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COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	C(2020) 874 final/ANNEXES 1 to 3
Subject:	ANNEXES to the Commission Decision on non-automatic carryover of appropriations from 2019 to 2020

Delegations will find attached document C(2020) 874 final/ANNEXES 1 to 3.

Encl.: C(2020) 874 final/ANNEXES 1 to 3



Brussels, 13.2.2020
C(2020) 874 final

ANNEXES 1 to 3

ANNEXES

to the

COMMISSION DECISION

on non-automatic carryover of appropriations from 2019 to 2020

ANNEX I

CARRYOVER OF NON-DIFFERENTIATED APPROPRIATIONS

A. Overview

N°	2019 Budget	Heading	2020 Budget	Regulation (EU, Euratom) 2018/1046	Amount to be Carried over (in EUR)
1	10 01 05 14	Other expenditure for new major research infrastructures -- Euratom programme	10 01 05 14	Article 12(2)(a)	2 800 000,00
		Heading 1.a - Total			2 800 000,00
2	05 03 09	Reimbursement of direct payments to farmers from appropriations carried-over in relation to financial discipline	05 03 09	Article 12(2)(d)	466 826 647,00
		Heading 2 - Total			466 826 647,00
		Grand Total			469 626 647,00

B. Amount in euros to be carried over for each line and reasons

1 10 01 05 14 - Other expenditure for new major research infrastructures -- Euratom programme

Appropriation authorised 2019	15 702 124,00
Commitments made at 31.12.2019	12 902 124,00
Amount not used at 31.12.2019	2 800 000,00
Carryover	2 800 000,00

The Karlsruhe Site of the Joint Research Centre (JRC) is constructing a new laboratory building (Wing M). The European Parliament and the Council have approved the project in May 2016, the works started in September 2016 and the project was supposed to be completed by the beginning of 2020. Delays in implementation are mainly due to the non-performance of one of the contractors in charge of the technical installations. The JRC is in close contact with the Legal Service of the Commission to solve the conflict and find a sustainable solution. Most of the preparatory stages for the contract related to the technical installations have been completed but cannot be finalised before a decision is taken towards the contractor. Therefore, based on point (a) of the first subparagraph of Article 12(2) of Regulation (EU, Euratom) 2018/1046, the amount of EUR 2 800 000 is to be carried-over to allow the commitment for this building project before end 2020.

2 05 03 09 - Reimbursement of direct payments to farmers from appropriations carried-over in relation to financial discipline

Appropriation authorised 2019	466 826 647,00
Commitments made at 31.12.2019	0,00
Amount not used at 31.12.2019	466 826 647,00
Carryover	466 826 647,00

Based on point (d) of the first subparagraph of Article 12(2) of Regulation (EU, Euratom) No 2018/1046, non-committed appropriations of the European Agricultural Guarantee Fund (EAGF) under shared management may be carried over to the following financial year, respecting the limit of 2% of the initial appropriations or the amount of the adjustment of direct payments for financial discipline as referred to in Articles 25 and 26 of Regulation (EU) No 1306/2013 of the European Parliament and of the Council¹ which was applied during the preceding financial year. In accordance with Article 26(5) of Regulation (EU) No 1306/2013, this amount will be reimbursed to the final recipients who are subject, in the financial year to which the appropriations are carried over, to the adjustment rate.

A total amount of EUR 466 826 647 of non-committed appropriations has been transferred from item 05 03 10 - Reserve for crises in the agricultural sector, to item 05 03 09 - Reimbursement of direct payments to farmers from appropriations carried-over in relation to financial discipline.

Commission Implementing Regulation (EU) 2019/1953² sets the amounts that each Member State has to reimburse to farmers and determines that expenditure in relation to this reimbursement shall only be eligible for Union financing if the amounts have been paid to the beneficiaries before 16 October 2020. These amounts correspond to the financial discipline applied during financial year 2019 for a total amount of EUR 466 826 647. This amount is to be carried over from item 05 03 09 to budget 2020 and made available to the Member States for the reimbursement.

¹ Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (OJ L 347, 20.12.2013, p. 549)

² Commission Implementing Regulation (EU) 2019/1953 of 25 November 2019 on the reimbursement, in accordance with Article 26(5) of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, of the appropriations carried over from financial year 2019 (OJ L 306, 27.11.2019, p. 1-4)

ANNEX II

CARRYOVER OF COMMITMENT APPROPRIATIONS

A. Overview

N°	2019 Budget	Heading	2020 Budget	Regulation (EU, Euratom) 2018/1046	Amount to be Carried over (in EUR)
1	04 02 64	Youth Employment Initiative	04 02 64	Article 12(2)(a)	31 523 713,00
2	13 04 60	Cohesion Fund -- Investment for growth and jobs goal	13 04 60	Article 12(2)(a)	1 500 000,00
		Heading 1.b – Total			33 023 713,00
3	21 02 77 35	Pilot project -- Extension of the universal health coverage in Mauritania	21 02 77 35	Article 12(2)(a)	1 195 000,00
		Heading 4 – Total			1 195 000,00
		Grand Total			34 218 713,00

B. Amount in euros to be carried over for each line and reasons

1 04 02 64 - Youth Employment Initiative

Appropriation authorised 2019	308 522 272,00
Commitments made at 31.12.2019	276 998 559,00
Amount not used at 31.12.2019	31 523 713,00
Carryover	31 523 713,00

The additional commitment appropriations granted by the European Parliament and the Council when adopting the 2019 budget necessitate a number of steps before these appropriations can actually be consumed: amending the Common Provisions Regulation for shared management funds, distributing the additional amount to eligible Member States, modifying the concerned Operational Programmes through exchanges with the Member State's authorities and launching the Commission decisional procedure. In 2019, this process was further complicated because some Member States decided to combine the modification for the additional Youth Employment Initiative (YEI) appropriations with the performance review exercise. The process could not be finalised before the end of the year for the Italian YEI Operational Programme. However, the procedure is sufficiently advanced (the related inter service consultation was closed without negative opinion). Therefore, based on point (a) of the first subparagraph of Article 12(2) of Regulation (EU, Euratom) 2018/1046, the remaining amount of EUR 31 523 713 is to be carried-over to allow commitment before the end of March 2020.

2 13 04 60 - Cohesion Fund -- Investment for growth and jobs goal

Appropriation authorised 2019	9 753 622 052,00
Commitments made at 31.12.2019	9 752 122 052,00
Amount not used at 31.12.2019	1 500 000,00
Carryover	1 500 000,00

The adoption process for the operational programme related to the Technical Assistance 2014-2020 for support to the investment for growth and jobs goal in Poland could not be finalised before end 2019. However, the procedure is sufficiently advanced (positive opinions have been obtained in the inter service consultations) and the commitment will be made before the end of March 2020. Therefore, based on point (a) of the first subparagraph of Article 12(2) of Regulation (EU, Euratom) 2018/1046, the amount of EUR 1 500 000 is to be carried over.

3 21 02 77 35 - Pilot project -- Extension of the universal health coverage in Mauritania

Appropriation authorised 2019	1 195 000,00
Commitments made at 31.12.2019	0,00
Amount not used at 31.12.2019	1 195 000,00
Carryover	1 195 000,00

The project aiming at the gradual introduction of universal health coverage in Mauritania (targeting the sustainable development goal No 3) is innovative and experimental for the country. It is part of the dynamics of strengthening and reforming the health sector in Mauritania, supported by the Health Sector Support Programme financed by the 11th European Development Fund. It is also fully aligned with the objectives of the national health development plan and the national social protection strategy. The year 2019 was marked by a political transition in Mauritania with the election of a new president and the appointment of a new government that took office in August 2019. The Ministry of Health, the main interlocutor, was reformed with a profound restructuring, a new organisation chart and a change of officials. The new interlocutors had to familiarise themselves with the programme and, given its innovative nature, a ministerial committee on universal coverage was set up. As a result, the pilot project 'Extension of universal health coverage in Mauritania' had to be reviewed and adapted to the new guidelines. In view of the above, the project preparation process was delayed. However, the procedure is sufficiently advanced (the inter service consultation was carried out in 2019) and the commitment will be made before the end of March 2020. Therefore, based on point (a) of the first subparagraph of Article 12(2) of Regulation (EU, Euratom) 2018/1046, the amount of EUR 1 195 000 is to be carried over.

ANNEX III

CARRYOVER OF PAYMENT APPROPRIATIONS

A. Overview

N°	2019 Budget	Heading	2020 Budget	Regulation (EU, Euratom) 2018/1046	Amount to be Carried over (in EUR)
1	25 01 77 06	Pilot project -- Reuse of digital standards to support the SME sector	25 01 77 06	Article 12(2)(c)	170 257,50
2	26 03 77 09	Preparatory action -- Data analytics solutions for policymaking	26 03 77 09	Article 12(2)(c)	275 365,27
		Heading 5 - Total			445 622,77
		Grand Total			445 622,77

B. Amount in euros to be carried over for each line and reasons

1 25 01 77 06 - Pilot project -- Reuse of digital standards to support the SME sector

Appropriation authorised 2019	319 000,00
Payments made at 31.12.2019	53 177,30
Amount not used at 31.12.2019	265 822,70
Carryover	170 257,50

The 2019 payment execution was delayed because of a modification to the payment schedule of the framework contract made at the request of the contractor. Therefore, most payments will take place in 2020 and the 2020 voted payment appropriations (EUR 525 000) will not be sufficient to honour all the commitments. Based on point (c) of the first subparagraph of Article 12(2) of Regulation (EU, Euratom) 2018/1046, the amount of EUR 170 258 is to be carried over.

2 26 03 77 09 - Preparatory action -- Data analytics solutions for policymaking

Appropriation authorised 2019	500 000,00
Payments made at 31.12.2019	155 567,67
Amount not used at 31.12.2019	344 432,33
Carryover	275 365,27

Due to delays in the signature of some contracts for this preparatory action, some payments initially foreseen in 2019 are postponed to 2020 and the 2020 vote payment appropriations (EUR 800 000) will not be sufficient to honour all the commitments. Therefore, based on point (c) of the first subparagraph of Article 12(2) of Regulation (EU, Euratom) 2018/1046, the amount of EUR 275 365 is to be carried over.