



Council of the
European Union

Brussels, 20 May 2016
(OR. en)

9251/16

FIN 313

COVER NOTE

From:	Ms Kristalina GEORGIEVA, Vice-president of the European Commission
date of receipt:	20 May 2016
To:	Mr Jeroen DIJSSELBLOEM, President of the Council of the European Union

Subject:	Proposal for transfer of appropriations No DEC 09/2016 within Section III - of the general budget for 2016
----------	--

Delegations will find attached Commission document DEC 09/2016.

Encl.: DEC 09/2016



BRUSSELS, 18/05/2016

GENERAL BUDGET - 2016
SECTION III - COMMISSION TITLES: 09, 32

TRANSFER OF APPROPRIATIONS N° DEC 09/2016

FROM

CHAPTER - 3202 Conventional and renewable energy

ITEM - 32 02 01 01 Further integration of the internal energy market and the interoperability of electricity and gas networks across borders	Commitments	-16 666 666,00
--	-------------	----------------

ITEM - 32 02 01 02 Enhancing Union security of energy supply	Commitments	-16 666 666,00
--	-------------	----------------

ITEM - 32 02 01 03 Contributing to sustainable development and protection of the environment	Commitments	-16 666 668,00
--	-------------	----------------

TO

CHAPTER - 0903 Connecting Europe Facility (CEF) -- Telecommunication networks

ARTICLE - 09 03 02 Creating an environment more conducive to private investment for telecommunication infrastructure projects -- CEF broadband	Commitments	50 000 000,00
--	-------------	---------------

Introduction:

Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishes the Connecting Europe Facility (CEF). The CEF provides Union financial support to infrastructure projects related to trans-European networks in three sectors: transport, telecommunications and energy. The budget nomenclature reflects the multi-sectorial dimension of CEF. The appropriations related to the programme are entered into three different titles: Title 06 for transport, Title 09 for telecommunications and Title 32 for energy.

This request is intended to transfer appropriations from the energy strand of the programme (i.e. Title 32) to the telecommunications strand (i.e. Title 09).

I. DECREASE

I.1

a) Heading

32 02 01 01 - Further integration of the internal energy market and the interoperability of electricity and gas networks across borders

b) Figure at 29/04/2016

	Commitments
1A Appropriation in budget (Initial Budget + AB)	182 235 000,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	182 235 000,00
4 Utilisation of final appropriation	164 409 514,00
5 Amount not used/available (3-4)	17 825 486,00
6 Requirements up to year-end	1 158 820,00
7 Proposed decrease	16 666 666,00
8 Decrease as percentage of appropriation in budget (7/1A)	9,15 %
9 Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over from previous year)

	Commitments
1 Appropriations available at start of the year	25 250,00
2 Appropriations available on 29/04/2016	0,00
3 Rate of utilisation [(1-2)/1]	100,00 %

d) Detailed grounds for the transfer

A relatively high number of projects in the area of energy are expected to become mature only from 2017 onwards. Therefore, a transfer of EUR 50 million in 2016 from the energy strand of the Connecting Europe Facility (CEF) to the telecommunications strand, where more urgent needs arise, is possible.

The decrease is equally shared between three operational budget lines of CEF-energy. The financial programming will be adapted in view of decreasing the financial envelopes of CEF-telecommunications and increasing accordingly CEF-energy in two instalments: EUR 20 million in 2018 and EUR 30 million in 2019.

I.2

a) Heading

32 02 01 02 - Enhancing Union security of energy supply

b) Figure at 29/04/2016

	Commitments
1A Appropriation in budget (Initial Budget + AB)	182 235 000,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	182 235 000,00
4 Utilisation of final appropriation	165 318 334,00
5 Amount not used/available (3-4)	16 916 666,00
6 Requirements up to year-end	250 000,00
7 Proposed decrease	16 666 666,00
8 Decrease as percentage of appropriation in budget (7/1A)	9,15 %
9 Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over from previous year)

	Commitments
1 Appropriations available at start of the year	25 250,00
2 Appropriations available on 29/04/2016	0,00
3 Rate of utilisation $[(1-2)/1]$	100,00 %

d) Detailed grounds for the transfer

Same as page 3.

I.3

a) Heading

32 02 01 03 - Contributing to sustainable development and protection of the environment

b) Figure at 29/04/2016

	Commitments
1A Appropriation in budget (Initial Budget + AB)	182 235 818,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	182 235 818,00
4 Utilisation of final appropriation	165 169 150,00
5 Amount not used/available (3-4)	17 066 668,00
6 Requirements up to year-end	400 000,00
7 Proposed decrease	16 666 668,00
8 Decrease as percentage of appropriation in budget (7/1A)	9,15 %
9 Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over from previous year)

	Commitments
1 Appropriations available at start of the year	25 250,00
2 Appropriations available on 29/04/2016	0,00
3 Rate of utilisation $[(1-2)/1]$	100,00 %

d) Detailed grounds for the transfer

Same as page 3.

II. INCREASE

II.1

a) Heading

09 03 02 - Creating an environment more conducive to private investment for telecommunication infrastructure projects -- CEF broadband

b) Figure at 29/04/2016

	Commitments
1A Appropriation in budget (Initial Budget + AB)	37 287 000,00
1B Appropriation in budget (EFTA)	1 017 935,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	38 304 935,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	38 304 935,00
6 Requirements up to year-end	88 304 935,00
7 Proposed increase	50 000 000,00
8 Increase as percentage of appropriation in budget (7/1A)	134,09 %
9 Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over from previous year)

	Commitments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 29/04/2016	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

The reinforcement of EUR 50 million of the telecommunications strand of the Connecting Europe Facility (CEF) is intended to frontload in 2016 the resources necessary to the creation of a new financial instrument in the area of broadband investment. The creation of the CEF Broadband Investment Fund was proposed by the European Investment Bank (EIB) to respond to the demand for financing of smaller-scale, higher-risk broadband projects across Europe, which currently do not have access to any EU/EIB financial instruments. This initiative was agreed by the European Commission and the EIB after the adoption of the 2016 budget.

The CEF Broadband Investment Fund will provide equity or quasi-equity financing to small broadband projects. According to the Commission's preliminary assessment, a minimum of EUR 100 million of upfront budgetary commitments from the EU is necessary to partially relieve financial institutions from the risk of losses, increasing the attractiveness of the instrument and therefore ensuring that the fund reaches its optimal size (EUR 300-500 million). The EU contribution will determine the fundraising capacity of the fund towards the EIB and private investors, and ultimately the total amount of new broadband investments that the fund will leverage (estimated between EUR 1 billion and EUR 1.67 billion).

The reinforcement of EUR 50 million will come on top of commitments already made, including the one made possible by internal transfers in the 2016 budget, so as to achieve the objective of EUR 100 million dedicated to the CEF Broadband Investment Fund.