



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 5 December 2012

17145/1/12

REV 1

FIN 989

PE-L 118

"I/A" ITEM NOTE

from : General Secretariat of the Council
to : Permanent Representatives Committee/Council

No. Cion. prop. : 15272/12 FIN 806 5 - COM(2012) 632 final

Subject : Draft amending budget No 6 to the general budget for 2012
- Council position

I. INTRODUCTION

1. On 25 October 2012, the Commission forwarded to the Council draft amending budget (DAB) No 6 to the general budget for 2012.
2. This draft amending budget takes account of an increase in the forecast of revenue, as well as a decrease in commitment appropriations (c/a) on the expenditure side, and proposes an increase in the level of payment appropriations (p/a) in line with the latest estimates of needs.
3. As regards *revenue*, the revised forecast for own resources shows a net increase of +EUR 3.08 billion, resulting from an update in the forecast of revenue after the latest revision of the forecasts of own resources (+EUR 497.3 million in VAT- and GNI-based own resources, -EUR 950 million in traditional own resources) and other revenue (significant increase in the revenue from fines and interest payment of +EUR 3.53 billion).

4. With regard to *expenditure*, the Commission proposes a net increase in the level of p/a by +EUR 9 billion across headings and sub-headings 1a, 1b, 2, 3a and 4, including a redeployment of EUR 47.4 million in p/a:
- a) within sub-heading 1a (*Competitiveness for growth and employment*), additional needs in p/a are estimated at +EUR 625.3 million for the following programmes and actions: *Space and security research* (+EUR 78 million), *European satellite navigation programmes EGNOS and Galileo* (+EUR 4.8 million), *7th Framework Programme for Research* (+EUR 344.8 million) and *Lifelong learning programme* (+EUR 180 million). In addition, a shortage of funds for the *European Globalisation Adjustment Fund* requires an increase by +EUR 17.7 million;
 - b) within sub-heading 1b (*Cohesion for growth and employment*), the total request for increase in p/a amounts to +EUR 7.17 billion: +EUR 3.09 billion is requested to finance projects and programmes under the *European Social Fund*, +EUR 2.72 billion under the *European Regional Development Fund* and +EUR 1.35 billion under the *Cohesion Fund*. The *completion of the special programme for Northern Ireland* would require an additional +EUR 9 million;
 - c) within heading 2 (*Preservation and management of natural resources*), an additional amount of +EUR 1.17 billion in p/a is requested, mostly to fill the needs for the *Rural Development programmes* (+EUR 1.04 billion). The remaining +EUR 128 million would cover the *completion of the EAGGF 2000-2006 programmes* (+EUR 111 million) and *animal disease eradication and monitoring programmes* (+EUR 17 million);
 - d) within sub-heading 3a (*Freedom, security and justice*), an additional amount of +EUR 10 million in p/a is requested for the *European Return Fund*;

- e) within heading 4 (*The EU as a global player*), the additional resources requested in p/a amount to +EUR 67.1 million: +EUR 12 million for the *European neighbourhood policy*, +EUR 14.4 million for *the international cooperation programmes on health*, +EUR 23.7 million for *humanitarian aid programmes* and +EUR 17 million for *food aid programmes*.

Moreover, the Commission proposes a net reduction in the level of c/a of -EUR 133.4 million.

5. As a result, the net effect for Member States' contributions to the EU budget would therefore amount to +EUR 5.9 billion.

II. OUTCOME OF THE COMMITTEE'S PROCEEDINGS

6. On 30 November 2012, the Permanent Representatives Committee confirmed the *ad referendum* agreement reached at the trilogue on 29 November on a "draft package", including DAB No 6/2012 and the new 2013 draft budget. The "draft package" proposes to approve DAB No 6/2012, as proposed by the Commission in document 15272/12 with the following modifications:

in EUR million

Budget line	Name	Reductions of payment appropriations		
		DAB No 6	AB No 6	Difference
04 02 01	Completion of the European Social Fund (ESF) - Objective 1 (2000 to 2006)	+189.000	0	-189.000
04 02 02	Completion of the special programme for peace and reconciliation in Northern Ireland and the border counties of Ireland (2000 to 2006)	+9.000	0	-9.000
04 02 04	Completion of the European Social Fund (ESF) - Objective 2 (2000 to 2006)	+2.000	0	-2.000
04 02 17	European Social Fund (ESF) - Convergence	+1 837.000	1 443.907	-393.092
05 04 02 01	Completion of the European Agricultural Guidance and Guarantee Fund, Guidance Section - Objective 1 regions (2000 to 2006)	+111.000	0	-111.000
13 03 01	Completion of European Regional Development Fund (ERDF) - Objective 1 (2000 to 2006)	+790.000	0	-790.000
13 03 04	Completion of European Regional Development Fund (ERDF) - Objective 2 (2000 to 2006)	+80.000	0	-80.000
13 03 13	Completion of Interreg III Community initiative (2000 to 2006)	+50.000	0	-50.000
13 03 16	European Regional Development Fund (ERDF) — Convergence	+1 400.000	500.000	-900.000
13 03 19	European Regional Development Fund (ERDF) — European territorial cooperation	+400.000	280.000	-120.000
13 04 01	Cohesion Fund — Completion of previous projects (prior to 2007)	+250.000	0	-250.000
	Total			-2 894.092

Moreover, redeployments (EUR 100.46 million) from the following budget lines, which were not included in the Commission's proposal for DAB No 6/2012, would reduce the requested additional p/a to EUR 6 billion:

in EUR million

Budget line	Name	Reductions of payment appropriations		
		DAB No 6	AB No 6	Difference
01 03 02	Macro-financial assistance		-19.000	-19.000
02 01 04 05	European satellite navigation programmes (EGNOS and Galileo) - Expenditure on administrative management		-1.800	-1.800
05 05 02	Instrument for pre-accession assistance for rural development		-1.000	-1.000
08 01 05 01	Expenditure related to research staff		-4.100	-4.100
08 01 05 02	External staff for research		-0.700	-0.700
13 05 01 01	Instrument for Structural Policies for Pre-accession (ISPA) - completion of previous projects (2000-2006)		-10.000	-10.000
19 01 04 02	European Neighbourhood and Partnership Instrument (ENPI) - expenditure on administrative management		-2.160	-2.160
19 02 01	Cooperation with third countries in the areas of migration and asylum		-7.000	-7.000
19 04 03	Electoral observation		-4.000	-4.000
21 04 01	Environment and sustainable management of natural resources, including energy		-10.000	-10.000
21 06 03	Adjustment support for sugar protocol countries		-3.000	-3.000
32 04 14 01	Energy projects to aid economic recovery - Energy networks		-32.800	-32.800
32 04 14 02	Energy projects to aid economic recovery - Carbon Capture and Storage (CCS)		-4.900	-4.900
Total			-100.460	-100.460

The reduction of p/a on lines 02 01 04 05, 08 01 05 01, 08 01 05 02 and 19 01 04 02 would lead to a corresponding reduction in c/a, amounting to EUR 8.76 million, since these lines concern non-differentiated expenditure.

7. As a result of the above modifications, *the net effect for Member States' contributions to the EU budget would amount to +EUR 2.9 billion.*

III. CONCLUSION

8. The Permanent Representatives Committee is invited to advise the Council to:

- adopt, by qualified a majority¹, the Council's position on DAB No 6/2012² as set out in point II;
- approve the draft decision of the European Parliament and of the Council establishing amending budget No 6/2012 as set out in Annex 1 and transmit it to the European Parliament;
- instruct the Presidency to prepare the budgetary documents to be sent to the European Parliament and to approve the draft letter in Annex 3 to that effect;
- have the Council's position published in the *Official Journal of the European Union* as set out in the Annex 2;
- record in its minutes the unilateral statement by the Commission set out in Annex 4.

¹ DK, NL, SE and UK voting against.

² The Council position on DAB No 6/2012 shall contain:

- a) a recital stating that *"the Council's position is taken in conjunction with the adoption of its position on the draft budget of the European Union for the financial year 2013 and is subject to the European Parliament's approval of the latter position"*, as well as
- b) an additional paragraph in its sole Article stating that *"This Decision shall apply from the date of the European Parliament's approval of the Council's position on the draft budget of the European Union for the financial year 2013"*.

DRAFT

DECISION
of the EUROPEAN PARLIAMENT and of the COUNCIL
establishing amending budget No 6 of the European Union for the financial year 2012

The EUROPEAN PARLIAMENT and the COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 314 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,

Having regard to Council Decision 2007/436/EC, Euratom of 7 June 2007 on the system of the European Communities' own resources¹,

Having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities²,

¹ OJ L 163, 23.6.2007, p. 17.

² OJ L 248, 16.9.2002, p. 1.

Whereas:

- the European Union's general budget for the financial year 2012 was definitively adopted on 1 December 2011¹,
- on 25 October 2012, the Commission submitted draft amending budget No 6 of the European Union for the financial year 2012, in accordance with Article 314 of the Treaty on the Functioning of the European Union,
- the Council adopted its position on this draft amending budget on 6 December 2012,
- the European Parliament approved the Council's position at its plenary sitting of [...] 2012,

HAVE ADOPTED THIS DECISION:

Sole Article

Amending budget No 6 of the European Union for the financial year 2012 is hereby established in accordance with the Annex to this Decision.

Done at [...], [...] 2012.

*For the European Parliament
The President*

*For the Council of the EU
The President*

¹ OJ L 56, 29.02.2012, with Corrigendum in OJ L 79, 19.03.2012.

COUNCIL DECISION

adopting the Council's position on draft amending budget No 6 of the European Union for the financial year 2012

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,

Having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹, as last amended by Regulation (EU, Euratom) No 1081/2010 of the European Parliament and of the Council of 24 November 2010², and in particular Article 37 thereof,

Whereas:

- the Union's budget for the financial year 2012 was definitively adopted on 1 December 2011³,
- on 25 October 2012, the Commission submitted a proposal containing draft amending budget No 6 to the general budget for the financial year 2012,

¹ OJ L 248, 16.9.2002, p. 1, with Corrigenda in OJ L 25, 30.1.2003, p. 43 and in OJ L 99, 14.4.2007, p. 18.

² OJ L 311, 26.11.2010, p. 9.

³ OJ L 56, 29.02.2012, with Corrigendum in OJ L 79, 19.03.2012.

- given the fact that draft amending budget No 6 to the general budget for 2012 needs to be implemented within the financial year 2012 for reasons of sound financial management, it is justified to shorten the eight-week period laid down in Article 4 of Protocol No 1 on the information of National Parliaments, as well as the ten-day period for placing the item on the Council's provisional agenda, in accordance with Article 3(3) of the Council's Rules of Procedure,
- the Council's position is taken in conjunction with the adoption of its position on the draft budget of the European Union for the financial year 2013 and is subject to the European Parliament's approval of the latter position,

HAS DECIDED AS FOLLOWS:

Sole Article

The Council's position on draft amending budget No 6 of the European Union for the financial year 2012 was adopted on 6 December 2012.

The full text can be accessed for consultation or downloading on the Council's website:
<http://www.consilium.europa.eu/>.

This Decision shall apply from the date of the European Parliament's approval of the Council's position on the draft budget of the European Union for the financial year 2013.

Done at Brussels, on 6 December 2012.

*For the Council
The President*

DRAFT LETTER

from : President of the Council

to : President of the European Parliament

Sir,

I am forwarding under separate cover the Council's position on draft amending budget No 6 for the financial year 2012, adopted by the Council on 6 December 2012.

(Complimentary close).

UNILATERAL STATEMENT BY THE COMMISSION
ON AMENDING BUDGET No 6/2012 AND THE GNI OWN RESOURCES

"The Commission confirms that Member States' contributions corresponding to the GNI-based own resources required to finance amending budget No 6/2012 will be booked by Eurostat to the 2012 national budgets and accounts, even if the actual disbursement was to take place in January 2013, in accordance with the relevant accounting rules as applied by Eurostat."
