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**DRAFT AMENDING BUDGET N° 4
TO THE GENERAL BUDGET 2012**

GENERAL STATEMENT OF REVENUE

**STATEMENT OF EXPENDITURE BY SECTION
Section III – Commission**

**DRAFT AMENDING BUDGET N° 4
TO THE GENERAL BUDGET 2012**

GENERAL STATEMENT OF REVENUE

**STATEMENT OF EXPENDITURE BY SECTION
Section III – Commission**

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,
- the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹, and in particular Article 37 thereof,
- the general budget of the European Union for the financial year 2012 adopted on 1 December 2011²,
- the amending budget No 1/2012 adopted on 20 April 2012,
- the amending budget No 2/2012, adopted on 12 June 2012,
- the draft amending budget No 3/2012, as amended following amending budget No 2/2012

The European Commission hereby presents to the budgetary authority the Draft Amending Budget No 4 to the 2012 budget.

CHANGES TO THE STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

The changes to the statement of revenue and expenditure by section are available on EUR-Lex (<http://eur-lex.europa.eu/budget/www/index-en.htm>). An English version of the changes to this statement is attached for information as a budgetary annex.

¹ OJ L 248, 16.9.2002, p. 1.

² OJ L 56, 29.2.2012, p. 1.

TABLE OF CONTENTS

1. INTRODUCTION	5
2. OWN RESOURCES	5
2.1. INTRODUCTION.....	5
2.2. REVISION OF THE FORECAST OF TOR, VAT AND GNI BASES	6
2.3. 2008, 2010 AND 2011 UK CORRECTION.....	8
2.3.1 INTRODUCTION.....	8
2.3.2 CALCULATION OF THE CORRECTIONS	9
2.3.3 ENTRY IN THE DAB 4/2012 OF THE 1 ST UPDATE OF THE 2011 UK CORRECTION, OF THE 2 ND UPDATE OF THE 2010 UK CORRECTION AND OF THE DEFINITIVE AMOUNT OF THE 2008 UK CORRECTION.....	12
2.4 REVISION OF THE FINANCING OF THE GROSS REDUCTIONS IN GNI PAYMENTS OF SWEDEN AND THE NETHERLANDS IN 2012.....	13
3. RISK-SHARING INSTRUMENTS	14
3.1 INTRODUCTION.....	14
3.2 NEW EXPENDITURE BUDGET LINES.....	14
3.3 NEW REVENUE BUDGET LINE.....	15
4. MODIFICATION OF THE BUDGET LINE	15

1. INTRODUCTION

Draft Amending Budget (DAB) No 4 for the year 2012 concerns the following:

- A revision of the forecast of Traditional Own Resources (TOR, i.e. customs duties and sugar sector levies), VAT and GNI bases, the budgeting of the relevant UK corrections as well as their financing and revision of financing of GNI reductions in favour of the Netherlands and Sweden in 2012, resulting in a change in the distribution between Member States of their own resources contributions to the EU budget,
- The creation of four new budget lines for the implementation of risk-sharing instruments financed from the European Regional Development Fund (ERDF) and the Cohesion Fund, all with a token entry (p.m.),
- Modification of the budget line 16 03 05 01 – Preparatory action – EuroGlobe to replace the "dash" for payments on the line with a token entry (p.m.), in order to allow the final payments to be made.

2. OWN RESOURCES

2.1. Introduction

The following summary table shows the distribution of total own resources payments between Member States as budgeted in:

- The 2012 Budget,
- The Draft Amending Budget (DAB) 3/2012 is intended to budget the surplus resulting from the implementation of the budget year 2011 of EUR 1 496 968 014, which is therefore entered as revenue in the 2012 budget,
- The present DAB 4/2012.

amounts in million euro

	Budget 2012	DAB 3/2012	DAB 4/2012		DAB 4/2012 vs. DAB 3/2012
	(1)	(2)	(3)	in %	(4) = (3) - (2)
BE	5 232,9	5 188,9	5 215,9	4,14%	+ 27,0
BG	411,8	407,3	410,7	0,33%	+ 3,4
CZ	1 599,1	1 581,9	1 529,9	1,21%	- 52,0
DK	2 595,9	2 566,9	2 631,9	2,09%	+ 64,9
DE	25 438,8	25 130,6	25 219,3	20,01%	+ 88,6
EE	164,5	162,7	171,3	0,14%	+ 8,7
IE	1 381,2	1 366,5	1 377,5	1,09%	+ 11,0
EL	2 205,8	2 180,7	1 965,2	1,56%	- 215,5
ES	11 316,2	11 192,4	10 730,7	8,52%	- 461,7
FR	20 880,9	20 639,8	20 924,1	16,60%	+ 284,4
IT	16 443,4	16 258,2	16 091,2	12,77%	- 166,9
CY	200,6	198,5	181,3	0,14%	- 17,2
LV	191,1	188,9	210,0	0,17%	+ 21,1
LT	323,9	320,3	329,4	0,26%	+ 9,1
LU	324,4	320,6	303,9	0,24%	- 16,7
HU	1 101,4	1 088,9	896,7	0,71%	- 192,1
MT	70,8	70,1	65,8	0,05%	- 4,2
NL	6 359,0	6 286,4	6 101,5	4,84%	- 184,9
AT	2 706,2	2 671,5	2 816,0	2,23%	+ 144,5
PL	4 060,9	4 015,5	3 643,5	2,89%	- 371,9
PT	1 648,0	1 629,4	1 625,7	1,29%	- 3,7
RO	1 359,7	1 343,6	1 349,0	1,07%	+ 5,4
SI	422,4	418,1	401,4	0,32%	- 16,7
SK	755,5	747,1	752,4	0,60%	+ 5,3
FI	1 985,9	1 962,8	2 003,2	1,59%	+ 40,4
SE	3 534,2	3 487,3	3 537,2	2,81%	+ 49,9
UK	14 797,9	14 590,6	15 530,4	12,32%	+ 939,8
EU	127 512,3	126 015,4	126 015,4	100,00%	+ 0

2.2. Revision of the forecast of TOR, VAT and GNI bases

According to established practice, the Commission proposes to revise the financing of the budget on the basis of more recent economic forecasts, adopted at a meeting of the Advisory Committee on Own Resources (ACOR).

The revision concerns the forecast of Traditional Own Resources (TOR) to be paid to the budget in 2012 as well as the forecast of the 2012 Value Added Tax (VAT) and Gross National Income (GNI) bases. The forecast in the 2012 Budget (and in AB 1/2012 to DAB 3/2012) was established at the 151st ACOR meeting on 17 May 2011. The revised forecast taken into account in the present DAB 4/2012 was adopted at the 154th ACOR meeting on 21 May 2012. The use of an updated forecast of own resources improves the accuracy of the payments that Member States are asked to make during the budgetary year and reduces the unavoidable forecasting errors from the previous year.

As compared to the forecast agreed in May 2011, the forecast agreed in May 2012 has been revised as follows:

- The total forecast of 2012 net sugar sector levies has not changed and remains EUR 123,4 million (after deduction of 25 % in collection costs).
- Total 2012 net customs duties (including duties on agricultural products) are now forecast at EUR 17 650,8 million (after deduction of 25 % in collection costs), which represents a decrease by - 7,9 % relative to the May 2011 forecast of EUR 19 171,2 million. The main reason for this

decrease is lower estimated average tariff (1,32% instead of 1,45%). The forecast was made on a Member State basis, using forecast growth rates of extra-EU imports as published in the spring 2012 economic forecasts on 11 May 2012.

- The total 2012 EU uncapped VAT base is now forecast at EUR 5 779 304,1 million, which represents an increase of +0,4 % as compared to the May 2011 forecast of EUR 5 756 405,2 million. The total 2012 EU capped VAT base³ is forecast at EUR 5 763 295,6 million, which represents an increase of +0,4 % as compared to the May 2011 forecast of EUR 5 740 777,2 million.
- The total 2012 EU GNI base is forecast at EUR 12 878 244,7 million, which represents a decrease of -1,9 % as compared to the May 2010 forecast of EUR 13 130 916,3 million.

The exchange rates of 30 December 2011 have been used for converting the forecast VAT and GNI bases in national currency into euro (for the ten Member States that are not members of the euro zone). This avoids distortions since it is this rate which is used to convert budgeted own resources payments from euro into national currency when the amounts are called in (as stipulated in Article 10(3) of Council Regulation No 1150/2000).

The revised forecasts of TOR, uncapped VAT bases and GNI bases for 2012, as adopted at the 154th ACOR meeting on 21 May 2012, are set out in the following table (rounded figures):

³ In accordance with Council Decision No 2007/436, if the VAT base of a Member State exceeds 50 % of its GNI, then it is capped at these 50 %. For DAB 4/2012, four Member States will have their VAT base capped at 50 % of GNI: Cyprus, Luxembourg, Malta and Slovenia.

Revised forecasts of TOR, VAT and GNI bases for 2011 (in million EUR)

	Sugar levies (75%)	Customs duties (75%)	Uncapped VAT bases	GNI bases	Capped VAT bases⁴
BE	6,6	1 709,0	164 200,6	384 015,9	164 200,60
BG	0,4	54,2	17 944,9	38 430,5	17 944,90
CZ	3,4	229,5	64 537,5	140 367,8	64 537,50
DK	3,4	347,5	99 128,2	253 673,1	99 128,20
DE	26,3	3 600,3	1 165 502,0	2 672 592,5	1 165 502,00
EE	0,0	23,1	7 880,5	15 872,2	7 880,50
IE	0,0	209,7	61 788,7	125 496,2	61 788,70
EL	1,4	140,4	89 493,6	199 825,7	89 493,60
ES	4,7	1 178,5	479 157,0	1 036 829,0	479 157,00
FR	30,9	1 764,0	954 295,3	2 079 550,4	954 295,30
IT	4,7	1 763,9	652 675,9	1 578 251,6	652 675,90
CY	0,0	21,5	14 218,6	17 237,5	8 618,75
LV	0,0	24,4	6 894,4	20 989,4	6 894,40
LT	0,8	49,0	11 421,9	31 245,9	11 421,90
LU	0,0	15,2	23 664,1	31 069,8	15 534,90
HU	2,0	105,2	34 764,0	87 872,1	34 764,00
MT	0,0	10,5	4 701,1	5 952,3	2 976,15
NL	7,3	1 986,6	268 334,1	608 481,6	268 334,10
AT	3,2	208,6	138 765,2	308 548,4	138 765,20
PL	12,8	373,0	171 886,5	351 257,4	171 886,50
PT	0,2	128,2	78 381,5	160 867,6	78 381,50
RO	1,0	115,0	48 853,1	137 935,4	48 853,10
SI	0,0	77,2	17 956,5	34 804,0	17 402,00
SK	1,4	127,7	25 074,5	70 157,1	25 074,50
FI	0,8	157,6	90 991,5	200 276,4	90 991,50
SE	2,6	511,7	177 296,7	405 983,0	177 296,70
UK	9,5	2 719,3	909 496,2	1 880 661,9	909 496,20
EU	123,4	17 650,8	5 779 304,1	12 878 244,7	5 763 295,60

2.3. 2008, 2010 and 2011 UK correction

2.3.1 Introduction

The correction of budgetary imbalances in favour of the United Kingdom (UK correction), to be budgeted in the present DAB, concerns three years: 2008, 2010 and 2011.

The 2008, 2010 and 2011 UK corrections are subject to the rules of Council Decision (EC, Euratom) No 2007/436 and its accompanying working document, the *2007 Calculation Method*⁵. Pursuant to the rules of this Decision, the net TOR “windfall gains” of the UK resulting from the increase as from 2001 in the percentage of TOR retained by Member States as a compensation for their collection costs are neutralised and the allocated expenditure is adjusted by:

⁴ The amounts highlighted in grey result from the capped VAT bases, as explained in footnote 3 above.

⁵ Council Decision n° 2007/436 of 7 June 2007 on the system of the EU own resources, available on: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:163:0017:0021:EN:PDF> and Commission working document of 23 May 2007 "Calculation, financing, payment and entry in the budget of the correction of budgetary imbalances in accordance with Articles 4 and 5 of Council Decision [2007/436] on the system of the EU own resources" referred as the *2007 Calculation Method* and available on:

http://ec.europa.eu/budget/library/biblio/documents/financing/calc_own_res_2007_en.pdf.

- pre-accession expenditure (PAE) paid under appropriations for payments relating to the year preceding the enlargement. The same adjustment for PAE will be followed at the occasion of each future enlargement of the Union but it will cease to apply as from the correction to be budgeted for the first time in 2014;
- for the 2008 correction 20 %, for 2010 and 2011 UK corrections 100 % of total allocated expenditure in Member States that have acceded to the EU after 30 April 2004, except for agricultural direct payments and market-related expenditure as well as that part of the rural development expenditure originating from the EAGGF, Guarantee section. This reduction is to be phased-in progressively (20 % for 2008 correction budgeted in 2009, 70 % for 2009 correction budgeted in 2010 and 100 % as from 2010 correction budgeted in 2011).

Furthermore, the share of Austria, Germany, the Netherlands and Sweden in the financing of the UK correction is reduced to one fourth of their normal share. The reduction is financed by the other Member States, excluding the UK.

The difference between the *definitive amount of the 2008 UK correction* and the amount previously budgeted (*2nd update* in AB 4/2010) as well as the difference between the *2nd update of the 2010 correction* and the amount previously budgeted (*1st update* in AB 5/2011) are entered under chapters 35 and 36 of DAB 4/2012.

The amount of the *1st update* of the 2011 UK correction is entered under chapter 15 of the DAB 4/2012, as a replacement of the *provisional amount* of the 2011 UK correction entered under chapter 15 of the Budget 2012.

2.3.2 Calculation of the corrections

In the present DAB, the calculation and financing of the *1st update* of the 2011 UK correction, *the 2nd update* of the 2010 correction and the *definitive amount* of the 2008 UK correction are entered.

As far as the 2009 UK correction is concerned, the Commission shall (according to the *2007 Calculation Method*) propose to budget an update if they differ significantly from the corresponding previously budgeted calculation. According to the Commission's current calculations, the amount of the 2009 UK correction does not differ significantly from the *1st update* of the 2009 UK correction entered in AB 4/2010. Consequently, the update is not proposed for budgeting in the present DAB 4/2012.

2.3.2.1 2011 UK correction

The following table summarises the changes between the *provisional amount* of the 2011 UK correction entered in Budget 2012 and the *1st update* of the 2011 UK correction to be entered in DAB 4/2012.

2011 UK correction	2011 UK correction PROVISIONAL Budget 2012	2011 UK correction 1st UPDATE DAB 4/2012	Difference
(1) UK share of uncapped VAT base	15.0054%	14.9462%	- 0.0592%
(2) UK share of enlargement-adjusted total allocated expenditure	7.6164%	7.3204%	- 0.2960%
(3) = (1) - (2)	7.3890%	7.6259%	+ 0.2369%
(4) Total allocated expenditure	114 982 094 901	116 689 113 932	+ 1 707 019 031
(5) Enlargement-related expenditure = (5a) + (5b)	29 243 025 286	26 918 339 726	- 2 324 685 560
(5a) Pre-accession expenditure	3 047 748 507	3 037 294 340	- 10 454 167
(5b) Expenditure related to Art 4(1)(g)	26 195 276 779	23 881 045 386	- 2 314 231 393
(6) Enlargement-adjusted total allocated expenditure = (4) - (5)	85 739 069 616	89 770 774 207	+ 4 031 704 591
(7) UK correction original amount = (3) x (6) x 0.66	4 181 273 373	4 518 220 698	+ 336 947 325
(8) UK advantage	319 474 318	534 381 657	+ 214 907 339
(9) Core UK correction = (7) - (8)	3 861 799 055	3 983 839 040	+ 122 039 986
(10) TOR windfall gains	61 357 780	8 838 069	- 52 519 710
(11) UK correction = (9) - (10)	3 800 441 275	3 975 000 971	+ 174 559 696

The 1st update of the 2011 UK correction is EUR 175 million higher as compared to the *provisional amount* of the 2011 UK correction entered in Budget 2012.

For the 2011 UK correction the difference in the original amount of the UK correction between Own Resources Decision (ORD) 2000 and ORD 2007 is EUR 2 144,6 million in 2004 prices and EUR 2 355,7 million in current prices.

2.3.2.2 2010 UK correction

The following table summarises the changes between the 1st update of the 2010 UK correction entered in AB 4/2011 and the 2nd update of the 2010 UK correction to be entered in DAB 4/2012.

2010 UK correction	2010 UK correction 1st update AB 4/2011	2010 UK correction 2nd update DAB 4/2012	Difference
(1) UK share of uncapped VAT base	15.0995%	15.3613%	+ 0.2617%
(2) UK share of enlargement-adjusted total allocated expenditure	7.7390%	7.7118%	- 0.0272%
(3) = (1) - (2)	7.3605%	7.6495%	+ 0.2889%
(4) Total allocated expenditure	111 581 136 089	111 424 575 479	- 156 560 609
(5) Enlargement-related expenditure = (5a) + (5b)	23 885 731 392	23 860 842 743	- 24 888 649
(5a) Pre-accession expenditure	2 978 639 088	2 970 335 816	- 8 303 272
(5b) Expenditure related to Art 4(1)(g)	20 907 092 304	20 890 506 927	- 16 585 377
(6) Enlargement-adjusted total allocated expenditure = (4) - (5)	87 695 404 697	87 563 732 736	- 131 671 960
(7) UK correction original amount = (3) x (6) x 0.66	4 260 193 166	4 420 776 873	+ 160 583 707
(8) UK advantage	388 810 830	768 620 727	+ 379 809 897
(9) Core UK correction = (7) - (8)	3 871 382 336	3 652 156 146	- 219 226 190
(10) TOR windfall gains	29 810 676	21 614 060	- 8 196 616
(11) UK correction = (9) - (10)	3 841 571 660	3 630 542 087	- 211 029 573

The 2nd update of the 2010 UK correction is EUR 211 million lower as compared to the 1st update of the 2010 UK correction entered in AB 4/2011.

For the 2010 UK correction the difference in the original amount of the UK correction between Own Resources Decision (ORD) 2000 and ORD 2007 is EUR 1 957 million in 2004 prices and EUR 2 118 million in current prices.

2.3.2.3 2008 UK correction

The following table summarises the changes between the 2nd update of the 2008 UK correction entered in AB 4/2010 and the definitive amount of the 2008 UK correction to be entered in DAB 4/2012.

2008 UK correction	2008 UK correction 2 nd update AB 4/2010	2008 UK correction Definitive amount DAB 4/2012	Difference
(1) UK share of uncapped VAT base	15.7045%	15.7929%	+ 0.0884%
(2) UK share of enlargement-adjusted total allocated expenditure	7.3387%	7.3458%	+ 0.0071%
(3) = (1) - (2)	8.3658%	8.4471%	+ 0.0813%
(4) Total allocated expenditure	105 538 033 501	105 436 390 802	- 101 642 699
(5) Enlargement-related expenditure = (5a) + (5b)	5 908 600 354	5 903 524 193	- 5 076 161
(5a) Pre-accession expenditure	3 014 323 610	3 009 247 449	- 5 076 161
(5b) Expenditure related to Art 4(1)(g)	2 894 276 744	2 894 276 744	+ 0
(6) Enlargement-adjusted total allocated expenditure = (4) - (5)	99 629 433 147	99 532 866 610	- 96 566 537
(7) UK correction original amount = (3) x (6) x 0.66	5 500 964 647	5 549 050 290	+ 48 085 644
(8) UK advantage	289 477 443	371 343 380	+ 81 865 937
(9) Core UK correction = (7) - (8)	5 211 487 204	5 177 706 910	- 33 780 294
(10) TOR windfall gains	-42 810 700	-45 867 538	- 3 056 839
(11) UK correction = (9) - (10)	5 254 297 904	5 223 574 449	- 30 723 455

The definitive amount of the 2008 UK correction is EUR 30,7 million lower as compared to the 2nd update of the 2008 UK correction entered in AB 4/2010.

For the 2008 UK correction the difference in the original amount of the UK correction between Own Resources Decision (ORD) 2000 and ORD 2007 is EUR 280,6 million in 2004 prices and EUR 301,7 million in current prices.

2.3.2.4 EUR 10,5 billion ceiling

According to article 4(2) of Decision 2007/436, during the period 2007-2013 the additional contribution of the United Kingdom resulting from the reduction of allocated expenditure by the expenditure related to enlargement as referred to in paragraph (1)(g) of ORD 2007 shall not exceed EUR 10,5 billion, measured in 2004 prices. The cumulative effect of 2007 to 2012 corrections is EUR 5 657,5 million in 2004 prices and EUR 6 125,2 million in current prices.

2007-2012 UK corrections		Difference in current prices	Difference in constant 2004 prices
Difference in original amount in reference to EUR 10,5 billion threshold (ORD 2007 vs. ORD 2000), in EUR			
(A)	2007 UK correction	0	0
(B)	2008 UK correction	-301 679 647	- 280 649 108
(C)	2009 UK correction	-1 349 840 247	- 1 275 338 491
(D)	2010 UK correction	-2 117 969 550	- 1 956 957 875
(E)	2011 UK correction	-2 355 745 675	- 2 144 599 880
(F)	2012 UK correction	n/a	n/a
(G)	Sum of differences = (A) + (B) + (C) + (D) + (E) + (F)	-6 125 235 119	5 657 545 355

2.3.3 Entry in the DAB 4/2012 of the 1st update of the 2011 UK correction, of the 2nd update of the 2010 UK correction and of the definitive amount of the 2008 UK correction

2.3.3.1 2011 UK correction (chapter 15)

The amount of the UK correction to be budgeted in chapter 15 of the present DAB 4/2012 is the amount of the 1st update of the 2011 UK correction (i.e. EUR 3 975 000 971, replacing the EUR 3 800 441 275 entered in Budget 2012).

This amount is to be financed along the revised 2012 GNI bases of the present DAB 4/2012. The budgeting of this amount in chapter 15 is summarised below:

2011 UK correction — Chapter 15			
BE	198 203 463	LU	16 036 164
BG	19 835 268	HU	45 353 733
CZ	72 448 521	MT	3 072 181
DK	130 929 180	NL	54 982 877
DE	241 497 563	AT	27 880 676
EE	8 192 174	PL	181 295 704
IE	64 772 790	PT	83 029 154
EL	103 136 734	RO	71 193 078
ES	535 142 160	SI	17 963 510
FR	1 073 325 585	SK	36 210 428
IT	814 588 491	FI	103 369 355
CY	8 896 851	SE	36 684 944
LV	10 833 332	UK	0
LT	16 127 055	Total	3 975 000 971

2.3.3.2 2010 UK correction (chapter 36)

The amount of the UK correction to be budgeted in chapter 36 of the present DAB 4/2012 is the difference between the 2nd update of the 2010 UK correction (i.e. EUR 3 630 542 087) and the 1st update of the 2010 UK correction (i.e. EUR 3 841 571 660 entered in AB 4/2011), amounting to EUR 211 029 573.

This amount is to be financed along the revised 2011 GNI bases as known at the end of 2011. The budgeting of this amount in chapter 36 is summarised below:

2010 UK correction — Chapter 36			
BE	-7 206 164	LU	-1 321 483
BG	-874 899	HU	-4 025 268
CZ	-1 231 077	MT	-289 108
DK	-5 756 244	NL	-3 588 342
DE	-12 395 478	AT	-764 191
EE	-159 399	PL	-15 230 602
IE	-4 114 974	PT	-4 186 172
EL	-10 261 013	RO	1 370 640
ES	-31 026 737	SI	-1 504 459
FR	-53 804 546	SK	-2 287 722
IT	-44 693 441	FI	-4 814 952
CY	-988 357	SE	-1 637 487
LV	230 629	UK	211 029 573
LT	-468 727	Total	0

2.3.3.3 2008 UK correction (chapter 35)

The amount of the UK correction to be budgeted in chapter 35 of the present DAB 4/2012 is the difference between the *definitive amount* of the 2008 UK correction (i.e. EUR 5 223 574 449) and the *2nd update* of the 2008 UK correction (i.e. EUR 5 254 297 904 entered in AB 4/2010), amounting to EUR 30 723 455.

This amount is to be financed along the revised 2009 GNI bases as known at the end of 2011. The budgeting of this amount in chapter 35 is summarised below:

2008 UK correction — Chapter 35			
BE	-2 436 633	LU	-714 690
BG	1 220 806	HU	-1 193 752
CZ	1 690 027	MT	-66 212
DK	-3 876 276	NL	-305 503
DE	-4 774 265	AT	-238 031
EE	47 930	PL	-2 645 902
IE	492 015	PT	2 383 572
EL	-4 953 249	RO	1 233 079
ES	-5 638 762	SI	39 130
FR	-19 594 776	SK	-868 292
IT	8 439 585	FI	2 996 972
CY	-497 841	SE	-1 526 708
LV	-254 104	UK	30 723 455
LT	318 425	Total	0

2.4 Revision of the financing of the gross reductions in GNI payments of Sweden and the Netherlands in 2012

The gross reductions in the GNI payments of the Netherlands and Sweden for 2012 were established in Budget 2012. The amounts were adjusted to current prices by applying the GDP deflator for the EU expressed in euro, as provided by the Commission in the 2011 Spring Economic Forecast, i.e. which was available when the draft budget 2012 was drawn up. The gross amounts are EUR 678,8 million for the Netherlands and EUR 168,3 million for Sweden and they do not and will not change.⁶

The reductions are to be financed by all Member States according to the shares in GNI. The financing is therefore modified according to the update of the GNI bases for 2012 as agreed during the 154th ACOR Forecast meeting on 21 May 2012.

The following table provides an overview of the financing of the gross reductions for 2012:

⁶ According to Article 2(5) of Council Decision 2007/436/EC, Euratom the amounts are adjusted to the current prices by applying the most recent GDP deflator for the EU expressed in euro, as provided by the Commission, which is available when the preliminary draft budget is drawn up.

Reductions in 2012 GNI payments of the Netherlands and Sweden			
BE	25 260 463	LU	2 043 763
BG	2 527 948	HU	5 780 203
CZ	9 233 356	MT	391 541
DK	16 686 549	NL	- 638 798 259
DE	175 802 420	AT	20 296 231
EE	1 044 069	PL	23 105 618
IE	8 255 106	PT	10 581 828
EL	13 144 481	RO	9 073 354
ES	68 202 334	SI	2 289 398
FR	136 792 269	SK	4 614 915
IT	103 816 968	FI	13 174 128
CY	1 133 878	SE	- 141 598 022
LV	1 380 677	UK	123 709 437
LT	2 055 347	Total	0

3. RISK-SHARING INSTRUMENTS

3.1 Introduction

Regulation (EU) No 423/2012 of the European Parliament and of the Council of 22 May 2012 amends Council Regulation (EC) No 1083/2006 as regards certain provisions relating to risk-sharing instruments for Member States experiencing or threatened with serious difficulties with respect to their financial stability.

The aim of the new provisions is to address liquidity problems that affect the privately financed part of cohesion policy projects. The new provisions create the possibility to establish, by means of cooperation agreements to be concluded between the Commission and the European Investment Bank (EIB) or similar bodies, risk-sharing instruments with a view to facilitate investment and growth by reallocating financial appropriations up to 10 % of the European Regional Development Fund (ERDF) and Cohesion Fund allocation for the period 2007-2013 to the risk-sharing instruments.

In order to implement the actions, it is proposed to create three new expenditure budget lines and one revenue budget line. The creation of these budget lines has already been proposed in the Draft Budget 2013.

3.2 New Expenditure Budget Lines

In order to implement the actions foreseen, it is proposed to create three new expenditure budget lines in Budget 2012 under Chapter 13 – Regional Policy:

- 13 03 40: Risk-sharing instruments financed from the ERDF Convergence envelope.
- 13 03 41: Risk-sharing instruments financed from the ERDF Regional competitiveness and employment envelope.
- 13 04 03: Risk-sharing instruments financed from the Cohesion Fund envelope.

As the new actions are financed without any overall increase in the appropriations, at this stage a token entry (p.m.) is proposed on these new expenditure budget lines.

Following the entry into force of the corresponding legal act on 23 May 2012⁷, the Commission will examine the applications of the concerned Member States. In parallel, the concerned operational programmes will have to be modified.

At the end of this exercise the amounts to be transferred to the risk-sharing instruments will be decommitted from the programmes. The resulting commitment appropriations which become available on the existing respective ERDF and Cohesion Fund budget lines will then be transferred to the newly created budget lines. This will enable the Commission to enter into legal commitments with the EIB or similar bodies (signature of the cooperation agreements).

3.3 New Revenue Budget Line

In order to be able to record potential reflows and amounts left-over from Union support to the Risk Sharing Instruments, it is also proposed to create a new revenue item in Budget 2012 under Article 6 1 4 – Repayment of Union support to commercially successful projects and activities and to Risk Sharing Instruments financed from the European Regional Development Fund and the Cohesion Fund:

- 6 1 4 4 — Repayment of Union support to Risk Sharing Instruments financed from the European Regional Development Fund and the Cohesion Fund — Assigned revenue.

As any potential reflows or amounts left-over cannot be quantified at this stage, a token entry (p.m.) is proposed on this new revenue budget line.

4. MODIFICATION OF THE BUDGET LINE

The preparatory action EuroGlobe was created in 2009. In accordance with article 49 of the Financial Regulation, the relevant commitment appropriations for a preparatory action may be entered in the budget for not more than three successive financial years. However, the finalisation of payments can continue thereafter.

A contract, covering the organisation of a communication campaign and public debates on EU policies and activities of direct relevance to citizens using cinema events, was signed on 28 December 2009. The contract foresaw actions to be carried out during the Hungarian and Polish presidencies in 2011, ending not later than 31 December 2011.

The pre-financing and two interim payments were made in 2010 and 2011. In November 2011, the Commission was informed that the final payment request, together with the final report, would be presented only in 2012. The request for a final payment was received on 12 March 2012.

In order to cover this final payment the Commission will make an internal transfer. However, in accordance with article 25 of the Financial Regulation, a transfer can only be made to a budget line for which there are authorised appropriations, or which carries a token entry (p.m.). In the 2012 budget, the line in question, 16 03 05 01 – Preparatory action – EuroGlobe only foresees a "dash" in payment appropriations. Therefore, it is proposed to replace this with a token entry (p.m.) to make the required transfer possible.

⁷ OJ L 133, 23.5.2012, p.1.