

# COMMISSION OF THE EUROPEAN COMMUNITIES

GENERAL BUDGET FOR 1981

Section III - Commission

COM(81) 493 final

Brussels, 28 August 1981

TRANSFER OF APPROPRIATIONS No 22/81  
(non-compulsory expenditure)

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GENERAL BUDGET FOR 1981  
SECTION III - COMMISSION

TRANSFER OF APPROPRIATIONS No 22/81  
(non-compulsory expenditure)

		ECU
<u>FROM CHAPTER 100</u> - PROVISIONAL APPROPRIATIONS	1 400 000	
<u>TO CHAPTER 25</u> - EXPENDITURE ON FORMAL AND OTHER MEETINGS		
<u>Article 250</u> - <u>Expenditure on formal meetings</u> <u>and meetings in general</u>		1 200 000
<u>Article 251</u> - <u>Committees</u>		200 000

The Financial Controller approved this proposal on 17 July in accordance with Article 21(4) of the Financial Regulation and certified that the appropriations are available.

## GROUNDS

1. The work of the Communities in general and the Commission in particular demands frequent meetings and consultations with experts and civil servants from the Member States, scientists and representatives of workers' and employers' organizations and business.

The exchange of knowledge and ideas is essential to a complete understanding of what is involved in the search for solutions and the formulation of proposals for continuing improvements in living and working conditions.

The implementation and operation of Community policies usually requires the assistance of committees established by Community decisions; these are especially valuable as places where important information may be exchanged.

The grounds for this transfer are intended to demonstrate the nature and scope of the meetings held and the results of measures adopted to contain expenditure.

2. The appropriations in Chapter 25 (Expenditure on formal and other meetings) are the Commission's only means of ascertaining what interests have to be considered and what action is technically possible and desirable. Management and policy options must, after all, be based on the most thorough knowledge of often extremely complex situations.

Most of the consultations take place within committees set up by:

- (a) the Treaties;
- (b) Decisions of the Representatives of the Governments of the Member States;
- (c) Community secondary legislation:
  - Council and Commission regulations and decisions,
  - Council directives, resolutions and recommendations;
- (d) agreements between the Communities and non-member countries.

As requested by Parliament, the full list of over two hundred committees appears in the General Budget after the appropriations under Section III (1981 budget: pages 608 to 611 of Official Journal No L 378 of 31 December 1980). The expenditure involved is charged to Article 251 (Committees).

3. The Committees may be grouped as follows according to their function:

- (a) specialized consultative bodies (e.g. Monetary Committee, Committee of the European Social Fund);
- (b) committees which must be consulted in the preparation of Community legislation. These are set up by the Council to advise the Commission. Their opinions may:
  - have no legally binding effect, whatever their content, on subsequent stages of the procedure (e.g. Regional Policy Committee, Advisory Committee on Restrictive Practices and Dominant Positions);
  - lead to a Council decision departing from the Commission's proposal (e.g. Management Committee for Common Organizations of Agricultural Markets, ERDF Committee, Customs Valuation Committee, Committees on Adaptation to Technical Progress of health and safety regulations);

- (c) committees which do not have to be consulted in the preparation of Community legislation but were set up to:
- strengthen cooperation between the Member States and the Commission (e.g. Standing Committee on Agricultural Structures, Advisory Committee on Common Rules for Imports);
  - advise the Commission (e.g. Technical Committee on the Free Movement of Workers, Transport Infrastructure Committee).

These committees consist of Commission representatives plus representatives either of the Member States alone (e.g. Advisory Committee on Value Added Tax, Pharmaceutical Committee) or of the Member States and of trade unions and professional or business organizations (e.g. Advisory Committee on Training in Nursing);

- (d) committees consisting solely of representatives of professional or business organizations, set up by the Commission to advise it (e.g. Advisory Committee on Industrial Research and Development, Advisory Committees on the Common Organization of Agricultural Markets);
- (e) committees of scientific experts (e.g. Scientific Committee for Food, Scientific Advisory Committee on the Toxicity and Ecotoxicity of Chemical Compounds).

4. The Commission's work extends well beyond the areas for which Community legislation has provided a legal structure. In many cases the Commission consults experts and specialists, either individually or in working parties, when it is considering proposals for Community action in new fields. In these cases consultations serve both to collect information and to prepare for the implementation of new policies or rules.

The range of topics covered by such consultations is virtually unlimited; some of them are very highly specialized.

Expenses arising from these consultations are charged to Article 250 (Expenditure on formal meetings and meetings in general).

5. The present system for recording expenditure is determined by the structure of the budget and the current financial regulations. It provides an economical means of ensuring that commitments, authorizations and payments are recorded accurately, the functions of authorizing officers and accounting officers being properly separated, and enables Financial Control to carry out its responsibilities.

It does not provide for expenditure to be listed by purpose, or for the production of summaries of amounts paid to individuals for more than one meeting, or for lists showing amounts paid to nationals of the various Member States in respect of meetings. But since supporting documents for individual items of expenditure are filed in chronological order and by budget heading, any analysis required can be made.

The requests for appropriations contained in the preliminary draft budget are the result of a rigorous internal procedure for determining estimates of expenditure. The initial estimates are drawn up by Directorates-General and departments dealing with matters submitted to committees or working groups and then put to the Directorate-General for Budgets during the February preceding the financial year in question. After an initial examination, they are thoroughly scrutinized at hearings the following month between the Director-General for Budgets and each of the Directors-General and Heads of Department acting as an authorizing officer. Each amount must be justified both in itself and in relation to expenditure in the three preceding financial years. These investigations end with each Directorate-General receiving an allocation, a small amount being held back to cope with any duly substantiated adjustments which have to be made during the year.

The results of this preparatory phase are then sent to the Commission, which takes a final decision on the requests after they have been considered by the Chefs de cabinet.

The information gathered, based in the case of some committees on precise schedules, generally leads to higher estimates than are required by events; this is because the frequency of meetings varies considerably, as does the number of participants at any particular meeting. This factor is extremely variable: for example, each Member State is entitled to send five representatives to the agricultural Management Committees, but it is very rare for delegations to be fully represented. The appropriations requested in the preliminary draft budget are therefore adjusted in the light of experience.

6. The trend of expenditure since 1977 has been as follows:

ECU

Year	Article 250	Article 251	Total	Change
1977	4 119 121	2 830 487	6 949 608	
1978	4 198 631	2 822 384	7 021 015	+ 1.0 %
1979	4 585 386	3 091 318	7 676 704	+ 9.3 %
1980	5 249 075	3 789 944	9 039 019	+ 17.7 %

During this period the rate of increase has accelerated, mainly because of fare increases, which averaged 14% over the twelve months to the end of May 1981. The following table illustrates this:

Return journey	May 1980	May 1981	Change
Athens - Brussels (air)	29 972 DRA	36 006 DRA	+ 20.1 %
Copenhagen - Brussels (air)	2.680 DKR	3 020 DKR	+ 12.7 %
The Hague - Brussels (rail)	64.60 HFL	74.60 HFL	+ 15.5 %
Rome - Brussels (air)	397 600 LIT	500 000 LIT	+ 25.7 %
Dublin - Brussels (air)	201 IRL	227 IRL	+ 12.9 %
Paris - Brussels (rail)	338 FF	358 FF	+ 5.9 %
London - Brussels (air)	113 UKL	121 UKL <sup>(1)</sup>	+ 7.7 %

<sup>1</sup>If changes in the sterling exchange rate are taken into account, the increase in ECU terms was 22.5%.

Since travel expenses account for about 70% of the expenditure charged to these two articles, the resulting increase in expenditure is 10%.

7. The accession of Greece has further increased expenditure. If an equal number of nationals from each Member State travel to Brussels (where the vast majority of such meetings are held), Greek accession involves a 34% increase compared with 1980.

The calculation is as follows:

Country of origin	Travel expenses	Subsistence expenses	Total
Belgium	-	-	-
Denmark	345 46	44 41	389 87
Germany	49 35	44 41	93 76
Greece	493 52	88 83	582 35
France	59 22	44 41	103 63
Ireland	302 28	44 41	346 69
Italy	345 46	66 62	412 08
Luxembourg	37 01	22 20	59 21
Netherlands	29 61	22 20	51 81
United Kingdom	197 41	22 20	219 61
Total	1 859 32	399 69	2 259 01

(a) Increase in travel expenses:

$$\frac{493.52}{1\ 859.32 - 493.52} = 36.1\%$$

(b) Increase in travel and subsistence expenses:

$$\frac{582.35}{2\ 259.01 - 582.35} = 34.7\%$$

8. The total increase in expenditure is therefore expected to be about 44%. The appropriations for the two articles requested by the Commission in its preliminary draft budget for 1981 amounted to 11.6 million ECU, which is an increase of only 28% over 1980.

If the appropriations entered in Chapter 100 are included, the 1981 budget estimate is 11.2 million ECU, an increase of 23.9% over the previous year.

9. In June the Commission made new forecasts based on actual expenditure during the first six months of the year. As a result of instructions to departments to make savings and stringent control of the amounts allocated, the increase in total expenditure overall was kept below the percentages given above. As the following table shows, the increase over the 1980 figure of 9 039 019 ECU was 19.5%.

	Article 250	Article 251	Total
Forecast expenditure for 1981	6 600 000	4 200 000	10 800 000
Appropriations entered	5 400 000	4 000 000	9 400 000
Transfer requested	1 200 000	200 000	1 400 000

10. These forecasts are based on a survey of meetings during the first half of 1981, which gave the following results:

	Article 250	Article 251	Articles 250 and 251 combined
Average number of meetings per month	152	93	245
Average number of participants (including those not travelling)	16	18	16.8
Average cost per meeting (in ECU)	3 618 40	3 763 44	3 673 49
Average cost per participant (excluding Community officials) (in ECU)	226 15	209 08	218 66

11. The budgetary authority is asked to approve the transfer of appropriations from Chapter 100 (Provisional appropriations). The situation in this Chapter is as follows:

	Article 250	Article 251	Total
Appropriations in Chapter 100	1 600 000	200 000	1 800 000
Proposed transfer	1 200 000	200 000	1 400 000
Amount remaining	400 000	-	400 000

APPROPRIATIONS IN CHAPTER 100

AT 23 JUNE 1981

ECU

	Appropriations for commitment	Appropriations for payment
1. Total appropriations	407 079 000	369 019 000
2. Appropriations transferred	7 586 000	7 286 000
3. Appropriations being transferred	22 480 000	17 920 000
4. Appropriations remaining in Chapter 100	377 013 000	343 813 000

