



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 30 November 2012

16875/12

**FIN 963
INST 687
PE-L 107**

"I/A" ITEM NOTE

from :	Budget Committee
to :	Permanent Representatives Committee/Council
No. Cion prop. :	16767/12 FIN 904
Subject :	Proposal for transfer of appropriations No DEC 55/2012 within Section III - Commission - of the general budget for 2012

1. The Commission submitted to the Council proposal for transfer of appropriations No DEC 55/2012 within Section III - Commission - of the general budget for 2012.

The purpose of this proposal is to transfer a total amount of EUR 303.3 million in non-differentiated appropriations from budget lines in Chapters 05 03 (*Direct aids*) and 05 04 (*Rural Development*) to budget lines in Chapter 05 07 (*Audit of agricultural expenditure*), as recorded in document 16767/12 FIN 904.

2. On the one hand, the increases proposed and their grounds are the following:

- EUR 228.6 million on Item 05 07 01 06 (*Accounting clearance of previous years' accounts with regard to shared management expenditure under the EAGGF Guarantee Section (previous measures) and under the EAGF*): the Commission adopted in 2012 accounting clearance decisions through which positive corrections in favour of Member States were made and the above-mentioned amount is therefore needed to close the EAGF accounts, offsetting the negative appropriations booked;
- EUR 36.3 million on Item 05 07 01 07 (*Conformity clearance of previous years' accounts with regard to shared management expenditure under the EAGGF Guarantee Section (previous measures) and under the EAGF*): Commission decisions were taken in 2012 foreseeing positive corrections in favour of Member States, for which no appropriations are booked;
- EUR 38.4 million on Article 05 07 02 (*Settlement of disputes*): following the annulment by the European Court of Justice of Commission Decision 2007/361/EC concerning the determination of surplus stocks of agricultural products other than sugar, the Commission has to reimburse the amounts paid by the Member States concerned under its Decision.

3. On the other hand, the decreases proposed and their grounds are the following:

- EUR 160 million from Item 05 03 01 01 (*SPS (Single Payment Scheme)*): the remaining appropriations and the available assigned revenue appropriations collected within the 2012 budget year are sufficient to cover the remaining requirements estimated up to year-end for the SPS;
- EUR 81 million from Item 05 03 01 05 (*Specific support (Article 68) - Decoupled direct aids*) and EUR 59.9 million from Item 05 03 02 44 (*Specific support (Article 68) - Coupled direct aids*): in both cases Member States' incurred expenditure was lower compared to the amount forecasted in the 2012 budget;
- EUR 2.4 million from Article 05 04 01 14 (*Rural development financed by the EAGGF Guarantee Section - Programming period 2000 to 2006*): no commitment appropriations can be made anymore under this budget line.

4. The Budget Committee examined this proposal for a transfer at its meeting on 29 November 2012.
5. Following that examination, the Budget Committee agreed, by qualified majority, to suggest that the Permanent Representatives Committee advise the Council to approve:
 - the proposed transfer of appropriations;
 - the draft letter in ANNEX to that effect.

DRAFT LETTER

from : President of the Council

to : President of the Commission

copy: President of the European Parliament

Sir,

In accordance with Article 24(4) of the Financial Regulation of 25 June 2002¹, as interpreted in point 20 of the joint declaration on transitional measures applicable to the budgetary procedure after the entry into force of the Lisbon Treaty, I inform you that the Council has approved transfer of appropriations No DEC 55/2012 within Section III - Commission - of the general budget for 2012.

(Complimentary close).

¹ As last amended by Regulation (EU, Euratom) No 1081/2010 of the European Parliament and of the Council of 24 November 2010.