



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 31 July 2012

13014/12

**FIN 595
PE-L 55**

"I/A" ITEM NOTE

from: Budget Committee
to: Permanent Representatives Committee/Council

No. Cion prop.: 11676/12 FIN 462 - COM (2012) 340 final

Subject: Draft amending budget No 4 to the general budget for 2012 - Statement of
expenditure by Section - Section III - Commission

I. INTRODUCTION

On 20 June 2012, the Commission submitted draft amending budget (DAB) No 4/2012, covering the following elements:

- a revision of forecast of Own Resources;
- creation of budget lines with a token entry (p.m.) related to the establishment of risk sharing instruments;
- creation of a token entry (p.m.) on budget line 16 03 05 01.

1. Revision of the forecast of Own Resources

On the basis of more recent economic updates, the Advisory Committee on Own Resources agreed during its meeting on 21 May 2012 to revise the 2012 forecasts of Traditional Own Resources, the VAT and the GNI bases. As a result of this updated forecast, it has been decided to decrease by -7.9 % the financing from the net custom duties, to increase by +0.4 % the forecast for the EU uncapped VAT base and to decrease by -1.9 % the forecast for the GNI base.

The present DAB revises as well the budgetary imbalances in favour of UK (UK correction) for the years 2008, 2010 and 2011 and the gross reductions in GNI payments in favour of Sweden and the Netherlands.

The above mentioned reductions are to be financed by all Member States as budgeted in DAB No 4/2012.

2. Risk-sharing instruments

In order to address certain liquidity problems in financing the Cohesion policy projects, Council regulation (EC) No 1083/2006 has been amended. The Member States experiencing or threatened by serious difficulties with respect to their financial stability would therefore have the possibility to create risk-sharing instruments or similar bodies with a view to facilitate private investment. In order to implement those new provisions, it is proposed to create the following three new Articles under Chapter 13 (Regional Policy), with a token entry (p.m.):

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

Moreover, a new revenue Item 6 1 4 4 (Repayment of Union support to commercially successful projects and activities and to Risk Sharing Instruments financed from the ERDF and Cohesion Fund - Assigned Revenue) would record potential reflows and amounts left-over from Union support to the risk sharing instruments.

3. Creation of a token entry (p.m.)

Item 16 03 05 01 (Preparatory action - EuroGlobe) was created in the 2012 budget with a "dash" in payment appropriations. However, an internal transfer is necessary for this budget line in order to cover the payment request. In order to enable this transfer, it is proposed to modify the line and to replace the "dash" with a token entry (p.m.).

II. OUTCOME OF THE BUDGET COMMITTEE'S PROCEEDINGS

The Budget Committee examined the DAB No 4/2012 on its meeting on 25 June and approved it unanimously.

III. CONCLUSION

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

- adopt the Council's position on DAB No 4/2012 as set out in point II;
- approve the draft decision of the European Parliament and of the Council establishing amending budget No 4/2012 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 Annex 2.

DRAFT

DECISION
of the EUROPEAN PARLIAMENT and of the COUNCIL
establishing an amending budget No 4 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 20 June 2012, the Commission submitted draft amending budget No 4 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 19 September 2012,
- the European Parliament approved the Council's position at its plenary sitting of [...] 2012,

HAVE ADOPTED THIS DECISION:

Sole Article

Amending budget No 4 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 Corrigenda in OJ L 79, 19.03.2012, p. 1 and in OJ L 184, 13.7.2012, p. 19.

COUNCIL DECISION

adopting the Council position on draft amending budget No 4 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 and 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 20 June 2012, the Commission submitted a proposal containing draft amending budget No 4 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 Corrigenda in OJ L 79, 19.03.2012, p. 1 and in OJ L 184, 13.7.2012, p. 19.

HAS DECIDED AS FOLLOWS:

Sole Article

The Council's position on draft amending budget No 4 of the European Union for the financial year 2012 was adopted on 19 September 2012.

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

Done at Brussels, 19 September 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 4 for the financial year 2012, adopted by the Council on 19 September 2012.

(Complimentary close).
