



EUROPEAN COMMISSION

BRUSSELS, 19/10/2010

GENERAL BUDGET - 2010
SECTION III - COMMISSION TITLES 01, 04, 40

TRANSFER OF APPROPRIATIONS N° DEC 37/2010

EUR

FROM

CHAPTER - 0104 Financial operations and instruments

ARTICLE - 01 04 04 Competitiveness and Innovation Framework Programme -
Entrepreneurship and Innovation Programme

Payments - 2 247 940

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 43 Reserve for the European Globalisation Adjustment Fund

Commitments - 2 247 940

TO

CHAPTER - 0405 European Globalisation Adjustment Fund (EGF)

ARTICLE - 04 05 01 European Globalisation Adjustment Fund (EGF)

Commitments 2 247 940

Payments 2 247 940

INTRODUCTION

Regulation 1927/2006 of the European Parliament and of the Council of 20 December 2006, as amended by Regulation (EC) 546/2009, establishes the European Globalisation Adjustment Fund (EGF). Point 28 of the Inter-institutional Agreement between the European Parliament, the Council and the Commission of 17 May 2006 on the budgetary discipline and sound financial management sets the budgetary framework.

I. INCREASE

a) Heading

04 05 01 - European Globalisation Adjustment Fund (EGF)

b) Figures at 14/07/2010

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	p.m.	p.m.
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	19 881 554	19 881 554
3. Final appropriation for the year (1A+1B+2)	19 881 554	19 881 554
4. Utilisation of final appropriation	8 238 485	8 238 485
5. Amount not used/available (3-4)	11 643 069	11 643 069
6. Requirements up to year-end	13 891 009	13 891 009
7. Increase proposed	2 247 940	2 247 940
8. Increase as percentage of appropriation in budget (7/1A)	N/A	N/A
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	0	0
2. Appropriation available on the 14/07/2010	0	0
3. Rate of utilisation [(1-2)/1]	n/a	n/a

d) Detailed grounds for the increase

The Commission concluded that the conditions for a financial contribution from the EGF to application EGF/2010/014 SI/Mura submitted by Slovenia are met [COM (2010) 582].

The amount of EUR 2 247 940 requested by Slovenia will contribute to the cost of a coordinated package of eligible personalised services in relation to 2 554 redundancies in the textile industry in Slovenia, providing assistance with a view to re-integrating the affected workers into the labour market. The redundancies were caused by the global economic and financial crisis.

II. DECREASE

II.A

a) Heading

01 04 04 - Competitiveness and Innovation Framework Programme - Entrepreneurship and Innovation Programme

b) Figures at 14/07/2010

	Payments
1A. Appropriation in budget (initial budget + AB)	91 900 000
1B. Appropriation in budget (EFTA)	2 315 880
2. Transfers	0
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3. Final appropriation for the year (1A+1B+2)	94 215 880
4. Utilisation of final appropriation	0
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5. Amount not used/available (3-4)	94 215 880
6. Requirements up to year-end	91 967 940
7. Proposed decrease	2 247 940
8. Decrease as percentage of appropriation in budget (7/1A)	2.45%
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

c) Receipts arising from recovery (carried over) (C5)

	Payments
1. Appropriation available at start of year	0
2. Appropriation available on the 14/07/2010	0
3. Rate of utilisation $[(1-2)/1]$	n/a

d) Detail grounds for the transfer

In the current state of implementation, it is foreseeable that the payment appropriations available under the budget line 01 04 04 in 2010 will not be fully used this year.

Payment appropriations are transferred to trust accounts as required to ensure that the European Investment Fund (EIF) is at all times in a position to make disbursements to the financial intermediaries.

The amount of disbursements required in any given year is contingent upon market needs and certain conditions being met over the whole lifetime of the contracts signed. Thus, an inherent time lag exists between transfers to the trust accounts and disbursements to the beneficiaries.

The financial crisis had a major effect on the disbursement profile of financial instruments, particularly those in the area of venture capital. According to the European Venture Capital Association (EVCA), investments and divestments (exits) were more than halved between 2007 and 2009 compared to the pre-crisis situation. These developments had also a substantial impact on the forecasts in terms of disbursements for 2010.

Moreover, in order to avoid excessive balances on the trust accounts, the EIF and the Commission services reviewed the method of calculating payment appropriations and agreed to a number of adjustments to improve its reliability.

As a consequence of the two above elements, payment appropriations foreseen in the 2010 budget will not be fully needed in 2010. The amount of EUR 2 247 940 can therefore be made available for transfer

II.B

a) Heading

40 02 43 - Reserve for the European Globalisation Adjustment Fund

b) Figures at 14/07/2010

	Commitments
1A. Appropriation in budget (initial budget + AB)	500 000 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	-20 991 554
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3. Final appropriation for the year (1A+1B+2)	479 008 446
4. Utilisation of final appropriation	0
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5. Amount not used/available (3-4)	479 008 446
6. Requirements up to year-end	n.a.
7. Proposed decrease	2 247 940
8. Decrease as percentage of appropriation in budget (7/1A)	0.45%
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

c) Receipts arising from recovery (carried over) (C5)

	Commitments
1. Appropriation available at start of year	n/a
2. Appropriation available on the 14/07/2010	n/a
3. Rate of utilisation [(1-2)/1]	n/a

d) Detail grounds for the transfer

Under point 28 of the Inter-institutional Agreement of 17 May 2006 on budgetary discipline and sound financial management, the reserve for the European Globalisation Adjustment Fund is intended to provide additional support for workers who suffer from the consequences of major structural changes in world trade patterns, to assist them with their reintegration into the labour market.