



**COUNCIL OF
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COVER NOTE

from:	Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt:	31 August 2012
to:	Mr Vassos SHIARLY, President of the Council of the European Union
Subject:	Transfer of appropriations No DEC 23/2012 within Section III - Commission - of the general budget for 2012

Delegations will find attached Commission document DEC 23/2012.

Encl.: DEC 23/2012



EUROPEAN COMMISSION

BRUSSELS, 30/08/2012

GENERAL BUDGET - 2012
SECTION III - COMMISSION TITLES 15, 19

TRANSFER OF APPROPRIATIONS N° DEC 23/2012

EUR

FROM

CHAPTER - 1502 Lifelong learning, including multilingualism

ARTICLE - 15 02 03 Cooperation with third countries on education and vocational training

Commitments - 4 000 000

TO

CHAPTER - 1905 Relations and cooperation with industrialised third countries

ARTICLE - 19 05 01 Cooperation with industrialised third countries

Commitments 4 000 000

INTRODUCTION

This transfer will allow the additional financing of bilateral projects and Erasmus Mundus (EM) Action II projects with industrialised third countries within the framework of the Industrialised Countries Instrument (ICI), as shown in the table below:

	Amounts adopted in the ICI AAP¹ 2012 (EUR)	Additional funds (EUR)	Total amounts including additional funds (EUR)
A) Bilateral projects	2 200 000	250 000	2 450 000
B) EM Action II, of which	3 000 000	3 750 000	6 750 000
<i>North America (Lot 1)</i>	<i>1 000 000</i>	<i>1 900 000</i>	<i>2 900 000</i>
<i>East Asia – Pacific (Lot 2)</i>	<i>1 000 000</i>	<i>1 500 000</i>	<i>2 500 000</i>
<i>GCC² (Lot 3)</i>	<i>1 000 000</i>	<i>350 000</i>	<i>1 350 000</i>
TOTAL	5 200 000	4 000 000	9 200 000

¹ Industrialised Countries' Instrument - Annual Action Programmes.

² Gulf Cooperation Council (GCC) countries.

I. INCREASE

a) Heading

19 05 01 - Cooperation with industrialised third countries

b) Figures at 06/07/2012

	Commitments
1A. Appropriation in budget (initial budget + AB)	24 021 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	0
3. Final appropriation for the year (1A+1B+2)	24 021 000
4. Utilisation of final appropriation	4 942 705
5. Amount not used/available (3-4)	19 078 295
6. Requirements up to year-end	23 078 295
7. Increase proposed	4 000 000
8. Increase as percentage of appropriation in budget (7/1A)	16.65%
9. Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 23(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 17a of the implementing rules	n/a

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

	Commitments
1. Appropriation available at start of year	22 055
2. Appropriation available on the 06/07/2012	0
3. Rate of utilisation $[(1-2)/1]$	100.00%

d) Detailed grounds for the increase

- A) An increase of EUR 250 000 in the bilateral projects budget would allow for the renewed participation of New Zealand either in projects to promote student/faculty mobility, or in projects to promote Double/Joint Degrees. New Zealand has not taken part in the last two years in the ICI education calls due to financial constraints, but has indicated that it would like to be involved in the next call. The reinforcement would allow one or even two projects to be funded with New Zealand without adversely affecting the success rate of Australian or Korean applicants. The Republic of Korea submitted 11 applications this year against a planned 2-4 projects to be funded, underlining the stiff competition for funds.
- B) An increase of funds by EUR 3.75 million for the Erasmus Mundus II - Action 2 activities, which fund multilateral partnerships between European and third-country higher education institutions for structured cooperation, innovation and mobility at all levels of higher education, including a scholarship scheme, would allow the following actions:

North America (Lot 1): An increase of EUR 1.9 million would allow the funding of 1 to 2 additional multilateral projects between European and North American institutions in the field of higher education at a time when 65% of the applications submitted are rejected (in 2010 and 2011) due to a lack of funds and, in the absence of bilateral co-operation opportunities with the USA, there are no other means to further the EU policy aims of developing joint curricula and encouraging academic mobility between the EU and the USA.

East Asia (Lot 2): An increase of EUR 1.5 million would allow the funding of an additional partnership project between European and East Asian institutions, following the 2011 call in which the previously distinct lots of East Asia and the Pacific were merged into one, and 82% of applicants were rejected through lack of funds.

In both Lots 1 and 2, the expert evaluators in 2011 had made a point of underlining that the applications were of high quality. The additional appropriations should improve the low success rates of the selected projects on account of lack of funds.

Gulf Cooperation Council (GCC) countries (Lot 3): The increased amount will still only allow the funding of one multilateral partnership project between European and GCC countries' institutions. However, the scholarship applications from GCC countries have increased substantially, and these countries have underlined that student exchanges and higher education are among their top three priorities for EU-GCC collaboration. Thus, the extra budget would allow the GCC countries to promote the scholarship opportunities in good faith, and mitigate the effect on the success rates of individual students if the scholarship applications continue to rise.

II. DECREASE

a) Heading

15 02 03 - Cooperation with third countries on education and vocational training

b) Figures at 06/07/2012

	Commitments
1A. Appropriation in budget (initial budget + AB)	9 000 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	0
3. Final appropriation for the year (1A+1B+2)	9 000 000
4. Utilisation of final appropriation	118 000
5. Amount not used/available (3-4)	8 882 000
6. Requirements up to year-end	4 882 000
7. Proposed decrease	4 000 000
8. Decrease as percentage of appropriation in budget (7/1A)	44.44%
9. Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 23(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 17a of the implementing rules	n/a

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

	Commitments
1. Appropriation available at start of year	66 565
2. Appropriation available on the 06/07/2012	66 565
3. Rate of utilisation $[(1-2)/1]$	0.00%

d) Detailed grounds for the transfer

The bilateral agreements with the USA and Canada in the field of education and vocational training are based, to the extent possible, on a matching funds principle. As the USA and Canada budgets are purely annual ones (lacking the multiannual financial programming of the EU one), yearly variations in appropriations on the USA or Canadian side inevitably lead to variations on the EU side.

Since 2011, the USA Government and the authorities of Canada have substantially reduced their budgets for international cooperation in education and training and have cancelled the funding of bilateral cooperation projects under the bilateral agreements. Due to the lack of matching funding from the two partner countries, no new calls for proposals will be made under this budget line in 2012. Thus only a limited number of actions will be financed in 2012, including the Schuman-Fulbright scheme with the USA and the EU-Canada Study Tour and Internship Programme.

Part of the surplus in commitment appropriations on this line can therefore be made available to meet the additional needs of the cooperation with industrialised countries in the field of education.