



**COUNCIL OF
THE EUROPEAN UNION**

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COVER NOTE

From:	Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt:	19 September 2013
To:	Mr Algimantas RIMKUNAS, President of the Council of the European Union

Subject:	Transfer of appropriations No DEC 22/2013 within Section III - Commission - of the general budget of 2013
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Delegations will find attached Commission document DEC 22/2013.

Encl.: DEC 22/2013



EUROPEAN COMMISSION

BRUSSELS, 18/09/2013

GENERAL BUDGET - 2013
SECTION III - COMMISSION TITLES 05, 22

TRANSFER OF APPROPRIATIONS N° **DEC 22/2013**

EUR

FROM

CHAPTER - 0505 Pre-accession measures in the field of agriculture and rural development

ARTICLE - 05 05 02 Instrument for Pre-accession Assistance for Rural Development (IPARD)

Commitments - 18 000 000

TO

CHAPTER - 2202 Enlargement process and strategy

ARTICLE - 22 02 01 Transition and institution-building assistance to candidate countries

Commitments 18 000 000

I. INCREASE

a) Heading

22 02 01 - Transition and institution-building assistance to candidate countries

b) Figures at 31/07/2013

	Commitments
1A. Appropriation in budget (initial budget + AB)	293 880 176
1B. Appropriation in budget (EFTA)	0
2. Transfers	156 030 264
3. Final appropriation for the year (1A+1B+2)	449 910 440
4. Utilisation of final appropriation	49 376 892
5. Amount not used/available (3-4)	400 533 548
6. Requirements up to year-end	418 533 548
7. Increase proposed	18 000 000
8. Increase as percentage of appropriation in budget (7/1A)	6.12%
9. Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over) (C5)

	Commitments
1. Appropriation available at start of year	21 767 205
2. Appropriation available on the 31/07/2013	16 737 857
3. Rate of utilisation $[(1-2)/1]$	23.11%

d) Detailed grounds for the increase

The transfer of the commitment appropriations from Component V (Rural Development) of the pre-accession instrument (budget line 05 05 02- IPARD) to Component I (Transition Assistance and Institution Building - budget line 22 02 01) will be used to support a limited number of rural infrastructure projects in FYROM similar to those that would have been eligible for the same measure under IPARD.

The appropriations transferred will most likely* be implemented under joint management with the World Bank. The World Bank has a long experience in FYROM in supporting sustainable agriculture and rural development in a manner consistent with the EU pre-accession requirements. The implementation under Component I is subject to ex-ante control.

*The decision on the method of implementation is still subject to an internal agreement.

II. DECREASE

a) Heading

05 05 02 - Instrument for Pre-accession Assistance for Rural Development (IPARD)

b) Figures at 31/07/2013

	Commitments
1A. Appropriation in budget (initial budget + AB)	259 328 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	0
3. Final appropriation for the year (1A+1B+2)	259 328 000
4. Utilisation of final appropriation	0
5. Amount not used/available (3-4)	259 328 000
6. Requirements up to year-end	241 328 000
7. Proposed decrease	18 000 000
8. Decrease as percentage of appropriation in budget (7/1A)	6.94%
9. Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over) (C5)

	Commitments
1. Appropriation available at start of year	0
2. Appropriation available on the 31/07/2013	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detail grounds for the transfer

The allocation for FYROM under IPA Component V (Rural Development IPARD) can only be spent under full decentralized management without ex-ante control. This requires the prior establishment of solid administrative and control structures. The FYROM was granted the conferral of management for some measures in 2009. However, the progress of the programme is not sufficient at the moment to guarantee that the IPARD allocation 2013 can be spent by the end of 2016 (N+3 rule). Therefore, based on a formal request from FYROM, it is proposed to transfer part of the 2013 commitment appropriations from Component V (item 05 05 02) to Component I (22 02 01).