution less its 50 % repayment, was 983,7 million ECU. The nine Member States notified their VAT bases for 1982 on 1 July 1983. The resulting balance, including the adjustment to Greece's financial contribution, was a reduction of 256,6 million ECU. The Nine's total base in 1982 at the budget rate was 12 912,6 million ECU.

2.4. In 1983 Greece's GNP-based financial contribution was fixed at 216,5 million ECU, taking into account supplementary and amending budgets No 1/83, and No 2/83, reflecting its 1,5599 % share of GNP.

The provisional VAT base for the other nine Member States was 13 719 million ECU and the rate 0,9980. The margin available for the Nine was 28 million ECU ; the margin for the Ten, including Greece's financial contribution less its 30 % repayment, was 28,3 million ECU.

The VAT bases for this financial year will be notified by the Member States in July 1984.

2.5. Since the temporary derogation granted to Greece was to end on 31 December 1983, the total VAT base for the Ten in 1984 was estimated at 14 608,5 million ECU. The VAT rate in the 1984 budget was 0,9971 ; the margin available was 42,6 million ECU.

3. Estimated VAT base for 1985

3.1. The base depends on the general economic situation, since VAT concerns very substantial areas of value added, the main one being final consumption. Although there are many exemptions and derogations provided for by the Sixth Directive, they have little impact on the value of the assessment basis.

Estimates of national consumption trends are based closely on national price assumptions. The differences in inflation rates from one Member State to another cause the relative shares of the States in the overall VAT base to change.

In view of the inadequate breakdown in the ESA national accounts, the forecasts were made on the basis of the latest real bases notified by the Member States, i.e. those for 1982.

The Fifteenth Council Directive of 19 December 1983 allowed Greece to defer application of the common VAT system originally planned for 1 January 1984 to 1 January 1986 at the latest. Greece will therefore pay a financial contribution based on the share of its GNP in the total GNP of the Member States for the period 1980-82. A statistical estimate of its theoretical base has, however, been made.

The bases for 1983 and 1984 were updated by reference to the rates of increase in value of a representative aggregate of private consumption, intermediate consumption and the gross fixed capital formation of general government and for 1985 by means of the following assumptions about the growth of private consumption : Belgium 5,5 %, Denmark 6 %, Germany 5,5 %, Greece 19 %, France 7 %, Ireland 9 %, Italy 9,5 %, Luxembourg 6 %, Netherlands 3 %, United Kingdom 7,5 %.

3.2. Council Regulation No 2892/77 stipulates that Member States are to forward to the Commission by 30 April each year an estimate of the VAT own resources base for the following year. On the whole, the Member States' estimates were virtually the same as those of the Commission ; the only significant differences involve Germany and France. Following the ACOR meeting of 26 April 1984, the Commission estimate of 15 234 million ECU was slightly amended and the amount finally adopted as 1 % of the VAT base for 1985 is 15 221,6 million ECU.

3.3. Two tables follow :

- the first shows the actual VAT bases for 1980 to 1982 notified by the Member States in the national currency and converted into ECU at budget rates ; the bases for 1980 and 1981 incorporate the results of controls carried out up to 30 June 1983. It also gives the estimates entered in the 1983 and 1984 budgets and the Commission's forecast for 1985.
- The second shows the estimates in the 1980-84 budgets and the Commission's forecast for 1985, plus the VAT rates and the margins still available.

**1 % OF THE VAT BASE REAL BASES 1980-82
ESTIMATES 1983-85**

(in Mio ECU)

		1980	1981	1982	1983	1984	1985
1. 1 % of the VAT base	10 739,0	11 526,0	12 912,6	13 719,0	14 608,5	15 221,6	
2. VAT rate	—	—	—	0,9980 ⁽¹⁾	0,9971	1,1237 ⁽²⁾	
3. Margin available	—	—	—	28,0 ⁽¹⁾	42,6		
4. 1 % of the VAT base by Member State							
Belgium	462,8	472,1	489,3	481,0	504,0	505	
Denmark	260,7	245,1	265,1	279,3	291,0	312	
Germany	3 357,0	3 525,5	3 353,5	4 011,7	4 200,0	4 450	
Greece	—	—	—	—	231,5	—	
France	2 548,5	2 848,2	3 227,1	3 203,2	3 327,0	3 450	
Ireland	83,8	107,9	114,4	134,8	126,0	135,6	
Italy	1 502,5	1 709,4	1 811,8	1 920,4	2 238,0	2 278,5	
Luxembourg	24,7	30,7	35,4	30,9	36,0	40	
Netherlands	642,7	645,2	632,2	732,1	728,0	750,5	
United Kingdom	1 856,3	1 941,8	2 983,8	2 925,6	2 927,0	3 300,0	

⁽¹⁾ Including supplementary and amending budgets Nos 1/83 and 2/83, excluding Greece. The margin available for the Ten was 28,3 million ECU.
⁽²⁾ Rate applicable from 1 October 1985.

ESTIMATES OF 1 % OF THE VAT BASE

(in Mio ECU)

		1980	1981	1982	1983	1984	1985
1. 1 % of the VAT base	9 910	11 680,3	12 974	13 719,0	14 608,5	15 221,6	
2. VAT rate	0,7322 ⁽¹⁾	0,7868 ⁽²⁾	0,9248 ⁽³⁾	0,9980 ⁽⁴⁾	0,9971	1,1237 ⁽⁵⁾	
3. Margin available	2 654 ⁽¹⁾	2 490,1 ⁽²⁾	975,7 ⁽³⁾	28,0 ⁽⁴⁾	42,6		
4. 1 % of the VAT base by Member State							
Belgium	450	475	510	481	504	505	
Denmark	260	270	265	279,3	291	312	
Germany	3 250	3 500	3 610	4 011,7	4 200	4 450	
Greece	—	(195)	(230)	(310)	231,5	(310)	
France	2 445	2 840	3 150	3 203,2	3 327	3 450	
Ireland	85	90	100	134,8	126	135,6	
Italy	1 080	1 700	1 725	1 920,4	2 238	2 278,5	
Luxembourg	20	26,3	24	30,9	36	40	
Netherlands	600	629	690	732,1	728	750,5	
United Kingdom	1 720	2 150	2 900	2 925,6	2 927	3 300,0	

⁽¹⁾ 1980 budget figures as amended by supplementary and amending budgets Nos 1 and 2.

⁽²⁾ 1981 budget figures excluding Greece, as amended by supplementary and amending budgets Nos 1 and 2. The margin available for the Ten was 2 502,4 million ECU.

⁽³⁾ 1982 budget figures excluding Greece. The margin available for the Ten was 983,7 million ECU.

⁽⁴⁾ Including supplementary and amending budgets No 1/83 and No 2/83 excluding Greece. The margin available for the Ten was 28,3 million ECU.

⁽⁵⁾ Rate applicable from the entry into force on 1 October 1985 of the new own resources decision.

This is the rate necessary to cover the difference between estimated expenditure and revenue up to the limit of 1 % of VAT which amounts to 1 912,65 million ECU, of which 1 882,97 is financed by VAT from nine Member States and the remainder by Greece's financial contribution.

TITLE 2 — FINANCIAL CONTRIBUTIONS

CHAPTER 20 — CONTRIBUTIONS PROVIDED FOR IN
ARTICLE 4 (2) OF THE DECISION OF 21 APRIL 1970 AND
THE DECISION OF ... 1984 ON THE REPLACEMENT OF
FINANCIAL CONTRIBUTIONS FROM MEMBER STATES BY
THE COMMUNITIES' OWN RESOURCES

ARTICLE 200 — CONTRIBUTIONS PROVIDED FOR IN ARTICLE 4 (2) OF THE DECISION OF
21 APRIL 1970 AND DECISION OF ... 1984

New item

ITEM 2003 — FINANCIAL CONTRIBUTION FROM GREECE

1984 — Budgeted amount	
1985 — Estimate	269 630 234
Percentage change	

ARTICLE 201 — CONTRIBUTIONS PROVIDED FOR IN ARTICLE 4 (2) OF THE DECISION OF
21 APRIL 1970

ITEM 2013 — FINANCIAL CONTRIBUTION FROM GREECE PURSUANT TO ARTICLE 4 (2)
OF THE DECISION OF 21 APRIL 1970

1984 — Budgeted amount	
1985 — Estimate	239 947 760
Percentage change	

1. References

- Article 4 (2) of the Decision of 21 April 1970 (OJ No L 94, 28.4.1979, p. 19).
- Article 145 of the Act concerning the conditions of accession of the Hellenic Republic and the adjustment to the Treaties (OJ No L 291, 19.11.1979, p. 17).
- Fifteenth Council Directive of 19 December 1983 on the harmonization of the laws of the Member States relating to turnover taxes — deferment of the introduction of the common system of value-added tax in the Hellenic Republic (83/648/EEC) (OJ No L 360, 23.12.1983, p. 49).
- Article 13 of Council Regulation (EEC) No 2891/77 of 19 December 1977 (OJ No L 336, 27.12.1977, p. 1).
- Decision of ... 1984.
- Council Regulation No ... of ... 1984.

2. Type of revenue

Following implementation of the Sixth Directive by the nine Member States, they pay own resources accruing from value-added tax into the budget instead of financial contributions. Under the Act of Accession, Greece could defer application of this Directive until 1 January 1984. The Fifteenth Directive extended this deadline to 1 January 1986. In 1985 Greece will therefore pay financial contributions calculated on the basis of the proportion which its gross national product accounts for in the sum of the gross national products of the Member States.

The repayment to Greece of 10 % of the contribution is entered in Article 860 of the statement of expenditure.

3. Method of calculation

3.1. Gross national product at market prices - At current prices

Member State	Currency unit	1980	1981	1982
Belgium	Mio BFR	3 399 945	3 527 690	3 803 854
Denmark	Mio DKR	364 504	397 808	452 512
Germany	Mio DM	1 485 700	1 542 899	1 597 700
Greece	Mio DRA	1 767 208	2 093 896	2 576 450
France	Mio FF	2 784 205	3 124 344	3 558 740
Ireland	Mio IRL	8 633	10 254	11 781
Italy	Mrd LIT	339 235	398 866	465 790
Luxembourg	Mio LFR	171 749	193 202	218 983
Netherlands	Mio HFL	335 810	352 080	366 720
United Kingdom	Mio UKL	226 605	249 926	274 524

3.2. Share of the gross national product of each Member State in the total of the gross national products
(in Mio ECU ⁽¹⁾)

Member State	1980	1981	1982	Average	GNP scale
Belgium	83 747	85 427	85 076	84 750	3,8233
Denmark	46 568	50 212	55 476	50 752	2,2895
Germany	588 580	613 747	672 435	624 921	28,1918
Greece	29 790	33 979	39 430	34 400	1,5519
France	474 396	517 282	553 358	515 012	23,2335
Ireland	12 771	14 839	17 084	14 898	0,6721
Italy	285 262	315 763	351 864	317 630	14,3291
Luxembourg	4 230	4 679	4 898	4 602	0,2076
Netherlands	121 658	126 871	140 296	129 608	5,8470
United Kingdom	378 629	451 856	489 823	440 103	19,8542
Total				2 216 676	100,00

(1) Conversion rate : 1 ECU = average over the year.

Year	BFR/LFR	DKR	DM	DRA	FF	IRL	LIT	HFL	UKL
1980	40,5979	7,82736	2,52421	59,32280	5,86895	0,675997	1189,205	2,76027	0,598488
1981	41,2946	7,92255	2,51390	61,62410	6,03992	0,691021	1263,180	2,77510	0,553110
1982	44,7115	8,15687	2,37599	65,34187	6,43117	0,689605	1323,780	2,61391	0,560455

3.3 Financing of the budget

— Expenditure to be covered in accordance with the Decision of 21 April 1970	27 845 181 603
— Customs duties, agricultural levies and sugar and isoglucose levies	10 470 980 000
— Own resources accruing from value-added tax and financial contributions relating to previous financial years resulting from the difference between the estimated bases and the actual VAT bases	p.m.
Balance to be financed	17 374 201 603

Financial contributions based on gross national product (GNP)

Member State not applying the common VAT system on 1 January 1985	GNP scale	Financial contribution to be paid
Greece	1,5519	269 630 234
Total	1,5519	269 630 234

Until 1985 VAT own resources were limited to 1 % of the base in accordance with Article 4 of the Decision of 21 April 1970. Since, with this ceiling, the Communities' resources are insufficient to cover the requirements resulting from their activities, the new own resources decision changes this ceiling. Greece's financial contribution based on a VAT rate of 1,1237 % is entered in Item 2003, which will apply only after the new decision enters into force on 1 October 1985.

Until the new own resources decision does enter into force on 1 October 1985, Item 2013 will apply. This Item contains the financial contribution resulting from application of the 1 % ceiling.

TITLE 3 — SURPLUSES AVAILABLE

**CHAPTER 30 — SURPLUS AVAILABLE FROM THE
PRECEDING FINANCIAL YEAR**

ARTICLE 300 — SURPLUS AVAILABLE FROM THE PRECEDING FINANCIAL YEAR

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Article 27 of the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities and Article 16 of Council Regulation (EEC, Euratom, ECSC) No 2891/77 of 19 December 1977 implementing the Decision of 21 April 1970 on the replacement of financial contributions from the Member States by the Communities' own resources.

2. Type of revenue

Article 27 of the Financial Regulation of 21 December 1977 states that the balance from each financial year shall be entered as revenue in the case of a surplus or expenditure in the case of a deficit in the budget of the subsequent financial year by means of the amending budget referred to in Article 16(2) of Regulation No 2891/77.

3. Method of calculation

The balance will be calculated in accordance with Article 15 of Regulation No 2891/77 when the revenue and expenditure account for 1984 is drawn up. Any deficit will be entered in Article 851 of the statement of expenditure.

**CHAPTER 31 — SURPLUS OF VAT OWN RESOURCES AND
FINANCIAL CONTRIBUTIONS FROM PREVIOUS
FINANCIAL YEARS RESULTING FROM APPLICATION OF
ARTICLE 10(4), (5) AND (6) OF REGULATION (EEC,
EURATOM, ECSC) No 2891/77 AS AMENDED**

**ARTICLE 310 — APPLICATION OF ARTICLE 10 (4) AND (5) OF REGULATION (EEC,
EURATOM, ECSC) No 2891/77 AS AMENDED**

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Article 10(4), (5) and (6) and Article 16(2) of Council Regulation (EEC, Euratom, ECSC) No 2891/77 of 19 December 1977 implementing the Decision of 21/9 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources (OJ No L 336, 21.12.1977) as amended by the proposal for a Council Regulation (ECSC, EEC, Euratom) (COM(82)316 final, COM(83)254 final and COM(83)621 final).

2. Type of revenue

Each Member State is, on the basis of the annual statement of VAT resources provided for in Article 10(1) of Regulation (EEC, Euratom, ECSC) No 2892/77 (OJ No L 336, 27.12.1977) amended by Regulation No 3550/82 (OJ No L 373, 31.12.1982) and by Regulation No 3625/83 (OJ No L 360, 23.12.1983), debited with an amount calculated from the information contained in the said statement by applying the rate adopted for the previous financial year and credited with the 12 payments made during that previous financial year. The Commission works out the balance and informs the Member States in good time for them to enter it in the Commission's account on the first working day of August of the same year.

The Commission then adjusts the financial contributions so as to restore, in the light of the actual yield from VAT resources, the original distribution in the budget between VAT resources and the financial contributions based on GNP.

3. Method of calculation

The operations referred to above constitute modifications to the revenue for the financial year in which they occur and will be entered in the statement of revenue by means of an amending budget. The outturn of the operations established from the statements for 1984 will therefore be entered into an amending budget for 1985.

Historical Archives of the European Commission

**ARTICLE 311 — APPLICATION OF ARTICLE 10(6) OF REGULATION (EEC, EURATOM, ECSC)
No 2891/77 AS AMENDED**

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Article 10(6) and (7) and Article 16(2) of Regulation (EEC, Euratom, ECSC) No 2891/77 implementing the Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources (OJ No L 336, 21.12.1977), as amended by the proposal for a Council Regulation (ECSC, EEC, Euratom) (COM(82)316 final, COM(83) 254 final and COM(83)621 final).

2. Type of resource

Pursuant to Article 10(1) of Regulation No 2892/77 (OJ No L 336, 27.12.1977), amended by Regulation No 3550/82 (OJ No L 373, 31.12.1982) and by Regulation No 3625/83 (OJ No L 360, 23.12.1983), the Member States send to the Commission before 1 July a statement of their total VAT base for the previous calendar year.

Following the controls conducted by Commission officials in the different national departments responsible, any corrections required are made to the statements in accordance with Article 10b of the amended Regulation No 2892/77.

These corrections lead to adjustments to the VAT balances calculated in accordance with Article 10(4) of Regulation No 2891/77 and, where necessary, to financial contributions.

3. Method of calculation

The amounts entered in this way constitute modifications to the revenue for the year in which they occur and will be entered in the statement of revenue by means of the amending budget containing the 1984 VAT balances (see Article 310). Entries may be made in 1985 following additional corrections to the statements relating to the 1979, 1980, 1981 and 1982 calendar years and the initial corrections to the 1983 statements.

TITLE 4 — MISCELLANEOUS COMMUNITY TAXES, LEVIES AND DUES

CHAPTER 40 — DEDUCTIONS FROM STAFF REMUNERATION

ARTICLE 400 — PROCEEDS OF THE TAX ON THE SALARIES, WAGES AND ALLOWANCES OF MEMBERS OF THE INSTITUTIONS, OFFICIALS, OTHER SERVANTS AND PERSONS IN RECEIPT OF A PENSION

1984 — Budgeted amount	58 000 100
1985 — Estimate	62 778 500
Percentage change	+ 8

1. References

- Article 9 of Council Regulation (EEC, Euratom, ECSC) No 260/68 of 29 February 1968 (OJ No L 56, 4.3.1968), as last amended by Council Regulation No 1544/73 of 4 June 1973 (OJ No L 155, 11.6.1973).
- Article 21 of Council Regulation No 422/67/EEC, No 5/67/Euratom of 25 July 1967 (OJ No 187, 8.8.1967), as last amended by Council Regulation No 1546/73 of 4 June 1973 (OJ No L 155, 11.6.1973).
- Articles 56 of Council Regulations Nos 1859/76 and 1860/76 of 29 June 1976 (OJ No L 214, 6.8.1976), as amended respectively by Council Regulations Nos 509/82 and 510/82 of 22 February 1982 (OJ No L 64, 8.3.1982).

2. Type of revenue

The revenue consists of all the tax due on the salaries, wages and emoluments of all types, with the exception of family allowances and social benefits, paid by the Commission to its members, to officials and other staff, to recipients of the termination-of-service allowances referred to in Article 125 of Part A of Section III (Commission) on the expenditure side, and to recipients of pensions.

It also includes the tax due on the salaries, wages and emoluments of all types, with the exception of family allowances and social benefits, paid to their officials and other staff by the Office for Official Publications, the Euratom Supply Agency, the European Centre for the Development of Vocational Training and the European Foundation for the Improvement of Living and Working Conditions.

3. Method of calculation and explanation of changes

The estimates are based on :

- the rate of the tax deductions applied on the basis of the basic salary scales and the salary weightings in force since 1 July 1983,
- the deductions which will result from the automatic step increases of officials before 31 December 1985,
- the deductions which will result from any salary increases that the Council may approve in 1984 and 1985,
- the deductions which will result from the occupation of new posts in 1984.

The total revenue may be broken down as follows :

— Administrative appropriations (including ... ECU for new posts in 1985)	50 000 000
— Office for Official Publications (including 2 120 ECU for new posts in 1985)	656 000
— Research and investment (including 230 000 ECU for new posts in 1985)	11 695 000
— Euratom Supply Agency	100 000
— European Centre for the Development of Vocational Training	189 000
— European Foundation for the Improvement of Living and Working Conditions	138 500
Total	62 778 500

The change in revenue is the result of :

- automatic progression to a higher step for a large number of officials,
- the effects of salary increases,
- the filling of new posts,
- the scale of taxes.

ARTICLE 401 — STAFF CONTRIBUTIONS TO THE PENSION SCHEME

1984 — Budgeted amount	27 499 800
1985 — Estimate	30 476 400
Percentage change	+ 11

1. References

- Article 83(2) of the Staff Regulations. There is no special provision stipulating explicitly that the contributions of officials to the pension scheme are to be entered as revenue in the general budget of the European Communities. Since 1963 contributions of officials have been so entered.
- Article 41h of Council Regulations No 1859/76 and No 1860/76 of 29 June 1976 (OJ No L 214, 6.8.1976), amended by Council Regulations No 509/82 and No 510/82 of 22 February 1982 (OJ No L 64, 8.3.1982).

2. Type of revenue

The revenue consists of the staff contribution to the pension scheme.

3. Method of calculation and explanation of changes

The staff contribution towards the financing of the pension scheme is set by the Staff Regulations at 6,75 % of the basic salary.

The explanation of the change is therefore the same as in the case of the appropriation under Item 1100 — Basic salaries.

The total revenue may be broken down as follows :

— Administrative appropriations (... ECU for new posts in 1985)	22 500 000
— Office for Official Publications (1 720 ECU for new posts in 1985)	530 000
— Research and investment (110 000 ECU for new posts in 1985)	7 210 000
— Euratom Supply Agency	56 000
— European Centre for the Development of Vocational Training	105 000
— European Foundation for the Improvement of Living and Working Conditions	75 400
Total	30 476 400

ARTICLE 402 — PROCEEDS OF THE SPECIAL LEVY ON NET SALARIES, PENSIONS AND TERMINATION-OF-SERVICE ALLOWANCES OF MEMBERS OF THE INSTITUTION, OFFICIALS, OTHER SERVANTS AND PERSONS IN RECEIPT OF A PENSION

1984 — Budgeted amount	13 622 700
1985 — Estimate	19 716 500
Percentage change	+ 44

1. References

- Council Regulation (Euratom, ECSC, EEC) No 3821/81 of 15 December 1981 (OJ No L 386, 31.12.1981).
- Council Regulation (Euratom, ECSC, EEC) No 3822/81 of 15 December 1981 (OJ No L 386, 31.12.1981).
- Council Decision 81/1062/Euratom, ECSC, EEC of 15 December 1981 (OJ No L 386, 31.12.1981).

2. Type of revenue

The revenue consists of the entire special levy to be applied to net salaries, pensions and termination-of-service allowances paid by the Commission to its members, to officials and other staff, and to recipients of pensions. It also includes the special levy applied to the net salaries and termination-of-service allowances paid to their officials and other staff by the Office for Official Publications, the Euratom Supply Agency, the European Centre for the Development of Vocational Training and the European Foundation for the Improvement of Living and Working Conditions.

3. Method of calculation and explanation of changes

For staff in active employment, on secondment, or on leave for military service, the levy is charged on the basic salary for the grade and step used to calculate remuneration, minus :

- social security and pension contributions and the tax, before any levy, payable by an official in the same grade and step without dependents, and
- the basic salary of an official in grade D4, step 1.

The levy is equal to 10,16 % of this basis in the period January to June 1985 and to 12,7 % in the period July to December 1985.

Application of the levy to pensions and termination of service allowances is suspended for the five years after 1 July 1981.

The total revenue may be broken down as follows :

— Administrative appropriations (... ECU for new posts in 1985)	14 500 000
— Office for Official Publications (750 ECU for new posts in 1985)	228 000
— Research and investment (80 000 ECU for new posts in 1985)	4 850 000
— Euratom Supply Agency	35 000
— European Centre for the Development of Vocational Training	50 000
— European Foundation for the Improvement of Living and Working Conditions	53 500
	<hr/>
Total	19 716 500

The increase in revenue is accounted for by :

- automatic step increases for a large number of officials ;
- the effect of salary increases ;
- the filling of new posts ;
- the increase in the levy rate.

CHAPTER 41 — MISCELLANEOUS TAXES**ARTICLE 410 — TAX ON SALMON CATCHES IN THE BALTIC**

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Proposals for Council Regulations : COM(80)558 final of 6 October 1980 and COM(82)835 final of 16 December 1982.

2. Type of revenue

The Agreement between the Community and the Swedish Government on measures to promote salmon breeding in the Baltic provides for a Community contribution towards the cost of salmon stocking programmes implemented by the Swedish Government in return for salmon catch quotas for Community fishermen in the Swedish fishing zone. The costs are covered by the appropriations entered at Article 421 of the statement of expenditure. This proposal for a Regulation introduces a tax on catches of salmon in the Baltic by Community vessels. The fishermen who enjoy additional fishing opportunities as a result of the Agreement are thus bearing part of the cost entailed by these measures.

3. Method of calculation

The Commission proposes that the tax be fixed at a level which ensures that the proceeds of the tax cover 50-75 % of the annual sum to be paid by the Community to Sweden, the final coefficient being fixed annually by the Council by 31 December of the preceding year. The Member States will, within 30 days following the end of each quarter, pay over to the Commission the amounts collected during that quarter. Pending a Council decision, a token entry has also been made in the statement of revenue.

CHAPTER 42 — DUES

ARTICLE 420 — REVENUE FROM LICENCES GRANTED BY THE COMMISSION FOR INVENTIONS RESULTING FROM COMMUNITY RESEARCH (IRRESPECTIVE OF WHETHER THEY CAN BE PATENTED)

1984 — Budgeted amount	20 000
1985 — Estimate	25 000
Percentage change	+ 25

1. References

- Article 12 of the EAEC Treaty conferring the right on Member States, persons and undertakings to obtain — upon payment of an appropriate sum — non-exclusive licences under patents, provisionally protected patent rights, utility models or patent applications owned by Euratom.
- Council Regulation (EEC) No 2380/74 of 17 September 1974 adopting provisions for the dissemination of information relating to research programmes for the European Economic Community (OJ No L 255, 20.9.1974, p. 1).

2. Type of revenue

Remuneration for licences granted by the Commission, upon application.

3. Method of calculation and explanation of changes

The 1985 revenue estimate is based on the provisions of contracts with undertakings, and takes account of the outturn for previous years.

**CHAPTER 49 — PROCEEDS OF THE TAX ON THE
SALARIES, WAGES AND EMOLUMENTS OF MEMBERS OF
THE GOVERNING BODIES OF THE EUROPEAN
INVESTMENT BANK, ITS STAFF AND PERSONS IN
RECEIPT OF A PENSION**

New article

**ARTICLE 490 — PROCEEDS OF THE TAX ON THE SALARIES, WAGES AND EMOLUMENTS OF
MEMBERS OF THE GOVERNING BODIES OF THE EUROPEAN INVESTMENT
BANK, ITS STAFF AND PERSONS IN RECEIPT OF A PENSION**

1984 — Budgeted amount	
1985 — Estimate	
Percentage change	

1. References

Articles 9 and 12 of Council Regulation (EEC, Euratom, ECSC) No 260/68 of 29 February 1968 (OJ No L 56, 4.3.1968), as last amended by Council Regulation No 1544/73 of 4 June 1973 (OJ No L 155, 11.6.1973).

2. Type of revenue

The revenue consist of all the tax due on the salaries, wages and emoluments of all types, with the exception of family allowances and social benefits, paid by the Bank to the members of its governing bodies, to its staff and to persons in receipt of a pension.

3. Method of calculation

The estimate would be based on :

- the rate of the tax deductions applied on the basis of the basic salary scales and the salary weightings in force.
- the deductions which will result from any salary increases approved in 1984 and 1985,
- the deductions which will result from the occupation of new posts in 1985.

A token entry has been made, however, pending the decision of the Bank's Board of Governors.

**TITLE 5 — REVENUE ACCRUING FROM THE ADMINISTRATIVE OPERATION
OF THE INSTITUTION**

**CHAPTER 50 — PROCEEDS FROM THE SALE OF
MOVABLE AND IMMOVABLE PROPERTY**

ARTICLE 500 — PROCEEDS FROM THE SALE OF MOVABLE PROPERTY

1984 — Budgeted amount		p.m.
1985 — Estimate		p.m.
Percentage change		—

1. References

Revenue accruing from the normal operation of the Commission.

2. Type of revenue

This heading is to record that part of the proceeds from the sale of movable property which are not re-used for administrative expenditure pursuant to Article 22 of the Financial Regulation.

3. Method of calculation

No revenue is expected that will not be re-used.

ARTICLE 501 — PROCEEDS FROM THE SALE OF IMMOVABLE PROPERTY

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Revenue accruing from the normal operation of the Commission.

2. Type of revenue

This heading is to record proceeds from the sale of buildings. Article 22 of the Financial Regulation does not provide for the re-use of this type of revenue.

3. Method of calculation

No sales of buildings are planned for 1985.

ARTICLE 502 — PROCEEDS FROM THE SALE OF PUBLICATIONS, PRINTED WORKS AND FILMS

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Revenue accruing from the normal operation of the Commission.

2. Type of revenue

This heading is to record the proceeds from the sale of publications, printed works and films which are not re-used pursuant to Article 22 of the Financial Regulation.

3. Method of calculation

As the revenue from the sale of publications by the Office for Official Publications is refunded in full to the institutions (after deduction of the direct selling costs), all the revenue from the sale of publications qualifies for re-use on condition that the budget heading covering the expenditure relating to the sale is known. The same applies to revenue from the sale of publications containing scientific and technical knowhow acquired thanks to appropriations entered at Article 753 of the statement of expenditure.

No revenue is expected that will not be re-used.

CHAPTER 51 — PROCEEDS FROM LETTING AND HIRING

ARTICLE 510 — PROCEEDS FROM THE HIRING OUT OF FURNITURE AND EQUIPMENT

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Revenue accruing from the normal operation of the Commission.

2. Type of revenue

This heading is to record the proceeds from the hiring out of furniture and equipment which, not being provided for under Article 22 of the Financial Regulation, cannot be re-used for administrative expenditure.

3. Method of calculation

There are no plans for hiring out furniture and equipment in 1985.

**ARTICLE 511 — PROCEEDS FROM LETTING AND SUB-LETTING IMMOVABLE PROPERTY
AND OTHER CHARGES CONNECTED WITH LETTINGS**

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Revenue accruing from the normal operation of the Commission.

2. Type of revenue

This heading is to record the proceeds from letting immovable property and other charges, which in unforeseen circumstances cannot be deducted from expenditure, pursuant to Article 22(3) of the Financial Regulation.

3. Method of calculation

It is planned to deduct from expenditure all payments made by third parties by way of rents and related charges due for occupation of premises let by the Commission.

CHAPTER 52 — REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST

ARTICLE 520 — REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST ON THE INSTITUTION'S ACCOUNTS

ITEM 5200 — REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER
INTEREST ON THE INSTITUTION'S ACCOUNTS, OTHER THAN THOSE
OPENED UNDER ARTICLE 9(1) OF REGULATION (EEC, EURATOM, ECSC)
No 2891/77 AS AMENDED

1984 — Budgeted amount	40 000 000
1985 — Estimate	30 000 000
Percentage change	— 25

1. References

In line with the principles of economy and sound financial management (Article 2 of the Financial Regulation), the Commission watches closely that its cash in hand brings in the highest rate of interest.

2. Type of revenue

Revenue under this article comes from the current accounts opened by the Commission on which it keeps sums to cover cash needs for one month.

Interest on the accounts into which the Member States pay own resources is entered under Item 5201.

3. Method of calculation and explanation of changes

Bank interest has yielded the following amounts :

- in 1980 : 26,6 million ECU
- in 1981 : 29,0 million ECU
- in 1982 : 77,2 million ECU
- in 1983 : 44,7 million ECU

Excluding exceptional items, interest totalled 38,4 million ECU in 1981 and 53,2 million ECU in 1982.

ITEM 5201 — INTEREST ON ACCOUNTS OPENED BY THE COMMISSION UNDER ARTICLE 9(1) OF AMENDED REGULATION (EEC, EURATOM, ECSC) No 2891/77

1984 — Budgeted amount	p.m.
1985 — Estimate	30 000 000
Percentage change	—

1. References

- Article 9(1) of Council Regulation No 2891/77 of 19 December 1977 (OJ No L 336, 27.12.1977, p. 1) as amended by Council Regulation No ... of ... 1984.
- Proposals for Regulations (COM(82)316 final of 20 July 1982, COM(83)254 final of 10 May 1983 and COM(93)621 final of 21 October 1983).

2. Type of revenue

The Commission's accounts into which the Member States pay own resources are interest-bearing.

3. Method of calculation

The calculation is based on estimated average balances and inter-bank interest rates during 1985.

ARTICLE 521 — REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST ON THE ACCOUNTS OF ORGANIZATIONS RECEIVING SUBSIDIES TRANSFERRED TO THE COMMISSION

1984 — Budgeted amount	500 000
1985 — Estimate	510 000
Percentage change	+ 2

1. References

Article 17 of the Convention of 13 July 1965 between the Commission and the European Association for Cooperation.

2. Type of revenue

The appropriations for financing the European Association for Cooperation (EAC) and the Commission delegations in the developing countries are entered in Chapter 98 of the statement of expenditure. Funds for the delegations are channelled through the EAC, to which the Commission pays regular advances.

The revenue in this article accrues from interest entered on the EAC's bank accounts and is paid to the Commission pursuant to Article 17 of the abovementioned Convention, which stipulates that any revenue received by the EAC in the performance of its functions shall be entered in a special account and its use determined by the Commission.

3. Method of calculation

The estimate of revenue for 1985 is based on previous outturn and on appropriations proposed in Chapter 98 of the statement of expenditure.

CHAPTER 53 — EXCHANGE GAINS

ARTICLE 530 — EXCHANGE GAINS

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Article 22(4) of the Financial Regulation of 21 December 1977.

2. Type of revenue

Exchange gains and losses are made when funds are transferred. Similar entries also result from the use of the monthly rates for the ECU.

3. Method of calculation

Under Article 22 of the Financial Regulation exchange gains and losses relating to the transfer of funds may be set against one another.

CHAPTER 54 — MISCELLANEOUS REVENUE AVAILABLE
FOR RE-USE (ARTICLE 22 OF THE FINANCIAL
REGULATION) BUT NOT USED

ARTICLE 540 — MISCELLANEOUS REVENUE AVAILABLE FOR RE-USE (ARTICLE 22 OF THE
FINANCIAL REGULATION) BUT NOT USED

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Article 22 of the Financial Regulation of 21 December 1977.

2. Type of revenue

In accordance with Article 22 of the Financial Regulation, such sums must be re-used before the end of the financial year following that in which the revenue was collected.

Revenue which may be re-used and which has not been used within the specified period is entered in this article.

CHAPTER 55 — TRANSFER OR PURCHASE OF PENSION RIGHTS BY STAFF

ARTICLE 550 — TRANSFER OR PURCHASE OF PENSION RIGHTS BY STAFF

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

- Article 4, Article 11(2) and Article 48 of Annex VIII to the Staff Regulations.
- Article 107 of the Staff Regulations.

2. Type of revenue

The revenue consists of the payment to the Commission of the actuarial equivalent or lump sum for the buying-in of pension rights acquired by officials in their previous employment.

3. Method of calculation

It is not possible to estimate in advance the revenue for 1985.

CHAPTER 56 — EMPLOYER'S CONTRIBUTION TO PENSION SCHEME

ARTICLE 560 — EMPLOYER'S CONTRIBUTION BY THE JOINT EUROPEAN TORUS (JET) JOINT UNDERTAKING TO THE PENSION SCHEME

1984 — Budgeted amount	850 000
1985 — Estimate	850 000
Percentage change	—

1. References

- Articles 8.5 and 8.7 of the Statutes annexed to Council Decision 78/471/Euratom of 30 May 1978 on the establishment of the Joint European Torus (JET) Joint Undertaking (OJ No L 151, 7.6.1978, p, 10).
- Articles 41 and 43 of the Conditions of Employment of Other Servants of the European Communities.
- Article 83(2) of the Staff Regulations.

2. Type of revenue

The revenue represents the employer's contribution of the JET to the pension fund.

3. Method of calculation

The employer's contribution to the pension fund is 13,50 % of the basic salary of members of staff.

CHAPTER 58 — MISCELLANEOUS COMPENSATION

ARTICLE 580 — MISCELLANEOUS COMPENSATION

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

The references for this revenue are determined in each specific case.

2. Type of revenue

This revenue constitutes compensation such as :

- reimbursement by insurers, following exercise of the right of subrogation enjoyed by the Communities, of benefits paid under the Staff Regulations to staff, or those entitled under them, involved in accidents caused by third parties ;
- payment by insurers of claims arising from damage to Community furniture or equipment ;
- costs recovered following a judgment of the Court of Justice.

3. Method of calculation

It is not possible to forecast the revenue which will accrue in 1985.

CHAPTER 59 — OTHER REVENUE FROM
ADMINISTRATIVE OPERATIONS

ARTICLE 590 — OTHER REVENUE FROM ADMINISTRATIVE OPERATIONS

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Miscellaneous revenue, the references and type are defined in each individual case.

TITLE 6 — CONTRIBUTIONS TO COMMUNITY PROGRAMMES, REPAYMENT OF EXPENDITURE AND REVENUE FROM SERVICES RENDERED AGAINST PAYMENT

CHAPTER 60 — CONTRIBUTIONS TO COMMUNITY PROGRAMMES

ARTICLE 600 — CONTRIBUTIONS PROVIDED FOR IN ARTICLE 3(4) AND ARTICLE 4(6) OF THE DECISION OF 21 APRIL 1970 ON THE REPLACEMENT OF FINANCIAL CONTRIBUTIONS FROM MEMBER STATES BY THE COMMUNITIES' OWN RESOURCES

1984 — Budgeted amount	17 552 000
1985 — Estimate	15 488 000
Percentage change	— 11,8

1. References

Decision on a four-year programme (1984-87) of 22 December 1983 (OJ No L 3, 5 January 1984, p. 21) concerning the Joint Research Centre.

2. Type of revenue

This revenue constitutes the contributions by Germany and the Netherlands for financing the 'operation of the HFR reactor' programme as part of research and investment activities. The 1984 revenue includes 4 709 000 ECU for the completion of the 1980-83 supplementary programme of 13 March 1980 (OJ No L 72, p. 11) for the Joint Research Centre. (See Item 7389 for the 1984-87 programme and Item 7391 for the completion of the 1980-83 programme in the statement of expenditure.)

3. Method of calculation

Member State	1984	1985
Federal Republic of Germany	8 776 000	7 744 000
Netherlands	8 776 000	7 744 000
Total	17 552 000	15 488 000

ARTICLE 601 — COOPERATION AGREEMENTS ON CONTROLLED THERMONUCLEAR FUSION AND PLASMA PHYSICS

ITEM 6010 — SWEDEN/EURATOM COOPERATION AGREEMENT

1984 — Budgeted amount	6 595 000
1985 — Estimate	5 807 000
Percentage change	- 11,9

1. References

Cooperation Agreement between Sweden and the EAEC signed on 10 May 1976.

2. Type of revenue

This is an estimate of Sweden's contributions under the abovementioned Cooperation Agreement.

Of these contributions :

- 2 597 000 ECU is to cover Sweden's share of the Community contribution towards financing the JET Joint Undertaking (Item 7311 of the statement of expenditure).
- 3 210 000 ECU is to cover :
 - expenditure resulting from the implementation of the Cooperation Agreement (Item 7310 of the statement of expenditure).
 - if any appropriations are left over, expenditure resulting from other contracts of association signed, or to be signed, with Community research bodies (Item 7310 of the statement of expenditure).

Revenue in excess of this amount may be used, in accordance with Article 91(2) of the Financial Regulation of 21 December 1977, as amended on 25 June 1979, to cover additional expenditure resulting from Community contracts of association (Item 7310 of the statement of expenditure).

3. Method of calculation and explanation of changes

The Swedish contribution is fixed annually at an amount such that the ratio between the Swedish contribution and Euratom's contribution reflects the ratio between Sweden's GDP and the aggregate GDP of the Community and Sweden in the antepenultimate year (Article IX of the Cooperation Agreement), namely for 1985 :

- financial contribution by Euratom to the Fusion Programme (Item 7310) and the JET project (Item 7311) ; in other words, the payment appropriations entered under these two items of the preliminary draft budget,
- estimate of the ratio between GDPs : 3,95 %.

The change is due primarily to the reduction in payment appropriations for 1985.

ITEM 6011 — SWITZERLAND/EURATOM COOPERATION AGREEMENT

1984 — Budgeted amount	5 960 000
1985 — Estimate	5 251 000
Percentage change	— 11,9

1. References

Cooperation Agreement between Switzerland and the EAEC signed on 14 September 1978.

2. Type of revenue

This is an estimate of Switzerland's contributions under the abovementioned Cooperation Agreement.

Of these contributions :

- 2 347 000 ECU is to cover Switzerland's share of the Community contribution towards financing the JET Joint Undertaking (Item 7311 of the statement of expenditure).
- 2 904 000 ECU is to cover :
 - expenditure resulting from the implementation of the Cooperation Agreement (Item 7310 of the statement of expenditure),
 - if any appropriations are left over, expenditure resulting from other contracts of association signed, or to be signed, with Community research bodies (Item 7310 of the statement of expenditure).

Revenue in excess of this amount may be used in accordance with Article 91(2) of the Financial Regulation of 21 December 1977, as amended on 25 June 1979, to cover additional expenditure resulting from Community contracts of association (Item 7310 of the statement of expenditure).

3. Method of calculation and explanation of changes

The Swiss contribution is fixed annually at an amount such that the ratio between it and the Euratom financial contribution reflects the ratio between Switzerland's GDP and the aggregate GDP of the Community and Switzerland in the antepenultimate year (Article X of the Cooperation Agreement), namely for 1985 :

- financial contribution by Euratom to the Fusion Programme (Item 7310) and the JET project (Item 7311) ; in other words, the payment appropriations entered under these two items of the preliminary draft budget,
- estimate of the ratio between GDPs : 3,57 %.

The change is due primarily to the reduction in payment appropriations for 1985.

ITEM 6012 — SPAIN/EURATOM COOPERATION AGREEMENT

1984 — Budgeted amount	20 000
1985 — Estimate	36 000
Percentage change	+ 80,0 %

1. References

Cooperation Agreement between Spain and the EAEC signed on 14 july 1980.

2. Type of revenue

This is an estimate of Spain's contributions under the abovementioned Cooperation Agreement.

The 15 000 ECU contribution is to cover :

- expenditure arising out of the Cooperation Agreement (Item 7310 of the statement of expenditure),
- if any appropriations are left over, expenditure resulting from other contracts of association signed or to be signed with Community research bodies (Item 7310 of the statement of expenditure).

Revenue in excess of this amount may be used in accordance with Article 91(2) of the Financial Regulation of 21 December 1977, as amended on 25 June 1979, to cover any additional expenditure arising out of Community contracts of association (Item 7303 of the statement of expenditure).

3. Method of calculation and explanation of changes

Spain's contribution is fixed annually.

ARTICLE 602 — COOPERATION AGREEMENTS WITH EUROPEAN NON-MEMBER COUNTRIES UNDER COMMUNITY RESEARCH PROGRAMMES

1984 — Budgeted amount	80 000
1985 — Estimate	500 000
Percentage change	+ 525,0 %

1. References

Cooperation agreements between the Community and European non-member countries, notably those participating in European cooperation in the field of scientific and technical research (COST), in order to associate them with Community research programmes.

2. Type of revenue

These are contributions arising from agreements to be concluded. The funds are to cover the costs of meetings, experts' contracts and research contracts under the programmes in question.

In accordance with Article 91(2) of the Financial Regulation of 21 December 1977, as amended on 25 June 1979, revenue in excess of estimates may be used to meet additional expenditure under Items 7306, 7308, 7323, 7324, 7325, 7328, 7351, 7352, 7353, 7354, 7355 and 7356 of the statement of expenditure.

ARTICLE 603 — COOPERATION AGREEMENTS WITH EUROPEAN NON-MEMBER COUNTRIES UNDER COMMUNITY INDUSTRIAL PROGRAMMES

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Cooperation agreements between the Community and European non-member countries, notably those participating in European cooperation in the field of scientific and technical research (COST), in order to associate them with Community industrial programmes.

2. Type of revenue

These are contributions arising from agreements to be concluded. The funds are to cover the costs of meetings, experts' contracts and research contracts under the programmes in question.

In accordance with point (f) of Article 22(2) of the Financial Regulation of 21 December 1977, as amended on 25 June 1979, revenue in excess of estimates may be used to meet additional expenditure under Item B 7702.

ARTICLE 608 — AGREEMENTS FOR EUROPEAN COOPERATION IN THE FIELD OF SCIENTIFIC AND TECHNICAL RESEARCH (COST)

1984 — Budgeted amount	135 000
1985 — Estimate	150 000
Percentage change	+ 11,1

1. References

Agreements between the European Communities and non-member countries taking part in European cooperation projects in the scientific and technical research sector.

2. Type of revenue

Estimate of contributions by non-member countries to the financing of common expenditure arising out of contracts with experts and certain administrative expenditure the Commission will incur as a result of non-member countries acceding to agreements for European cooperation in scientific and technical research (COST).

Under Article 91(2) of the Financial Regulation of 21 December 1977, as amended on 25 June 1979, revenue in excess of this amount may be used for additional expenditure under Item 7362 of the statement of expenditure.

3. Method of calculation

The estimate is based on the cost of secretariat staff working on COST projects — four category C officials — and the corresponding administrative expenditure.

CHAPTER 61 — REPAYMENT OF MISCELLANEOUS EXPENDITURE

ARTICLE 610 — REPAYMENT OF EXPENDITURE INCURRED ON BEHALF OF ANOTHER INSTITUTION

ITEM 6100 — PORTION OF PROCEEDS OF ECSC LEVIES PAID IN PURSUANCE OF ARTICLE 20 OF THE TREATY OF 8 APRIL 1965

1984 — Budgeted amount	5 000 000
1985 — Estimate	5 000 000
Percentage change	—

1. References

- Article 50 of the ECSC Treaty.
- Article 20 of the Treaty of 8 April 1965.
- Council Decision 77/729/ECSC of 21 November 1977 (OJ No L 306, 30.11.1977, p. 28).

2. Type of revenue

The ECSC's administrative expenditure is included in the general budget of the European Communities. The ECSC's contribution towards this expenditure is paid as a fixed annual amount split into four equal quarterly instalments.

3. Method of calculation

The Council Decision of 21 November 1977 fixed at 5 000 000 ECU the proportion of the ECSC's administrative expenditure to be covered by levies.

ITEM 6101 — REPAYMENT OF OTHER EXPENDITURE INCURRED ON BEHALF OF ANOTHER INSTITUTION

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Revenue accruing in the course of the normal running of the Commission.

2. Type of revenue

This revenue accrues from the repayment of certain expenditure not for re-use under Article 22 of the Financial Regulation.

ARTICLE 611 — REPAYMENT OF EXPENDITURE INCURRED ON BEHALF OF ONE OR MORE STATES**ITEM 6110 — CONTRIBUTIONS TO BE RECOVERED FROM STATES TAKING PART IN INTERGOVERNMENTAL CONFERENCES**

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Revenue accruing in the course of the normal running of the Commission.

2. Type of revenue

This revenue accrues from the repayment of certain expenditure not for re-use under Article 22 of the Financial Regulation.

ARTICLE 612 — REPAYMENT OF EXPENDITURE INCURRED SPECIFICALLY AS A RESULT OF WORK UNDERTAKEN ON REQUEST AND AGAINST PAYMENT

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Revenue accruing in the course of the normal running of the Commission.

2. Type of revenue

This revenue accrues from the repayment of certain expenditure which cannot be re-used, pursuant to Article 22 of the Financial Regulation.

**ARTICLE 613 — SUMS RECOVERED IN PURSUANCE OF ARTICLE 8 OF REGULATION (EEC)
No/729/70**

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Article 8 of Council Regulation No 729/70.

2. Type of revenue

Recovery of sums lost in the financing of the common agricultural policy as a result of irregularities or negligence gives rise to payments to the paying departments or agencies which are deducted by them from the expenditure financed by the Fund.

A revenue entry will therefore be made only should the sums recovered exceed expenditure.

ARTICLE 614 — REPAYMENT OF SUBSIDIES GRANTED UNDER REGULATION No 3056/73

1984 — Budgeted amount	1 700 000
1985 — Estimate	1 500 000
Percentage change	— 12

1. References

Council Regulation (EEC) No 3056/73 of 9 November 1973 (OJ No L 312, 13.11.1973) on the support of Community projects in the hydrocarbons sector.

2. Type of revenue

Repayment of the subsidies granted under this Regulation, and charged to Item 7000 of the statement of expenditure, in the event of the commercial exploitation of the results of projects.

3. Method of calculation

Revenue is estimated on the basis of provisions in contracts concluded with firms on the development of hydrocarbons. There may be greater commercial exploitation of these results.

ARTICLE 615 — REPAYMENT OF UNUSED COMMUNITY AID

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Revenue accruing in the course of the normal running of the Commission

2. Type of revenue

This revenue accrues from the repayment of certain expenditure which cannot be re-used, under the rules governing the Fund or measures concerned and which are not re-used under Article 22 of the Financial Regulation :

- aid from the Social Fund, the European Regional Development Fund, the European Agricultural Guidance and Guarantee Fund, supplementary measures in favour of the United Kingdom and special measures of Community interest under the energy strategy ;
- subsidies for balancing budgets ;
- interest subsidies ;
- contracts ;
- other.

3. Method of calculation

It is not possible to calculate in advance the revenue which will accrue in 1985.

ARTICLE 616 — REPAYMENT OF EXPENDITURE INCURRED ON BEHALF OF THE INTERNATIONAL ATOMIC ENERGY AGENCY

1984 — Budgeted amount	50 000
1985 — Estimate	60 000
Percentage change	+ 20

1. References

The Verification Agreement, particularly Article 15 thereof, concluded between the Community, eight of its Member States and the IAEA, Vienna (OJ No L 51, 22.2.1978) ; the Tripartite Agreements concluded between the Community, the United Kingdom and the IAEA ; the Agreement concluded between the Community, France and the IAEA.

2. Type of revenue

The Verification Agreement requires the Euratom Safeguards Directorate to cooperate closely with the IAEA. There is provision for 'joint-team' inspections in conjunction with the IAEA inspectors.

Moreover, in some nuclear plants, the Euratom and IAEA inspection teams share the offices put at their disposal.

The Euratom Safeguards Directorate handles all movements of funds relating to the settlement of expenditure incurred as a result of this cooperation, granting advances to the IAEA in respect of expenditure, which it later repays.

3. Method of calculation and explanation of changes

Receipt of repayments by the IAEA of the amounts relating to its share of expenditure on inspections carried out jointly with Euratom's Safeguards Directorate (expenditure basically being apportioned on a 50/50 basis). The corresponding expenditure is charged to Article 712 of the statement of expenditure.

ARTICLE 617 — REPAYMENTS OF ANY EXCESS AMOUNTS PROVISIONALLY GRANTED TO A MEMBER STATE IN CONNECTION WITH THE SUPPLEMENTARY MEASURES IN FAVOUR OF THE UNITED KINGDOM OR THE SPECIAL MEASURES OF COMMUNITY INTEREST UNDER THE ENERGY STRATEGY, ONCE THE EXACT AMOUNTS TO BE GRANTED HAVE BEEN DETERMINED

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

- Article 5(1) of and Annex II to Council Regulation (EEC) No 2744/80 of 27 October 1980 establishing supplementary measures in favour of the United Kingdom (OJ No L 284, 29.10.1980, p. 4), as amended by Council Regulation (EEC) No 624/83 of 15 March 1983 (OJ No L 73, 19.3.1983, p. 6).
- The conclusions of 26 October 1982 of the Ministers for Foreign Affairs on compensation to the United Kingdom for 1982.

2. Type of revenue

Initially, compensation to the United Kingdom will be granted on a provisional basis. After the amounts to be granted have been finally determined, some of the amounts provisionally granted may be repaid.

3. Method of calculation

This line has a token entry until the amounts to be granted to the United Kingdom have been finally determined.

New article

ARTICLE 618 — REPAYMENT BY TENDERERS OR RECIPIENTS OF OVERPAYMENTS MADE IN CONNECTION WITH FOOD AID

1984 — Budgeted amount	
1985 — Estimate	p.m.
Percentage change	

1. References

Provisions contained in the invitations to tender or in the financial conditions attached to the Commission's letters to recipients laying down the conditions for granting food aid.

2. Type of revenue

The Commission pays advances to the tenderers or recipients to finance the purchase and carriage of food aid. In some circumstances such as when the operation does not take place within the time limit set, when a shortfall is discovered on delivery or when the actual costs are found to be less than the advances, surplus payments are repaid to the Commission.

3. Method of calculation

The revenue for 1985 cannot be estimated in advance.
Until 1984 this revenue was entered in Article 900 (Miscellaneous revenue). A separate heading is proposed from 1985 onwards to improve budget transparency.

ARTICLE 619 — REPAYMENT OF OTHER EXPENDITURE INCURRED ON BEHALF OF OUTSIDE BODIES AND INDIVIDUALS

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Revenue accruing in the course of the normal running of the Commission.

2. Type of revenue

This revenue accrues from the repayment of certain expenditure not for re-use under Article 22 of the Financial Regulation.

CHAPTER 62 — REVENUE FROM SERVICES RENDERED
AGAINST PAYMENT

ARTICLE 620 — SUPPLY AGAINST PAYMENT OF SOURCE MATERIALS OR SPECIAL FISSILE
MATERIALS (ARTICLE 6(b) OF THE EURATOM TREATY)

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Article 6(b) of the Euratom Treaty.

2. Type of revenue

Supply against payment of source materials or special fissile materials for Member States to implement their research programmes.

3. Method of calculation

To be laid down in the sales contracts.

ARTICLE 621 — REVENUE FROM SERVICES RENDERED AGAINST PAYMENT TO MEMBER STATES, PERSONS OR UNDERTAKINGS (ARTICLE 6(c) OF THE EURATOM TREATY)

ITEM 6210 — PAYMENTS BY CERTAIN NATIONAL BODIES IN RESPECT OF STAFF PLACED AT THEIR DISPOSAL

1984 — Budgeted amount	700 000
1985 — Estimate	750 000
Percentage change	+ 7,1

1. References

Agreements — based on Article 6(c) of the Euratom Treaty — concluded, or to be concluded, between Euratom and the following bodies :

Body	Agreement signed on	Duration	Staff
Kernforschungszentrum Karlsruhe (KfK)	21 March 1974,	1 July 1973 31 December 1984	4 A
	and supplements of 12 May 1980 and 22 November 1982	1 January 1981 31 December 1984	2 A
Commissariat à l'énergie atomique français (CEA)	21 December 1979	14 January 1980 31 December 1985	1 A
	and supplement of 19 October 1982	1 January 1984 31 December 1985	1 A

Discussions on the extension of agreements due to expire on 31 December 1984 are in progress.

2. Type of revenue

This revenue is from the reimbursement by certain national agencies of staff and administrative expenditure in respect of the eight Commission officials made available to them. It covers the expenditure entered in Item 7360 of the statement of expenditure. Under Article 91(2) of the Financial Regulation of 21 December 1977, as amended on 25 June 1979, any additional revenue in excess of the estimate may be used to cover additional expenditure under Item 7360.

3. Method of calculation and explanation of changes

The revenue for 1985 has been estimated according to the requirements to be met under Item 7360 of the statement of expenditure :

(a) *Staff expenditure*

Staff estimates for 1985 consist of 8 category A officials (as in 1983).

In the light of these staff numbers and the common bases for the increase in the remunerations for the staff of the European Communities listed at the end of the part of Chapter 73 on shared-cost actions, staff expenditure amounts to 688 000 ECU including the reserve.

(b) *Current administrative expenditure*

This expenditure has been assessed at 62 000 ECU for 1985.

Historical Archives of the European Commission

**ARTICLE 622 — REVENUE FROM SERVICES PROVIDED BY THE JOINT RESEARCH CENTRE
TO OUTSIDE BODIES UPON REQUEST AND AGAINST PAYMENT**

1984 — Budgeted amount	721 000
1985 — Estimate	964 000
Percentage change	+ 33,7

1. References

Article 3(1), last indent of Article 87 and Article 91(2) of the Financial Regulation of 21 December 1977, as amended on 25 June 1979.

2. Type of revenue

Payments by persons, undertakings and national bodies in respect of work carried out and/or services rendered by the JRC upon request and against payment. The revenue covers expenditure entered in Item 7382 of the statement of expenditure.

Under Article 91(2) of the Financial Regulation of 21 December 1977, as amended on 25 June 1979, any additional revenue in excess of estimates may be used to cover additional expenditure under Item 7382 of the statement of expenditure.

3. Method of calculation and explanation of changes

The revenue estimates for 1985 tally with the payments in respect of work to be carried out or services to be provided by the JRC for outside bodies.

Any additional service not included in these estimates will give rise to payments corresponding to the additional expenditure to be defrayed under Item 7382.

ARTICLE 623 — REVENUE FROM SERVICES PROVIDED BY THE DIRECTORATE-GENERAL FOR RESEARCH TO OUTSIDE BODIES UPON REQUEST AND AGAINST PAYMENT

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Articles 3(1), 87 (final paragraph) and 91(2) of the Financial Regulation of 21 December 1977, as amended on 25 June 1979.

2. Type of revenue

Payments by persons, undertakings and national bodies in respect of work carried out and/or services rendered by the Directorate-General for Research upon request and against payment. The revenue covers expenditure entered in Item 7362.

Under Article 91(2) of the Financial Regulation of 21 December 1977, as amended on 25 June 1979, any additional revenue in excess of the estimates may be used to cover additional expenditure under Item 7362.

3. Method of calculation

Revenue is expected following requests from outside bodies under the objective 'Reference materials and methods — CBR' and 'Applied metrology'.

The Belgian nuclear safety authorities intend to ask officials working on 'Safety of thermal reactors' to assess the safety of the Doel and Tihange power stations, against payment.

ARTICLE 624 — REVENUE ACCRUING FROM WORK CARRIED OUT BY THE OFFICE FOR OFFICIAL PUBLICATIONS

1984 — Budgeted amount	18 754 000
1985 — Estimate	22 554 300
Percentage change	+ 20

1. References

Article 103, Title X of the Financial Regulation of 21 December 1977 (special provisions applicable to the Office for Official Publications of the European Communities).

2. Type of revenue

This amount represents the counterpart in *pro forma* revenue of all the appropriations entered on a *pro forma* basis by the institutions under Item 2390 of the relevant section of the general budget.

3. Method of calculation and explanation of changes

The total amount corresponds to the total expenditure of the Office (see Article 287 of Section III/A of the statement of expenditure).

The provisional estimate of the cost of the services provided by the Office to each of the institutions, based on the detailed accounts of the Office, is as follows :

— Parliament	3 122 940
— Council	1 366 427
— Economic and Social Committee	200 680
— Commission	15 929 609
— Court of Justice	1 749 748
— Court of Auditors	184 896
Total	22 554 300

TITLE 7 — INTEREST ON LATE PAYMENTS AND FINES

CHAPTER 70 — INTEREST ON LATE PAYMENTS

ARTICLE 700 — INTEREST ON LATE PAYMENTS

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

- Article 11 of Council Regulation No 2891/77 of 19 December 1977 (OJ No L 336, 21.12.1977) as amended by the proposal for a Council Regulation (ECSC, EEC, Euratom) (COM(82)316 final, COM(83)254 final and COM(83)621 final).
- Article 28(3) of the Financial Regulation.

2. Type of revenue

Any delay by the Member States in making the entries in the Commission's accounts referred to in Article 9(1) of Regulation No 2891/77 gives rise to the payment of interest by the Member State concerned at a rate equal to the rate of interest on the due date for short-term financial operations on the money market of the Member State concerned, plus 5 percentage points. This rate is increased by 0,25 percentage points for each month of delay and the increased rate is applied to the entire period of delay.

These provisions apply particularly to the entries which are defined, and for which due dates are set, in the following rules.

Article 10(1), 10(2), the first paragraph of Article 10(3) and Article 10(4), (5) and (6) of Regulation (EEC, Euratom, ECSC) No 2891/77 as amended provide that :

- own resources other than VAT must be entered at the latest on the first working day following the 19th day of the second month following the month during which the entitlement was established ; if necessary, Member States may be asked to bring forward the entry by one month ;
- the twelfths of VAT resources or, if appropriate, the financial contributions based on GNP must be entered on the first working day of each month ;
- the balances of VAT own resources from the previous financial year, corrections to balances for previous years and any adjustment to financial contributions based on GNP are to be entered on the first working day in August.

Article 28 of the Financial Regulation provides that seven twelfths of the amount of contributions to the supplementary research and investment programmes entered in the budget must be paid by 31 January and the remaining five twelfths by 15 July.

Historical Archives of the European Commission

CHAPTER 71 — FINES, PERIODIC PENALTY PAYMENTS AND OTHER PENALTIES

ARTICLE 710 — FINES, PERIODIC PENALTY PAYMENTS AND OTHER PENALTIES

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

- Articles 17 and 18 of Council Regulation No 11 of 27 June 1960 (OJ No 52, 16.8.1960, p. 1121).
- Articles 22 and 23 of Council Regulation (EEC) No 1017/68 of 19 July 1968 (OJ No L 175, 23.7.1968, p. 1).
- Articles 15 and 16 of Council Regulation No 17 of 6 February 1962 (OJ No 13, 21.2.1962, p. 204) as amended and extended by :
 - Council Regulation No 59 of 3 July 1962 (OJ No 58, 10.7.1962, p. 1655) ;
 - Council Regulation No 118/63/EEC of 5 November 1963 (OJ No 162, 7.11.1963, p. 2696) ;
 - Council Regulation (EEC) No 2822/71 of 20 December 1971 (OJ No L 285, 29.12.1971, p. 49).

2. Type of revenue

The abovementioned Regulations are part of the Community policy on competition or transport.

The Commission can impose fines or penalties on any undertakings or groups of undertakings if they do not comply with the prohibitions decreed or if they do not carry out the obligations laid down by the abovementioned Regulations or by Articles 85 and 86 of the EEC Treaty.

3. Method of calculation

Fines are normally payable within three months of the notification of the Commission's decision. Nevertheless, the Commission does not attempt to recover the debt in the case of an undertaking which has appealed to the Court of Justice provided that the undertaking agrees that its debt shall bear interest from the expiry of the period allowed for payment and provides the Commission, no later than that date, with a bank guarantee covering both the principal of the debt and any interest or additional payments.

The amounts payable in 1985 cannot therefore be forecast when the preliminary draft budget is drawn up. However, if necessary, a forecast could be made at a later stage of the budgetary procedure.

TITLE 8 — BORROWING AND LENDING OPERATIONS

**CHAPTER 80 — EUROPEAN ECONOMIC COMMUNITY
GUARANTEE FOR BORROWING AND LENDING
OPERATIONS**

**ARTICLE 801 — EUROPEAN ECONOMIC COMMUNITY GUARANTEE FOR COMMUNITY
LOANS RAISED FOR BALANCE OF PAYMENTS SUPPORT**

**ITEM 8010 — GUARANTEES FOR COMMUNITY LOANS RAISED FOR BALANCE OF
PAYMENTS SUPPORT, INSTRUMENT INTRODUCED IN 1975**

1984 — Budgeted amount	p.m.
1985 — Estimate	
Percentage change	—

1. References

Council Regulation (EEC) No 397/75 concerning Community loans and the implementing Council Regulation (EEC) No 398/75 of 17 February 1975 (OJ No L 46, 20.2.1975).

2. Type of revenue

Back-to-back borrowing and lending operations which in principle have no financial impact on the budget of the Communities. This heading is to record any revenue accruing from the exercise by the Community of its right to bring proceedings against defaulting debtors, if Member States' specific guarantees are not applied.

The operations under this instrument will be terminated on 1 June 1984. They were limited to USD 3 000 million in principal and interest. Capital lent and repaid could not be re-used.

ITEM 8011 — GUARANTEE FOR COMMUNITY LOANS RAISED FOR BALANCE OF PAYMENTS SUPPORT, INSTRUMENT INTRODUCED IN 1981

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

- Council Regulation (EEC) No 682/81 of 16 March 1981 adjusting the Community loan mechanism designed to support the balance of payments of Member States (OJ No L 73, 19.3.1982).
- Council Decision 83/298/EEC of 16 May 1983 concerning a loan to the French Republic of 4 000 million ECU or the equivalent amount in other currencies, to be made in one amount (OJ No L 153, 11.6.1983).
- Proposal for a Council Regulation extending Council Regulation (EEC) No 682/81 of 16 March 1981 adjusting the Community loan mechanism (OJ No ..., ...).

2. Type of revenue

Back-to-back borrowing and lending operations which in principle have no financial impact on the budget of the Communities. This heading is to record any revenue accruing from the exercise by the Community of its right to bring proceedings against defaulting debtors.

3. Explanation

The token entry will cover any such revenue.

ARTICLE 802 — EUROPEAN ECONOMIC COMMUNITY GUARANTEE FOR EURATOM LOANS
RAISED

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

- Council Decision 77/270/Euratom of 29 March 1977 empowering the Commission to issue Euratom loans for the purpose of contributing to the financing of nuclear power stations, and implementing Decision 77/271 of 29 March 1977 (OJ No L 88, 6.4.1977) which fixes a ceiling of 500 million ECU for the first tranche of loans to be raised.
- Council Decision 80/29/Euratom of 20 December 1979 authorizing the second tranche of borrowing and lending operations for 500 million ECU (OJ No L 12, 17.1.1980).
- Council Decision 82/170/Euratom of 15 March 1982 raising from 1 000 million ECU to 2 000 million ECU the total amount of Euratom loans which the Commission is empowered to contract (OJ No L 78, 24.3.1982).
- Proposal for a Council Decision raising from 2 000 million ECU to 3 500 million ECU the total amount of Euratom loans which the Commission is empowered to contract (OJ No ..., ...).

2. Type of revenue

Back-to-back borrowing and lending operations which in principle have no financial impact on the budget of the Communities. This heading is to record any revenue accruing from the exercise by the Community of its right to bring proceedings against defaulting debtors.

3. Explanation

The token entry will cover any such revenue.

ARTICLE 803 — EUROPEAN ECONOMIC COMMUNITY GUARANTEE FOR LOANS RAISED TO PROMOTE INVESTMENT IN THE COMMUNITY (NCI)

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

- Council Decision 78/870/EEC of 16 October 1978 (OJ No L 298, 25.10.1978) empowering the Commission to contract loans.
- Council Decision 79/486/EEC of 14 May 1979 authorizing an initial tranche of loans for 500 million ECU (OJ No L 125, 22.5.1979).
- Council Decision 80/739/EEC of 22 July 1980 authorizing a second tranche of loans for 500 million ECU (OJ No L 205 of 7.8.1980).
- Council Decision 80/1103/EEC of 25 November 1980 on allocation of part of the second tranche (OJ No L 326, 2.12.1980).
- Council Decision 82/169/EEC of 15 March 1982 empowering the Commission to contract loans for the purpose of promoting investment within the Community (OJ No L 78, 24.3.1982).
- Council Decision 82/268/EEC of 26 April 1982 implementing Decision 82/169/EEC empowering the Commission to contract loans for the purpose of promoting investment within the Community (OJ No L 116, 30.4.1982).
- Council Decision 82/200/EEC of 19 April 1983 authorizing the Commission to contract loans totalling 3 000 million ECU under the New Community Instrument (NCI) for the purpose of promoting investment within the Community (OJ No L 112, 28.4.1983).
- Council Decision 83/308/EEC of 13 June 1983 authorizing a first tranche of 1 500 million ECU pursuant to Decision 83/200/EEC empowering the Commission to contract loans under the New Community Instrument (NCI) for the purpose of promoting investment within the Community.
- Amended proposals for a Council Decision submitted, on 7 June 1983 and 18 January 1984, empowering the Commission to help finance innovation within the Community for an amount of 100 million ECU (OJ No C 178, 5.7.1983 ; OJ No C 40, 15.2.1984).
- Proposal for a Council Decision (submitted on 26 January 1984) concerning the authorization of a second tranche of borrowings of 1 400 million ECU under Decision 83/200/EEC empowering the Commission to contract loans under the New Community Instrument for the purpose of promoting investment within the Community (OJ No C 48, 21.2.1984).

2. Type of revenue

Back-to-back borrowing and lending operations which in principle have no financial impact on the budget of the Communities. The possibility of temporarily investing borrowed funds deposited by the Commission with the European Investment Bank (Treasury) provided in Article 4 of the New Community Instrument (NCI) Decisions should not affect the neutral nature, from the point of view of the impact on the budget, of borrowing and lending operations under this instrument. This heading is to record any revenue accruing from the exercise by the Community of its right to bring proceedings against defaulting debtors.

3. Explanation

The token entry will cover any such revenue.

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**ARTICLE 806 — EUROPEAN ECONOMIC COMMUNITY GUARANTEE FOR LOANS GRANTED
BY THE EUROPEAN INVESTMENT BANK TO NON-MEMBER COUNTRIES**

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References

Council Regulations and Decisions of :

- 7 October 1975 (emergency aid to Portugal),
- 19 October 1976 (agreement with Yugoslavia),
- 8 March 1977 (Mediterranean protocol),
- 20 December 1977 (exceptional aid to Lebanon),
- 23 May 1980 (interim protocol with Yugoslavia),
- 25 November 1980 (pre-accession aid to Portugal),
- 4 June 1981 (financial cooperation with Spain),
- 19 July 1982 (exceptional supplementary aid for reconstruction in Lebanon),
- 22 November 1982 (Mediterranean protocols),
- 17 October 1983 (pre-accession aid to Spain and Portugal),
- 22 November 1983 (protocol with Israel),
- 26 March 1984 (protocol with Cyprus).

2. Type of revenue

These Council Regulations and Decisions provide for the entry in the budget of the guarantee in respect of aid granted by the European Investment Bank from its own funds to non-member countries. This article is to record the revenue corresponding to the repayments made by the EIB, should it benefit from the guarantee provided for in Article 969 of the statement of expenditure.

3. Explanation

The token entry will cover any such revenue.

New Article

ARTICLE 807 — EUROPEAN ECONOMIC COMMUNITY GUARANTEE FOR COMMUNITY BORROWING AND LENDING FOR TRANSPORT INFRASTRUCTURE PROJECTS

1984 — Budgeted amount	
1985 — Estimate	
Percentage change	p.m.

1. References and description**(a) References**

- Council Regulation (EEC) No 3600/82 of 30 December 1982 on the granting of limited support in the field of transport infrastructure ⁽¹⁾. This Regulation and the experimental programme (sent on 10 December 1982 as COM(82)828 final) are major steps towards the adoption of the proposals for support for projects of Community interest.
- Proposal for a Council Regulation on support for projects of Community interest in transport infrastructure ⁽²⁾.
- Proposal for an amendment to the proposal for a Council Regulation on support for projects of Community interest in transport infrastructure ⁽³⁾.
- Proposal for a Council Regulation on financial support for a multiannual transport infrastructure programme ⁽⁴⁾.

(b) Description

The proposal for a Regulation on support for projects of Community interest in transport infrastructure, provides for guarantees to assist the financing of large-scale projects likely to assist the development of the Community.

2. Type of revenue

This heading is to record any revenue accruing from the exercise by the Community of its right to bring proceedings against defaulting debtors.

3. Explanation

The token entry will cover any such revenue.

⁽¹⁾ OJ No L 376, 31.12.1982.

⁽²⁾ OJ No L 207, 2.9.1976.

⁽³⁾ OJ No C 89, 10.4.1980.

⁽⁴⁾ COM(83)474 final, 5.8.1983.

CHAPTER 81 — LOANS GRANTED BY THE COMMISSION

ARTICLE 810 — CAPITAL REPAYMENTS AND INTEREST ON SPECIAL LOANS GRANTED UNDER FINANCIAL PROTOCOLS

1984 — Budgeted amount	1 735 000
1985 — Estimate	2 493 000
Percentage change	+ 44

1. References

Article 238 of the Treaty. Financial Protocols between the European Economic Community and Malta, Greece, Turkey, Cyprus, Algeria, Morocco, Tunisia, Egypt, Jordan, Lebanon and Syria.

2. Type of revenue

This article is for capital repayments and interest payments relating to special loans made under the above financial protocols from appropriations in Chapter 96 of the statement of expenditure.

The 1984 estimates refer only to the payment of interest by the recipients, as no principal will be repaid in view of the very long redemption-free period — the first repayments are scheduled for 1990.

3. Method of calculation and explanation of changes

The increase in the estimate compared with 1984 is due to the payment of interest on a larger amount of capital as a result of new loans being paid.

ARTICLE 811 — CAPITAL REPAYMENTS AND INTEREST ON LOANS GRANTED BY THE COMMISSION TO IMPROVE HOUSING FOR MIGRANT WORKERS

1984 — Budgeted amount	74 600
1985 — Estimate	78 500
Percentage change	+ 5

1. References

Council Resolution of 9 February 1976 (OJ No C 34, 14.2.1976) on an action programme for migrant workers and members of their families, and particularly Article 3.

2. Type of revenue

The loans granted to migrant workers with part of the appropriation for Item 6471 of the statement of expenditure bear interest and lead to capital repayments. Interest is at 1 % and capital repayments are spread over a maximum of 20 years.

3. Method of calculation and explanation of changes

The revenue estimate is based on the due dates for each of these loans.

ARTICLE 812 — CAPITAL REPAYMENTS AND INTEREST ON BUILDING LOANS GRANTED BY THE COMMISSION TO OFFICIALS OF COMMUNITY INSTITUTIONS

1984 — Budgeted amount	90 000
1985 — Estimate	90 000
Percentage change	—

1. References

Commission Decision of 17 June 1971.

2. Type of revenue

Loans were granted at a rate of 4 % to a number of officials in 1976 against an appropriation of 1 000 000 u.a. entered in Article 145. Capital repayments and interest payments are spread over a maximum of 25 years.

3. Method of calculation and explanation of changes

The estimate is based on the schedule of repayments.

CHAPTER 82 ⁽¹⁾ — LOANS GRANTED TO THE COMMUNITY BY THE MEMBER STATES

ARTICLE 821 — LOANS GRANTED TO THE COMMUNITY BY THE MEMBER STATES IN 1985

1984 — Budgeted amount	
1985 — Estimate	
Percentage change	

p.m.

1. References and description of the operation

(a) References

— Article 235 EEC and Article 203 Euratom ⁽²⁾.

— Proposal for a Council Regulation (EEC, Euratom) No ... of ... 1984 introducing supplementary measures to cover budgetary requirements in 1985.

(b) Description of the operation

The expenditure needed to finance the common policies and activities exceeds the amount of own resources granted to the Communities by the Decision of 21 April 1970.

The provisions which the Council will adopt to grant the Community new own resources will have to be ratified in each of the Member States and if they cannot enter into force on 1 October 1985, the 1985 budget will not be in balance. This balance could be restored by means of a loan to the Community from the Member States. The ceiling authorized for this loan is 1 912 653 843 ECU. However, the maximum amount to be called in will be 1 909 685 596 ECU. The difference of 2 968 247 ECU is the refund to Greece of 10 % of the financial contribution calculated by reference to a VAT rate exceeding 1 % by 0,1237 % (see Article B 860).

2. Type of revenue

This article is to record the revenue from loans made to the Commission by the Member States. This revenue is only provisional and the Commission will start to pay back the loan on 30 June 1986. Article 871 of the statement of expenditure is intended to record the expenditure resulting from the repayment of capital and the payment of interest.

3. Explanation

The token entry allows any revenue resulting from loans made to the Community by the Member States to be recorded.

⁽¹⁾ Article 820 is to be entered by a supplementary and amending budget for 1984.

⁽²⁾ See COM(84)250 final of 17 April 1984.

TITLE 9 — MISCELLANEOUS REVENUE

CHAPTER 90 — MISCELLANEOUS REVENUE

ARTICLE 900 — MISCELLANEOUS REVENUE

1984 — Budgeted amount	p.m.
1985 — Estimate	p.m.
Percentage change	—

1. References and type of revenue

The references and type of this miscellaneous revenue vary from case to case.

2. Method of calculation

This revenue cannot be forecast.