

EUROPEAN PARLIAMENT

# Working Documents

1982-1983

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13 December 1982

DOCUMENT 1-963/82/ANNEX

OPINION

of the Committee on Budgets

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

Draftsman: Mr V. ANSQUER



On 29 November the Committee on Budgets appointed Mr Ansquer draftsman of the opinion.

The committee considered the draft opinion at its meeting of 6 - 8 December 1982 and adopted it on 8 December by 9 votes to 0 with one abstention.

Present: Mr Lange, chairman; Mrs Barbarella, vice-chairman; Mr Ansquer, draftsman of the opinion; Mr Barbagli, Mr Fich, Mr Gouthier, Mr Newton Dunn, Mr Orlandi, Mr Price and Mr Saby.



1. The programme of financial and technical aid in favour of the non-associated developing countries was set up in 1976. After a complex conciliation procedure, the Council adopted, on 17 February 1981<sup>1</sup>, a basic regulation defining the general guidelines and procedures for reaching decisions on this aid.
2. During successive budgetary procedures the European Parliament has expressed its support for this policy; however, it has strongly criticized the decision-making procedure defined by the Council, in particular the creation of a committee on aid to the non-associated developing countries; the role of this committee is particularly important. It consists of representatives of the Member States and considers proposals for decisions by the Commission on financing; its opinion is binding on the Commission unless the latter appeals to the Council. It follows that the definitive decision on implementation of the budget in this case is being taken by the Member States contrary to the provisions of Article 205 of the EEC Treaty.
3. In addition to this serious encroachment on the powers of the Commission and Parliament, this cumbersome procedure is in large measure responsible for the serious delays noted in the commitment of the appropriations entered in the budget. Funds available for the 1981 programme and amounts carried forward from the 1980 financial year totalled 154.20 million ECU; however, only 90% of this total or 138.26 million ECU was actually committed in 1981. The remainder, 15.94 million ECU, was automatically carried forward by one year to the 1982 financial year<sup>2</sup>.

#### Programme for 1983

4. Article 9 of the Regulation of 17 February 1981 stipulates that 'acting on a proposal from the Commission and after consulting the European Parliament, the Council shall determine, in good time before the end of the year, the general guidelines to be applied to aid for the following year'. The proposal for a decision submitted by the Council simply

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<sup>1</sup> OJ L 48, 21.2.1981

<sup>2</sup> Fifth report by the Commission on the implementation of the programme  
COM(82) 500 final



provides a list of countries and beneficiaries of previous programmes.

5. The explanatory statement attached to the Commission's proposals maintains the emphasis placed in previous years on the rural sector. Action in this sector represented 88.8% of aid for the period 1976-1980 and 79.3% of aid granted under the 1981 programme.
6. The geographical distribution of aid also remains similar to the previous arrangement: Asia (74 against 78%), Latin America (20 against 17%), Africa (6 against 5%).

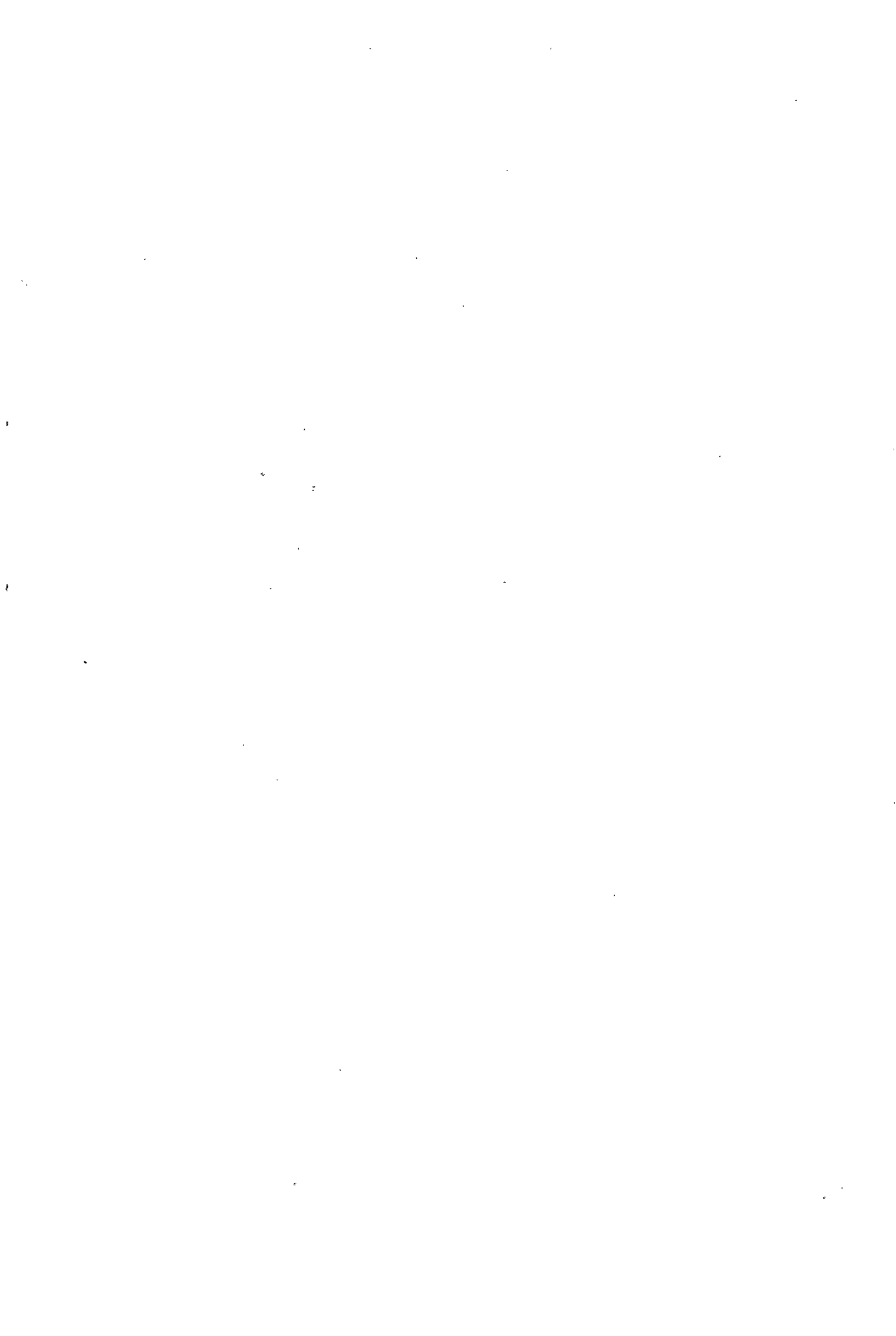
#### Budgetary aspects

7. Article 9 of the Regulation of 17 February 1981 stipulates that the 'funds required for the measures provided for in this regulation shall be fixed by the general budget of the European Communities'.
8. As indicated in the explanatory memorandum accompanying its proposal for a decision, the Commission considers it essential to include in the 1983 budget a total of 125 million ECU in payment appropriations and 290 million ECU in commitment appropriations in Article 930 of the general budget. The volume of appropriations has changed as follows during the budgetary procedure:

	<u>Payment</u> <u>appropriations</u>	<u>Commitment</u> <u>appropriations</u>
	(in million ECU)	
- 1982 budget <sup>1</sup>	110	185
- 1983 preliminary draft budget	125	290
- draft budget	115	220
- first reading EP	135	250
- second reading Council	125	220

9. The commitment appropriations as amended by the European Parliament on first reading call for no special observations. On the other hand, Parliament voted payment appropriations in excess of the Commission's

<sup>1</sup>Excluding the 58 million ECU in payment and commitment appropriations transferred to Article 930 through transfer No. 30/82





request which was accepted on second reading by the Council. Considering the payments actually effected in the past during the same financial year as that in which the commitments were made (0.2% in 1979, 1.2% in 1980, 0% in 1981), it appears most unlikely that payments will exceed the figure estimated by the Commission in the light of the commitments established. It is therefore unrealistic to enter a volume of payment appropriations higher than that requested by the Commission, especially as the payment appropriations decided in transfer No. 30/82 will no doubt be carried forward to 1983.

### Conclusions

#### 10. The Committee on Budgets,

(a) reiterates its fundamental criticism of the decision-making procedures for the granting of financial and technical aid to the non-associated developing countries; these procedures are incompatible with the powers vested in the Commission and Parliament by the Treaties and delay the use of the appropriations entered in the budget;

(b) notes the Commission's proposals relating to the 1983 aid programme;

(c) asks the Commission to make sure that the aid is not dispersed too widely thus becoming less effective; on the contrary, aid should be concentrated on significant and well-defined projects;

(d) hopes that the Commission will make the necessary arrangements to speed up the rate of payments and thus ensure use of the appropriations voted by the European Parliament.

