



**COUNCIL OF
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COVER NOTE

from:	Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt:	23 October 2012
to:	Mr Vassos SHIARLY, President of the Council of the European Union
Subject:	Transfer of appropriations No DEC 40/2012 within Section III - Commission - of the general budget for 2012

Delegations will find attached Commission document DEC 40/2012.

Encl.: DEC 40/2012



BRUSSELS, 19/10/2012

GENERAL BUDGET - 2012
SECTION III - COMMISSION TITLES 04, 40

TRANSFER OF APPROPRIATIONS N° **DEC 40/2012**

EUR

FROM

CHAPTER - 0404 Employment, social solidarity and gender equality

ARTICLE - 04 04 15 European Progress Microfinance Facility

Payments - 5 447 942

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 43 Reserve for the European Globalisation Adjustment Fund

Commitments - 5 454 560

TO

CHAPTER - 0405 European Globalisation Adjustment Fund (EGF)

ARTICLE - 04 05 01 European Globalisation Adjustment Fund (EGF)

Commitments 5 454 560

Payments 5 447 942

INTRODUCTION

Regulation 1927/2006 of the European Parliament and of the Council of 20 December 2006, as amended by Regulation (EC) 546/2009, establishes the European Globalisation Adjustment Fund (EGF). Point 28 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 17 May 2006 on budgetary discipline and sound financial management sets the budgetary framework.

I. INCREASE

a) Heading

04 05 01 - European Globalisation Adjustment Fund (EGF)

b) Figures at 08/10/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	p.m.	50 000 000
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	11 028 699	-730 000
3. Final appropriation for the year (1A+1B+2)	11 028 699	49 270 000
4. Utilisation of final appropriation	3 273 595	3 273 595
5. Amount not used/available (3-4)	7 755 104	45 996 405
6. Requirements up to year-end	13 209 664	51 444 347
7. Increase proposed	5 454 560	5 447 942
8. Increase as percentage of appropriation in budget (7/1A)	N/A	10.90%
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 the 08/10/2012	0	0
3. Rate of utilisation [(1-2)/1]	n/a	n/a

d) Detailed grounds for the increase

In the proposal for Decision [COM (2012) 622], the Commission concluded that the conditions for a financial contribution from the EGF to application EGF/2012/005 SE/Saab, submitted by the Swedish authorities, are met.

The amount of EUR 5 454 560 requested by the Swedish authorities will contribute to the cost of a coordinated package of eligible personalised services for 1 350 redundant workers in the enterprise Saab Automobile SA, one of its subsidiaries and 16 of its suppliers, providing assistance with a view to re-integrating the affected workers into the labour market. The redundancies are due to globalisation.

II. DECREASE

II.A

a) Heading

04 04 15 - European Progress Microfinance Facility

b) Figures at 08/10/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	24 750 000	22 454 464
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	0	-588 655
3. Final appropriation for the year (1A+1B+2)	24 750 000	21 865 809
4. Utilisation of final appropriation	24 750 000	9 443 143
5. Amount not used/available (3-4)	0	12 422 666
6. Requirements up to year-end	0	6 974 724
7. Proposed decrease	0	5 447 942
8. Decrease as percentage of appropriation in budget (7/1A)	0.00%	24.26%
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	n/a

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

	Commitments	Payments
1. Appropriation available at start of year	207	207
2. Appropriation available on the 08/10/2012	0	0
3. Rate of utilisation [(1-2)/1]	100.00%	100.00%

d) Detail grounds for the transfer

After the adoption by the two arms of the Budgetary Authority of the EGF cases currently in the pipeline the available payment appropriations on the EGF budget line would amount to EUR 6 618.

Progress Microfinance is a financial facility implemented by the European Investment Fund (EIF) on behalf of the European Commission and the European Investment Bank (EIB). It facilitates the access to micro-loans of micro-enterprises and individuals by supplying micro-credit providers in the EU Member States with guarantees or funded instruments.

The latest estimations of the EIF for the development of Progress Microfinance in 2012 show a downward revision compared to the initial forecast. As 2012 would only be the second year of full implementation of Progress Microfinance and as it operates on a relatively new market segment, the EIF is constantly improving the forecast modelling it applies. According to the EIF the updated estimations are broadly in line with the typical pattern for the build-up of micro-credit portfolios.

The implementation patterns typically indicate a non-linear portfolio build-up, with a slower start followed by an increase in volume. As Progress Microfinance provides guarantees with a period of availability of usually two years, and loans for an inclusion period of two to three years, the target micro-loan volumes and numbers are expected to be reached between 2013 and 2015. Based on the enhanced market knowledge and refined modelling, the EIF indicates that the level of payments in the Progress Microfinance pipeline until the end of the year allow for the release of EUR 5 447 942 for meeting the financing needs of the present EGF application.

This source of financing was identified during the Global transfer exercise and was kept to be used for the EGF.

II.B

a) Heading

40 02 43 - Reserve for the European Globalisation Adjustment Fund

b) Figures at 08/10/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	500 000 000	p.m.
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	-11 758 699	0
3. Final appropriation for the year (1A+1B+2)	488 241 301	0
4. Utilisation of final appropriation	0	0
5. Amount not used/available (3-4)	488 241 301	0
6. Requirements up to year-end	n/a	0
7. Proposed decrease	5 454 560	0
8. Decrease as percentage of appropriation in budget (7/1A)	1.09%	N/A
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	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 the 08/10/2012	0	0
3. Rate of utilisation [(1-2)/1]	n/a	n/a

d) Detail grounds for the transfer

Under point 28 of the Inter-institutional Agreement of 17 May 2006 on budgetary discipline and sound financial management, the reserve for the European Globalisation Adjustment Fund is intended to provide additional support for workers who suffer from the consequences of major structural changes in world trade patterns, to assist them with their reintegration into the labour market.

**TRANSFERS RELATED TO THE EUROPEAN GLOBALISATION ADJUSTMENT FUND
COMMISSION PROPOSALS AS OF 19/10/2012**

The table below shows the transfer proposals transmitted to the Budgetary Authority to date during 2012 which relate to the European Globalisation Adjustment Fund, and the amount of the EGF reserve which will remain should these proposals be approved.

Transfer Ref	Date sent to B.A.	Content	Amount EUR (Commitments from Reserve)
DEC 02*	15/02/12	EGF/2011/006 ES/Comunidad Valenciana Construction	1 642 030
DEC 03*	17/04/12	EGF/2012/000 Technical Assistance	730 000
DEC 10*	08/05/12	EGF/2011/020 ES/Comunidad Valenciana Footwear	1 631 565
DEC 11*	05/06/12	EGF/2011/008 DK/Odense Steel Shipyard	6 455 104
DEC 14*	18/06/12	EGF/2011/017 ES/Aragón Construction	1 300 000
DEC 15	17/08/12	EGF/2011/015 SE/AstraZeneca	4 325 854
DEC 17	17/08/12	EGF/2012/001 IE/Talk Talk	2 696 382
DEC 20	17/08/12	EGF/2011/009 NL/Gelderland Construction 41	2 898 594
DEC 16	30/08/12	EGF/2011/021 NL/Zalco	1 494 008
DEC 22	30/08/12	EGF/2011/019 ES/Galicia Metal	2 029 235
DEC 26	03/09/12	EGF/2010/015 FR/Peugeot	11 949 666
DEC 27	14/09/12	EGF/2012/002 DE/manroland	5 352 944
DEC 28	14/09/12	EGF/2012/003 DK/Vestas	7 488 000
DEC 40	19/10/12	EGF/2012/005 SE/Saab	5 454 560
Total of Proposals			55 447 942
Remainder			444 552 058

* These transfers have been finally adopted by the Budget Authority