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COVER NOTE

From:	Mr Günther OETTINGER, Member of the European Commission
date of receipt:	28 February 2017
To:	Mr Edward SCICLUNA, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 02/2017 within Section III - Commission - of the general budget for 2017

Delegations will find attached Commission document DEC 02/2017.

Encl.: DEC 02/2017



BRUSSELS, 28/02/2017

GENERAL BUDGET - 2017
SECTION III - COMMISSION TITLES: 04, 40

TRANSFER OF APPROPRIATIONS N° DEC 02/2017

FROM

CHAPTER - 0404 European Globalisation Adjustment Fund

ARTICLE - 04 04 01 EGF -- to support workers and self-employed persons whose activity has ceased as a result of globalisation	Payments	-310 000,00
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CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 43 Reserve for the European Globalisation Adjustment Fund	Commitments	-310 000,00
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TO

CHAPTER - 0401 Administrative expenditure of the `Employment, social affairs and inclusion` policy area

ITEM - 04 01 04 04 Support expenditure for European Globalisation Adjustment Fund	Non-Diff	310 000,00
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Introduction:

The rules applicable to the European Globalisation Adjustment Fund (EGF) are laid down in Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006 (the 'EGF Regulation').

Point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management sets the budgetary provisions related to the EGF. The total budget for EGF in 2017 is EUR 168 924 000. In accordance with Article 11(1) of the EGF Regulation, up to 0,5 % of the annual maximum amount of the EGF may be made available each year for technical assistance at the initiative of the Commission.

I. DECREASE

I.1

a) Heading

04 04 01 - EGF -- to support workers and self-employed persons whose activity has ceased as a result of globalisation

b) Figure at 07/02/2017

	Payments
1 Appropriation in budget (Initial Budget + AB)	25 000 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	25 000 000,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	25 000 000,00
6 Requirements up to year-end	24 690 000,00
7 Proposed decrease	310 000,00
8 Decrease as percentage of appropriation in budget (7/1)	1,24 %
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)

	Payments
1 Appropriations available at start of the year	16 214 491,70
2 Appropriations available on 07/02/2017	16 214 491,70
3 Rate of utilisation [(1-2)/1]	0,00 %

d) Detailed grounds for the transfer

The line for technical assistance from the EGF at the Commission's initiative (budget line: 04 01 04 04) is used for this measure and must therefore be provided with commitment and payment appropriations. Some of the payment appropriations available on the EGF line 04 04 01 will be used to cover this amount.

I.2

a) Heading

40 02 43 - Reserve for the European Globalisation Adjustment Fund

b) Figure at 07/02/2017

	Commitments
1 Appropriation in budget (Initial Budget + AB)	168 924 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	168 924 000,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	168 924 000,00
6 Requirements up to year-end	168 614 000,00
7 Proposed decrease	310 000,00
8 Decrease as percentage of appropriation in budget (7/1)	0,18 %
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	0,00
2 Appropriations available on 07/02/2017	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

Under point 13 of the Interinstitutional Agreement of 2 December 2013 on budgetary discipline and sound financial management, the Commission shall present to the European Parliament and the Council a proposal for a transfer of appropriations from the reserve for the EGF to the relevant budgetary line in parallel to the proposal for a decision to mobilise the EGF.

II. INCREASE

II.1

a) Heading

04 01 04 04 - Support expenditure for European Globalisation Adjustment Fund

b) Figure at 07/02/2017

	Non-Diff
1 Appropriation in budget (Initial Budget + AB)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	0,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	0,00
6 Requirements up to year-end	310 000,00
7 Proposed increase	310 000,00
8 Increase as percentage of appropriation in budget (7/1)	n/a
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)

	Non-Diff
1 Appropriations available at start of the year	0,00
2 Appropriations available on 07/02/2017	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

In 2017, the amount of EUR 310 000 is requested in order to cover the technical assistance related to the EGF, i.e. EUR 534 620 below the maximum amount allowed by Article 11 of the EGF Regulation. The contribution will be used for expenditure mentioned in Article 11(1) and (4) as well as Article 12(2), (3) and (4) of the EGF Regulation, as detailed hereunder.

Monitoring and data gathering: The Commission will collect data on applications received, paid and wound up, and measures proposed and implemented. This data will be made available on the web site and compiled in appropriate form for the Biennial Reports of 2017 and 2019. Building on the work of recent years, costs for this activity will be EUR 20 000.

Information: The web site on the EGF, which the Commission has set up within its Employment, Social Affairs and Inclusion area, and which it is maintaining as required under Article 12(2) of the EGF Regulation, will be regularly updated and expanded, with each new element also being translated into all EU languages. General awareness of the EGF will be increased and its visibility promoted. A small print run of the EGF mid-term evaluation will be made available together with an online publication. The EGF will be covered in various Commission publications and audio-visual activities as provided for in Article 11(4) of the EGF Regulation. Costs of all these items are estimated at EUR 20 000 in 2017.

Creation of a knowledge base / application interface: The Commission is continuing its work setting up standardised procedures for EGF applications and management, using the functionalities of the Structural Funds Communication System (SFC) 2014, into which it is being integrated. This allows applications under the EGF Regulation to be simplified, their processing to be speeded up and reports to be more easily extracted for varying needs. Reporting procedures are integrated as well. A back-office module acts as an interface between SFC and the Commission's accounting and financial information system ABAC, facilitating EGF financial operations. As most of the programming has been done in the past years, only further fine-tuning and adjustments to possible changes are needed. Due to the lower programming costs and equal maintenance costs, the funds needed are lower than in the past years. The cost of these items is estimated at EUR 80 000, as the EGF contribution to the further development and updating of SFC and its regular maintenance.

Administrative and technical support: The Expert Group of Contact Persons of the EGF, with one member from each Member State, will be holding two meetings (second half of 2017 / first half of 2018), together estimated at EUR 70 000.

Lastly, in order to promote networking among the Member States, the Commission will organise two seminars with the participation of EGF implementing bodies and social partners. To the extent possible, these will be scheduled to take place around the same dates as the Expert Group meetings and will focus on issues arising from the practical implementation of the EGF Regulation at grassroots level. The cost of these items is estimated at EUR 120 000.

