

COMMISSION OF THE EUROPEAN COMMUNITIES

GENERAL BUDGET FOR 1978
SECTION III - COMMISSION

COM(78) 240 final.

Brussels, 26 May 1978.

TRANSFERS OF APPROPRIATIONS BETWEEN CHAPTERS

GENERAL BUDGET FOR 1978

NUMBERING OF PROPOSALS FOR TRANSFER ALREADY
FORWARDED TO THE BUDGETARY AUTHORITY

Nº	From Chapter	To Chapter	Amounts in EUA	Section
1	101	29	175.000	III
2	100	20	145.000	III
3	100	36	150.000	III
4	101	26	120.000	III
5	101	95	500.000	III
6	101	11	100.000	V
7	101	15	20.000	V
8	101	22	47.520	V
9	101	23	40.000	V

GENERAL BUDGET FOR 1978

SECTION III - COMMISSION

TRANSFERS OF APPROPRIATIONS BETWEEN CHAPTERS

(non-compulsory expenditure)

In EUA

A) Transfer No 10/78

From Chapter 100 - Provisional appropriations

To Chapter 33 - Expenditure on research and investment 443.500
in appropriations
for payment

Article 337 - Indirect action: 577.000
Miscellaneous activities and
coordinated projects in appropriations
for commitment

Item 3371 - Implementation of coordinated
projects

B) Transfer No 11/78

From Chapter 100 - Provisional appropriations

To Chapter 94 - Specific measures for cooperation
with the developing countries 379.100

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

Item 9431 - Subsidy to the EAC for the running
of the Commission delegations in
the southern Mediterranean countries
linked to the EEC by Cooperation
Agreements.

C) Transfer No 12/78

From Chapter 101 - Contingency reserve

To Chapter 27 - Expenditure on publishing and
information 600.000

Article 272 - Expenditure on the dissemination of
information and on participation in
public events

Item 2722 - Current affairs films for developing
countries

Appropriations in Chapter 101

Amount entered in the Budget for 1978: 5.000.000

Proposals for transfers in hand:

No 1/78 - 175.000

Nos 4 and 5/78 - 620.000

Balance available: 4.205.000

The Financial Controller approved these transfers on 26 April 1978.

REASONS

A. Transfers from Chapter 100

1. To Chapter 33

Under the Council Resolution of 14 January 1974 on the coordination of national policies and the definition of projects of interest to the Community in the field of science and technology (OJ No C7 of 29 January 1974), a total of 475 700 EUA in appropriations for payment and 615 000 EUA in appropriations for commitment has been entered in Chapter 100 - Provisional appropriations - pending a decision on the following three projects: Urban planning, Food technology and Medical research.

In the meantime, the Council has taken the following three programme decisions:

	Programme allocation	Date of Decision	Publication in Official Journal
Urban planning	200 000 EUA	7.2.1978	L 45 of 16.2.1978
Food technology	250 000 EUA	20.2.1978	Not yet published
Medical research	1 090 000 EUA	13.2.1978	L 52 of 23.2.1978

The table below details the amounts of appropriations for payment and for commitment to be transferred to Chapter 33 - Expenditure on research and investment (Item 3371) - Implementation of coordinated projects:

	Appropriations for payment	Appropriations for commitment
Urban planning	70 000	100 000
Food technology	73 500	77 000
Medical research	300 000	400 000
Total	443 500	577 000

2. To Chapter 94

When the Budget for the financial year 1978 was approved, provision was made in the Commission's overall establishment plan for five posts for delegates (two A/3, three A/4-7) and five category C posts for the Commission delegations to be set up in the Mashrek countries and Israel.

An appropriation of 379 100 EUA was also entered in the budget to cover the operating costs of these delegations. This appropriation has been blocked in Chapter 100, however, pending further clarification about the opening of these delegations and the nature of their functions.

(a) Opening of Commission delegations

The Community signed general cooperation agreements with Egypt, Syria and Jordan on 18 January 1977, an additional financial protocol with Israel on 8 February 1977 and a general cooperation agreement with the Lebanon on 3 May 1977.

Apart from their major commercial content, these agreements provide for close cooperation in the economic, industrial and technological fields, in addition to financial and technical cooperation.

These types of cooperation entail the establishment of Commission delegations in the Mashrek and Israel, for experience with relations of this kind has shown that delegations are essential in fostering and reviewing projects eligible for financial support and supervising their execution; they also have a key part to play in determining the action to be taken to give practical expression to the possibilities of training, trade promotion and industrial cooperation.

These delegations will meet the wishes clearly expressed on various occasions by the four Mashrek countries. Israel likewise has often let it be known that it would like the Community to open a delegation there.

As to Egypt, two additional factors support the opening of a delegation: firstly the need to maintain close links with the Secretariat of the Arab League in support of the Euro-Arab Dialogue and, secondly, the formal request made by the Egyptian Government on 23 March 1977 concerning the establishment of a Euro-Arab centre for industrial and technological cooperation.

(b) Functions of the delegations

In line with delegations in the ACP States, and pursuant to Article 31 of Protocol No 2 annexed to the Lomé Convention, the principal task of the Commission delegations in the Mashrek countries and Israel will be to monitor the application of the cooperation agreements between the Community and these countries.

Specifically, their objective would be four-fold, i.e.:

- to guarantee and facilitate economic cooperation in commerce, industry and technology;
- to supply the information and contacts needed by public and private economic operators involved in cooperation;
- to help with financial and technical cooperation in practice and to carry out an on-the-spot check, where appropriate, on the way Commission-managed aid is being used.

Accordingly, the delegations will help to plan aid and take an active part in processing projects to be financed and, when they are being carried out, will perform a variety of administrative, financial and technical duties to enable the Commission, as administrator of the appropriations, to satisfy itself at any time that public funds are being properly used;

- to liaise continuously with the national authorities concerned and with the local diplomatic representations of the Member States.

(c) Relations between the Commission delegations and the local diplomatic representations of the Member States

The experience of the delegations in ACP States has been that their relations with the Member States' diplomatic representations are generally characterized by friendly and productive collaboration.

The same spirit, with the closest coordination and collaboration and within the framework set by decisions adopted (or to be adopted) by the Council for organizing this cooperation, will shape relations between the delegations in the Mashrek and Israel and the Member States' diplomatic representations, especially their commercial advisers and information officers.

(d) Relations with the EIB

The delegations in the Mashrek countries and Israel will be the Commission's, not the EIB's.

But the EIB, although not intending to be represented directly in these countries, would like to see practical collaboration between its own departments and the delegations.

The Commission delegations in the Mashrek countries and Israel would therefore collaborate with the EIB to the extent necessary for the Bank to administer in the best possible way that part of the aid managed by it.

The Commission delegations will, for example, assist the Bank, at its request, in matters relating to the planning of aid (prior contact with national authorities), the monitoring of missions carried out by the Bank, project identification (information requested by the Bank, from delegations) and the performance and inspection of projects (preparation of specifications or of specific information on the progress of a project).

(e) Composition of delegations; time scale for establishment

The Mashrek and Israel delegations will be small, consisting of a head of delegation, a non-specialist Adviser and a secretary plus a few locally engaged staff.

In view of the time required for selection and recruitment, and the time needed to organize training periods with the Commission and to seek each State's approval of the head of delegation, delegations should be operational in the last quarter of 1978.

Accordingly, the cost of these delegations for the relevant period, which is confined to the last quarter of 1978, can be broken down as follows:

- staff expenditure 1 adviser to the delegation + local engaged staff)	130 000 EUA
- operating expenditure (rent, electricity, telex, missions, representation and entertainment, etc.)	95 000 EUA
- initial installation costs	154 000 EUA
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	379 000 EUA
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B. Transfers from Chapter 101 to Chapter 27

In June 1977, the Commission decided to launch a weekly current affairs film, initially for three months (July to September) for the developing countries, designed to inform the people in them about the Community and life in its Member States. Since the results of this trial period were encouraging, the Commission decided in October to produce this newsreel on a regular basis.

The decision to launch this newsreel service was taken after intensive consultations with representatives of the Member States, following which they gave their agreement in principle to the project, indicating their readiness to supply filmed material regularly. The Commission particularly welcomes this cooperation.

This initiative springs from a proposal from the UK Foreign and Commonwealth Office (FCO) which notified the Commission in 1976 that, for financial reasons, it would have to cease production and distribution of its own weekly current affairs film "News Pictorial". The FCO asked the Commission whether use might be made of the existing British network for distribution, with the cooperation of the Member States, of a new Community newsreel which would regularly inform the public in the developing countries of the Community's activities and of life in its Member States.

The Commission departments responsible weighed the technical, organizational and budgetary implications of this proposal and also consulted the Council Working Party on Information, the European Broadcasting Union, the Intermag Group, the International Newsreel Association and film production and distribution companies in the Member States.

In February 1977, senior officials concerned with information in the Member States met in Brussels and undertook, in principle, to support the project if the Commission decided to go ahead with it, subject to the outcome of the feasibility study by the Commission's departments. These conclusions were discussed with national officials responsible for information and representatives of national television networks and film companies at a meeting in Brussels on 19 and 20 April 1977 organized by the Commission.

At this meeting the following points were confirmed:

- the project received unanimous support;
- it was unanimously decided to recommend that the Commission take over, if possible, the UK distribution network from 1 July 1977;
- it was unanimously agreed that, from January 1978 onwards, distribution would gradually be extended to all Lomé Convention countries, to the Arab countries participating in the Euro-Arab Dialogue and to a number of other developing countries;
- it was unanimously decided to give the Commission all possible technical assistance with distribution;
- it was unanimously agreed that each Member State would regularly supply film material in various forms for the newsreel and that the Commission would assume editorial responsibility.

Prompted by the positive outcome of these consultations, the Commission decided in June 1977 to launch the new Community current affairs films for a three-month trial period (July to September). Since the report on this trial period was favourable, the Commission decided to produce the newsreel on a regular basis and take the necessary measures for the distribution network to be progressively extended particularly in French-speaking

countries party to the Lomé Convention.

The requested appropriation of 725 000 EJA to cover 1978 expenditure is calculated as follows:

(a) Fixed costs

Services, Film processing, production,
incidental musical4 944 EJA

Total for 52 weekly editions: 257 100 EJA

(b) Reproduction costs

These depend on the number of prints made for
distribution. The breakdown is as follows:

75 copies, 35 mm colour, at 50.23 EJA each
14 copies, 16 mm colour, at 43.99 EJA each
30 copies, 16 mm B/W, at 20.97 EJA each
17 copies, 16 mm B/W TV, at 42.58 EJA each

Total for 52 weekly editions: 281 528 EJA

(c) Incidental costs

Delivery, transport, equipment, CRI (Colour
Reversal Internegative), archives etc.

17 372 EJA

(d) Cost of Community contribution to filmed material

Filming, processing, transport etc.

24 000 EJA

(e) Increase in distribution to French-speaking
ACP countries

25% increase over 1977

145 000 EJA

Total

725 000 EJA

To cover this amount the Commission has released 125 000 EJA from
Chapter 27 and requests that the balance of 600 000 EJA be covered by
a transfer from Chapter 101.

