



**COUNCIL OF
THE EUROPEAN UNION**

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COVER NOTE

from:	Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt:	16 October 2012
to:	Mr Vassos SHIARLY, President of the Council of the European Union
Subject:	Transfer of appropriations No DEC 38/2012 within Section III - Commission - of the general budget for 2012

Delegations will find attached Commission document DEC 38/2012.

Encl.: DEC 38/2012



BRUSSELS, 12/10/2012

GENERAL BUDGET - 2012
SECTION III - COMMISSION TITLES 02, 08, 15

TRANSFER OF APPROPRIATIONS No **DEC 38/2012**

EUR

FROM**CHAPTER** - 08 01 Administrative expenditure of the 'Research' policy area

ITEM - 08 01 04 30 European Research Council Executive Agency (ERCEA) Non-diff. - 1 314 000

ITEM - 08 01 04 31 Research Executive Agency (REA) Non-diff. - 2 220 839

ITEM - 08 01 05 03 Other management expenditure for research Non-diff. - 7 115 605

TO**CHAPTER** - 0204 Cooperation — Space and security

ITEM - 02 04 01 02 Security research Payments 2 220 839

CHAPTER - 0802 Cooperation – Health

ARTICLE - 08 02 01 Cooperation – Health Commitments 5 212 321

Payments 5 212 321

CHAPTER - 0803 Cooperation – Food, agriculture and fisheries, and biotechnology

ARTICLE - 08 03 01 Cooperation – Food, agriculture and fisheries, and biotechnology Commitments 700 000

Payments 700 000

CHAPTER - 0810 Ideas

ARTICLE - 08 10 01 Ideas Commitments 1 314 000

Payments 1 314 000

CHAPTER - 0820 Euratom – Fusion energy

ARTICLE - 08 20 01 Euratom – Fusion energy Commitments 1 000 000

Payments 1 000 000

CHAPTER - 0821 Euratom – Nuclear fission and radiation protection

ARTICLE - 08 21 01 Euratom – Nuclear fission and radiation protection Commitments 203 284

Payments 203 284

CHAPTER - 1507 People - Programme for the mobility of researchers

ARTICLE - 15 07 77 People Commitments 2 220 839

I. INCREASE

I.A

a) Heading

02 04 01 02 – Security research

b) Figures at 26/09/2012

	Payments
1A. Appropriation in budget (initial budget + AB)	136 087 661
1B. Appropriation in budget (EFTA)	3 538 279
2. Transfers	10 947 896
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3. Final appropriation for the year (1A+1B+2)	150 573 836
4. Utilisation of final appropriation	148 842 152
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5. Amount not used/available (3-4)	1 731 684
6. Requirements up to year-end	3 952 523
7. Increase requested	2 220 839
8. Increase as percentage of appropriation in budget (7/1A)	1.63%
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)

	Payments
1. Appropriation available at start of year	1 228
2. Appropriation available on 26/09/2012	1 153
3. Rate of utilisation [(1-2)/1]	6.11%

d) Detailed grounds for the increase

The main reason for increasing payment appropriations in line 02 04 01 02 is to meet additional requirements for the security research programme because of an improvement in the quality of project reports and the early submission of reports by grant beneficiaries.

This increase will allow up to four intermediate or final payments to be made relating to the 2007, 2008, 2009 and 2010 calls for proposals under the programme (payments against outstanding commitments concerning contractual and legal obligations).

I.Ba) Heading**08 02 01 - Cooperation – Health**b) Figures at 26/09/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	639 533 855	398 334 028
1B. Appropriation in budget (EFTA)	16 627 880	10 356 685
2. Transfers	1 148 200	181 528 085
3. Final appropriation for the year (1A+1B+2)	657 309 935	590 218 798
4. Utilisation of final appropriation	655 059 790	482 699 602
5. Amount not used/available (3-4)	2 250 145	107 519 196
6. Requirements up to year-end	7 462 466	112 731 517
7. Increase requested	5 212 321	5 212 321
8. Increase as percentage of appropriation in budget (7/1A)	0.82%	1.31%
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	n/a

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

	Commitments	Payments
1. Appropriation available at start of year	121 609	46 014
2. Appropriation available on 26/09/2012	22 946	0
3. Rate of utilisation [(1-2)/1]	81.13%	100.00%

d) Detailed grounds for the increase

The increase will serve to finance projects on the reserve lists from calls for proposals under the Cooperation – Health programme.

I.C

a) Heading

08 03 01 - Cooperation – Food, agriculture and fisheries, and biotechnology

b) Figures at 26/09/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	312 784 295	181 450 215
1B. Appropriation in budget (EFTA)	8 132 392	4 717 706
2. Transfers	0	151 196 128
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3. Final appropriation for the year (1A+1B+2)	320 916 687	337 364 049
4. Utilisation of final appropriation	312 173 096	274 694 270
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5. Amount not used/available (3-4)	8 743 591	62 669 779
6. Requirements up to year-end	9 443 591	63 369 779
7. Increase requested	700 000	700 000
8. Increase as percentage of appropriation in budget (7/1A)	0.22%	0.39%
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	n/a

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

	Commitments	Payments
1. Appropriation available at start of year	1 169	1 169
2. Appropriation available on 26/09/2012	0	0
3. Rate of utilisation [(1-2)/1]	100.00%	100.00%

d) Detailed grounds for the increase

The commitment appropriations will be used as follows:

- EUR 300 000 for disseminating information through the media, i.e. reorganising the 'Food, Agriculture and Fisheries, and Biotechnology' portal in order to establish a mobile platform;
- EUR 300 000 for communication activities, including a stakeholders' conference, a skills conference and various events involving national parliaments in order to increase the value added and impact of innovation-related European funding for research into food, agriculture and fisheries, and biotechnology;
- EUR 100 000 to fund experts to monitor and review research activities.
- The payment appropriations will be used to finance intermediate payments for two specific projects already under way.

I.D

a) Heading

08 10 01 – Ideas

b) Figures at 26/09/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	1 564 948 330	818 082 810
1B. Appropriation in budget (EFTA)	40 688 657	21 270 153
2. Transfers	0	0
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3. Final appropriation for the year (1A+1B+2)	1 605 636 987	839 352 963
4. Utilisation of final appropriation	766 476 374	615 909 778
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5. Amount not used/available (3-4)	839 160 613	223 443 185
6. Requirements up to year-end	840 474 613	224 757 185
7. Increase requested	1 314 000	1 314 000
8. Increase as percentage of appropriation in budget (7/1A)	0.08%	0.16%
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	n/a

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

	Commitments	Payments
1. Appropriation available at start of year	2 986	2 986
2. Appropriation available on 26/09/2012	2 986	2 986
3. Rate of utilisation [(1-2)/1]	0.00%	0.00%

d) Detailed grounds for the increase

This transfer of commitment appropriations will provide additional funding for the project ranked first on the reserve list following call of proposals ERC-AdG-2012 (Advanced Investigator Grant, addressed to established researchers) under the Ideas programme. The payment appropriations will be used to provide advance funding for two projects from the same ongoing call for proposals, published on 16 November 2011, with a deadline of 16 February 2012.

I.E

a) Heading

08 20 01 - Euratom – Fusion energy

b) Figures at 26/09/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	p.m.	33 152 769
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	61 374 000	26 457 256
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3. Final appropriation for the year (1A+1B+2)	61 374 000	59 610 025
4. Utilisation of final appropriation	58 537 938	47 094 188
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5. Amount not used/available (3-4)	2 836 062	12 515 837
6. Requirements up to year-end	3 836 062	13 515 837
7. Increase requested	1 000 000	1 000 000
8. Increase as percentage of appropriation in budget (7/1A)	N/A	3.02%
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	n/a

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

	Commitments	Payments
1. Appropriation available at start of year	23 611	0
2. Appropriation available on 26/09/2012	23 611	0
3. Rate of utilisation [(1-2)/1]	0.00%	n/a

d) Detailed grounds for the increase

It is extremely urgent to have additional commitment and payment appropriations in this budget line because of the delays in the payment of the Swiss contribution to the revenue from third parties under the Euratom framework programme for 2012 and the need for the Commission to pay the final tranche of the 2012 JET (Joint European Torus)* contract before the end of the year. Although the amount in question represents only a fraction of the total amount needed, it will be supplemented by other revenue from the JET Joint Fund** and could make it easier to pay the final tranche of the JOC (JET Operating Contract)***.

*JET: facility located at Culham (United Kingdom) and run by the Culham Centre for Fusion Energy (CCFE – a Euratom Associate) where Euratom Associates carry out scientific experiments in preparation for ITER.

**JET Joint Fund: joint fund administered by the Commission and financed by the Euratom Associates which is used to operate JET.

***JOC: contract between the CCFE and the Commission laying down the CCFE's obligations in relation to management of the JET facility.

I.F

a) Heading

08 21 01 - Euratom – Nuclear fission and radiation protection

b) Figures at 26/09/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	p.m.	18 507 922
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	54 105 000	31 390 887
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3. Final appropriation for the year (1A+1B+2)	54 105 000	49 898 809
4. Utilisation of final appropriation	53 546 890	18 487 785
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5. Amount not used/available (3-4)	558 110	31 411 024
6. Requirements up to year-end	761 394	31 614 308
7. Increase requested	203 284	203 284
8. Increase as percentage of appropriation in budget (7/1A)	N/A	1.10%
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	n/a

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

	Commitments	Payments
1. Appropriation available at start of year	0	0
2. Appropriation available on 26/09/2012	0	0
3. Rate of utilisation [(1-2)/1]	n/a	n/a

d) Detailed grounds for the increase

This increase in commitment and payment appropriations will be used to finance and pre-finance projects currently being negotiated as a result of the FP7-Fission-2012 call for proposals. The call was launched on 17 January with a deadline of 27 March 2012, and the projects have been selected.

I.G

a) Heading

15 07 77 – People

b) Figures at 26/09/2012

	Commitments
1A. Appropriation in budget (initial budget + AB)	905 662 068
1B. Appropriation in budget (EFTA)	23 547 214
2. Transfers	0
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3. Final appropriation for the year (1A+1B+2)	929 209 282
4. Utilisation of final appropriation	700 055 345
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5. Amount not used/available (3-4)	229 153 937
6. Requirements up to year-end	231 374 776
7. Increase requested	2 220 839
8. Increase as percentage of appropriation in budget (7/1A)	0.25%
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	693 959
2. Appropriation available on 26/09/2012	0
3. Rate of utilisation [(1-2)/1]	100.00%

d) Detailed grounds for the increase

Between 2011 and 2012 the number of proposals received for individual Marie Curie fellowships rose by 12%. These commitment appropriations will allow the Research Executive Agency (REA) to provide grants for up to 11 individual fellowships (International Outgoing Fellowships and International Incoming Fellowships for international mobility or Intra-European Fellowships for mobility in EU Member States and associated countries).

II. DECREASE

II.A

a) Heading

08 01 04 30 - European Research Council Executive Agency (ERCEA)

b) Figures at 26/09/2012

	Non-diff.
1A. Appropriation in budget (initial budget + AB)	39 000 000
1B. Appropriation in budget (EFTA)	1 014 000
2. Transfers	0
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3. Final appropriation for the year (1A+1B+2)	40 014 000
4. Utilisation of final appropriation	38 700 000
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5. Amount not used/available (3-4)	1 314 000
6. Requirements up to year-end	0
7. Decrease proposed	1 314 000
8. Decrease as percentage of appropriation in budget (7/1A)	3.37%
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)

	Non-diff.
1. Appropriation available at start of year	0
2. Appropriation available on 26/09/2012	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the decrease

This surplus is due to the following reductions in expenditure:

- savings of EUR 1 000 000 in the administrative budget of the European Research Council Executive Agency (ERCEA) following a change in the policy on external audits for Directorates-General in the research sector (no longer by authorising officer but based on an overall approach for research as a whole) between the 2012 draft budget and the 2012 budget;
- savings of EUR 314 000 (-0.8%) following a comprehensive review of requirements up to the end of the year (leading in particular to lower spending on transport and external meetings).

II.B

a) Heading

08 01 04 31 – Research Executive Agency (REA)

b) Figures at 26/09/2012

	Non-diff.
1A. Appropriation in budget (initial budget + AB)	47 339 000
1B. Appropriation in budget (EFTA)	1 230 814
2. Transfers	0
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3. Final appropriation for the year (1A+1B+2)	48 569 814
4. Utilisation of final appropriation	46 348 975
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5. Amount not used/available (3-4)	2 220 839
6. Requirements up to year-end	0
7. Decrease proposed	2 220 839
8. Decrease as percentage of appropriation in budget (7/1A)	4.69%
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)

	Non-diff.
1. Appropriation available at start of year	0
2. Appropriation available on 26/09/2012	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the decrease

The Research Executive Agency (REA) has other sources of cash under administrative appropriations (e.g. recovery of excess payments in 2011 under a Service Level Agreement with the OIB) plus additional funds from 1) lower spending on salaries (recruitment was slower than initially expected), 2) a reduction in the Agency's contribution to the costs of the assessment platform (for the management of proposals) and 3) savings in expenditure on audits, training, missions and the Agency's contribution to staff mobility. Budget line 08 01 04 31 can therefore be reduced by EUR 2 220 839.

II.C

a) Heading

08 01 05 03 - Other management expenditure for research

b) Figures at 26/09/2012

	Non-diff.
1A. Appropriation in budget (initial budget + AB)	55 000 000
1B. Appropriation in budget (EFTA)	1 171 014
2. Transfers	-2 874 850
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3. Final appropriation for the year (1A+1B+2)	53 296 164
4. Utilisation of final appropriation	38 032 252
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5. Amount not used/available (3-4)	15 263 912
6. Requirements up to year-end	8 148 307
7. Decrease proposed	7 115 605
8. Decrease as percentage of appropriation in budget (7/1A)	12.94%
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)

	Non-diff.
1. Appropriation available at start of year	6 366 070
2. Appropriation available on 26/09/2012	480 275
3. Rate of utilisation [(1-2)/1]	92.46%

d) Detailed grounds for the decrease

When the 2012 budget was drawn up, emphasis was placed on rationalising expenditure on missions, meetings and communication measures. Different instruments have been introduced to improve management of this expenditure. Directorates have therefore reduced their requirements for this type of spending, allowing savings to be made in budget line 08 01 05 03. At the same time, since the financing of the assessment platform is shared among all departments in the research sector and the executive agencies REA and ERCEA, the recovery orders collected in the second half of 2011 (internal assigned revenue for the current year) have been transferred to the 2012 budget (internal assigned revenue (carried over)). As stated in Article 10 of the Financial Regulation, this assigned revenue (EUR 6.4 million) must be used first. There is a total surplus of EUR 7.1 million on this line.