



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 28 November 2012

16728/12

FIN 900

COVER NOTE

from:	Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt:	27 November 2012
to:	Mr Vassos SHIARLY, President of the Council of the European Union
Subject:	Transfer of appropriations No DEC 53/2012 within Section III - Commission - of the general budget for 2012

Delegations will find attached Commission document DEC 53/2012.

Encl.: DEC 53/2012



EUROPEAN COMMISSION

BRUSSELS, 23/11/2012

GENERAL BUDGET - 2012
SECTION III - COMMISSION TITLES 01, 19

TRANSFER OF APPROPRIATIONS N° **DEC 53/2012**

EUR

FROM

CHAPTER - 0103 International economic and financial affairs
ARTICLE - 01 03 02 Macroeconomic assistance

Commitments - 5 000 000

TO

CHAPTER - 1908 European Neighbourhood Policy and relations with Russia
ITEM - 19 08 01 01 European Neighbourhood and Partnership financial cooperation with Mediterranean countries

Commitments 5 000 000

I. INCREASE

a) Heading

19 08 01 01 - European Neighbourhood and Partnership financial cooperation with Mediterranean countries

b) Figures at 09/11/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	1 243 861 010	671 552 312
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	-11 361 400	-10 000 000
3. Final appropriation for the year (1A+1B+2)	1 232 499 610	661 552 312
4. Utilisation of final appropriation	922 150 978	246 713 173
5. Amount not used/available (3-4)	310 348 632	414 839 139
6. Requirements up to year-end	315 348 632	414 839 139
7. Increase proposed	5 000 000	0
8. Increase as percentage of appropriation in budget (7/1A)	0.40%	0.00%
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	20 266 463	17 122 700
2. Appropriation available on the 09/11/2012	0	0
3. Rate of utilisation [(1-2)/1]	100.00%	100.00%

d) Detailed grounds for the increase

According to the European Neighbourhood and Partnership (ENP) Communication "A new response to a changing Neighbourhood" (COM(2011)303 of 25/5/2011), part of the additional funding planned for the ENP countries would also come from the Macro-Financial Assistance (MFA) instrument and, should the amount of MFA programmes be lower than EUR 100 million, the balance could be transferred to the European Neighbourhood and Partnership Instrument (ENPI) (footnote 24 of the legislative financial statement).

The new MFA programmes in the ENP region are still to be agreed by the legislative authority. Meanwhile it is requested that EUR 5 million in commitment appropriations are transferred as soon as possible to the ENPI, for use in the Southern Neighbourhood (budget line 19 08 01 01). The challenges faced by Southern Neighbourhood partner countries in implementing reforms and in ensuring sustainable economic recovery are huge. The funds, which will be committed by the end of this year, will be used to increase the budget of the umbrella SPRING programme (Support for Partnership, Reform, and Inclusive Growth), which will be made available to support governance and economic reform efforts in several countries including Egypt.

II. DECREASE

a) Heading

01 03 02 - Macroeconomic assistance

b) Figures at 09/11/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	95 550 000	79 050 000
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	-57 000 000	-29 700 000
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3. Final appropriation for the year (1A+1B+2)	38 550 000	49 350 000
4. Utilisation of final appropriation	498 316	30 289 789
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5. Amount not used/available (3-4)	38 051 684	19 060 211
6. Requirements up to year-end	33 051 684	19 060 211
7. Proposed decrease	5 000 000	0
8. Decrease as percentage of appropriation in budget (7/1A)	5.23%	0.00%
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 09/11/2012	0	0
3. Rate of utilisation [(1-2)/1]	n/a	n/a

d) Detail grounds for the transfer

For 2012, the Commission has foreseen EUR 38 million in commitment appropriations and EUR 19 million in payment appropriations for Macro-Financial Assistance (MFA) operations with Georgia and the Kyrgyz Republic. The Georgia MFA was proposed by the Commission in January 2011, the Kyrgyz MFA operation in December 2011. The approval of the MFA operations by the European Parliament and the Council in the context of the co-decision legislative procedure remains protracted. While Parliament and Council agree on the substance of the proposal, the use of the comitology procedure for the Memorandum of Understanding requires further conciliation effort. A trilogue meeting on 16 October 2012 in the context of the second reading of the Georgia MFA showed no further convergence; it will therefore not be feasible to commit and pay the above amounts until end of 2012.

Therefore, the commitment appropriations can be made available for transfer to other budget lines.