

**EUROPEAN COMMUNITIES**  
**COMMISSION, Brussels.**

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**FINANCIAL SITUATION OF**  
**THE EUROPEAN COMMUNITIES**

**AT 31 DECEMBER 1978**

**(Report pursuant to Article 29 of the**  
**Financial Regulation of 21 December 1977)**

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GENERAL REMARKS





Article 29 of the Financial Regulation of 21 December 1977 applicable to the General Budget reads as follows:

"The Commission shall, four times a year, present the European Parliament and the Council with a report on the Communities' financial situation, including both revenue and expenditure. There shall be attached to these reports a comprehensive statement on the sums maintained from previous financial years, as well as on any changes brought about as a result of the adoption of Supplementary or Amending Budgets."

The report on the financial situation as at 31 December 1978 and payments made up to 15 January 1979 shows the main features of the implementation of the Budget in 1978. The figures it contains are provisional since some operations for 1978 are not included, in particular: operations undertaken by external offices over the past few months; transfers of appropriations and entries of expenditure in the EAGGF Guarantee Section and on food aid which may be made up to 31 March 1979; requests for non-automatic carryovers; and a number of changes which will have to be made to commitments once the list of automatic carryovers has been drawn up. The report will be updated as soon as the analysis of financial management provided for in Article 75 of the Financial Regulation of 21 December 1977 has been prepared.

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REVENUE



## I. GENERAL REMARKS

### The purpose of the report on revenue

Article 29 of the Financial Regulation of 21 December 1977 applicable to the General Budget of the European Communities calls for the preparation of four quarterly reports, the last of which - logically - covers budgetary implementation over the financial year as a whole.

The first part of this report deals with budget revenue. It traces the trend thereof over the year and attempts to identify the main factors determining the revenue situation for 1978.

### Budgetary rules

Pursuant to Article 5 of the Financial Regulation "the revenue of a financial year shall be entered in the account for the financial year on the basis of the amounts collected during the financial year". This provision introduces a major change in the method of budget financing compared with that used up to 1977.

Under the previous system, own resources were supplemented by monthly payments of GNP-based contributions which varied according to requirements assessed by the Commission. Twelve monthly payments of own resources were also made with an average delay of two months following the month of establishment to which they were booked.

The entry of own resources in the Budget has changed as a result of the application of Article 5 of the Financial Regulation: own resources are no longer entered under the month of their establishment but under the month in which they are paid over to the Budget.

Because of the time lag of two months between establishment and payment, the year 1978 (and subsequent years) have been financed by own resources established by the Member States in November and December of the preceding year and by own resources established between January and October of the year in question.

Financial contributions are no longer paid according to needs but in equal instalments of one-twelfth of the total resulting from the Budget (Article 10(3) of Regulation No 2891/77).

However, if necessary, Member States may be asked by the Commission to pay own resources - other than VAT resources - one month earlier on the basis of the information available to them on the fifteenth day of the same month (first subparagraph of Article 10(2) of Regulation No 2891/77). The Commission may also draw in excess of the total of these assets if cash requirements exceed the assets of the accounts (Article 12(2) of Regulation No 2891/77). This facility did not have to be used in 1978.

Own resources other than VAT resources must be entered in the accounts opened in the name of the Commission by the Treasury of each Member State by the twentieth of the second month following that in which entitlements were established. VAT and/or GNP resources are entered on the first working day of each month (Article 7 of Regulation No 2891/77).

II. IMPLEMENTATION OF REVENUE

(a) Own resources

1. Overall situation

Total appropriations for payments approved under the 1978 Budget and Second Supplementary Budget stand at 12.362,7 million EUA of which 135,9 million EUA were financed by miscellaneous revenue. The remaining 12.226,8 million EUA were covered by customs duties, agricultural and sugar levies entered in the Budget (56,4% or 6.896 million EUA) and financial contributions (43,6% or 5.330,8 million EUA)

The total volume of own resources collected in 1978 was 6.674,2 million EUA (96,78% of the amount entered in the Budget).

As regards each type of own resource, outturn was higher than estimates for agricultural levies (+10,7%) but lower for customs duties (-9,15%).

The following table compares the total estimates of revenue from three main own resources (agricultural levies, sugar and isoglucose levies and customs duties) and the outturns in 1978.

TABLE 1

m EUA

Type of resource	Budgetary estimates	Amounts collected 12 months	Discrepancy 3-2	Percentage 3/2
1	2	3	4	5
Agricultural levies	1.686,10	1.872,70	+ 186,60	111,07
Sugar and isoglucose levies	376,90	410,62	+ 33,72	108,95
Customs duties	4.833,00	4.390,90	- 442,10	90,85
TOTAL	6.896,00	6.674,22	- 221,78	96,78

There are different reasons for this discrepancy between estimates and outturn for agricultural levies and customs duties. These reasons are discussed separately below. Outturn for agricultural levies can be considered satisfactory given the factors of uncertainty in this sector. A 10% margin of error in the estimates is acceptable. The same cannot be said of customs duties.

The following table is a breakdown of outturns in the four quarters of 1978 as a percentage of total estimates.

TABLE 2

Type of resource	First quarter	First six months	Nine months	Twelve months
Agricultural levies	31%	52%	74%	111%
Sugar and isoglucose levies	39%	67%	91%	109%
Customs duties	22%	44%	67%	91%
TOTAL	25%	47%	70%	97%

The total outturn for own resources matched the estimates in the first quarter. In the following two quarters, particularly the third, the outturn was lower than the estimates and the shortfall was not completely made up by the increase in the fourth quarter.

The percentage increase in total agricultural levies in the first quarter was smaller in the second and, in particular, third quarters but rose again in the last quarter following the outturn pattern of previous years.

The substantial increase in sugar levies was less marked in the last few months of the year.

It became clear at the very beginning of the year that the estimates for customs duties were too high.

In contrast to the outturn pattern of previous years, revenue from customs duties in the fourth quarter was lower than that in the third quarter.

1.1 Breakdown of own resources paid since 1973

TABLE 3

in million u.a. up to 1977

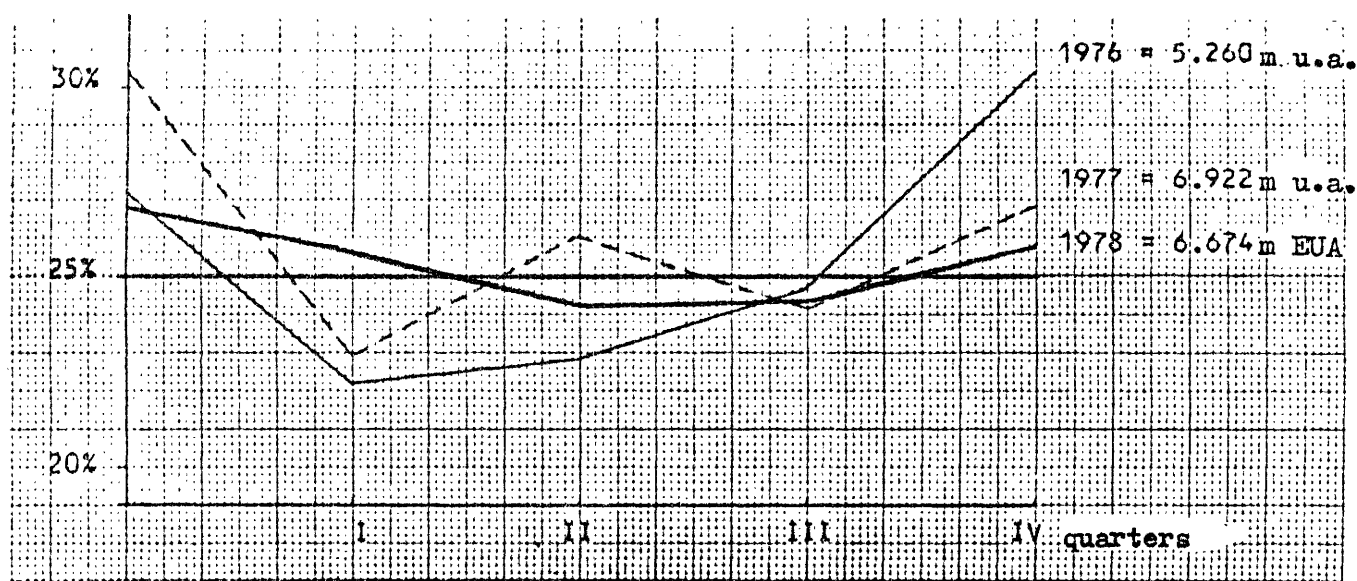
Year	Agricultural levies paid	Sugar levies paid	Customs duties paid	Total	Annual % increase
1973	411	99	1.986	2.496	
1974	255	75	2.738	3.068	+ 22,92
1975	510	80	3.151	3.741	+ 21,94
1976	1.035	128	4.064	5.227	+ 39,72
1977(1)	1.576	202	3.927	5.706	+ 9,16
	(1.972)	(317)	(4.633)	(6.922)	(+ 31,60)
1978	1.873	411	4.391	6.674	(2)
(in m EUA)					

- (1) As a result of the adoption of cash budgeting for revenue (entering in the month of payment to the Budget and not in the month of establishment) the 1977 financial year covers January to October; November and December are included for accounting purposes under 1978. The figures in parentheses are for twelve months.
- (2) Total own resources for 1977 (12 months) expressed in EUA stand at 6.500 million EUA; the rate of increase in 1978 is thus 3%.

The increase in own resources paid is mainly attributable to the successive reductions in the "abatement factor" applied to own resources paid by the three new Member States (45% in 1973, 92% in 1977) and to the increase in own resources paid over by the original Member States (75% in 1973, 87.5% in 1974 and 100% in 1975). The conspicuous increase in 1976 and 1977 can also be traced back to the sharp rise in agricultural levies and sugar levies.

1.2 Quarterly pattern of payment of own resources for the last three years

GRAPH 1



2. Agricultural levies

The outturn for agricultural levies in 1978 was 1.872,7 million EUA, thus exceeding the amount entered in the Budget by 11%, i.e. practically the same as that for 1977 (1.820 million EUA).



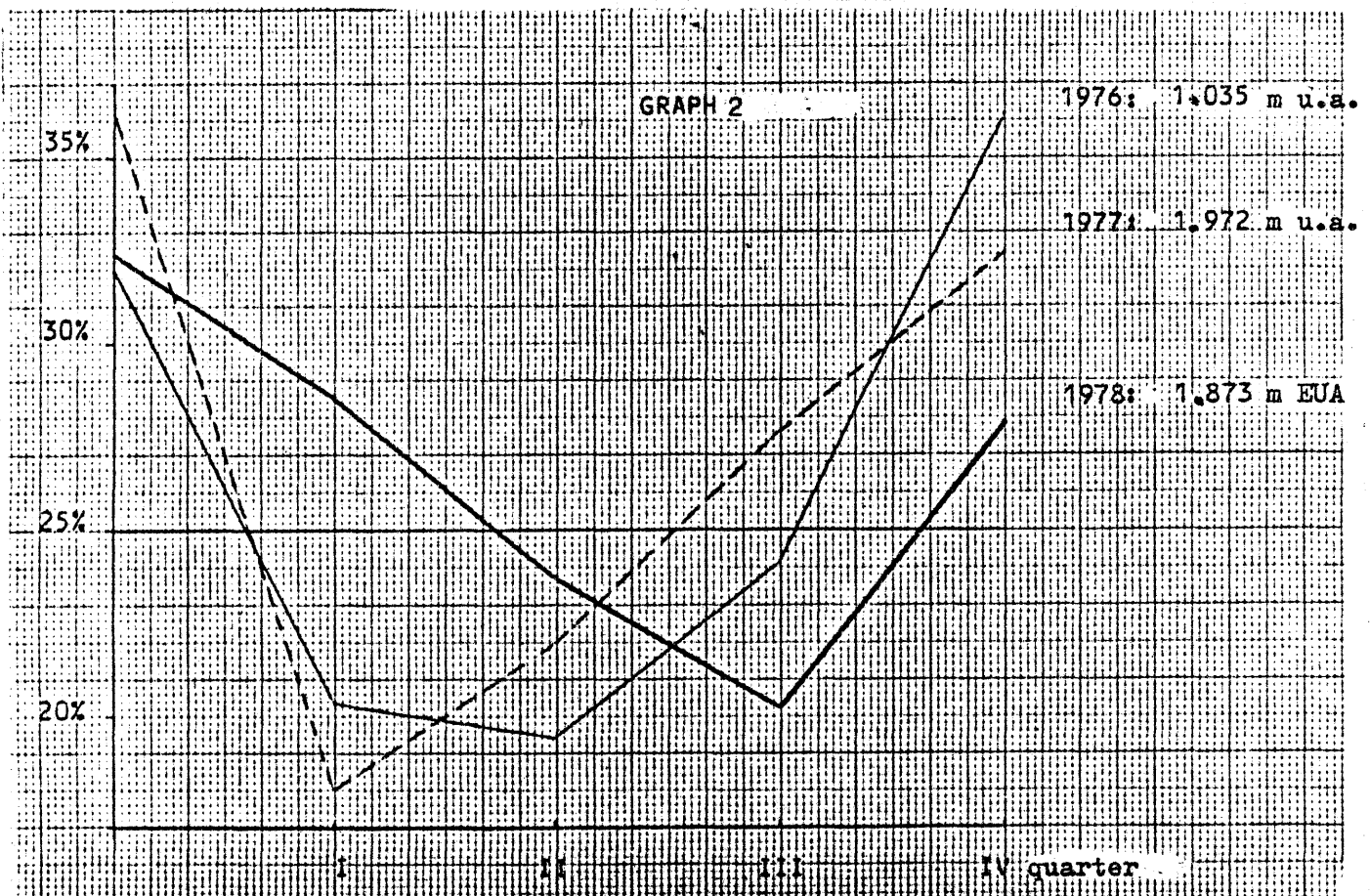
The discrepancy between estimates and out-turns for 1978 appears large at first sight, but bearing in mind the great variability characteristic of these resources, which emerges clearly from Table 3 and is due to a great variety of factors (climatic, monetary, commercial, etc.), a discrepancy of this magnitude is acceptable in so special a field. It is primarily due to underestimation in the assumptions regarding rates of levy made in 1977.

The chief cause of the variability of levies was the very marked fluctuation in world prices, in particular those of cereals, which provide the bulk of levies.

Imports of products subject to levies also vary sharply from year to year; imports of the chief cereals (common wheat, barley and maize) have tended to fall since 1976, particularly those of maize and barley: imports of maize from non-member countries in the period January to October 1978 were 10,9 million tonnes compared with 16,5 million tonnes in 1977; imports of barley in the same period of 1978 were only 0,7 million tonnes compared with 2,5 million tonnes in 1977.

These falls did not cause a drop in the amount of levies collected in 1978 compared with 1977 because they were offset by the increase in rates of levy following a subsequent fall in world prices and the rise in Community threshold prices.

Graph 2 shows the pattern of quarterly payments of agricultural levies in the last three financial years.



### 3. Sugar and isoglucose levies

#### 3.1 Sugar production levies

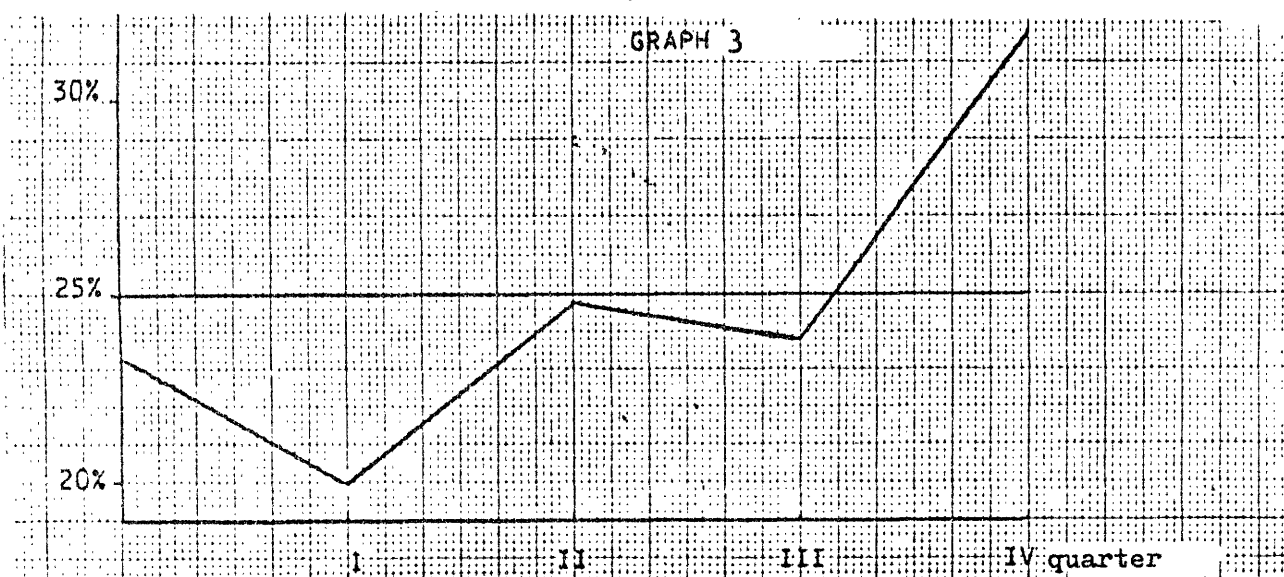
Pursuant to Article 5 of Commission Regulation No 700/73 of 12 March 1973 (on arrangements for quotas in the sugar sector) sugar production levies are paid in January and May each year. The May payments are in respect of the part-levy (payment on account) for the current sugar year; the January payments are in respect of the balance due for the previous year (regularization).

Apart from any accounting regularization payments which may be made in the course of the financial year, 1978 production levies were therefore paid in January in respect of the balance for the 1976/77 sugar year and in May in respect of the payment on account for the 1977/78 sugar year.

In January 1978 the rate of levy still due was 59,4 u.a./tonne; the payment on account in May was 40 u.a./tonne. These estimates applied to production tranche B, the "specialization tranche" (the quantity of production between the basic quota and the maximum quota) which amounted to 1.2 million tonnes for the 1976/77 sugar year and 1.9 million tonnes for 1977/78. For 1976/77 and 1977/78 the maximum quota was fixed at 135% of the basic quota. Production levies collected in the course of financial year 1978 were 171,9 million EUA, which was 12% above the budget estimates because production tranche B was higher than forecast for the 1977/78 sugar year.

#### 3.2 Sugar storage levies

Unlike production levies, sugar storage levies are credited to the Commission's accounts each month. The rate of levy for the 1977/78 sugar year (1 July 1977 to 30 June 1978) was set at 17,7 u.a./tonne and at 19,8 u.a./tonne for 1978/79. The quantities subject to levy for the 1977/78 sugar year amounted to approximately 10,8 million tonnes (1). Revenue from storage levies in 1978 was 234,4 million EUA with a 9% excess over the budget estimates due to larger disposals of sugar on the world market than were forecast. These amounts take account of levies in respect of ACP "preferential" sugar. The graph below shows the pattern of sugar storage levies in 1978. The split between the two types of levy in previous financial years is not available for all Member States.



(1) The sugar year begins on 1 July each year, but the first payments in respect of the sugar year do not occur until November in view of the timing provisions of Commission Regulation No 1465/77.

### 3.3 Isoglucose production levies

Council Regulation No 1111/77 of 17 May 1977 laying down common provisions for isoglucose states (in the ninth recital) that the levy on the production of isoglucose is analogous to that provided for in Article 27 of Regulation (EEC) No 3330/74 and, consequently, constitutes own resources of the Communities within the meaning of Article 2 of the Council Decision of 21 April 1970.

The isoglucose levy was originally set at the same rate as the sugar levy; for the 1977/78 and 1978/79 sugar years, however, it was decided that the levy would not exceed 5 u.a./100 kg.

Five Member States (Belgium, Denmark, Italy, the Netherlands and the United Kingdom) paid 4,4 million EUA in respect of these levies in 1978.

A number of appeals have been lodged against Regulation No 1111/77 by firms which produce isoglucose or have invested in order to produce it. In a Judgment of 25 October 1978 the Court of Justice ruled, inter alia that "Regulation No 1111/77 is invalid to the extent to which Articles 8 and 9 thereof impose a production levy on isoglucose of 5 units of account per 100 kg of dry matter for the period corresponding to the sugar marketing year 1977/78".

The Council was invited to take "any necessary measures compatible with Community law for ensuring the proper functioning of the market in sweeteners" (1).

### 4. Customs duties

Since 1 January 1978 all Member States have paid over customs receipts in their entirety; this includes the countries which acceded in 1973, which until 1977 paid over own resources up to the percentages laid down in the Treaty of Accession.

Furthermore, the United Kingdom, having abolished fiscal duties, now pays over revenues arising from application of the Common Customs Tariff like the other Member States.

Financial year 1978 is undoubtedly characterized by customs duty out-turns which are considerably lower than the budget estimates.

The discrepancy is the largest since 1973, as is shown in the table below which gives the difference between estimates (base = 100) and revenue collected in the form of an index.

TABLE 4

Customs duties - discrepancy between estimates and outturns						
	1973	1974	1975	1975	1977	1978
EEC 6	101	98	93	102	101	90
EEC 9	102	97	93	102	104	91

Customs revenue for 1978, moreover, was 1,5% lower than in 1977, the comparison between the two years being on a uniform basis (EUA, total receipts).

The only previous fall in revenue from the preceding year's level occurred in 1977, as shown in the next table.

(1) Payment of isoglucose levies was suspended by the Commission in December 1978 pending further decisions; as regards levies paid in 1978 a decision will have to be made regarding the regularization of payments already made.

The figures have been made comparable with those for 1978, firstly, by taking into consideration total sums collected by the Member States, not payments to the Budget; secondly, by expressing them in EUA.

TABLE 5

m EUA

Customs duties - 1973-78						
	1973	1974	1975	1976	1977	1978
EEC Six	2.327	2.629	2.508	3.030	3.224	3.170
+ %	+ 17	+ 13	- 5	+ 21	+ 6	- 1,7
EEC Nine	(1)	(1)	3.529	4.192	4.459	4.391
+ %				+ 19	+ 6	- 1,5

(1) In the case of the United Kingdom and Ireland the breakdown between fiscal duties and protective duties is not available.

The reason for the overestimation of customs revenue is to be found primarily in the trend of the EEC's external trade, which did not come up to the macroeconomic expectations of 1977.

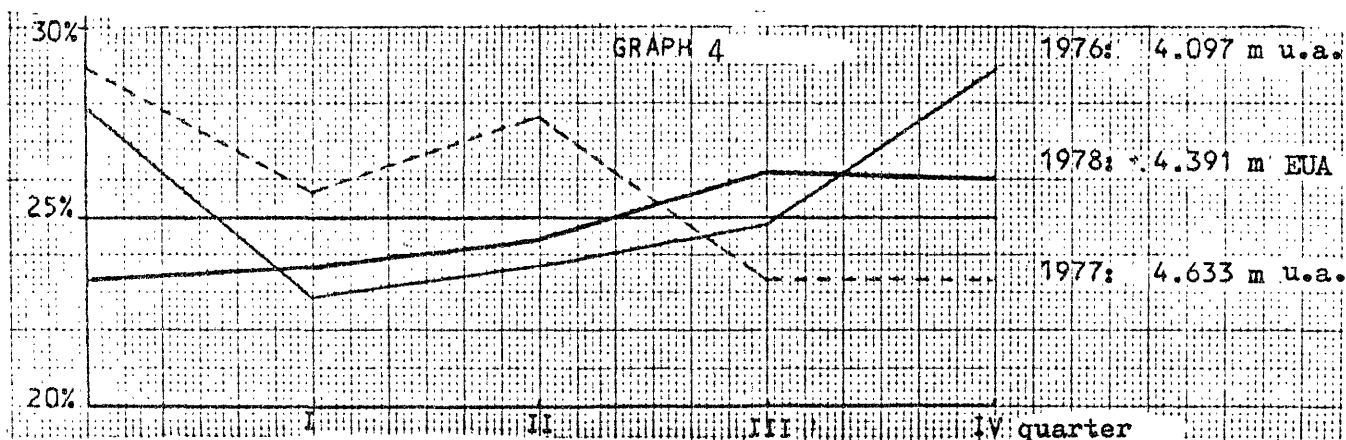
For the period January-September 1978 there was a slight rise (only 5%) in total EEC imports over the same period in 1977; what is more, imports from non-member countries increased by only 1%, while intra-Community imports were 8% up.

Overall, imports in 1978 were lower than expected and, as regards trade flows, there was a more pronounced growth in intra-EEC imports; a contributory factor was the removal of the last tariff barriers between the Six and the Three on 1 July 1977.

This, together with better use of generalized tariff preferences and tariff suspensions applicable in 1978 by the beneficiaries, explains the slight fall in customs revenue compared with 1977, despite a small increase in imports from non-member countries.

Consequently the average rate of duty, that is to say the ratio of customs revenue to imports, fell further in 1978 - on a 10-year trend which has never been broken - owing to the tariff reductions negotiated by the Community under GATT or bilaterally.

The graph below shows the quarterly pattern of customs duty payments in the last three financial years.



(b) FINANCIAL CONTRIBUTIONS

Article 10 of Council Regulation No 2891/77 of 19 December 1977 lays down that financial contributions based on GNP, or resources accruing from VAT, must be entered, at the rate of one-twelfth per month of the sums resulting from the Budget in this connection, in the accounts opened in the name of the Commission with the Treasuries of the Member States.

Pursuant to Article 7 of the said Regulation, this takes place on the first working day of each month.

Pursuant to Article 30 of the Financial Regulation applicable to the General Budget of the European Communities, contributions (expressed in EUA in the Budget(1)) are converted into national currencies on the basis of the EUA rate obtaining on the first working day after the 15th of the month preceding payment.

These sums, converted into national currencies, are entered in the accounts (pursuant to Article 9 of Regulation No 2891/77) in EUA on the basis of the rates obtaining on the first day of the time-limit for crediting (the first working day of each month).

The difference between the EUA rates used for this double conversion causes differences between estimates and outturns. The sum entered in the accounts at 31 December 1978 was 5.329,7 million EUA; the sum in the Budget was 5.330,8 million EUA.

The table below shows how financial contributions paid over varied from 1975 to 1978.

TABLE 6

m EUA

	1975	1976	1977	1978
Financial contributions paid over	2.152,0	2.482,1	2.494,5	5.329,7

The figures for 1975, 1976 and 1977 are actual results from the books. The increase in 1978 was due chiefly to the payment of the sum entered in the Budget in monthly twelfths, the increase in the size of the Budget and the fact that up to 1977 the United Kingdom also paid, as customs duties, a very large amount of fiscal duties and did not have to pay contributions.

(1) The EUA rates used for the 1978 Budget are those obtaining on 1 February 1977.

(c) MISCELLANEOUS REVENUE

The other forms of revenue in the 1978 Budget are:

- Miscellaneous revenue relating to the General Budget and to research and investment. The estimate for this was approximately 120 million EUA; the sums collected up to 31 December were approximately 117 million EUA;
- Member States' contributions to complementary research and investment programmes: 10,6 million EUA due from only two Member States which are to pay seven-twelfths of the total before 30 January as laid down in the Financial Regulation and the remaining five-twelfths not later than 15 July;
- the amount of ECSC levies intended to cover administrative expenditure. The sum of 5 million EUA paid in four quarterly instalments of 1.25 million.

The miscellaneous revenue referred to in the first indent will be finalized when the revenue and expenditure accounts for 1978 are drawn up.

(d) BALANCE OF FINANCIAL YEAR 1978

Article 27 of the Financial Regulation lays down that the balance of each financial year shall be entered, depending on whether it is a surplus or a deficit, as revenue or expenditure in the budget for the following financial year on the occasion of the Amending Budget drawn up on the basis of the final annual summary account of VAT resources for the preceding financial which the Member States send to the Commission before 1 July each year (Article 10 of Regulation No 2892/77).

The balance of financial year 1978 will be entered in the Amending Budget for 1979 referred to above, despite the fact that the uniform basis for assessing the VAT will not be applied in 1978. It will be known when the revenue and expenditure accounts for 1978 are drawn up.

TABLE 7

<u>REVENUE FOR 1978</u>			
(as at 31 December 1978)			
(in EUA)			
Type of revenue	Estimated revenue 1978 Budget	Amounts collected	Collection rate %
	a	b	c
1. Miscellaneous revenue:			
- connected with Euratom activities	26.285.636	34.761.791	132,25%
- other than Euratom	93.986.590	(1) 81.827.995	87,06%
2. ECSC contributions	5.000.000	5.000.000	100,- %
3. Euratom contributions (complementary programmes)	10.631.601	10.631.601	100,- %
4. Amounts paid over by Member States (Decision of 21 April 1970)			
I. GNP-based financial contributions	5.330.750.765	5.329.665.246	99,98%
- December	444.716.457		
- 1 Jan.-1 Nov.	4.884.945.789		
- Total 12 months	5.329.665.246		
II. Own resources:	6.896.000.000	6.674.219.711	96,78%
- December payments	606.682.719		
- payments			
20 Jan.-20 Nov.	6.067.536.992		
- Total 12 months	6.674.219.711		
5. Totals:			
- Miscellaneous revenue + ECSC and Euratom contributions	135.903.827	132.221.387	97,29%
- GNP-based financial contributions	5.330.750.765	5.329.665.246	99,98%
- Own resources	6.896.000.000	6.674.219.711	96,78%
of which:			
- customs duties	(4.833.000.000)	(4.390.902.066)	(90,85%)
- agricultural levies	(1.686.100.000)	(1.872.695.340)	(111,07%)
- sugar levies	(376.900.000)	(410.622.305)	(108,95%)
	12.362.654.592	12.136.106.344	98,17%

(1) This sum includes only the amounts collected by the Commission and does not take account of exchange differences.





EXPENDITURE

BY EACH INSTITUTION



EUROPEAN PARLIAMENT

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COMMENTS ON THE PROVISIONAL FINANCIAL SITUATION AT 31 DECEMBER 1978

1. Appropriations available in 1978

Section I of the 1978 Budget provides for appropriations totalling ..... 100.424.612 EUA  
at 31 December 1978, total commitments amounted to ..... 93.315.021 EUA  
or 92,9 % of the initial appropriations.  
Payments amounted to ..... 78.138.014 EUA  
or 77,8% of the initial appropriations  
and 83,7% of the commitments made.  
Available appropriations amount to ..... 7.109.591 EUA

2. Appropriations available from the 1977 financial year

Automatic carryovers: out of 6.333.516 EUA, 5.572.871,50 EUA (88,0%)  
had been used by the end of December.  
Non-automatic carryovers: appropriations amounting to 1.267.250 EUA had  
been carried over. Only 53.106,07 EUA (4,2%) in commitments and  
45.356,56 EUA (3,6%) in payments were used.

3. Transfers of appropriations

Transfers within Chapters totalled 1.784.758 EUA and transfers  
between Chapters totalled 15.593.268 EUA,  
14.725.000 EUA of which were provisional appropriations for specific  
requirements connected with direct elections.

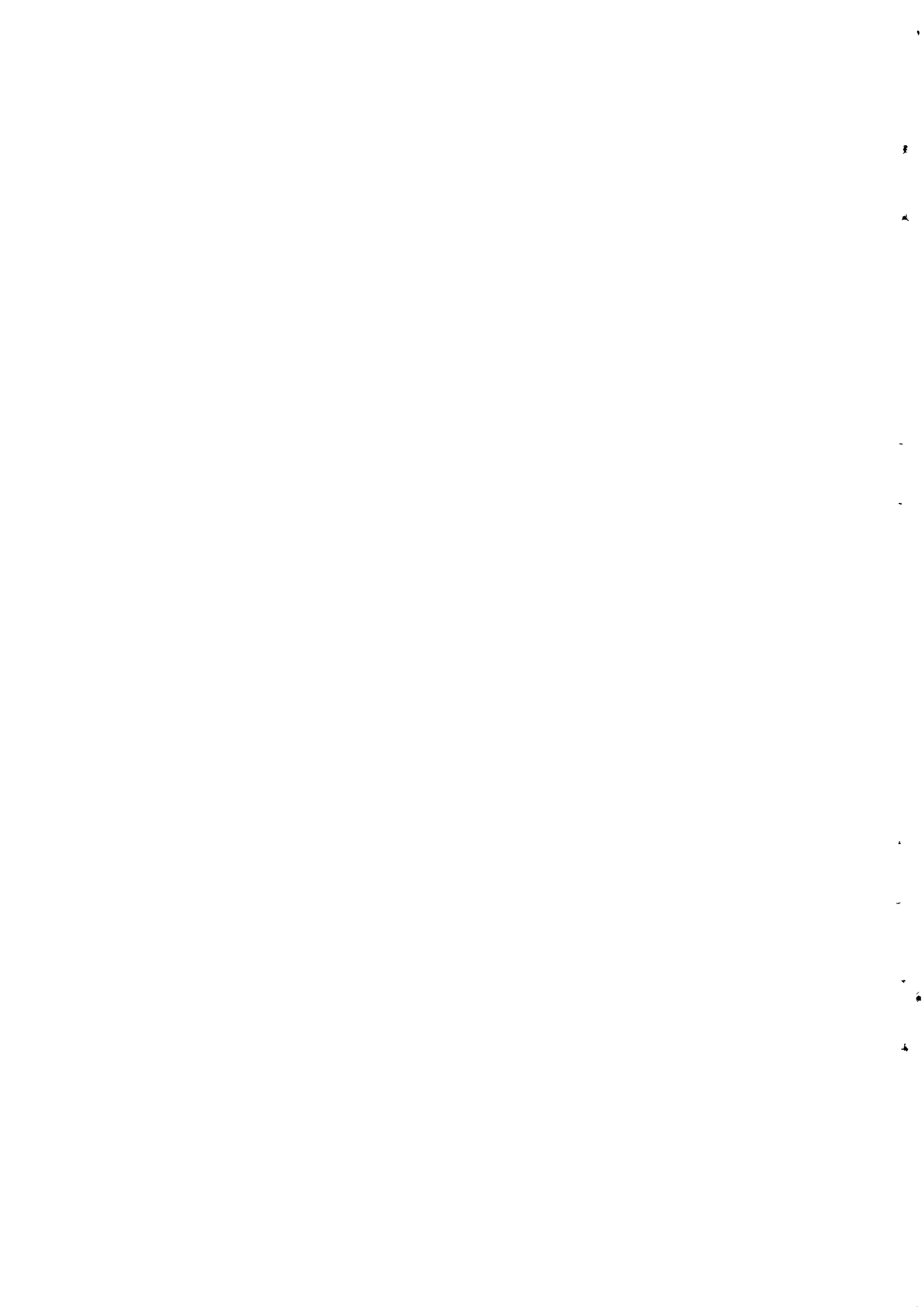
4. Revenue

At the end of December, revenue amounted to 10.494.747,57 EUA or  
108,9% of the estimates of 9.633.500 EUA.

## EUROPEAN PARLIAMENT: PROVISIONAL STATEMENT OF APPROPRIATIONS AT 31 DECEMBER 1978 in ECU

CHAP.	HEADING	TOTAL APPROPRIATIONS	COMMITMENTS MADE	APPROPRIATIONS AVAILABLE	PERCENTAGE USED
(1)	(2)	(3)	(4)	(5)	(6)
10	MEMBERS OF THE INSTITUTION	7.214.000	6.438.951	775.049	89,26 %
11	STAFF	55.218.550	50.571.226	4.647.324	91,58 %
12	ALLOWANCES AND EXPENSES ON ENTERING AND ON LEAVING THE SERVICE AND ON TRANSFER	1.414.400	1.087.800	326.600	76,91 %
13	EXPENDITURE RELATING TO MISSIONS AND DUTY TRAVEL	2.670.000	2.513.664	156.336	94,14 %
14	EXPENDITURE ON SOCIAL WELFARE ARTICLES:				
	140 SPECIAL ASSISTANCE GRANTS	12.100	3.487	8.613	28,82 %
	141 STAFF SOCIAL RELATIONS	26.708	25.458	1.250	95,32 %
	142 RESTAURANTS AND CANTEENS	29.300	26.108	3.192	89,11 %
	143 MEDICAL SERVICE	79.900	54.083	25.817	67,69 %
	149 OTHER SOCIAL EXPENDITURE	244.992	188.809	56.183	77,07 %
	TOTAL FOR CHAPTER 14	393.000	297.945	95.055	75,81 %
15	INTERNAL TRAINING COURSES AND VOCATIONAL TRAINING OF STAFF	263.900	209.173	54.727	79,26 %
20	IMMOVABLE PROPERTY INVESTMENTS	0	0	0	
21	RENTAL OF BUILDINGS & ASS. EXPENDITURE	11.471.133	11.268.265	202.868	98,23 %
22	MOVABLE PROPERTY & ASS. EXPENDITURE	3.060.135	2.884.898	175.238	94,27 %
23	CURRENT ADMINISTRATIVE EXPENDITURE	2.135.700	1.863.289	272.411	87,24 %
24	ENTERTAINMENT AND REPRESENTATION EXP.	180.200	179.480	720	99,60 %
25	EXPENDITURE FOR FORMAL AND OTHER MEETINGS	25.300	14.352	10.948	56,73 %
26	EXPENDITURE ON STUDIES, SURVEYS AND CONSULTATIONS	35.500	17.769	17.731	50,05 %
27	EXPENDITURE ON PUBLISHING AND INFORMATION	7.401.300	7.266.049	135.251	98,17 %
29	SUBSIDIES AND FINANCIAL CONTRIBUTIONS	1.594.145	1.505.035	89.110	94,41 %
37	EXPENDITURE RELATING TO CERTAIN INSTITUTIONS AND BODIES	7.300.600	7.197.126	103.474	98,58 %
100	PROVISIONAL APPROPRIATIONS	0	0	0	
101	CONFINGENCY RESERVE	46.749	0	46.749	0,00 %
	GRAND TOTAL	100.424.612	93.315.021	7.109.591	92,92 %

COUNCIL





A. R E V E N U E

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The total revenue collected as at 31 December 1978 was 8.049.277,74 EUA. This exceeds the estimates of the Council's own revenue for the 1978 Budget (7.780.300 EUA) by 268.977 EUA.

It should be noted that revenue deriving from taxation and staff contributions to the pension scheme amount to 97,7% and 98,9% of the estimates respectively.



**B. EXPENDITURE**

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OVERALL ASSESSMENT

(a) Appropriations available under the 1978 Budget

The 1978 Budget, adopted on 21 December 1977, provides an appropriation of 81.366.042 EUA for Council expenditure.

(b) Appropriations available as a result of carryovers from 1977 to 1978

Automatic carryovers

Automatic carryovers amount to 5.710.863,51 EUA.

Non-automatic carryovers

The Council made no requests for non-automatic carryovers.

(c) Transfers of appropriations

The Council accepted the following transfers of appropriations during the fourth quarter of 1978:

I. Transfers of appropriations between Chapters

1. From Chapter 11

Article 110

Item 1100	Basic salaries	35.000 EUA
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To Chapter 12

Article 120	Miscellaneous expenditure on staff recruitment	35.000 EUA
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2. From Chapter 22

Article 220	Office machinery	
Item 2202	Hire	25.000 EUA

To Chapter 26

Article 260	Limited consultations, studies and surveys	25.000 EUA
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3. From Chapter 21

Article 210		
Item 2100	Rent	12.500 EUA

To Chapter 22

Article 221	Furniture	
Item 2210	New purchases	12.500 EUA

4. From Chapter 101

	Contingency reserve	117.300 EUA
--	---------------------	-------------

To Chapter 14

Article 141	Staff social relations	1.000 EUA
Article 149	Other social expenditure	3.800 EUA

To Chapter 23

Article 232		
Item 2321	Differences on exchange	100.000 EUA

To Chapter 24

Article 240	Entertainment and representation expenses	12.500 EUA
-------------	--	------------



II. Transfers of appropriations between Articles

1. From Article 110

Item 1100            Basic salaries                    115.000 EUA

To Article 111

Item 1112            Local staff                            115.000 EUA

2. From Article 210

Item 2100            Rent                                    37.500 EUA

To Article 213        Cleaning and maintenance            37.500 EUA

3. From Article 210

Item 2100            Rent                                    20.000 EUA

To Article 214        Fitting-out of premises                20.000 EUA

(d) Overall assessment of utilization of appropriations

A. Utilization of appropriations belonging to the 1978 financial year

1. Commitments made

Utilization of the appropriations was as follows:

85,4% of the appropriations of Title 1

85,1% of the appropriations of Title 2

2. Disbursements made

Consumption of appropriations was as follows:

85,3% of the appropriations of Title 1

58,5% of the appropriations of Title 2

B. Utilization of appropriations carried over from 1977

Automatic carryovers were utilized as follows:

75,2% of the appropriations of Title 1

86,6% of the appropriations of Title 2

EXPENDITURE UNDER SECTION II (COUNCIL) IN THE  
4TH QUARTER OF 1978

(Utilization of appropriations)

TITLE 1 - EXPENDITURE RELATING TO PERSONS WORKING WITH THE INSTITUTION

The rate of utilization for all the Title 1 appropriations is:

- (i) 85,4% in commitments, and
- (ii) 85,3% in payments.

The situation, Chapter by Chapter, is as follows:

Chapter 11 - Staff

In all, 86,61% of these appropriations are committed. It should be noted that on 31 December 1978, 1.385 posts (of the 1.517 posts authorized) were occupied.

Chapter 12 - Allowances and expenses on entering and on leaving the service and on transfer

Only 53,5% of the appropriations under this Chapter have been committed, owing, in particular, to a very low staff turnover.

Chapter 13 - Expenditure relating to missions and duty travel

The rate of commitment of the Chapter 13 appropriations is 62,81%. It should be noted that several missions initially contemplated did not take place.

Chapter 14 - Expenditure on social welfare

At the end of the year 90,7% of these appropriations had been committed.

Chapter 15 - Expenditure on further vocational training of staff

In all, 98,9% of the Chapter 15 appropriations have been committed.

TITLE 2 - BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE

As at 31 December 1978 the rate of commitment for all the Title 2 appropriations is 85,1% on the appropriations available, whereas the rate of utilization for payment at the same date is 58,5%.

The situation, Chapter by Chapter, is as follows:

(i) Chapter 20 - Immovable property investments

This Chapter only consists of Article 202 "Other expenditure preliminary to the construction of buildings or to the acquisition of immovable property" where 44,55% of the available appropriations have been committed. It has not been possible to proceed with the contemplated programme of studies as forecast, so that 241.645,37 EUA were left over at the end of the accounting period.

(ii) Chapter 21 - Rental of buildings and associated expenditure

99,19% of the appropriations have been committed.

(iii) Chapter 22 - Movable property and associated expenditure

The rate of commitments for these appropriations is 78,84%. The detailed situation is as follows:

(a) Article 220 - Office machinery - 66,31%

The balance remaining (164.641,72 EUA) is due to the fact that expenditure on the rental and maintenance of electronic equipment has been considerably lower than provided for in the Budget.

(b) Article 221 - Furniture = 97,53%

(c) Article 222 - Technical equipment and installations = 80,11%

The balance available (109.545,44 EUA) is due basically to Item 2220 where the appropriations set aside for the extension of the telephone exchange at the General-Secretariat of the Council have not been utilized, as a result of the study on the replacement of the telephone exchange begun in 1979.

(d) Article 223 - Transport equipment = 75,71%

Balance available of 20.207,05 EUA, of which roughly three-quarters falls within Item 2233 (maintenance, use and repair) and approximately one-quarter falls within Item 2232 (hire).

(e) Article 225 - Documentation and library expenditure = 94,86%

(iv) Chapter 23 - Current administrative expenditure

The rate of commitment to these appropriations is 82,04%.

The detailed situation is as follows:

(a) Article 230 - Stationery and office supplies = 99,94%

(b) Article 231 - Postal charges and telecommunications = 81,22%

(c) Article 232 - Financial charges = 1,28%

(d) Article 233 - Legal expenses = 94,83%

(e) Article 235 - Other administrative expenditure = 63,08%

(f) Article 239 - Services rendered between institutions  
(interpreting) = 82,04%

Balance available: 1.679.115,01 EUA

The sum left over is due to the fact that it has not been possible to estimate total expenditure accurately without the figures to be calculated by the Commission's interpreting division.

(v) Chapter 24 - Entertainment and representation expenses

In all, 99,76% of these appropriations have been committed.

(vi) Chapter 25 - Expenditure for formal and other meetings

A total of 67,73% of these appropriations has been committed. It should be noted that the meetings of the expert working parties have been attended by fewer people than in the past.

(vii) Chapter 26 - Expenditure on studies, surveys and consultations

The rate of commitment of these appropriations is 93,49%.

(viii) Chapter 27 - Expenditure on publishing and information

The rate of commitment for these appropriations is 99,51%.

(ix) Chapter 29 - Subsidies and financial contributions

The rate of commitment for these appropriations is 99,99%.



TITLE 10

(i) Chapter 101 - Contingency reserve

See Chapter entitled "Transfer of appropriations, under B(c)".



ECONOMIC AND SOCIAL COMMITTEE



FINANCIAL SITUATION AT 31 DECEMBER 1978

EXPENDITURE

The attached summary shows the provisional state of the accounts at the end of the financial year before the necessary overall audit. The balances of commitments do not necessarily correspond to the appropriations carried over to the financial year 1979.

The figures for Title 1 show that the appropriations have been almost completely utilized. Most of the balance for Chapter 11 - Staff - corresponds to the balance of the appropriations entered in Article 119 - Provisional appropriations to cover any adjustment of the remuneration of officials and other servants.

The appropriations in Title 2 were utilized at a normal rate. Chapter 23 -- Current administrative expenditure - was increased by a transfer of appropriations from Chapter 11 to cope with the exchange rate differences arising from application of the EJA in the accounting system; Chapter 25 - Expenditure for formal and other meetings - still has a balance of 165.700 EJA, i.e. 8,88% of its allocation for the financial year.

This is due to the renewal of the Economic and Social Committee in 1978 - the interval between sessions was particularly long.

The reserves in Title 10 have been utilized only for a transfer of appropriations for the operation of the Committee's restaurant.

REVENUE

Revenue stands at 1.615.110 EJA and accrues primarily from the proceeds of taxation (1.110.830 EJA), contributions to the pension scheme (437.900 EJA) and bank interest (62.740 EJA).

FINANCIAL SITUATION AT 31 DECEMBER 1978

	Appropriations (after transfers) EUA	Expenditure EUA	Uncovered commitments EUA	Balance EUA	Percentage balance %
<u>TITLE I</u>					
Chapter 10	14.000	12.000	-	2.000	14,28
11	9.504.500	9.070.500	52.540	381.460	4,01
12	112.600	85.960	9.280	17.360	15,41
13	81.860	81.860	-	-	-
14	83.500	73.550	9.770	180	0,22
15	46.000	32.340	12.100	1.560	3,39
<u>Total Title I</u>	9.842.460	9.356.210	83.690	402.560	4,09
<u>TITLE II</u>					
Chapter 21	1.283.800	1.041.490	103.600	138.710	10,80
22	319.500	241.960	69.700	7.840	2,45
23	1.582.200	1.495.490	11.030	75.680	4,78
24	34.400	32.290	2.110	-	-
25	1.865.000	1.699.300	-	165.700	8,88
26	4.800	1.400	3.400	-	-
27	265.200	198.260	64.720	2.220	0,83
<u>Total Title II</u>	5.354.900	4.710.190	254.560	390.150	7,28
<u>TITLE 10</u>					
Chapter 100	524.000	-	-	524.000	100,00
101	30.300	-	-	30.300	100,00
<u>Total Title 10</u>	554.300	-	-	554.300	100,00
<u>GRAND TOTAL</u>	15.751.660	14.066.400	338.250	1.347.010	8,55

COURT OF JUSTICE





Administrative expenditure in the financial year 1978

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1. Appropriations

The 1978 Budget allocates for the administrative expenditure of the Court of Justice a total appropriation of ..... 17.332.920,00 EUA

The appropriations automatically carried over from the financial year 1977 to 1978 amount to ..... 587.438,83 EUA

The Court of Justice did not present any non-automatic carryovers.

No transfer between Chapters was requested and the transfers within Chapters were only 551.300 EUA.

2. Utilization of the appropriations for 1978

The following table shows the implementation of expenditure by Title and Chapter in the financial year 1978.

Columns 3 and 5 of the tables reveal the proportion of the appropriations used as regards both commitments and payments.

Column 6 shows the utilization of the appropriations in the form of twelfths.

The implementation of expenditure gives rise to the following comments:

Title 1: Expenditure in respect of persons working with the institution

A total of 84% of the appropriations for commitment and payment in Title 1 was used up.

This rate of utilization mainly concerns Chapters 10 and 11 which account for 95% of all appropriations in Title 1.

The unused appropriations are the result of the two following factors:

- (i) the adjustments in remunerations adopted by the Council in 1977 and 1978 did not reach the parameters fixed when drawing up the budget;
- (ii) not all the posts authorized were occupied for the entire financial year. Compared with 1977, staff in 1978 increased from 254 to 257 following the recruitment of 35 persons and the departure of 32 others. The large number of departures led to an increase in the number of auxiliary staff.

The low utilization rate in Chapter 12 is due to the fact that most of the officials recruited in 1978 have still not drawn their removal and installation allowances.

Title 2: Buildings, equipment and miscellaneous operating expenditure

A total of 91% of the appropriations for Title 2 were committed while payments amounted to 74%.

Chapter 21: Rental of buildings and incidental expenditure

The rate of utilization of the appropriations results mainly from the increase in the cost of living provided for in rental and maintenance contracts. Savings have been made in the consumption of electricity and heating as compared with the budgetary estimates.

Chapter 23: Current administrative expenditure

It should be noted that 95% of the appropriations for Item 2300 - Stationery and office supplies - were used compared with 98% of the appropriations for Article 231 - Postal charges and communications - and 88% of the appropriations available under Item 2391 - Joint interpreting services.

Chapter 25: Expenditure for formal and other meetings

Utilization of the appropriations for the visits of judges and lawyers is very high and considerably higher than in 1977 (982.529 EUA for two meetings).

This is because the number of people attending these meetings has increased.

Chapter 27: Expenditure on publishing and information

All the appropriations in this Chapter to cover the cost of publishing the 24th volume of Reports of Cases (Article 271) have been committed.

The increase in expenditure is due to:

- (a) the increase in the number of pages published;
- (b) the increase in printing costs.

3. Utilization of the appropriations carried over from the financial year 1977

A high percentage of payments was made against the carryovers:

Title I : 94.76%

Title II: 94.46%

The utilization of the appropriations does not give rise to special comments.

COURT OF JUSTICE  
OF THE  
EUROPEAN COMMUNITIES

SUMMARY TABLE OF THE IMPLEMENTATION OF THE STATEMENT OF  
EXPENDITURE OF SECTION IV (COURT OF JUSTICE) OF THE GENERAL BUDGET  
FOR THE FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

EUA

Budgetary classification	Heading	Approps entered	Commitments contracted		Payments effected		Number of 12ths of the approps used	
			Amount	% of approps	Amount	% of commitments	(C)	(P)
		1	2	3	4	5	6	
TITLE 1	EXPENDITURE IN RESPECT OF PERSONS WORKING WITH THE INSTITUTION							
Chapter 10	Members of the institution	2.453.690,00	2.100.572,78	85,61	2.100.572,78	100,00	10,3	10,3
Chapter 11	Staff	9.977.730,00	8.469.252,30	84,88	8.467.180,30	99,98	10,2	10,2
Chapter 12	Allowances and expenses on entering and on leaving the service and on transfer	399.290,00	238.037,08	59,62	228.288,50	95,90	7,2	6,9
Chapter 13	Expenditure relating to missions and travel on duty	102.980,00	59.198,36	57,49	58.798,36	99,32	6,9	6,9
Chapter 14	Expenditure on social welfare and on further vocational training of staff	88.580,00	77.748,60	87,77	73.365,48	94,36	10,5	9,9
Chapter 15	Cost of organizing internal training courses	46.000,00	33.380,92	72,57	33.380,92	100,00	8,7	8,7
	TITLE 1 - TOTAL	13.068.270,00	10.978.190,04	84,01	10.961.586,34	99,85	10,1	10,1

EUA

Budgetary classification	Heading	Approps entered	Commitments contracted		Payments effected		Number of 12ths of the approps used	
			Amount	% of approps	Amount	% of commitments	(C)	(P)
		1	2	3	4	5	6	
TITLE 2	BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE							
Chapter 21	Rental of buildings and associated expenditure	2,073,900,00	1,853,366,70	89,39	1,747,488,44	94,26	10,7	10,1
Chapter 22	Movable property and associated expenditure	576,250,00	538,142,68	93,79	402,498,01	74,85	11,2	8,4
Chapter 23	Current administrative expenditure	847,590,00	755,464,79	89,13	571,338,82	75,63	10,7	8,1
Chapter 24	Entertainment and representation expenses	24,210,00	19,759,67	81,62	19,759,67	100,00	9,8	9,8
Chapter 25	Expenditure for formal and other meetings	73,850,00	71,000,13	96,14	71,000,13	100,00	11,5	11,5
Chapter 26	Expenditure on studies, surveys and consultations	600,00	-	-	-	-	-	-
Chapter 27	Expenditure on publishing and information	629,510,00	609,656,17	96,85	333,986,57	54,78	11,6	6,4
	TITLE 2 - TOTAL	4,225,910,00	3,847,890,14	91,05	3,146,071,64	81,77	10,9	8,9

Budgetary classification	Heading	Approps entered	Commitments contracted		Payments effected		Number of 12ths of the approps used	
			Amount	% of approps	Amount	% of commitments	(C)	(P)
		1	2	3	4	5	6	7
TITLE 3	EXPENDITURE RESULTING FROM THE INSTITUTION'S CARRYING OUT SPECIAL FUNCTIONS							
Chapter 37	Expenditure relating to certain institutions and bodies	14.530,00	-	-	-	-	-	-
	TITLE 3 - TOTAL	14.530,00	-	-	-	-	-	-
TITLE 10	OTHER EXPENDITURE							
Chapter 100	Provisional appropriations	-	-	-	-	-	-	-
Chapter 101	Contingency reserve	24.210,00	-	-	-	-	-	-
	TITLE 10 - TOTAL	24.210,00	-	-	-	-	-	-
	GRAND TOTAL	17.332.920,00	14.826.080,18	85,54	14.107.657,98	95,16	10,3	9,8

COURT OF AUDITORS





Expenditure during 1978

I. OVERALL ASSESSMENT

1. Appropriations available in 1978

Section V of the Budget provides for initial appropriations  
totalling ..... 9.982.055 EUA

2. Implementation

Payments amounted to ..... 6.880.934,77 EUA

Commitments not settled  
amounted to ..... 251.586,11 EUA (1)

Appropriations not used .... 2.849.534,12 EUA (1)

The appropriations not used break down as follows:

- |   |              |
|---|--------------|
| (1) Remunerations, allowances and other benefits relating to remunerations, sickness and accident cover                                     | 1.337.359,17 |
| (2) Other staff-related expenditure (allowances and expenses on entering the service, missions and duty travel, social welfare expenditure) | 878.773,47   |
| (3) Administrative expenditure (Titles II and III of the Budget)  | 633.401,48   |

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(1) Provisional figures taking account of payments as of 15 January 1979 and subject to checking.

3. Amendments to appropriations by means of Supplementary Budgets or transfers

A Supplementary Budget was adopted on 11 May 1978. It covered the creation of 32 permanent posts and the elimination of three temporary posts. As the corresponding appropriations, 817.550 EUA, were taken from Chapter 101, the Supplementary Budget did not increase the Section V total.

Transfers were made to offset the expenditure incurred as the administrative machinery of the Court of Auditors was set in motion. The total amount of these transfers was 1.058.230 EUA, including transfers from Chapter to Chapter and from Article to Article or Item to Item.

II. Comments on expenditure by the Court of Auditors

Title I

During the last financial year, only 71,67% of the budgetary appropriations finally provided under Title I could be utilized as the Court was justifiably very cautious in recruiting its staff, and staggered the operation over a substantial part of the year. Moreover, it was not possible to begin recruitment until the second quarter of 1978. Consequently only three-quarters of the amount originally estimated were required, as can be seen from the expenditure in Chapter 11.

Even though the Court took the staggering of recruitment into account with regard to expenses incurred on staff entering the service, there were unforeseeable delays chiefly because of having to give notice and the time taken by removals, which only took place several months after staff had entered the service.

Title II

The payments and commitments still to be settled represent 73,95% of appropriations. The fact that an unexpended balance accounts for 26,05% is due to the difficulty in forecasting appropriations with no experience of the amount required and above all of the rate of expenditure. Those items of expenditure most closely bound up with the recruitment of staff and with control operations - a more accurate picture of these should be provided by the results of 1979 - were also affected by the staggered recruitment of Court staff.

Appropriations carried over from 1977

Payments on all carryovers (automatic carryovers and those subject to authorization), a total of 182.657,45 EUA, accounted for 168.613,43 EUA, thus showing a rate of utilization of 92,31%.



COMMISSION

(Breakdown by budget nomenclature)



OVERALL ASSESSMENT

1. Appropriations available in 1978

1.1 Appropriations available under the 1978 Budget

The initial Budget adopted on 21 December 1977 allocated to the Commission:

total appropriations for commitment:	12.465.130.795 EUA
total appropriations for payments:	12.137.147.303 EUA

The First Amending Budget adopted on 15 February 1978 adjusted the estimates of revenue to reflect the fact that there could be no own resources from VAT, owing to the delay in adoption of the requisite legislation by the Member States. The total amount of appropriations was not altered.

The Second Supplementary and Amending Budget adopted on 15 March allocates the following additional appropriations to the Commission to cover total commitments and payments:

	650.000 EUA
--	-------------

distributed as follows:

administrative expenditure (Title 2) to cover new posts:	435.000 EUA
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to cover certain financial obligations relating to fishing in the Adriatic Sea:	215.000 EUA
--	-------------

Total appropriations for commitments are therefore increased to:	12.465.780.795 EUA
---	--------------------

Total appropriations for payments are increased to:	12.137.797.303 EUA
--	--------------------

The Third Supplementary Budget adopted on 11 May concerns the Court of Auditors and does not alter the Commission's total appropriations.

1.2 Appropriations available from 1977

Appropriations for commitment outstanding

Appropriations for commitment outstanding from 1977 amount to:

	239.650.742 EUA
--	-----------------

Breakdown:

- agriculture:	26.633.853 EUA
- social sector:	696.565 EUA
- regional sector:	15.030.887 EUA
- research:	134.450.541 EUA
- energy and industry:	62.838.896 EUA

Automatic carryovers

Automatic carryovers total 1.860.105.169 EUA

Breakdown:

- agriculture	1.309.968.493	EUA
- social sector	82.689.348	EUA
- regional sector	83.083.303	EUA
- research, energy, industry, transport	118.454.689	EUA
- development cooperation	181.296.387	EUA
- administrative expenditure	23.429.877	EUA
- repayment to the Member States of the costs incurred in collecting own resources	56.183.073	EUA

Non-automatic carryovers

The lists of carryovers amounting 139.597.954 EUA were approved by the Council on 19 June and 18 July:

for industry and transport	8.085.538	EUA
for agriculture	128.266.358	EUA
for development cooperation	3.246.057	EUA

2. Transfers of appropriations between Chapters

The attached Annex C is a summary of the amounts transferred between Chapters during the 1978 financial year, including transfers from Chapter 100 (Provisional appropriations) and Chapter 101 (Contingency reserve). Almost all the Chapter 100 differentiated appropriations were transferred, whereas only 38% of the non-differentiated appropriations were drawn. In all, 94% of the appropriations in Chapter 101 were transferred.

Total movements between Chapters involved the transfer of 173,406 million EUA in appropriations for commitment and 72,243 million EUA in appropriations for payment as regards differentiated appropriations, and 9,815 million EUA as regards non-differentiated appropriations. To this should be added applications for the transfer of 829,000 million EUA between Chapters in the EAGGF Guarantee Section which are currently being examined by the Budgetary Authority.



3. Overall review of the utilization of appropriations in 1978

Annexes D and E give a Chapter-by-Chapter rundown of the implementation of the appropriations for the financial year (Annex D) and appropriations carried over (Annex E).

It should be stressed that this is provisional. However, an assessment of the situation as a whole calls for the following general remarks:

3.1 Implementation of the appropriations for the 1978 financial year itself

3.1.1 Commitments entered into

(a) Non-differentiated appropriations

Taking the Commission's Budget as a whole, 99% of non-differentiated appropriations have been used; whilst the equivalent figure is only 60% for Title 3 (Community policies in regard to certain sectors), it is between 90 and 100% for the remaining Budget Titles.

(b) Differentiated appropriations

The rate of utilization of differentiated appropriations (including appropriations for commitment left over from 1977) varies widely from area to area. It is:

27% for Chapter 30 (Expenditure in the social sector)

32% in Chapter 32 (Expenditure under the energy policy)

49% in Chapter 33 (Expenditure on research and investment)

39% in Chapter 36 (Expenditure on scientific and technical information and on information management)

6% in Chapter 37 (Expenditure in the industrial and transport sectors)

100% in Chapters 50 to 52 (Social Fund)

93% in Chapter 55 (Regional Fund)

54% in Title 8 (EAGGF, Guidance Section)

52% in Chapters 93 and 94 (Cooperation with developing countries)

0% in Chapter 96 (Cooperation with non-member countries).

The Chapter-by-Chapter remarks set out later in this document bring out the reasons for the low utilization rate for certain appropriations. It should nevertheless be noted that appropriations not committed remain available for the following financial year (Chapter 33 appropriations remain available until cancelled by budgetary procedure).

### 3.1.2 Payments

#### (a) Non-differentiated appropriations

Where it is a matter of administrative expenditure or expenditure in the form of advances, the percentage of payments in respect of commitments entered into is high. In Titles 6 and 7 the implementation rate is even 100% if we take account of advances to the national paying agencies which have to be entered in the Budget by 31 March 1979.

On the other hand the rate of payment in Title 3 is low. This Title involves intervention appropriations for programmes in respect of which payments are made several months after the commitments.

#### (b) Differentiated appropriations

Except in the case of Title 9, where only just 6% of the appropriations for payment have been used, the rate of utilization varies between 33 and 44% depending on the Budget Title. The unused appropriations for payment will be carried over automatically to the next financial year.

### 3.2 Implementation of appropriations carried over from the 1977 financial year

#### 3.2.1 Automatic carryovers

##### (a) Non-differentiated appropriations

In certain sections of the Budget, the implementation of appropriations carried over is unsatisfactory. Whilst almost the entire sum has been implemented in Titles 4, 6 and 7, the rate varies from 41 to 87% in the remaining areas.

The Title 8 appropriations (EAGGF, Guidance Section) for financial years prior to 1977, of which 20% has been used, and the Chapter 58 appropriations (Aid to Friuli), of which 7% has been used, may be carried over for five years, and more if this proves necessary.

##### (b) Differentiated appropriations

All the appropriations for payment carried over under the Social and Regional Funds have been used. For Titles 3 and 8 utilization rate is 55 and 70% respectively.

#### 3.2.2 Non-automatic carryovers

The rate of utilization of authorized carryovers is satisfactory except in Article 371 (Operations in the aerospace sector), for which the reasons are given in the comments later in this document.

The appropriations for Title 8 (EAGGF, Guidance Sector) may be carried over again.

TITLE 1 - EXPENDITURE RELATING TO PERSONS WORKING WITH THE INSTITUTION

The appropriations in Title 1 - Chapters 10 to 15 - amounted to a total of 385,3 m EUA. Of this sum, 90% was utilized in commitments and 88% in payments. In all, 75% of the appropriations carried over from the 1977 financial year - 3,9 m EUA - have now been utilized.

Chapter 10 - Members of the institution

Chapter 11 - Staff

Chapter 12 - Allowances and expenses on entering and on leaving the service and on transfer

The factors determining the appropriations entered under Chapters 10, 11 and 12 were notably:

the number of Members of the Commission,  
the number of staff authorized in the establishment plan,  
the number of recipients of pensions and various allowances,  
the level of remunerations, pensions and allowances authorized when the Budget was drawn up in February/March 1977, and the provisions relating to the possible adjustment of remunerations to be decided by the Council during the 1977 and 1978 financial years.

The foreseeable requirements have thus been fully met.

However, the actual utilization of appropriations depends primarily on:

the number of posts occupied,  
the level of remunerations actually authorized by the Council.

The number of posts has evolved as follows:

1977 authorization	8.048
new posts created in:	
(i) the ordinary 1978 Budget	246
(ii) the Second Supplementary and Amending Budget of 1978	84
Final 1978 authorization	<u>8.378</u>

The pattern of filling the posts authorized is as follows:

<u>Vacant posts</u>	<u>Categories A,B,C and D</u>	<u>Language Service</u>	<u>Total</u>
at 31 December 1977	134	123	257
excluding posts in the Official Publications Office	<u>-26</u>	<u>-</u>	<u>-26</u>
at 1 January 1978	108	123	231
posts created by			
(a) the 1978 ordinary Budget	226	20	246
(b) the Second Supplementary and Amending Budget of 1978	<u>84</u>	<u>-</u>	<u>84</u>
	418	143	561
posts vacated following staff changes	<u>186</u>	<u>19</u>	<u>205</u>
	<u>604</u>	<u>162</u>	<u>766</u>

It is because of the 766 vacant posts, which remained unfilled for varying lengths of time, that appropriations were available at the end of the financial year, especially in Chapters 11 and 12.

Thanks to satisfactory recruiting in 1978, the figure for vacant posts at 31 December 1978 was reduced from 231 to 223 (including 59 LA posts). The number of vacancies shows a slight decrease, therefore, compared to the situation at the beginning of the financial year.

As to Council Decisions on the adjustment of remunerations, it should be recalled that requirements for appropriations are determined on the basis of estimates, whereas authorized appropriations are only utilized on the basis of the decisions which the Council actually adopts.

The statement below provides a significant comment on this point in respect of staff employed in Belgium and Luxembourg:

Reference period	With effect from	Estimated rates incorporated in the 1978 appropriations	Rates actually decided by the Council	Gap
<u>Purchasing power</u>				
1.7.76 - 30.6.77	1.7.1977	0%	- 2,2%	- 2,2%
1.7.77 - 30.6.78	1.7.1978	0%	+ 2,5%	+ 1,25%
			<u>2</u>	
<u>Cost of living</u>				
1.7. - 31.12.1976	1.1.1977	4,5%	+ 4,5%	-
1.1. - 30. 6.1977	1.7.1977	4,5%	+ 3,8%	- 0,7%
1.7. - 31.12.1977	1.1.1978	4,5%	+ 2,3%	- 2,2%
1.1. - 30. 6.1978	1.7.1978	4,0%	+ 1,8%	- 1,1%
		<u>2</u>	<u>2</u>	<u>- 4,95%</u>

The above comparison shows:

- (i) the base figures for calculating - in February/March 1977 - the appropriations which would be required for 1978, and
- (ii) the decisions actually taken by the Council after February/March 1977 which thus affect the utilization of appropriations for 1978.

In keeping with the above gap, a portion of the appropriations corresponding to the gap has not been utilized and has therefore lapsed.

The 4.95% saving affects the Commission Budget as follows:

- Chapter 10: 97.6% of the appropriations
- Chapter 11: 94.1% of the appropriations
- Chapter 12: 88.9% of the appropriations.

For information purposes it should also be noted that savings have been possible for the same reasons in the appropriations set aside for:

- the Euratom Supply Agency (Article 280)
- the Official Publications Office (Article 287)
- the European Schools (Article 289)
- the EAC (Article 943)
- the European Centre, Berlin (Item 3010)
- the European Foundation for the Improvement of Living and Working Conditions, Dublin (Article 359).

In order to coordinate and harmonize the ways in which requirements for staff appropriations are calculated, the Commission has proposed to the other institutions that they should base their estimates on the same criteria. Where they have accepted this proposal, they will have the same percentage of excess appropriations as the Commission.

A figure of 2,08 million EUA has been included in the provisional appropriations for Chapter 100 as a reserve in respect of various posts covered by Chapter 11. It has not been necessary to use this reserve and the appropriation has therefore been cancelled.

Implementation of the appropriations allocated or increased by Parliament exercising its margin for manoeuvre

Many changes in the establishment plan are due to the alterations decided by Parliament. The changes are:

(a) the increase in the number of posts	+ 115
partially offset by a cut in the number of LA posts	- 20
net increase	<u>95</u>

In accordance with the guidelines laid down by Parliament, the Commission assigned these new posts as follows:

Safeguards	8A, 25B, 10C	posts
EAGGF	17B, 20C	posts
General services staff complement	10B, 25C	posts

Out of these 115 posts, all the Category A posts have been filled. As to the 107 Category B and C posts, 17 were still not filled at the end of the 1978 financial year, the reserve lists having been used up;

(b) The creation of 25 permanent C posts offset by abolishing the same number of local staff posts.

As a result, 25 local staff have now filled these permanent posts, after passing a competition in accordance with the Staff Regulations;

(c) A total of 91 posts have been upgraded. In all, 91 posts in Categories A, B and C have been upgraded, which has enabled the Commission to approve advancements and eliminate some of the bottlenecks for certain grades which have arisen in the last few years.

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Chapter 13 - Expenditure relating to missions and duty travel

A total of 86% of the 1978 appropriations for this Chapter have been committed, while 65% of the appropriations carried over from the 1977 financial year have been utilized.

That some of the 1978 appropriations are still available is due to two main reasons:

- (i) the increase in transport costs has been less significant than forecast;
- (ii) during 1978 the Commission proposed that the Council should change the rates of the daily mission allowance. The Council Decision differs considerably from the Commission's original proposal with regard to the date when such changes enter into force (proposal: 1 January 1978; decision: 1 October 1978).

Chapter 14 - Expenditure on social welfare

In all, 99% of the 1978 appropriations for this Chapter have been committed, while 77% of the appropriations carried over from 1977 have been utilized.

Chapter 15 - Organization of internal training courses for staff

The 1978 appropriations for this Chapter have been fully committed, while 77% of the appropriations carried over from 1977 have been utilized.

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Where certain commitments entered into in respect of Title 1 had not given rise to payments by 15 January 1979, the appropriations concerned were carried over automatically. As in the previous financial years, no non-automatic carryover was requested.

TITLE 2 - BUILDINGS, EQUIPMENT AND MISCELLANEOUS ADMINISTRATIVE EXPENDITURE

The total appropriations available in 1978 for Title 2 were 186,6 million EUA, of which 162,1 million EUA were appropriations for the 1978 financial year and 24,5 million EUA were appropriations carried over from 1977. Commitments were entered into (156,5 million EUA) in respect of 96% of the appropriations for the financial year.

Total payments made (145,7 million EUA) represented 78% of appropriations for the financial year and appropriations carried over from 1977 combined. Payments from appropriations for the financial year amounted to 77%, while 87% of appropriations carried over from 1977 were utilized.

Chapter 20 - Immovable property investments

In all, 97% of the appropriation of 145.000 EUA, set aside for expenditure on the extension of the Jean Monnet building in Luxembourg, were committed, having been transferred from Chapter 100 to Article 202. Payments were made in respect of 87% of the appropriation.

Chapter 21 - Rental of buildings and associated expenditure

More than 99% of the appropriations for this Chapter were committed. As the extension to the Jean Monnet building in Luxembourg will be finished only towards the end of 1979, no payment has been made from the appropriation of 494.000 EUA, which was earmarked for the rent and entered under Chapter 100.

Chapter 22 - Movable property and associated expenditure

Chapter 23 - Current administrative expenditure

For each of these two Chapters, 99% of the appropriations for commitment have been utilized, and there are no particular comments arising.

Chapter 24 - Entertainment and representation expenditure

Expenditure in connection with this Chapter is governed by special internal rules. The rate of utilization (commitments) for 1978 appropriations is 95%.

Chapter 25 - Expenditure on formal and other meetings

In all, 92% of the appropriations set aside for this Chapter for the financial year were committed. A total of 69% of the appropriations were used for payments and include payments entered in a holding account, whilst the responsible department carries out the formal validation of the expenditure.



Chapter 26 - Expenditure on studies, surveys and consultations

In the first quarter of the financial year the Commission authorized finance for a programme of studies accounting for 9,7 twelfths of the total programme allocation entered in the Chapter. In the second quarter the Commission completed this programme, which resulted in ten twelfths of the appropriations being utilized. At 30 June 1978 the commitment of the relevant expenditure had used up 6,6 twelfths of the allocation. Thanks to the compulsory time limits for the commitment of appropriations set by the Commission each year on 30 September it was possible to allocate the amount which had not been committed, i.e. one twelfth, to the final adjustment of the programme in keeping with the most recent developments.

The management of the studies during the 1978 financial year brought the total commitment up to 11,6 twelfths of the Chapter allocation.

The table on the following page shows how all the appropriations were utilized during the financial year.

Implementation of the appropriations allocated or increased by Parliament exercising its margin for manoeuvre

On 5 July 1978 the Commission approved the allotment, as requested by Parliament, of an appropriation of 160.000 EUA entered under Article 266 to studies on the situation with regard to fishing and tourism in the border regions between the UK and the Republic of Ireland (Amendment No 301 by Parliament). All of this allocation was committed during the second quarter.

Chapter 27 - Expenditure on publishing and information

In all, 99% of the appropriations for the financial year were committed. The high rate of utilization is explained, as in other Chapters, by the uniform rate at which the appropriations in the various budget headings were spent.

Implementation of the appropriations allocated or increased by Parliament exercising its margin for manoeuvre

As to Item 2729, information projects relating to direct elections to the European Parliament, the 5 million EUA entered as appropriations have been fully committed at 31 December 1978 after the Commission and Parliament had agreed how they should be utilized.

SUMMARY TABLE AT 31 DECEMBER 1978 OF THE UTILIZATION OF APPROPRIATIONS FOR STUDIES

(CHAPTER 26)

in EUA

Budget heading	Appropriations 1977	Commitments	Payments	Commitments as a percentage of appropriations
A	B	C	D	E
260 - Consultations, studies and surveys of limited scope	1.170.000	1.154.184	535.005	99
261 - Studies and surveys of the short-term economic situation	1.677.000	1.626.350	438.253	97
262 - Comprehensive Community studies and general surveys	1.510.000	1.376.810	448.419	91
2630 - Studies provided for in Article 46, 3rd paragraph, point 1	18.500	17.409	8.896	94
2631 - Studies provided for in Article 46, 3rd paragraph, point 2	0	0	0	0
2632 - Studies provided for in Article 46, 3rd paragraph, point 3	469.500	429.487	266.952	91
2633 - Studies provided for in Article 46, 3rd paragraph, point 4	100.000	93.646	28.138	94
2634 - Studies provided for in Article 46, 3rd paragraph, point 5 (Economic and social studies provided for in Article 46 of the ECSC Treaty)	60.000	58.845	8.058	98
264 - Statistical studies and surveys	7.000.000	6.813.877	3.222.852	97
2650 - Studies in the context of technical assistance for nuclear power plant operators	25.000	24.055	9.556	96
2651 - Studies of safety techniques	250.000	248.875	46.739	99
2652 - Studies on advanced reactor designs	100.000	94.051	18.642	94
2653 - Studies on the nuclear fuel cycle	125.000	124.193	47.375	99
266 - Regional studies at the request of the Member States	500.000	496.298	130.770	99
267 - Sectoral studies and surveys on competition	250.000	248.513	85.425	99
<b>Total</b>	<b>13.255.000</b>	<b>12.806.593</b>	<b>5.295.080</b>	<b>97</b>

Chapter 28 - Subsidies for balancing budgets

In all, 91% of all appropriations for Chapter 28 have been committed. The situation with regard to each Article is as follows:

Institution	Amount (EUA)		Utilization (%)
	Appropriations	Commitments	
280 : Euratom Supply Agency	840.700	794.900	95
281 : Business Cooperation Centre	86.300	83.783	97
283 : European Foundation	500.000	-	0
287 : Official Publications Office	10.978.100	9.891.560	90
289 : European Schools	27.291.900	25.433.500	93
<b>Total</b>	<b>39.697.000</b>	<b>36.203.743</b>	<b>91</b>

With regard to Articles 280 - Euratom Supply Agency, 287 - Official Publications Office and 289 - European Schools, staff expenditure was less than provided for in the estimates since compensation for the increase in the cost of living and the preservation of purchasing power have not meant the expected large salary increases (see the comments on Title 1). If this had not been the case, the appropriations would have been utilized more quickly.

No appropriations were allocated to Article 288 for the European University Institute (Florence).

Implementation of the appropriations opened or increased by Parliament exercising its margin for manoeuvre

Article 282 - European Communities' Institute for Economic Analysis and Research

The appropriation of 3,05 million EUA entered under Chapter 100 was not drawn on, as the Council had adopted no substantive decision.

Article 283 - European Foundation

No commitment was made in respect of the appropriation of 500.000 EUA, since no formal agreement setting up the Foundation has yet been completed.

Chapter 29 - Subsidies and financial contributions

The commitments - representing more than 96% of the appropriations - indicate normal consumption.

Implementation of the appropriations opened or increased by Parliament exercising its margin for manoeuvre

The satisfactory completion of discussions enabled the appropriation allocated to Article 293 to be fully utilized (subsidy in respect of certain activities of non-governmental organizations pursuing humanitarian aims and promoting human rights).

TITLE 3 - COMMUNITY POLICIES IN REGARD, PARTICULARLY, TO RESEARCH,  
TECHNOLOGY, INDUSTRY, THE SOCIAL SECTOR, THE ENVIRONMENT AND  
THE SUPPLY OF ENERGY AND RAW MATERIALS

Chapter 30 - Expenditure in the social sector

This Chapter contains both differentiated and non-differentiated appropriations.

Some 6,12 m EUA, or more than half, of the 11,76 m EUA in total appropriations for commitments relate to headings for which the appropriations are differentiated.

1. Non-differentiated appropriations

These concern all the Articles in this Chapter with the exception of Articles 303 and 306, dealt with below.

(a) Appropriations for the current financial year

The expenditure concerns the European Centre for the Development of Vocational Training in Berlin, exchanges of young workers, measures under the employment policy and the European Trade Union Institute. Commitments for all these measures accounted for 95% of available appropriations at 31 December. This rate would not have been achieved completely without a slight redistribution of appropriations at the end of the financial year (transfers of 80.000 EUA from Article 300 and 15.000 EUA from Item 3051: 35.000 EUA to Item 3050 and 35.000 EUA to Article 304). Payments have been made against more than two-thirds of these commitments. With regard to the European Trade Union Institute (Article 307), with which the agreement governing its relations with the Community was signed on 7 June, half the appropriation of 500.000 EUA allocated to it has been disbursed. An additional instalment of 100.000 EUA, committed but not paid and thus carried over to 1979, can be paid to the Institute if its actual expenditure justifies this.

At 31 December only 2,25 m EUA of the 2,80 m EUA appropriation in Item 3010 for the European Centre for the Development of Vocational Training in Berlin had been paid. The Commission reserves the right to make additional payments from automatic carryovers at the beginning of 1979 on the basis of the Centre's actual expenditure in 1978. The utilization of this subsidy is shown in the Centre's accounts, which are submitted annually to the Court of Auditors and the Budgetary Authority, as set out in Article 12 of Council Regulation 337/75 setting up the Centre.

Note the non-utilization of the appropriation for Article 309 "Community aid to workers made redundant in the Italian sulphur mines", an operation which is being phased out and for which no appropriation was entered in the 1979 Budget.

(b) Appropriations carried over

Leaving aside the appropriation carried over from Article 303, to which appropriations which are differentiated and thus treated separately have been allocated since 1978, the carryover of appropriations amounted to 0,68 m EUA, 0,61 of which have been disbursed, the balance being distributed among the various Items.

## 2. Differentiated appropriations

These concern Article 303 (Community measures to improve migrant and handicapped workers' living conditions) and Article 306 (Pilot research projects on action to combat poverty).

### (a) Article 303

The implementation of commitments for Article 303 is complete (1,12 m EUA). The implementation of payments is not: the appropriations available for payments amounted to 1,15 m EUA, taking into account the appropriations automatically carried over from 1977. Of this total, 0,67 m EUA - 58% - have been used. An appropriation of 0,36 m EUA is automatically carried over to the 1979 financial year. The difference between the utilization rate of commitments and that of payments shows how sound it was to include this type of expenditure - housing - among the differentiated appropriations as from 1978 - thanks to amendments by the European Parliament.

### (b) Article 306

As regards Article 306 (Action to combat poverty), although the accounting statement shows only a commitment of 0,67 m EUA, utilization of the appropriations for commitment has been almost complete: 5,46 of the 5,54 m EUA available, taking into account an appropriation of 0,54 m EUA carried over from 1977, even though this will not show up in the accounts until the beginning of 1979.

This action, which began at the end of 1975, is continued from year to year by a Commission decision at the end of the financial year. Since the Commission decision of December 1978 did not appear in the accounts before the end of the financial year, the appropriations which were not used in 1978 will be committed at the beginning of 1979 as appropriations carried over from 1978 and thus available in 1979 in accordance with Article 6(2)(a) of the Financial Regulation of 21 December 1977.

As for the appropriations available for payments, 2,8 m EUA were used out of 3,8 (three-quarters), taking into account an automatic carryover of 0,9 m EUA, which was entirely spent.

The unused remainder of 1 m EUA is thus automatically carried over to the 1979 financial year.

### Implementation of appropriations introduced or increased by the European Parliament within its margin of manoeuvre

Apart from the comments above on Articles 303, 306 and 307, the consumption of the appropriations under the headings where the European Parliament made amendments (Items 3021, 3030, 3031, 3050, 3051, Articles 306 and 307) may be considered normal.

Chapter 31 - Expenditure in the agricultural sector

(1) Implementation of the appropriations for the financial year

Of the 7.993.700 EUA in appropriations entered in the Budget, 6.075.794 were committed, a rate of utilization of 76%.

Two series of budget headings may be identified:

those where the utilization of appropriations has been complete, and

those where it has not been complete.

(a) Complete utilization of appropriations

Item 3103 - (Community contribution towards the campaign against foot-and-mouth disease outside the Community): 448.000 EUA contribution towards the building of an institute for combatting this disease in Ankara.

Item 3121 - (Comparative trials of seedlings and seeds): 133.000 EUA. This is concerned with Community tests of seedlings and seeds to control observance of Community regulations in this sector.

Article 313: (Farm accountancy data network): 1.540.000 EUA. This is concerned with observation of Community farms on the basis of representative sampling.

Article 314: (Agricultural research): 2.990.000 EUA. Utilization of these appropriations made it possible to continue implementation of the agricultural research programmes decided on by the Council and the maintenance and updating of the permanent inventory of EEC agricultural research programmes.

Article 316: (Community action relating to the vocational training of farmers): 131.100 EUA. This subsidy was given to CEPFAR, which performs a number of tasks of general interest in the field of vocational training for farmers.

(b) Partial utilization of appropriations

Item 3105 - (Action in the event of outbreaks of epizootic disease). Of the 2.500.000 EUA entered in the Budget, 779.780 were committed, a utilization rate of 31,1%. The appropriations used made it possible to check an outbreak of African swine fever in Sardinia. Since this appropriation is meant to be used only in an emergency, when an outbreak of epizootic disease occurs, it is only used when needed: the utilization rate does not, therefore, have the same significance as for other budget headings.

Item 3111 - (Veterinary inspection of the application of Community rules and regulations). Of the 36.300 EUA entered in the Budget, none was committed, since the Member States did not avail themselves of the opportunity.

Item 3112 - (Veterinary inspection in non-member countries): 25.717 EUA were committed, i.e. 28% of the appropriation entered in the Budget.

Article 315: (Training of national officials responsible for monitoring EAGGF expenditure): 18,2% of the appropriations were committed - under-utilization attributable to the difficulties of organizing seminars for training officials responsible for monitoring EAGGF expenditure.

(2) Implementation of carryovers of appropriations

Of the 3.216.126 EUA carried over, 2.038.486 EUA were paid, i.e. 63,3%. It is mainly under two Articles that implementation was incomplete:

Article 314 - (Agricultural research). This is a matter of contracts with research institutes where part of the work has not been carried out or is not yet finished (89% utilization).

Article 313 - (Farm accountancy data network). Payments are made very late because of the checks which have to be made on the results obtained (9,4% utilization).

Implementation of the appropriations introduced or increased by the European Parliament within its margin of manoeuvre.

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It will be recalled that the allocation to Article 316 was raised from 50.000 EUA to 131.100 EUA by an amendment made by the European Parliament. The appropriation adopted was completely utilized.



Chapter 32 - Expenditure under the energy policy

A total of 17% of the 80.000.000 EUA in appropriations for commitment entered under this Chapter for the 1978 financial year were used; this was devoted to the actions adopted in the hydrocarbons sector (first part) and to uranium prospecting.

On the other hand, utilization of the appropriations for payment, based mainly on the financial provisions of the contracts concluded by the Commission in the hydrocarbons and uranium sectors, accounts for only 10% of the appropriations entered in the Budget (46.300.000 EUA).

A total of 46% of the appropriations for payment carried over from the previous year was used, the remainder being cancelled.

The low level of consumption of the appropriations entered under this Chapter reflects the difficulties encountered by the Commission in getting its proposals approved by the Council.

Implementation of appropriations introduced or increased by the European Parliament within its margin of manoeuvre

Article 320 - Projects in the hydrocarbons sector

Item 3200 - Community technological development projects

The Council having approved the fourth series of projects in accordance with Regulation (EEC) 3056/73 of 9 November 1973 (OJ L 312 of 13 November 1973) on 30 October 1978, an initial portion was committed, as well as the remainder of the 1977 contracts, against the outstanding appropriations for commitment (100%) and the appropriations entered in the 1978 Budget (25%). The second part of the 1978 contracts will be committed in 1979 against the appropriations for commitment carried over from 1978.

Utilization of the appropriations for payment, which is based on the financial provisions of the contracts, represents only 14% of the appropriations entered in the Budget for this financial year. The balance will be used as the Commission approves the progress reports on each project.

Utilization of the carryovers of appropriations for payment is normal and is based on the financial provisions of the various contracts.

Item 3201 - Joint projects in prospecting for hydrocarbons

The utilization of these appropriations is still waiting for adoption by the Council of a regulation on the basis of Article 235 of the EEC Treaty.

The Commission hopes that this regulation will be adopted at the beginning of 1979; the Budgetary Authority accordingly authorized a precautionary transfer from Chapter 100 to the appropriate budget heading, so that these appropriations will be available in 1979.

Article 321 - Prospecting for uranium deposits

The Commission having approved the selected projects, the commitments were made before the end of the financial year.

Utilization of the appropriations for payment account for only 12% of the appropriations entered in the Budget, but it matches with the financial provisions of the contracts concluded in connection with this project.

Utilization of the appropriations carried over from the 1977 financial year is on the basis of the financial provisions of the various contracts.

Article 323 - Use of coal in power stations

For lack of a decision by the Council on the proposal for a regulation submitted by the Commission in December 1976, utilization of this appropriation is still pending.

Article 324 - Aids to demonstration projects under the Community energy policy

The basic Regulations concerning granting of financial support in this sector were adopted by the Council on 16 June 1978. In December 1978, the Commission presented an initial series of projects corresponding to the Community intervention criteria which will make it possible to use the appropriations entered in the 1978 Budget, as soon as agreement is reached on this initial series.

Article 329 - Euratom loans

Under the Council Decision of 29 March 1977 (OJ L 88 of 6 April 1977), the Commission is empowered to contract loans up to a ceiling of 500.000.000 EUA to finance nuclear power stations.

Two loans were made in 1978, one in July for Sw F 80.000.000 and the other in December for \$49.400.000. At 31 December 1978, the total of Euratom loans thus stood at the equivalent of 174.000.000 EUA.

Chapter 33 - Expenditure on research and investment

The four-year (1977-80) programme of the Joint Research Centre (direct actions) and a series of indirect action projects carried out under contract (indirect actions) were continued or, in the case of some new actions, launched in 1978.

As for indirect actions, it should be remembered that the appropriations for commitment amount to 89,9 m EUA (including 81,9 m EUA in appropriations for commitment from 1976-77) relating to the JET project, the incorporation of which in the "plasma fusion and physics" programme was decided only on 30 May 1978. Consequently, the launching of this project in 1978 was subject to considerable delays - which explains the large amount in appropriations for commitment (83,468 m EUA) still outstanding at 31 December 1978. This applies equally to certain other indirect actions not decided on by the Council until March and July 1978 (primary raw materials; uranium ore prospecting and processing; long-term forecasts and assessments).

Taking into account the outstanding JET appropriations mentioned above, implementation of the Budget is as follows:

Appropriations for commitment

	Approps. carried over from 1977	Approps. entered in 1978 Budget taking account of transfers	JET approps. outstanding at 31.12.78	Total approps. actually to be considered for 1978	Approps. committed	Use % in relation to approp. actually available
	1	2	3	1+2-3		
Indirect action	124,873	64,465	83,468	105,870	65,527	62
Direct action	9,578	119,262 (1)	-	128,840	89,271	69
TOTAL	134,451	183,727	83,468	234,710	154,798	66

Furthermore, mention must be made of the fact that 17,093 m EUA in appropriations for commitment were blocked provisionally at the end of the financial year for contracts under negotiation for the indirect action.

(1) Including 5,076 m EUA in revenues for services rendered to outside bodies or individuals.

Appropriations for payment

m EUA

	Approps. entered in 1978 Budget taking account of transfers	JET approps. carried over to 1979	Total approps. to be considered for 1978	Payments made	Use % in relation to approps. actually available
	1	2	1 - 2		
Indirect action	97,016	15,000	82,016	36,200	44
Direct action	122,454	-	122,454	70,306	57
TOTAL	219,470	15,000	204,470	106,506	52

Like the appropriations for commitment destined for the JET project, the appropriations for payment relating to that project must be considered separately. They have been carried over to the 1979 financial year.

As regards the utilization of the appropriations for payment carried over from 1977, it should be pointed out that 14,952 m EUA of these carryovers relating to the JET project could not be used because of delays in launching this programme. In view of this fact, the amount to be considered is thus 66,050 m EUA instead of 81,002 m EUA and the utilization of appropriations is 71% instead of 58%.

Implementation of appropriations introduced or increased by the European Parliament within its margin of manoeuvre

Item 3358 - Irradiated fuel reprocessing

The appropriation of 1.000.000 EUA entered in Chapter 100 was not used. The Commission will be unable to draw up a proposal for a research programme in this field until the Council approves the document on Community strategy on the reprocessing of irradiated nuclear fuels (COM(77)331 final of 15 July 1977).

Item 3359 - Decommissioning of nuclear installations

The appropriation of 500.000 EUA entered in Chapter 100 was not used, since the Council has not yet decided on the three-year programme (1978-80) put to it by the Commission on 28 April 1978.

Item 3361 - Primary raw materials

The appropriations allocated amount to 5.000.000 EUA in appropriations for commitment and 2.000.000 EUA in appropriations for payment.

Only a small proportion of these appropriations has been utilized because the programme was not adopted until 6 March 1978 and effective implementation has been delayed by such factors as staff recruitment, negotiation of contracts and consultation of the Advisory Committee on Programme Management. A large sum in appropriations for commitments will be utilized at the beginning of the 1979 financial year.

Item 3362 - Long-term forecasts and assessments

The appropriations allocated to this Item amount to 179.400 EUA in appropriations for commitment and 532.600 EUA in appropriations for payment, 72.000 EUA of which have been committed and 13.000 EUA paid out.

Item 3364 - Uranium ore prospecting and processing

Since the programme was not adopted until 6 March 1978, only a small proportion of the appropriations for this Item (2.846.000 EUA in appropriations for commitment and 800.000 EUA in appropriations for payment) has as yet been used. Here, too, work on starting the programme (invitations to tender, ACPM, etc) has caused delay in using the appropriations.

Item 3371 - Implementation of coordinated projects

No programme decisions having been taken, the appropriations for commitment (615.000 EUA) and appropriations for payment (475.700 EUA) were provisionally entered in Chapter 100. Once the decisions on the town planning, medical research and food technology programmes had been taken by the Council - on 7, 13 and 20 February respectively - the Commission applied to the Budgetary Authority for the transfer from Chapter 100 to Item 3371 of 577.000 EUA in appropriations for commitment and 443.500 EUA in appropriations for payment - the requirement for 1978. Approval was given in July 1978, and 417.000 EUA were committed and 36.000 EUA paid. All the figures in this Chapter are still provisional and may be amended after the final closing of the accounts.

Chapter 34 - Expenditure relating to safeguards

In all, 99% of the appropriations entered in this Chapter have been committed. These appropriations cover in particular the costs of on-the-spot inspections (Article 340), the cost of sampling and analysis (Article 342) and of buying equipment and carrying out scientific and technical work (Article 343).

The payments made during this financial year represent 59% of the commitments made.

A total of 97% of the appropriations for payment carried over from 1977 was spent.

Chapter 35 - Protection of man and his environment

1. Appropriations for the current year

Commitments represent close to 96% of the appropriations allocated to this Chapter (6,68 m EUA of 6,97). The difference is spread over most of the items.

Payments have reached the figure of 2,94 m EUA, i.e. 44% of the commitments, a normal percentage devoted largely to studies many of which were committed well into the financial year. The balance not paid out will be carried over automatically to the 1979 financial year.

It will be seen that at 31 December only 55% of the 2,3 m EUA subsidy to the European Foundation for the Improvement of Living and Working Conditions in Dublin (Article 359), almost all of which had been committed, had been utilized. The Commission reserves the right to make additional payments at the beginning of 1979 out of automatic carryovers in line with the Foundation's actual expenditure in 1978.

The utilization of this subsidy can be seen from the Foundation's accounts, which are submitted annually to the Court of Auditors and the Budgetary Authority in accordance with Article 16 of Regulation 1365/75 on the setting up of the Foundation.

Implementation of appropriations introduced or increased by the European Parliament within its margin of manoeuvre

By amendments totalling 0,6 m EUA, the European Parliament had restored the appropriations of the Preliminary Draft Budget (i.e. 1,5 m EUA) to headings 3520 (Health protection at the place of work), 353 (Public health), 3541 (Environmental projects), 3550 (Consumer protection studies) and 3552 (Consumer protection and information studies). On average, 95.3% of these headings have been committed, the percentage being nowhere below 90%.

Chapter 36 - Expenditure on scientific and technical information and on information management

In all, 97% of the appropriations entered under this Chapter (except for Items 3620 and 3621), and which amount to 1.605.000 EUA, have been committed, while payments represent 49% of the commitments made.

Implementation of appropriations introduced or increased by the European Parliament within its margin of manoeuvre

Article 362 - Documentary research, scientific and technical information and documentation

Item 3620 - Three-year projects

and

Item 3621 - Activities supplementary to the three-year projects

Of the differentiated appropriations allocated to these Items (5.825.000 EUA in appropriations for commitment and 3.550.000 EUA in appropriations for payment) only 30% were committed because of the late adoption by the Council of the second three-year action plan. On the other hand, 43% of the appropriations for payment authorized were utilized.

There was 100% utilization of the outstanding appropriations for commitment and 97% utilization of carried-over appropriations for payment.

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Chapter 37 - Expenditure in the industrial and transport sectors

Ten per cent of the non-differentiated appropriations entered under this Chapter for the 1978 financial year (Items 3721 and 3751, Articles 373 and 374) and amounting to 16.675.000 EUA were committed and the payments represent 25% of the commitments made.

As regards the differentiated appropriations (Items 3701, 3710 and 3750), which amount to 22.920.000 EUA in appropriations for commitment and 4.700.000 EUA in appropriations for payment, there was 8% utilization of the appropriations for commitment and 9% utilization of the appropriations for payment.

The appropriations for payment carried over from 1977 were utilized normally.

The low level of consumption of the appropriations entered under this Chapter reflects the difficulties which the Commission is encountering in getting its proposals approved by the Council.

Implementation of the appropriations introduced or increased by the European Parliament within its margin of manoeuvre

Article 370 - Projects in the data-processing sector

Item 3701 - Second programme

In accordance with the Council Decision of 27 September 1977 on the second series of priority actions in the data-processing sector, the commitments made represent 65% of the appropriations for commitment entered in the Budget (2.920.000 EUA) and the appropriations for payment (1.700.000 EUA) and 26% of the appropriations for payment were used.

As these projects could be implemented only in 1978, the various budgetary bodies agreed, when the 1978 Budget was drawn up, that the appropriations for commitment (9.000.000 EUA) and the appropriations for payment (2.835.000 EUA) entered in the 1977 Budget would not be used; they were thus cancelled at 31 December 1978.

Article 371 - Operations in the aerospace sector

Item 3710 - Technological research

The proposal for a programme drawn up by the Commission in July 1977 is still under discussion by the Council.

The Commission transferred appropriations entered under Chapter 100 as a precautionary measure so as to be able to use in 1979 - once the Council has adopted the programme - the appropriations entered in the 1978 Budget.

The appropriations for payment carried over from 1977 (8.000.000 EUA) were cancelled at 31 December 1978 because of the lack of a decision by the Council which would have made it possible to implement the aerospace research programme.

Article 373 - Financial operations in transport infrastructure projects

After the Commission approved three studies in this sector on 10 May 1978, the requisite appropriations were transferred from Chapter 100 and 100% of them were committed.

The payments made in accordance with the financial provisions of the contracts concluded by the Commission represent 29% of the total costs of these studies.



Article 375 - Community reorganization and redevelopment operations in connection with crises in certain industrial sectors

Item 3750 - Loan interest rebates

Item 3751 - Investment premiums

The Commission has put before the Council and the Parliament a proposal for a Regulation under which these intervention appropriations can be implemented (31 October 1978).

A request will be made to carry over the appropriations entered in the 1978 Budget, so that they can be used as soon as a decision is reached.

Chapter 39 - Other expenditure on specific projects undertaken by the institution

Of the 9.445.000 EJA in appropriations entered in the 1978 Budget, 78% were committed and 43% paid out.

In all, 94% of the appropriations for payment carried over were used.

Implementation of the appropriations introduced or increased by the European Parliament within its margin of manoeuvre

Article 390 - Research projects in the field of technology and industry

On 30 June 1977, the Commission sent to the Council a proposal on Community intervention to encourage the innovating capacity of firms, in particular small and medium-sized firms, in the context of Community cooperation.

After considering this proposal, the Council asked the Commission to make a more thorough study of the matter in the light of experience gained from indirect action projects, ECSC operations and hydrocarbons projects.

As a precautionary measure, the Commission has transferred appropriations entered under Chapter 100; they will be the subject of a request for a non-automatic carryover.

Article 392 - Educational measures

Item 3920 - Implementation of the education programme

All the appropriations authorized in the 1978 Budget were committed, making it possible to continue the operations already under way; the payments represent 48% of the commitments made. In all, 95% of the appropriations for payment carried over were used.

Article 393 - Expenditure on cultural projects

The cultural projects are under way and the appropriations committed represent 100% of the appropriations entered under this budgetary heading; payments deriving from the commitments amount to 92%.

All the appropriations carried over were used.

TITLE 4 - REPAYMENTS AND AIDS TO MEMBER STATES AND MISCELLANEOUS

Chapter 40 - Lump-sum repayment to the Member States of the costs incurred in collecting own resources

Unlike that of previous years, the 1978 Budget, as far as revenue is concerned, is a cash budget. This means that own resources are entered in the accounts, not when they are established, as was done previously, but when they are credited to the accounts opened in the name of the Commission. The revenue for the financial year therefore corresponds to the payments made by the Member States on the 20th day of each of the twelve months of the year. Since the lump-sum repayment to Member States of the costs incurred in collecting own resources is made within thirty days following notification that the resources have been credited, the appropriations used in 1978 are equivalent to eleven months' utilization and amount to 90%.

Chapter 42 - Community lending operations

Within the 3.000 million US Dollar limit fixed by Council Regulation No 397/75 of 17 February 1975, the Community took up a number of loans in 1976 and 1977 to help Member States in balance of payments difficulties; pursuant to the Council Decision of 15 March 1976 (76/322/EEC), the Community granted loans to Italy and Ireland on the same terms as those on which the Community had borrowed the money.

The total involved in these loans has not changed since the beginning of the year and now, on 31 December 1978, amounts to 1.420 million EUA.

Chapter 47 - Assumption by the European Communities of certain financial obligations

Article 470 of the 1978 Budget (Refunds arising out of certain financial obligations in respect of fishing in the Adriatic) was created in the First Supplementary and Amending Budget for 1978 in order to set up a budgetary framework for the expenditure provided for in connection with the fishing agreement between Italy and Yugoslavia. At that stage, an appropriation of 215.000 EUA was entered in the Article to cover the said expenditure for the 6-month period ending on 30 June 1978.

By means of a transfer approved by the Council on 25 October 1978, this appropriation was increased by a further allocation of 215.000 EUA, to cover the expenditure for the 6-month period ending on 31 December 1978. Total available appropriations therefore increased to 430.000 EUA.

However, at the accounting level, it was not possible to arrange the commitment in respect of this expenditure before 31 December 1978. For various internal administrative reasons Italy has not yet been able to transfer the amounts due for 1978 under the agreement with Yugoslavia and therefore has not yet formally applied for reimbursement by the Community.

Application will be made for the non-automatic carryover of this appropriation to 1979.

TITLE 5 - SOCIAL AND REGIONAL FUNDS

Chapters 50, 51 and 52 - European Social Fund

A. Summary of implementation in 1978

The tables on the next few pages give an analysis of budget implementation in this sector. Implementation can be summarized as follows:

- (a) Commitments entered into during the financial year accounted for 568,17 million, of the available appropriation of 569,68 million EUA - an implementation rate of almost 100%;
- (b) Payments made during the financial year accounted for 284,78 million EUA of the available appropriation of 584,30 million EUA, i.e. 48,7%;
- (c) Total commitments entered into during 1978 but not paid - including commitments from previous financial years - amounted to 1.506,52 million EUA. Of this, 284,78 million EUA - i.e. 18,9% - have been paid out leaving a balance of 1.221,74 million EUA to be settled in the next few financial years.

The significant data are:

- (a) All commitments have been implemented. This shows how much is required in this field - applications were made under most headings and those for the largest amounts far exceeded the available resources;
- (b) Implementation of payments is comparable to previous years, but there still remains a great deal to be done. If the system of advances which has been in force since 1978 could really get under way, it would contribute greatly to progress on this front;
- (c) Over and above delays in payment, the volume of commitments entered into but not yet paid is an indication of the volume and growth of the appropriations allocated to the Social Fund by the Budgetary Authority.

B. Analysis of implementation in 1978

The three tables on the following pages provide the basis for an analysis of each of the main aspects of implementation in 1978, i.e. commitments, payments and obligations in the course of being settled.

1. UTILIZATION OF APPROPRIATIONS FOR COMMITMENT

Budget nomenclature	Appropriations available for 1978			Utilization in 1978		
	Approps.* entered in the 1978 Budget	Approps. left over from 1977	Total	Commitments entered into in 1978	Percentage used	Approps. available at 31.12.1978**
	1	2	3	4	5	6
500 - Agricultural and textile sectors	32,50	0,04	32,54	31,97	98,2	0,57
501 - Young people	179	0,07	179,07	178,94	99,9	0,13
502 - Handicapped persons	-	-	-	-	-	-
503 - Migrants	18,50	-	18,50	18,50	100	-
505 - Women	8	-	8	7,69	96,1	0,31
50	238	0,11	238,11	237,10	99,6	1,01
510 - Regions, economic sectors or groups of companies	281,40	0,02	281,42	281,38	100	0,04
511 - Handicapped persons	48,60	-	48,60	48,14	99	0,46
51	330	0,02	330,02	329,52	99,8	0,50
52 - Pilot schemes and preparatory studies	1,50	0,05	1,55	1,55	100	-
TOTAL 50-52	569,50	0,18	569,68	568,17	99,7	1,51

\*Including transfers.

\*\*These appropriations are still available for the financial year 1979  
(Article 6(2)(a) of the Financial Regulation of 21 December 1977).

2. UTILIZATION OF THE APPROPRIATIONS FOR PAYMENT

Budget nomenclature	Appropriations for payment available in 1978			Payments made in 1978			Appropriations not used by 31 December 1978		
	Carry-overs from 1977	Approps. for 1978*	Total	Out of carry-overs from 1977	Out of approps. for 1978	Total	Out of carry-overs from 1977	Out of approps. for 1978**	
	1	2	3	4	5	6	7	8	
500 - Agriculture and textile sectors	1,23	61	62,23	1,23	20,74	21,97	-	40,26	
501 - Young people	5,98	118	123,98	5,98	68,90	74,88	-	49,10	
502 - Handicapped persons	2,47	19	21,47	2,47	17,89	20,36	-	1,11	
503 - Migrants	0,53	25	25,53	0,53	10,66	11,19	-	14,34	
505 - Women	-	2,50	2,50	-	-	-	-	2,5	
50	10,21	225,50	235,71	10,21	118,19	128,40	-	107,31	
510 - Regions, economic sectors or groups of companies	31,41	275	306,41	31,41	99,37	130,78	-	175,63	
511 - Handicapped persons	3,77	37	40,77	3,77	21,35	25,12	-	15,65	
51	35,18	312	347,18	35,18	120,72	155,90	-	191,28	
52 - Pilot schemes and preparatory studies	0,11	1,30	1,41	0,11	0,37	0,48	-	0,93	
TOTAL 50-52	45,50	538,80	584,30	45,50	239,28	284,78	-	299,52	

\*Including transfers.

\*\*These appropriations will be carried over automatically to the financial year 1979 (Article 6(2)(b) of the Financial Regulation of 21 December 1977).

3. PROGRESS WITH REGARD TO COMMITMENTS MADE

Budget nomenclature	COMMITMENTS			PAYMENTS MADE IN 1978			COMMITMENTS REMAINING TO BE SETTLED UP AT 31 DECEMBER 1978		
	Outstanding at 1.1.1978*	Entered into in 1978**	Total	Out of commitments in Col. 1	Out of commitments in Col. 2	Total	Out of commitments in Col. 1	Out of commitments in Col. 2	Total
	1	2	3	4	5	6	7	8	9
500 - Agriculture and textile sectors	119,21	31,97	151,18	18,57	3,40	21,97	100,64	28,57	129,21
501 - Young people	203,23	178,94	382,17	61,84	13,03	74,88	141,39	165,91	307,30
502 - Handicapped persons	29,73	-	29,73	20,36	-	20,36	9,37	-	9,37
503 - Migrants	69,69	18,50	88,19	9,66	1,54	11,19	60,03	16,96	76,99
505 - Women	-	7,69	7,69	-	-	-	-	7,69	7,69
50	421,86	237,10	658,96	110,43	17,97	128,40	311,43	219,13	530,56
510 - Regions, economic sectors or groups of companies	468,05	281,38	749,43	124,96	5,81	130,78	343,09	275,57	618,66
511 - Handicapped persons	47,71	48,14	95,85	20,96	4,17	25,12	26,75	43,97	70,72
51	515,76	329,52	845,28	145,92	9,98	155,90	369,84	319,54	689,38
52 - Pilot schemes and preparatory studies	0,73	1,55	2,28	0,20	0,28	0,48	0,53	1,27	1,80
TOTAL 50-52	938,35	568,17	1.506,52	256,55	28,23	284,78	681,80	539,94	1.221,74

\*Updated EUA rates.

\*\*See Column 4 of Table No 1 "Utilization of the appropriations for commitment".

I. COMMITMENTS

1. Commitments entered into under appropriations for 1978

(a) Rate of utilization of appropriations

Almost all the appropriations for commitment entered in the 1978 Budget (568,17 of the 569,68 m EUA available, i.e. 99,7%) have been utilized following very slight rearrangements resulting from the following transfers:

2,5 m EUA from Article 500 (agriculture and textiles) to Article 503 (migrants),  
and

0,4 m EUA from Article 511 (handicapped persons) to Article 510 (regions).

(b) Purpose of the appropriations

There is a very marked concentration in two Items:

(i) Measures for young people (Article 501): 31,5% of the total appropriation, i.e.  $\frac{3}{4}$  of the Chapter 50 commitments (intervention under Article 4 of the basic Decision);

(ii) Measures in favour of regions, economic sectors and undertakings in difficulty (Article 10): 49,5% of the total appropriations, i.e. 85% of Chapter 51 commitments (intervention under Article 5 of the basic Decision). It should be noted that over nine-tenths of the commitments in this Article are set aside for regions in difficulty (those also eligible for ERDF aid), whilst expenditure under the other two Items of this Article has so far been marginal.

It can therefore be said that, taken together, action in favour of young people and action in favour of the regions have accounted for over four-fifths of the commitment under the Fund in 1978, whilst unequal shares of the remainder have gone to the other intervention areas (see Table No 1 above).

(c) Comparison between commitments and applications for aid (Chapters 50 and 51)

As in 1977, only those applications recognized as priorities under the criteria defined in the directives for the management of the Fund (see OJ No C 116 of 19 May 1978) were considered. Even so, the most urgent priorities had to be singled out in the case of migrants (Article 503) and handicapped persons (Article 511). In the case of young people (Article 501) and the regions (Article 510) the sums applied for in respect of the less urgent applications had to be scaled down in order to bring them down to the level of the appropriations still available once applications in respect of the urgent priorities had been granted.

In all, 270 m EUA of less urgent applications were thereby dropped. To this figure should be added an almost equal sum (259 m EUA) in the form of applications dropped because they were not allowable, ineligible or not urgent.

The Fund's total allocation (568 million EUA for Chapters 50 and 51) was therefore exceeded by 529 million EUA (270 + 259 million EUA) i.e. by almost 100%.

(d) Multiannual aspect of intervention under the Social Fund

Intervention under the Social Fund in respect of operations which may extend over two or more financial years proceeds in the form of tranches, any one of which may also straddle two financial years.

Overall, it can be said that the period of completion of the operations in which the Fund was involved in 1978 accounted for approximately 80% of the sums granted (i.e. some 450 million EUA) in 1978 itself, the residual 20% (i.e. approximately 118 million EUA) in 1979 and 1980 (about two-thirds in 1979 and one-third in 1980).

2. Last incidences of the commitment authorizations

Before the introduction in 1977 of the system of differentiated appropriations for commitment and payment, the Social Fund had its own system under which commitments could be entered into in one financial year in respect of operations to be completed in each of the two following financial years, the sums involved being entered in the Budget. These sums represented the commitment authorizations (see Article 104 of the Financial Regulation of 25 April 1973 applicable to the General Budget of the European Communities).

Under this system, commitments were entered into in 1976 in respect of operations to be completed in 1978 and involving the following sums in million u.a. (see the revenue and expenditure accounts for the 1976 financial year, Volume II, page 96):

Commitment authorizations entered in the 1976 Budget for operations to be completed in 1978*	Commitments made in 1976 under these authorizations	
	in million u.a.	in million EUA (updated rate)
Chapter 50 (Article 4) 30	29,38	27,16
Chapter 51 (Article 5) 45	43,67	30,20
TOTAL 75	73,05	57,36

\*NB: Commitment authorizations were not broken down Article by Article - the system of commitment authorizations did not apply to Chapter 52 (Pilot schemes and preparatory studies).



3. Total commitments in respect of operations to be completed in 1978

From points 1(d) and 2 above it can be seen that, in 1978, more than 500 million EUA (450 + 57,3) will have been used for that year's operations. At the respective annual average rates, the corresponding amounts for 1976 and 1977 were 364 and 521 million EUA.

From this point of view therefore an increase of over 40% from 1976 to 1977 will be succeeded by a levelling-out between 1977 and 1978.

II. PAYMENTS

1. Rate of utilization of appropriations available for payments in 1978

A total of 584,30 million EUA was available for payments, 45,5 thereof automatically carried over from 1977 and 538,8 representing appropriations for the financial year. Actual payments amounted to 284,8 million EUA (see Table, "Utilization of Appropriations for Payment" above), of which 45,5 million EUA was covered by appropriations automatically carried over (entirely used up) and 239,3 by the appropriations for the financial year (44,5% utilization). The difference (i.e. 538,8 - 239,3 = 299,5 million EUA) will be carried over automatically to the 1979 financial year (Article 6(2)(b) of the Financial Regulation of 21 December 1977).

2. Payment procedures in force in 1978

In 1978 for the first time two procedures were used for payment. In addition to the procedure provided for under the original rules of 1971 and 1972, there was the procedure authorized as from 1 January 1978 following the review of the original rules in 1977\*.

Under the first system, payments were made on production of supporting documents. The second system involved payment on applications certified as correct by the Member States for operations prior to 1977 (payments on account of up to 85% of the applications submitted by 1 July), or for 1977 operations (payments on account of up to 85% of applications submitted by 1 January 1978) or for post-1977 operations (advances of 30% upon start-up of the operation and 30% half-way through the operation).

3. Utilization of the appropriations under each of the procedures in force in 1978

(a) Pre-1977 operations

The facilities offered - payment on account of up to 85% of the aid upon applications certified as correct by the Member States and submitted by 1 July 1978) were hardly used. At least three-quarters of the 1978 payments in respect of these operations (82 million EUA in all) were made under the old procedure mainly because some of the Member States most involved had been unable to certify the correctness of the applications for payment by the date required.

\* See Council Regulation 858/72 on certain administrative and financial procedures for the operation of the European Social Fund, amended by Council Regulation 2894/77 of 20 December 1977 (OJ L 337 of 27 December 1977).

Mainly because of the under-utilization of this facility, but also in view of the operations which were cancelled or in respect of which the original aid was reduced - i.e. 13 to 15% of the original commitments for the operations for the period 1973 to 1975 (years which are now almost fully cleared) - about 70 million EJA should still be outstanding for operations prior to 1977, mainly those for 1976.

(b) Operations completed in 1977

Under this heading a total of some 520 million EJA was allocated by the Social Fund, partly in 1975 and 1976 under the system of commitment authorizations then in force, and partly in 1977 under the appropriations for that financial year.

Even allowing for a reduction of the same order as that actually accruing for the years 1973 to 1975 (see the previous paragraph) as compared with the original commitments, the facilities offered in 1978 (the same as for pre-1977 operations with a deadline of up to the end of the year) it seemed possible that the Fund would be able to pay out a minimum of 300 million EJA under this heading. Mainly for the reasons already given in connection with pre-1977 operations, the Fund paid out only half of this minimum - some 140 million EJA.

(c) Operations completed in 1978

The only sums to concern us here are the aid allocated under this heading in 1976 under the system of commitment authorizations (57 million EJA), in 1977 (approximately 100 million EJA) and under the first instalment of authorizations out of 1978 appropriations (approximately 140 million EJA), i.e. some 300 million EJA in all. On the other hand, as aid from the second instalment of 1978 grants (approximately 310 million EJA) could not be allocated until the end of December, as is the case each year, it was impossible to pay anything out under this head before the end of the financial year. Of this sum of 300 million EJA it was reasonable to hope to be able to pay out, on average, at least the first 30% advances payable upon start-up of an operation guaranteed by the Member State to the Commission, i.e. 90 million EJA. In practice, it was possible to pay out approximately 60 million EJA under this head, and there were big differences between the amounts going to the various Member States.

(d) To sum up, most of the commitments awaiting settling up in 1978 were connected with operations completed in 1977 (520 million EJA's worth of commitments entered into). Such under-utilization of the facilities offered to reduce this mass largely explains the size of the appropriation to be carried over to the next financial year.

4. Possibility of catching-up in 1979

The possibility of using simplified procedures for pre-1978 operations no longer exists in 1979. In other words, payments in respect of pre-1978 operations have to be made in accordance with the old procedure (supporting documents).

Nevertheless a number of applications in respect of 1977 operations, which arrived just before the expiry of the relevant deadline (end of December) and therefore too late to be paid up in 1978, will be settled up in 1979 under the simplified procedure.

Moreover, in 1979 advance payments may still be made in connection with operations completed in 1978. As stated in paragraph 3(c) above, it was not possible to pay more than 60 million EUA at the most in the form of such advances in 1978. Over 500 million EUA in aid was granted for 1978 operations; two instalments of 30% in the form of advances on this aid makes 300 million EUA, of which 60 million have already been transferred.

It is estimated that in practice some 200 million EUA could still be paid in 1979 under the heading of advances for 1978 operations, if the system of advances functions normally. Any other forecasts as to budget implementation of the Social Fund in 1979 would be premature and would in any case fall outside the scope of this report.

III. TREND IN THE VOLUME OF COMMITMENTS ENTERED INTO

At the beginning of the financial year, the volume of commitments outstanding amounted to 938,3 million EUA. By the end of the financial year it was 1.221,7 million EUA. The increase is the difference between the commitments entered into (568,2 million EUA) and the payments made (284,8 million EUA) in 1978.

In evaluating this sum, it should not be forgotten that:

- (i) firstly, the volume of operations receiving aid from the Fund, and likely to spread over several financial years, has grown because of the increase in appropriations for commitment;
- (ii) secondly, although the process of settling up is more efficient than in previous financial years, it still does not match up to estimates because of the under-utilization by the Member States of the exceptional facilities offered in 1978, and because the new system of advances has been slower to get under way than expected.

It must also be recognized that the administrative difficulties which prevented certain Member States from profiting fully from the facilities offered in 1978 were underestimated.

Implementation of the appropriations introduced or increased by the European Parliament within its margin of manoeuvre

The Council had accepted, as they stood, the appropriations for commitment entered in the Preliminary Draft of the Budget, including the Letter of Amendment. On the other hand, it had reduced the appropriations for payment from 538,8 to 402,5 million EUA (- 136,3 million EUA). Parliament reinstated the appropriations entered in the Preliminary Draft.

For the reasons given above (see II - Payments) and expanded in the Annex to this report, there remains an unused balance of almost 300 million EUA in appropriations for payment to be carried over automatically to the 1979 financial year.

x      x      x

x

On 9 November 1978 the Commission sent the Budgetary Authority a paper entitled "Causes of delays in implementing payments in certain budget fields (Social and Regional Funds), a paper for the attention of the European Parliament's Committee on Budgets". In order to clarify the conditions under which the Budget was implemented and ensure better comprehension of this report, it seemed best to set out the essential points of the above paper in Annex A to this document.

Chapter 55 - EUROPEAN REGIONAL DEVELOPMENT FUND

A. REVIEW OF IMPLEMENTATION IN 1978

The following tables give an overall view of budgetary implementation in this sector.

The main features of implementation are:

- (a) Commitments entered into in 1978 totalled 556,36 million EUA of the available appropriations of 599,84 million EUA, i.e. approximately 93%.
- (b) Payments effected totalled 254,89 million EUA of the available appropriations of 608,08 million EUA, i.e. 42%.
- (c) Total commitments entered into in 1978 were 960,65 million EUA. Some 254,89 million EUA (27%) of this amount were paid and 705,76 million EUA is outstanding from subsequent financial years.

It can thus be concluded that implementation of commitments was extremely satisfactory but that of payments unsatisfactory.

UTILIZATION OF APPROPRIATIONS FOR COMMITMENT

Budgetary nomenclature	Available appropriations for 1978			Appropriations used in 1978		
	Appropriations entered in 1978 Budget	Appropriations outstanding from 1977*	Total	Commitments made in 1978	% utilized	Appropriations available at 31.12.78
	1	2	3	4	5	6
55 ERDF	581,00	18,84	599,84	556,36	92,75	43,48

\* Including sums released in 1978.

UTILIZATION OF APPROPRIATIONS FOR PAYMENT

Budgetary nomenclature	Appropriations for payment available in 1978			Payments made in 1978			Appropriations not used up at 31.12.1978	
	1977 carryovers	1978 approps.	Total	against 1977 carryovers	against 1978 approps.	Total	against 1977 carryovers	against 1978 approps.
	1	2	3	4	5	6	7	8
55 ERDF	83,08	525,00	608,08	83,08	171,81	254,89	-	353,19

BREAKDOWN OF COMMITMENTS CONTRACTED

Budgetary nomenclature	Commitments			Payments made in 1978			Commitments outstanding at 31.12.1978		
	Outstanding at 1.1.78	Contracted in 1978	Total	against commitments Col. 1	against commitments Col. 2	Total	against commitments Col. 1	against commitments Col. 2	Total
	1	2	3	4	5	6	7	8	9
55 ERDF	404,29	556,36	960,65	151,39	103,50	254,89	252,90	452,86	705,76

Appropriations for commitment

Total appropriations available for commitment in 1978 amounted to 599,84 million EUA, of which 581 million EUA were entered in the Budget, 15,03 million EUA were outstanding from 1977 and 3,81 million EUA had been released from previous financial years.

At 31 December the commitments made against these appropriations amounted to 556.36 million EUA for aid awarded in May, July and November; this figure represents a utilization rate of approximately 93%.

As in previous years, a large proportion of commitments (300,03 million EUA or 54% of the total) were made in the last quarter.

The following remarks must be made about the unused appropriations for commitment:

(a) A sum of 29,05 million EUA (5% of the 581 million EUA entered in the Budget) was earmarked for the non-quota section provided for in the revised Fund Regulation which was not adopted as expected in 1978. This appropriation has been carried over to the present financial year. If it proves impossible in practice to use this appropriation for the non-quota section within a reasonable length of time it will be allocated to the quota section. This amount will be subsequently refunded to the non-quota section by the quota section, as agreed by the Council and Parliament under the procedure of concertation on the revised Regulation.

(b) The amended Regulation also raises France's quota by two percentage points. Since the revised Regulation was not adopted by the end of 1978 the commitments contracted on behalf of France had at that stage to be limited to an amount approximately equivalent to the former quota. The outstanding appropriations attributable to this Member State have been kept in reserve pending the adoption of the revised Regulation.

If the above facts are taken into account the actual rate of utilization of appropriations for commitment is 99%.

The breakdown by country and type of investment in the table on page 109 calls for the following comments:

(a) The Council and Parliament agreed in the concertation procedure that the national quotas for each financial year did not have to be strictly observed for each year but solely for the period of three years. The commitments contracted on Italy's behalf thus could slightly exceed its theoretical quota.

(b) The proportion of aid granted for infrastructure projects (approximately 67%) is less than the 70% ceiling imposed by the revised Regulation; there were, however, wide variations from one Member State to

another (e.g. ranging from 77% for Italy to 61% for the United Kingdom).

(c) The rule that Member States should give priority to applications for aid for investments equal to or exceeding 10 million EUA has been observed to the extent that commitments for these projects account for 52% of the total commitments.



Appropriations for payment

In 1978 the ERDF had a total of 608 million EUA in appropriations for payment, of which 83 million EUA had been carried over from 1977. Total payments made in 1977 were 255 million EUA or approximately 42% of the available appropriations. The appropriations carried over were used first to finance requests for payments for 1975, 1976 and 1977 projects and have been completely used up.

Payments totalling 172 million EUA have been made against the appropriations entered in the 1978 Budget (525 million EUA). The balance of unused appropriations (353 million EUA) has been carried over to 1979.

There was obviously a serious delay in implementing payments (for details see the table on page 110) which calls for the following explanations:

(1) The appropriations entered in the 1978 Budget had been overestimated. Calculations had been based on the volume of appropriations for commitment in the Preliminary Draft Budget for 1978 (750 million EUA) and not on the amount in the final Budget (581 million EUA). A total of 83 million EUA had also been carried over from 1977 to 1978.

(2) There had been a marked slowing-down in the rate at which Member States made requests for payment. Total payments made (255 million EUA) was less than the 1977 total (372 million u.a. = 280 million EUA) although the increase in appropriations for commitment in 1978 ought to have led to a corresponding increase in payments made.

Payments against new commitments entered into in 1978 reached only 19% of the value of these commitments; some 35% might have been expected to have been paid in the year in which the commitments were contracted in the light of the trend in previous years.

Payments relating to commitments made before 1978 again only reached approximately two-thirds of the proportion of commitments outstanding which could have been expected in the light of the trend in the period 1975-1977.

(3) The new Fund rules provide for a system of accelerated payments under which 75% of aid from the Fund for a project may be paid, provided at least 30% of the total expenditure relating to the project has been effected by the Member State.

If the new rules had been adopted only shortly before 31 December 1978, a large proportion of accelerated payments could have been made in 1978 itself. It is also highly likely that national officials who deal with requests for payment could have made additional requests for other projects if they had not concentrated their efforts on accelerated payments which could not in practice be made.

### Conclusions

1. Budgetary implementation in 1978 was extremely satisfactory for commitments but unsatisfactory for payments. A marked improvement in the payments situation is expected in 1979 as a result of the adoption of the new rules, which is expected shortly, and under which a system of accelerated payments will be introduced.

2. When the Regional Fund was first introduced, particularly in 1975, projects which had already been started up some time before the time for submission of requests for assistance had to be accepted (although payments could only be made if they had been effected after 1 January 1975) so that the Fund could become operational as quickly as possible.

Now that the Fund has reached "cruising speed" after four years of operation, projects approved are "new" in the sense that they start up just before the Commission approves their funding. The Fund thus has a much stronger incentive effect than it did in the past. This is a marked improvement on the old situation when, regrettably, aid from the Fund was always merely a subsequent reimbursement of expenditure and this system of Community financing failed to provide the element of complementarity desired at political and Community level.

3. The projects approved seem to be increasingly designed to meet the particular needs of the regions to which they relate. This is why the percentage of Fund aid for infrastructure projects varies considerably from one Member State to another; it is allocated in the best way to meet local needs. This will ensure optimum utilization of available resources.

### Implementation of appropriations increased by Parliament under its margin of manoeuvre

Parliament increased appropriations for commitment from 580 million EUA to 581 million EUA and appropriations for payment from 460 million EUA to 525 million EUA. As was explained above, the increase in appropriations for payment was in fact unnecessary since the additional appropriations could not be used.

On 9 November 1978 the Commission forwarded to the Budgetary Authority a paper setting out the reasons for delays in implementing payments in certain budget fields (Social and Regional Funds) drawn up at the request of Parliament's Committee on Budgets. The essential points of this paper are described in Annex A in order to give a clearer picture of budgetary implementation and to facilitate understanding of this report.

EUROPEAN REGIONAL DEVELOPMENT FUND

STATEMENT OF COMMITMENTS AT 30 DECEMBER 1978

m EUA

Member States	Commitments made from 1.1.1978 to 31.12.1978							Total infrastructure	Grand total	Appropriations entered in the budget (1) and outstanding appropriations	Available appropriations at 31.12.78
	A	B	Total industry	C	D	E	F				
Belgium	1,18	0,19	1,37	-	4,76	-	0,02	4,78	6,15	7,67	1,52
Denmark	-	-	-	3,46	2,12	-	-	5,58	5,58	6,67	1,09
Germany	10,40	15,26	25,66	4,71	18,89	-	-	23,60	49,26	50,63	1,37
France	7,84	21,83	29,67	18,25	26,43	-	8,27	52,95	82,62	93,07	10,45
Ireland	4,36	10,60	14,96	3,01	13,74	-	3,44	20,19	35,15	35,77	0,62
Italy	29,82	19,33	49,15	140,27	26,25	-	4,66	171,18	220,33	218,44	(1,89)
Luxembourg	-	-	-	-	0,50	-	-	0,50	0,50	0,50	-
Netherlands	5,52	-	5,52	-	2,66	-	-	2,66	8,18	8,72	0,54
United Kingdom	36,22	21,03	57,25	26,18	62,36	-	2,80	91,34	148,59	149,32	0,73
	95,34	88,24	183,58	195,88	157,71	-	19,19	372,78	556,36	570,79	14,43
Non-quota section	-	-	-	-	-	-	-	-	-	29,05	29,05
Totals	95,34	88,24	183,58	195,88	157,71	-	19,19	372,78	556,36	599,84	43,48

- A : Investment in industry, craft + trades or services of 10 m EUA or more.  
 B : Investment in industry, craft + trades or services of less than 10 m EUA.  
 C : Infrastructure investment of 10 m EUA or more.  
 D : Infrastructure investment of less than 10 m EUA.  
 E : Infrastructure investment in hill-farming areas of 10 m EUA or more.  
 F : Infrastructure investment in hill-farming areas of less than 10 m EUA.

(1) The appropriations for commitment entered in the 1979 Budget were allocated to the Member States according to the scale in subparagraph (a) of Article 2(3) of the amended Regional Fund Regulation which has not yet been adopted (joint position sent by the Council to Parliament on 29 June 1978).

DETAILED BREAKDOWN OF PAYMENTS AT 31 DECEMBER 1978

m ECU

Member State	Commitments outstanding at 31.12.77	Payments against automatic carryovers from 1977 to 1978	Payments against appropriations for payments 1978	Commitments prior to 1978 outstanding at 31.12.1978	Commitments made in 1978	Payments against 1978 appropriations for payments	1978 commitments outstanding at 31.12.1978	Total payments made in 1978	Total commitments outstanding at 31.12.1978
Belgium	12,98	2,55	3,42	7,01	6,15	-	6,15	5,97	13,16
Denmark	5,80	0,76	0,62	4,42	5,58	-	5,58	1,38	10,00
Germany	45,83	24,62	2,96	18,25	49,26	14,60	34,66	42,18	52,91
France	98,59	6,67	25,25	66,67	82,62	8,72	73,90	40,64	140,57
Ireland	22,77	7,63	1,54	13,60	35,15	11,29	23,86	20,46	37,46
Italy	119,48	13,19	22,56	83,73	220,33	42,79	177,54	78,54	261,27
Luxembourg	0,68	-	0,21	0,47	0,50	-	0,50	0,21	0,97
Netherlands	14,22	4,60	1,88	7,74	8,18	-	8,18	6,48	15,92
United Kingdom	83,94	23,06	9,87	51,01	148,59	26,10	122,49	59,03	173,50
	404,29	83,08	68,31	252,90	556,36	103,50	452,86	254,89	705,76

Chapter 59 - Aid to disaster victims in the Community

The total amounts committed and almost fully paid at 31 December cover the following aid granted by the Commission in 1978:

(i) Storms and snowstorms in January	United Kingdom France	1,5 m EUA 0,4 m EUA
(ii) The Amoco Cadiz disaster in March	France	0,5 m EUA
(iii) Floods in May	Federal Republic of Germany	0,5 m EUA
(iv) Earthquake in September (Baden-Württemberg)	Federal Republic of Germany	0,2 m EUA
(v) Floods in August (Val d'Ossola)	Italy	<u>0,7 m EUA</u>
	Total	3,8 m EUA

Because of the purpose for which it is intended this appropriation cannot be estimated or utilized according to the usual criteria. The fact that it has not been completely used up and a proportion has thus been cancelled (1,2 m EUA out of 5 m EUA) is of no significance.

Implementation of appropriations allocated or increased by Parliament under its margin of manoeuvre

This appropriation of 5 million EUA was entered in the Budget after the introduction of an amendment by Parliament.

TITLES 6 and 7 - EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND

I. INTRODUCTORY NOTE

The budgetary implementation of the EAGGF Guarantee Section on 31 December was provisional and incomplete for the following two reasons:

(a) the administrative time required for charging to the Budget is generally 2-3 months.

Article 97 of the Financial Regulation states that "the commitment shall be entered into within two months following receipt of the statements forwarded by the Member States. The charging as a payment shall, in general, be carried out within the same period". That is why Article 98 specifies the length of the additional period for the EAGGF Guarantee Section, the accounts being closed on 31 March.

As a result, the statements of accounts currently available cover the detailed implementation of the EAGGF Guarantee Section only as far as the beginning of the autumn. Some sectors might have been subject to cyclical or other changes in the last four months of implementation, and this will have influenced the rate of expenditure.

The following analysis must therefore be considered provisional; however, when analysing the sectors, account has been taken of certain trend evaluations resulting from recent quantitative information about the recent developments on the agricultural markets.

(b) second-category expenditure on public storage operations (financing of stocks, determination of bookkeeping losses or gains) cannot be established until late February or March of the year following the budgetary year, as the paying agencies have until 20 February to send their supporting documents to the Commission.

The relatively high proportion accounted for by this expenditure leads, in the absence of accurate information on the amount and breakdown, to adopting a cautious attitude when commenting on the rate at which the appropriations for each market have been utilized.

In addition, the Commission has decided (1) to write down stocks for the financial year 1978 pursuant to Regulation (EEC) No 1883/78; this will have a major impact on the final expenditure for the financial year, although no accurate assessment can yet be made.

\* \*  
\*

As the final accounting situation for the financial year 1978 cannot be established until 31 March 1979, no accurate information on the definitive implementation of the 1978 Budget will be available until April. In these circumstances, the provisional nature of the following presentation must be borne in mind.

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(1) 6 December 1978.

## II. OVERALL SITUATION OF IMPLEMENTATION IN 1978

Before analysing the main aspects of the implementation of the 1978 Budget, it would be useful to sum up the basic features as follows:

### (a) The trend in authorized appropriations

1. The initial budget for the EAGGF Guarantee Section adopted by the Budgetary Authority amounted to 8.695,25 m EUA (of which 6.959,75 m EUA are entered in Titles 6 and 7 and 1.735,5 m EUA in Chapters 44-46).

### 2. The Amending Budget

Not all the consequences of applying the co-responsibility levy in the dairy sector could be taken into account when drawing up the initial budget; that is the reason why the Commission proposes a revision of nomenclature in this field in order to allow management of these funds and the charging of expenditure arising from application of this system.

This was approved by the Budgetary Authority when adopting the First Supplementary Budget on 15 February 1978.

### 3. Adjustments of appropriations

(a) On 18 July 1978 the Council approved a non-automatic carryover of 24 m EUA (21.783.000 u.a. for Chapter 62, 2.217.000 EUA for Chapter 46) from 1977 to the financial year 1978; a sum of 24 m EUA had been collected under the co-responsibility levy when implementing the 1977 Budget without equivalent expenditure being committed.

(b) On 20 November 1978, the Council also approved a transfer of 16 m EUA (14 m EUA from Chapter 60, 2 m EUA from Chapter 46) to Chapter 83 (Item 8303 - Surveillance of the Community fishing zone).

(c) Finally, on 16 January 1979, the Commission proposed to the Council a number of adjustments in the appropriations allocated to each Chapter of the EAGGF Guarantee Section by transfers between Chapters.

The outcome of these transfers is the latest indication of the trend in respect of the utilization of the appropriations of the EAGGF Guarantee Section. These transfers are the consequence of the implementation of Article 8 of Regulation No 1883/78, which changed the method for assessing intervention stocks at the end of the financial year (average purchase price instead of the intervention price valid at the start of the following financial year and the possibility of further writing-down in the light of the estimates of market conditions); this change has led to the assumption by the Chapters concerned in the financial year 1978 of additional expenditure which may be estimated as follows (1):

Chapter 60 - Cereals	+ 13,4 m EUA
Chapter 64 - Beef and veal	+ 75,3 m EUA
Chapter 62 - Milk and milk products	+ 213,5 m EUA
Chapter 63 - Oils and fats	+ 22,6 m EUA
Chapter 70 - Tobacco	+ 14,2 m EUA
Chapter 46 - Expenditure resulting from dual exchange rates	+ 69 m EUA
	<hr/>
TOTAL	408 m EUA

(1) Estimate made in December 1978 which does not assess the final impact of the quantities in store on 31 December 1978; this impact will not be known until later.

However, it was possible to apply the new rules on valuation of the stocks by using the appropriations already available and no additional appropriations were thus required: the appropriations required for implementing this measure were obtained by means of transfer during the budgetary implementation of the EAGGF Guarantee Section, despite the adjustment of prices for the marketing year 1978/79 and the related measures adopted by Council on 12 May 1978.

(b) Provisional implementation on 31 December 1978

The following table gives the overall situation of the provisional implementation on 31 December 1978. All the appropriations had been committed without specification of destination; however, this report cannot estimate how the appropriations have been utilized as the paying agencies have until 20 February to send their supporting statements to the Commission.



SUMMARY OF IMPLEMENTATION FOR THE FINANCIAL YEAR 1978

Provisional situation on 31 December 1978

APPROPRIATIONS AVAILABLE	m u.a.	IMPLEMENTATION (1)	m u.a.
<b>A. APPROPRIATIONS FOR THE FINANCIAL YEAR</b>		<b>C. COMMITMENTS</b>	
1. Initial appropriations	8.695,25	1. Total commitments 1978	8.679,25
2. Supplementary Budget	-	- amounts committed specifically	5.230,65
3. Transfers to the fisheries sector	-16,00	- balance of general commitments	3.448,60
		. carried over to 1979	*
		. cancelled	-
<b>TOTAL</b>	<b>8.679,25</b>	2. Amount not committed	-
		<b>TOTAL</b>	<b>8.679,25</b>
<b>B. APPROPRIATIONS FROM THE PREVIOUS FINANCIAL YEAR</b>		<b>D. PAYMENTS</b>	
- Automatic carryovers from 1977	609,8	1. Implementation of the <u>carryovers from 1977</u>	
- Non-automatic carryovers from 1977	24,00	- Payments (a) against automatic carryovers	605,78
		(b) against non-automatic carryovers	24,00
<b>TOTAL</b>	<b>633,8</b>	Balance	
		2. Implementation of the <u>appropriations for 1978</u>	
		(a) Payments	
		(b) Carryovers to 1979	
		. Appropriations committed specifically and carried over automatically to 1979	
		. Appropriations committed generally and carried over automatically to 1979	
		. Unused appropriations: possible non-automatic carryover to 1979	
		<u>Total amount carried over from 1978 to 1979</u>	
		3. Cancelled appropriations	
		. against appropriations committed generally	
		. not against appropriations committed generally	
		<u>Total appropriations cancelled</u>	
		Balance	
<b>TOTAL APPROPRIATIONS AVAILABLE</b>	<b>9.313,05</b>	<b>TOTAL</b>	<b>to be completed after 31 March 1979</b>

(1) Provisional figures.

\* These figures cannot be established until after the final closure on 31 March 1979.

III. DETAILED ANALYSIS OF BUDGETARY IMPLEMENTATION

The following table indicates utilization for each Chapter of the Budget on the basis of the transfers recently proposed to the Budgetary Authority.

Chap.	Headings	Appropriations (in m EUA)			
		Budget	Appropriations following transfers already adopted	Transfers proposed on 16.1.79	New appropriations
60	Cereals	1.428,3	1.414,3	- 412	1.002,3
61	Rice	36,6	36,6	- 14	22,6
62	Milk and milk products	2.895,8	2.917,6 (1)	+ 425	3.342,6 (1)
63	Oils and fats	413,3	413,3	- 40	373,3
64	Sugar	812,5	812,5	-	812,5
65	Beef and veal	460,8	460,8	+ 120	580,8
66	Pigmeat	84,5	84,5	- 35	49,5
67	Eggs and poultrymeat	25,4	25,4	+ 5	30,4
68	Fruit and vegetables	139,2	139,2	- 28	111,2
69	Wine	224,3	224,3	- 150	74,3
70	Tobacco	237,4	237,4	- 20	217,4
71	Fisheries	18	18	-	18
73	Other products	63,6	63,6	+ 15	78,6
74	Refunds on processed products	120	120	+ 57	177
44	ACA's	30	30	-	30
45	MCA's	992,6	992,6	- 130	862,6
46	Dual rate	712,9	713,1 (1)	+ 207	920,1 (1)
TOTAL - EAGGF GUARANTEE SECTION		8.695,2	8.703,2	-	8.703,2

(1) Including non-automatic carry-over of appropriations from 1977 to 1978.

A. Chapters for which the initial appropriations available have proved to be lower than the requirements (see tables above) (1)

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1. Chapter 62 - Milk and milk products

The shortfall of appropriations is due to the following:

- (a) the stock valuation operation pursuant to Article 8 of Regulation No 1883/78 (2);
- (b) the Council Decisions of 12 May 1978;
- (c) an increase in exports, the amounts of skimmed milk powder used for feeding pigs, the private storage of butter and quantities qualifying for the special measures for absorbing surpluses of butter-fats.

It also appears that the revenue from the financial contributions of milk producers will be higher than the expenditure on the co-responsibility programme in 1978. In accordance with the rules put forward in the Preliminary Draft of the First Supplementary Budget of 1978, the Commission therefore intends to proposed transfers as part of the implementation of the 1979 Budget to provide the appropriations for the co-responsibility sector in order to achieve the multiannual overall balance which must be aimed for in this sector. The EAGGF Committee has already been notified of this.

2. Chapter 65 - Beef and veal

The appropriation is expected to be insufficient for the following reasons:

- (a) the writing-down of stocks pursuant to Article 8 of Regulation No 1883/78 (3);
- (b) increased exports;
- (c) the fact that the improvement on the internal market has been slower than expected, the stocks being high at the end of the financial year.

3. Chapter 67 - Eggs and poultrymeat

The degree of self-sufficiency has increased for poultrymeat, leading to a higher level of exports than forecast.

4. Chapter 73 - Other common market organizations

The shortfall in the appropriation is mainly due to the establishment of the common market organization for dehydrated or dried fodder and, secondarily, by the new provisions concerning peas, beans and field beans.

5. Chapter 74 - Refunds on certain goods obtained by processing agricultural products

The shortfall in the appropriation results from the increase in the flow of exports of processed products to non-Community countries and the reduction in the world rates for sugar and milk products.

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- (1) Subject to the definitive returns on the closure date of 31 March 1979.
  - (2) Involving around 213,5 m EUA.
  - (3) Involving around 75,3 m EUA.

6. Chapter 46 - Expenditure resulting from the application of different exchange rates

A very large deficit was recorded in the Chapter containing the entries for the differences between the conversion of national currencies into agricultural units of account by means of the coefficients laid down in Regulation (EEC) No 724/78 and their conversion into European units of account according to the rates applying on the 20th of each month. The shortfall in this Chapter is mainly due to the extension of the provisions allowing the exporting Member States to pay the monetary compensatory amounts on importation into certain Member States with depreciated currencies (Article 2a of Regulation (EEC) No 974/71) while the Budget was drawn up in the assumption that there would be no extension; this extension involves a transfer of entries of around 250 m EUA from Chapter 45 to Chapter 46. In addition, the coefficients were adopted before the Council Decision of 12 May and were fixed on a flat-rate basis by Regulation (EEC) No 724/78.

Finally, the breakdown of the expenditure in agricultural u.a. in 1978 differs slightly from that proposed in the Budget; in particular, the proportion of the expenditure of certain Member States with an above-average dual-rate coefficient is higher than forecast.

B. Chapters in which the initial appropriations have proved higher than the requirements (see above Table) (1)

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1. Chapter 60 - Cereals

The sizeable saving in this sector is due mainly to the refunds, the storage items and durum wheat.

The reduced expenditure on refunds is due to the fact that the world rates were better than at the end of last summer and, in particular, to a lower 1977/78 harvest than estimated in the Budget, an estimate which itself was much lower than the trend.

The reduction in storage expenditure also resulted from the poor harvest and the Council Decisions of 12 May 1978 on the carry-over payments.

The reduction for durum wheat is partly due to a reduction in the area under cultivation in 1977 - which was even higher than expected when the Budget was drawn up - and partly to the fact that the number of payments caught up with in respect of the previous marketing years was lower than expected.

2. Chapter 61 - Rice

The expected saving is the result of a reduction in exports and refund rates.

3. Chapter 63 - Oils and fats

This sector will probably show a small excess as regards production aid for oilseeds (10 m u.a.) which is largely balanced by savings expected for olive oil, for which storage costs are increasing but for which the production aid has not caught up as expected with the delay in payments.

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(1) Subject to the definitive returns on the closure date of 31 March 1979.

4. Chapter 66 - Pigmeat

This sector shows an appreciable saving as exports are lower than forecast (because of increased domestic consumption), as are the refund rates.

5. Chapter 68 - Fruit and vegetables

The expected saving is the result of a reduction in production and, consequently, of the quantities withdrawn from the market, in particular as regards apples and pears.

6. Chapter 69 - Wine

The harvest was far lower than expected from the trend, which explains the saving as regards storage and, in particular, distillation. In addition, there was no need for the operations considered when drawing up the Budget in accordance with the provisions guaranteeing long-term contracts.

7. Chapter 70 - Tobacco

The saving expected in this sector (20 m u.a.) is due partly to lower production than forecast and partly to difficulties in marketing certain Eastern varieties, which brought large quantities into intervention, with a staggering of the payment of premiums.

8. Chapter 45 - Monetary compensatory amounts

The breakdown of the MCAs in intra-Community trade has had to be reviewed following extension of the facility granted to those Member States with a depreciated currency (Article 2a of Regulation No 974/71).

This extension, although not affecting the overall amount in EUA, involves a transfer of entries of around 250 m u.a. from Chapter 45 to Chapter 46.

TITLE 8 - EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND - GUIDANCE SECTION

I. GENERAL SURVEY OF IMPLEMENTATION IN 1978

The objective appraisal of implementation in 1978 is based on the observations in the detailed analysis given in the following pages. One should however first take a general view of implementation purely on the accounting level.

The tables below give an overall view of the implementation of the Budget in this particular area, which can be summarized as follows:

- (i) the commitments entered into in the financial year amounted to 285,2 m EUA, or roughly 53,5%, out of available appropriations totalling 533,1 m EUA;
- (ii) payments effected amounted to 281,3 m EUA out of an available sum of 1245,7 m EUA (of which 801,2 were carryovers and 444,5 appropriations for 1978);
- (iii) the totality of commitments entered into in 1978 amounted to 1221,4 m EUA: 281,3 million of these were paid out leaving therefore a credit balance of 940,1 million.

Leaving aside the detailed explanations given later on, the main features of this implementation can be summarized as follows:

- (a) the implementation of commitments has not been satisfactory, for nearly half the available appropriations remain unused;
- (b) there are two observations to be made on the implementation of payments: firstly, it is unsatisfactory insofar as an appropriation of a mere 148 million EUA - only one-third - has been paid out of an initial allocation of 444 million EUA<sup>(1)</sup>; secondly, this low rate of utilization is largely the direct result of not using appropriations for commitment for joint repayment measures (it should be remembered that with these measures commitment is practically equivalent to payment);
- (c) the volume of commitments entered into, but still not paid out, is explained by the large number of multi-annual operations (i.e. individual projects) in progress in the Member States.

(1) Appropriations for the 1978 financial year.

UTILIZATION OF APPROPRIATIONS FOR COMMITMENT

(in m EUA)

Article or Item	Appropriations available for 1978			Utilization in 1978		
	Approps entered in the 1978 Budget including transfers	Subsisting appropriations from 1977	Total	Commitments entered into in 1978	Rate of utilization %	Appropriations available at 31.12.78
	1	2	3	4	5	6
800 Separate projects	70,000	12,011 (1)	82,011	12,011	14,6	70,000
8100 Modernization	31,500	3,437	34,937	28,019	80,2	6,918
8101 Cessation of farming	0,700	0,003	0,703	0,251	35,7	0,452
8102 Vocational guidance	5,500	0,022	5,522	2,638	47,3	2,884
8103 Mountain and hill farming	60,100	1,189	61,289	34,581	56,4	26,708
81	97,800	4,651	102,450	65,489	63,9	36,962
8200 Producer groups	token entry	3,598	3,598	-	0	3,598
8201 Hop-producer groups	1,000	1,190	2,190	1,606	73,3	0,584
8202 Marketing & processing	122,000	-	122,000	102,469	84	19,531
82	123,000	4,788	127,788	104,075	81,5	23,713
8302 Conversion non-industrial fishing	5,000	-	5,000	-	0	5,000
8303 Surveillance of the Community fishing zone	16,000	-	16,000	-	0	16,000
8310 Beef and veal production premiums	13,200	9,089	22,289	13,322	59,8	8,967
8322 Re-org. of food production	4,200	-	4,200	3,336	79,4	0,864
8350 Conv. premium in the wine sector	16,200	-	16,200	9,960	61,5	6,240
8360 Non-marketing of milk	123,900	7,971	131,871	71,863	54,6	60,008
83	178,500	17,060	195,561	98,481	50,4	118,080
890 Prod. groups fruit & veg.	2,600	-	2,600	0,323	12,4	2,277
893 Improvement citrus fruits	22,300	0,135	22,435	4,699	20,9	17,736
894 Prod. groups fisheries	0,300	-	0,300	0,087	29	0,213
89	25,200	0,135	25,335	5,109	20,2	20,226
T O T A L	494,500	38,645	533,145	285,164	53,5	247,981

(1) Appropriations released in accordance with Regulation (EEC) 3171/75.

UTILIZATION OF APPROPRIATIONS FOR PAYMENT

(in m EUA)

Article or Item	Approps. for payment available in 1978			Payments made in 1978			Approps. unused at 31.12.78	
	Carryovers from 1977 (& prev. fin. years)	Appropriations for 1978	Total	Against carryovers from 1977	Against approps for 1978	Total	Against carryovers from 1977	Against approps for 1978
	1	2	3	4	5	6	7	8
800	723,416	-	723,416	127,864	-	127,864	595,552	-
Separate projects (1)(a)	47,847	26,000	73,847	26,812	-	26,812	19,035	26,000
8100	3,437	31,500	34,937	3,437	24,582	28,019	-	6,918
8101	0,003	0,700	0,703	0,003	0,248	0,251	-	0,452
8102	0,022	5,500	5,522	0,022	2,616	2,638	-	2,884
8103	1,189	88,300	89,489	1,189	33,392	34,581	-	54,908
81	4,650	126,000	130,650	4,650	60,838	65,488	-	65,162
8200	3,598	-	3,598	-	-	-	3,598	-
8201	1,190	1,000	2,190	1,190	0,416	1,606	-	0,584
8202	-	32,000	32,000	-	0,006	0,006	-	31,994
82	4,788	33,000	37,788	1,190	0,422	1,612	3,598	32,578
8300	1,608 <sup>(2)</sup>	-	1,603	-	-	-	1,608	-
8302	-	5,000	5,000	-	-	-	-	5,000
8303	-	16,000	16,000	-	-	-	-	16,000
8310	9,089	13,200	22,289	9,089	4,233	13,322	-	8,967
8322	-	4,200	4,200	-	3,336	3,336	-	0,864
8340	1,699 <sup>(2)</sup>	-	1,699	1,720	-	1,720	0,021	-
8350	-	33,000	33,000	-	9,960	9,960	-	23,040
8360	7,971	123,900	131,871	7,971	16,132	24,103	-	107,768
8370	-	39,000	39,000	-	-	-	-	39,000
83	20,367	234,300	254,667	18,780	33,660	52,441	1,587	200,639
890	-	2,600	2,600	-	0,323	0,323	-	2,277
893	0,135	22,300	22,435	0,135	4,564	4,699	-	17,736
894	-	0,300	0,300	-	0,087	0,087	-	0,213
89	0,135	25,200	25,335	0,135	4,974	5,109	-	20,226
TOTAL	801,204	444,500	1245,704	181,432	99,895	281,327	619,772	344,605

(1) (a) Before 1977: non-differentiated appropriations.

(b) After 1977: differentiated appropriations.

(2) Non-differentiated appropriations (going back to the period before 1977).



EVOLUTION OF COMMITMENTS ENTERED INTO

Budget heading	COMMITMENTS			PAYMENTS MADE IN 1978			SUBSISTING COMMITMENTS AT 31.12.1978		
	Subsisting at 1.1.1978	Contracted in 1978	Total	Against commitments column 1	Against commitments column 2	Total	Against commitments column 1	Against commitments column 2	Total
	1	2	3	4	5	6	7	8	9
800 (1) (a)	723,416	[ 12,011 ] <sup>2)</sup>	723,416	127,864	-	127,864	595,552	[ 12,011 ] <sup>2)</sup>	595,552
Separate projects (b)	221,589	-	221,589	28,812	-	28,812	192,777	-	192,777
8100 Modernization	-	28,019	28,019	-	28,019	28,019	-	-	-
8101 Cessation of farming	-	0,251	0,251	-	0,251	0,251	-	-	-
8102 Vocational guidance	-	2,638	2,638	-	2,638	2,638	-	-	-
8103 Mountain and hill farming	-	34,581	34,581	-	34,581	34,581	-	-	-
81 Total	-	65,488	65,488	-	65,488	65,488	-	-	-
8200 Producer groups	-	-	-	-	-	-	-	-	-
8201 Non-producer groups	-	1,606	1,606	-	1,606	1,606	-	-	-
8202 Marketing & processing	-	102,469	102,469	-	0,006	0,006	-	102,463	102,463
82 Total	-	104,075	104,075	-	1,612	1,612	-	102,463	102,463
8300 Conv. in the salt-cod fish. sector	1,608	-	1,608	-	-	-	1,608	-	1,608
8302 Conv. non-industrial fishing	-	-	-	-	-	-	-	-	-
8304 Surveillance of the Comm. fishing zone	-	-	-	-	-	-	-	-	-
8310 Beef & veal prod. premiums	-	13,322	13,322	-	13,322	13,322	-	-	-
8322 Re-org. of food production	-	3,336	3,336	-	3,336	3,336	-	-	-
8340 Farm structure survey	1,699	-	1,699	1,720	-	1,720	- 0,021	-	- 0,021
8350 Conv. premium in the wine sector	-	9,960	9,960	-	9,960	9,960	-	-	-
8360 Non-marketing of milk	-	71,863 <sup>3)</sup>	71,863 <sup>3)</sup>	-	24,103	24,103	-	47,760 <sup>3)</sup>	47,760 <sup>3)</sup>
83 Total	3,307	98,481	101,788	1,720	50,721	52,441	1,587	47,760	49,347
890 Prod. groups fruit & veg.	-	0,323	0,323	-	0,323	0,323	-	-	-
893 Improvement citrus fruits	-	4,699	4,699	-	4,699	4,699	-	-	-
894 Prod. groups fisheries	-	0,087	0,087	-	0,087	0,087	-	-	-
89 Total	-	5,109	5,109	-	5,109	5,109	-	-	-
<b>T O T A L</b>	<b>948,312</b>	<b>273,153</b>	<b>1221,365</b>	<b>158,396</b>	<b>122,930</b>	<b>281,326</b>	<b>789,916</b>	<b>150,223</b>	<b>940,139</b>

(1) a) Before 1977: non-differentiated appropriations.

b) After 1977: differentiated appropriations.

(2) Re-commitments against appropriations released from column 1 and charged against their original year.

(3) Including 47 760 - CMA by way of advances. It should be noted that the final sum will only be known on 31.12.1978.

## II. ANALYSIS OF IMPLEMENTATION

### 1. GENERAL CONSIDERATIONS

It would seem appropriate to compare the budgetary implementation for 1978 with that for 1977 and with the original estimates for 1978.

- (1) Compared with 1977, the implementation of the 1978 Budget is way behind with regard to new commitments (-18%). At the same time, payments for the reform of agricultural structures have increased by 48%.

This is explained chiefly by the change in the distribution of appropriations between individual projects (Article 800 and Item 8202) and repayment measures (all the other Items in the Guidance Section). The share<sup>(1)</sup> of appropriations for all structural aid which went to individual projects for the reform of agricultural structures has fallen by 34%. At the same time the share of Community and special repayment measures has risen from 30 to 64%. In expenditure terms this means an increase of 83 m EUA for the latter.

- (2) Compared with the original estimates, implementation of the Budget is everywhere lower than expected, except for Item 8202: Aid for improving the marketing and processing of agricultural products. During the financial year the Council decided to approve a supplementary allocation in this case for the Mediterranean regions.

Taking all the expenditure together, commitments have reached 60% only, and payments 35%, of the initial budget estimates for 1978.

A considerable sum of appropriations (248 m EUA for commitments and 348 m EUA for payments) has remained unutilized and is therefore carried over to 1979. Detailed analysis shows, however, that more than half (i.e. 55%) of the subsisting appropriations are in fact covered by repayment requests submitted by the Member States to the Commission before 31 December 1978 and which were not processed in 1978 for various reasons (see point 4 above).

The above remarks lead one to conclude that, all in all, the implementation of the Budget has not been entirely satisfactory. The drop in socio-structural expenditure (Chapter 81) is rather worrying even. Nevertheless, detailed analysis of the expenditure does reveal some positive features, among which, notably, are the progress achieved in the wine and milk sectors and the improvement in fruit production.

The figures in the accounts, therefore, are not always an objective guide to the progress achieved by the Member States in implementing Community policies for the improvement of agricultural structures.

(1) This was the major share in the financial years prior to 1978.

2. REMINDER OF THE RULES GOVERNING THE UTILIZATION OF APPROPRIATIONS BY THE GUIDANCE SECTION

Given the special conditions with regard to implementation in this field, attention should be drawn to the procedures to be applied. Details of these are provided in Annex B.

3. ADAPTING APPROPRIATIONS TO REQUIREMENTS

Given the actual requirements for 1978, as they appeared at the beginning of the second quarter, the initial 1978 appropriations were adjusted as indicated in the following table:

SUMMARY OF ALL TRANSFERS IN 1978 FROM ONE CHAPTER TO ANOTHER

Chapters credited	Approps. for commitment	Approps. for payment	Chapters debited	Approps. for commitment	Approps. for payment
80 Projects for the improvements of agricultural structures provided for under Article 13 of Regulation No 17/64/EEC	+ 70.000.000	-	81 Common measures for the reform of agricultural structures Article 810 Item 8100 Modernization of farms	- 17.300.000	- 17.300.000
82 Common measures concerning the marketing and processing of agricultural products Article 820 Item 8202 Marketing and processing of agricultural prod.	+ 42.000.000	+ 28.000.000	Item 8103 Mountain and hill farming and farming in certain less-favoured areas	- 40.200.000	- 12.000.000
83 Common measures in particular sectors Article 830 Fisheries sector Item 8302 Conversion in the non-industrial inshore fishing sector	+ 5.000.000	+ 5.000.000	83 Common measures in particular sectors Article 835 Item 8350 Conversion premiums in the wine sector	- 16.800.000	-
Item 8303 Surveillance of the Community fishing zone	+ 16.000.000	+ 16.000.000	Article 837 Item 8370 Community measures to eradicate brucellosis, tuberculosis and leucosis in cattle	- 39.000.000	-
89 Special measures Article 890 Producer groups in the fruit & vegetable sector	+ 1.100.000	+ 1.100.000	60 Cereals Article 600 Item 6000 Refunds on cereals	- 14.000.000	- 14.000.000
Article 894 Producer groups in the fisheries sector	+ 200.000	+ 200.000	46 Expenditure resulting from the application of different exchange rates to the EAGGF Guarantee Section	- 2.000.000	- 2.000.000
			100 Provisional appropriations	- 5.000.000	- 5.000.000

4. UTILIZATION OF APPROPRIATIONS FOR COMMITMENT

4.1 Overall survey

At 31 December 1978, appropriations totalling 285,2 m EUA had been committed out of an available sum of 533,1 m EUA, i.e. 53%. The situation for each Chapter was as follows:

Chapter	Appropriations entered in the Budget including appropriations outstanding	Appropriations available (1)	Commitments at 31.12.78	3 as % of 2	
				3 as % of 1	3 as % of 2
				%	
	1	2	3	4	5
Chap. 80	12,0	82,0	12,0	100	15
81	160,0	102,4	65,5	41	64
82	85,8	127,8	104,1	121	81
83	235,4 <sup>2)</sup>	195,6	98,5	42	45
89	24,0	25,3	5,1	21	20
	517,2 <sup>2)</sup>	533,1	285,2	55	53

The utilization of commitments has thus been very low, despite the fact that appropriations were adjusted during the financial year. Overall, therefore, there is a drop in comparison with previous financial years, where, in practice, all appropriations for commitment were utilized. It should be recalled, however, that the 1978 financial year is a transitional one (the reasons for this are set out below). In the circumstances, it is possible to compare with previous years only if the changed frame of reference is borne in mind.

There are four main reasons for this utilization pattern:

(a) the changed legal frame of referene of the Guidance Section

In previous financial years, the whole sum available after the requirements of the common measures had been met was assigned to individual projects (Regulation No 17/64); this enabled all the appropriations to be fully committed.

The frame of reference has since changed, however, for it is now no longer possible to use the available balance for individual projects;

(b) the Council's delay in taking certain decisions

The Council delayed in taking certain decisions, which meant that some appropriations for 1978 were only utilized in part, or not at all (as was the case with the decision on the 70 m EUA set aside in accordance with Regulation No 17/64 for conversion premiums in the wine sector). Moreover, the Council has still not taken any decisions with regard to revising the rates for the socio-structural directives.

(1) Including amounts released, appropriations outstanding and transfers (see table on the utilization of appropriations for commitment).

(2) This sum does not include the appropriation of 16 m EUA transferred from the Guarantee Section to the Guidance Section (Item 8303) for surveillance in the fisheries sector.

(c) Administrative delays in the Member States affecting the implementation of certain measures

The implementation of certain measures was slowed down in the Member States by delays in adopting the implementing provisions required (Item 8370: Measures to eradicate certain cattle diseases).

(d) Measures implemented by the Member States more slowly than expected

This is the most serious cause, for it affects the very substance of the farm structure policy. It must be admitted that, with regard to most of the common measures, implementation has fallen significantly behind the estimates supplied by the Member States, and this must mean that the measures most probably do not meet actual requirements in the present economic and social situation. Furthermore, it should be emphasized that the framework of legislation in force does not, in itself, oblige farmers to apply the measures laid down, for the determining factor is in fact the financial attraction of the various premiums.

The Commission acknowledges that some measures are no longer sufficiently attractive to the recipients, since the value of the premiums has been eroded by inflation. In order to remedy this, the Commission presented proposals to the Council in 1976 for restoring the financial value of measures under the socio-structural directives, but, so far, with two exceptions, the Council has not adopted these proposals.

4.2 Detailed analysis

A. Discrepancies

Detailed analysis of each Budget Reading shows that the generally poor implementation covers a wide range of individual situations: the discrepancies between appropriations available and those utilized range from 16 to 100%. An appraisal of budgetary implementation will therefore be hedged about by qualifications.

With this in mind, it is worth classifying the measures according to the size of the discrepancy. The implementation rate will be considered relatively good if the discrepancy is smaller than 25%, unsatisfactory if between 25 and 60%, poor if over 60%, and non-existent at 100%.

< 25%	25 to 60%	61 to 99%	100%
<ol style="list-style-type: none"> <li>1. Marketing and processing (Item 8202)</li> <li>2. Modernization (Item 8100)</li> <li>3. Reorganization of fruit production (Item 8322)</li> </ol>	<ol style="list-style-type: none"> <li>1. Hop-producer groups (Item 8201)</li> <li>2. Conversion in the wine sector (Item 8350)</li> <li>3. Encouragement of beef and veal production (Item 8310)</li> <li>4. Mountain and hill farming (Item 8103)</li> <li>5. Non-marketing of milk (Item 8360)</li> <li>6. Vocational guidance and training (Item 8102)</li> </ol>	<ol style="list-style-type: none"> <li>1. Cessation of farming (Item 8101)</li> <li>2. Producer groups, fisheries (Art.894)</li> <li>3. Improvements citrus fruits (Art. 893)</li> <li>4. Individual projects (Art. 800)(1)</li> <li>5. Producer groups, fruit and veg. (Art. 890)</li> </ol>	<ol style="list-style-type: none"> <li>1. Conversion non-industrial fishing (Item 8302)</li> <li>2. Surveillance, Community fishing zone (Item 8303)</li> </ol>

(1) In fact, 100% of the appropriations made available after being released in accordance with Regulation No 3171/75 have been committed; the other appropriations could not be committed for the legal reasons set out below.

Commitments were most fully used under a recent common measure (Marketing and processing of agricultural products) which, in fact, is very similar in character to the earlier individual projects. A more detailed analysis of this expenditure will be found in point 4.3 below.

B. Explanation of the discrepancies

As already stated, the administrative and procedural reasons for these discrepancies should be clearly distinguished from the substantive reasons.

(a) The administrative and procedural reasons:

the Commission's departments could not complete their study of certain Member States' dossiers in time (8100, 8103, 8322);

Member States were unable to supply the extra information required by the Commission in time (8100, 8103);

there is a dispute between a Member State and the Commission with regard to the inclusion of certain regions in Item 8103;

certain requests for repayment notified by the Member States were not in fact submitted (8350, 8310);

Member States were unable to submit programmes in time (8303);

the Commission could not approve the national regulations drawn up to implement Community legislation (8100, 8103);

the Council took longer than expected to decide on certain legislation (800, 8202, 8350, 8360) or has still not taken a decision (for instance, the absence of a decision revising the rates to be applied for certain socio-structural directives has definitely had an adverse effect on the submission of development plans).

(b) The substantive reasons mainly affect Items 8100 and 8101:

the less favourable socio-economic context over the past five years has impeded the reform of agricultural structures;

some provisions are still inadequate to solve specific problems in certain particularly less-favoured regions;

some provisions need to be made more flexible if they are to concern all the farmers for whom they are intended;

the support given by the common organization of the markets is not conducive to the necessary adaptation of farming structures.

#### 4.3 Individual projects (Chapter 80) and common measures similar to individual projects (Item 8202)

(a) Individual projects (Chapter 80)

Only 12 m EUA, or 15%, of the appropriation available (82 m EUA) was committed at 31 December 1978. This figure represents a recommitment of 100% of the appropriations released in 1978 in accordance with Regulation (EEC) No 3171/75 of 3 December 1975.

The remaining appropriation of 70 m EUA was made available for Member States to implement projects in 1978 and 1979, in accordance with a decision taken by the Agriculture Ministers at a Council meeting held from 8 to 12 May 1978 and on the basis of Regulation (EEC) No 17/64 as amended. That sum of 70 m EUA was not committed in time, because the Regulation amending Regulation (EEC) No 17/64 was adopted by the Council only on 19 December 1978: and in that amending Regulation the deadline for Member States to submit requests was set at 31 December 1978.

(b) Common measures similar to individual projects (Item 8202)

It should be noted that the initial sum of 80 m EUA, set aside in the 1978 Budget in accordance with Article 16(3) of Regulation No 355/77 for financing individual projects to improve the conditions under which agricultural products are processed and marketed, was increased by 42 m EUA during the financial year; this sum was allocated by Council Regulation No 1361/78 of 19 June 1978 to projects undertaken in the Mezzogiorno, Languedoc-Roussillon and five French "départements". The total available appropriation for financing this type of project was therefore 122 m EUA.

In all, 84% (102,5 m EUA) of the available appropriation was committed at 31 December 1978.

The commitments were effected in three instalments of 30,9, 14,9 and 56,7 m EUA respectively. In all, 384 individual projects in all the sectors obtained Community support, but most of them were in the meat, fruit and vegetable, wine, milk and fisheries sectors. The projects supported were mainly capital investment to modernize and expand plant for storing, packaging, preserving, handling or processing agricultural products, and distribution circuits.

The breakdown by Member State of committed appropriations is as follows:

	D	B	DK	F + OD	IR	IT	LUX	PB	UK	Community/9 Total
Reg. No. 355/75	16,6	3,6	3,9	14,3	6,1	20,0	0,2	4,7	10,3	79,7
Reg. No. 1361/78				8,9		13,9				22,9
Total	16,6	3,6	3,9	23,2	6,1	33,9	0,2	4,7	10,3	102,5
%	16,2	3,5	3,8	22,6	5,9	33,1	0,2	4,6	10,1	100

It will be seen from the table that the amount not committed relates almost exclusively to projects in the Mediterranean regions to be financed under Regulation No 1361/78. This is mainly due to the fact that too few projects were submitted to the Commission by the two Member States concerned, since the basic decision had been taken very late in the year.



5. UTILIZATION OF APPROPRIATIONS FOR PAYMENTS

At 31 December 1978 appropriations amounting to 281,3 m EUA, i.e. 23% had been utilized out of a total of 1.245,7 m EUA.

The following table gives a more detailed view of the situation in each Chapter:

Chapter	Appropriation entered in the Budget, including transfers	Appropriation available including carryovers (1)	Payments as at 31.12.78	%
80 <sup>1)a)</sup>	-	723,4	127,9	18
80 <sup>b)</sup>	26,0	73,8	28,8	39
81	126,0	130,6	65,5	50
82	33,0	37,8	1,6	4
83	234,3	254,7	52,4	19
89	25,2	25,3	5,1	20
	444,5	1245,7	281,3	23

Although it provides an interesting overall picture, this table does not enable one to appreciate the reasons behind the apparently low rate of payments.

Fully to understand the position, a distinction must be made between the implementation of carryovers and that of appropriations for the 1978 financial year.

5.1 Utilization of carryovers

The table below shows the scale of carryovers from preceding financial years.

It should be understood that the carryovers include both automatic and non-automatic carryovers (the non-automatic ones dating from more than five years ago).

Payments totalling 181,4 m EUA, or roughly 23%, were effected from an available sum of 801,2 m EUA.

The table below shows that the utilization rate for Chapters 81 (Socio-structural measures) and 89 (Special measures) was 100%, while that for Chapter 83 (Particular sectors) was very high.

(1) (a) Prior to 1977: non-differentiated appropriations.  
 (b) as from 1977: differentiated appropriations.

On the other hand, utilization in Chapter 80, which represents by far the largest part of the appropriations, is relatively low; since these are individual projects which are only completed after a relatively long period of several years, this utilization pattern should be considered as normal.

Chapter	Carryovers			Utilization: payments	
	automatic	non-automatic	Total	m EUA	%
1) a)	819,1	104,3	923,4	127,9	18
80 b)	47,8		47,8	28,8	60
81	4,7		4,7	4,7	100
82	4,8		4,8	1,2	25
83	20,4		20,4	18,8	92
89	0,1		0,1	0,1	100
TOTAL	696,9	104,3	801,2	181,4	23

It should be noted with regard to the individual projects (Chapter 80) that payments for 1977 projects represent about 13% of the sums committed. Thereafter, the rate of project completion is somewhat faster and payments for the following four years stabilize at roughly 20% of the commitments outstanding, but then drop to below 7%.

(1) (a) Prior to 1977: non-differentiated appropriations.  
 (b) As from 1977: differentiated appropriations.

5.2 Utilization of appropriations for the 1978 financial year

From available appropriations of 444,5 m EUA, 99,9 m EUA, or roughly 22%, have been paid (1).

There are two reasons for this under-utilization in the form of payments:

either

(a) the measures involve individual projects which require virtually no appropriations for payment in the year when the aid decision is taken (Item 8202, Marketing and processing of agricultural products; Article 800, Individual projects);

or

(b) the measures involve repayments for which no commitment decision was taken in 1978 (Article 830, Fisheries sector; Item 8370, Eradication of certain diseases in cattle; Item 8200, Producer groups), or the commitments made were less than expected. In this case, where payments are in step with commitments, the above explanations relating to commitments are also valid.

The following table summarizes the utilization of appropriations for the financial year:

Chapter	Appropriations	Payments effected		Appropriations not utilized	
		m EUA	%	m EUA	%
80	26,0	-	0	26	100
81	126,0	60,8	48	65,2	52
82	33,0	0,4	1	32,6	99
83	234,3	33,7	14	200,6	86
89	25,2	5,0	20	20,2	80
TOTAL	444,5	99,9	22	344,6	78

(1) It should be noted that 41 applications for payments, totalling about 50 m EUA, are pending in the Commission's departments for the reasons given above.

TITLE 9 - COOPERATION WITH DEVELOPING COUNTRIES AND OTHER NON-MEMBER COUNTRIES

The rate of commitment of the appropriations available was 50,5%. However, if this is adjusted to take into account the fact that the Commission was unable to make use of the appropriations relating to the financial protocols (228,3 m EJA) concluded with the Mediterranean Basin countries, the rate of utilization rises to 87%.

This result, which is slightly worse than in 1977 (96%), is attributable to the fact that, for various reasons which will be explained below, only 42% of the appropriations for aid to non-associated developing countries (Article 930: 70 m EJA) were committed.

On the other hand, there was a very marked improvement in the implementation of the food-aid programmes (which constitute a third major aspect of development cooperation), mainly because the backlogs which had built up in the earlier programmes were removed.

The rate of implementation for the other Items in Title 9, which are far less significant, was satisfactory on the whole, particularly for the appropriations for cooperation projects carried out by NGOs.

Chapter 92 - Food aid

In accordance with Article 102 of the Financial Regulation, which provides that "every food-aid programme shall as soon as possible be made the subject of a proposal for commitment", the budget appropriations are committed once the Council has adopted the programmes for the various products to be delivered as food aid, since the Community is under a legal obligation from that moment. In practice, the various food-aid operations are not actually implemented until some time afterwards. This time-lag, which varies according to the recipients, is caused (a) by the amount of time needed to obtain the agreement of the recipients as to the nature of the commodities and the place and details of delivery and (b) by the accomplishment of internal Community procedures and internal procedures in the Member States concerning the dispatch of the commodities. The posting of the commitment to the books may therefore antedate the carrying-out of the operations quite considerably. The posting of the payment to the books, on the other hand, may occur quite some time after the operations have been carried out since, under Article 97 of the Financial Regulation, charging as a payment is in general carried out within two months after receipt of the statements of expenditure sent by the Member States and, under Article 98, expenditure is shown in the accounts for a given financial year on the basis of the payments made up to 31 December by the Member States' paying departments, provided that the relevant commitments and authorizations reach the accounting officer not later than 31 March of the following year. Consequently, the payments shown in the accounting documents as at 31 December 1978 are less, though it is impossible to estimate how much less, than the actual payments. It would therefore appear that neither commitments nor payments as posted to the books give an exact idea of the rate of utilization of the food-aid appropriations and that it is preferable to consider the quantities already delivered and those still to be delivered under the various programmes.

In the case of cereals, for example, there was a 302.000 t backlog under pre-1978 programmes on 1 January 1978; by the end of the year the catching-up operation had been virtually completed since this backlog had been reduced to 1.200 t.

However, it was not enough to remove the backlogs, it was also necessary to prevent the same thing happening to the 1978 programme, so the Commission departments concerned also turned their attention to this matter. For example, almost 635.000 t of the 720.500 t under this programme were delivered during the year, so the balance to be delivered in 1979 will be only 85.000 t or so. All in all, nearly 936.000 t of cereals were delivered in 1978, which represents 130% of a year's programme of 720.500 t and gives a good idea of the scale of effort put in by the Commission departments concerned.

On 1 January there was a backlog of 130.000 t of skimmed milk powder under pre-1978 programmes. By 31 December this had been reduced to just under 29.000 t. Only 40.000 t of the 150.000 t under the 1978 programme were delivered during the year. The main reasons for this situation, which is much less satisfactory than for cereals, are as follows: (a) the Council did not adopt the 1978 milk products programme until 25 April, so little was accomplished in the first half of the year, and it was obviously impossible to catch up in the second half, mainly because of the product mobilization procedures to be carried out; (b) the recipient countries are more interested in cereals aid and their replies concerning arrangements for milk products aid are often tardy; (c) preparation of vitaminized skimmed milk took quite a long time in the Member States during certain periods of the year. Nevertheless, almost 142.000 t, or more than 94% of a year's programme, were delivered in 1978.

The butteroil backlog under earlier programmes was just over 44.000 t, i.e. virtually one year's programme (45.000 t). This had been reduced to 5.000 t by the end of the year. In addition, almost 14.000 t of the 1978 programme was delivered. In itself, this is not a very satisfactory proportion, and the underlying reasons are as for skimmed milk powder. However, it should be emphasized that a total of 53.000 t was delivered during the year, representing 118% of one year's programme.

#### Chapter 93 - Financial and technical cooperation with non-associated developing countries

The rate of commitment for the year's appropriations was only 44.6%, mainly because the appropriations in Article 930 were not all used up.

#### Article 930 - Financial cooperation with non-associated developing countries

The appropriations in this Article (70 m EUA of appropriations for commitment) were once again used in the absence of a Council Regulation defining the objectives and procedure to be followed for the implementation of a policy of financial and technical aid to non-associated developing countries, as the Council did not adopt its

guidelines on the basis of the Commission draft until May, and the consultations with Parliament were not completed before the end of the year.

As a result, an ad hoc procedure similar to those of earlier years was followed: on 10 October the Council agreed to the appropriation utilization programme presented by the Commission (except for one project) which then took the commitment decisions for the individual projects, with the result that financing agreements relating to projects involving almost 37 m EUA were signed before the end of the year. Note that the accounting statements show commitments totalling only 29.720.000 EUA, as the accounting records (commitment proposals) for certain financing agreements already signed could not be drawn up between the date of signature (22 December) and the end of the year; however, this is a mere formality.

The difference between the amount earmarked for the agreements signed (37 m EUA) and the budget appropriations (70 m EUA) is due to the fact that, for various reasons not of a fundamental nature, some countries and bodies in receipt of Community aid were unable to sign before the fateful day of 31 December the financing agreements submitted to them a short time before. There is every reason to think that this situation will be redressed in the first quarter of 1979.

Payments to meet commitments entered into in 1976 made some headway, but the pace was still much too slow. All in all, half of the 1976 commitments had given rise to payments by the end of 1978. Bearing in mind that the 1976 appropriations could not be committed until right at the end of the year and the fact that the operations in question concern infrastructure investments which have lead times of several years and are carried out in countries very distant from the Community without on-the-spot representation, the rate of utilization of appropriations is not as poor as it might appear at first sight.

For the reasons indicated above, only a very small amount (5 m EUA out of a total of nearly 41 m EUA) of the carryovers from 1977 were utilized. The Commission departments concerned are doing their utmost to urge the authorities in the recipient countries to make better use of earlier years' appropriations.

Article 931 - Promotion of trade between the Community and non-associated developing countries

Commitments total 3.515.378 EUA, 70% of the appropriation of 5 m EUA available. The main reason for this under-utilization is that the Commission departments concerned have developed stricter selection procedures (constant contact with embassies, national bodies, etc.) concerning the operations. After the running-in period the rate of commitment should increase. It should be pointed out that contracts for a further 500.000 EUA were concluded before the end of year but the relevant accounting records could not be shown in the accounts before 31 December. Payments (1.242.000 EUA) represent 31% of the budget appropriations (4 m EUA). This percentage is acceptable since the operations in question cover several years and 1978 was the first year in which the differentiation of appropriations was introduced.

Just over 60% of the carry-overs were used, the difference representing lapsed appropriations. Because of the nature of the operations (organization of seminars, trade missions, etc.), the commitments entered into are inevitably a rather rough estimate (e.g. because the exact number of participants and the actual costs are not known until afterwards).

Article 932 - Measures to encourage regional or sub-regional integration between developing countries

Commitments totalled 398.874 EUA, 99,7% of the appropriation of 400.000 EUA, but the rate of payment was low (21.809 EUA) because of delays in forwarding supporting documents from the developing countries and the contractors in the Member States.

The rate of utilization of carry-overs was 80%, the difference being attributable to a fairly large contract which was only partially executed.

Implementation as regards appropriations allocated or increased by the European Parliament by means of its margin for manoeuvre

The appropriations for commitment in Article 930 were raised from 40.796.000 EUA to 70 m EUA and at the same time the differentiation of appropriations has been introduced.

The appropriations for commitment in Item 9310 have been raised from 4 m EUA to 5 m EUA and at the same time the differentiation of appropriations has been introduced.

Chapter 94 - Specific measures for cooperation with developing countries

The rate of utilization of appropriations for commitments (19.600.000 EUA) was 94%.

Article 940 - Expenditure resulting from the Convention between the EEC and UNRWA

On 21 December the Council decided to extend the Convention between the Community and UNRWA to cover the financial years 1977 and 1978. It emerged at that time that the budget appropriations were considerably in excess of the obligations incumbent on the Community under the Convention, as UNRWA had economized in a number of areas (fewer staff employed in carrying out the aid programme, reduction in the quantities and prices of certain commodities purchased by UNRWA under the Convention). In the final analysis, the sum of 2.602.977 EUA turned out to be adequate instead of the 3.291.000 EUA budgeted for.

The non-automatic carry-over from 1977 had also been calculated on the basis of the abovementioned savings, but only provisional information was available about these at the time. In practice, the sum of 2.307.195 EUA out of the non-automatic carry-over of 2.436.370 EUA was adequate to cover the Community's commitments, while an appropriation of 3.291.000 EUA had been budgeted for.

Article 941 - Training of nationals of non-associated developing countries

Item 9410 - Scholarships

All of the appropriation available (250.000 EUA) was committed. The rate of payment was only 25% of this amount as a result of supporting documents not being sent in time by bodies in the Member States operating as intermediaries between the recipients of the scholarships and the Community. The Commission departments concerned sent reminders to these bodies and had received many payment applications by the end of January.

Only 34% of the automatic carry-overs were used, since a course for nationals of Maghreb countries scheduled for 15 to 20 participants did not take place as only three candidates had registered.

Item 9411 - Training courses in the Commission's departments for Latin American officials

The sum of 7.500 EUA out of the appropriation of 30.000 EUA available could not be used as a number of trainees who had agreed to participate did not in fact arrive. It was then too late in the year to find replacements.

Article 942 - Aid to the management of training institutes for nationals of developing countries

The rate of commitment of the 120.000 EUA of appropriations budgeted for was 98%, while the rate of payment was 63%. There is every reason for thinking that the entire automatic carry-over will be paid at the beginning of 1979.

Article 943 - EEC subsidy for the operation of the European Association for Cooperation (EAC)

Item 9430 - Operating expenses of the headquarters of the EAC

Almost all of the budget appropriations (2.450.000 EUA) were committed and spent. It would appear that the surplus for the financial year is 112.000 EUA; this amount will be paid back to the Commission Budget as it constitutes a subsidy.

Item 9431 - Subsidy to the EAC for the running of Commission delegations in the Southern Mediterranean countries linked to the EEC by cooperation agreements

Initially this Item contained only the appropriations to cover the cost of the delegations in the Maghreb countries (820.900 EUA), but it was later strengthened by a transfer of 379.100 EUA from Chapter 100 to cover the cost of the delegations in the Mashreq countries following the decision as to the principle taken by the Council on 10 October 1978. However, as the Council decision was



taken so late it was impossible to use this appropriation as the administrative procedures entailed by setting up the delegations in the Mashreq countries could not be completed before the end of the year.

The entire automatic carry-over (277.000 EUA) for the Maghreb delegations was spent in 1978.

Item 9439 - Provisional appropriations for possible adjustments to remunerations

As the EAC subsidy (Item 9431) was enough to cover all the 1978 expenditure it was unnecessary to make use of the allocation under this heading.

Article 944 - Expenditure on the organization of seminars on the Community's system of generalized tariff preferences

The rate of utilization of the appropriations available in this Article was significantly higher than in 1977, 79% (120.000 EUA out of 152.000 EUA) having been committed compared with 26% in 1977. The unused appropriation mainly reflects the cost of a seminar in the Argentine which could not take place because of the political situation.

Article 945 - Community contribution towards schemes concerning developing countries carried out by non-governmental organizations (NGOs)

There was a considerable increase in the appropriation available compared with 1977, rising from 4 m EUA to 12 m EUA, and at the same time the differentiation of appropriations has been introduced. It should be emphasized that all the appropriations for commitment were utilized: 175 projects (of which 50% or less was financed by the Community as a general rule) have been approved and will be carried out by 61 non-governmental organizations. Of these 175 projects, 78 were fully implemented during the year and as a result the amounts in question were paid in full; consequently, the sum of 3.640.000 EUA of appropriations for payment was utilized out of the amount of 6 m EUA available.

In addition, management of 113 projects started in 1977 was confirmed in 1978; it is also satisfactory to note that the entire carry-over (2.172.000 EUA) was spent in 1978, except for 30.000 EUA for a project which could not be completed because of the situation in the country in question.

Implementation as regards the appropriations allocated or increased by the European Parliament by means of its margin for manoeuvre

The appropriations in Item 9410 were increased from 150.000 EUA to 200.000 EUA at Parliament's initiative.

As regards Article 945, whereas the Council had budgeted for 4.500.000 EUA of non-differentiated appropriations, Parliament introduced the differentiation of appropriations desired by the Commission and increased the appropriations for commitment to 12 m EUA and those for payment to 6 m EUA.

Chapter 95 - Exceptional measures to assist developing countries and other non-member countries

Article 950 - Community aid to disaster victims in developing and other non-member countries

The budget appropriations (900.000 EUA) were increased as a result of several transfers from Chapter 101 and Article 924 totalling 1.290.000 EUA, with the result that the appropriations available eventually totalled 2.190.000 EUA. Nevertheless, by the end of the year the Community had only managed to respond symbolically to the applications for aid from several countries hit by natural disasters, e.g. 25.000 EUA were granted to Laos and Thailand following floods, 51.000 EUA to Sri Lanka following a cyclone and 30.000 EUA to the Philippines. Similarly, Burma received only 50.000 EUA by way of aid to cope with the influx of refugees from Bangladesh, and Nicaragua received only 90.000 EUA as help for refugees from Costa Rica.

It is therefore quite understandable that the entire automatic carry-over of appropriations (971.600 EUA) was spent during the year.

Chapter 96 - Cooperation with non-member countries

Neither the appropriations for commitment nor, of course, the appropriations for payment were used at all during the year, as the Council Regulation implementing the provisions of the financial protocols was not adopted before the end of the year, it having been agreed that the solution adopted as regards the non-associated developing countries (see Article 930 above) would also be applied as regards the protocols with the Mediterranean Basin countries. However, so as not to increase the delays in the implementation of these protocols any further, an ad hoc procedure was devised pending a Council Regulation, but this procedure could not be implemented before the end of the year.

Consequently, pursuant to Article 6(2) of the Financial Regulation of 21 December 1977, the appropriations for commitment and those for payment remain available for the financial year 1979, except for the non-differentiated appropriation of 6 m EUA for Portugal for which the Budgetary Authority will be asked to allow a non-automatic carry-over.

Article 967 - Cooperation with the Arab countries at regional level

This Article was allocated only a token entry for the financial year 1978 and, because of the delays in the implementation of the operations planned, it proved unnecessary to transfer any appropriations to it.

The non-automatic carry-over of 809.687 EUA did not give rise to payment and therefore lapsed because the Arab side was unable to start up the procedures prior to the financing of the studies to which the Community was to make a contribution.

ANNEX A

ANALYSIS OF THE MAIN CAUSES  
OF DELAYS IN THE UTILIZATION  
OF APPROPRIATIONS FOR PAYMENT



ANALYSIS OF THE MAIN CAUSES OF DELAYS IN THE UTILIZATION OF  
APPROPRIATIONS FOR PAYMENT

I. SOCIAL FUND

It is a fact that the financial years up to and including 1978 have shown an abnormally long lapse of time between the commitment of Community aid under the Social Fund and the actual payment of the equivalent sums. There are five reasons of varying importance for this time-lag: the duration of the operations receiving aid from the Fund; the rules for management under the Fund legislation; the internal procedures of the Member States relating to the recovery of aid from the Fund; non-implementation of approved projects; and the Commission's internal administrative difficulties.

Each of these causes is briefly examined below and the main reason for the delays in payment is identified.

1. Duration of the operations receiving aid from the Fund

These are vocational retraining measures which often mean a change of residence. About 80% of the aid allocated is for repeated operations of varying duration but all falling within a single financial year. The remaining 20% is applied to multiannual operations extending over two or three years. In this case operators may nevertheless obtain payments by instalment, i.e., payments from the Fund may be made as the programme advances with a final amount being withheld until the end, to be paid over after verification of the programme as a whole.

These facts show that the nature of the operations is a contributory cause, of the time-lag between commitments and payments, but only a minor one. Only some 20% of the total aid relates to truly multiannual operations; the remaining operations are by and large completed within one year.

2. The legislation governing the Social Fund

(a) From 1972 to 1977

From the reform of the Social Fund on 1 May 1972 until the entry into force, on 1 January 1978, of the amendments to the legislation made during the 1977 review, aid could in theory be paid as the operation progressed (advance payments of up to 85% of the total aid), or on completion of an operation and production of the supporting documents. In practice, aid used to be paid over after - frequently long after - completion of the operation.

Reasons for delays:

- (i) Particularly during the early years of the Social Fund, there were also delays in the procedure leading to commitment, for various reasons: the time required to study the application papers; and the rule that, for priority applications, the Commission has to wait until all applications have been received in order to allocate the available resources fairly at the end of the financial year. As a result, operations were frequently completed by the time the related funds were committed.
- (ii) There were also frequent delays at the payment stage: the time required by the promoters in the Member States for assembling the payment application documents, and for channelling these documents through the national authorities to the Commission; understaffing in the Commission departments dealing with these documents.

With this system and the rapid increase in the amount of aid granted, a backlog built up in the payment of the aids granted under the Social Fund.

(b) As from 1978

Things have changed as from 1978. One of the principal aims of the review in 1977 of the legislation governing the Fund was to work through this backlog and avoid a similar situation in future. The following possibilities were therefore provided for in the revised legislation:

- (i) in respect of operations prior to 1977, the possibility of paying up to 85% on account for any claim for payment made after 1 January and before 1 July 1978 ("provided that the Member State concerned certifies the factual and accounting accuracy of the particulars given in the claim for payment");
- (ii) in respect of 1977 operations, the same possibility with 31 December 1978 as the deadline for sending in claims for payment (Article 2(2) of Council Regulation (EEC) No 2894/77 of 20 December 1977);
- (iii) in respect of operations in 1978 and subsequently, the possibility of obtaining a 30% advance on the aid granted by the Fund, "as soon as the Member State concerned had certified that the operation has begun"; the possibility of obtaining a second advance up to an equal amount as soon as the Member State "has certified that half the operation has been carried out within the framework of the conditions laid down in the decision granting approval" (Article 4 of Council Regulation (EEC) No 858/72 on certain administrative and financial procedures for the operation of the European Social Fund, as amended by Regulation (EEC) No 2894/77).

To avoid having to wait until the end of the financial year, as is the case at present, to approve a large proportion of the aids (see 2(a) above) the Commission has had a provision approved under which, by 21 October of each year, the Member States will file their applications for aid<sup>(1)</sup>, grouped by category of intervention, for operations due to commence in the first half of the following year, and will give notice of the type and scale of operations due to start in the second half, for which they have until 1 April to introduce applications (Article 5(3) of Council Regulation (EEC) No 2396/71 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund, as amended by Regulation (EEC) No 2893/77 of 20 December 1977).

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(1) This procedure will apply for the first time to applications in respect of operations due to commence in the first six months of 1980.

Whereas therefore, the old legislation may have been one of the factors contributing to some of the delays, the new legislation which has been in force since 1 January 1978 meets the dual requirement referred to above, and the main cause of delays in Social Fund payments should no longer be sought here.

3. Member States' procedures for recovering aid from the Social Fund

Without going into the delays in the Member States' submission of applications for payment before the revision of the Fund legislation, it is already significant to note to what extent they are taking advantage of the new possibilities offered by the amended legislation, described above.

Operations prior to 1977

The possibility of obtaining up to 85% in payments on account has remained practically unused, owing to the administrative difficulties which France and Italy - the two Member States most nearly concerned - have encountered in certifying the "factual and accounting accuracy of the particulars given in the claim for payment".

Operations carried out in 1977 and 1978

All 1977 and 1978 operations could therefore give rise in 1978 to payments of over 400 million EUA, if the Member States take full advantage of the possibilities offered by the revised legislation. As opposed to this theoretical maximum, there is the actual figure of 80 million EUA paid over by 31 December.



In spite of the constant efforts of the Fund's departments to prompt the Member States to take advantage of the new possibilities, which the Member States themselves decided upon in 1977 in the course of revising the Fund legislation, the extent to which the Member States have used these possibilities is disappointing.

4. Non-implementation of approved projects

Reference should be made here to a special problem, namely the non-implementation or partial implementation of certain operations. The Commission has noted that approximately 12% to 15% of the commitments made each year from 1972 to 1976 will not give rise to payments.

This is because operations have been only partially completed or have had to be cancelled. Whilst some difference between the sum approved and the sum finally paid is understandable, this percentage of non-implementation seems rather large. The departments responsible for administering the Fund propose to examine this problem in more detail in collaboration with the Member States.

5. Administrative problems in the Commission

It was stated above (paragraph 2(a)) that in the early years of the Social Fund the time required for investigating applications caused certain delays; nevertheless, the appropriations allocated were always committed in full.

Where payments are concerned, however, the following should be noted:

- (a) As mentioned earlier, the long delays in payments as early as the first few financial years later caused a backlog of payment claims, which caused administrative problems for the Commission's departments (authorizing officers and financial controllers).

- (b) The fact that the budgetary scale of the Social Fund's appropriations has increased considerably over the years should also be taken into account. The increase in appropriations and, hence, the growing number of applications has caused serious problems for the Commission's departments, particularly the DG V departments which administer the Fund: they have had to face a larger workload with a limited number of staff.
  
- (c) Nevertheless, the aim of the new legislation is to ensure the more prompt settlement of payments once the backlog has been cleared. The Commission is fully prepared to settle payments rapidly once it receives applications accompanied by the requisite certificates.

The conclusion is that, of the five possible causes for delays examined in turn above, by far the most important is the third - the internal procedure of the Member States for recovering aid from the Fund. It is true that the problem presents itself in widely differing forms from one Member State to another. Nevertheless, on the whole, and quite obviously since the entry into force of the revised legislation, the onus is upon the Member States to make the necessary effort to take advantage of the facilities they themselves set up.

## II. REGIONAL FUND

The following facts must be taken into account in order to assess accurately the factors which could influence the rate of implementation of payments:

### 1. Nature of the projects financed by the Regional Fund

The actual implementation of the projects in question takes several years, e.g. it takes a fairly long time to build a new road or bridge. Consequently, although the commitment for the projects in question is contracted in full at one given time, the corresponding payments are made over several years. The pattern of budgetary implementation from 1975 to 1977 demonstrates that, on average, payments are made over a period of five years, approximately as follows:

Year of commitment	35%
Second year	35%
Third year	20%
Fourth year	5%
Fifth year	5%

### 2. Rules governing the Fund

Any aid from the Regional Fund has up to now taken the form of a reimbursement to the Member States of their regional aid expenditure. Thus, only after it has itself spent the money can a Member State request partial reimbursement from the Commission. Under the Fund rules Member States are required to submit to the Commission quarterly statements of expenditure relating to Regional Fund aid. These rules inevitably lead to a double delay after investment for the project has been totally or partially committed.

- (a) the investor must prepare his request and submit it to the Member State for approval;
- (b) the Member State must then prepare its request and submit it to the Commission for approval.

3. Delays in the Member States

(a) In the medium term

The rate of payment by some Member States is generally slower than that of others mainly because it has to be demonstrated that a project will create new jobs before the national authorities concerned will make any aid payment.

(b) In the short term

(There are variations within a financial year)

There is a tendency for payments to be concentrated in the last few months of the year for the following reasons:

- (i) the national officials responsible for requests for payment also prepare the investment projects. In practice they give priority to the latter in order to ensure that the appropriations for commitment can be used.
- (ii) the Member States do their utmost to ensure that requests for payment are cleared before the end of their financial year (usually a calendar year). This means in practice that payments are concentrated in the last few months of the year.
- (iii) Infrastructure projects generally have to be interrupted in the winter months, particularly in Northern Europe. Requests relating to these projects hence tend to be made in the second half of the year.

4. Clearance by Commission departments

No significant delay has been noted in the clearance of Regional Fund operations by Commission departments. Past experience has shown that payment files normally take two to three weeks to clear. Occasionally - as was the case in the first few months of 1978 - Commission departments give priority to other work, particularly monitoring operations. This has, however, never caused delays in the implementation of Regional Fund operations for the year as a whole.



ANNEX B

RULES OF PROCEDURE GOVERNING

THE UTILIZATION OF APPROPRIATIONS IN THE

EAGGF GUIDANCE SECTION





RULES OF PROCEDURE GOVERNING THE UTILIZATION OF APPROPRIATIONS IN THE  
EACGF GUIDANCE SECTION

The rules for implementation are as follows:

(1) For individual projects coming under amended Regulation (EEC) 17/64 (Article 800), the deadline for the submission by the Member States of applications to be charged to the 1978 appropriations was 31 December 1978. Under these provisions, the Commission must take a decision on one or more occasions before 31 December 1979. For individual projects coming under Regulation (EEC) 355/77 (Item 8202), applications for aid from the Fund must be submitted via the Member State concerned before 1 May. The Commission takes decisions twice a year on the applications submitted (by 30 June and 31 December respectively at the latest).

Furthermore, the decisions taken during the first half of the year refer solely to the applications for aid submitted by 31 December of the previous year at the latest. Applications for aid submitted between 1 January and 30 April are not considered until the second half of the same year.

In the area of individual projects, a commitment covers the total cost of the Community's contribution to a project: on the other hand, payments are made in step with the execution of these projects.

(2) For common measures and special measures, Member States submit applications for the reimbursement of expenditure incurred in the financial year "n" before 30 June of the financial year "n + 1" (i.e. before 30 June 1978 for the expenditure then effected in 1977). The internal procedure followed by the Commission departments is then as follows:

- (i) for the common measures relating to socio-structural projects (Items 8100, 8101, 8102 and 8103), the Commission grants advances between 1 July and 1 November of the financial year "n + 1" (simultaneous commitment and payment) and pays the balance in the ensuing months, but before 1 April of the financial year "n + 2" (simultaneous commitment and payment);
- (ii) for the other measures in this sector, the Commission takes a decision and makes payments, in theory, between 1 July and 31 December of the financial year "n + 1" (simultaneous commitment and payment).

It is therefore evident that, as a general rule, the majority of commitments and payments are made in the second half of the year.

Special rules on the carrying-over of appropriations

It should be recalled that, under Article 108(3) of the Financial Regulation of 21 December 1977, the EAGGF Guidance Section appropriations entered in budgets for financial years before 1977 and relating to payments outstanding under commitments entered into between 1 January and 31 December are carried over automatically for a period of five years. Thereafter, the appropriations still committed may be carried over non-automatically.

It should also be recalled that, pursuant to Regulation (EEC) 3171/75 of 3 December 1975 (OJ L 315, 5 December 1975), aid from the Fund to individual projects may be cancelled or, if necessary, reduced and the corresponding appropriations used to finance other projects:

if the beneficiary abandons the project, or

if the beneficiary has neither begun the work within two years from the date of notification of the decision to grant aid nor furnished assurances before the end of the said period sufficient to ensure that the project will be carried out, or if the beneficiary reduces the investment provided for in the decision to grant aid.

STATEMENT OF ALL TRANSFERS  
BETWEEN CHAPTERS UNDER THE  
FINANCIAL YEAR

1978

BREAKDOWN OF TRANSFERS BETWEEN CHAPTERS UNDER THE 1978 BUDGET

(1) NON-DIFFERENTIATED APPROPRIATIONS

Transfers approved

in EUA

CHAPTERS TO WHICH APPROPRIATIONS TRANSFERRED	AMOUNT	CHAPTERS FROM WHICH APPROPRIATIONS TRANSFERRED
20. Immovable property investments	145.000	100. Provisional appropriations
21. Rental of buildings and associated expenditure	350.000	102. Reserve to cover any shortfall in approps resulting from differences between the EUA rates used in the estimates and the actual rates at the time of implementation
22. Movable property and assoc. expend.	375.000	102. "
23. Current administrative expenditure	75.000	102. "
25. Expend. on formal and other meetings	671.000	101. Contingency reserve
26. Expenditure on studies, surveys and consultations	120.000	101. Contingency reserve
27. Expend. on publishing and inform.	600.000	101. Contingency reserve
29. Subsidies and fin. contributions	175.000	101. Contingency reserve
34. Expend. relating to safeguards	250.000	101. Contingency reserve
35. Expend. relating to the protection of man and his environment	580.000	100. Provisional appropriations
36. Expend. on scientific and technical information and on information management	150.000	100. Provisional appropriations
37. Expend. in the industrial and transport sectors	1.640.000	100. Provisional appropriations
39. Other expend. on specific projects undertaken by the institution	2.000.000	100. Provisional appropriations
47. Assumption by the European Community of certain financial obligations	275.000	101. Contingency reserve
94. Specific measures for cooperation with developing countries	379.100	100. Provisional appropriations
95. Exceptional measures to assist developing countries and non-member countries	1.290.000	92. Food aid 490,000 101. Contingency reserve 800,000
102. Reserve to cover any shortfall in appropriations resulting from differences between the EUA rates used in the estimates and the actual rates at the time of implementation	800.000	101. Contingency reserve
TOTAL	9.815.100	

(2) DIFFERENTIATED APPROPRIATIONS

Transfers approved

In EUA

CHAPTERS TO WHICH APPROPS TRANSFERRED	AMOUNT		CHAPTERS FROM WHICH APPROPS TRANSFERRED
	APPROPS FOR COMMITMENT	APPROPS FOR PAYMENT	
32. Expenditure under the energy policy	15.000.000	5.000.000	100. Provisional appropriations
33. Expenditure on research and investment	9.106.200	15.943.500	100. Prov. approps: 8.606.200 101. Cont. reserve: 500.000 100. Prov. approps: 15.443.500 101. Cont. reserve: 500.000
37. Expenditure in the industrial and transport sectors	15.000.000	1.000.000	100. Provisional appropriations
80. Projects for the improvement of agricultural structures provided for under Article 13 of Regulation (EEC) No 17/64	70.000.000		81. Common measures for the reform of agricultural structures (pursuant to the Council Resolution of 25 May 1971) 57.500.000 83. Common measures in particular sectors 12.500.000
82. Common measures concerning the marketing and processing of agricultural products (pursuant to the Council Resolution of 25 May 1971)	42.000.000	28.000.000	83. Common measures in particular sectors 81. Common measures for the reform of agricultural structures (pursuant to the Council Resolution of 25 May 1971)
83. Common measures in particular sectors	21.000.000	21.000.000	46. Expenditure resulting from the application of different exchange rates to the EAGGF Guarantee Section: 2.000.000 60. Cereals: 14.000.000 100. Provisional appropriations: 5.000.000
89. Special measures	1.300.000	1.300.000	83. Common measures in particular sectors 81. Common measures for the reform of agricultural structures (pursuant to the Council Res. of 25 May 1971)
TOTALS	173.406.200	72.243.500	

BREAKDOWN OF TRANSFERS BETWEEN CHAPTERS  
UNDER THE 1978 BUDGET

NON-DIFFERENTIATED APPROPRIATIONS  
TRANSFERS PENDING

in EUA

Chapters to which approps transferred	Amount	Chapters from which approps transferred
46. Expenditure resulting from the application of different exchange rates to the EAGGF Guarantee Section	207.000.000	45. Monetary compensatory amounts collected or granted in respect of trade in agricultural products 130.000.000 60. Cereals 77.000.000
62. Milk and milk products	425.000.000	60. Cereals 335.000.000 61. Rice 14.000.000 63. Oils and fats 40.000.000 66. Piguemeat 35.000.000 68. Fruit and vegetables 1.000.000
65. Beef and veal	120.000.000	68. Fruit and vegetables 27.000.000 69. Wine 93.000.000
67. Eggs and poultrymeat	5.000.000	69. Wine
73. Other sectors or products subject to common market organization	15.000.000	69. Wine
74. Refunds on certain goods obtained by processing agricultural products	57.000.000	69. Wine 37.000.000 70. Tobacco 20.000.000
TOTAL	829.000.000	

Situation in respect of Chapter 100: Provisional appropriations

in EJA

Art. or Item	Heading	Transfers approved	
	<u>A. Non-differentiated approps</u>		
202	Other expenditure preliminary to the construction of buildings or to the acquisition of immovable property	145.000	
3611	Assessment and utilization of the research findings	150.000	
373	Financial operations in transport infrastructure projects	890.000	
374	Technical regulations governing the manufacture of cars	750.000	
390	Research projects in the field of technology and industry	2.000.000	
9431	Subsidy to the EAC for the running of Commission delegations in the southern Mediterranean countries linked to the EEC by cooperation agreements	379.100	
	Total	4.314.100	
	<u>B. Differentiated approps</u>	Approps for commitment	Approps for payment
3201	Joint projects in prospecting for hydrocarbons	15.000.000	5.000.000
3351	Fusion and plasma physics (including the JET project)	8.029.200	15.000.000
3371	Implementation of coordinated projects	577.000	443.500
3710	Technological research	15.000.000	1.000.000
8302	Conversion in the non-industrial inshore fishing sector	5.000.000	5.000.000
	Total	43.606.200	26.443.500

Appropriations cancelled: Non-differentiated approps: 6.935.500  
 Approps for commitment: 38.000  
 Approps for payment: 1.532.200  
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Situation in respect of Chapter 100: Provisional appropriations

in EUA

Art. or Item	Heading	Transfers approved	
	<u>A. Non-differentiated approps</u>		
2550	Conferences, congresses and meetings organized by the institution	671.000	
260	Consultations, studies and surveys of limited scope	120.000	
2720	Expenditure on the dissemination of information, popularization and participation in public events	600.000	
2981	Implementation of the International Olive Oil Agreement	175.000	
343	Scientific and technical work and equipment	250.000	
3540	Environmental studies	580.000	
470	Refunds arising out of certain financial obligations in respect of fishing in the Adriatic	215.000	
950	Community aid to disaster victims in developing and non-member countries	800.000	
Chap. 102	Reserve to cover any shortfall in appropriations resulting from differences between the EUA rates used in the estimates and the actual rates at the time of implementation	800.000	
	TOTAL	4.211.000	
	<u>B. Differentiated approps</u>	Approps for commitment	Approps for payment
3365	Recycling of waste paper and board	500.000	500.000
	TOTAL	4.711.000	

Appropriations cancelled: 289.000



SITUATION IN RESPECT OF CHAPTER 102

Reserve to cover any shortfall in appropriations  
resulting from differences between the EUA rates  
used in the estimates and the actual rates at  
the time of implementation

in EUA

Article or Item	Heading	Transfers approved	
		Amount transferred	Amount approved
Chap. 101	Contingency reserve		800.000
214	Fitting-out of premises	300.000	
215	Security and guarding of buildings	50.000	
2210	New purchases (furniture)	50.000	
2220	New purchases (technical equipment and installations)	75.000	
2243	Development of data-processing applications	250.000	
2310	Postage on correspondence and delivery charges	50.000	
2311	Telephone, telegraph, telex, television	25.000	
		800.000	800.000



UTILIZATION OF THE APPROPRIATIONS FOR THE  
FINANCIAL YEAR 1978  
(Statistical tables)

Single Accounting Centre XIX/Div. 10

in m EUA

Budgetary classification	Type of expenditure	Approps. authorized in the initial Budget	Approps. of col. 1 adjusted by 1st, 2nd and 3rd Suppl. Budgets (1)	Approps. of col. 1 and 2 adjusted by transfers (2)	Commitments at 1.12.1978	Payments at 31.12.1978	Approps. available at 31.12.1978	Cumulative total of 12ths of the approps. used (3)	
		1	2	3	4	5	6	(C)	(P)
Title 1	Expend. relating to persons working with the institution	385,353	385,353	385,353	346,782	340,379	38,571	10,8	10,6
Title 2	Buildings, equipment and misc. administrative expend.	159,175	159,610	162,121	156,496	124,264	5,625	11,6	9,2
Title 3	Community policies in regard, particularly, to research, technology, industry, the social sector, the environment and the supply of energy and raw materials								
	Differentiated approps (.Approps for commitment)	254,410	254,410	497,113	203,603(4)	-	293,510	4,9	-
	(.Approps for payment)	245,799	245,799	277,294	-	115,177(4)	162,117	-	5,0
	Non-differentiated approps	44,882	44,882	49,502	29,882	14,219	19,620	7,2	3,4
Title 4	Repayments and aids to Member States and miscellaneous	2.425,100	2.425,315	2.423,530	2.400,922(5)	2.337,830	22,608	11,9	11,6
Chapters 50/53	Social Fund								
	Differentiated approps (.Approps for commitment)	569,500	569,500	569,690	568,171	-	1,519	12,0	-
	(.Approps for payment)	538,800	538,800	538,800	-	239,272	299,528	-	5,3
Chapter 50	regional funds								
	Differentiated approps (.Approps for commitment)	581,000	581,000	599,835	556,359	-	43,476	11,1	-
	(.Approps for payment)	525,000	525,000	525,000	-	171,809	353,191	-	3,9
Chapter 59	Aid to disaster victims in the Community	5,000	5,000	5,000	3,800	3,739	1,200	9,1	9,0
Titles 6 and 7	European Agricultural Guidance and Guarantee Fund, Guarantee Section	6.959,750	6.959,750	6.945,750	6.945,750	6.945,750(6)	-	12,0	12,0
Title 8	European Agricultural Guidance and Guarantee Fund, Guidance Section								
	Differentiated approps (.Approps for commitment)	473,500	473,500	533,145	285,164	-	247,981	6,4	-
	(.Approps for payment)	423,500	423,500	444,500	-	147,655(7)	296,845	-	4,0
Title 9	Cooperation with developing countries and other non-member countries								
	Differentiated approps (.Approps for commitment)	309,300	309,300	309,300	45,202	-	264,098	1,8	-
	(.Approps for payment)	142,296	142,296	142,296	-	8,152	134,144	-	0,7
	Non-differentiated approps	238,267	238,267	239,446	231,747	203,700(8)	7,699	11,6	10,2
Title 10	Provisional appropriations and contingency reserve								
	Differentiated approps (.Approps for commitment)	43,644	43,644	0,038	- (9)	-	0,038	-	-
	(.Approps for payment)	27,976	27,976	1,532	-	- (9)	1,532	-	-
	Non-differentiated approps	16,250	16,250	7,224	- (9)	- (9)	7,224	-	-
	<u>Grand Totals</u>	2.231,354	2.231,354	2.509,121	1.658,499	-	650,622	7,9	-
	Differentiated approps (.Approps for commitment)	1.903,370	1.903,370	1.929,422	-	682,064	1.247,358	-	4,2
	(.Approps for payment)								
	Non-differentiated approps	10.235,777	10.234,427	10.217,927	10.115,379	9.969,882	102,548	11,9	11,8(10)

See notes on following page.

- (1) The 3rd Supplementary Budget relates to the Court of Auditors and does not affect the Commission's appropriations.
- (2) Including (1) transfers COM(78)157, COM(78)240, COM(78)399, COM(78)413, COM(78)627, COM(78)628, COM(78)629 and COM(78)666 from Chapter 100 and transfers COM(78)131, COM(78)157, COM(78)240, COM(78)329, COM(78)451, COM(78)452, COM(78)453 and COM(78)455 from Chapter 101; (2) the appropriations for commitment outstanding at the end of the 1977 financial year or deriving from sums released in 1978 against commitments from previous financial years remaining to be settled; and (3) the appropriations corresponding to revenue in respect of services performed for third parties (Chapter 33).
- (3) At 31 December 1978 the theoretical pro rata consumption rate is 12/12ths.
- (4) The amounts for the commitments and payments of Chapter 33 are provisional.
- (5) Including 604,330 m EUA for lump-sum refund of the costs incurred in collecting own resources. The Member States make over own resources two months after establishment, and the lump-sum reimbursements are made one month later. The sum of 604,330 m EUA thus corresponds to the lump-sum refunds made from February to December in respect of own resources established from November 1977 to September 1978 and made over by the Member States from January to November.
- (6) These payments are not payments in the budgetary sense but advances made to the national paying agencies to cover operations from January to December.
- (7) Including 47,760 m EUA paid to the Member States in the form of advances to the paying agencies to cover expenditure from July to December on premiums for the non-marketing of milk and the conversion of dairy herds.
- (8) Including 42,162 m EUA in food aid representing the charging as payments of expenditure between January and June and 153,865 m EUA paid to the Member States in the form of advances to cover expenditure up to December.
- (9) No use is made of this heading, which is a reserve.
- (10) Not including Chapter 40.

SUMMARY TABLE OF THE IMPLEMENTATION OF THE STATEMENT  
OF EXPENDITURE OF SECTION III (COMMISSION) OF THE  
GENERAL BUDGET FOR THE FINANCIAL YEAR 1978Situation as at 31 December 1978  
i.e. for 12 months

Budgetary classification	Type of expenditure		Number of twelfths used:												
			January	February	March	April	May	June	July	August	September	October	November	December	
Title 1	Expenditure relating to persons working with the institution	E	9,2	0,1	0,0	0,6	0,0	0,1	0,3	0,0	0,1	0,1	0,3	0,4	
		P	0,7	0,9	0,8	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,8	
Title 2	Buildings, equipment and miscellaneous administrative expenditure	E	4,4	0,6	0,7	0,5	0,5	1,5	0,5	0,4	0,7	0,4	0,3	0,9	
		P	1,7	0,3	0,4	0,7	0,2	2,0	0,5	0,4	0,5	1,0	0,6	0,9	
Title 3	Community policies in regard, particularly, to research, technology, industry, the social sector, the environment and the supply of energy and raw materials	Differentiated appropriations	E	0,0	0,8	0,8	0,6	0,5	0,3	0,2	0,3	0,2	0,3	0,0	
			P	0,0	0,0	0,6	0,8	0,9	0,7	0,5	0,4	0,0	0,6	0,1	
		Non-differentiated appropriations	E	1,2	0,7	1,1	0,0	0,4	0,8	0,8	0,3	0,5	0,1	0,4	0,9
			P	0,0	0,1	0,3	0,2	0,1	0,5	0,3	0,4	0,3	0,2	0,5	0,5
Title 4	Repayments and aids to Member States and miscellaneous	E	0,0	0,3	0,3	0,2	0,3	1,0	0,9	0,8	0,3	2,6	0,3	4,9	
		P	0,0	0,3	0,3	0,2	0,3	1,0	0,9	0,8	0,3	2,6	0,3	4,6	
Chapters 50/53	Social Fund	E	0,0	0,0	0,4	0,0	0,0	0,0	0,0	3,6	0,0	0,0	0,0	8,0	
		P	0,0	0,0	0,0	0,0	0,0	0,0	1,1	0,4	0,2	0,8	1,1	1,7	
Chapter 55	Regional Fund	E	0,0	0,0	0,0	0,0	0,0	2,1	0,0	0,0	3,0	0,0	0,0	6,0	
		P	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,4	0,3	3,2	
Chapter 59	Aid to disaster victims in the Community	E	0,0	4,6	0,0	1,2	0,0	0,0	0,0	1,2	0,4	1,7	0,0	0,0	
		P	0,0	0,0	4,4	1,2	0,0	0,0	0,0	1,2	0,5	1,7	0,0	0,0	
Titles 6 and 7	EAGGF, Guarantee Section	E	0,9	1,0	1,0	1,0	1,9	0,8	1,1	0,9	1,3	0,4	1,2	0,5	
		P	0,9	1,0	1,0	1,0	1,9	0,8	1,1	0,9	1,3	0,4	1,2	0,5	
Title 8	EAGGF, Guidance Section	E	0,0	0,2	0,0	0,0	0,3	0,0	0,8	0,2	0,7	0,5	0,7	3,2	
		P	0,0	0,2	0,0	0,1	0,3	0,0	0,1	0,1	0,9	0,0	1,0	1,3	
Title 9	Cooperation with developing countries and other non-member countries	Differentiated appropriations	E	0,0	0,0	0,1	0,0	0,0	0,0	0,1	0,0	0,1	0,1	1,4	
			P	0,0	0,0	0,0	0,1	0,0	0,0	0,1	0,1	0,0	0,1	0,0	
		Non-differentiated appropriations	E	0,8	0,9	0,9	0,8	2,9	5,0	0,1	0,0	0,0	0,0	0,0	0,2
			P	0,8	0,9	0,9	0,6	1,9	1,1	1,5	1,4	(-) 1,2	1,1	0,4	0,8
Title 10	Provisional appropriations and contingency reserve	E	-	-	-	-	-	-	-	-	-	-	-		
		P	-	-	-	-	-	-	-	-	-	-	-		
TOTALS	Differentiated appropriations	Approps for commitment	0,0	0,1	0,3	0,1	0,2	0,5	0,5	0,9	0,9	0,2	0,1	4,3	
		Approps for payment	0,0	0,0	0,1	0,1	0,2	0,1	0,5	0,1	0,3	0,4	0,6	1,8	
TOTALS	Non-differentiated appropriations (1)	E	1,2	0,7	0,8	0,7	1,5	1,0	0,9	0,9	0,9	0,9	0,9	1,5	
		P	0,8	0,7	0,9	0,7	1,5	0,9	1,0	0,9	1,0	0,9	1,0	1,5	

(1) Not including Chapter 40.

COMMISSION OF THE EUROPEAN COMMUNITIES

SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE  
STATEMENT OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL  
BUDGET FOR THE FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

Single Accounting Centre XIX/Div. 10

In 1000 ECU

Subsidiary classification	Heading	Appropriations authorized in the Initial Budget	Appropriations of col. 1 adjusted by 1st 2nd and 3rd Supp. Budgets	Appropriations of col. 1 and 2 adjusted by transfers	Commitments contracted		Payments effected		Cumulative total of 12ths of the approps. used (C) (P)	
					Amount	% of approps.	Amount	% of commitments		
		1	2	3	4	5	6	7	8	
TITLE 1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE INSTITUTION									
Chapter 10	Members of the institution	3,239	3,239	3,239	2,944	90,89	2,944	100,00	10,9	10,9
Chapter 11	Staff	350,738	350,738	350,738	317,140	90,42	314,246	99,09	10,9	10,8
Chapter 12	Allowances and expenses on entering and on leaving the service and on transfer	17,629	17,629	17,629	14,371	81,52	13,606	94,68	9,8	9,3
Chapter 13	Expenditure relating to missions and duty travel	10,354	10,354	10,354	8,944	86,38	6,816	76,21	10,4	7,9
Chapter 14	Expenditure on social welfare	1,538	1,538	1,538	1,534	99,74	1,086	70,80	12,0	8,5
Chapter 15	Organization of training courses and further vocational training of staff	1,855	1,855	1,855	1,849	99,66	1,681	90,91	12,0	10,9
	TITLE 1 - TOTAL	385,353	385,353	385,353	346,782	89,99	340,379	98,15	10,8	10,6

SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE STATEMENT OF EXPENDITURE OF SECTION III (COMM. SECTORS) OF THE GENERAL BUDGET FOR THE FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

In - ECU

Budgetary classification	Heading	Appropriations authorized in the Initial Budget	Appropriations of col. 1 adjusted by 1st 2nd and 3rd Supp. Budgets	Appropriations of col. 1 and 2 adjusted by transfers	Commitments contracted		Payments effected		Cumulative total of 12ths of the approps used (C) (P)	
					Amount	% of approps.	Amount	% of commitments		
		1	2	3	4	5	6	7	8	
TITLE 2	BUILDINGS, EQUIPMENT AND MISCELLANEOUS ADMINISTRATIVE EXPENDITURE									
Chapter 20	Immovable property investments	token entry	token entry	0,145	0,140	96,55	0,126	90,00	11,6	10,4
Chapter 21	Rental of buildings and associated expenditure	41,681	42,011	42,301	42,086	99,49	38,814	92,23	11,9	11,8
Chapter 22	Movable property and associated expenditure	13,483	13,588	15,288	15,160	99,16	10,758	70,96	11,9	8,4
Chapter 23	Current administrative expenditure	13,697	13,697	13,522	13,409	99,16	10,582	78,92	11,9	9,4
Chapter 24	Entertainment and representation expenses	0,595	0,595	0,595	0,568	95,46	0,404	71,13	11,5	8,1
Chapter 25	Expenditure on formal and informal meetings	11,232	11,232	11,653	10,673	91,59	7,273	68,14	11,0	7,5
Chapter 26	Expenditure on studies, surveys and consultations	13,725	13,725	13,255	12,807	96,62	5,295	41,34	11,6	4,8
Chapter 27	Expenditure on publishing and information	23,586	23,586	24,011	23,758	98,95	14,024	59,03	11,9	7,8
Chapter 28	Subsidies for balancing budgets	39,697	39,697	39,697	36,300	91,44	35,693	98,33	11,0	10,8
Chapter 29	Subsidies and financial contributions	1,479	1,479	1,654	1,595	96,43	1,295	81,19	11,6	9,4
	TITLE 2 - TOTAL	159,175	159,610	162,121	156,496	96,53	124,264	79,40	11,6	9,2



SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE STATEMENT OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL BUDGET FOR THE FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

In m ECU

Budgetary classification and heading	Approps. for commitment	Commitments contracted		Approps. for payment	Payments effected				Payments against approps. for payment carried over by non-automatic procedure	Commitments of the financial year still to be validated	Cumulative total of 12ths of the approps. used	
		Amount	% of approps.		Against comm. to be validated closure of accounts for 1977	Against comm. for the financial year 1978	Total	% of approps.			(C)	(P)
TITLE 3												
COMMUNITY POLICIES IN REGARD, PARTICULARLY, TO RESEARCH, TECHNOLOGY, INDUSTRY, THE SOCIAL SECTOR, THE ENVIRONMENT, AND THE SUPPLY OF ENERGY AND RAW MATERIALS												
<u>DIFFERENTIATED APPROPS.</u>												
Chapter 30*												
Expenditure in the social sector												
• remaining (1)	0,541											
• current financial year	6,120			3,274								
• total	6,661	1,790	26,87	3,274	1,572	0,321	1,893	57,82	-	1,469	3,2	6,9
Chapter 32												
Expenditure under the energy policy												
• remaining (1)	53,624											
• current financial year	80,000			46,300								
• total	133,624	42,465	31,78	46,300	-	4,812	4,812	10,39	4,720	32,933	3,8	1,2
Chapter 33												
Expenditure on research and investment												
• remaining (1)	134,451											
• current financial year	183,727			219,470(2)								
• total	318,178	154,798 (3)	48,65	219,470	2,997	103,509	106,506 (3)	48,53	-	51,289	5,8	5,8

\* This Chapter also includes non-differentiated appropriations. See p. 173.  
 (2) Including 9,552 m EUA corresponding to revenues in respect of services performed for third parties.

(1) Including the appropriations released in 1978 in respect of commitments still to be validated from previous financial years.

(3) The figures for Chapter 33 commitments and payments are provisional.

SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE STATEMENT  
OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL BUDGET FOR THE  
FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

Single Accounting Centre XIX/Div. 10

In - ECU

Budgetary classification and heading	Approps. for commitment	Commitments contracted		Approps. for payment	Payments effected				Payments against approps. for payment carried over by non-automatic procedure	Commitments of the financial year still to be validated	Cumulative total of 12 mos of the approps. used	
		Amount	% of approps.		Against comm. to be validated closure of accounts for 1977	Against comm. for the financial year 1978	Total	% of approps.			(C)	(P)
<b>Chapter 36*</b>												
Expenditure on scientific and technical information and on information management												
• remaining (1)	0,906											
• current financial year	5,825			3,550								
• total	6,731	2,655	39,44	3,550	0,633	0,896	1,529	43,07	-	1,759	4,7	5,2
<b>Chapter 37*</b>												
Expenditure in the industrial and transport sectors												
• remaining (1)	9,000											
• current financial year	22,920			4,700								
• total	31,920	1,894	5,93	4,700	-	0,437	0,437	9,30	-	1,457	0,7	1,1
<b>TITLE 3 - TOTAL</b>	<b>497,113</b>	<b>203,603</b>	<b>40,96</b>	<b>277,294</b>	<b>5,202</b>	<b>109,975</b>	<b>115,177</b>	<b>41,54</b>	<b>4,720</b>	<b>88,908</b>	<b>4,9</b>	<b>5,0</b>

\* This Chapter also includes non-differentiated appropriations. See p. 173.

(1) Including the appropriations released in respect of commitments still to be validated from previous financial years.

Summary Table - by Chapter - of the Implementation of the  
Statement of Expenditure of Section III (Commission) of the General  
Budget for the Financial Year 1978 as at 31 December 1978

Single Accounting Centre XIX/Div. 10

In a ECU

Budgetary classification	Heading	Appropriations authorized in the Initial Budget	Appropriations of col. 1 adjusted by 1st 2nd and 3rd Supp. Budgets	Appropriations of col. 1 and 2 adjusted by transfers	Commitments contracted		Payments effected		Cumulative total of 12ths of the approps. used	
					Amount	% of approps.	Amount	% of commitments	(C)	(P)
		1	2	3	4	5	6	7	8	
<b>TITLE 3</b>	<b>COMMUNITY POLICIES IN REGARD, PARTICULARLY, TO RESEARCH, TECHNOLOGY, INDUSTRY, THE SOCIAL SECTOR, THE ENVIRONMENT AND THE SUPPLY OF ENERGY AND RAW MATERIALS</b>									
	<b>NON-DIFFERENTIATED APPROPRIATIONS</b>									
Chapter 30 *	Expenditure in the social sector	5,645	5,645	5,645	5,354	94,84	3,804	71,05	11,4	6,3
Chapter 31	Expenditure in the agricultural sector	7,994	7,994	7,994	6,076	76,01	1,540	25,35	9,1	2,3
Chapter 34	Expenditure relating to safeguards	0,920	0,920	1,170	1,159	99,06	0,682	58,84	11,9	7,0
Chapter 35	Expenditure relating to the protection of man and his environment	6,388	6,388	6,968	6,683	95,91	2,936	43,93	11,5	5,1
Chapter 36 *	Expenditure on scientific and technical information and on information management	1,455	1,455	1,605	1,550	96,57	0,761	49,10	11,6	5,7
Chapter 37 *	Expenditure in the industrial and transport sectors	15,035	15,035	16,675	1,675	10,04	0,462	27,58	1,2	0,3
Chapter 39	Other expenditure on specific projects undertaken by the Institution	7,445	7,445	9,445	7,384	78,18	4,034	54,63	9,4	5,1
	Non-differentiated appropriations - Total	44,882	44,882	49,502	29,882	60,37	14,219	47,58	7,2	3,4

\* These Chapters also include differentiated appropriations. See pages 171 and 172.

SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE  
STATEMENT OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL  
BUDGET FOR THE FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

Single Accounting Centre XIX/Div. 10

In \* EUA

Budgetary classification	Heading	Appropriations authorized in the Initial Budget	Appropriations of col. 1 adjusted by 1st 2nd and 3rd Supp. Budgets	Appropriations of col. 1 and 2 adjusted by transfers	Commitments contracted		Payments effected		Cumulative total of 12ths of the approps used	
					Amount	% of approps.	Amount	% of commitments	(C)	(P)
		1	2	3	4	5	6	7	8	
TITLE 4	REPAYMENTS AND AIDS TO MEMBER STATES; MISCELLANEOUS									
Chapter 40	Lump-sum repayment to the Member States of costs incurred in collecting own resources	689,600	689,600	689,600	667,422	96,78	604,330(1)	90,55	11,6	10,5(1)
Chapter 41	Application of the 'financial mechanism' pursuant to the Council Decision of 17 May 1976	token entry	token entry	token entry	-	-	-	-	-	-
Chapter 42	Community lending operations	token entry	token entry	token entry	-	-	-	-	-	-
Chapter 43	Community lending operations to finance Industrial Investment	token entry	token entry	token entry	-	-	-	-	-	-
Chapter 44	Accession compensatory amounts	30,000	30,000	30,000	22,789	75,96	22,789	100,00	9,1(2)	9,1(2)
Chapter 45	Monetary compensatory amounts	992,600	992,600	992,600	485,711	48,93	485,711	100,00	5,9(2)	5,9(2)
Chapter 46	Expenditure resulting from the application of different exchange rates	712,900	712,900	710,900	667,727	93,93	667,727	100,00	11,3(2)	11,3(2)
Chap. 44-46	"Adhesion" compensatory amounts				557,273	32,15	557,273	100,00	3,9	3,9
Chapter 47	Monetary compensatory amounts									
Chapter 47	Assumption of responsibility by the European Community for certain financial obligations	-	0,215	0,430	-	0,00	-	-	0,0	0,0
Chapter 48	Exchange rate losses	token entry	token entry	token entry	-	-	-	-	-	-
Chapter 49	European Export Bank (EEB)	token entry	token entry	token entry	-	-	-	-	-	-
	TITLE 4 - TOTAL	2.425,100	2.425,315	2.423,530	2.400,922	99,07	2.337,830	97,37	11,9	11,6

(1) The Member States take over own resources two months after establishment and the lump-sum repayments are made the following month. The sums entered above therefore correspond to the lump-sum repayments for February to December in respect of resources established from November 1977 to September 1978 and paid over by the Member States from January to November. The figure of 10,5 is to be compared with a theoretical pro rata utilization rate of 11/12ths.

(2) As payments have been made only for January to August, this figure should be compared with a theoretical pro rata utilization rate of 8/12ths.

SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE STATEMENT  
OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL BUDGET FOR THE  
FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

In a ECU

Budgetary classification and heading	Approps. for commitment	Commitments contracted		Approps. for payment	Payments effected				Payments against approps. for payment carried over	Commitments of the financial year still to be validated	Cumulative total of 12ths of the approps. used	
		Amount	% of approps.		Against comm. to be validated closure of accounts for 1977	Against comm. for the financial year 1978	Total	% of approps.			(C)	(P)
TITLE 5												
SOCIAL AND REGIONAL FUNDS												
DIFFERENTIATED APPROPS.												
Chapter 50												
New Social Fund -												
Expenditure under Article 4 of the Council Decision of 1 February 1971												
. remaining (1)	0,114											
. current financial year	238,000			225,500								
. total	238,114	237,100	99,57	225,500	100,217	17,969	118,186	52,41	-	219,131	11,9	6,3
Chapter 51												
New Social Fund -												
Expenditure under Article 5 of the Council Decision of 1 February 1971												
. remaining (1)	0,021											
. current financial year	330,000			312,000								
. total	330,021	329,520	99,85	312,000	110,735	9,981	120,716	38,69	-	319,539	12,0	4,6
Chapter 52												
Social Fund -												
Pilot schemes and preparatory studies												
. remaining (1)	0,055											
. current financial year	1,500			1,300								
. total	1,555	1,551	99,74	1,300	0,094	0,277	0,371	28,54	-	1,274	12,0	3,4
Chapter 53												
Social Fund - New measures												
	token entry											
SOCIAL FUND - TOTAL	569,690	568,171	99,73	538,800	211,045	28,227	239,272	44,41	-	539,944	12,0	5,3

(1) Including the appropriations released in 1978 in respect of commitments still to be validated from previous financial years.

SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE STATEMENT  
OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL BUDGET FOR THE  
FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

in a ECU

Budgetary classification and heading	Approps. for commitment	Commitments contracted		Approps. for payment	Payments effected				Payments against approps. for payment carried over by non-automatic procedure	Commitments of the financial year still to be validated	Cumulative total of 12ths of the approps. used	
		Amount	% of approps.		Against comm. to be validated closure of accounts for 1977	Against comm. for the financial year 1978	Total	% of approps.			(C)	(P)
Chapter 55												
European Regional Development Fund												
• remaining (1)	18,835											
• current financial year	581,000			525,000								
• total	599,835	556,359	92,75	525,000	68,407	103,502	171,809	32,73	-	452,857	11,1	3,9
REGIONAL FUND - TOTAL	599,835	556,359	92,75	525,000	68,407	103,502	171,809	32,73	-	452,857	11,1	3,9

(1) Including the appropriations released in 1978 in respect of commitments still to be validated from previous financial years.

SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE  
STATEMENT OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL  
BUDGET FOR THE FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

Single Accounting Centre XIX/Div. 10

In m EUA

Budgetary classification	Heading	Appropriations authorized in the Initial Budget	Appropriations of col. 1 adjusted by 1st 2nd and 3rd Supp. Budgets	Appropriations of col. 1 and 2 adjusted by transfers	Commitments contracted		Payments effected		Cumulative total of 12ths of the approps. used	
					Amount	% of approps.	Amount	% of commitments	(C)	(P)
		1	2	3	4	5	6	7	8	
TITLE 5	SOCIAL AND REGIONAL FUNDS									
	<u>NON-DIFFERENTIATED APPROPS.</u>									
Chapter 59	Aid to disaster victims in the Community	5,000	5,000	5,000	3,800	76,00	3,739	98,39	9,1	9,0

SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE  
STATEMENT OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL  
BUDGET FOR THE FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

Single Accounting Centre XIX/Div. 10

In a EUA

Budgetary classification	Heading	Appropriations authorized in the initial Budget	Appropriations of col. 1 adjusted by 1st 2nd and 3rd Supp. Budgets	Appropriations of col. 1 and 2 adjusted by transfers	Commitments contracted		Payments effected		Cumulative total of 12ths of the appropriations used (c) (p)	
					Amount	% of approps.	Amount (1)	% of commitments	(c)	(p)
		1	2	3	4	5	6	7	8	
TITLES 6 & 7	EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND, GUARANTEE SECTION									
Chapter 60	Cereals	1.428,300	1.428,300	1.414,300	674,635	47,70	674,635	100,00	5,7	5,7
Chapter 61	Rice	36,600	36,600	36,600	10,882	29,73	10,882	100,00	3,6	3,6
Chapter 62	Milk and milk products	2.895,850	2.895,850	2.895,850	1.857,962	64,16	1.857,962	100,00	7,7	7,7
Chapter 63	Oils and fats	413,300	413,300	413,300	210,060	50,83	210,060	100,00	6,1	6,1
Chapter 64	Sugar	812,500	812,500	812,500	538,569	66,29	538,569	100,00	8,0	8,0
Chapter 65	Beef and veal	460,800	460,800	460,800	271,693	58,96	271,693	100,00	7,1	7,1
Chapter 66	Pigmeat	84,500	84,500	84,500	23,429	27,73	23,429	100,00	3,3	3,3
Chapter 67	Eggs and poultrymeat	25,400	25,400	25,400	18,419	72,52	18,419	100,00	8,7	8,7
Chapter 68	Fruit and vegetables	139,200	139,200	139,200	69,313	49,79	69,313	100,00	6,0	6,0
Chapter 69	Wine	224,300	224,300	224,300	45,910	20,47	45,910	100,00	2,5	2,5
Chapter 70	Tobacco	237,400	237,400	237,400	173,993	73,29	173,993	100,00	8,8	8,8
Chapter 71	Fisheries	18,000	18,000	18,000	8,008	44,49	8,008	100,00	5,3	5,3
Chapter 72	Ethyl alcohol of agricultural origin	token entry	token entry	token entry	-	-	-	-	-	-
Chapter 73	Other sectors or products subject to common market organization	63,600	63,600	63,600	37,925	59,63	37,925	100,00	7,2	7,2

(1) These payments are not payments in the budgetary sense but advances made to the national paying agencies to cover operations from January to August.

(2) As payments have been made only for January to August, the figures in Column 8 should be compared with a theoretical pro rata utilization rate of 8/12ths.



SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE  
STATEMENT OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL  
BUDGET FOR THE FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

Single Accounting Centre XIX/Div. 10

in m. EUA

Budgetary classification	Heading	Appropriations authorized in the Initial Budget	Appropriations of col. 1 adjusted by 1st 2nd and 3rd Supp. Budgets	Appropriations of col. 1 and 2 adjusted by transfers	Commitments contracted		Payments effected		Cumulative total of 12ths of the approps. used	
					Amount	% of approps.	Amount	% of commitments	(C)	(P)
		1	2	3	4	5	6	7	8	
Chapter 74	Refunds on certain goods obtained by processing agricultural products	120,000	120,000	120,000	113,933	94,94	113,933(1)	100,00	11,4(2)	11,4(2)
Chapter 76	Appropriations in connection with clearance of accounts for periods prior to 1 January 1977	token entry	token entry	token entry	-	-	-	-	-	-
	Provisional commitments which were not the subject of commitments under the budget nomenclature	-	-	-	2.891,017	41,62	2.891,017(3)	100,00	5,0(3)	5,0(3)
	TITLES 6 & 7 - TOTAL	6.959,750	6.959,750	6.945,750	6.945,750	100,00	6.945,750	100,00	12,0	12,0

(1) See footnote 1, page 178.

(2) See footnote 2, page 178.

(3) These payments are not payments in the budgetary sense of the word, but advances made to the national paying agencies to cover their expenditure for the period September to December.

SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE STATEMENT  
OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL BUDGET FOR THE  
FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

in million ECU

Budgetary classification and heading	Approps. for commitment	Commitments contracted		Approps. for payment	Payments effected				Payments against approps. for payment carried over by non-automatic procedure	Commitments of the financial year still to be validated	Cumulative total of 12ths of the approps. used	
		Amount	% of approps.		Against commitments to be validated closure of accounts for 1977	Against commitments for the financial year 1978	Total	% of approps.			(C)	(P)
TITLE 8												
EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND, GUIDANCE SECTION												
Chapter 80												
Projects for the improvement of agricultural structures provided for in Article 13 of Regulation No 17/64/EEC												
. remaining (1)	12,011											
. current financial year	70,000			26,000								
. total	82,011	12,011(2)	14,65	26,000	-	-	-	0,00	-	12,011	1,8	0,0
Chapter 81												
Common measures for the reform of agricultural structures under the Council Resolution of 25 May 1971												
. remaining (1)	4,650											
. current financial year	97,800			126,000								
. total	102,450	65,489	63,92	126,000	-	60,838	60,838	48,28	4,651	-	7,7	5,8
Chapter 82												
Common measures concerning the marketing and processing of agricultural products under the Council Resolution of 25 May 1971												
. remaining (1)	4,788											
. current financial year	123,000			33,000								
. total	127,788	104,075	81,44	33,000	-	0,422	0,422	1,28	1,190	102,463	9,8	0,2

(1) Including the appropriations released in 1978 in respect of commitments still to be validated from previous financial years.

(2) Commitments undertaken in respect of appropriations from previous years re-used in accordance with Article 2 of Council Regulation (EEC) No 3171/75.

SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE STATEMENT  
OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL BUDGET FOR THE  
FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

in m ECU

Budgetary classification and heading	Approps. for commitment	Commitments contracted		Approps. for payment	Payments effected				Payments against approps. for payment carried over by non-automatic procedure	Commitments of the financial year still to be validated	Cumulative total of 12 Ms of the approps. used	
		Amount	% of approps.		Against com. to be validated closure of accounts for 1977	Against com. for the financial year 1978	Total	% of approps.			(C)	(P)
Chapter 83												
Common measures in particular sectors												
. remaining (1)	17,061											
. current financial year	178,500			234,300								
. total	195,561	98,481	50,36	234,300	-	81,420	81,420(2)	34,75	17,061	-	6,0	4,2
Chapter 88												
Appropriations set aside in previous financial years to finance expenditure in Chapters 81 to 83	token entry	-	-	token entry	-	-	-	-	-	-	-	-
Chapter 89												
Special measures												
. remaining (1)	0,135											
. current financial year	25,200			25,200								
. total	25,335	5,109	20,01	25,200	-	4,974	4,974	19,74	0,135	-	2,4	2,4
TITLE 8 - TOTAL	533,145	285,164	53,49	444,500	-	147,655	147,655	33,22	23,036	114,474	6,4	4,0

(1) Including the appropriations released in 1978 in respect of commitments still to be validated from previous financial years.

(2) Including 47,760 m ECU paid in advances made to the national paying agencies to cover their expenditure for the period September to December in respect of premiums for the non-marketing of milk and the conversion of dairy herds.

SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE STATEMENT  
OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL BUDGET FOR THE  
FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

in - EUA

Budgetary classification and heading	Approps. for commitment	Commitments contracted		Approps. for payment	Payments effected				Payments against approps. for payment carried over by non-automatic procedure	Commitments of the financial year still to be validated	Cumulative total of 12ths of the approps. used	
		Amount	% of approps.		Against comm. to be validated closure of accounts for 1977	Against comm. for the financial year 1978	Total	% of approps.			(C)	(P)
TITLE 9												
COOPERATION WITH DEVELOPING COUNTRIES AND OTHER NON-MEMBER COUNTRIES												
<u>DIFFERENTIATED APPROPS.</u>												
Chapter 93*												
Financial and technical cooperation with non-associated developing countries	75,000	33,230	44,31	44,796	3,269	1,243	4,512	10,07	-	31,987	5,3	1,2
Chapter 94*												
Specific measures for cooperation with the developing countries	12,000	11,972	99,77	6,000	-	3,640	3,640	60,67	-	8,332	12,0	7,3
Chapter 96*												
Cooperation with non-member countries	222,300	-	0,00	91,500	-	-	-	0,00	-	-	0,0	0,0
TITLE 9 - TOTAL	309,300	45,202	14,61	142,296	3,269	4,883	8,152	5,73	-	40,319	1,8	0,7

\* These Chapters also include non-differentiated appropriations. See page 183.

SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE  
STATEMENT OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL  
BUDGET FOR THE FINANCIAL YEAR 1978 AS AT 31 DECEMBER 1978

Single Accounting Centre XIX/Div. 10

In m EUA

Budgetary classification	Heading	Appropriations authorized in the Initial Budget	Appropriations of col. 1 adjusted by 1st 2nd and 3rd Supp. Budgets	Appropriations of col. 1 and 2 adjusted by transfers	Commitments contracted		Payments effected		Cumulative total of 12ths of the approps. used (C) (P)	
					Amount	% of approps.	Amount	% of commitments		
		1	2	3	4	5	6	7	8	
TITLE 9	COOPERATION WITH DEVELOPING COUNTRIES AND OTHER NON-MEMBER COUNTRIES									
	<u>NON-DIFFERENTIATED APPROPRIATIONS</u>									
Chapter 90	Cooperation with the ACP States linked to the EEC by the Convention of Lomé	token entry	token entry	token entry	-	-	-	-	-	-
Chapter 92	Food aid	223,710	223,710	223,220	222,810	99,82	196,027(1)	87,98	12,0	10,5
Chapter 93*	Financial and technical cooperation with non-associated developing countries	0,400	0,400	0,400	0,399	99,75	0,022	5,51	12,0	0,7
Chapter 94*	Specific measures for cooperation with the developing countries	7,257	7,257	7,636	6,349	83,15	5,463	86,04	10,0	8,6
Chapter 95	Exceptional measures to assist developing countries and other non-member countries	0,900	0,900	2,190	2,190	100,000	2,189	99,95	12,0	12,0
Chapter 96*	Cooperation with non-member countries	6,000	6,000	6,000	-	0,00	-	-	0,0	0,0
	TITLE 9 - TOTAL	238,267	238,267	239,446	231,747	96,78	203,700	87,90	11,6	10,2

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(1) Including 42,162 m EUA paid to Member States to cover expenditure for the period January to May and 153,865 m EUA in advances paid to Member States to cover expenditure up to December

\* These Chapters also contain differentiated appropriations. See page 182.

SUMMARY TABLE - BY CHAPTER - OF THE IMPLEMENTATION OF THE  
STATEMENT OF EXPENDITURE OF SECTION III (COMMISSION) OF THE GENERAL  
BUDGET FOR THE FINANCIAL YEAR AS AT 31 DECEMBER 1978

Single Accounting Centre XIX/Div. 10

In m EUA

Budgetary classification	Heading	Appropriations authorized in the Initial Budget	Appropriations of col. 1 adjusted by 1st 2nd and 3rd Supp. Budgets	Appropriations of col. 1 and 2 adjusted by transfers	Commitments contracted		Payments effected		Cumulative total of 12ths of the approps. used	
					Amount	% of approps.	Amount	% of commitments	(C)	(P)
		1	2	3	4	5	6	7	8	
TITLE 10	OTHER EXPENDITURE									
Chapter 100	Provisional appropriations:									
	Differen. . Approps. for commit.	43,644	43,644	0,038	-	-	-	-	-	-
	approps. . Approps. for payment	27,976	27,976	1,532	-	-	-	-	-	-
	Non-differentiated approps.	11,250	11,250	6,935	-	-	-	-	-	-
Chapter 101	Contingency reserve	5,000	5,000	0,289	-	-	-	-	-	-
Chapter 102	Reserve to cover any shortfall in appropriations resulting from differences between the EUA rates used in the estimates and the actual rates at the time of implementation	token entry	token entry	token entry	-	-	-	-	-	-
	TITLE 10 - TOTAL									
	Differen. . Approps. for commit.	43,644	43,644	0,038	-	-	-	-	-	-
	approps. . Approps. for payment	27,976	27,976	1,532	-	-	-	-	-	-
	Non-differentiated appropriations	16,250	16,250	7,224	-	-	-	-	-	-
	GRAND TOTALS:									
	<u>DIFFERENTIATED APPROPRIATIONS</u>									
	. Approps. for commit.	2.231,354	2.231,354	2.509,121	1.658,499	66,10	-	-	7,9	-
	. Approps. for payment	1.903,370	1.903,370	1.929,422	-	-	682,064	35,35 (1)	-	4,2
	<u>NON-DIFFERENTIATED APPROPRIATIONS</u>	10.233,777	10.234,427	10.217,927	10.115,379	99,00	9.969,882	99,13 (2)	11,9	11,8(2)

(1) % of appropriations.  
(2) Not including Chapter 40.

ANNEX E

UTILIZATION OF APPROPRIATIONS CARRIED

FORWARD FROM 1977 to 1978

(Statistical tables)

10  
9  
8  
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COMMISSION OF THE EUROPEAN COMMUNITIES

Single Accounting Centre XIX/Div. 10

SUMMARY TABLE OF THE UTILIZATION OF APPROPRIATIONS  
CARRIED OVER FROM 1977 TO 1978 IN SECTION III (COMMISSION) OF  
THE GENERAL BUDGET AT 31 DECEMBER 1978

In m EUA

Budgetary classification	Heading	Automatic carryovers	Payments	% of carryovers	Appropriations available	Non-automatic carryovers	Commitments contracted		Payments effected		Approps. available
							Amount	% of carryovers	Amount	% of commitments	
		1	2	3	4	5	6	7	8	9	10
TITLE 1	Expenditure relating to persons working with the Institution.	3,955	2,968	75,04	0,987						
TITLE 2	Buildings, equipment and misc. administrative expenditure	24,475	21,396	87,42	3,079						
TITLE 3	Expenditure on specific projects undertaken by the Institution										
	Differentiated appropriations	115,333	62,876	54,52	52,457						
	Non-differentiated approps	10,963	9,102	83,02	1,861	8,086	0,085	1,05	0,085	100,00	8,000
TITLE 4	Repayments and aid to Member States and miscellaneous	56,183	54,618	97,21	1,565						
Chap. 50/52	Social Fund (diff. approps.)	45,502	45,502	100,00	-						
Chapter 55	Regional Fund (diff. approps.)	83,083	83,083	100,00	-						
Chapter 58	Community aid to the Friuli disaster area	32,562	2,226	6,84	30,336						
TITLES 6 & 7	EAGGF - Guarantee Section	609,814	605,785	99,34	4,029	24,000	24,000	100,00	24,000	100,00	-
TITLE 8	EAGGF - Guidance Section										
	Differentiated appropriations	74,481	51,848	69,61	22,633						
	Appropriations from financial years prior to 1977	622,457	123,214	19,79	499,243	104,266	104,266	100,00	6,370	6,11	-
TITLE 9	Cooperation with developing countries and other non-member countries										
	Differentiated appropriations	-	-	-	-						
	Non-differentiated approps.	181,296	75,119	41,43	106,177	3,246	3,078	94,82	2,307	74,95	0,168
TOTALS	) Differ. approps	318,399	243,308	76,42	75,091						
	) Non-differ. approps	1.541,705	894,427	58,02	647,278	139.598	131,430	94,15	32,762	24,93	8,168

SUMMARY TABLE OF THE UTILIZATION OF APPROPRIATIONS  
 CARRIED OVER FROM 1977 TO 1978 IN SECTION III (COMMISSION) OF  
 THE GENERAL BUDGET AT 31 DECEMBER 1978

Single Accounting Centre XIX/Div. 10

In m EUA

Budgetary classification	Heading	Automatic carryovers	Payments	% of carryovers	Appropriations available	Non-automatic carryovers	Commitments contracted		Payments effected		Approps. available
							Amount	% of carryovers	Amount	% of commitments	
		1	2	3	4	5	6	7	8	9	10
TITLE 1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE INSTITUTION										
Chapter 11	Staff	1,467	1,271	86,64	0,196						
Chapter 12	Allowances and expenses on entering and on leaving the service and on transfer	0,272	0,201	73,90	0,071						
Chapter 13	Expenditure relating to missions and duty travel	1,798	1,175	65,35	0,623						
Chapter 14	Expenditure on social welfare	0,232	0,177	76,29	0,055						
Chapter 15	Internal training courses and further vocational training of staff	0,186	0,144	77,42	0,042						
	TITLE 1 - TOTAL	3,955	2,968	75,04	0,987						

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COMMISSION OF THE EUROPEAN COMMUNITIES

Single Accounting Centre XIX/Div. 10

SUMMARY TABLE OF THE UTILIZATION OF APPROPRIATIONS  
CARRIED OVER FROM 1977 TO 1978 IN SECTION III (COMMISSION) OF  
THE GENERAL BUDGET AT 31 DECEMBER 1978

in m EUA

Budgetary classification	Heading	Automatic carryovers	Payments	% of carryovers	Appropriations available	Non-automatic carryovers	Commitments contracted		Payments effected		Approps. available
							Amount	% of carryovers	Amount	% of commitments	
		1	2	3	4	5	6	7	8	9	10
<b>TITLE 2</b>	<b>BUILDINGS, EQUIPMENT AND MISCELLANEOUS ADMINISTRATIVE EXPENDITURE</b>										
Chapter 20	Immovable property, investments	0,003	0,003	100,00	-						
Chapter 21	Rental of buildings and associated expenditure	1,876	1,692	90,19	0,184						
Chapter 22	Movable property and associated expenditure	5,431	5,413	81,26	0,018						
Chapter 23	Current administrative expenditure	1,532	1,491	97,32	0,041						
Chapter 24	Entertainment and representation expenses	0,109	0,098	89,91	0,011						
Chapter 25	Expenditure for formal and other meetings	0,880	0,640	72,73	0,240						
Chapter 26	Expenditure on studies, surveys and consultations	7,562	6,798	89,90	0,764						
Chapter 27	Expenditure on publishing and information	6,780	4,981	73,47	1,799						
Chapter 28	Subsidies for balancing budgets	0,010	0,010	100,00	-						
Chapter 29	Subsidies and financial contributions	0,291	0,271	93,13	0,020						
	<b>TITLE 2 - TOTAL</b>	<b>24,475</b>	<b>21,396</b>	<b>87,42</b>	<b>3,079</b>						

SUMMARY TABLE OF THE UTILIZATION OF APPROPRIATIONS  
CARRIED OVER FROM 1977 TO 1978 IN SECTION III (COMMISSION) OF  
THE GENERAL BUDGET AT 31 DECEMBER 1978

Single Accounting Centre XIX/Div. 10

In m EUA

Budgetary classification and heading	Commitments still to be validated at the closure of accounts for 1977	Automatic carryovers	Payments against			Appropriations carried over and available	Commitments outstanding at the closure of accounts for 1977 and not yet validated (1)
			Automatic carryovers	% of carryovers	Appropriations for the financial year 1978		
	1	2	3	4	5	6	7
<b>TITLE 3</b>							
<b>EXPENDITURE ON SPECIFIC PROJECTS UNDERTAKEN BY THE INSTITUTION</b>							
<u>Differentiated appropriations</u>							
<u>Chapter 30</u>							
Expenditure in the Social Sector	3,604	0,933	0,933	100,00	1,572	-	1,065 (2)
<u>Chapter 32</u>							
Expenditure under the energy policy	43,805	29,266	13,493 (3)	46,10	-	15,773	32,767 (2)
<u>Chapter 33</u>							
Expenditure on research and investment	140,242	81,002 (4)	47,194 (5) (6)	58,26	2,997 (5)	33,808	90,874 (5)

\*This Chapter also includes non-differentiated appropriations, see p. 192.

(1) Taking into account sums which may be released. (2) Taking account of the reassessment of commitments at the EUA rates for December 1978.  
 (3) Including 4,720 m EUA in respect of commitments for 1978. (4) Including 10,798 m EUA corresponding to revenue from services performed for third parties included in the appropriation accounts in 1977. (5) The amount of payments in Chapter 33 is provisional. (6) Including 0,823 m EUA in respect of commitments for the financial year 1978.

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			Automatic carryovers	% of carryovers	Appropriations for the financial year 1978		
	1	2	3	4	5	6	7
<b>Title 3 (continued)</b>							
<b>CHAPTER 36<sup>m</sup></b> Expenditure on scientific and technical information and on information management	1,947	1,296	1,256	96,91	0,633	0,040	0,070
<b>CHAPTER 37<sup>m</sup></b> Expenditure in the industrial and transport sectors	-	2,836	-	0,00	-	2,836	-
<b>TITLE 3 (differentiated appropriations) - TOTAL</b>	189,598	115,333	62,876	54,52	5,202	52,457	124,776

<sup>m</sup>These Chapters include non-differentiated appropriations (see page 192).

(1) Taking into account sums which may be released and the reassessment of commitments at the EUA rates for December 1978.

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Budgetary classification	Heading	Automatic carryovers	Payments	% of carryovers	Appropriations available	Non-automatic carryovers	Commitments contracted		Payments effected		Approps. available
							Amount	% of carryovers	Amount	% of commitments	
		1	2	3	4	5	6	7	8	9	10
<b>TITLE 3</b>	<b>EXPENDITURE ON SPECIFIC PROJECTS UNDERTAKEN BY THE INSTITUTION</b> <b>Non-differentiated appropriations</b>										
Chapter 30 <sup>a</sup>	Expenditure in the social sector	1,467	1,271	86,64	0,196						
Chapter 31	Expenditure in the agricultural sector	3,216	2,038	63,37	1,178						
Chapter 34	Expenditure relating to safeguards	0,477	0,465	97,48	0,012						
Chapter 35	Protection of man and his environment	2,225	2,155	96,85	0,070						
Chapter 36 <sup>a</sup>	Expenditure on scientific and technical information and on information management	0,597	0,572	95,81	0,025						
Chapter 37 <sup>a</sup>	Expenditure in the industrial and transport sectors	0,957	0,688	71,89	0,269	8,086	0,085	1,05	0,085	100,00	8,000
Chapter 39	Other expenditure on specific projects undertaken by the Institution	2,023	1,911	94,46	0,112						
	<b>TITLE 3 (non-differentiated appropriations) - TOTAL</b>	<b>10,963</b>	<b>9,102</b>	<b>83,02</b>	<b>1,861</b>	<b>8,086</b>	<b>0,085</b>	<b>1,05</b>	<b>0,085</b>	<b>100,00</b>	<b>8,000</b>

<sup>a</sup>These Chapters include differentiated appropriations (see two previous pages).

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Budgetary classification	Heading	Automatic carryovers	Payments	% of carryovers	Appropriations available	Non-automatic carryovers	Commitments contracted		Payments effected		Approps. available
							Amount	% of carryovers	Amount	% of commitments	
		1	2	3	4	5	6	7	8	9	10
TITLE 4	REPAYMENTS AND AID TO MEMBER STATES AND MISCELLANEOUS										
Chapter 40	Lump-sum repayment to the Member States of the cost incurred in collecting own resources	56,183	54,618	97,21	1,565						

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			Automatic carryovers	% of carryovers	Appropriations for the financial year 1978		
	1	2	3	4	5	6	7
<b>TITLE 5</b>							
<b>SOCIAL AND REGIONAL FUNDS</b>							
<b>EUROPEAN SOCIAL FUND</b>							
<b>Chapter 50</b>							
New Social Fund - Expenditure under Article 4 of the Council Decision of 1 February 1971	425,914	10,211	10,211	100,00	100,217	-	311,435
<b>Chapter 51</b>							
New Social Fund - Expenditure under Article 5 of the Council Decision of 1 February 1971	526,160	35,185	35,185	100,00	110,735	-	369,844
<b>Chapter 52</b>							
Social Fund - Pilot schemes and preparatory studies	0,773	0,106	0,106	100,00	0,094	-	0,533
<b>SOCIAL FUND - TOTAL</b>	<b>952,846</b>	<b>45,502</b>	<b>45,502</b>	<b>100,00</b>	<b>211,045</b>	<b>-</b>	<b>681,812</b>

(1) Taking into account sums which may be released and the reassessment of commitments at the EUA rates for December 1978.



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			Automatic carryovers	% of carryovers	Appropriations for the financial year 1978		
	1	2	3	4	5	6	7
<u>Chapter 55</u> EUROPEAN REGIONAL DEVELOPMENT FUND	416,437	83,083	83,083	100,00	68,307	-	252,902

(1) Taking into account sums which may be released (3,804 m EUA) and the reassessment of commitments at the EUA rates for December 1978.

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Budgetary classification	Heading	Automatic carryovers	Payments	Σ of carryovers	Appropriations available	Non-automatic carryovers	Commitments contracted		Payments effected		Approps. available
							Amount	Σ of carryovers	Amount	Σ of commitments	
		1	2	3	4	5	6	7	8	9	10
Chapter 58	Community aid to the Frull disaster area	32,562	2,226	6,84	30,336						

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							Amount	% of carryovers	Amount	% of commitments	
		1	2	3	4	5	6	7	8	9	10
TITLES 6 & 7	EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND, GUARANTEE SECTION										
Chapter 60	Cereals	180,359	180,321	99,98	0,038						
Chapter 61	Rice	-	-	-	-						
Chapter 62	Milk and milk products	16,108	15,886	98,62	0,222	21,783	21,783	100,00	21,783	100,00	-
Chapter 63	Oils and fats	212,004	209,245	98,70	2,759						
Chapter 64	Sugar	-	-	-	-						
Chapter 65	Beef and veal	55,923	55,790	99,76	0,133						
Chapter 66	Pigmeat	0,942	0,942	100,00	-						
Chapter 68	Fruit and vegetables	127,656	127,243	99,68	0,413						
Chapter 69	Wine	26,626	26,476	99,44	0,150						
Chapter 70	Tobacco	104,573	103,880	99,34	0,693						
Chapter 71	Fisheries	0,036	0,036	100,00	-						
Chapter 73	Other sectors or products subject to common market organization	2,150	2,045	95,12	0,105						
Chapter 79	Expenditure resulting from the application of different exchange rates	- 116,562	- 116,080	99,59	- 0,482	2,217	2,217	100,00	2,217	100,00	-
	TITLES 6 AND 7 - TOTAL	609,814	605,785	99,34	4,029	24,000	24,000	100,00	24,000	100,00	-

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			Automatic carryovers	% of carryovers	Appropriations for the financial year 1978		
	1	2	3	4	5	6	7
<b>TITLE 8</b>							
<b>EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND, GUIDANCE SECTION</b>							
<b>DIFFERENTIATED APPROPRIATIONS</b>							
<b>Chapter 80</b>							
Projects for the improvement of agricultural structures provided for in Article 13 of Regulation No 17/64/EEC	222,558	47,847	28,812 (1)	60,22	-	19,035	192,777 (1)(3)
<b>Chapter 81</b>							
Common measures for the reform of agricultural structures under the Council Resolution of 25 May 1971	-	4,650	4,650 (2)	100,00	-	-	-
<b>Chapter 82</b>							
Common measures concerning the marketing and processing of agricultural products under the Council Resolution of 25 May 1971	-	4,788	1,190 (2)	24,85	-	3,598	-
<b>Chapter 83</b>							
Common measures in particular	-	17,061	17,061 (2)	100,00	-	-	-
<b>Chapter 89</b>							
Special measures	-	0,135	0,135 (2)	100,00	-	-	-
<b>TITLE 8 - TOTAL (differentiated approps)</b>	<b>222,558</b>	<b>74,481</b>	<b>51,848</b>	<b>69,61</b>	<b>-</b>	<b>22,633</b>	<b>192,777</b>

(1) Including payments relating to the 1967 to 1972 financial years to be charged to appropriations carried over non-automatically.

(2) Payments against commitments for the financial year 1978.

(3) Taking account of the reassessment of commitments at the EUA rates for December 1978.

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							Amount	% of carryovers	Amount	% of commitments	
		1	2	3	4	5	6	7	8	9	10
TITLE 8	EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND										
	Guidance Section										
	Appropriations from financial years before 1977										
Chapter 80	Projects for the improvement of agricultural structures provided for in Article 13 of Regulation No 17/64/EEC	619,150	121,494	19,62	497,656	104,266 (1)	104,266	100,00	6,370 (2)	6,11 (2)	-
Chapter 83	Common measures in particular sectors	3,307	1,720	52,01	1,587						
	TITLE 8 - TOTAL (appropriations from financial years before 1977)	622,457	123,214	19,79	499,243	104,266	104,266	100,00	6,370	6,11	-

(1) Including 14,003 m EUA used to finance 1977 projects pursuant to Article 2 of Council Regulation No 3171/75.

(2) Plus payments provisionally charged to appropriations for payment carried over from 1977 (see previous page) and in the process of being rebooked.

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			Automatic carryovers	% of carryovers	Appropriations for the financial year 1978		
	1	2	3	4	5	6	7
TITLE 9							
<u>DIFFERENTIATED APPROPRIATIONS</u>							
COOPERATION WITH DEVELOPING COUNTRIES AND OTHER NON-MEMBER COUNTRIES							
Chapter 93							
Financial and technical cooperation with non-associated developing countries	14,206	-	-	-	3,269	-	10,184

(1) Taking into account sums which may be released and the reassessment of commitments at the EUA rates for December 1978.

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							Amount	% of carryovers	Amount	% of commitments	
		1	2	3	4	5	6	7	8	9	10
TITLE 9	COOPERATION WITH DEVELOPING COUNTRIES AND OTHER NON-MEMBER STATES										
	Non-differentiated appropriations										
Chapter 92	Food aid	132,370	63,434	47,92	68,936						
Chapter 93	Financial and technical cooperation with non-associated developing countries	44,138	6,971	15,79	37,167						
Chapter 94	Specific measures for cooperation with developing countries	2,516	2,442	97,06	0,074	2,436	2,307	94,70	2,307	100,00	0,129
Chapter 95	Exceptional measures to assist developing countries and non-member countries	0,972	0,972	100,00	-						
Chapter 96	Cooperation with non-member countries	1,301	1,301	100,00	-	0,810	0,771	95,19	-	0,00	0,039
	TITLE 9 - TOTAL (non-differentiated appropriations)	181,296	75,119	41,43	106,177	3,246	3,078	94,82	2,307	74,95	0,168

