

COMMISSION OF THE EUROPEAN COMMUNITIES

GENERAL BUDGET FOR 1981
SECTION III - COMMISSION

COM(81) 600 final

Brussels, 13 October 1981

TRANSFER OF APPROPRIATIONS NO 26/81
(compulsory expenditure)

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GENERAL BUDGET FOR 1981

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ECU

FROM CHAPTER 62 - MILK AND MILK PRODUCTS

Article 620 - Refunds on milk and milk products

Item 6200 - Refunds

22.000.000

TO CHAPTER 81 - GENERAL SOCIO-STRUCTURAL MEASURES

Article 810 - Modernization of farms

TO CHAPTER 83 - STRUCTURAL MEASURES RELATING TO THE COMMON ORGANIZATIONS OF THE MARKET

Article 831 - Milk and meat sectors

Item 8312 - Premiums for the non-marketing of milk and milk products

Commitment appropriations

Payment appropriations

13.000.000

13.000.000

9.000.000

9.000.000

The Financial Controller approved this proposal on 25 September in accordance with Article 21(4) of the Financial Regulation and certified that the appropriations are available.

GROUNDS

It is proposed that 22 million ECU of the appropriations in Item 6200 (Refunds on milk and milk products) in the EAGGF Guarantee Section - still available as a result of the rise in world prices - be transferred to Article 810 (Modernization of farms) (13 million ECU) and to Item 8312 (Non-marketing of milk and milk products) (9 million ECU) in the EAGGF Guidance Section.

The appropriations available for 1981 under these two headings in the Guidance Section have proved insufficient for the reasons stated below.

With regard to Article 810, applications for refunds in 1981 have now been presented by the Member States. These show that an additional 13 million ECU will be needed in both commitment and payment appropriations: this problem had already been raised during the discussions on Amending Budget No 1/1981, which increased these appropriations by 20 million ECU. The high demand for appropriations in 1981 shows that the farm modernization programme, after a relatively slow start, is now maintaining the brisk pace set in 1980.

There are three main reasons for the sharp increase over 1980:

- (a) the need to use 1981 appropriations to meet applications for repayments unpaid in 1980 due to lack of funds (8.5 million ECU);
- (b) a 50% (instead of 25%) rate of repayment of expenditure incurred in 1980 in modernizing farms in the poor areas of the West of Ireland;
- (c) a large increase in the number of modernization schemes funded in the United Kingdom.

With regard to Item 8312, expenditure up to 31 December 1981, taking account of the rate of utilization of appropriations at 30 September, is estimated at 106 million ECU. This means the 84 million ECU carried over and entered in the budget are 22 million ECU short of requirements: 13 million ECU of this has already been provided by a transfer within Chapter 83 to finance the advances for October and November. The remaining 9 million ECU covered by this transfer proposal is intended to finance expenditure up to 31 December.

It should, however, be noted that expenditure on this scheme for the non-marketing of milk and milk products - funded jointly by the Guarantee Section (60%) and the Guidance Section (40%) of the EAGGF - will be within the initial estimates. The shortage of appropriations in Item 8312 is due to the assumption made when the budget was drawn up that a sizable sum would be carried over in Item 8312: this did not in fact happen. This means that the appropriations available for 1981 in Items 6240 (Guarantee Section) and 8312 (Guidance Section) do not reflect the ratio of 60:40 between the Guarantee Section and the Guidance Section laid down in the rules. The transfer which is requested would also have the effect of restoring that ratio.