



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 28 October 2013
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COVER NOTE

From: Mr Janusz LEWANSOWSKI, Member of the European Commission
date of receipt: 28 October 2013
To: Mr Algimantas RIMKUNAS, President of the Council of the European
Union

Subject: Transfer of appropriations No DEC 34/2013 within section III -
Commission - of the general budget for 2013

Delegations will find attached Commission's document DEC 34/2013.

Encl.: DEC 34/2013



BRUSSELS, 25/10/2013

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

TRANSFER OF APPROPRIATIONS N° **DEC 34/2013**

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 - 7 285 467

TO

CHAPTER - 2202 Enlargement process and strategy

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

Commitments 7 285 467

I. INCREASE

a) Heading

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

b) Figures at 10/10/2013

	Commitments
1A. Appropriation in budget (initial budget + AB)	293 880 176
1B. Appropriation in budget (EFTA)	0
2. Transfers	156 030 264
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3. Final appropriation for the year (1A+1B+2)	449 910 440
4. Utilisation of final appropriation	49 376 892
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5. Amount not used/available (3-4)	400 533 548
6. Requirements up to year-end	407 819 015
7. Increase proposed	7 285 467
8. Increase as percentage of appropriation in budget (7/1A)	2.48%
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 10/10/2013	16 737 857
3. Rate of utilisation [(1-2)/1]	23,11%

d) Detailed grounds for the increase

The commitment appropriations to be transferred from Component V (Rural Development) of the Pre-accession Instrument (article 05 05 02 – Instrument for Pre-accession Assistance for Rural Development [IPARD]) to Component I (article 22 02 01 – Transition and institution building assistance to candidate countries) will be used to support agricultural projects in Montenegro, including one project following IPARD-like conditions. The intention, after the Financing Decision has been adopted by the Commission, is to implement the appropriations under joint management with the World Bank. The World Bank has a long experience in Montenegro in supporting sustainable agriculture and rural development in a manner consistent with the EU pre-accession requirements.

A similar transfer of the 2013 commitment appropriations for the Former Yugoslav Republic of Macedonia from Component V to Component I was presented to the Budgetary Authority in September 2013 (DEC 22).

II. DECREASE

a) Heading

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

b) Figures at 10/10/2013

	Commitments
1A. Appropriation in budget (initial budget + AB)	259 328 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	0
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3. Final appropriation for the year (1A+1B+2)	259 328 000
4. Utilisation of final appropriation	0
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5. Amount not used/available (3-4)	259 328 000
6. Requirements up to year-end	252 042 533
7. Proposed decrease	7 285 467
8. Decrease as percentage of appropriation in budget (7/1A)	2.81%
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 10/10/2013	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detail grounds for the transfer

The allocation for Montenegro under Component V (Rural Development) of the pre-accession instrument (article 05 05 02) can only be spent under full decentralised management without ex-ante control. This requires the prior establishment of solid administrative and control structures. In this regard, Montenegro has already started the process to put in place the required structures, but the small size of the candidate country's administration makes an expeditious deployment of resources difficult.

As a result, the progress 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 Montenegro, it is proposed to transfer the 2013 commitment appropriations from Component V (article 05 05 02) to Component I (article 22 02 01).