

EUROPEAN COMMUNITIES

ANALYSIS OF THE FINANCIAL MANAGEMENT

in respect of the revenue and expenditure
account of the European Communities
for the financial year 1976

Summary of contents

This report has been drawn up pursuant to Article 81 of the Financial Regulation of 25 April 1973*. Its aim is to indicate the principal elements characterizing the implementation of the budget in the financial year 1976, by :

- (1) comparing the estimates of revenue, as entered in the initial budget and as changed by supplementary budget no. 1 and by supplementary and amending budget no. 2, with the outturn for that revenue. Amending budget no. 3 did not make any change in the estimates of revenue;
- (2) comparing the appropriations, as entered in the initial budget and as changed by supplementary budget no. 1 and by supplementary and amending budget no. 2, with transfers from one budget heading to another and with the rate of their utilization in the form of commitments and payments. Amending budget no.3 did not make any change in the appropriations;
- (3) comparing the appropriations carried over from the financial year 1975 with their utilization;
- (4) commenting as necessary on the implementation of the budget, by titles and chapters.

The detailed figures, by budgetary item, appear in three volumes entitled "Comptes de gestion et bilans financiers afférents aux opérations du budget de l'exercice 1976".

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CONTENTS

	Page
1. Own resources and other revenue Estimates and actual yields	5
2. Expenditure	13
2.1 Total appropriations and actual expenditure in the budget of the Communities in 1976	13
2.2 The European Parliament	15
2.3 The Council	21
2.3.1 The Economic and Social Committee	28
2.3.2 The Audit Board	33
2.3.3 The ECSC Auditor	36
2.4 The Court of Justice	39
2.5 The Commission	43
A. Figures and statistics	43
1. The authorized expenditure of the Commission	43
2. Movements of appropriations within the total authorized expenditure of the Commission in 1976	45
3. Utilization of the authorized expenditure of the Commission during the financial year 1976	49
4. Utilization of appropriations carried over from 1975 to 1976	51
B. General assessment of and comments on the implementation of the expenditure of Section III	55
General assessment	56

Expenditure on staff and on administration (Titles 1 and 2)	60
Expenditure on specific projects (Title 3)	69
Expenditure relating to aids, subsidies and financial contributions (Title 4)	77
Expenditure relating to the Social Fund, the Regional Fund and aid to Friuli (Title 5)	81
Expenditure relating to EAGGF, Guarantee Section (Titles 6 and 7)	97
Expenditure relating to EAGGF, Guidance Section (Title 8)	107
Expenditure on co-operation with the developing countries - Expenditure on food aid and other expenditure (Title 9)	117
Transfers from Chapter 98	120
Transfers from Chapter 99	121
Annex A - Utilization of appropriations for the financial year 1976	123
Annex B - List of all transfers between chapters during 1976	137
Automatic carry-overs from 1975 to 1976	139
Non-automatic carry-overs from 1975 to 1976	143
Annex C - Utilization of appropriations carried over from 1975 to 1976	145

1. OWN RESOURCES AND OTHER REVENUE - ESTIMATES AND ACTUAL YIELDS

The revenue of the general budget of the Communities for 1976 comprises:

- own resources and contributions made in accordance with the Decision of 21 April 1970;
- contributions to the supplementary research and investment programmes in accordance with a special scale, amounting to 8.8 m u.a.;
- other revenue totalling 274,1 m u.a., including 18 m u.a. for the part of the ECSC levy paid into the budget.

1.1 CONTRIBUTIONS AND RESOURCES

- 1.1.1 In order to cover their monthly share of the Communities' needs, the Member States pay cash advances as laid down by the Financial Regulation, in addition to the own resources due; the level of contributions paid is thus not that provided for in the budget but is in proportion to the utilization of appropriations (including carry-overs from the preceding financial year).

The amount of the contributions for the financial year, on the other hand, is calculated in accordance with Article 17 of Regulation 2/71, taking into account "expenditure incurred during the financial year in question, plus the appropriations carried over to the following financial year less the appropriations carried over from preceding financial years and written off, and also revenues other than own resources and financial contributions from Member States". The sum determined in this way is charged to the Member States in accordance with their relative share for the financial year; each Member State pays its share, firstly from its own resources and, as to the balance, by financial contributions (apart from the exception referred to in point 1.1.2, paragraph two).

For the financial year 1976 it had for the first time been estimated that total revenue would exceed expenditure, as a result of the application of the provisions of Articles 3 and 4 of the Decision of 21 April 1970 concerning adjustment of the relative shares of the Member States.

The estimates for total revenue had put that surplus at \pm 39 m u.a. but the actual amount was \pm 41 m u.a.

- 1.1.2 The own resources recorded during the financial year 1976 represent 104% of the estimates; it must be emphasized, however, that in the case of customs duties (which represent 77,7% of the total own resources recorded, or 4064.6 m u.a.), the overall recoveries are about 98.7% of the estimates.

It should also be noted that under the Treaty of Accession two new Member States, the United Kingdom and Ireland, are participating in the financing of the budget by paying only own resources, the value of which is calculated on the basis of the relative share of these two countries in the total expenditure financed under the Decision of 21 April 1970; it is evident that their level depends solely on expenditure and not on receipts.

As regards the sugar levies (2.5% of the total sums recorded, or 128.4 m u.a.), the overall recoveries represent about 119.01% of the estimates.

The agricultural levies amounted to 1 035.2 m u.a., being 128.9% of the estimates, with appreciable divergences between Member States.

1976 was the second year in which the Member States paid all the customs duties and agricultural levies which they had collected to the Communities; the new Member States were an exception to this rule, under the provisions of the Treaty of Accession (abatement factor).

The tables on the pages following page 7 show firstly the sums paid by the Member States in 1976 (see point 1.1.1, first para.) and secondly the sums actually due from the Member States on the basis of the relative share in all the expenditure chargeable to the financial year in question (see point 1.1.1, second para.).

1.2 OTHER REVENUE

This dropped from 307.9 m u.a. in 1975 to 274.1 m u.a. in 1976, the decrease being attributable mainly to accounting entries in respect of differences on exchange arising on transfers of funds from one Member State to another, the differences falling from 244.5 m u.a. in 1975 to 204.2 m u.a. in 1976. It should be mentioned that these differences on exchange arise from the fact that movements of funds are effected on the basis of market rates of exchange whereas the accounting entries for these transactions are based on the IMF parities.

Other points to be noted under the "Other revenue" heading are:

- the increase in the Community tax and in staff contributions to the pension scheme, which reflects the increase in expenditure on salaries
- the increase in the interest paid by the financial agencies, which rose from 4.9 m u.a. to 9 m u.a.

ESTIMATES AND ACTUAL YIELDS FOR
OWN RESOURCES AND OTHER REVENUE
FOR THE FINANCIAL YEAR 1976

OWN RESOURCES AND OTHER REVENUE

in m.u.a.

N A T U R E	Estimates of revenue necessary to cover the appropriations authorized for the financial year 1976	Revenue necessary to cover expenditure chargeable to the financial year 1976 under Article 17 of Regulation 2/71 (see point 1.1.1, para 2, on page 5)
1. Own resources from Member States: - customs duties - agricultural levies - sugar levies	5.028,3 4.117,3 803,1 107,9	5.228,2 4.064,6 1.035,2 128,4
2. Contributions	3.210,4	2.482,1
SUB-TOTAL	8.238,7	7.710,3
3. Other contributions	9,2	8,8
4. Miscellaneous revenue	261,8	274,1
5. Less surplus revenue ¹	(-) 39,1	
TOTAL	8.470,6	7.993,2

¹The application of Articles 3 and 4 of the Decision of 21 April 1970 produced a surplus of revenue over expenditure and this surplus is to be carried over to the next financial year (see Art. 18 of Regulation (EEC/ECSC/Euratom) No 2/71 of the Council, of 2 January 1971.

CALCULATION OF THE MEMBER STATES' CONTRIBUTIONS TO
THE FINANCING OF THE BUDGET FOR THE FINANCIAL YEAR 1976

Appropriations to be covered in accordance with the Decision of 21 April 1970 - EXPENDITURE in u.a.

Type of expenditure	Payments for the financial year	Carry-overs to the financial year 1977	Carry-overs from the financial year 1975 (cancelled deduct)	Amount
1. Administrative and operational expenditure:				
Commission	311.888.848,12	66.324.412,46	11.424.862,56	366.788.398,02
Parliament	42.049.987,88	3.939.871,66	623.149,82	45.366.709,72
Council	48.690.807,60	5.173.826,82	443.532,56	53.421.101,86
Court of Justice	8.824.374,58	561.956,72	35.007,74	9.351.323,56
2. Research and investment expenditure	84.100.867,78	33.356.501,55	4.142.155,06	113.315.214,27
3. a) European Social Fund	10.163.454,34	429.234.374,-	262.651.289,66	176.746.538,68
b) ERDF	217.999.778,72	82.000.221,28	-	300.000.000,-
c) Friuli	-	60.000.000,-	-	60.000.000,-
4. EAGGF: Guarantee Section	5.040.821.949,08	677.733.171,52	8.628.975,86	5.709.926.144,74
Guidance Section	67.365.883,36	257.633.893,20	1.639.447,26	323.360.329,30
5. Food aid - aid to developing countries	57.485.125,76	214.865.316,74	1.664.549,08	270.685.893,42
6. Repayment to Member States of 10% of own resources	367.802.189,74	155.869.134,04	58.386,30	523.612.937,48
	6.257.193.266,96	1.986.692.679,99	291.311.355,90	7.952.574.591,05

Financial year 1976

R E V E N U E

Appropriations to be covered in accordance with the Decision of 21 April 1970

in u.a.

Type of revenue	Amount
1. Miscellaneous revenue connected with research and investment activities	4.420.314,70
2. Other miscellaneous revenue	251.568.772,01
3. Amount of ECSC levy allocated to administrative expenditure	18.000.000,--
4. Contributions by Member States to Euratom complementary programmes	8.783.553,63
	282.772.640,34
Expenditure to be covered in accordance with the Decision of 21 April 1970	7.669.801.950,71

Financial year 1976Cash position

Member State	Payments made in accordance with Article 31 of the Financial Regulation				Entitlements established		Difference (b+c-d-e = f)
	Own resources		Cash advances		Own resources	Contributions	
	a	b	c		d	e	
Belgium	371.373.532,58	109.380.187,09	371.373.532,58	126.619.038,28	371.373.532,58	126.619.038,28	17.238.851,19
Denmark	113.756.800,18	33.428.700,89	113.756.800,18	45.445.278,91	113.756.800,18	45.445.278,91	12.016.578,02
Federal Republic of Germany	1.186.975.128,28	730.615.378,83	1.186.975.128,28	920.793.825,-	1.186.975.128,28	920.793.825,-	190.178.446,17
France	742.395.153,49	775.215.676,13	742.395.153,49	909.818.243,13	742.395.153,49	909.818.243,13	134.602.567,-
Ireland	40.439.836,94	1.322.308,01	40.439.836,94	-	39.461.131,04	-	2.301.013,91
Italy	934.252.039,54	347.807.820,65	934.252.039,54	382.376.842,53	934.252.039,54	382.376.842,53	34.569.021,88
Luxembourg	3.368.198,78	7.148.165,65	3.368.198,78	8.481.645,23	3.368.198,78	8.481.645,23	1.333.479,58
Netherlands	586.387.244,06	86.304.678,24	586.387.244,06	88.586.006,81	586.387.244,06	88.586.006,81	2.281.328,57
United Kingdom	1.281.267.310,59	41.907.346,01	1.281.267.310,59	-	1.250.254.415,99	-	72.920.240,61
Total	5.260.215.244,44	2.133.130.261,50	5.228.223.643,94	2.482.120.879,89	5.228.223.643,94	2.482.120.879,89	316.999.017,89



2. EXPENDITURE

2.1 TOTAL APPROPRIATIONS AND ACTUAL EXPENDITURE IN THE BUDGET OF THE COMMUNITIES IN 1976

2.1.1 The expenditure authorized by the Budget of the Community for the financial year 1976 amounted to¹ :

• initial Budget:	7 576,86 m u.a.
• Supplementary Budget No 1:	61,03 m u.a.
• Supplementary and Amending Budget No 2:	832,72 m u.a.
• Amending Budget No 3:	nil

Total appropriations for the financial year 1976:

8 470,61 m u.a.

of which 8.102 MUA was committed⁽²⁾, 142 MUA was carried-over with the approval of the Budgetary Authority and 227 MUA was cancelled.

¹Round figures.

²This figure includes the commitments of the ERDF to the amount of the payment appropriations (300,0 m u.a.). If the total commitments of the ERDF and the total commitments for research and investment projects are included, the figure becomes 8 311 m u.a.

The authorized expenditure for the financial year 1976 for each of the institutions was:

Section I	: European Parliament	52.121.209 u.a.
Section II	: Council	64.450.658 u.a.
Section III	: Commission	8.342.854.361 u.a.
Section IV	: Court of Justice	11.183.380 u.a.
		<u>8.470.609.608 u.a.</u>

2.1.2 The expenditure chargeable to the financial year 1976 (appropriations committed or carried over) finally amounted to:

			Percentage of authorized expenditure
Section I	: European Parliament	45.989.859 u.a.	88,24 %
Section II	: Council	53.864.634 u.a.	83,57 %
Section III	: Commission	8.134.645.122 u.a.	97,50 %
Section IV	: Court of Justice	9.386.331 u.a.	83,93 %
		<u>8.243.885.946 u.a.</u>	<u>97,32 %</u>

2.1.3 For the institutions as a whole, the expenditure chargeable to the financial year 1976, by budget titles, was:

in m u.a.			
Title	Final appropriations	Appropriations committed or carried over	% utilization
1. Expenditure relating to persons working with the institutions	302,77	280,71	92,71 %
2. Buildings, equipment and operating expenditure, apart from point 10 below	110,39	103,44	93,70 %
3. Operational expenditure other than Chapter 33	71,66	65,97	92,06 %
	CA 312,13	121,81 ⁽¹⁾	39,03 %
	PA 135,18	117,46	86,89 %
Research and investment expenditure			
4. Aids, subsidies and financial contributions	38,80	37,33	96,21 %
5. Social Fund	442,97	439,40	99,19 %
	CA 500,22	500,12 ⁽²⁾	99,98 %
	PA 300,00	300,00	100,00 %
Community aid to the Friuli disaster area	60,00	60,00	100,00 %
6/7. EAGGF, Guarantee Section	5.835,27	5.718,56	98,00 %
8. EAGGF, Guidance Section	325,00	325,00	100,00 %
9. Food aid and Expenditure on cooperation with the developing countries Provisional	320,25	272,35	85,04 %
	4,64	-	-
Sub-total	CA 812,35	621,93	76,56 %
	PA 7.946,94	7.720,22	97,15 %
10. Repayment of 10% of own resources to the Member States	523,67	523,67	100,00 %
Total	CA 812,35	621,93	76,56 %
	PA 8.470,61	8.243,89	97,32 %

CA = Commitment appropriations

PA = Payment appropriations

¹ the commitment appropriations remaining were 168,53 m.u.a.
and the appropriations cancelled were 21,79 m u.a.

² the commitment appropriations remaining were 0,10 m u.a.

2.2 THE EUROPEAN PARLIAMENT

2.2.1 SUMMARY TABLE

STATEMENT OF ADMINISTRATIVE EXPENDITURE FOR THE
FINANCIAL YEAR 1976

	u.a.	u.a.
<u>I. Appropriations available</u>		
The appropriations entered in the Budget of the European Parliament for the financial year 1976 amounted to		52.121.209
 <u>II. Utilization of the appropriations</u>		
The appropriations were committed to the extent of	45.805.860	
and the appropriations not committed at 31 December and carried over (under Art. 6(b) of the Fin. Reg.) amounted to	<u>184.000</u>	
		<u>45.989.860</u>
leaving 12% to be cancelled, an amount of		<u>6.131.349</u> <u>=====</u>
 <u>III. The appropriations carried over automatically (under Art. 6(c) of the Fin. Reg.) from 1975 to 1976 amounted to</u>		3.171.666
whilst the payments made with help of these carry-overs amounted to		<u>2.548.516</u>
leaving 20% to be cancelled, an amount of		<u>623.150</u> <u>=====</u>

COMPARATIVE TABLE

The table below gives a chapter-by-chapter comparison of expenditure for the financial year 1976 with the Budget estimates and with the expenditure for 1975.

Chap.	H E A D I N G	1976			1975	
		Budget u.a.	Expenditure u.a.	Cancel- lation %	Expenditure u.a.	% \pm compared with 1975
1	2	3	4	5	6	7
10	Members of the institution	4,102,050	4,342,718	(a)	3,690,743	+ 18
11	Staff	29,958,720	28,138,071	6	23,373,954	+ 20
12	Allowances and expenses on entering and on leaving the service and on transfer	915,500	880,930	4	867,415	+ 2
13	Expenditure relating to missions and duty travel	1,575,000	1,165,937	26	1,322,522	- 12
14	Expenditure on social welfare and on further vocational training of staff	309,350	289,777	6	253,622	+ 14
15	Cost of organizing internal training courses	72,000	45,771	36	42,905	+ 7
	<u>TITLE I</u>	<u>36,932,620</u>	<u>34,863,204</u>	<u>6</u>	<u>29,551,061</u>	<u>+ 18</u>
20	Immovable property investments	-	-		-	
21	Rental of buildings and associated expenditure	5,003,150	4,416,811	9(b)	3,806,478	+ 16
22	Movable property and associated expenditure	1,307,150	1,275,337	2	918,376	+ 39
23	Current administrative expenditure	1,539,750	1,045,356	32	1,063,194	- 2
24	Entertainment and representation expenses	122,485	105,347	14	121,109	- 13
25	Expenditure for formal and other meetings	20,000	5,587	72	4,747	+ 18
26	Expenditure on studies, surveys and consultations	1,000	-	100	-	-
27	Expenditure on publishing and information	1,794,000	1,674,013	3(b)	1,638,766	+ 2
	<u>TITLE II</u>	<u>9,787,535</u>	<u>8,522,451</u>	<u>11</u>	<u>7,552,670</u>	<u>+ 13</u>
37	Expenditure relating to certain institutions - other expenditure	1,944,553	1,880,956	3	1,733,803	+ 8
38	Loan of services between institutions	(c)	(c)	-	427,000	(c)
	<u>TITLE III</u>	<u>1,944,553</u>	<u>1,880,956</u>	<u>3</u>	<u>2,160,903</u>	<u>- 13</u>
41	Subsidies and financial contributions	650,001	539,248	17	423,901	+ 27
	<u>TITLE IV</u>	<u>650,001</u>	<u>539,248</u>	<u>17</u>	<u>423,901</u>	<u>+ 27</u>
	<u>TITLE IX</u>	<u>2,806,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>GRAND TOTAL</u>	<u>52,121,209</u>	<u>45,805,959</u>	<u>12</u>	<u>39,688,435</u>	<u>+ 15</u>

- (a) Funds available for the chapter increased by transfer of appropriations from Title IX, giving a sum total of transfers of 698,200 u.a.
- (b) Including special carry-over.
- (c) Chapter deleted in 1976.

GENERAL REVIEW AND COMMENTS ON THE IMPLEMENTATION OF
BUDGET EXPENDITURE FOR 1976

The increase of 6 m u.a. (approximately 15%) in expenditure for 1976 compared with 1975 was mainly in Title 1 of the Budget, "Expenditure relating to persons working with the institution", and this was due to the increase in some components of remuneration, as well as some new recruitment.

Except in a few Chapters, the actual expenditure was fairly close to the initial budget estimates. The explanation of large differences is given below.

Chapter 10 - Members of the institution Increase: 651,975 u.a.

Because of the various decisions of the Bureau relating to the kilometrage allowance and the secretarial allowance for members, also to the application of the European unit of account to payment of subsistence allowances and travel expenses, the actual expenditure exceeded the budget estimates, necessitating increase in the funds for appropriation by means of transfers from Title 9 of the Budget.

Chapter 11 - Staff Increase: 4,764,117 u.a.

The increase in expenditure was 8% lower than that recorded at the end of the previous financial year (28% in 1975/20% in 1976) and arose principally from:

- the strengthening of the staff complement during 1976 (+16%),
- the continued application of the policy of filling newly created posts from the beginning of the year,
- a further increase in overtime rates and costs,
- the adjustments in staff pay scales made during the year (+11%).

It is noteworthy that the budget estimates were only 6% higher than the actual expenditure.

Chapter 13 - Expenditure relating to missions and duty travel

Decrease: 156,584 u.a.

The budget estimates proved to be 26% higher than actual expenditure and the latter was 12% lower than the expenditure for 1975. The decrease was due principally to the fact that the number of sessions held in Luxembourg was greater than had initially been envisaged.

Chapter 14 - Expenditure on social welfare and on further vocational training of staff

Increase: 36,155 u.a.

This increase, which was less than that for the previous year, was due to normal expansion of various facilities (canteen-cafeteria, crèche, language courses, training courses, etc.), also to the increased costs for staff employed for those facilities.

Chapter 15 - Cost of organizing internal training courses

Cancellation: 26,228 u.a. (36%)

The number of trainees nominated during the year was smaller than had been envisaged at the time of preparation of the Budget as demand was lower than had been expected.

Chapter 21 - Rental of buildings and associated expenditure

Cancellation: 565,538 u.a. (9%)

The difference between the budget estimates and the expenditure incurred was owing to the seven floors of the tower building having been vacated by the Commission later than anticipated, so that the European Parliament was unable to move in during the second half of 1976 as envisaged. Therefore there was less expenditure not only for rent but also for services (water, gas, electricity, heating, cleaning and maintenance) and for the fitting-out of premises.

However, in connection with the last-mentioned item a carry-over of 124.000 u.a. has been requested, in order to cover the cost of fitting out which could not be performed in 1976 (Item 2140).

Chapter 23 - Stationery and office supplies

Cancellation: 494,394 u.a. (32%)

Expenditure was lower because the accumulated stocks from previous years permitted a smaller scale of stationery purchasing. Moreover, following the conclusion of an outline contract on behalf of all the institutions the European Parliament was able to obtain more favourable prices.

Another outline contract on behalf of all the institutions enabled substantial savings to be made on uniforms and working clothes.

Finally, the fact that some sessions initially planned for Strasbourg were held in Luxembourg, because of works at the new Palais de l'Europe, produced savings on the item "Departmental removals".

Chapter 24 - Entertainment and representation expenses

Cancellation: 17,138 u.a. (14%)

Expenditure under Items 2400 and 2401 - "Entertainment and representation expense: Members of the Institution and Staff" - was kept within strict limits.

Chapter 25 - Expenditure for formal and other meetings

Cancellation: 14,413 u.a. (72%)

This Chapter covers expenditure allowed for visits by important persons and experts. It is very difficult to predict the exact amount.

Chapter 41 - Subsidies and financial contributions

Cancellation: 110,752 u.a. (17%)

Item 4131, "Grants for the further training of conference interpreters"

Cancellation: 10,000 u.a. (100%)

No grants were made, for lack of applications from eligible interpreters.

Item 4139, "Other grants" (to young nationals of countries of the
Continent of America)

Cancellation: 97,375 u.a. (81%)

Expenditure was lower than the budget estimates, because for a particularly demanding programme the institutions were unable to spare the numbers of staff necessary to receive as many visitors as would have been desirable.

APPROPRIATIONS CARRIED OVER

Cancellation: 623,150 u.a. (20%)

Apart from a few cases in which the totals of commitments under particular projects to be carried over had been put rather high, to allow for contingencies, non-utilization of 20% of the appropriations was due to special circumstances, for example:

- Item 1301: Missions

Cancellation: 63,572 u.a. (53%)

Mainly because of shortage of staff, there was an exceptional delay in 1975 in preparing bills of costs for missions, which made it difficult to ascertain the amount to be carried over.

- Chapter 21: Buildings

Cancellation: 180,632 u.a. (25%)

The commitment of appropriations to this Chapter depends to a considerable extent on information supplied (often very late) by the Luxembourg Government and in 1975 it depended on the result of continuing negotiations in respect of the rents for the Kirchberg buildings, so that the amounts to be carried over were difficult to assess.

- Item 2700: Official Journal

Cancellation: 116,806 u.a. (45%)

The expenditure for this item depends on invoicing by the Office for Official Publications, so that there is difficulty in assessing the amounts to be carried over.

- Item 3740: Audit Board)
and)
Item 3750: ECSC Auditor)

Cancellation: 117,585 u.a. (20%)

The budget estimates for these items are worked out by the organizations concerned. The appropriations are then committed in full and carried over automatically, ahead of the corresponding statements of account, which are produced after the end of the financial year.

If one sets aside the four special cases explained above, in three of which the European Parliament has to wait for other organizations to supply information, the total percentage of cancellation becomes 10%.

2.3 THE COUNCIL

Summary table

Expenditure for the financial year 1976

u.a.

I. Appropriations available

The total appropriations of Section II -
THE COUNCIL - for the financial year
1976 amounted to 64.450.658,00

II. Utilization of the appropriations

These appropriations were committed to
the extent of 53.864.634,42

Percentage utilized: 83,58%
Percentage cancelled: 16,42%

III. The appropriations carried over
from the financial year 1975 to
the financial year 1976 amounted to 3.736.637,28

the payments made against these
carried-over appropriations amounted to 3.293.104,72

Percentage utilized: 88,13%
Percentage cancelled: 11,87%

The table that follows summarizes the operations of financial
management for the financial year 1976

FINANCIAL YEAR 1976: Section II - THE COUNCIL

	Carry-overs 1975 to 1976	Payments against appropriations carried over	Cancellations	Total appropriations for the financial year 1976	Commitments charged against 1976	Payments effected at 15.1.77	Carry-overs 1976 to 1977	Cancellations
	1	2	3	4	5	6	7	8
Title I	273,816,96	228,247,20	45,569,76	30,041,400,00	26,123,657,86	25,930,002,90	193,654,96	3,917,742,14
Title II	1,693,559,12	1,493,874,18	199,684,94	14,662,190,00	13,847,802,72	11,057,919,80	2,799,882,92	814,387,28
Title III	1,769,261,20	1,570,983,34	198,277,86	17,732,568,00	13,880,673,84	11,690,384,90	2,190,288,94	3,851,684,16
Title IV	-	-	-	14,500,00	12,500,00	12,500,00	-	2,000,000
Title IX	-	-	-	2,000,000,00	-	-	-	2,000,000,00
Total	3,736,637,28	3,293,104,72	443,532,56	64,450,658,00	53,864,634,42	48,690,807,60	5,173,826,82	10,585,003,16
Percentage	100,00 %	88,13 %	11,87 %	100,00 %	83,58 %	75,55 %	8,03 %	16,12 %

COMPARATIVE TABLE: THE COUNCIL

The table below gives a chapter-by-chapter breakdown of the principal increases or reductions in expenditure compared with the financial year 1975, including the amounts still remaining unpaid at the close of the financial year 1976.

Chap.	HEADING	1976 u.a.	1975 u.a.	u.a. ±	% ±
11	Staff	24.475.128	20.529.935	+ 3.945.193	+ 19
12	Allowances and expenses on entering and on leaving the service and on transfer	802.578	996.947	- 194.369	- 19
13	Expenditure relating to missions and duty travel	515.000	491.037	+ 23.963	+ 5
14	Expenditure on social welfare and on further vocational training of staff	330.952	368.561	- 37.609	- 10
	<u>TITLE I</u>	26.123.658	22.386.480	+ 3.737.178	+ 17
20	Immovable property investments	253.053	254.962	- 1.909	- 1
21	Rental of buildings and associated expenditure	6.099.173	5.044.347	+ 1.054.826	+ 21
22	Movable property and associated expenditure	912.588	842.965	+ 69.623	+ 8
23	Current administrative expenditure	1.402.842	1.469.306	- 66.464	- 5
24	Entertainment and representation expenses	175.000	136.210	+ 38.790	+ 28
25	Expenditure for formal and other meetings	3.368.522	2.897.619	+ 470.903	+ 16
26	Expenditure on studies, surveys and consultations	166.625	128.000	+ 38.625	+ 30
27	Expenditure on publishing and information	1.470.000	1.198.769	+ 271.231	+ 23
	<u>TITLE II</u>	13.847.803	11.972.178	+ 1.875.625	+ 16
37	Expenditure relating to certain institutions and bodies	9.420.426	7.708.794	+ 1.711.632	+ 22
38	Loan of services between institutions	4.460.248	3.673.558	+ 786.690	+ 21
	<u>TITLE III</u>	13.880.674	11.382.352	+ 2.498.322	+ 22
	<u>TITLE IV</u>	12.500	-	+ 12.500	+ 100
	<u>GRAND TOTAL</u>	53.864.635	45.741.010	+ 8.123.625	+ 18

EXPENDITURE FOR THE COUNCIL ITSELF

Comments on the principal variations in expenditure in 1976
by comparison with 1975

By comparison with 1975, expenditure in 1976 underwent an average increase of the order of 18%. This increase was the result of the movement in staff pay scales in 1976 and also, to a great extent, arose from the fact that in 1976 enlarged facilities for meetings of the General Secretariat of the Council were provided, the setting up of the comprehensive language service was continued and expenditure on the interpreting service was greatly increased.

Chapter 11 - Staff

The 1976 budget provided for a staff complement of 1.501 posts, 20 posts (1.35%) more than in 1975. The staff actually employed rose from 1,344 to 1,354 but 70 officials left the staff, therefore this expansion necessitated the recruitment of 80 officials.

The financial result of this situation was that it was possible to cancel 12.12% of the funds allocated to Chapter 11 of the budget.

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

The rather low rate of utilization under this chapter is due to the fact that there is a time-lag between the entry of new staff into the service and the expenditure arising in connection with that entry. The same applies to removal expenses for staff leaving the service.

Chapter 13 - Expenditure relating to missions and duty travel

The appropriations to this chapter were increased by 25,000 u.a., mainly to provide for events which took place outside Belgium, for example the North-South Conference, meetings of the European Council, etc.

Chapter 14 - Expenditure on social welfare and further vocational training

Article 141 (1975: 24,900 u.a., 1976: 35,000 u.a.)

The increase is due principally to an increase in staff sporting and cultural activities and the payment by the Council to the Commission of a higher contribution for the all-purpose sports ground in Overijse.

Article 142 (1975: 75,000 u.a., 1976: 45,000 u.a.)

In 1975 additional equipment had been required for expansion of the restaurant. Following the purchase of that equipment, the expenditure for 1976 was considerably lower.

Chapters 21 and 22 - Rental of buildings, movable property and associated expenditure

The increase in expenditure under these chapters is due principally to:

- the renting of additional offices (Joseph II Building),
- the continuation of setting up of the comprehensive language service,
- expansion of the facilities for meetings of the General Secretariat of the Council,
- the increase in the workload of many units of the Secretariat arising from the expansion of the facilities for meetings.

Chapter 25 - Expenditure for formal and other meetings

Article 250 - Travel and subsistence expenses for formal and other Council meetings

<u>Expenditure on Article 250 + Carry-over to 1976</u>	2,823,626 u.a.
<u>Expenditure on Article 250 + Carry-over to 1975</u>	2,964,752 u.a.
	- 141,126 u.a.

hence, expenditure in 1976 was 5% lower than in 1975.

The number of meetings held under Council auspices decreased in 1976 by comparison with 1975 (from 2,161 to 1,091).

It is noteworthy that the amount of payments in cash decreased. But there was a total increase of 50% in payments by bank transfer (Bfrs 64,000,000 compared with 43,000,000 in 1975).

Article 254 - Travel and subsistence expenses for EMPLOYMENT meetings

Two conferences on Employment and one preparatory meeting, smaller in overall scale than in 1975:

14,880 u.a. in 1976

27,219 u.a. in 1975

Article 255 - Miscellaneous expenditure for conferences and congresses

The share of the European Communities in the expenditure for the North-South Conference in Paris was charged to this Article

446,000 u.a.

Chapter 27 - Expenditure on publishing and information

	<u>1976</u>	<u>1975</u>
	u.a.	u.a.
Article 270 - Official Journal	1,250,000	1,000,000 (+ 25%)
Article 271 - Publication	220,000	198,769 (+ 10%)

In Article 270 the 25% increase by comparison with the expenditure for the financial year 1975 is due in part to the increase in the number of pages printed (3,200 pages) and in part to the higher price per page of the Official Journal (4 u.a.).

Chapter 37 - Expenditure relating to certain institutions and bodies

An analysis of the expenditure of the Economic and Social Committee, the Audit Board and the ECSC Auditor is given on the following pages.

2.3.1 THE ECONOMIC AND SOCIAL COMMITTEE

FINANCIAL YEAR 1976

I. BUDGET FOR EXPENDITURE

	u.a.	%
Appropriations granted, 1976	9.204.000	100
Administrative expenditure, 1976	8.439.646,72	91,70
Appropriations to be carried forward automatically to 1977	211.730,62	2,30
Appropriations to be cancelled	552.622,66	6,-
<u>1975 appropriations brought forward to 1976</u>	87.744,60	100
Expenditure	77.475,04	88,29
Appropriations brought forward to be cancelled	10.269,56	11,71

CHAPTERS AND TITLES	APPROP- RIATIONS GRANTED*	EXPENDITURE		APPROPRIATIONS TO BE CARRIED FORWARD TO 1977		AVAILABLE APPROPRIATIONS TO BE CANCELLED	
	u.a.	u.a.	%	u.a.	%	u.a.	%
CHAP. 10	11.000	9.623,76	87,48	-	-	1.376,24	12,52
CHAP. 11	5.504.000	5.286.957,44	96,06	1.969,16	0,03	215.073,40	3,91
CHAP. 12	120.000	51.430,16	42,86	12.678,84	10,56	55.891,-	46,58
CHAP. 13	55.000	26.567,88	48,30	2.567,36	4,67	25.864,76	47,03
CHAP. 14	85.000	57.841,92	68,05	3.814,-	4,49	23.344,08	27,46
CHAP. 15	10.000	8.583,64	85,84	-	-	1.416,36	14,16
TITLE 1	5.785.000	5.441.004,80	94,05	21.029,36	0,36	322.965,84	5,59
CHAP. 21	655.000	547.763,74	83,63	101.042,44	15,42	6.193,82	0,95
CHAP. 22	130.000	94.387,22	72,61	29.514,24	22,70	6.098,54	4,69
CHAP. 23	224.000	181.440,70	81,00	35.040,44	15,64	7.518,86	3,36
CHAP. 24	12.000	11.980,66	99,84	-	-	19,34	0,16
CHAP. 25	1.320.000	1.270.881,76	96,28	-	-	49.118,24	3,72
CHAP. 26	3.000	2.660,-	88,67	-	-	340,-	11,33
CHAP. 27	150.000	132.331,58	88,22	17.615,74	11,74	52,68	0,04
TITLE 2	2.494.000	2.241.445,66	89,87	183.212,86	7,35	69.341,48	2,78
TITLE 3	765.000	757.196,26	98,98	7.488,40	0,98	315,34	0,04
CHAP. 98	160.000	-	-	-	-	160.000	100
CHAP. 99	-	-	-	-	-	-	-
TITLE 9	160.000	-	-	-	-	160.000	100
	9.204.000	8.439.646,72	91,70	211.730,62	2,30	552.622,66	6,-

*Including transfers of appropriations effected during 1976 but excluding the appropriations brought forward from 1975 which are accounted for separately.

IMPLEMENTATION OF THE BUDGET

Utilization of appropriations for certain items:

CHAPTER 10 - Article 101 - Accident insurance for members

Appropriations granted	6,000.— u.a.
Expenditure	4,623.76 u.a.
Available appropriations to be cancelled	1,376.24 u.a.

These appropriations relate to the insurance premium covering members of the Council - subject to the limits and conditions of the policy, the existence of which is widely known, for the whole of the membership of the Economic and Social Committee - against all accidents which might happen to them during their stay at the location of a meeting and during the days spent travelling to and from the meeting. The total number of these days represents the number of "insurance days".

In 1976, 17,106 insurance days (13.19%) were paid for under the budget compared with:

- 15,113 in 1975
- 14,291 in 1974
- 14,035 in 1973
- 10,792 in 1972
- 10,439 in 1971
- 7,103 in 1970.

CHAPTER 11 - Article 110 - Item 1100 - Basic salaries

Appropriations granted	2,598,600.— u.a.
Expenditure	2,573,631.40 u.a.
Available appropriations to be cancelled	24,968.60 u.a.

This item is the largest in the Committee's entire budget and the expenditure shown under it represents:

- 48.68% of the expenditure of Chapter 11
- 47.30% of the expenditure of Title 1
- 30.49% of all expenditure

The trend of expenditure under this item should be noted:

- 1972	1,217,647.30 u.a.	
- 1973	1,522,632.52 u.a.	
- 1974	2,143,825.14 u.a.	
- 1975	2,381,304.64 u.a.	
- 1976	2,573,631.40 u.a.,	an increase of 192,326.76 u.a., or 8.08%, over 1975.

Item 1101 - Family allowances

This expenditure breaks down as follows:

- household allowances	81,278.88 u.a.	35.85%
- dependent child allowances	87,487.06 u.a.	38.59%
- education allowances	57,926.14 u.a.	25.56%
	<hr/>	<hr/>
	226,692.08 u.a.	100.00%

Article 111 - Other staff

Item 1110 - Auxiliary staff

Item 1112 - Local staff

The expenditure effected under these two budget headings amounted to 152,454.34 u.a., an increase of 2.21% over the preceding year.

CHAPTER 21 - Buildings

Article 210 - Rent

Initial appropriation	438,000.00 u.a.
Appropriations transferred	76,000.00 u.a.
	<hr/>
	362,000.00 u.a.

EXPENDITURE

Palais des Congrès	7,534.— u.a.	
Rent	247,850.42 u.a.	
Parking	53,040.— u.a.	
Buildings tax	28,881.10 u.a.	
Premises rented to third parties	191.14 u.a.	
	<hr/>	337,496.66 u.a.
Available appropriations to be cancelled		<u>24,503.34</u> u.a.

CHAPTER 25 - Expenditure for formal and other meetings

Article 250 - Formal meetings and meetings in general

Appropriations granted	1,200,000.— u.a.
Appropriations transferred	120,000.— u.a.
Expenditure	1,270,881.76 u.a.
Available appropriations to be cancelled	49,118.24 u.a.

This article, which is the third largest in the Committee's budget, warrants some statistical data to explain the trend of expenditure during the financial year 1976.

The total expenditure represents:

- 105.90% of the appropriations initially granted
- 96.28% of the final total of appropriations
- 15.06% of expenditure for 1976.

The increase in this expenditure by comparison with the previous financial year was 24.76%.

2.3 THE COUNCIL

2.3.2 Audit Board of the European Communities

A. 1. Appropriations available

The appropriations entered in the budget for the financial year 1976 for the Audit Board amounted to 1,240,762.-- u.a.

2. Utilization of the appropriations

These appropriations were committed to the extent of 98,503,63 u.a.

Appropriations falling to be cancelled 251,258,37 u.a.

The percentage utilized was 79.75%.

No appropriations have been carried over from 1976 to 1977. Similarly, no appropriations were carried over from 1975 to 1976.

- B. The table that follows gives a chapter-by-chapter comparison of the expenditure for the financial year 1976 with the corresponding amounts for the financial year 1975. The average increase was 12%, due principally to rises in staff remuneration.

Title I - Expenditure under this heading shows a rise of 14%, mainly in Chapters 10 and 11 (Members and staff of the Audit Board) and due principally to the higher weighting factor which took effect from 1 January 1976 and the revision of the salary scale which took effect on 1 July 1976.

For Chapter 13 (Expenditure relating to missions and duty travel) the increase in expenditure is due firstly to the rise in transport charges and the higher daily subsistence allowance for officials on mission, secondly to the growing number of on-the-spot verifications which it is the duty of the Audit Board to effect.

Title II - The average increase in expenditure under this Title was 3%.

A contribution in respect of expenditure on buildings and associated expenditure (Chapter 21) is paid to the Commission to cover the expenditure under that Chapter incurred by the Commission on the Audit Board's behalf. The slight increase in such expenditure was due to the higher cost of some services, principally cleaning and maintenance.

Chapter 23 - Current administrative expenditure. The 16% increase in expenditure under this Chapter was due to higher prices of office supplies and higher postal and telephone rates.

Expenditure for the financial year 1976 and comparison with the
corresponding expenditure for the financial year 1975

Chapter	Nature of expenditure	Commitments 1975 u.a.	Commitments 1976 u.a.
10	Members of the institution	86.527,56	98.805,80
11	Staff	586.299,28	676.848,22
12	Allowances and expenses on entering and on leaving the service and on transfer	12.487,52	6.971,02
13	Missions and duty travel	36.727,96	42.470,70
14	Social welfare and further voca- tional training of staff	704,16	864,48
TITLE I	Expenditure relating to persons working with the institution	722.746,48	825.960,22
21	Rental of buildings and associated expenditure	151.060,--	155.646,24
22	Movable property and associated expenditure	3.535,76	3.413,68
23	Current administrative expenditure	3.337,02	3.877,71
26	Expenditure on studies, surveys and consultations	-	-
27	Publishing and information	705,38	605,78
TITLE II	Buildings, equipment and miscell- aneous operating expenditure	158.638,16	163.543,41
98	Provisional appropriations	-	-
TITLE IX	Food aid and other expenditure	-	-
TOTALS		881.384,64	989.503,63

2.3 THE COUNCIL

2.3.3 The ECSC Auditor

The attached tables show that although the overall increase in expenditure of the Auditor was about 12%, there is considerable variation between one chapter and another in the proportion of increase. In studying these variations it should be borne in mind that the appropriations granted in this part of the budget are very small, so that any event has a very marked effect on the figures in relative terms.

The expenditure under Title I was affected by the Council decisions in respect of remuneration and allowances.

The operating expenditure remained at a fairly stable level of increase, with the exception of Chapter 22, where the steeper rise was due to the purchase of equipment.

Chapters 27 and 38 should be considered together, because they relate to the same cause of necessary expenditure, namely publication of the Report. These two chapters together show an increase of about 11%.

SUMMARY TABLE

STATEMENT OF ADMINISTRATIVE EXPENDITURE

FOR THE FINANCIAL YEAR 1976

	<u>u.a.</u>
I. <u>APPROPRIATIONS AVAILABLE</u>	
The appropriations entered in the budget of the Auditor for the financial year 1976 amounted to	243,030
II. <u>UTILIZATION OF THE APPROPRIATIONS</u>	
The appropriations were committed to the extent of	<u>205,376</u>
leaving to be cancelled an amount of	37,654
	=====
Percentage utilized:	84.51
Percentage cancelled:	15.49

The table below gives a chapter-by-chapter breakdown of the principal increase or reductions in expenditure to 31 December 1976 compared with the expenditure for 1975.

Chap.	Heading	1976 u.a.	Total 1975	% ±
10	Auditor	14.136	10.097	+ 40
11	Staff	128.599	120.719	+ 7
12	Allowances and expenses on entering and on leaving the service and on transfer	-	-	-
13	Expenditure relating to missions and duty travel	7.706	5.367	+ 44
14	Expenditure on social welfare and on further vocational training of staff	28	47	- 40
15	Cost of organizing internal training courses	-	-	-
	<u>TITLE I</u>	150.469	136.230	+ 10
20	Immovable property investments	-	-	-
21	Rental of buildings and associated expenditure	6.680	6.176	+ 8
22	Movable property and associated expenditure	5.818	2.424	+ 140
23	Current administrative expenditure	2.918	2.624	+ 11
24	Entertainment and representation expenses	950	750	+ 27
25	Expenditure for formal and other meetings	-	-	-
26	Expenditure on studies, surveys and consultations	-	-	-
27	Expenditure on publishing and information	13.152	9.000	+ 46
	<u>TITLE II</u>	29.518	20.974	+ 41
38	Loan of services between institutions	25.389	25.665	- 1
	<u>TITLE III</u>	25.389	25.665	- 1
	<u>GRAND TOTAL</u>	205.376	182.869	+ 12

2.4 THE COURT OF JUSTICE

REPORT ON ADMINISTRATIVE EXPENDITURE
FOR THE FINANCIAL YEAR 1976

Summary table

u.a.

I. <u>Appropriations available</u>	
The appropriations entered in the budget of the Court of Justice for the financial year 1976 amounted to	11,183,380.00
II. <u>Utilization of the appropriations</u>	
These appropriations were committed to the extent of	9,386,331.30
Percentage utilized: 83.93%	
Percentage cancelled: 16.07%	
III. The appropriations carried over from 1975 to 1976 amounted to	405,910.94
Payments made from these appropriations carried over amounted to	370,903.20
Percentage utilized: 91.38%	
Percentage cancelled: 8.62%	

COMPARATIVE TABLE

The table below gives a chapter-by-chapter breakdown of the principal increases or reductions in expenditure, after inclusion of payments outstanding at the close of the financial year 1976, compared with the expenditure for the financial year 1975.

Chap.	Heading	1976 u.a.	1975 u.a.	u.a. ±	% ±
10	Members of the institution	1.443.093,88	1.262.538,12	+ 180.555,76	+ 14,3
11	Staff	4.953.029,06	4.341.287,36	+ 611.741,70	+ 14,1
12	Allowances and expenses on entering and on leaving the service and on transfer	137.901,56	115.109,22	+ 22.792,34	+ 19,8
13	Expenditure relating to missions and duty travel	38.220,94	41.817,72	- 3.596,78	- 8,6
14	Expenditure on social welfare and on further vocational training of staff	53.332,00	41.273,40	+ 12.058,60	+ 29,2
15	Cost of organizing internal training courses	21.868,52	22.211,78	- 343,26	- 1,5
	<u>TITLE I</u>	6.647.445,96	5.824.237,60	+ 823.208,36	+ 14,1
21	Rental of buildings and associated expenditure	1.316.719,94	1.197.789,96	+ 118.929,98	+ 9,9
22	Movable property and associated expenditure	260.427,06	229.835,38	+ 30.591,68	+ 13,3
23	Current administrative expenditure	229.777,06	181.867,26	+ 47.909,80	+ 26,3
24	Entertainment and representation expenses	16.795,26	12.537,50	+ 4.257,76	+ 34,0
25	Expenditure for formal and other meetings	54.501,22	30.166,82	+ 24.334,40	+ 80,7
27	Expenditure on publishing and information	520.775,10	373.569,36	+ 147.205,74	+ 39,4
	<u>TITLE II</u>	2.398.995,64	2.025.766,28	+ 373.229,36	+ 18,4
38	Loan of services between institutions	339.889,70	276.978,98	+ 62.910,72	+ 22,7
	<u>TITLE III</u>	339.889,70	276.978,98	+ 62.910,72	+ 22,7
	<u>GRAND TOTAL</u>	9.386.331,30	8.126.982,86	+ 1.259.348,44	+ 15,5

Comments on the principal variations in expenditure for the financial year 1976 by comparison with expenditure for the financial year 1975

TITLE I

Chapters 10 and 11 - Members and staff of the Court of Justice

The increase in expenditure under these chapters was due mainly to:

- the adjustment of the weighting factor as from 1 January 1976, which produced an increase of 6.1%,
- the revision of the salary scale by an overall percentage of 4.3, with effect from 1 July 1976,
- the strengthening of the staff complement and the auxiliary staff during 1976 (+10 persons),
- the financial effects of biennial steps and of promotions.

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

The increase in expenditure arises from costs of staff recruitment and from installation and resettlement allowances for existing and new members of the Court of Justice.

Chapter 14 - Expenditure on social welfare and on further vocational training of staff

The increase is due partly to the expansion of the language courses and vocational training courses. It also reflects the increase in the Court's share of the expenditure administered by the Committee for Social Activities.

TITLE II

Chapter 21 - Rental of buildings and associated expenditure

The bulk of the increase (90.000 u.a.) derives from the rise in rent and in the cost of contractual maintenance and guarding of premises, which are charges linked to the cost-of-living index.

Chapter 22 - Movable property and associated expenditure

The difference in expenditure between 1975 and 1976 was produced mainly by:

- the cost of replacement of office machinery and of transport equipment,
- documentation and library expenditure.

Chapter 23 - Current administrative expenditure

The rise in expenditure was due to higher prices of office supplies and higher postal rates.

Chapter 24 - Entertainment and representation expenses

The growth in expenditure is explained by the expansion in the Court's activities and the general increase in prices.

Chapter 25 - Expenditure for formal and other meetings

The great increase in expenditure is due to the fact that the Court organized a meeting of the legal profession and university staff, attended by 152 persons. This raised the total number of individual attendances to 230 in 1976, compared with 152 in 1975.

Chapter 27 - Expenditure on publishing and information

Chapter 38 - Loan of services between institutions

The greater cost of publication of the Reports of Cases (+174,000 u.a.) was due to a great increase in the number of pages published, as a result of the publication of the earlier Reports in English. The number of pages published in 1976 was 23,920, compared with 16,500 in 1975.

2.5 THE COMMISSION

A. FIGURES AND STATISTICS

1. THE AUTHORIZED EXPENDITURE OF THE COMMISSION

The authorized expenditure in 1976 for the Commission alone amounted to:

- initial budget:	7,449.10 m u.a.
- supplementary budget No 1:	61.03 m u.a.
- supplementary and amending budget No 2:	832.72 m u.a.
- amending budget No 3:	nil ¹

Total appropriations for the financial
year 1976

8,342.85 m u.a.

¹Amending budget No 3 did not make any change in the appropriations.

The change in the expenditure authorized under the various titles of the Commission's

Budget as a result of the Supplementary Budgets was as follows:

in m.u.a.

Title	Initial appropriations for 1976	Supplementary Budget No 1 Supplementary and Amending Budget No 2 Amending Budget No 3			Final appropriations for 1976 before transfers between chapters
		n° 1	n° 2	n° 3	
1. Expenditure on staff	227.9	-	-	-	227.9
2. Operating and other expenditure (Chapter 29)	83.0 429.2	- (+) 1.0	- (+) 72.6	-	83.0 502.8
3. Specific projects except Chapter 33 (R & I) (payment appropriations)	52.6 135.2	- -	- -	-	52.6 135.2
4. Aids and subsidies	34.1	-	(+) 2.1	-	36.2
5. Social Fund	441.0	-	-	-	441.0
ERDF	300.0	-	-	-	300.0
Community aid to the Friuli disaster area	-	(+) 60.0	-	-	60.0
6.&7. EAGGF, Guarantee Section	5,160.3	-	(+) 717.4	-	5,877.7
8. EAGGF, Guidance Section	325.0	-	-	-	325.0
9. Food aid and Expenditure on cooperation with the developing countries	237.2	-	(+) 40.6	-	277.8
Provisional	23.6	-	-	-	23.6
TOTAL	7,449.1	(+) 61.0	(+) 832.7	-	8,342.8

2. MOVEMENTS OF APPROPRIATIONS WITHIN THE TOTAL AUTHORIZED EXPENDITURE OF THE COMMISSION IN 1976

2.1 Transfers of appropriations from Chapters 98 and 99

Various budget titles have had their appropriations increased by transfers from Chapters 98 and 99.

The transfers from Chapter 98 consisted primarily of expenditure agreed in principle when the budget was being prepared and for which provisional appropriations had been blocked in this chapter pending a final decision by the budgetary authority. The provisional appropriations set aside for augmenting funds for Titles 1 and 4, to meet revisions in remuneration arising from Council decisions during the financial year 1976, 16,75 m u.a., were not utilized for that purpose because the initial appropriations for those titles sufficed; these provisional appropriations were used in part to complete the appropriations to Chapter 29, Article 290, and the remainder, 3,11 m u.a., comprising appropriations designed for any other necessary addition to funds, remained unutilized.

Chapter 99 made it possible to finance, by means of transfers to the chapters in question, certain expenditure which had not been specifically provided for.

2.1.1 The object of the transfers from Chapter 98 may be summarized as being to increase the expenditure on (or in favour of):

- campaign on behalf of young people (Title 2) 0.05 m u.a.
- grant to the European Trade Union Institute (Title 3) 0.03 m u.a.
- training of national officials responsible for monitoring EAGGF expenditure (Title 3) 0.05 m u.a.
- projects in the data processing sector (Title 3) 0.56 m u.a.

for which the appropriations provided for in the initial budget were released wholly or in part as and when decisions were taken and needs arose.

- repayment on a lump-sum basis of costs incurred in collecting own resources (Title 2) 19.87 m u.a.
(by open transfer approved by the Council on 27 December 1976).

It should be noted that all the appropriations to Chapter 98 have been used, namely 20.56 m u.a.

2.1.2 The transfers from Chapter 99 break down as follows:

- increase in appropriations for legal expenses (Title 2) (approved by Council on 4 October 1976) 0.10 m u.a.
- increase in appropriations for action programme relating to scientific and technological policy, also for educational measures (approved by Council on 23 November 1976) (Title 3) 0.02 m u.a.
- increase in appropriations for Community aid to disaster victims (Title 4) 1.79 m u.a.

- (1) to help the victims of the Friuli earthquake
(approved by Council on 14 May 1976) 0.40 m u.a.
- (2) as contribution to rebuilding in Guatemala
(approved by Council on 25 March 1976) 0.50 m u.a.
- (3) to help Ethiopia, under emergency aid to the Sahel
(approved by Council on 4 October 1976) 0.12 m u.a.
- (4) to help the people of Lebanon
(approved by Council on 9 December 1975) 0.27 m u.a.
- (5) to help the victims of the earthquake in Turkey
(approved by Council on 9 December 1976) 0.50 m u.a.
- increase in appropriations for subsidies to
institutions of higher education (Title 4)
(approved by Council on 1 and 2 March 1976) 0.04 m u.a.
- contribution of the EEC to implementation of the
International Coffee Agreement (Title 4)
(approved by Council on 9 December 1976) 0.05 m u.a.
- contribution of the EEC to implementation of the
International Cocoa Agreement (Title 4)
(approved by Council on 9 December 1976) 0.03 m u.a.
- increase in appropriations under Chapter 29, for
lump-sum repayment of costs incurred in collecting
own resources (Title 2)
(by open transfer approved by the Council on
27 December 1976) 0.97 m u.a.

All the appropriations to Chapter 99 have been used, namely 3.00 m u.a.

To summarise, the 23.56 m u.a. initially appropriated to Chapters 98 and 99 was transferred as follows:

- to Title 2 = 20.99 m u.a.
- to Title 3 = 0.66 m u.a.
- to Title 4 = 1.91 m u.a.

2.2 Other transfers between chapters

Apart from the appropriations transferred from Chapters 98 and 99, the transfers of appropriations between chapters break down as follows:

2.2.1 With titles

- Titles 6 and 7: 348.64 m u.a.
- Title 8: 94.58 m u.a.
443.22 m u.a.

2.2.2 From one title to another

- from Title 3 to Title 5: 1.97 m u.a.
- from Title 6 to Title 9: 42.40 m u.a.
44.37 m u.a.

These transfers have resulted in the following modifications to the distribution of the authorized expenditure between the various titles of the Commission's Budget:

in m u.a.

Title	Appropriations after Supplementary Budget	Transfers between titles	Final appropriations for 1976
1. Expenditure on staff	227,9	-	227,9
2. Operating and other expenditure (Chapter 29)	83,0 502,8	(+) 0,1 (+) 20,9	83,1 523,7
3. Specific projects except Chapter 33 (R & I)	52,6 135,2	(-) 1,3 -	51,3 135,2
4. Aids and subsidies	36,2	(+) 1,9	38,1
5. Social Fund	441,0	(+) 2,0	443,0
ERDF	300,0	-	300,0
Community aid to the Friuli disaster area	60,0	-	60,0
6. & 7. EAGGF, Guarantee Section	5.877,7	(-) 42,4	5.835,3
8. EAGGF, Guidance Section	325,0	-	325,0
9. Food aid and Expenditure on cooperation with the developing countries	277,8	(+) 42,4	320,2
Provisional	23,6	(-) 23,6	-
TOTAL	<u>8.342,8</u>	- =====	<u>8.342,8</u>

2.3 Transfers of appropriations within Budget chapters

It will be seen from the following table that the Commission has effected transfers within chapters totalling 229,7 m u.a., or 2,75% of its total appropriations. This low proportion is a tribute to the accuracy of the estimates made when the draft budgets were prepared.

Transfers within Budget chapters during the financial year 1976: in MUC and %

Title	Final appropriations 1976	Appropriations transferred within chapters within a title	
		Amounts	%
1. Expenditure on staff	227,9	3,86	1,69
2. Operating expenditure	606,8	2,87	0,47
3. Specific projects	186,5	0,07	0,04
4. Aids and subsidies	38,1	0,02	0,05
5. Social Fund	443,0	33,66	7,60
ERDF	300,0	-	0,00
Community aid to the Friuli disaster area	60,0	-	0,00
6. & 7. EAGGF, Guarantee Section	5.835,3	184,931	3,17
8. EAGGF, Guidance Section	325,0	-	0,00
9. Food aid and Expenditure on cooperation with the developing countries	320,2	4,31	1,34
Provisional	-	-	-
TOTAL	8.342,8 =====	229,72 =====	2,75 =====

¹ In addition, the transfer approved by the Council on 25 and 26 April 1977 with respect to the EAGGF, Guarantee Section, had the effect of not only moving appropriations from one chapter to another within Titles 6 and 7 but also of switching appropriations from one article to another within some chapters. The amounts thus switched (160,91 m u.a.) are not shown in this table.

3. UTILIZATION OF THE AUTHORIZED EXPENDITURE OF THE COMMISSION
DURING THE FINANCIAL YEAR 1976

Of the total appropriations for the financial year 1976, 95.8% (7.992.8 m u.a.) was committed and 2.5% (208.2 m u.a.) was cancelled. A request for the carrying over of 1.7% (141.8 m u.a.) was approved by the Council.

3.1 The authorized expenditure committed under the financial year 1976 thus amounts to 7,992.8 m u.a., distributed as follows:

- | | |
|---|---|
| 1. Expenditure on staff: | 213.1 m u.a. or 93.5% of the authorized expenditure |
| 2. Operating expenditure ¹ : | 602.1 m u.a. or 99.2% of the authorized expenditure |
| 3. Specific projects:
(including 112.3 m u.a. under Chapter 33 - payment appropriations) | 157.2 m u.a. or 84.3% of the authorized expenditure |
| 4. Aids, subsidies and contributions: | 36.8 m u.a. or 96.4% of the authorized expenditure |
| 5. Social Fund: | 439.4 m u.a. or 99.2% of the authorized expenditure |
| ERDF (payment appropriations) ² : | 300.0 m u.a. or 100.0% of the authorized expenditure |
| Aid to the Friuli disaster area: | 60.0 m u.a. or 100.0% of the authorized expenditure |
| 6. EAGGF, Guarantee Section: | 5,626.2 m u.a. or 96.4% of the authorized expenditure |
| 7. EAGGF, Guidance Section: | 302.8 m u.a. or 93.2% of the authorized expenditure |
| 8. Food aid and expenditure on cooperation with the developing countries: | 255.2 m u.a. or 79.7% of the authorized expenditure |

3.2 The cancellation of 208.2 m u.a. derives from:

- Title 1 (mainly basic salaries, various allowances and mission expenses), to a total of 14.8 m u.a. or 7.1% of the cancellations
- Title 2 (the appropriations for repayment of 10% of own resources were fully utilized), to a total of 4.6 m u.a. or 2.2% of the cancellations
- Title 3 (including 17.73 m u.a. for payment appropriations for research and investment), to a total of 19.2 m u.a. or 9.2% of the cancellations
- Title 4, to a total of 1.4 m u.a. or 0.7% of the cancellations
- Social Fund, to a total of 3.6 m u.a. or 1.7% of the cancellations
- EAGGF, Guarantee Section, to a total of 116.7 m u.a. or 56.1% of the cancellations
- Food aid and expenditure on cooperation with the developing countries, to a total of 47.9 m u.a. or 23.0% of the cancellations

¹Including repayment to Member States of 10% of own resources (523.7 m u.a.)

²The commitment appropriations of the ERDF amounted to 500.22 m u.a. (including 0.22 m u.a. of appropriations remaining in the Fund), of which 500.12 m u.a. or 99.98% have been committed.

3.3 The carry-overs totalling 141.8 m.u.a. are made up as follows:

- Operating expenditure: 0.1 m u.a. or 0.1% of the carry-overs
- Specific projects: 10.1 m u.a. or 7.1% of the carry-overs
- EAGGF, Guarantee Section: 92.3 m u.a. or 65.1% of the carry-overs
- EAGGF, Guidance Section: 22.2 m u.a. or 15.6% of the carry-overs
- Food aid: 17.1 m u.a. or 12.1% of the carry-overs

4. UTILIZATION OF APPROPRIATIONS CARRIED OVER FROM 1975 TO 1976

4.1 Appropriations carried over, other than those relating to the EAGGF

In most cases these carry-overs were largely used up in 1976 and the proportion of cancellation (34%) becomes very small (5%) if one sets aside the Social Fund, where the percentage of utilization was lowest.

Broken down by budget titles, the utilization of the carry-overs was as follows:

in m u.a.

Title	Appropriations carried over	Appropriations used	% used	Appropriations to be cancelled
1. Expenditure on staff	1.9	1.8	94%	0.1
2. Operating expenditure, except for lump-sum repayment (Chap. 29)	18.5	16.9	91%	1.6
3. Specific projects, except for Research and Investment	104.5	104.5	100%	-
	32.2	22.5	70%	9.7
	22.4	18.3	82%	4.1
4. Aids and subsidies	0.4	0.3	79%	0.1
5. Social Fund	508.8	246.2	48%	262.6
ERDF	59.3	59.3	100%	-
	64.8	63.3	98%	1.5
6. Food aid, except developing countries	16.2	16.0	99%	0.2
	829.0	549.1	66%	279.9

4.2 EAGGF, Guarantee Section, appropriations carried over

The appropriations carried over under the head of the EAGGF, Guarantee Section, were all automatic carry-overs; they were almost fully utilized.

These carry-overs totalled 332.8 m u.a. and of this total only 8.6 m u.a. or just under 2.6% was not used.

4.3 EAGGF, Guidance Section, appropriations carried over

The Financial Regulation authorizes the automatic carry-over of these appropriations for a period of five years, and the carry-over of appropriations beyond this period with the agreement of the budgetary authority.

The figures set out below highlight the comparatively low rate of utilization of the appropriations carried over and the long time required for their implementation.

Chapter 80

- (1) Utilization of the appropriations carried over automatically from 1975 to 1976

in m u.a.

YEAR	CARRIED OVER	PAID	% PAID	NEW CARRY-OVER
1975 non-automatic	104.6	2.9	2.8%	101.7
1976 automatic	245.7	27.1	11.0%	218.6
1974	221.9	33.6	15.1%	188.3
1973	99.6	15.9	16.0%	83.2
1972	118.1	18.5	15.7%	99.2
1971	81.0	19.4	24.0%	61.3

(2) Utilization of non-automatic carry-overs after more than five years

in m u.a.

CARRIED OVER TO 1976 UNDER THE HEAD OF	AMOUNT	PAYMENT	
		AMOUNT	%
1966	0.10	0.10	100.0
1967	1.62	0.60	37.0
1968	5.07	2.55	50.3
1969	12.59	2.98	23.7
1970	51.85	18.96	36.6
TOTAL	71.23	25.19	35.4

It has been requested that the following amounts be carried over to the financial year 1977

- 1.01 m u.a. from 1967
- 2.45 m u.a. from 1968
- 9.28 m u.a. from 1969
- 32.63 m u.a. from 1970

Chapters 81, 82, 83 and 89

in m u.a.

CARRIED OVER TO 1976 UNDER THE HEAD OF	NON-AUT./AUTOMATIC	AMOUNT	PAYMENT		NEW CARRY-OVER
			AMOUNT	%	
Common measures - Reform of agricultural structures	non-aut.	2.48	2.48	100.0	-
Common measures - Marketing and processing of agricultural products	non-aut.	0.47	0.47	100.0	-
Common measures in particular sectors	automatic	3.81	0.86	22.6	2.94
	non-aut.	2.47	2.44	98.8	-
Special measures	non-aut.	3.19	1.98	62.1	-

B. GENERAL ASSESSMENT OF AND COMMENTS ON THE IMPLEMENTATION OF THE
EXPENDITURE OF
SECTION III (THE COMMISSION)
OF THE GENERAL BUDGET FOR 1976

(Analysis of the utilization of the appropriations by title and by chapter)

GENERAL ASSESSMENT

Before the analysis by title and chapter is commenced, some information of a general character which will facilitate an overall assessment of the utilization of the appropriations for 1976 will be given under (a) and (b) below.

(a) Appropriations available during the financial year 1976

Appropriations available under the 1976 budget

u.a.

- The initial budget

The budget adopted on 18 December 1975¹ provided for a total appropriation for the Commission of: 7,449,103,901

- Supplementary budget No 1²

Supplementary budget No 1, adopted on 18 June 1976, was instrumental in entering the following supplementary appropriations:

- under Chapter 58 "Community aid to the Friuli disaster area" 60,000,000
 - under Chapter 29, "repayment on a lump-sum basis of costs incurred in collecting own resources" 1,026,185
-
- 61,026,185

- Supplementary budget No 2³

Supplementary budget No 2, adopted on 16 September 1976, was instrumental in entering the following supplementary appropriations:

- under Chapter 49, for "aid towards the payment of interest on loans granted by the EIB to Portugal" 2,105,000
 - under Titles 6 and 7, for the European Agricultural Guidance and Guarantee Fund, Guarantee Section 717,370,000
 - under Chapter 92, for food aid 40,630,000
 - under Chapter 29, "repayment on a lump-sum basis of costs incurred in collecting own resources" 72,619,275
-
- 832,724,275

¹OJ No L 66 of 15 March 1976.

²OJ No L 205 of 30 July 1976.

³OJ No L 332 of 22 November 1976.

- Amending budget No 3¹

Amending budget No 3, adopted on 16 December 1976, relating to the establishment plan for research and investment activities, did not enter any additional appropriations

Total appropriations available: initial budget and supplementary budgets Nos 1, 2 and 3: 8,342,854,361

This sum includes the appropriations to Chapters 98 and 99, which were utilized as shown in the tables on pages 120 and 121.

Appropriations available as a result of carry-overs

- automatic carry-overs (from 1975 to 1976)	1,089,971,064
- non-automatic carry-overs (from 1975 to 1976)	140,891,276
- automatic second-year carry-overs of Social Fund (from 1974/75 to 1976)	154,835,641
- Guidance Section carry-overs:	
. automatic (from financial years prior to 1975)	659,547,167
. in excess of the five year period	<u>71,227,243</u>
	2,116,472,391

Transfers between chapters

Annex C of this report gives a complete list of transfers between chapters made in 1976. That annex also gives the transfers from Chapters 98 and 99 which appear in detail on pages 120 and 121.

It should be pointed out that as a result of the open transfer approved by the Council on 27 December 1976, to deal with the inadequacy of the appropriation to Chapter 29, "subsidies and financial contributions", the appropriations to Chapter 98, amounting to 20,558,893 u.a., and to Chapter 99, amounting to 3,000,000 u.a. were transferred out in entirety.

The whole of the transfers between chapters gave a gross movement of funds of 543,642,777 u.a., while the movement of net appropriations amounted to 468,712,277 u.a.

(b) Overall assessment of the utilization of appropriations in 1976

Annexes B and D of this report show the budgetary implementation in 1976 for each chapter with regard to the appropriations for the financial year (Annex B) and the carry-overs (Annex D).

An overall assessment shows the following situation:

- Implementation of the actual appropriations for the financial year 1976

¹OJ No L 47 of 18 February 1977.

Commitments entered into

The utilization of the appropriations for commitments was 94.06% of the whole of the Commission's budget and was between 94 and 100% of the budget in the case of six titles (Titles 1, 2, 4, 5, 6 and 7). Thus, the utilization of appropriations may be considered very satisfactory in these areas, subject to the comments in respect of particular chapters which will be found later in this report.

With regard to Title 3, 87.41% of the appropriations were committed, if Chapter 33 is disregarded. For Chapter 33 the commitments were 39.03%, and this proportion is raised to 52.49% if the blocked credits are left out of account.

In Title 5 (Funds) the utilization for the Social Fund was 99.19% and for the Regional Fund as well as Community Aid to the Friuli disaster area there was 100% utilization.

In Title 8 (Guidance) a higher proportion than in the past was committed, 93.18%, despite the nature of the appropriations involved and the procedures laid down. The reasons for this distinct improvement in implementation are set out on pages 107 ff.

In Title 9, excluding Chapters 98 and 99, the utilization of appropriations by commitment was 79.69%.

Payments made

The ratio of the payments made before 31 December 1976 to the commitments entered into is high in the case of Titles 1, 2 and 4 (98.83%, 71.13% and 92.31%), owing to the nature of the operations involved.

On the other hand, the payments made under Title 3, as well as those under Titles 5 and 8 (which involve operations of a multi-annual nature) were low.

Titles 6 and 7 were implemented to the extent of 89.60%, or even 96.42% if one takes into account advances granted to the paying agencies for commitments in respect of which payments had not yet been completed.

Under Title 9, the implementation ratio of 22.53% was due principally to Chapter 92 (Food Aid) in respect of which the payments made reached 23.43% for the reasons set out in the notes below.

- Implementation of carry-overs from 1975 to 1976

Annex C of this report shows the utilization of the automatic carry-overs and the utilization of the non-automatic carry-overs in 1976.

Automatic carry-overs

The overall utilization of the automatic carry-overs was 50.57% (see Annex C). However, it should be stressed that the automatic carry-overs are not homogeneous in their composition: the automatic carry-overs usually "live" only one year (this applies to all the budget titles with the exception of Title 8).

On the other hand, the appropriations carried over automatically under Title 8 may be carried over for five years¹ and therefore do not have to be utilized by the end of the first year of carrying over.

¹In accordance with the provisions of Article 6 of the Financial Regulation, they may be carried forward non-automatically beyond the five-year period should this prove necessary.

If one disregards the appropriations carried over under Title 8, the rate of implementation of carry-overs in 1976 becomes 74.73%.

The more detailed comments which the utilization of these carry-overs calls for are made in the analysis on pages 139 ff.

Non-automatic carry-overs

The utilization of the non-automatic carry-overs (see Annex C) was 98.18% with regard to the commitments. The percentage of implementation in the form of payments was 29.36%. However, if Title 8 (EAGGF, Guidance Section) is disregarded, the percentage of implementation in the form of payments becomes 92.90%.

TITLE I - EXPENDITURE RELATING TO PERSONS WORKING WITH THE INSTITUTION

EXPENDITURE ON STAFF

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 appropriations entered in Chapters 10, 11 and 12 had been decided mainly according to:

- the number of members and former members of the Commission,
- the number of staff authorized in the establishment plan,
- the number of recipients of pensions and of various allowances,
- the levels of remuneration, pensions and allowances likely to be authorized at the end of the previous financial year.

In addition, provisional appropriations intended to meet contingencies arising from any revision of remuneration as a result of Council decisions in 1976 were entered to Chapter 98.

Hence commitment of the appropriations made is predominantly dependent on:

- the number of posts occupied,
- the level of remuneration actually authorized.

In this connection, the following points should be noted:

- first, not all the authorized posts were occupied during the financial year 1976. Of the 7.983 posts authorized (7.810 permanent and 173 temporary), 297 permanent and 17 temporary posts were vacant on 29 December 1976, a total of 314 posts, 179 of which were LA posts;
- secondly, the Council decisions in 1975 and 1976 concerning revision of remuneration applied smaller rises in weighting factors and in purchasing power than had been projected when the estimates of the appropriations required had been worked out (in February 1975).

Therefore, in addition to the reserves entered under Chapter 98, the following sums remained unutilized:

5.30% of the appropriations to Chapter 10
4.98% of the appropriations to Chapter 11
24.16% of the appropriations to Chapter 12.

It was possible to apply the unutilized Chapter 98 appropriations under the "open transfer" approved by the Council last December, to make up the inadequacy of the appropriations to Chapter 29, "Repayment on a lump-sum basis of costs incurred in collecting own resources".

Chapter 13 - Expenditure relating to missions and duty travel

The appropriations to this chapter were committed to the extent of 86.04%. The amount unutilized at the close of the financial year would have been smaller if the decision to raise the levels mentioned in Article 13(1), (3) and (8) of Annex III of the Staff Regulations had been adopted earlier, as had been anticipated. The Council did not adopt that decision until 21 December 1976, to take effect from 1 October 1976.

Chapter 14 - Expenditure on social welfare

98.46% of the appropriations to this chapter were committed. The small balance remaining is comprised of 0.19% from Article 140, "Special assistance grants", 1.24% from Article 143, "Medical service", and 0.11% from all other articles together.

The unused balance is due to the fact that calculation of the appropriation involves factors which cannot be predicted exactly, for example, in the case of the medical service, the number of special examinations which general checks will show to be appropriate.

The appropriations to Articles 145 and 149 were committed 100%.

Chapter 15 - Organization of internal training courses and further vocational training of staff

Commitment of appropriations to cover the cost of organizing internal training courses was 94.58%, compared with 85.50% for further vocational training and retraining courses for staff. For the chapter as a whole the proportion was 90.76%. It should be noted that although the number of training courses was almost the same as in 1975 (413, compared with 416), there were slightly fewer courses for which fees were refunded. The reason for this is that the allowances due to staff who take courses have been brought into line with the cost of living but the appropriation has not been increased by the same proportion. It should also be noted that the number of applications to attend courses has been limited by the introduction of stricter conditions in respect of the level of education and the certificate or diploma which candidates are required to possess.

TITLE 2 - BUILDINGS, EQUIPMENT AND MISCELLANEOUS ADMINISTRATIVE EXPENDITURE

ADMINISTRATIVE EXPENDITURE

(Chapters 20, 21, 22 and 23)

Three factors dominated the implementation of the 1976 budget as far as administrative expenditure was concerned:

- the effect of the rent-freeze in Belgium;
- substantial rises in the cost of energy, postal charges and telephone charges;
- the re-location of the Commission's Luxembourg departments (moving more of them into the new "Jean Monnet" Building during the year).

Chapter 20 - Immovable property investments

There were no appropriations to this chapter in 1976.

Chapter 21 - Rental of buildings and associated expenditure

The commitments entered into in 1976 represent 96.91% of the available appropriations. Because of the rent-freeze in Belgium from the beginning of the financial year, the initial appropriation was sufficient to enable all the operations envisaged to be achieved.

The total commitments of appropriations were 28.4 m u.a. which was an increase of about 22% over 1975, due predominantly to the following factors:

- the relocation of the Commission's Luxembourg departments, moving more of them into the new "Jean Monnet" Building during the year;
- the much stricter security measures which became indispensable in present conditions;
- the rate of inflation, which was about 11% for rents and averaged 10% for other expenditure.

Chapter 22 - Movable property and associated expenditure

Almost the whole of the available appropriations were utilized. Commitments entered into totalled 9.2 m u.a., a level of 99%, which was an increase of about 14% over the previous financial year. This increase was due mainly to:

- the continuation of the programme of replacement of furniture, with an endeavour to clear up the backlog from previous financial years. This programme is now largely completed;
- necessary work on data processing equipment, in preparation for the installation of the new computer in the Computer Centre, scheduled for 1977.

Chapter 23 - Current administrative expenditure

The commitments entered into represented 96.21% of the available appropriations and amounted to 10.3 m u.a. This was an increase of 21.40% over 1975. The increase reflects above all:

- the effect throughout a full year of the large increases made near the end of the previous financial year in postal and telecommunications charges, especially those for services to other countries;
- a large number of departmental removals, as a result firstly of the moving of departments into the new building in Luxembourg and secondly of delays in the occupation of some newly rented buildings in Brussels, because the new buildings had to be fitted out according to the specific needs of the departments.

It should be pointed out that the appropriations to Article 233, "Legal expenses" had to be increased by the transfer of 100.000 u.a. from Chapter 99, "Expenditure not specifically provided for", to meet the cost occasioned by the increase in the number of cases coming before the Court of Justice.

Chapter 24 - Entertainment and representation expenses

The appropriations (151,000 u.a.) provided for the Commission (Item 2400) proved quite insufficient and had to be increased by 49.700 u.a., or 32.91% of the initial appropriation, which was levied against the appropriations to Item 2401. The total commitments for the whole of the chapter reached a level of 99.50%.

Although the severe austerity measures imposed by the Commission on its departments have so far kept expenditure within the required limits, it seems clear that in future the Commission will need either to apply even stricter measures or to obtain from the budgetary authority appropriations which would enable the Commission to meet its true obligations in this respect. It may be pointed out that over the last few years rises in appropriations for entertainment and representation expenses have shown great variation between one institution and another and the proportion of increase has been lowest for the Commission.

The relationship between the initial budget appropriations for 1973 and those for 1976 is as follows:

The Parliament:	+111.18%
The Council:	+154.54%
The Commission:	+ 17.40%
The Court of Justice:	+ 37.50%

When one considers that from 1 January 1973 to 31 December 1976 the price index in Belgium rose by 52.5% and also that the scope of the Commission's duties has widened (international negotiations, increase in the number of ACP countries, new delegations in third countries, etc), it is clear that there has been a substantial reduction in the real resources available to the Commission.

Chapter 24 - Expenditure for formal and other meetings

The utilization of the appropriations to this chapter was 76.90%, at 6.129 m u.a. This shows an advance of about 10% in relation to 1975. The increase is due in particular to:

- the rise in transport prices,
- growth in the volume of activity by groups of experts and committees in particular sectors.

It is appropriate to comment on two spheres of activity newly introduced in 1976:

- for Article 254, "Campaign on behalf of young people", the budgetary authority agreed during the financial year to a transfer of 50,000 u.a. from Chapter 98, "Non-allocated provisional appropriations", for the administration of a temporary secretariat for youth. That secretariat was set up but because of delay in the decision of the budgetary authority¹, only part (28,000 u.a.) of the available appropriation could be utilized;
- for Article 256, "Expenditure on preconsultation meetings with trade union representatives", it was difficult to estimate the volume of activity in this first year of operations in connection with such meetings. Therefore the appropriation initially made by the budgetary authority was increased and the total of payments made by the end of the financial year was 121,849 u.a. The required increase in appropriations was met by means of transfer within the chapter. A growing interest in preconsultation meetings with trade union representatives may be noted and the number in 1976 was 68.

Chapter 26 - Expenditure on studies, surveys and consultations

It will be recalled that the implementation of the budgeted expenditure under this chapter is subject to prior consideration by the Advisory Committee on Commissioned Studies, which has particular duties of ensuring coordination of activities in this sphere among the Commission's units, in order to prevent duplication of effort, and of seeking to obtain high-quality studies with rational use of appropriations.

¹ Request for transfer submitted on 1 April 1977 and approved on 30 June 1977.

The utilization of these budget funds during the last financial year produced commitment of 92% of the appropriations to the chapter.

In its work in relation to the implementation of the budget for 1976, the Committee saw fit:

- to exercise strict restraint, based above all on the necessity of confining the studies to work which cannot be performed by the Commission's departments;
- to reduce considerably the time allowed for tasks involved in some projects extending over an unduly long period, so that expenditure exceeding the initial estimates could be avoided;
- to impose a strict time limit in order to obviate so far as possible the introduction of proposals for commitment of appropriations at the end of the financial year.

Moreover, there has been a reduction in the customary long interval between commitment and payment. Where the long interval persisted, this in most cases involved appropriations assigned to studies of a statistical or regional nature.

The table on the next page shows the implementation of the budget for this chapter.

SUMMARY TABLE SHOWING THE UTILIZATION OF APPROPRIATIONS FOR STUDIES:

POSITION AT 31 DECEMBER 1976
(CHAPTER 26)

Budget heading	in u.a.				
	A	B	C	D	E
	Appropriations 1976	Commitments	Payments	Commitments as percentage of appropriations	
260 - Consultations, studies and surveys of limited scope	946.000	912.713	365.392	96 %	
261 - Studies and surveys of the short-term economic situation	1.570.000	1.473.536	241.055	94 %	
262 - Comprehensive Community studies and general surveys	989.500	815.997	282.578	82 %	
2630 - Studies provided for by Art. 46(3), subparagraph 1	32.000	31.994	9.598	100 %	
2631 - Studies provided for by Art. 46(3), subparagraph 2	64.000	63.990	19.197	100 %	
2632 - Studies provided for by Art. 46(3), subparagraph 3	246.000	189.37	70.455	77 %	
2633 - Studies provided for by Art. 46(3), subparagraph 4	138.000	89.254	14.850	65 %	
2634 - Studies provided for by Art. 46(3), subparagraph 5 (Economic and social studies provided for in Article 46 of the ECSC Treaty)	40.000	36.420	4.500	91 %	
264 - Statistical studies and surveys	5.500.000	5.044.126	2.254.853	92 %	
2650 - Studies in the context of technical assistance for nuclear power plant operators	30.000	29.997	0	100 %	
2651 - Studies on safety techniques in the nuclear field	200.000	199.990	51.938	100 %	
2652 - Studies on technical assessments in support of Community activities	720.000	720.000	720.000	100 %	
2653 - Studies on advanced reactor designs	40.000	39.998	11.999	100 %	
2654 - Studies on the nuclear fuel cycle	70.000	69.980	6.998	100 %	
266 - Regional studies at the request of Member States	400.000	399.764	182.844	100 %	
267 - Studies and surveys on competition in different sectors	314.500	314.480	64.121	100 %	
T o t a l	11.300.000	10.431.612	4.300.378	92 %	

Chapter 27 - Expenditure on publishing and information

The commitments entered into totalled 13.5 m u.a., 96% of the available appropriations. Appropriations to this chapter are intended to cover two distinct types of activity:

- (a) publishing in general (though some publishing expenditure is effected by means of specific appropriations to operational chapters);
- (b) programmes for the dissemination of information.

(a) Expenditure on publishing

For publishing, the expenditure on which is charged under Articles 270 (Official Journal) and 271 (Publication) of the budget, the appropriations committed amounted to 7.4 m u.a., the increase of 17% over 1975 arising mainly from the following:

- in the case of the Official Journal the commitments were about 18% higher, which in view of inflation represents a moderate increase;
- in the case of the other publications the commitments increased by 16%. This increase was due predominantly to inflation but also arose from a slightly higher volume of publishing. It should be noted that production costs rose by 30% from 1975 to the end of 1976.

(b) Expenditure on the dissemination of information

For the information programme, the expenditure on which is charged under Articles 272 (Expenditure on the dissemination of information and on participation in public events) and 273 (Dissemination of information to young people), the appropriations committed in 1976 amounted to 6.1 m u.a.

This very moderate increase occurred in the following situation:

- for the information programme the 10% increase over 1975 came solely from the rate of inflation, because the volume of operations was unchanged by comparison with 1975;
- however, in 1976 there was no participation in international exhibitions, whereas in 1975 participation in the Okinawa International Exhibition cost about 250,000 u.a.

Chapter 29 - Other expenditure

The appropriations to this chapter are intended to cover the lump-sum repayment to Member States of costs incurred in collecting their own resources. The utilization of the appropriations, through commitments, reached 100% by the close of the financial year.

Payments amounted to 70% of the appropriations. The utilization of sums carried over is expected to be more than 99%.

It should be noted that the initial appropriations to this chapter were increased by 20.8 m u.a., by means of an "open transfer" approved by the budgetary authority on 4 December 1976.

TITLE 3 - EXPENDITURE ON SPECIFIC PROJECTS UNDERTAKEN BY THE INSTITUTION

Chapter 30 - Expenditure in the social sector

Community activities in this sphere are largely concerned with vocational training (above all through the European Centre for the Development of Vocational Training, for which 1976 was the first full year of operations), also with employment (exchanges of officials; studies), the situation of women, of handicapped workers and of migrant workers (support of independent movements; pilot projects on housing for handicapped workers; social security for migrant workers), and action to combat poverty (pilot projects and studies).

Certain transfers approved by the budgetary authority resulted in a total reduction of the available appropriations in 1976 from 6,730 m u.a. to 6,094 m u.a. The following transfers were involved:

Heading	Initial appropriation	Transfer (in u.a.)	Final appropriation	Transfer to or from
<u>3010</u> European Centre for the Development of Vocational Training (a)	1,600,000	- 416,000	1,184,000	Chapter 53 old Social Fund (see below)
<u>306</u> Action to combat poverty (b)	2,875,000	- 250,000	2,625,000	Chapter 53 old Social Fund (see below)
<u>307</u> Community measures for participation in social matters (c)	token entry (50,000 u.a. to Chap. 98)	+ 30,000	30,000	Chapter 98 Non-allocated provisional appropriations
Net balance		- 636,000		

(a)

(b) See comments on page 70.

(c)

Transfers (a) and (b) were made possible:

- (a) by the fact that the European Centre for the Development of Vocational Training was launched later than anticipated;
- (b) by the withdrawal or the reduction on the part of some Member States of certain projects to combat poverty.

Transfer (c) permitted funds to be applied for certain expenditure preparatory to the setting up of a European Trade Union Institute: preparatory work on its future statute, meetings and administrative expenses in such connection.

The budget for Chapter 30 incorporating those revisions was entirely committed apart from three exceptions, which accounted for 0.823 m u.a. out of 0.839 m u.a. remaining at the end of the financial year:

- Art. 301 (Vocational training), with a sum of 0.432 m u.a.,
- Art. 306 (Action to combat poverty), where a sum of 0.14 m u.a. out of 2.625 m u.a. remained unutilized because of the withdrawal or the reduction of certain projects,
- Art. 309 (Community aid to workers made redundant in the Italian sulphur mines), where the appropriation of 0.25 m u.a. (obligatory expenditure) remained unutilized because no repayments were necessary in 1976.

Of 5.225 m u.a. committed, payments of 1.774 m u.a., constituting 34%, had been made at 31 December.

Chapter 31 - Expenditure in the agricultural sector

From appropriations of 5,212,500 u.a., 5,080,282 u.a. was committed, which is a proportion of utilization of 97.5%. The appropriations were utilized in their entirety for the following headings:

- Item 3102 (EEC participation in the campaign against African swine fever) (appropriation of 713,000 u.a.);
- Item 3130 (Community farm accountancy data network) (appropriation of 916,000 u.a.);
- Article 314 (Agricultural research) (appropriation of 3,321,500 u.a.).

The headings in the budget where the appropriation was not wholly committed were as follows:

- Item 3110 (Health protection measures in respect of intra-Community trade in fresh meat): 29% of the appropriation was utilized (2,057 u.a. out of 7,000 u.a.).

This appropriation is used only where a Member State requests expert investigation if there seems to be breach of the production regulations such as to create difficulties in intra-Community trade.

- Item 3111 (Veterinary inspection of the application of Community rules and regulations): the appropriation was not utilized at all.

Article 16 of the Directive of 10 July 1975 does not envisage the systematic application of Community inspections earlier than from 1 January 1977 onwards.

- Item 3112 (Veterinary inspection in non-member countries): 27% of the appropriation was utilized (21,285 u.a. out of 80,000 u.a.).

The Council did not approve the list of non-member countries (countries of origin of meat imports to be inspected) until late in 1976; hence, the Directive of 12 December 1972 could be applied for only part of the year.

- Article 315 (Training of national officials responsible for monitoring EAGGF expenditure): 28% of the appropriation was utilized (14,175 u.a. out of 50,000 u.a.).

The Council did not adopt a decision until 22 July 1976 in relation to the transfer to Article 315 of 50,000 u.a. entered under Chapter 98; hence, only two courses could be organized.

Chapter 32 - Expenditure in the industrial and energy sectors

The appropriations to this chapter for the financial year 1976 totalled 30,652,400 u.a. and the proportion of 83.91% was used, 25,719,719.62 u.a. Application for non-automatic transfer has been made in respect of the remainder.

Article 321 (Other operations in the industrial sector)

Item 3210 (Research operations in the textile sector)

This programme was introduced in 1975, for a three-year period, and the commitments relating to the first two instalments have been made as provided for in the programme.

However, a sum of 19,000 u.a. forming part of the appropriations carried over from 1975 falls to be cancelled because the actual cost of the work carried out by "COMITEXTIL" was not as high as initially estimated.

Item 3211 (Research operations in the data-processing sector)

The appropriations allotted to this item by a transfer on 22 July 1976 were not utilized. A request for non-automatic carry-over in respect of the sum of 562,400 u.a. involved is being made. For administrative reasons, commitment of 128,693 u.a. mentioned in the summary table could not be completed within the time limit imposed by the Financial Regulation.

Article 332 (Projects in the hydrocarbons sector)

Item 3220 (Community technological development projects in the hydrocarbons sector)

The Council Decision of 25 March 1976 provided for a sum of 38,448,635 u.a. from funds for the second series of projects - period 1975-1978 - to be made available to 34 projects, as a subsidy to be repaid in the event of commercial use of the results. However, because of the cancellation of some of the projects, only a total of 35,116,265.02 u.a. was actually committed.

The commitments and payments for the second series of projects, for the financial year 1976, are as follows:

Non-automatic carry-over of appropriations (ex Art. 321)	Commitments: 10,541,540.46 u.a.
	Payments: 10,541,540.46 u.a.

Item 3220 (1976)	Commitments: 24,574,724.56 u.a.
	Payments: 1,739.16 u.a.

In respect of the unutilized balance of the appropriations for the financial year 1976, 3,425,275.44 u.a., a request for non-automatic carry-over has been made, whereas the balance remaining from non-automatic carry-overs already made (543,643.46 u.a.) incurred cancellation at 31 December 1976.

As regards the payments relating to the first series of projects (1974-1976), out of the total of 13,448,100.88 u.a. in appropriations automatically carried over, only a total of 5,156,310.24 u.a. has actually been paid. The balance falling to be cancelled at 31 December 1976 has been re-entered in the budget for the financial year 1977.

Item 3221 (Joint projects in prospecting for hydrocarbons)

Only 5.5% of the appropriations to this item have been committed and have been allotted to preparatory studies for this programme. The balance, 945,000 u.a., is the subject of a request for non-automatic carry-over.

Article 323 (Prospecting for uranium)

The appropriations assigned to this article have been committed 100% and have been allotted, pursuant to the provisions of Article 70 of the EAEC Treaty, to initiating Community financial participation in uranium prospecting operations in the territory of Member States, with a view to reducing the dependence of the Community on the present producing countries.

Chapter 33 - Expenditure on research and investment

The situation in respect of appropriations in 1976 was marked chiefly by Amending Budget No 3 and by some releases of appropriations initially blocked under this chapter. However, those operations did not affect the total of the appropriations entered to Chapter 33.

Amending Budget No 3, adopted by the European Parliament on 16 December 1976, brought into effect in the budget the Council Decision of 21 October 1976 (Regulation 2615/76) amending Regulation No 259/68 (Staff Regulations) in respect of the arrangements for other servants of the European Communities. The decision involved:

- the elimination of posts of members of establishment staff;
- the creation of 809 Class C posts and 97 Class D posts.

However, the total amount of appropriations was unchanged.

Releases of appropriations, approved by the budgetary authority on 18 June 1976, 14 September 1976 and 16 December 1976 and involving a total of 117.579 m u.a. of commitment appropriations and 22.163 m u.a. of payment appropriations related to the chapters for research objectives in the spheres of "Fusion and plasma physics", "Biology and health protection", "Reference materials and methods" and "Protection of the environment".

The appropriations which remained blocked¹ were intended largely for the JET project, on which a decision was still pending (64,377 m u.a. in commitment appropriations and 6.709 m u.a. in payment appropriations). Of these payment appropriations, 2.200 m u.a. were accepted as non-automatic carry-overs. The remainder of the blocked appropriations were cancelled.

¹ Comprised of 80.050 m u.a. in commitment appropriations and 7.837 m u.a. in payment appropriations.

With regard to the budgetary implementation of the JRC appropriations, efforts aimed at improving the financial systems within the Centre have been continued. On another matter, some parts of the present structure of the operational budget have been found to be too cumbersome and too obscure. The Commission has therefore introduced some structural modifications, within the scope of the Financial Regulation at present in force, in drafting the budget for 1977.

As for the implementation of the budget proper, out of the commitment appropriations opened in the 1976 budget (299,233 m u.a. plus the commitment appropriations in existence at the close of the financial year 1975, amounting to 12,902 m u.a.) a total of 121,814 m u.a. was committed. This represents 52.49% of the total commitment appropriations available for the financial year 1976 (omitting the appropriations of 80,050 m u.a. which still remained blocked). The relatively low proportion of utilization of appropriations was due chiefly to the late release of a final instalment of 72,533 m u.a., which was not approved until 16 December 1976.

With regard to the payment appropriations opened in the budget, 135,183 m u.a., an amount of 84,101 m u.a., or 66,04% of the appropriations made available, had been utilized by the end of December (omitting the appropriations of 7,837 m u.a. which still remained blocked). Automatic carry-overs to 1977 totalled 28,262 m u.a., which brings the proportion of utilization to 88.23% if this carry-over is used in full. Non-automatic carry-overs involved a total of 5,095 m u.a. and cancellations amounted to 17,725 m u.a.

The implementation of the budget proper, for direct action (JRC) and for indirect action (headquarters), taking into consideration the appropriations still remaining blocked, was as follows:

Commitment appropriations

in m u.a.

	Approp- riations left over from 1975	Approp- riations entered in the 1976 budget	Approp- riations still blocked	Total of approp- riations actually available for 1976	Approp- riations committed	Utilization as % of appropriations actually available
Direct action	9,306	228,394	80,050	157,650	51,742	32,82
Indirect action	3,596	70,839	-	74,435	70,072	94,14
Total	12,902	299,233	80,050	232,085	121,814	52,49

The relatively low proportion of utilization of appropriations allotted to headquarters was due chiefly to lateness in the release of a final instalment of 72,533 m u.a., for the "Fusion" programme, this release not having been approved until 16 December 1976.

Payment appropriations

in m u.a.

	Approp- riations entered in the 1976 budget	Approp- riations still blocked	Total of approp- riations actually available for 1976	Payments made	Utilization as % of appropriations actually available
Indirect action	63.802	7.837	55.965	25,160	44.96
Direct action	71.381	-	71.381	58,941	82.57
Total	135.183	7.837	127.346	84,101	66.04

Chapter 34 - Expenditure relating to safeguards

The proportion of utilization of the appropriations of 630,000 u.a. entered in this chapter for the financial year 1976 was 86.03%, amounting to 541,973.04 u.a. The remainder (88,026.96 u.a., or 13.97% of the funds) fell to be cancelled.

This was the result of delay in invoicing the expenses incurred by the various laboratories for sampling and analysis. In addition, expenditure on setting up the system of inspection of the nuclear plants on the territory of the Member States, under the agreement with the IAEA, is not expected to occur until the end of 1977 or the beginning of 1978.

Chapter 35 - Protection of man and his environment

Community activities in this sphere are concerned mainly with radiation protection, health and safety in respect of air and water, health and safety measures at the place of work, environmental protection measures (studies, and information and education projects) and consumer protection (studies and subsidies to organizations established on a European scale). In addition, the EEC pays the expenses of the European Foundation for the Improvement of Living and Working Conditions set up in Dublin in 1976.

The appropriations available for this chapter became 3.52 m u.a. after the Council had approved the transfer of 1.3 m u.a. from Article 359 (Grant towards the operation of the European Foundation for the Improvement of Living and Working Conditions) to Chapter 53 (former European Social Fund). This transfer was possible because the Foundation was launched later than had originally been expected, in the second half of 1976. Of the 3.52 m u.a., 3.136 m u.a., or 89.1% was committed. The grant made to the Foundation amounted to 1.2 m u.a.

Of the 3,136 m u.a. committed, 1,634 m u.a. had been paid by the end of the financial year, representing 52.1%. The difference arises from the fact that the appropriations are for the most part allotted to studies, and the contracts for these are often made late in the year. Nearly half of the commitments other than the sums paid for the Foundation were made after 30 September. Hence, a high proportion of the payments cannot be made until the carry-over year.

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

The appropriations entered to this chapter for the financial year 1976, totalling 3.370.000 u.a., were utilized to the extent of 99.43% (3.350.775.10 u.a.), which does not call for any special comment.

These appropriations made it possible to continue the measures in the sphere of scientific information and the management of that information, in particular in the purchase of published work, the dissemination of scientific knowledge and the making of an agreement with the various national post and telecommunications authorities under the three-year plan for setting up the physical telecommunications network.

Chapter 38 - Loan on services between institutions

Within Chapter 38 only Article 381 (Joint interpreting service) received an appropriation; this was to cover the services provided by interpreters of the European Parliament in meetings requiring the services of interpreters organized by the Commission in Luxembourg.

The authorized appropriation of 360,000 u.a. was used 100%.

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

The rate of utilization of the appropriations of 1,520,700 u.a. entered in this chapter for 1976 was 95.27%, amounting to 1,448,794.68 u.a.

Article 391 - Action programme relating to scientific and technological
policy

A transfer dated 23 November 1976 raised the appropriations to this article to 916,500 u.a. There was 99.96% utilization, 916,097.74 u.a., to continue the studies in the spheres of medical research, the social sciences, energy and town planning.

Article 392 - Educational measures

A transfer dated 23 November 1976 raised the appropriations entered under this heading to 604,200 u.a. Of that total 532,696.94 u.a. was utilized, being applied to the conclusion of study contracts in the educational field.

TITLE 4 - AIDS, SUBSIDIES AND FINANCIAL CONTRIBUTIONS

Chapter 40 - Aids

The appropriations were 100% committed.

Article 400 - Community aid to disaster victims

The initial assignment to this article was 600,000 u.a. During the year several transfers had to be made, following decisions by the Council, from Chapter 99, "Expenditure not specifically provided for".

- Initial appropriation:	600,000 u.a.
- Transfers to Article 400:	500,000 u.a. adopted on 25 March 1976
	400,000 u.a. adopted on 14 May 1976
	120,000 u.a. adopted on 4 October 1976
	770,000 u.a. adopted on 9 December 1976
	<hr/>
	2,390,000 u.a.

These appropriations were used to help the following countries:

- Guatemala	200,000 u.a.
- Lebanon	100,000 u.a.
- Guatemala	500,000 u.a.
- Mozambique	70,000 u.a.
- Italy (Friuli)	500,000 u.a.
- Ethiopia	120,000 u.a.
- Turkey	500,000 u.a.
- Lebanon	400,000 u.a.
	<hr/>
	2,390,000 u.a.

The appropriations were committed and paid in their entirety during the financial year.

Article 402 - Aid to bee-keepers

The whole of the appropriation (2,5 m u.a.) was committed and paid.

Chapter 41 - Subsidies and financial contributions

98.32% of the budget for this chapter was implemented.

Chapter 42 - Subsidies for balancing budgets

The appropriations to this chapter are intended to cover:

- the subsidy necessary to balance the revenue and expenditure of the special budget of the Euratom Supply Agency (Article 420),
- the administrative expenditure of the headquarters of the European Association for Cooperation (Article 421),
- the subsidy necessary for the operation of the Community Business Cooperation Centre (Article 422).

The expenditure of Articles 420 and 421 comprises not only the operating expense proper but also the expenditure on staff assigned to the Supply Agency and the EAC. On the other hand, the expenditure on staff assigned to the Community Business Cooperation Centre is included in the expenditure of Chapter 11.

The comparison between appropriations on the one hand and their utilization on the other is as follows:

	<u>Art. 420</u>	<u>Art. 421</u>	<u>Art. 422</u>
- initial appropriations	436,200	1,220,000	60,000
- 1976 expenditure	390,538	1,220,000	49,868
- remaining available	45,662	-	10,132
- rate of utilization of the authorized appropriation by Article:	89.5%	100%	83.1%
	<hr/>		
for the chapter as a whole		96.7%	

Chapter 43 - European Schools

The expenditure of this chapter is intended to subsidize the budgets of the European Schools (which are approved by the Board of Governors of the European Schools) and in this way to balance the revenue and expenditure of those budgets.

The necessity for granting subsidies to the Schools arises from the following facts:

- the pay of teachers seconded to the Schools by Member States is covered by the latter only to the extent laid down by the relevant provisions of each country, and these provisions differ one from the other. Therefore this pay must be adjusted to a uniform level.

In this connection it should be emphasized that the expenditure on the pay of all the staff of the Schools (teaching and non-teaching staff) constitutes 85-90% of the budgets. The remaining 15-10% is required to cover current administrative expenditure and expenditure on equipment;

- taking into account the amounts paid by Member States to the teaching staff, the Schools' own revenue covers only about 30% of their needs.

With regard to the implementation of the Schools' budgets, it should be noted that each one is the subject of separate management.

The comparison between the appropriations to Chapter 43 and the utilization of those appropriations is as follows:

- initial appropriations	16,441,900 u.a.
- 1976 expenditure	<u>15,160,108 u.a.</u>
- remaining available	1,281,792 u.a.
- rate of utilization of the authorized appropriations	92.2%

The fact that a sum remained available and that there was no recourse to the reserves entered for the European Schools under Chapter 98 arises from the use, in calculating the appropriations needed for the European Schools, of the same hypotheses concerning future revisions of remuneration as were applied for the staff of the Communities. However, the decisions of the Council in 1975 and 1976 in respect of revision of remuneration adopted lower levels for both the weighting factors and purchasing power than had been projected when estimating the appropriations required (in February 1975).

Chapter 44 - EEC contribution to administrative expenditure connected with international agreements

The total for commitments entered into, which represented 99% of the available appropriations, was almost the same as in 1975. However, this similarity in the extent of utilization of the appropriations in the last two years has arisen purely by chance, because in 1976 there were major developments affecting the utilization of the appropriations to this chapter and they happened to balance each other out financially:

- on the one hand, for Article 443 (Implementation of the International Coffee Agreement) and Article 445 (Implementation of the International Cocoa Agreement) it had not been expected that the EEC would make any financial contribution in 1976 under the Agreements involved and the budget headings for those articles had merely been marked "token entry". It proved necessary to make transfers to those Articles, from Chapter 99 (Expenditure not specifically provided for), of totals of 48,000 u.a. and 30,000 u.a., respectively;
- on the other hand, for Article 440 (Implementation of the 1971 International Wheat Agreement) commitment of the appropriation was lower in 1976. From the 1975 budget it had already been possible to pay the

first instalment of the Community's contribution for the 1975/76 season, as well as the whole of its contribution for the 1974/75 season. Therefore, only the contribution in respect of the first half of 1976, i.e. the second instalment of the contribution for the 1975/76 season, had to be met from the 1976 budget.

CHAPTER 48 - COMMUNITY LOANS

Within the limit of 3.000 million US dollars, in capital and interest, imposed by Council Regulation 397/75 of 17 February 1975, the EEC obtained several loans in 1976 to a combined total of 1.300 million dollars (Council Decision of 15 March 1976).

These loans included one of 300.000.000 US dollars at a variable rate of interest. A first instalment was consolidated in 1976 (Council Decision of 20 September 1976): the Community contracted on the United States market a fixed-rate loan of 100.000.000 US dollars and at the same time repaid 100.000.000 US dollars of the variable-rate loan.

In conformity with the Council Decision of 15 March 1976, the EEC granted loans under like terms, assigning to Italy 10/13 and to Ireland 3/13 of the sums obtained under each of the loans mentioned.

Taking into account the terms of the loans and the payments made in 1976, the total outstanding at 31 December 1976 under Community borrowings was 1.833.102.407 US dollars in capital and interest.

Chapter 49 - Participation in financial aid granted by the EIB to Portugal

Article 490 - Aid towards the payment of interest on loans granted to Portugal

The sum initially allocated to this Article was 12.000.000 u.a. Supplementary budget No 2 for the financial year 1976 raised the appropriation to 14.105.000 u.a., because the sum total of the four loans granted by the EIB to Portugal in 1976 was higher than had been allowed for in the estimates.

TITLE 5 - EXPENDITURE RELATING TO THE SOCIAL FUND, THE REGIONAL FUND AND
COMMUNITY AID TO THE FRIULI DISASTER AREA

I. SOCIAL FUND

A. New Social Fund

Distribution of resources of the Fund

Assistance is divided into two main categories of operations. One of the categories is concerned with social groups - agricultural workers leaving the land, textile workers, migrant workers, handicapped persons and unemployed young people under 25 years old - selected by a specific Council decision (operations under Article 4 of the basic Decision of 1 February 1971). The other category receives help from operations under the objectives outlined in the Council Decision of 1971, which are especially concerned with assisting regions worst affected by unemployment arising from the organization of economic affairs (operations under Article 5 of the basic Decision).

As the Council, on the basis of proposals from the Commission, has widened the sphere of the aid under Article 4, so the share of those operations has risen from 15% in 1973 to 39% in 1976 of the total expenditure approved for operations to be carried out during the financial year. For 1977, 45% of the commitment appropriations have been allotted to that category, much of the increase being intended to help towards responding to a continuing flow of applications for help for unemployed young people, which was the latest sphere of operations to be introduced, in July 1975. This trend is intended in principle to be pursued until "in the long term", as the basic Decision puts it, operations under Article 4 are preponderant.

The pattern of distribution of the resources is to be reconsidered in the review of the Fund regulations which is due to take place, under the provisions of the basic Decision, before 1 May 1977.

Chapters 50 and 51 of the budget correspond respectively to operations under Article 4 and Article 5, and Chapter 52 is allocated to pilot schemes and preparatory studies for operations of the Fund (0,2% of appropriations for 1976).

At the initiative of the Parliament, Chapters 50 and 51 were divided into Articles for the first time in 1976.

The tables below provide summaries as follows: 1. utilization of the 1976 appropriations for Chapters 50, 51 and 52; 2. utilization of appropriations by commitment (including commitment authorizations) and by payment (including payments against appropriations carried over); this table is for Chapters 50 and 51 only, because in the case of Chapter 52 (Pilot schemes and preparatory studies) there are no particular problems, the appropriations being very small by comparison with those of the other two chapters.

1. New Social Fund - Utilization of 1976 appropriations (in m u.a.)

	Initial appropriations	Appropriations after transfers from art. to art.+	Accumulated commitments at 31 Dec.			Payments made in 1976	Automatic carry-over to 1977
			1974	1975	1976		
			3**	4**	5		
1	2	3**	4**	5	6	7	
Chapter 50 (spheres designated by specific decision of the Council)	170	170	16	46,9	166,7	1,6	165,1
Art. 500 agriculture textiles	66,1	61,6		35,6	61,3	0,6	60,7
501 young people	37,8	69,9		0	67	0	67
502 handicapped persons	17	17		2,5	17	0,1	16,9
503 migrant workers	20,8	21,4		8,8	21,4	0,9	20,5
504 "crisis" aid	28,3	-					
Chapter 51 (spheres designated by the basic regulations of the Social Fund)	270	270	16	106	269,8	6,3	263,5
Art. 510 regions, economic sectors or groups of companies	241,1	240,2		105,4	240	5,9	234,1
Art. 511 handicapped persons	28,9	29,8		0,6	29,8	0,4	29,4
Chapter 52 (pilot schemes and preparatory studies)	1	1	-	-	1	0,3	0,7
TOTAL Chapters 50 to 52	441	441	32	152,9	437,5	8,2	429,3

+ Transfers decided upon by the Commission:

- (a) from Art. 504 to Art. 501, on 24 March 1976
- (b) all the others, on 10 December 1976.

Reasons

- (a) In the absence of a prompt decision by the Council, Art. 504, "Aid to sectors and regions affected by the crisis", became pointless. By contrast, in the case of Art. 501, "Aid to young people" - a category severely affected by the same crisis and admitted to assistance from the Fund in July 1975 - the volume of requests received made a massive increase in the resources of the Fund necessary.
- (b) Transfers necessary in order to adjust the resources of the Fund to the requests still awaiting approval at the end of the year.

++ Commitments on the basis of commitment authorizations obtained under the 1974 and 1975 budgets.

2. Utilization of appropriations in the Social Fund in 1976 (in m u.a.)

	Operations	I. Automatic carry-overs to 1976 II. Appropriations committed in 1976 A	Payments made in 1976 B	Reduction of estimated sum due (actual cost less than estimated cost) C	Balance = A - (B+C) for payment in 1977 and subsequently estimated
I Automatic carry-overs to 1976	1974	154,9 (a)	105,5	30	19,4
	1975	345,3	132,1	60	153,2
	Total I	500,2 (b)	237,6	90	172,6
II Appropriations committed in 1976	1976	436,5 (c)	7,9	50	378,6 (d)
	1977	143,1 (e)	-	} (f)	(143,1)
	1978	73,1 (e)	-		(73,1)
	Total II	652,7	7,9	(50)	(594)
GRAND TOTAL		(g)	245,5	(140)	(767) (h)

(a) Automatic carry-over for a second year, under Council Regulation of 24 November 1976;

(b) Automatic carry-over to 1976;

(c) Including 150 m u.a. under commitment authorizations in 1974 and 1975 to be applied against appropriations for the financial year 1976 (440 m u.a.);

(d) In automatic carry-over from 1976 to 1977;

(e) Provisional figures of aid approved under commitment authorizations;

(f) Figures cannot yet be estimated;

(g) In this column the grand total is meaningless because of the difference in nature between automatic carry-over to 1976 (Total I) and new appropriations for the financial year (Total II);

(h) The actual total of payments owed by the Social Fund at 1 January 1977 would be obtained by adding to this figure the 52 m u.a. committed under 1975 commitment authorizations for operations in 1977.

The figures in column C of the above table are for reductions or cancellations incurred in carry-over from operations initially approved.

Need for redrafting of the rules for management of the Fund

Since the reorganization in 1971 the scale of the Social Fund has become such - 255 m u.a. of aid approved in 1973, 505 m u.a. in 1976¹ - that the rules of financial management laid down in 1971 and the existing management staff resources are no longer adequate and are becoming increasingly deficient as the resources of the Fund grow ever larger. This applies at both stages of utilization of appropriations: approval of aid (commitment) and provision of aid (payment).

In the matter of commitments, the change to a system of open appropriations from the beginning of 1971 is in itself a considerable improvement. From then on commitments entered into are to remain valid until payment in respect of them has been made. There will no longer be cancellation after carry-over for one year, which makes it necessary to enter the amount of commitments thus "cancelled" against new appropriations. The procedure for examining files before approval will still need to be simplified when the above-mentioned review is carried out, otherwise the volume of requests for aid will outpace the growth of resources and eventually render the Fund unmanageable.

As regards payments, the present system is even more unsatisfactory. This becomes apparent merely from the fact that one of the main aims in reorganizing the Fund in 1971 was to make it an instrument of close financial support for measures carried out with its assistance rather than to let it continue to be merely a channel for reimbursement. However, the general balance sheet of the Fund since its reorganization shows the following situation (Chapters 50 and 51 of the budget, in m u.a.):

(a) Aid approved for operations to be carried out from 1972 to 1976		1.280
(b) Probable amount of writing off of payments due (actual cost less than estimated cost)	180	
(c) Payments of aid made to 31 December 1976	548	
(d) = a - (b + c) Aid remaining for payment as at 1 January	<u>552</u> ⁺	1.280

+ including 177 m u.a. for operations carried out before the end of 1975.

Thus, even allowing for the savings arising from frequent overestimation of costs, fully half of the assistance granted since the reorganization of the Fund is still unpaid in connection with operations completed before the end of 1976. Hence the above-mentioned aim has not been achieved.

¹Made up as follows:

(a) Aid approved in 1976 against appropriations for the year	289	
(b) Approval under the head of authorizations for programmes to be implemented in 1977		143.1
(c) Approval under the head of authorizations for programmes to be implemented in 1978		<u>73.1</u>
		505.2

This accumulation of payments outstanding arises from the conjuncture of three factors:

- increase in the volume of aid, and therefore in the number of cases to be processed;
- the fact that the bulk of the requests for payment are received in the second half of the year after the one in which the operations have been carried out;
- obligation to grant aid on the basis of actual costs, so that it is necessary to verify that the costs mentioned are correct, this verification having to be carried out by units which have no means of expanding in proportion to the increase in the volume of aid.

Thus, unless the arrangements are altered by the above mentioned review, the Fund's outstanding payments are bound to go on accumulating. How is the rule that actual costs are to be paid to be reconciled with a speedy, and therefore straightforward, payments procedure? This is one of the main problems to be solved in the forthcoming review.

After rapid expansion, the Social Fund now has an urgent need to "get its second wind", in other words to consolidate its experience with a view to achieving greater efficiency.

Reconsideration of the rules for operating the Fund, which was wisely provided for when the first reorganization was carried out in 1971, will afford an opportunity for that endeavour.

B. Former Social Fund

The final reimbursements under the head of the former Social Fund were made in 1976, as follows (in m u.a.):

	<u>Item 5301</u> (Vocational retraining)	<u>Item 5302</u> (Resettlement)	<u>Total</u>
(a) Remainder of payments due	9.361	0.683	10.044
(b) Carry-over from 1975 authorized by the Council on 19 July 1976	8.078	-	8,078
(c) Difference (a - b) to be met by means of transfer from one chapter to another	1.283	0.683	1,966
(d) Transfer approved by the Council on 9 December 1976 - from Chapter 30, Item 3010 (European Centre for the Development of Vocational Training) and Article 306 (Action to combat poverty) - from Chapter 35, Article 359 (Grant towards the operation of the European Foundation for the Improvement of Living and Working Conditions)			0.416 0,250
Sub-total for (d)			<u>1,300</u>
			1,966
The breakdown of these final payments was as follows:			
Federal Republic of Germany	9,361	0.268	9.629
Italy	-	0.415	<u>0,415</u>
TOTAL			10,044

This closed the former Social Fund.

II. European Regional Development Fund

The application of the ERDF for financial operations continued satisfactorily in 1976 and may be regarded as a success, both from the point of view of commitments and from the point of view of payments.

	Commitments	Payments
1. Appropriations for 1976 (m u.a.)	500.2 ¹	300.0
2. Use of the appropriations (m u.a.)	500.1	218.0
3. % (2 : 1)	99.98	72.67
4. Carry-over of appropriations		59.3
5. Payments made		59.3
6. % of utilization (5 : 4)		100.0

¹ including 0,2 m u.a. of appropriations remaining in the Fund.

1. Commitments

The utilization of the commitment appropriations was 99,98%. The commitments, comprising a total amount of 500.1 m u.a., were made in four instalments, of 21.7 m u.a., 138.3 m u.a., 108.9 m u.a. and 231.2 m u.a., respectively.

In this way aid from ERDF helped in 1976 to finance more than 1.500 projects, involving investments together totalling 4,731.6 m u.a.

Three-quarters of the aid went to projects of investment in infrastructure and more than half to large-scale projects in which 10 m u.a. or more was to be invested.

Distribution of the aid by types of projects and by Member States is shown in the table on page 89.

The table on page 90 sets forth the position for each Member State in relation to its quota, both for commitments entered into in 1976 and for the whole of the commitments entered into since the ERDF was set up. A particularly noteworthy feature is the extent to which the Federal Republic of Germany is shown to be lagging behind its quota, but this enabled five Member States (F, IR, IT, N, UK) to obtain a percentage higher than their theoretical quota (see table on page 90).

2. Payments

In 1976 the ERDF had a total of 359,3 m u.a. in payment appropriations in hand, which included 59,3 m u.a. carried over from 1975. The total amount of payments made in 1976 was 277,3 m u.a. (218 + 59,3). The appropriations carried over were given priority for use and applied as and when requests were received for payment for 1975 projects; by August more than 95% of these had been paid out and by the end of the year 100%.

The payments made from the 300 m u.a. of appropriations for 1976 totalled 218 m u.a., 92% of these payments being in the last quarter of 1976. The requests for payment came to a higher level than the amount of payments made but requests were carried over where additional information was sought from a Member State but had not been received by the close of the financial year. Nearly 73% of these appropriations were used; the balance has been carried over to 1977 and will be expended first, as requests for payment for 1975 and 1976 projects are met.

The payments made in 1976 include a total of 157 m u.a. applied for financing projects undertaken in the 1976 financial year. This is equivalent to 31,4% of the commitments entered into in the same year.

The recipient of the highest amount was Italy (93,6 m u.a.) and next came the United Kingdom (68,2 m u.a.), France (20,5 m u.a.) and Ireland (16,3 m u.a.).

It should be borne in mind that the Fund did not come into operation until the last quarter of 1975, but already a total of 368 m u.a. had been disbursed by the end of 1976 (90,7 + 59,3 + 218). On page 91 there is a detailed breakdown by country and by category of project of the whole of the payments made in 1975 and up to the end of 1976. The table highlights the fact that 71% of the payments were used to finance the setting up of infrastructures, 5,4% of them in mountain and hill regions, and that nearly half of the payments were used in financing large-scale projects (costing more than 10 m u.a.).

COMMITMENTS IN THE FINANCIAL YEAR 1976: POSITION AT 31 DECEMBER 1976

in m u.a.

Member State	A	B	Total for industry	C	D	E	Total for infrastructure	Studies	Overall total
Belgium	-	1,43	1,43	-	5,24	-	5,24	-	6,67
Denmark	-	0,57	0,57	0,14	5,71	-	5,85	-	6,42
FRG	0,90	7,17	8,07	1,99	9,82	-	11,81	-	19,88
France	7,94	17,26	25,20	35,42	15,85	-	51,27	-	76,46
Ireland	7,81	4,93	12,74	5,22	11,47	5,07	21,76	0,04	34,55
Italy	4,39	14,12	18,51	144,93	25,29	15,50	185,72	-	204,23
Luxembourg	-	-	-	-	-	-	-	-	-
Netherlands	-	-	-	3,95	6,05	-	10,00	-	10,00
United Kingdom	34,12	23,92	58,04	18,10	61,89	3,85	83,84	0,04	141,92
TOTAL	55,16	69,40	124,56	209,75	141,32	24,42	375,49	0,08	500,12

A: Investments in industrial, handicraft or service activities

B: totalling 10 m u.a. or more
totalling less than 10 m u.a.

C: Investments in infrastructure totalling 10 m u.a. or more

D: totalling less than 10 m u.a.

E: totalling less than 10 m u.a. in mountain and hill-farming regions.

TOTAL VOLUME OF COMMITMENTS UP TO
31 DECEMBER 1976 COMPARISON WITH QUOTAS

Member State	Commitments entered into in 1976	Commitments entered into in 1975 and in 1976	Quota over 3-year period %
Belgium	1,33	1,34	1,49
Denmark	1,28	1,29	1,29
FRG	3,98	3,67	6,35
France	15,29	15,31	14,87
Ireland	6,91	6,81	6,46
Italy	40,84	41,03	40,00
Luxembourg	0	0,09	0,10
Netherlands	2,0	1,95	1,68
United Kingdom	28,38	28,52	27,76
TOTAL	100	100	100

PAYMENTS POSITION IN RESPECT OF FINANCIAL YEARS 1975 AND 1976
AT 31 DECEMBER 1976

Member State	A	B	Total for industry	C	D	E	Total for infrastructure	Overall total
Belgium	0,38	0,47	0,85	-	5,26	-	5,26	6,11
Denmark	-	0,89	0,89	0,13	4,52	-	4,65	5,54
FRG	2,28	2,80	5,08	2,01	6,26	-	8,27	13,35
France	2,50	13,41	15,91	4,53	20,68	3,88	29,09	44,99
Ireland	1,20	7,89	9,09	2,44	10,12	3,38	15,94	25,03
Italy	16,98	18,09	35,07	98,88	12,92	10,29	122,09	157,16
Luxembourg	-	-	-	-	0,63	-	0,63	0,63
Netherlands	-	-	-	7,00	1,30	-	8,30	8,30
United Kingdom	23,39	16,60	39,99	22,07	42,60	2,22	66,89	106,89
Total	46,73	60,15	106,88	137,06	104,29	19,77	261,12	368,00

A: Investments in industrial, handicraft or service activities totalling 10 m u.a. or more
 B: Investments in infrastructure totalling less than 10 m u.a.
 C: Investments in infrastructure totalling 10 m u.a. or more
 D: Investments in infrastructure totalling less than 10 m u.a.
 E: Investments in infrastructure totalling less than 10 m u.a. in mountain and hill-farming regions.

EUROPEAN REGIONAL DEVELOPMENT FUND

Comparison: endowments (= quotas) provided compared with implementation of the Budget, in the form commitments

in m.u.a.

COUNTRY	Endowments provided (= quotas) 1975-1977	Commitments in financial year 1975 ¹	Endowments available 1976-1977 at 1.1.76	Commitment appropriations opened in 1976	Commitment appropriations remaining at close of financial year 1975	Total commitment appropriations available for financial year 1976	Commitments entered into in 1976	Endowments available 1976-1977 at 31.12.76	Commitment appropriations available from 1976, at 31.12.76
BELGIUM	19,333	4,044	75,289				6,667	8,622	
DENMARK	15,756	3,878	72,878				6,416	6,462	
FRG	82,489	9,467	73,022				19,882	53,140	
FRANCE	193,333	46,005	147,327				76,464	70,863	
IRELAND	8,000	19,928	64,872				34,546	29,525	
ITALY	520,000	123,542 (1)	396,058				204,229	191,130	
LUXEMBOURG	1,289	0,750	0,539				-	0,599	
NETHERLANDS	21,911	5,586	16,326				10,002	6,323	
UNITED KINGDOM	360,889	86,178	274,711				141,975	132,796	
TOTAL	1,300,000	299,778	1,000,221	500,000	0,221	500,221	500,122	500,099	0,099

¹ including commitment of 0,047 m.u.a. withdrawn in November 1976.

APPROPRIATIONS TO THE EUROPEAN REGIONAL DEVELOPMENT FUND
CLEARING OF COMMITMENTS

Position at 31 December 1976

in m.u.a.

COUNTRY	Commitments remaining to be cleared at close of financial year 1975	Commitments entered into in 1976	Total commitments to be cleared	Payments charged against 1976 appropriations	Payments charged against appropriations carried over from financial year 1975	Total payments	Commitments still remaining to be cleared
Belgium	4,044	6,667	10,711	2,622	3,493	6,114	4,597
Denmark	2,322	6,446	8,768	2,176	1,808	3,983	4,785
FRG	9,467	19,882	29,349	8,761	4,587	13,348	16,001
France	29,881	76,464	106,344	20,487	8,379	28,867	77,478
Ireland	12,933	34,546	47,479	16,308	1,724	18,032	29,447
Italy	79,646	204,229	283,874	93,576	19,288	112,864	171,010
Luxembourg	0,523	-	0,523	0,406	-	0,406	0,117
Netherlands	2,736	10,002	12,738	5,448	-	5,448	7,290
United Kingdom	67,560	141,915	209,475	68,247	20,053	88,269	121,206
TOTAL	209,111	500,122	709,233	218,000	59,332	277,332	431,901

III. Chapter 58 - Community aid to the Friuli disaster area

The appropriation was 100% committed.

On 21 June the Council adopted two Regulations providing for a Community contribution to the repair of the damage caused to agriculture (Regulation (EEC) No 1505/76) or to infrastructures (Regulation (EEC) No 1506/76) by the earthquake in May 1976 in a Friuli-Venezia Giulia region. A total of 60 m u.a. was assigned for such expenditure, 45 m u.a. for agriculture and 15 m u.a. for infrastructures. In addition to this sum of 60 m u.a. entered in Supplementary Budget No 1 for 1976, Community measures provided for the grant of low-interest-rate loans pursuant to Article 54 of the ECSC Treaty.

Article 580 - Community aid for agricultural structures

By 31 December 1976 the Community had committed the 45 m u.a. assigned for reorganization and improvement of, firstly, production arrangements in agriculture or in agricultural holdings and, secondly, facilities for marketing or processing agricultural produce.

The contribution from the Community takes the form, in general, of assistance for individual projects governed by the stipulations of Regulation (EEC) No 17/64. There are also other special conditions which apply to Community aid: for example, the project financed must help towards economic recovery in the agricultural sector; the recipient must take part in financing the operation (not less than 10% for projects connected with marketing or processing).

The Community's financial contribution must not exceed 45% of the investment.

Before the latest date of 31 October 1976 appointed by Regulation 1505/76 Italy had sent the Community 114 requests for aid. These included 96 projects involving investment of more than 100 m u.a., which were granted Community aid of 45 m u.a., the details being as follows:

m u.a.

Type of project	Number	Community aid
Production arrangements in agriculture	82	41.2
Marketing and processing of agricultural products	14	3.8
Total	96	45

It was not possible to make any payments in 1976. The exceptional circumstances attending the implementation of these measures mean that the payments will be made in 1977.

Article 581 - Community aid for civil infrastructures

By 31 December 1976 the Community had committed the 15 m u.a. assigned for reorganization and improvement of economic and social infrastructures.

The financial contribution from the Community is 30% of the expenditure which has been met by public authorities in the case of investments of less than 10 m u.a. and 10 to 30% in the case of investments of more than 10 m u.a. It may take the form of interest subsidies.

Italy was required to present the requests for assistance by 31 December 1976.

Commitment of the 15 m u.a. followed five decisions to grant aid in respect of twelve projects involving total investment expenditure of 56 m u.a. The percentage of Community aid granted by the individual decisions ranged from 15.5% to 30% of the investment cost.

The table below shows the distribution of the aid between different types of project:

Type of reorganization and/or improvement project	Cost in m u.a.	Aid	
		m u.a.	% of cost
1. Di Paularo provincial mountain trunk road	11,2	2,4	21,4
2. Val d'Arzino and Val Colvera provincial trunk roads	5,9	0,9	15,6
3. 6 industrial areas	13,3	4,0	29,9
4. Reservoir and water supply works	25,6	7,7	30
TOTAL	56	15	26,8

As mentioned above for Article 580, no payments could be made in 1976; pursuant to the regulations, requests for aid under Article 581 were not to be presented until the end of the financial year 1976 and therefore payment will be made in 1977.

TITLES 6 AND 7 - EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND -
GUARANTEE SECTION

The initial budget for 1976 adopted by the budgetary authority for the EAGGF Guarantee Section was 5.160,3 m u.a. When this budget was prepared it was not possible to take account of the decisions on farm prices for the 1976/1977 season, which were adopted in April 1976. Moreover, monetary difficulties were particularly acute in 1976, as the value of some Community currencies declined sharply.

The appropriations according to the initial estimates were exceeded by about 9,0% overall.

Because of the economic situation or as a result of decisions taken, the initial appropriations proved to be insufficient for ten sectors: rice, dairy products, sugar, fruit and vegetables, tobacco, fisheries, the other sectors with common organization of the market, non-Annex II products*, accession compensatory amounts and monetary compensatory amounts.

In addition, savings which it was possible to make in the other sectors (cereals, oils and fats, beef and pigmeat, eggs and poultrymeat, and wine) were insufficient to enable the expenditure to be met from the initial budget appropriations.

*Agricultural products processed into goods and not covered by Annex II of the EEC Treaty but covered by Regulation (EEC) No 159/69 of 28 May 1969.

1. Adjustment of initial appropriations

The decisions taken in 1976 enabled the funds available for commitments to be increased, in accordance with Article 107 of the Financial Regulation, by 674,97 m u.a., or 13% of the appropriations initially provided for under Titles 6 and 7. The following changes were made during the year:

- (a) On 8 April 1976 the Council approved the transfer of 42,4 m u.a. from Titles 6 and 7 to Chapter 92, "Food aid";
- (b) On 16 September 1976 the Parliament adopted Supplementary and amending budget No 2, which increased the appropriations to Titles 6 and 7 by 717,37 m u.a.

2. Movement in the advances granted to the paying agencies

The table that follows shows the monthly advances granted to the paying agencies.

The last column gives, as a percentage, the relationship between the advance granted for the month and the amount - the theoretical monthly average - which would have had to be granted if the initial appropriations of 5.160,3 m u.a. were not to be exceeded (5.160,3 = 430 m u.a.).

in m.u.a.

	Advance for the month		Total c=a+b	Cumulative total	As % of the theoretical monthly norm: $\frac{c}{430} \times 100$ (*)
	Ordinary a	Extra- ordinary b			
Available at 31.12.1975	8,6				
JANUARY	424,2		424,2	432,8	98,6%
FEBRUARY	395,3		395,3	828,1	91,9%
MARCH	379,7	50	429,7	1.257,8	99,9%
APRIL	461,3		461,3	1.719,1	107, %
MAY	411,8		411,8	2.130,9	95,7%
JUNE	537,1		537,1	2.668,	124,9%
JULY	572,		572	3.240	133 %
AUGUST	439,2		439,2	3.679,2	102 %
SEPTEMBER	473,1		473,1	4.152,3	110 %
OCTOBER	401	32	433	4.585,3	100,6%
NOVEMBER	372,6		372,6	4.957,9	86 %
DECEMBER	668,3	50	718,3	5.676,2	167 %

(*) theoretical monthly average, see page 98, point 2.

3. Analysis by sector (see table on page 100)

The initial appropriations - 5.160,3 m u.a. - fell short of the sum required to cover total expenditure by 9,03%. This is the result of divergent movements in the different chapters of the EAGGF, Guarantee Section, since:

- the savings recorded for six budget chapters amounted to 318,90 m u.a.;
- whereas ten chapters had insufficient appropriations to an amount of 784,80 m u.a.

a. Chapters which produced savings compared with the budget

CEREALS

+104,92 m u.a.

The amount of appropriation remaining available (104,92 m u.a.) results from divergent movements on different budgetary lines:

- the delays which arose in implementing food aid programmes producing a saving of about 25 m u.a.;
- the delays which arose in payment of aid for durum wheat, producing a saving of 64,8 m u.a.;
- improvement of Community organization of the cereals market (more appropriate relative price levels of cereals, which created greater flexibility in the market), together with a more favourable market situation, enabled the appropriation of 26,6 m u.a. initially provided for payment of premiums for incorporating wheat in animal feed not to be used;
- storage costs were 10,9 m u.a. lower than had been estimated;
- however, because of the depressed state of the world cereals market and despite lower volumes of exports than had been estimated, the appropriations for refunds on sales fell short of requirements by 44,1 m u.a.

OILS AND FATS

+102,61 m u.a.

The saving here arose mainly from delays compared with the initial estimates in payments of aid in respect of olive oil.

The budget for aid in respect of oilseeds was implemented in accordance with the initial estimates.

BEEF AND VEAL

+36,25 m u.a.

In overall terms the budget for refunds on exports was implemented in accordance with the initial estimates.

The appropriations for storage fell about 9 m u.a. short of requirements, because of the drought in the spring and summer of 1976; a rise in the cost of private storage was experienced.

The bulk of the saving obtained in this sector came from lateness in the payment of some premiums and from the granting of fewer premiums than expected.

PIGMEAT

+41,06 m u.a.

EGGS AND POULTRYMEAT

+10,88 m u.a.

WINE

+23,18 m u.a.

The economic situation was more favourable for these sectors than had been anticipated, producing some savings compared with the budget.

b. Chapters which had insufficient appropriations

MILK AND DAIRY PRODUCTS

Shortfall: 110,39 m u.a.

- Export refunds

Because of low world market prices the actual expenditure exceeded the initial estimates by 130 m u.a. (higher refund levels). It should also be noted that the appropriations for refunds on food aid exports were increased during the year (SB* No 2) to provide for the new programme for the supply of 150.000 tonnes of milk powder to the developing countries. However, because the decision of the budgetary authority was taken late in the year, it was not possible to enter the commitments for more than a small part of those appropriations.

- Intervention, skimmed milk

The quantities which received aid from skimmed milk powder for use in animal feed were larger than had been estimated; moreover the levels of aid were raised. Hence, the appropriations of Item 6210 were exceeded by 33 m u.a.

The higher levels of aid, because of the drought, produced a shortfall of 8,9 m u.a. in the appropriations to Item 6211 (Aid for liquid skimmed milk for use in animal feed).

With regard to Item 6214 (Public storage and special disposal measures), the saving obtained (14 m u.a.) calls for two comments:

- the obligatory incorporation of about 400.000 tonnes of milk powder in animal feed, under a decision of the Council, meant substantial savings compared with the budget, because the rate for such use was 360 u.a. per tonne, whereas the initial budget was prepared from a hypothetical rate for disposal of 700 u.a. per ton;

*Supplementary budget No 2/1976.

- in December 1976 the Council decided that part of the value of old stocks of milk powder should be written off. The estimated cost of that operation to be met from the budget for 1976 was about 156 m u.a.

- Intervention, butter and cream

Overall the implementation of the budget for intervention in this category was achieved with the available appropriations.

- Storage of cheese

A saving of 31,6 m u.a. was obtained on this item, as a result of sales at prices above the purchase price.

SUGAR

Shortfall: 56,08 m u.a.

The insufficiency of appropriations is attributable:

- partly to the low world market prices and a higher volume of exports than anticipated, which produced expenditure on export refunds that was 20 m u.a. higher than the initial estimates;
- partly to reimbursements of storage costs in excess of the initial estimates, because the actual average period of storage was longer than provided for in the estimates (14 m u.a.);
- partly to sugar import subsidies having been higher than anticipated, because compensatory amounts were paid under the IMEX* system which remained applicable until the end of the third quarter of 1976.

*IMEX involved an import subsidy scheme for sugar, with provision for an equal volume of exports (import-export scheme), introduced during the 1975/1976 season.

FRUIT AND VEGETABLES

Shortfall: 131,6 m u.a.

The appropriations were found to be insufficient to meet export refunds on fresh fruit and vegetables. In addition, larger volumes of production of apples and peaches than expected meant payment of larger sums of withdrawal compensation.

TOBACCO

Shortfall: 26,55 m u.a.

Expenditure for this sector was higher than estimated, mainly because there were more payments of premiums than anticipated.

NON-ANNEX II PRODUCTS*

Shortfall: 42,44 m u.a.

The low world market prices for many products (sugar, cereals, etc) raised the expenditure on refunds for processed products. In addition, there was a higher volume of exports of these products in 1976.

ACCESSION COMPENSATORY AMOUNTS

Shortfall: 97,88 m u.a.

A faster increase in trade between the original Member States and the United Kingdom produced this shortfall of appropriations.

* Processed agricultural products not included in Annex II of the EEC Treaty but included in Regulation (EEC) 159/69 of 28 May 1969.

MONETARY COMPENSATORY AMOUNTS

Shortfall: 244 m u.a.

The 1976 budget was drawn up on the basis of the monetary situation as it appeared in September 1975, when the estimates were made. But during 1976 the exchange values of some currencies in the Community dropped very considerably.

CURRENCY	MCA points applied at frontiers		
	September 1975 (date of adoption of the budget for 1976)	Highest level reached	
		first half of 1976	second half of 1976
DM	+ 10	+ 10	+ 7,5
Bfr/Lfr	+ 2	+ 2	+ 1,4
Fl	+ 2	+ 2	+ 1,4
FF	0	- 2,6	- 17,5
Lit	0	- 20,5	- 21,9
£	- 8	- 20,9	- 45
£ Ir	- 2,4	- 16,8	- 29,3

The overall effect of this deterioration in the monetary situation was a need for supplementary appropriations of 244,04 m u.a. That increase is equivalent to 94% of the appropriations initially entered in the 1976 budget (260,7 m u.a.).

It should be noted that the payments system introduced by the Council on 29 April 1976 (payment of grants of compensatory amounts at the time of import into Italy and into the United Kingdom, by the exporting countries) greatly reduced the shortfall in appropriations, by saving costs arising from the two rates of conversion.

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

1. Salient points

Four salient points should be mentioned in analysing the financial performance of the EAGGF, Guidance Section, in 1976:

- The Section operated satisfactorily from the point of view of compliance with the budget, because there was commitment of 303 m u.a. out of 325 m u.a. in 1976, whereas in previous years non-automatic carry-over of large amounts allotted to individual projects (2nd instalment) was necessary.
- The difficulties which arose in the previous year in utilization of the EAGGF, Guidance Section, appropriations for common measures, especially those relating to the reform of agriculture, in pursuance of the "socio-structural" directives¹, were not overcome in 1976, although there was improvement in the application of these common measures. The outcome was that the appropriations entered for those purposes in the budget for 1976 exceeded the expenditure incurred.
- It was decided that the provisions of Article 6(4) of Regulation (EEC) No 729/70² should be applied in order to increase the appropriations for financing individual projects under Article 13 of Regulation (EEC) No 17/64.
- The coming into force in 1976 of Council Regulation (EEC) No 3171/75 of 3 December 1975 permitted the re-utilization for individual 1976 projects of a total of 28,7 m u.a. from appropriations disallowed.

2. Adjustment of initial appropriations

The Council Decision of 23 November 1976 relating to transfers from one chapter to another within Title 8 - EAGGF, Guidance Section - enabled increases to be made in the appropriations for:

- individual projects under Chapter 80 (+ 94,27 m u.a.);
- two categories of common measures: aid to groups of hop producers (+ 0,3 m u.a.) and premiums to encourage the development of beef and veal production (+ 10,5 m u.a.).

Adjustment of the initial appropriations was justified by the fact that without such adjustment, and on the basis of the requests for reimbursement the bulk of which were submitted by Member States before 30 June 1976, more than 50% of the appropriations initially provided for common measures and special measures would have remained unused, whereas the requests for assistance submitted under Regulation (EEC) No 17/64 for individual projects were just as large in volume as in previous years.

¹(a) Council Directive No 72/159/EEC of 17 April 1972 (OJ No L 96 of 23 April 1972, page 1).
(b) Council Directive No 72/160/EEC of 17 April 1972 (OJ No L 96 of 23 April 1972, page 9).
(c) Council Directive No 72/161/EEC of 17 April 1972 (OJ No L 96 of 23 April 1972, page 16).

²Council Decision of 23 November 1976.

It should be noted that this decision enabled the 45,3 m u.a. appropriated to Item 8311, "Premiums for the reconstitution of livestock herds", to be released for expenditure of the Guidance Section of the EAGGF. It will be recalled that this appropriation was blocked pending a Council decision on a proposal for a regulation amending Regulation (EEC) No 464/75 of 27 February 1975 introducing a scheme of premiums for cattle farmers. That proposal provided for charging half the expenditure arising from the grant of the premiums to the Guidance Section of the EAGGF instead of charging the whole of it to the Guarantee Section.

3. Analysis by type of operation

A. Individual projects

(a) Commitments

The available appropriations of the Guidance Section for 1976 totalled 325 m u.a. It is noteworthy that for the first time the Commission succeeded in entering into commitments for the whole of the appropriations for individual projects before the end of the financial year. From the total Guidance Section appropriations a sum of 141,2 m u.a. was reserved for financing individual projects. That sum was augmented by appropriations recovered under the provisions of Article 2 of Council Regulation (EEC) No 3171/75 of 3 December 1975, totalling 28,72 m u.a., and by appropriations remaining available under other chapters, totalling 94,27 m u.a. Thus, the grand total of appropriations available for individual projects in 1976 was 264,19 m u.a.

Commitments in connection with that total were made in two instalments, for 73,26 and for 190,93 m u.a., respectively. Accordingly, 100% of the authorized appropriations had been committed at 31 December 1976.

Of a total of 1.160 requests for aid presented for 1976, 930 fulfilled the provisions of Regulation (EEC) No 17/64. From the eligible requests the Commission selected 808 projects, using as its criteria:

- the priority prescribed in Article 15 of Regulation (EEC) No 17/64;
- the need for a well-balanced distribution over the Community of assistance from the Fund.

The distribution between Member States of the grants of aid and the number of projects are shown in the table on the next page.

Member State	Number of projects	Aid from EAGGF, Guidance Section	
		m.u.a.	%
FRG	177	49,01	18,5
Belgium	76	14,31	5,4
Denmark	33	10,36	3,9
France	82	43,57	16,5
Ireland	96	22,70	8,6
Italy	203	85,25	32,3
Luxembourg	2	0,16	0,1
Netherlands	35	12,21	4,6
United Kingdom	104	26,62	10,1
TOTAL	808	264,19	100

(b) Payments

The effect of the rules currently in force in respect of individual projects was that at 31 December 1976 only 771.970 u.a. had been paid against projects for which commitments had been entered into in 1976 (= 0,3% of the commitments).

B. Common measures and special measures

The initial appropriations (325 - 141,2 = 183,8 m u.a.) were reduced by 94,3 m u.a., thus leaving 89,5 m u.a., because the needs of Member States were below the estimates.

Of this total of 89,5 m u.a. a sum of 67,4 m u.a. had been committed and paid at 31 December 1976 (= 75,3% of the appropriations after transfers), 44,6 m u.a. of this under the four socio-structural directives¹.

¹ See footnotes 1 on pages 107 and 110.

Examination of financing under the socio-structural directives reveals that only 49% of the initial appropriations was used in commitments and payments. The reason is as follows:

Contrary to the estimates, there was no application from several Member States for aid in respect of expenditure in 1975 under the head of one or more of the four socio-structural directives¹. This is not surprising in the case of the mountain and hill farming directive, which did not come into operation until 1975. But in the case of the 1972 directives there are several much more complicated reasons. They involve both the nature of the directives themselves and the conditions of application. At the time of preparation of this report the procedure for implementation of Directive No 159/72/EEC had not been completed in France or in Italy, yet in 1975 the combined AUA² of these two countries was 55% of the Community total.

The table below shows which of the Member States have applied for payments on account or reimbursement under the four directives in 1976.

Member State \ Socio-structural measures	Modern-ization (159/72)	Cessation of farming (161/72)	Vocational training (161/72)	Hill farming (268/75)
FRG	Yes	Yes	Yes	Yes
Belgium	Yes	Yes	<u>No</u>	<u>No</u>
Denmark	Yes	<u>No</u> *	Yes	<u>No</u>
France	<u>No</u>	<u>No</u>	Yes	Yes
Ireland	Yes	Yes	Yes	Yes
Italy	<u>No</u>	<u>No</u>	<u>No</u>	<u>No</u>
Luxembourg	Yes	Yes	<u>No</u>	<u>No</u>
Netherlands	Yes	Yes	<u>No</u> *	<u>No</u>
United Kingdom	Yes	Yes	Yes	Yes

+ Denmark: special permission; Netherlands: special regulation.

- ¹(a)
 (b) see footnote on page 107
 (c)
 (d) Council Directive No 75/268/EEC of 28 April 1975 (OJ No L 128 of 19 April 1975, p. 1).

²AUA: area in use for agriculture.

In relation to the adjusted appropriations after transfers, the extent of utilization by commitment and payment was 90,5% for common socio-structural measures and 56,5% for other common measures and special measures.

There were six reasons for the non-utilization of part of the appropriations:

- (1) The final applications for reimbursement presented by the Member States were for lower levels than shown by the reports supplied in September 1976 (for Vocational guidance and training, Aid for disadvantaged agricultural regions, Farm structure survey).
- (2) Additional information was not supplied by 31 December 1976 (Modernization of farms, Groups of hop producers, Premiums to encourage the development of beef production).
- (3) The national legislation of one Member State was not approved by the Commission (Cessation of farming) or the method of calculation was not approved (Premiums to encourage the development of beef production).
- (4) No project was referred even though the measures remain applicable until the end of 1977 (Conversion in the salt cod-fishing sector).
- (5) Payment was late in some Member States (Premiums for slaughtering cows and for non-marketing of milk).
- (6) The Commission was precluded from adopting a decision in the case of three Member States, because the latest data for presenting applications for reimbursement was 31 December (Groups of fruit and vegetable producers).

Mansholt Reserve

Further strengthening of the reserve is not planned. In the case of the unutilized appropriations for 1976 a request for non-automatic carry-over of the whole amount has been made, because it corresponds to those applications for aid from Member States in respect of which the Commission was unable to reach a decision in 1976, either because the information supplied was incomplete or because it did not accept the method of calculation employed.

It must, however, be pointed out that this non-automatic carry-over is very small - only 22 m u.a. - and shows that there has been a marked improvement in the manner of implementing this part of the budget.

The table on page 113 shows the utilization of appropriations by chapter and the tables on pages 114 and 115 give detailed information (by items) on the implementation of the budget. On page 116 there is a summary of all transfers from one chapter to another during 1976.

UTILIZATION OF APPROPRIATIONS AT 31 DECEMBER 1976 (by chapters)

in m u.a.

Budgetary classification	Heading	Appropriations authorized		Utilized in commitments		Utilized in payments		Automatic carry-overs col. 3 - 5	Balance remaining to be carried over non-automatically col. 2 - 3
		1976 appropriations (including Suppl. Budgets Nos. 1 and 2)	1976 appropriations after transfers	Commitments entered in to at 31.12.76	% of commitments utilized col. 3 col. 2	Payments made to 31.12.76	% of commitments col. 5 col. 3		
		1	2	3	4	5	6	7	8
TITLE 8	EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND								
Chapter 80	GUIDANCE SECTION Projects for the improvement of agricultural structures provided for under Art. 13 of Reg. No. 17/64	141,200	235,470 ¹	235,470 ¹	100,00	-	-	235,470 ¹	-
Chapter 81	Common measures for the reform of agricultural structures (pursuant to Council Resolution of 25.5.71)	91,000	49,309	44,627	90,50	44,627	100,00		4,681
Chapter 82	Common measures concerning the marketing and processing of agricultural products (pursuant to Council Resolution of 25.5.71)	1,500	1,807	0,811	44,88	0,811	100,00		0,996
Chapter 83	Common measures in particular sectors	71,300	32,301	17,677	54,73	17,677	100,00		14,624
Chapter 87	Appropriations to cover expenditure on common measures and special measures	-	-	-	-	-	-	-	-
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	20,000	6,113	4,250	69,52	4,250	100,00		1,863
	TOTAL OF TITLE 8	325,000	325,000 ¹	302,836 ¹	93,18	67,366	22,25	235,470	22,164

¹Plus a sum of 28.724.543 u.a., representing the re-utilization of amounts disallowed pursuant to Council Regulation (EEC) 3171/75 of 3 December 1975.

Implementation of the Budget in 1976 for the Guidance Section,
by Article and Item

		in u.a.				
Art.	Item	Heading	1976 appropriations (including transfers)	Commitments entered into at 31.12.76	Payments made at 31.12.76	Appropriations available Col.1-Col.2
800		<u>CHAPTER 80</u> <u>Projects for the improvement of agricultural structures provided for under Reg. No 17/64</u>				
		Total of Article 800	235.470.000 ¹	235.470.000 ¹	-	-
		<u>TOTAL OF CHAPTER 80</u>	235.470.000 ¹	235.470.000 ¹	-	-
810		<u>CHAPTER 81</u> <u>Common measures for the reform of agricultural structures (pursuant to Council Resolution of 25 May 1971)</u>				
	8100	Modernization of farms	9.827.500	6.964.498	6.964.498	2.863.002
	8101	Cessation of farming and reallocation of land for structural improvement	61.000	45.552	45.552	15.448
	8102	Vocational guidance and training	2.566.300	1.599.285	1.599.285	967.015
	8103	Mountain and hill farming and farming in certain less-favoured regions	36.854.000	36.018.155	36.018.155	835.845
	8104	Forestry measures for the improvement of agricultural structures	-	-	-	-
	8105	Special aid for young farmers	-	-	-	-
		Total of Article 810	49.308.800	44.627.490	44.627.490	4.681.310
		<u>TOTAL OF CHAPTER 81</u>	49.308.800	44.627.490	44.627.490	4.681.310
820		<u>CHAPTER 82</u> <u>Common measures concerning the marketing and processing of agricultural products (pursuant to Council Resolution of 25 May 1971)</u>				
	8200	Producer groups and associations thereof	-	-	-	-
	8201	Hop producer groups	1.807.300	811.271	811.271	996.029
	8202	Marketing and processing of agricultural products	-	-	-	-
		Total of Article 820	1.807.300	811.271	811.271	996.029
		<u>TOTAL OF CHAPTER 82</u>	1.807.300	811.271	811.271	996.029
830		<u>CHAPTER 83</u> <u>Fisheries sector</u>				
	8300	Conversion in the salt cod-fishing sector	600.000	-	-	600.000
	8301	Conversion in the deep-sea fishing sector	-	-	-	-
	8302	Conversion in the non-industrial inshore fishing sector	-	-	-	-
		Total of Article 830	600.000	-	-	600.000
831		<u>Beef and veal sector</u>				
	8310	Premiums to encourage the development of beef and veal production	26.500.500	15.011.213	15.011.213	11.489.287
	8311	Premiums for the reconstitution of livestock herds	-	-	-	-
		Total of Article 831	26.500.500	15.011.213	15.011.213	11.489.287

in m.u.a.

Art.	Item	Heading	1976	Commitments	Payments	Appropriations
			appropriations	entered into	made at	available
			1	2	3	Col.1 - Col.2 4
832	8320	Fruit and vegetable sector Statistical surveys of fruit trees	-	-	-	-
	8321	Reorganization of horticultural production under glass	-	-	-	-
		Total of Article 820	-	-	-	-
833		Priority regions sector				
	8330	Development operations in priority agricultural regions	-	-	-	-
		Total of Article 833	-	-	-	-
834	8340	Farm structure sector	5.200.000	2.665.493	2.665.493	2.534.507
		TOTAL OF CHAPTER 83	32.300.500	17.676.706	17.676.706	14.623.794
		CHAPTER 87				
870	8700	Appropriations to cover expenditure on common measures and special measures	-	-	-	-
		TOTAL OF CHAPTER 87	-	-	-	-
		CHAPTER 88				
880	8800	Appropriations set aside in previous financial years to finance expenditure in Chapters 81 to 83	-	-	-	-
		TOTAL OF CHAPTER 88	-	-	-	-
		CHAPTER 89				
890	8900	Special measures Producer groups in the fruit and vegetable sector	2.000.000	303.146	303.146	1.696.854
		Total of Article 890	2.000.000	303.146	303.146	1.696.854
891	8910	Premiums for slaughtering cows and for non-marketing of milk	2.000.000	1.834.094	1.834.094	165.906
		Total of Article 891	2.000.000	1.834.094	1.834.094	165.906
892	8920	Premium for grubbing fruit trees	193.500	193.343	193.343	157
		Total of Article 892	193.500	193.343	193.343	157
893	8930	Improvements in the citrus fruit sector	1.778.200	1.778.169	1.778.169	31
		Total of Article 893	1.778.200	1.778.169	1.778.169	31
894	8940	Producer groups in the fisheries sector	141.700	141.665	141.665	35
		Total of Article 894	141.700	141.665	141.665	35
		TOTAL OF CHAPTER 89	6.113.400	4.250.417	4.250.417	1.862.983
		TOTAL TITLE 8	325.000.000 ¹	302.835.883 ¹	67.365.883	22.164.117

¹Plus a sum of 28.724.543 u.a., as re-utilization of amounts disallowed pursuant to Council Regulation (EEC) 3171/75 of 3 December 1975.

Summary of all transfers between chapters in 1976

u.a.

Chapter to which transfer made	Amount	Chapter from which transfer made	Amount
80 Projects for the improvement of agricultural structures provided for under Article 13 of Regulation (EEC) No 17/64	94.270.000	81 Common measures for the reform of agricultural structures Art. 810 Item 8100 Modernization of farms Item 8101 Cessation of farming and reallocation of land for structural improvement	19.172.500
82 Common measures concerning the marketing and processing of agricultural products Art. 820 Item 8201 Hop producer groups	307.300	Item 8102 Vocational guidance and training Item 8103 Mountain and hill farming and farming in certain less-favoured regions	5.939.000 3.433.700
83 - Art. 831 Item 8310 Premiums to encourage the development of beef and veal production	10.500.500	83 Common measures in particular sectors Art. 830 Item 8300 Conversion in the salt cod-fishing sector Art. 831 Item 8311 Premiums for the reconstitution of livestock herds Art. 832 Item 8321 Reorganization of horticultural production under glass	700.000 45.300.000 3.500.000
89 Special measures Art. 892 Premiums for grubbing fruit trees Art. 893 Improvements in the citrus fruit sector Art. 894 Producer groups in the fisheries sector	105.077.800	Art. 892 Premiums for grubbing fruit trees Art. 893 Improvements in the citrus fruit sector Art. 894 Producer groups in the fisheries sector	7.806.500 5.221.800 858.300
TOTAL	105.077.800		105.077.800

TITLE 9 - EXPENDITURE ON FOOD AID AND COOPERATION WITH THE DEVELOPING COUNTRIES AND OTHER EXPENDITURE

The rate of utilization of appropriations was 79,69%.

CHAPTER 90 - FINANCIAL AND TECHNICAL COOPERATION WITH NON-ASSOCIATED DEVELOPING COUNTRIES

The extent of commitment of appropriations was 99,71%.

Article 900 - Financial cooperation with non-associated developing countries

Formal approval by the Council of the assignment of the appropriation of 20 m u.a. entered in the budget for 1976 to help non-associated developing countries was not given until 3 December 1976 and commitments in respect of that sum could not be entered into until the last few days of the year. No payments were possible in 1976 and the whole of the 20 m u.a. will therefore be automatically carried over to the financial year 1977.

That sum, which is intended as priority finance for agricultural development projects designed to increase the self-sufficiency in food of the recipients, was allotted to India, Pakistan, Bangladesh, Sri Lanka, Bolivia and Indonesia and also to two regional projects in Asia.

Article 901 - Promotion of trade between the Community and non-associated developing countries

The sum total of commitments - from an available appropriation of 3.500.000 u.a. - was 3.433.319 u.a., and payments of 213.143 u.a. were made. The commitments were used mainly to finance trade visits and events to promote exports from the developing countries to the Common Market (trade promotion seminars, fairs, etc). Because of the length of time it takes to get these operations under way, many of the commitment arrangements could not be finalized until the end of the year, hence the low level of use in payments.

CHAPTER 92 - FOOD AID

The appropriations for 1976 entered in Chapter 92, "Food aid", totalled 289.630.000 u.a., consisting of 206.600.000 u.a. entered in the ordinary budget, 40.630.000 u.a. entered in Supplementary Budget No 2, approved on 16 September 1976, and 42.400.000 u.a. transferred from the EAGGF, Guarantee Section, under a Decision of 8 April 1976.

The utilization of these appropriations was as follows:

From a total of 289.630.000 u.a., commitments were entered into to an amount of 224.834.178 u.a., or 77,63%.

A request has been made to the Council for carry-over of an amount of 17.150.000 u.a. This amount is needed to finance the delivery of supplies still available as "reserves" from the 1976 programmes. The allotment of these supplies will be decided by the Council when it approves the 1977 programmes.

A sum of 47.645.822 u.a. is to be cancelled. Because of the drop in world prices this sum will not be needed for implementation of programmes.

Thus, the utilization of the appropriations was satisfactory from the point of view of commitments but payments did not keep pace with these and totalled 52.681.267 u.a. There is to be automatic carry-over of 172.152.911 u.a., for payment in 1977. These figures reveal that it was not possible to reduce the backlog in implementing the food aid programmes in 1976, despite the efforts made by the administrative unit concerned.

CHAPTER 93 - SPECIFIC MEASURES FOR FINANCIAL AND TECHNICAL COOPERATION WITH DEVELOPING COUNTRIES

The appropriations were committed to the extent of 97,35%.

Article 930 - Expenditure resulting from the agreement between the EEC and UNRWA

An amount of 3.022.000 u.a., from 3.175.000 u.a. available, was committed and paid as the first instalment under the new agreement between the EEC and UNRWA. Payment of the whole amount was made.

The grant, allocated in cash form to UNRWA, covered the purchase of foods and the administrative costs arising from its supplementary food programme for Palestinian refugees.

Article 931 - Measures for nationals of non-associated overseas countries

From the 100.000 u.a. available under this Article, 99.447 u.a. had been committed by 31 December 1976. Payments had then reached 62.706 u.a. The level of utilization of these appropriations through commitments can therefore be regarded as highly satisfactory.

Article 932 - Aid to the management of training institutes for nationals of developing countries

The appropriation of 110.000 u.a., which takes the form of a grant to the European Training Centre for Statisticians and Economists of the Developing Countries, in Paris, had already been committed and paid in full in April 1976.

Article 933 - Measures to promote export trade of non-associated developing countries in Community markets

From the 840.000 u.a. available, 831.129 u.a. was committed for such measures and 546.988 u.a. was paid. The level of utilization is therefore satisfactory. The bulk of these appropriations was used to finance the participation of non-associated developing countries at various fairs and trade exhibitions.

Article 934 - Measures to encourage regional or subregional integration between developing countries

Measures financed under this head, which involve protracted preparatory work, progressed slowly in the early part of the year but at 31 December 1976 commitments had been entered into for 243.236 u.a. out of the total of 260.000 u.a. available. In the circumstances, payments amounted to only 21.416 u.a.

Article 936 - Organization of seminars on development aid

The appropriation of 77.000 u.a. assigned to financing the organization of seminars on the Community's generalized preference system for non-associated developing countries was committed to the extent of 67.161 u.a. The level of payments was 41.927 u.a.

Article 938 - Aid for cooperation projects with developing countries carried out by non-governmental organizations

In fulfilment of its undertakings, the Commission began entering into commitments under this head in June 1976. Despite this late start, the whole amount of 2.500.000 u.a. had been committed by 31 December 1976. The greater part of this appropriation was used to finance very small-scale agricultural operations, with a view to improving the living and working conditions of particularly impoverished communities. The level of payments (785.706 u.a.) may be regarded as satisfactory in the light of the late launch of operations.

CHAPTER 94 - EXCEPTIONAL MEASURES TO ASSIST DEVELOPING COUNTRIES

No appropriations were made to this chapter for 1976.

CHAPTER 98 - NON-ALLOCATED PROVISIONAL APPROPRIATIONS

The appropriations to this chapter totalled 20.558.893 u.a. and only 692.400 u.a. was used for the purposes proposed. It was not necessary to resort to the reserves set up (17.658.893 u.a.) to meet expenditure arising from the revision of remuneration. As a result, it was possible to allocate a total of 19.866.493 u.a. to meet the shortfall appearing in Chapter 29.

PURPOSE	Amounts forecast	Amounts transferred
1. Revision of remuneration	16.752.943	-
2. Campaign on behalf of young people	100.000	50.000*
3. Statistical surveys	1.200.000	-
4. Grants to European Trade Union Institute	50.000	30.000*
5. Training of national officials responsible for monitoring EAGGF expenditure	50.000	50.000*
6. Projects in the data-processing sector	1.500.000	562.400*
7. Supplementary budget of the European Schools	905.950	-
8. Increase in the appropriations to Chapter 29 - Repayment of costs incurred in collecting own resources	-	19.866.493
	<u>20.558.893</u>	<u>20.558.893</u>

* Transfers made to headings of the budget marked "token entry".

CHAPTER 99 - EXPENDITURE NOT SPECIFICALLY PROVIDED FOR

The appropriation to this chapter (3.000.000 u.a.), which constitutes a reserve, was completely used up. It was reallocated, by means of transfers, as follows:

1. Legal expenses (Art. 233)	100.000
2. Repayment of costs incurred in collecting own resources (Art. 290)	973.300
3. Action programme relating to scientific and technological policy (Art. 391)	16.500
4. Educational measures (Art. 392)	4.200
5. Community aid to disaster victims (Art. 400)	
Guatemala	500.000
Friuli	400.000
Ethiopia	120.000
Lebanon	270.000
Turkey	500.000
6. Subsidies to institutions of higher education (Art. 410)	38.000
7. Implementation of the International Coffee Agreement (Art. 443)	48.000*
8. Implementation of the International Cocoa Agreement (Art. 445)	30.000*
	<hr/>
	3.000.000
	=====

* Transfers made to headings of the budget marked "token entry".



UTILIZATION OF APPROPRIATIONS
FOR THE FINANCIAL YEAR 1976

COMMISSION OF THE EUROPEAN COMMUNITIES
 SUMMARY, BY CHAPTERS, OF IMPLEMENTATION OF THE EXPENDITURE BUDGET
 FOR SECTION III (THE COMMISSION)
 IN THE GENERAL BUDGET FOR THE FINANCIAL YEAR 1976,
 POSITION AT 31 DECEMBER 1976

in m.u.a.

Budgetary classification	Appropriations authorized for 1976		Utilized in commitments		Utilized in payments		Carry-over		Available appropriations incurring cancellation
	Total including supplementary or amending budgets Nos 1, 2 and 3	Total after transfer	Commitments entered into, at 31.12.76	% utilized compared with appropriations Col.3/Col.2	Payments made to 31.12.76	Payments as % of commitments Col.5/Col.3	Automatic (Col.3 minus Col.5)	Non-automatic	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
TITLE 1									
Chapter 10	1,983	1,983	1,878	94,70	1,878	100,00	-	-	0,105
Chapter 11	201,229	201,229	991,208	95,02	990,690	99,73	0,518	-	10,021
Chapter 12	15,334	15,334	11,477	75,84	11,223	97,79	0,254	-	3,657
Chapter 13	6,475	6,475	5,571	86,04	4,391	78,82	1,180	-	0,904
Chapter 14	2,019	2,019	1,988	98,46	1,559	78,42	0,430	-	0,031
Chapter 15	1,050	1,050	0,953	90,76	0,840	88,14	0,113	-	0,097
TOTAL OF TITLE 1	227,890	227,890	213,074	93,50	210,500	98,83	2,494	-	14,815

COMMISSION OF THE EUROPEAN COMMUNITIES

SUMMARY, BY CHAPTERS, OF IMPLEMENTATION OF THE EXPENDITURE BUDGET
FOR SECTION III (THE COMMISSION)
IN THE GENERAL BUDGET FOR THE FINANCIAL YEAR 1976:
POSITION AT 31 DECEMBER 1976

in m.u.a.

Budgetary classification	Appropriations authorized for 1976		Utilized in commitments		Utilized in payments		Carry-over		Available appropriations incurring cancellation
	(1) Total, incl. Suppl. or Amending Budgets Nos. 1, 2 and 3	(2) Total after transfer	(3) Commitments entered into at 31.12.76	(4) % utilized compared with appropriations Col. 3	(5) Payments made to 31.12.76	(6) Payments as % of commitments Col. 5	(7) Automatic (Col. 3 minus Col. 5)	(8) Non-automatic	
TITLE 2									
Chapter 20									
Chapter 21									
Chapter 22									
Chapter 23									
Chapter 24									
Chapter 25									
Chapter 26									
Chapter 27									
Chapter 29									
TOTAL OF TITLE 2	502,832	523,671	523,671	100,00	367,802	70,24	155,869	-	-
	585,809	606,798	602,087	99,22	428,245	71,13	173,842	0,070	4,641

SUMMARY, BY CHAPTERS, OF IMPLEMENTATION OF THE EXPENDITURE BUDGET FOR SECTION III (THE COMMISSION) IN THE GENERAL BUDGET FOR THE FINANCIAL YEAR 1976: POSITION AT 31 DECEMBER 1976

COMMISSION OF THE EUROPEAN COMMUNITIES

in m.u.a.

Budgetary classification	Heading	Appropriations authorized for 1976		Utilized in commitments		Utilized in payments		Carry-over		Available appropriations incurring cancellation
		Total including Suppl. or Amending Budgets Nos. 1, 2 and 3	Total after transfer	Commitments entered into, at 31.12.76	% utilized compared with appropriations $\frac{\text{col. 3}}{\text{col. 2}}$	Payments made to 31.12.76	Payments as % of commitments $\frac{\text{col. 5}}{\text{col. 3}}$	Automatic (col. 3 minus col. 5)	Non-automatic	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
TITLE 3	EXPENDITURE ON SPECIFIC PROJECTS UNDERTAKEN BY THE INSTITUTION									
Chapter 30	Expenditure in the social sector	6,730	6,094	5,255	86,23	1,774	33,76	3,481	0,044	0,795
Chapter 31	Expenditure in the agricultural sector	5,163	5,213	5,080	97,45	1,552	30,55	3,528	-	0,133
Chapter 32	Expenditure in the industrial and energy sectors	30,090	30,652	25,720	85,91	0,039	0,15	25,681	4,933	-
Chapter 33	Expenditure on research and investment	See next page								
Chapter 34	Expenditure relating to safeguards	0,650	0,650	0,542	86,03	0,337	62,18	0,205	-	0,088
Chapter 35	Protection of man and his environment	4,820	3,520	3,136	89,09	1,634	52,10	1,502	-	0,384
Chapter 36	Expenditure on scientific and technical information and on information management	3,370	3,370	3,351	99,44	0,876	26,14	2,475	-	0,079
Chapter 38	Loan of services between institutions	0,360	0,360	0,360	100,00	0,343	95,28	0,017	-	-
Chapter 39	Other expenditure on specific projects undertaken by the institution	1,500	1,521	1,449	95,27	0,358	24,71	1,091	-	0,072
	TOTAL OF TITLE 3*	52,663	51,360	44,893	87,41	6,913	15,40	37,980	4,977	1,490

* excluding Chapter 33.

COMMISSION
OF THE
EUROPEAN COMMUNITIES

SUMMARY, BY CHAPTERS, OF IMPLEMENTATION OF THE EXPENDITURE BUDGET
FOR SECTION III (THE COMMISSION)
IN THE GENERAL BUDGET FOR THE FINANCIAL YEAR 1976,
POSITION AT 31 DECEMBER 1976

in m.u.a.

Budgetary classification and heading	Commitment appropriations	Utilized in commitments		Payment appropriations	Utilized in payments		Payments against appropriations carried over non-automatically	Commitments during the year remaining to be paid	Payment appropriations carried over		Available appropriations incurring cancellation
		Amount	% of appropriations		Amount	% of appropriations			Automatic	Non-automatic	
1	2	3	4	5	6	7	8	9	10	11	12
CHAPTER 33 EXPENDITURE ON RESEARCH AND INVESTMENT											
Commitment appropriations remaining at the close of the financial year 1975	12,902 ¹										
Commitment appropriations entered in the Budget for the financial year 1976	299,233										
TOTAL	312,135	121,814	39,03	135,183	84,101	62,21	1,067	38,824	28,262	5,095	17,725

¹ Including funds from amounts disallowed in 1976 from unpaid commitments in previous financial years.

² Including 2,091 m.u.a. from commitments remaining unpaid at the close of the financial year 1975.

Budgetary classification	Appropriations authorized for 1976		Utilized in commitments		Utilized in payments		Carry-over		Available appropriations incurring cancellation
	Total incl. Supp. or Amending Budgets Nos 1, 2 and 3	Total after transfer	Commitments entered into at 31.12.76 Col. 3	% utilized compared with appropriations Col. 3 Col. 2	Payments made to 31.12.76 Col. 5	Payments as % of commitments Col. 5 Col. 3	Automatic (Col. 3 minus Col. 5)	Non-automatic	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
TITLE 4									
AIDS, SUBSIDIES AND FINANCIAL CONTRIBUTIONS									
Chapter 40 Aids	3,100	4,890	4,890	100,00	4,890	100,00	-	-	-
Chapter 41 Subsidies and financial contributions	0,725	0,763	0,750	98,30	0,512	68,27	0,238	-	0,013
Chapter 42 Subsidy for balancing budgets	1,716	1,716	1,660	96,74	1,652	99,52	0,008	-	0,056
Chapter 43 European Schools	16,442	16,442	15,160	92,20	15,160	100,00	-	-	1,282
Chapter 44 EEC contribution to expenditure connected with international agreements	0,142	0,220	0,218	99,09	0,142	65,14	0,076	-	0,002
Chapter 48 Community loans to help Member States with balance of payments difficulties caused by the rise in prices of petroleum products	token entry	token entry	-	-	-	-	-	-	-
Chapter 49 Contribution towards financial aid from the European Investment Bank to Portugal	14,105	14,105	14,105	100,00	11,597	82,22	2,508	-	-
TOTAL OF TITLE 4	36,230	38,136	36,783	96,45	33,953	92,31	2,830	-	1,553

COMMISSION OF THE EUROPEAN COMMUNITIES
 SUMMARY, BY CHAPTERS, OF IMPLEMENTATION OF THE EXPENDITURE BUDGET
 FOR SECTION III (THE COMMISSION)
 IN THE GENERAL BUDGET FOR THE FINANCIAL YEAR 1976*
 POSITION OF 31 DECEMBER 1976
 in m.u.a.

Budgetary classification	Heading	Appropriations authorized for 1976		Utilized in commitments		Utilized in payments		Carry-over		Available appropriations incurring cancellation
		Total incl. Supp. or Amend. Budgets Nos 1, 2 and 3	Total after transfer	Commitments entered into at 31.12.76	% utilized compared with appropriations Col. 3 Col. 4	Payments made to 31.12.76	Payments as % of commitments Col. 5 Col. 6	Auto-matic (Col. 3 minus Col. 5)	Non-auto-matic	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
TITLE 5	FUNDS									
Chapter 50	SOCIAL FUND New Social Fund - Expenditure provided for under Article 4 of the Council Decision of 1 February 1971	170,000	170,000	166,708	98,06	1,609	0,97	165,099	-	3,292
Chapter 51	New Social Fund - Expenditure provided for under Article 5 of the Council Decision of 1 February 1971	270,000	270,000	269,765	99,91	6,282	2,33	263,483	-	0,235
Chapter 52	Social Fund - Pilot schemes and preparatory studies	1,000	1,000	0,959	95,90	0,307	32,01	0,652	-	0,041
Chapter 53	Social Fund - Expenditure provided for under Article 125(1)(a) of the EEC Treaty	token entry	1,966	1,966	100,00	1,966	100,00	-	-	-
Chapter 54	Social Fund - Expenditure provided for under Article 125 (1)(b) of the EEC Treaty	-	-	439,398	99,19	10,164	2,31	429,234	-	3,568
	TOTAL OF THE SOCIAL FUND	441,000	442,966	439,398	99,19	10,164	2,31	429,234	-	3,568

SUMMARY, BY CHAPTERS, OF IMPLEMENTATION OF THE EXPENDITURE BUDGET
FOR SECTION III (THE COMMISSION)
IN THE GENERAL BUDGET FOR THE FINANCIAL YEAR 1976 :

EUROPEAN COMMUNITIES

POSITION AT 31 DECEMBER 1976

in u.a.

Budgetary classification and heading	Commit- ment appropri- ations	Utilized in commitments		Commit- ment appropri- ations	Utilized in payments		Payments against pay- ment appro- priations carried over non-auto- matically	Commitments during the year remain- ing to be paid	Payment appropriations carried over		Available appropri- ations incurring cancel- lation
		Amount	% of appropri- ations		Amount	% of appropri- ations			Auto- matic	Non-auto- matic	
1	2	3	4	5	6	7	8	9	10	11	12
CHAPTER 55 <u>REGIONAL FUND</u>											
Commitment appropri- ations remaining at the close of the financial year 1975	0,221 ¹										
Commitment appropri- ations entered in the Budget for the financial year 1976	500,000										
TOTAL	500,221	500,122	99,98	300,000	218,000 ²	72,67	-	342,690	82,000	-	-

¹ Including funds from amounts disallowed in 1976 from unpaid commitments in previous financial years.

² Including 60,568 m u.a. from commitments remaining unpaid at the close of the financial year 1975.

COMMISSION OF THE EUROPEAN COMMUNITIES
 SUMMARY, BY CHAPTERS, OF IMPLEMENTATION OF THE EXPENDITURE BUDGET
 FOR SECTION III (THE COMMISSION)
 IN THE GENERAL BUDGET FOR THE FINANCIAL YEAR 1976
 POSITION AT 31 DECEMBER 1976

in m u.a.

Budgetary classification	Heading	Appropriations authorized for 1976		Utilized in commitments		Utilized in payments		Carry-over			Available appropriations incurring cancellation
		Total incl. Suppl. or Amend. Budgets Nos 1, 2 and 3	Total after transfer	Commitments entered into at 31.12.76	% utilized compared with appropriations Col.3/Col.2	Payments made to 31.12.76	Payments as % of commitments Col.5/Col.3	Automatic (Col.3 minus Col.5)	Non-automatic		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Chapter 58	Community aid to the Friuli disaster area	60,000	60,000	60,000	100,00	-	0,00	60,000	-	-	

Budgetary classification	Appropriations authorized for 1976		Utilized in commitments		Utilized in payments		Carry-over		Available appropriations incurring cancellation
	Total, incl. Suppl. or Amend. Budgets Nos 1, 2 and 3	Total after transfer	Commitments entered into at 31.12.76	% utilized compared with appropriations Col. 3 Col. 2	Payments made to 31.12.76 Col. 5	Payments as % of commitments Col. 5 Col. 3	Automatic (Col. 3 minus Col. 5)	Non-automatic	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
TITLES 6 & 7									
EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND									
GUARANTEE SECTION									
Chapter 60 Cereals	691,800	639,860	609,876	95,31	602,974	98,87	6,902	27,996	1,988
Chapter 61 Rice	30,000	28,420	26,902	94,66	26,902	100,00	-	1,144	0,374
Chapter 62 Milk and dairy products	1,982,470	2,114,710	2,051,490	97,01	1,976,215	96,33	75,275	63,215	0,005
Chapter 63 Oil and fats	441,300	310,600	308,686	99,38	299,649	97,07	9,037	-	1,914
Chapter 64 Sugar	258,400	228,800	226,478	98,99	226,478	100,00	-	-	2,322
Chapter 65 Beef and veal	750,400	647,400	643,452	99,34	636,793	99,01	6,359	-	4,248
Chapter 66 Pigmeat	69,000	43,680	27,944	63,97	23,207	83,05	4,736	-	15,736
Chapter 67 Eggs and poultrymeat	20,000	13,500	13,122	97,20	13,122	100,00	-	-	0,378
Chapter 68 Fruit and vegetables	157,800	246,800	244,400	99,03	95,173	38,94	-	-	2,400
Chapter 69 Wine	151,100	174,100	172,919	99,32	47,089	27,23	149,227	-	1,181
Chapter 70 Tobacco	208,300	231,300	229,850	99,37	80,189	34,89	125,830	-	1,450
Chapter 71 Fisheries	6,000	11,000	10,468	95,16	10,468	100,00	-	-	0,532
Chapter 72 Ethyl alcohol of agricultural origin	token entry	token entry	-		-		-	-	-
Chapter 73 Other sectors or products subject to common market organization	68,400	74,400	72,670	97,67	70,501	97,02	2,168	-	1,730

COMMISSION OF THE EUROPEAN COMMUNITIES
 SUMMARY, BY CHAPTERS, OF IMPLEMENTATION OF THE EXPENDITURE BUDGET
 FOR SECTION III (THE COMMISSION)
 IN THE GENERAL BUDGET FOR THE FINANCIAL YEAR 1976:
 POSITION AT 31 DECEMBER 1976

in m.u.a.

Budgetary classification	Heading	Appropriations authorized for 1976		Utilized in commitments		Utilized in payments		Carry-over		Available appropriations incurring cancellation
		Total including Suppl. or Amending Budgets Nos. 1, 2 and 3	Total after transfer	Commitments entered into, at 31.12.76	% utilized compared with appropriations col. 3 col. 2	Payments made to 31.12.76	Payments as % of commitments col. 5 col. 3	Automatic (col. 3 minus col. 5)	Non-automatic	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Chapter 74	Refunds on certain goods obtained by processing agricultural products	40,000	68,000	67,440	99,18	67,440	100,00	-	-	0,560
Chapter 75	Accession compensatory amounts granted in respect of intra-Community trade	392,000	392,000	359,882	91,81	359,882	100,00	-	-	32,118
Chapter 76	Expenditure arising from the monetary situation	610,700	610,700	504,740	82,65	504,740	100,00	-	-	105,960
Chapter 79	Appropriations in connection with clearance of accounts for periods prior to 1 January 1971 Provisional commitments which were not the subject of commitments under the Budget nomenclature	-	-	56,182	-	-	-	56,182	-	-/- 56,182
	TOTAL OF TITLES 6 & 7	5.877.670	5.835.270	5.626.200	96,42	5.040.822	89,60	585.378	92.355	116.775

SUMMARY, BY CHAPTERS, OF IMPLEMENTATION OF THE EXPENDITURE BUDGET
FOR SECTION III (THE COMMISSION)
IN THE GENERAL BUDGET FOR THE FINANCIAL YEAR 1976:
POSITION AT 31 DECEMBER 1976

in m.u.a.

Budgetary classification	Heading	Appropriations authorized for 1976		Utilized in commitments		Utilized in payments		Carry-over		Available appropriations incurring cancellation
		Total including Suppl. or Amending Budgets Nos. 1, 2 and 3	Total after transfer	Commitments entered into, at 31.12.76	Commitments % utilized compared with appropriations col. 3 / col. 2	Payments made to 31.12.76	Payments as % of commitments col. 5 / col. 3	Automatic (col. 3 minus col. 5)	Non-automatic	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
TITLE 8	EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND									
Chapter 80	GUIDANCE SECTION Projects for the improvement of agricultural structures provided for under Article 13 of Regulation (EEC) No 17/64	141,200	235,470	235,470	100,00	-	-	235,470	-	-
Chapter 81	Common measures for the reform of agricultural structures (pursuant to the Council Resolution of 25 May 1971)	91,000	49,309	44,627	90,50	44,627	100,00	-	4,681	-
Chapter 82	Common measures concerning the marketing and processing of agricultural products (pursuant to the Council Resolution of 25 May 1971)	1,500	1,807	0,811	44,88	0,811	100,00	-	0,996	-
Chapter 83	Common measures in particular sectors	71,300	32,301	17,677	54,73	17,677	100,00	-	14,624	-
Chapter 87	Appropriations to cover expenditure on common measures and special measures	-	-	-	-	-	-	-	-	-

COMMISSION OF THE EUROPEAN COMMUNITIES
 SUMMARY, BY CHAPTERS, OF IMPLEMENTATION OF THE EXPENDITURE BUDGET
 FOR SECTION III (THE COMMISSION)
 IN THE GENERAL BUDGET FOR THE FINANCIAL YEAR 1976:
 POSITION AT 31 DECEMBER 1976

Budgetary classification	Heading	Appropriations authorized for 1976		Utilized in commitments		Utilized in payments		Carry-over		Available appropriations incurring cancellation
		Total, including Suppl. or Amending Budgets Nos. 1, 2 and 3	Total after transfer	Commitments entered into, at 31.12.76	% utilized compared with appropriations	Payments made to 31.12.76	Payments as % of commitments	Automatic (col. 3 minus col. 5)	Non-automatic	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
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	20,000	6,113	4,250	69,52	4,250	100,00	-	1,863	-
	TOTAL OF TITLE 8	325,000	325,000	302,836	93,18	67,366	22,25	235,470	22,164	-

in m.u.a.

LIST OF ALL TRANSFERS BETWEEN
CHAPTERS DURING 1976

LIST OF ALL TRANSFERS BETWEEN
CHAPTERS OF THE BUDGET DURING 1976

ANNEX B

in m u.a.

CHAPTER TO WHICH TRANSFER MADE	AMOUNT	CHAPTER FROM WHICH TRANSFER MADE
23. Current administrative expenditure - Legal expenses	100.000	99. Expenditure not specifically provided for
25. Expenditure for formal and other meetings- Campaign on behalf of young people	50.000	98. Non-allocated provisional appropriations
29. Other expenditure - Lump-sum repayment of cost incurred in collecting own resources	20.839.793	98. Non-allocated provisional appropriations: 19.866.493 99. Expenditure not specifically provided for: 973.300
30. Expenditure in the social sector - European Trade Union Institute	30.000	98. Non-allocated provisional appropriations
31. Expenditure in the agricultural sector - Training of national officials responsible for monitoring EAGGF expenditure	50.000	98. Non-allocation provisional appropriations
32. Expenditure in the industrial sector - Research projects in the data-processing sector	562.400	98. Non-allocated provisional appropriations
39. Other expenditure on specific projects undertaken by the institution - Action programme relating to scientific and technological policy (16.500); Educational measures (4.200)	20.700	99. Expenditure not specifically provided for
40. Aids Community aid to disaster victims Guatemala: 500.000 Friuli : 400.000 Ethiopia : 120.000 Lebanon : 270.000 Turkey : 500.000	1.790.000	99. Expenditure not specifically provided for
41. Subsidies and financial contributions - Subsidies to institutions of higher education	38.000	99. Expenditure not specifically provided for
44. EEC contribution to administrative expenditure connected with international agreements - coffee : 48.000 cocoa : 30.000	78.000	99. Expenditure not specifically provided for
53. Social Fund	1.966.084	30. Expenditure in the social sector: 666.084 35. Protection of man and his environment: 1.300.000
62. Milk and dairy products	184.640.000	60. Cereals : 51.940.000 61. Rice : 1.580.000 63. Oils and fats: 130.700.000 64. Sugar : 420.000
64. Sugar	12.000.000	66. Pigeat
68. Fruit and vegetables	89.000.000	62. Milk & dairy products: 8.000.000 65. Beef and veal : 74.000.000 66. Pigeat : 7.000.000
69. Wine	23.000.000	65. Beef and veal
70. Tobacco	23.000.000	64. Sugar
71. Fisheries	5.000.000	62. Milk & dairy products: 2.000.000 64. Sugar : 3.000.000
73. Other common organizations of the market	6.000.000	64. Sugar
74. Refunds on certain goods obtained by processing agricultural products	28.000.000	64. Sugar : 9.180.000 65. Beef and veal : 6.000.000 66. Pigeat : 6.320.000 67. Eggs and poultrymeat : 6.500.000
80. Projects for the improvement of agricul- tural structures provided for under Article 13 of Regulation (EEC) No 17/64	94.270.000	81. Common measures for the reform of agri- cultural structures: 41.691.200 83. Common measures in particular sectors: 49.500.000 89. Special measures: 3.078.800
82. Common measures concerning the marketing and processing of agricultural products	307.300	89. Special measures
83. Common measures in particular sectors	10.500.500	89. Special measures
92. Food aid	42.400.000	62. Milk & dairy products
	543.642.777	

1. AUTOMATIC CARRY-OVERS

Annex C below shows the implementation of automatic carry-overs in 1976. The following comments are appropriate, in addition to the review supplied in the "General assessment" in this report.

TITLE 1 - EXPENDITURE RELATING TO PERSONS WORKING WITH THE INSTITUTION

The rate of utilization was 94,35%, compared with 71,66% in 1975.

Implementation was highly satisfactory for all the chapters of this title, including Chapter 13 (99,86%) and Chapter 15 (100%), where some of the commitments had been of a provisional nature.

TITLE 2 - BUILDINGS, EQUIPMENT AND MISCELLANEOUS ADMINISTRATIVE EXPENDITURE

There was a very high level of implementation: 98,70%, compared with 98,17% in 1975.

CHAPTER 21 - Rental of buildings and associated expenditure

CHAPTER 22 - Movable property and associated expenditure

CHAPTER 23 - Current administrative expenditure

The percentage of utilization - about 87% - reflects the difficulty of making precise calculations in respect of administrative expenditure. Because of the difficulty of estimating on the one hand the parameters for calculations and the date when higher charges will come into operation, and on the other hand the level of consumption of the services involved, circumstances are conducive to a slight over-estimation of the appropriations, with the result that appropriations have to be carried over.

CHAPTER 25 - Expenditure for formal and other meetings

The relatively low proportion of utilization of the appropriations carried over from 1975 to 1976, namely 63%, reflects the difficulty of estimating expenditure for meetings arranged by the Commission, because actual attendance at such meetings is frequently below the highest estimate - on which the provisional commitment is based - but this highest estimate nevertheless has to be covered.

CHAPTER 27 - Expenditure on publishing and information

The low proportion of the payments, 89%, results above all from the long intervals occurring between placing the order and delivery of the printed item. For that reason some expenditure relating to publications for which the initial commitment was made in 1975 will have to be met from the 1977 budget.

TITLE 3 - EXPENDITURE ON SPECIFIC PROJECTS UNDERTAKEN BY THE
INSTITUTION

The appropriations carried over were utilized to the extent of 56,88% - disregarding Chapter 33. This low level of implementation was due to the carry-over in Chapter 32, for the reason given on page 71. For the other chapters implementation was satisfactory, as the table following this section shows.

TITLE 4 - AIDS, SUBSIDIES AND FINANCIAL CONTRIBUTIONS

The appropriations carried over were almost used up: implementation was 78,84% for Chapter 41 and 100% for Chapter 42.

The volume of payments made for Chapter 41 (Subsidies and financial contributions), 79%, reflects an almost complete utilization of these appropriations under all headings except two:

- in the case of Item 4139 (Other grants), utilization of the appropriations was very low, 20%, because many fewer applicants than estimated approached the Commission;
- in the case of Article 416 (Contribution to a specific programme for the accelerated training of interpreters), the utilization of the appropriations was 78%, as a result of the withdrawal, when the initial commitment had already been entered in the accounts, of several operations which had been contemplated.

TITLE 5 - FUNDS

In the Social Fund the implementation for appropriations automatically carried over was 47,54%. This low rate has two causes:

- firstly, since the operations are often multi-annual by nature, they cannot always be entirely completed by the end of the carry-over year;
- secondly, there is a twofold reason why the payments should be tardy: the delays inherent in the accounting systems of the beneficiary organizations and the fact that their payment applications have to be routed through the Member States' governments mean that the Fund authorities are not in a position to start processing most of the applications relating to the previous year's commitments until September at earliest.

The effects of these time-lags become worse from year to year as the Fund increases in size and the volume of payments to be processed grows.

On pages 82 and 83 there is a full analysis, based on the table for utilization, of the handling in 1976 of appropriations available from the financial years 1974 to 1976.

TITLES 6 and 7 - EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE
FUND - GUARANTEE SECTION

The 8,629 m u.a. unpaid at final closure of the accounts falls to be cancelled. The expenditure of AIMA (the Italian intervention organization) carried over automatically from 1975 to 1976 was lower than estimated. Thus, overall implementation of automatic carry-overs was 97,41%.

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

Utilization of the 1975 appropriations carried over automatically to 1976 was 11,2% and the rate of utilization of automatic carry-overs from financial years prior to 1975 was 16,8% (see page 142).

The unutilized appropriations totalled 654,74 m.u.a. A total of 592,29 m.u.a. from the years 1972 to 1975 was carried over automatically; of the 62,44 m.u.a. still remaining from 1971, there is to be non-automatic carry-over of part, 61,29 m.u.a. and cancellation of the rest, 1,15 m.u.a.

TITLE 9 - EXPENDITURE ON COOPERATION WITH DEVELOPING COUNTRIES

There was 97,79% utilization of the total carried over.

For Chapter 92, "Food aid", the appropriations carried over from 1975 to 1976 totalled 64.827.598 u.a., consisting of 59.138.991 u.a. in automatic carry-overs and 5.688.607 u.a. in carry-overs effected by decision of the Council. From that total, payments of 63.375.234 u.a. were made.

The cancellations of appropriations totalled 1.452.364 u.a., all involving automatic carry-overs.

For "Measures to encourage regional or subregional integration between developing countries", payments of 150.893 u.a. were made, from a total of 235.439 u.a. carried over. The bulk of these appropriations related to cooperation with Latin American regional organizations. The high level of cancellations of appropriations incurred at 31 December 1976 was due largely to the considerable length of time it takes to select and send to their posts suitable experts in the field of regional cooperation (especially where nationals of the developing countries are concerned). Hence, this abnormal situation is due to problems occasioned by the beneficiary countries themselves rather than to poor management on the part of the units of the Commission which administer these appropriations.

IMPLEMENTATION IN 1976 OF AUTOMATIC CARRY-OVERS FROM 1975 TO 1976

in u.a.

Budgetary classification	Nature of expenditure	Appropriations carried over	Payments made	Implementation percentage	Remaining unpaid
TITLE 8	EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND GUIDANCE SECTION				
Chap. 80	Projects for the improvement of agricultural structures provided for under Art. 13 of Regulation (EEC) No 17/64	245.759.055 ¹	27.147.664	11,05	218.611.395 ²
Chap. 83	Fisheries sector	3.813.776	863.366	22,63	2.950.410 ²
	TOTAL FOR TITLE 8	249.572.835	28.011.030	11,22	221.561.805 ²
	<u>Implementation in 1976 of carry-overs from years earlier than 1975</u>				
Chap. 80	Projects for the improvement of agricultural structures provided for under Art.13 of Regulation (EEC) No 17/64	520.566.027	87.386.192	16,79	433.179.834 ³

¹This sum relates to 1975 appropriations carried over to 1976.

²These are appropriations with automatic carry-over for 5 years, under the provisions of Art. 6(5) of the Financial Regulation, with the exception of a total of 5,446 u.a. in Chapter 83 which had remained uncommitted.

³Of this total, 1.147.498 u.a. was cancelled; of the remainder, 370.738.449 u.a. from the years 1972 to 1975 was carried over automatically to 1977 and 61.293.887 u.a. from 1971 fell within the scope of Art. 6(5)(2) of the Financial Regulation.

2. NON-AUTOMATIC CARRY-OVERS

Annex C below also shows, by chapters, the implementation of these carry-overs, which affect only a few chapters.

TITLE 2 - BUILDINGS, EQUIPMENT AND MISCELLANEOUS ADMINISTRATIVE EXPENDITURE

The appropriations carried over (0,387 m.u.a.) were committed and paid to the extent of 86,56%. This related to publication of the Official Journal. The amount implemented was 0,335 m.u.a., which was highly satisfactory in the light of the difficulty of making any precise estimate of expenditure under this title.

TITLE 3 - EXPENDITURE ON SPECIFIC PROJECTS UNDERTAKEN BY THE INSTITUTION

The appropriations carried over totalled 11,085 m.u.a. There was implementation of 10,542 m.u.a., or 95,10%.

CHAPTER 53 - Expenditure provided for under Article 125(1)(a) of the EEC Treaty

There was 100% implementation. The table on page 86 shows the implementation of payments by the former Social Fund, which made its final payments in 1976.

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

Implementation of commitments in this category which were carried over was 98,97%. Utilization of commitments was 99,62% for individual projects (Chapter 80) and 100% for common measures under Chapters 81 and 82. However, for common measures in particular sectors (Chapter 83) and special measures (Chapter 89), 1% and 38% respectively of these carry-overs remained uncommitted in 1976. These uncommitted amounts, totalling 1,242 m.u.a., have been placed to the Mansholt Reserve¹.

CHAPTER 90 - Food aid expenditure

There was 100% implementation.

¹The appropriations committed in this way and not yet paid are converted into automatic carry-overs (for a period of five years).



ANNEX C

UTILIZATION OF APPROPRIATIONS CARRIED
OVER FROM 1975 TO 1976

SUMMARY OF UTILIZATION OF APPROPRIATIONS CARRIED OVER FROM
1975 to 1976, FOR SECTION III (THE COMMISSION) OF THE GENERAL BUDGET:

POSITION AT 31 DECEMBER 1976

in m u.a.

Budgetary Classifi- cation	Heading	1	2	3	4	5	Utilized in commitments		Utilized in payments		Appropri- ations to be cancelled
		Appropri- ations carried over auto- matically	Payments	Payments as % of appropri- ations carried over	Appropri- ations to be cancelled	Appropri- ations carried over non- automatic- ally	Amount	% of appropri- ations carried over	Amount	% of appropri- ations carried over	
							6	7	8	9	10
TITLE 1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE INSTITUTION										
Chapter 11	Staff	0,533	0,484	90,81	0,049	-					
Chapter 12	Allowances and expenses on entering and on leaving the service and on transfer	0,212	0,191	90,09	0,021	-					
Chapter 13	Expenditure relating to missions and duty travel	0,733	0,732	99,8	0,001	-					
Chapter 14	Expenditure on social welfare	0,377	0,344	91,25	0,033	-					
Chapter 15	Internal training courses and vocational training	0,002	0,002	100,00	0,000	-					
	TOTAL OF TITLE 1	1,858	1,753	94,35	0,105	-					

SUMMARY OF UTILIZATION OF APPROPRIATIONS CARRIED OVER
FROM 1975 TO 1976, FOR SECTION III (THE COMMISSION) OF THE GENERAL BUDGET:
POSITION AT 31 DECEMBER 1976

in m u.a.

Budgetary classification	Heading	Appropriations carried over automatically	Payments	Payments as % of appropriations carried over	Appropriations to be cancelled	Appropriations carried over non-automatically	Utilized in commitments		Utilized in payments		Appropriations to be cancelled
							Amount	% of appropriations carried over	Amount	% of appropriations carried over	
		1	2	3	4	5	6	7	8	9	10
TITLE 2	BUILDINGS, EQUIPMENT AND MISCELLANEOUS ADMINISTRATIVE EXPENDITURE										
Chapter 21	Rental of buildings and associated expenditure	1,629	1,297	79,62	0,332	-					
Chapter 22	Movable property and associated expenditure	3,071	2,844	92,61	0,227	-					
Chapter 23	Current administrative expenditure	1,627	1,362	83,71	0,265	-					
Chapter 24	Entertainment and representation expenses	0,066	0,066	100,00	0,000	-					
Chapter 25	Expenditure for formal and other meetings	0,357	0,224	62,75	0,533	-					
Chapter 26	Expenditure on studies, surveys and consultations	8,399	8,453	97,07	0,246	-					
Chapter 27	Expenditure on publishing and information	2,954	2,624	88,85	0,330	0,387	0,335	86,56	0,335	100,00	0,052
Chapter 29	Lump-sum repayment of costs incurred in collecting own resources	104,526	104,467	99,94	0,058	-					
	TOTAL OF TITLE 2	122,628	121,037	98,70	1,592	0,387	0,335	86,56	0,335	100,00	0,052

SUMMARY OF UTILIZATION OF APPROPRIATIONS CARRIED OVER FROM 1975 TO 1976, FOR SECTION III (THE COMMISSION) OF THE GENERAL BUDGET: POSITION AT 31 DECEMBER 1976

in m.u.a.

Budgetary classification	Heading	1	2	3	4	5	Utilized in commitments		Utilized in payments		Appropriations to be cancelled	Appropriations to be cancelled
		Appropriations carried over automatically	Payments	Payments as % of appropriations carried over	Appropriations to be cancelled	Appropriations carried over automatically	Amount	% of appropriations carried over	Amount	% of appropriations carried over		
							6	7	8	9		10
TITLE 3	EXPENDITURE ON SPECIFIC PROJECTS UNDERTAKEN BY THE INSTITUTION											
Chapter 30	Expenditure in the social sector	2,752	2,449	88,89	0,303	-						
Chapter 31	Expenditure in the agriculture sector	1,367	1,005	73,52	0,362	-						
Chapter 32	Expenditure in the industrial and energy sectors	13,448	5,156	38,34	8,292	11,085	10,542	95,10	10,542	100,00		0,544
Chapter 33	Expenditure on research and investment	see page 150										
Chapter 34	Expenditure relating to safeguards	0,192	0,159	82,81	0,033	-						
Chapter 35	Protection of man and his environment	0,934	0,896	95,93	0,038	-						
Chapter 36	Expenditure on scientific and technical information and on information management	1,979	1,933	97,68	0,046	-						

COMMISSION OF THE EUROPEAN COMMUNITIES
 SUMMARY OF UTILIZATION OF APPROPRIATIONS CARRIED OVER FROM
 1975 TO 1976, FOR SECTION III (THE COMMISSION) OF THE GENERAL BUDGET:
 POSITION AT 31 DECEMBER 1976

Budgetary classification	Heading	in m.u.a.											
		1	2	3	4	5	6		7		8	9	10
		Appropriations carried over automatically	Payments	Payments as % of appropriations carried over	Appropriations to be cancelled	Appropriations carried over non-automatically	Amount	% of appropriations carried over	Amount	% of appropriations carried over	Amount	% of appropriations carried over	Appropriations to be cancelled
	(TITLE 3 continued)						6	7	8	9	10		
Chapter 38	Loan of services between institutions	0,010	0,010	100,00	0,000	-							
Chapter 39	Other expenditure on specific projects undertaken by the institution	0,447	0,410	91,72	0,037	-							
	TOTAL OF TITLE 3*	21,130	12,019	56,88	9,111	11,085	10,542	95,10	10,542	100,00	0,543		

* excluding Chapter 33

COMMISSION OF THE EUROPEAN COMMUNITIES
 SUMMARY OF UTILIZATION OF APPROPRIATIONS CARRIED OVER FROM
 1975 TO 1976, FOR SECTION III (THE COMMISSION) OF THE GENERAL BUDGET:
 POSITION AT 31 DECEMBER 1976

in m u.a.

Budgetary classification	Commitments still to be paid, remaining at close of year 1975	Appropriations carried over automatically	Payments from				Carried over appropriations to be cancelled	Commitments still to be paid, remaining at close of year 1975 and not paid in 1976 ¹	Appropriations carried over non automatically	Payments	Payments as % of appropriations carried over	Carried over appropriations to be cancelled
			Appropriations carried over automatically	Appropriations for year 1976	Appropriations carried over non automatically	Appropriations for year 1976						
CHAPTER 33 Expenditure on research and investment	24,655	19,988	17,214	86,12	0,086	2,091	2,774	4,605	2,434	1,067	43,84	1,368

¹ after deduction of any amounts disallowed.

SUMMARY OF UTILIZATION OF APPROPRIATIONS CARRIED OVER
FROM 1975 TO 1976, FOR SECTION III (THE COMMISSION) OF THE GENERAL BUDGET:
POSITION AT 31 DECEMBER 1976

in m.u.a.

Budgetary classification	Heading	Appropriations carried over automatically	Payments	Payments as % of appropriations carried over	Appropriations to be cancelled	Appropriations carried over non-automatically	Utilized in commitments		Utilized in payments		Appropriations to be cancelled
							Amount	% of appropriations carried over	Amount	% of appropriations carried over	
		1	2	3	4	5	6	7	8	9	10
TITLE 4	AIDS, SUBSIDIES AND FINANCIAL CONTRIBUTIONS										
Chapter 41	Subsidies and financial contributions	0,378	0,298	78,84	0,080	-					
Chapter 42	Subsidies for balancing budgets	0,008	0,008	100,00	0,000	-					
	TOTAL OF TITLE 4	0,386	0,306	79,27	0,080	-					

COMMISSION OF THE EUROPEAN COMMUNITIES
 SUMMARY OF UTILIZATION OF APPROPRIATIONS CARRIED OVER
 FROM 1975 TO 1976, FOR SECTION III (THE COMMISSION) OF THE GENERAL BUDGET:
 POSITION AT 31 DECEMBER 1976

in m.u.a.

Budgetary classification	Heading	Appropriations carried over automatically	Payments	Payments as % of appropriations carried over	Appropriations to be cancelled	Appropriations carried non-matrimonally	Utilized in commitments		Utilized in payments		Appropriations to be cancelled
							Amount	% of appropriations carried over	Amount	% of appropriations carried over	
		1	2	3	4	5	6	7	8	9	10
TITLE 5	FUNDS										
	SOCIAL FUND										
Chapter 50	New Social Fund - Expenditure provided for under Article 4 of the Council Decision of 1 February 1971	145,249	46,025	31,69	99,224	-					
Chapter 51	New Social Fund - Expenditure provided for under Article 5 of the Council Decision of 1 February 1971	354,916	191,555	53,97	163,361	-					
Chapter 52	Social Fund - Pilot schemes and preparatory studies	0,552	0,485	87,86	0,066	-					
Chapter 53	Social Fund - Expenditure provided for under Article 125(1)(a) of the EEC Treaty	-				8,078	8,078	100,00	8,078	100,00	-
	TOTAL OF THE SOCIAL FUND	500,716	238,065	47,54	262,651	8,078	8,078	100,00	8,078	100,00	-

COMMISSION OF THE EUROPEAN COMMUNITIES

SUMMARY OF UTILIZATION OF APPROPRIATIONS CARRIED OVER FROM
1975 TO 1976, FOR SECTION III (THE COMMISSION) OF THE GENERAL BUDGET:
POSITION AT 31 DECEMBER 1976

Budgetary classification	Commitments still to be paid remaining at close of year 1975	Appropriations carried over automatically	Payments from			Carried over appropriations to be cancelled	Commitments still to be paid remaining at close of year 1975 and not paid in 1976 ¹	Appropriations carried over non-automatically	Payments	Payments as % of appropriations carried over	Carried over appropriations to be cancelled
			Appropriations carried over automatically	Appropriations for year 1976	Appropriations carried over non-automatically						
CHAPTER 55											
REGIONAL FUND	209,157	59,332	59,332	100 %	-	60,568	-	-	-	-	-

¹ after deduction of amounts disallowed.

SUMMARY OF UTILIZATION OF APPROPRIATIONS CARRIED OVER FROM
1975 TO 1976, FOR SECTION III (THE COMMISSION) OF THE GENERAL BUDGET:
POSITION AT 31 DECEMBER 1976

in m u.a.

Budgetary classification	Heading	Appropriations carried over automatically		Payments	Payments as % of appropriations carried over	Appropriations to be cancelled	Appropriations carried over automatically		Utilized in commitments		Utilized in payments		Appropriations to be cancelled
		1	2				3	4	5	6	7	8	
TITLES 6 & 7	EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND												
	GUARANTEE SECTION												
Chapter 60	Cereals	1,187	1,069	90,06	0,118								
Chapter 62	Milk and milk products	76,464	76,378	99,89	0,086								
Chapter 63	Oils and fats	11,987	7,426	61,95	4,561								
Chapter 64	Sugar	8,241	8,241	100,00	0,000								
Chapter 65	Beef and veal	31,549	31,549	100,00	0,000								
Chapter 66	Pigmeat	0,353	0,245	69,41	0,109								
Chapter 68	Fruit and vegetables	51,594	49,630	96,19	1,964								
Chapter 69	Wine	15,240	14,976	98,27	0,264								
Chapter 70	Tobacco	133,096	133,887	99,99	0,009								
Chapter 73	Other sectors or products subject to common market organization	1,390	1,380	99,21	0,011								
Chapter 74	Refunds on certain goods obtained by processing agricultural products	0,244	0,244	100,00	0,000								
Chapter 79	Provisional commitments which were not the subject of commitments under the budget nomenclature	1,507 1	-	-	1,507								
	TOTAL OF TITLES 6 & 7	332,853	324,224	97,41	8,629								

The total of the provisional commitments carried over in full was 33,620 m u.a.; part of this block of commitments was distributed as follows:
Art. 651: 28,264 m u.a.; Item 6523: 0,642 m u.a.; Item 6812: 0,031 m u.a.; Item 7011: 2,933 m u.a.; Art. 740: 0,244 m u.a.

COMMISSION OF THE EUROPEAN COMMUNITIES
 SUMMARY OF UTILIZATION OF APPROPRIATIONS CARRIED OVER
 FROM 1975 TO 1976, FOR SECTION III (THE COMMISSION) OF THE GENERAL BUDGET:
 POSITION AT 31 DECEMBER 1976

in m.u.a.

Budgetary classification	Heading	Appropriations carried over automatically		Payments	Payments as % of appropriations carried over		Appropriations to be cancelled	Appropriations carried over non-automatically	Utilized in commitments		Utilized in payments		Appropriations to be cancelled
		1	2		3	4			5	6	7	8	
TITLE 8	EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND GUIDANCE SECTION												
Chapter 80	Projects for the improvement of agricultural structures provided for under Article 13 of Regulation (EEC) No 17/64	766,325	114,534	14,95	651,791 ¹	175,832		175,168	99,62	28,065	16,02	0,664	
Chapter 81	Common measures for the reforms of agricultural structures (pursuant to the Council Resolution of 25 May 1971)	-				2,478		2,478	100,00	2,478	100,00	-	
Chapter 82	Common measures concerning the marketing and processing of agricultural products (pursuant to the Council Resolution of 25 May 1971)	-				0,474		0,474	100,00	0,474	100,00	-	
Chapter 83	Common measures in particular sectors	3,814	0,863	22,63	2,950 ²	2,467		2,439	98,87	2,439	100,00	0,028 ³	
Chapter 89	Special measures	770,439	115,397	14,98	654,742	3,495		1,980	61,97	1,980	100,00	1,214 ³	
	TOTAL OF TITLE 8					184,446		182,539	98,97	35,536	19,41	1,907	

¹ Of which 650,644 to be carried over again, under the provisions of Art. 6(5) of the Financial Regulation.

² Of which 2,945 to be carried over again, under the provisions of Art. 6(5) of the Financial Regulation.

³ These appropriations have been transferred to the Mansholt Reserve.

⁴ Of which 0,005 m.u.a. have been transferred to the Mansholt Reserve.

COMMISSION OF THE EUROPEAN COMMUNITIES

SUMMARY OF UTILIZATION OF APPROPRIATIONS CARRIED OVER FROM 1975 TO 1976, FOR SECTION III (THE COMMISSION) OF THE GENERAL BUDGET: POSITION AT 31 DECEMBER 1976

in r.u.a.

Budgetary classification	Heading	in r.u.a.									
		1	2	3	4	5	6	7	8	9	10
		Appropriations carried over automatically	Payments	Payments as % of appropriations carried over	Appropriations to be cancelled	Appropriations carried over non-automatically	Utilized in commitments Amount	% of appropriations carried over	Utilized in payments Amount	% of appropriations carried over	Appropriations to be cancelled
TITLE 9	EXPENDITURE ON CO-OPERATION WITH DEVELOPING COUNTRIES: EXPENDITURE ON FOOD AID: OTHER EXPENDITURE										
Chapter 92	Food aid	59,139	57,687	97,54	1,452	5,689	5,689	100,00	5,689	100,00	
Chapter 93	Specific measures for financial and technical cooperation with developing countries	1,988	1,776	89,34	0,212	-					
Chapter 94	Exceptional measures to assist developing countries	14,197	14,197	100,00	0,000	-					
	TOTAL OF TITLE 9	75,324	73,660	97,79	1,665	5,689	5,689	100,00	5,689	100,00	
	GRAND TOTAL	1.904,354	963,006	50,57	941,348	212,119	208,248	98,18	61,145	29,36	3,870