



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 1 October 2012

14298/12

FIN 702

COVER NOTE

from:	Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt:	1 October 2012
to:	Mr Vassos SHIARLY, President of the Council of the European Union
Subject:	Transfer of appropriations No DEC 33/2012 within Section III - Commission - of the general budget for 2012

Delegations will find attached Commission document DEC 33/2012.

Encl.: DEC 33/2012



EUROPEAN COMMISSION

BRUSSELS, 27/09/2012

GENERAL BUDGET - 2012
SECTION III - COMMISSION TITLES 05, 22

TRANSFER OF APPROPRIATIONS N° **DEC 33/2012**

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 - 3 258 308

TO

CHAPTER - 2202 Enlargement process and strategy
ARTICLE - 22 02 01 Transition and institution-building assistance to candidate countries

Commitments 3 258 308

I. INCREASE

a) Heading

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

b) Figures at 13/09/2012

	Commitments
1A. Appropriation in budget (initial budget + AB)	323 026 643
1B. Appropriation in budget (EFTA)	0
2. Transfers	169 000 995
<hr/>	
3. Final appropriation for the year (1A+1B+2)	492 027 638
4. Utilisation of final appropriation	238 546 561
<hr/>	
5. Amount not used/available (3-4)	253 481 077
6. Requirements up to year-end	256 739 385
7. Increase proposed	3 258 308
8. Increase as percentage of appropriation in budget (7/1A)	1.01%
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	0
2. Appropriation available on the 13/09/2012	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the increase

The requested reinforcement will cover the second part of the national programme for Montenegro, in order to support its agriculture and rural development sector, by strengthening the capacity to implement the IPARD (Instrument for Pre-accession Assistance for Rural Development) programme in an efficient and effective manner, and to increase the competitiveness of the agricultural and rural development sector of Montenegro. The requested amount will be spent for a specific and limited number of agricultural projects under the IPA (Instrument for Pre-accession Assistance) Transition Assistance and Institution Building Component in this country. It is envisaged to implement the funds by joint management with the World Bank through an Administrative Agreement in accordance with Article 53d(1)(a) of the Financial Regulation. 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.

II. DECREASE

a) Heading

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

b) Figures at 13/09/2012

	Commitments
1A. Appropriation in budget (initial budget + AB)	234 458 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	0
<hr/>	
3. Final appropriation for the year (1A+1B+2)	234 458 000
4. Utilisation of final appropriation	0
<hr/>	
5. Amount not used/available (3-4)	234 458 000
6. Requirements up to year-end	231 199 692
7. Proposed decrease	3 258 308
8. Decrease as percentage of appropriation in budget (7/1A)	1.39%
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	0
2. Appropriation available on the 13/09/2012	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detail grounds for the transfer

The allocation for Montenegro under IPA component V (Rural Development) can only be spent under full decentralised management which requires the prior establishment of the necessary administrative and control structures. The progress made is not sufficient at the moment to guarantee that the 2012 IPARD allocation for Montenegro would be spent by the end of 2015 (according to the N+3 rule in Article 166(3) of the Financial Regulation). Therefore, it is proposed to transfer the 2012 commitment appropriations for Montenegro (EUR 3 258 308) to IPA component I (Transition Assistance and Institution Building), which allows for other forms of management, for the support of a specific and limited number of agricultural projects in Montenegro.