



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 30 October 2012**

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**FIN 808**

**COVER NOTE**

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from:	Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt:	26 October 2012
to:	Mr Vassos SHIARLY, President of the Council of the European Union
Subject:	Transfer of appropriations No DEC 41/2012 within Section III - Commission - of the general budget for 2012

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Delegations will find attached Commission document DEC 41/2012.

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Encl.: DEC 41/2012



BRUSSELS, 23/10/2012

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

TRANSFER OF APPROPRIATIONS N° **DEC 41/2012**

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EUR

**FROM**

**CHAPTER** - 0404 Employment, social solidarity and gender equality

ARTICLE - 04 04 15 European Progress Microfinance Facility

Payments - 1 160 745

**CHAPTER** - 4002 Reserves for financial interventions

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

Commitments - 2 658 495

**TO**

**CHAPTER** - 0405 European Globalisation Adjustment Fund (EGF)

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

Commitments 2 658 495

Payments 1 160 745

## **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

	<b>Commitments</b>	<b>Payments</b>
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
<b>5. Amount not used/available (3-4)</b>	<b>7 755 104</b>	<b>45 996 405</b>
<b>6. Requirements up to year-end</b>	<b>10 413 599</b>	<b>47 157 150</b>
<b>7. Increase proposed</b>	<b>2 658 495</b>	<b>1 160 745</b>
8. Increase as percentage of appropriation in budget (7/1A)	N/A	2.32%
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)

	<b>Commitments</b>	<b>Payments</b>
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) 616], the Commission concluded that the conditions for a financial contribution from the EGF to application EGF/2011/026 IT/Emilia Romagna-Motorcycles, submitted by the Italian authorities, are met.

The amount of EUR 2 658 495 requested by the Italian authorities will contribute to the cost of a coordinated package of eligible personalised services for 502 redundant workers in 10 enterprises operating in the NACE Revision 2 Division 30 ('Manufacture of other transport equipment') in the NUTS II region of Emilia-Romagna (ITH5) in Italy, providing assistance with a view to re-integrating the affected workers into the labour market.

As usual for the EGF, the payment needs are the same as the commitments amounts. Part of the payment appropriations (EUR 1 160 745) are covered by a transfer from the Microfinance Facility. The rest of the payment appropriations have been requested in the Draft Amending Budget 6/2012. The redundancies were caused by the global financial and economic crisis.

## II. DECREASE

### II.A

#### a) Heading

#### 04 04 15 - European Progress Microfinance Facility

#### b) Figures at 08/10/2012

	<b>Commitments</b>	<b>Payments</b>
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
<b>5. Amount not used/available (3-4)</b>	<b>0</b>	<b>12 422 666</b>
<b>6. Requirements up to year-end</b>	<b>0</b>	<b>11 261 921</b>
<b>7. Proposed decrease</b>	<b>0</b>	<b>1 160 745</b>
8. Decrease as percentage of appropriation in budget (7/1A)	0.00%	5.17%
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)

	<b>Commitments</b>	<b>Payments</b>
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 be fully consumed. EUR 1 160 745 from the European Progress Microfinance Facility are available to cover part of the 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.

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 estimates 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 estimates are broadly in line with the typical pattern for the build-up of micro-credit operations.

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 1 160 745.

The additional EUR 1 497 750 in payments for meeting the financing needs of the present EGF application are requested in the Draft Amending Budget 6/2012.

## II.B

### a) Heading

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

### b) Figures at 08/10/2012

	<b>Commitments</b>	<b>Payments</b>
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
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3. Final appropriation for the year (1A+1B+2)	488 241 301	0
4. Utilisation of final appropriation	0	0
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<b>5. Amount not used/available (3-4)</b>	<b>488 241 301</b>	<b>0</b>
<b>6. Requirements up to year-end</b>	<b>n/a</b>	<b>0</b>
<b>7. Proposed decrease</b>	<b>2 658 495</b>	<b>0</b>
8. Decrease as percentage of appropriation in budget (7/1A)	0.53%	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)

	<b>Commitments</b>	<b>Payments</b>
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 23/10/2012**

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.

<b>Transfer Ref</b>	<b>Date sent to B.A.</b>	<b>Content</b>	<b>Amount EUR (Commitments from Reserve)</b>
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
DEC 41	23/10/12	EGF/2011/026 IT Emilia Romagna	2 658 495
DEC 42	23/10/12	EGF/2011/013 DK/Flextronics	1 370 910
DEC 43	23/01/12	EGF/2011/014 RO/Nokia	2 942 680
DEC 44	23/10/12	EGF/2011/018 ES/Pais Vasco	1 299 545
DEC 45	23/10/12	EGF/2012/006 FI/Nokia Salo	5 346 000
DEC 46	23/01/12	EGF/2011/011 AT/Soziale Dienstleistungen	5 200 650
<b>Total of Proposals</b>			74 266 222
<b>Remainder</b>			425 733 778

\* These transfers have been finally adopted by the Budget Authority