



EUROPEAN COMMISSION

BRUSSELS, 05/11/2010

GENERAL BUDGET - 2010
SECTION III - COMMISSION TITLES 01, 29

TRANSFER OF APPROPRIATIONS N° **DEC 55/2010**

EUR

FROM

CHAPTER - 2902 Production of statistical information

ARTICLE - 29 02 03 Community statistical programme 2008-2012

Commitments - 2 000 000

TO

CHAPTER - 0104 Financial operations and instruments

ARTICLE - 01 04 10 Nuclear safety

Commitments 2 000 000

I. INCREASE

a) Heading

01 04 10 - Nuclear safety

b) Figures at 14/10/2010

	Commitments
1A. Appropriation in budget (initial budget + AB)	p.m.
1B. Appropriation in budget (EFTA)	0
2. Transfers	0
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3. Final appropriation for the year (1A+1B+2)	0
4. Utilisation of final appropriation	0
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5. Amount not used/available (3-4)	0
6. Requirements up to year-end	2 000 000
7. Increase proposed	2 000 000
8. Increase as percentage of appropriation in budget (7/1A)	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

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

	Commitments
1. Appropriation available at start of year	0
2. Appropriation available on the 14/10/2010	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the increase

The legal base¹ for Euratom borrowing/lending operations empowers the Commission to extend Euratom loans for contributing to the financing of nuclear power stations in the EU as well as for contributing to the financing required for improving the degree of safety and efficiency of nuclear power stations in certain non-Member countries. The Council decided² that the EIB (European Investment Bank) examines and prepares recommendations on all applications submitted to Euratom in accordance with its normal banking practice and using the same economic, financial and technical criteria which it applies to applications for its own loans. After deciding to grant a Euratom loan, the Commission will normally request EIB to assist Euratom in order to conclude the loan contracts and guarantee agreements in a form satisfactory to Euratom.

1 Council Decision 77/270/Euratom of 29 March 1977 (OJ L 88, 6.4.1977, p. 9) amended by Council Decision 94/179/Euratom of 21 March 1994 (OJ L 84, 29.3.1994, p. 41).

2 The statements concerning the organization of cooperation between Euratom and the EIB in the Euratom lending context are set out in Annexes III and V of the Council minutes relating to the 1977 Decision and section B and C of the Council minutes relating to the 1994 scope Extension Decision. The minutes of the Council of 1977 state in its Annex III paragraphs 3 a) and f) respectively that "...EIB will examine and prepare recommendations on all applications submitted to Euratom in accordance with its normal banking practice and using the same economic, financial and technical criteria which it applies to applications for EIB loans... The Commission will normally request EIB to assist and co-operate with Euratom in order to conclude the loan contracts and guarantee agreements in a form satisfactory to Euratom."

Section B of the minutes of the Council of 1994 state the following: "...Decisions on loans for third countries will be taken by the Commission ... after a recommendation from the EIB".

The requested appropriations will cover the costs of the EIB's economical, financial and technical assistance as well as the costs of the necessary legal assistance in relation to two projects requesting a Euratom loan.

- 1) The company URENCO submitted a request for a Euratom loan amounting to EUR 100 million in July 2010 to increase the uranium enrichment capacity in its production plants in Almelo (Netherlands) and Gronau (Germany). The total investment cost is estimated at EUR 567 million. Project implementation will start in 2011 and will take about 2 or 3 years.
- 2) The company Energoatom, operator of all nuclear plants in Ukraine, requested a Euratom loan in November 2009 in order to finance the safety upgrade of all 15 nuclear power plants in the country, the so-called 'Upgrade Package'. This operation will take place between 2010 and 2017 and its total cost is estimated at some EUR 1.45 billion.

The EBRD (European Bank for Reconstruction and Development) received a similar lending request and, subject to further examination, Euratom's contribution may represent up to EUR 500 million complemented by a further EUR 300 million from the EBRD.

As required by the Council Decision, all costs (e.g. EIB appraisal costs, legal expert fees, underwriting fees, etc.) incurred by Euratom in concluding and executing loan operations shall be borne by the borrowers. These costs can only be recovered after the signature of the loan e.g. by deducting them at the time of the loan disbursement.

These costs are currently estimated at EUR 800 000 for the Urenco project, EUR 300 000 of which would serve to cover the EIB's appraisal costs while the remainder would be required to pay for legal assistance in concluding the loan contract. The costs for the Ukrainian 'Upgrade Package' are currently budgeted at EUR 1 200 000 to cover the EIB's recommendation on the economic and financial aspects of the project (EUR 500 000) and the necessary legal assistance (EUR 700 000).

II. DECREASE

a) Heading

29 02 03 - Community statistical programme 2008-2012

b) Figures at 14/10/2010

	Commitments
1A. Appropriation in budget (initial budget + AB)	51 219 000
1B. Appropriation in budget (EFTA)	968 039
2. Transfers	-800 000
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3. Final appropriation for the year (1A+1B+2)	51 387 039
4. Utilisation of final appropriation	14 989 321
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5. Amount not used/available (3-4)	36 397 718
6. Requirements up to year-end	34 397 718
7. Proposed decrease	2 000 000
8. Decrease as percentage of appropriation in budget (7/1A)	3.90%
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	2 788 006
2. Appropriation available on the 14/10/2010	0
3. Rate of utilisation [(1-2)/1]	100.00%

d) Detail grounds for the transfer

In the current state of implementation, it is foreseeable that the commitment appropriations available in 2010 under the budget line 29 02 will not be fully used this year, as a consequence of the unexpected collection of two separate items:

- 1) In January 2010, Eurostat received an amount of EUR 2.57 million on account of Switzerland's participation in the Community Statistical Programme 2009. As this additional appropriation has become available during the 2010 exercise, part of the initial appropriations of 2010 budget year is no longer necessary.
- 2) Furthermore, following a recovery linked to ex-post controls, assigned revenues for an amount of EUR 1.28 million had been cashed in December 2009, and then automatically carried forward to 2010. Therefore, this additional amount is now available in 2010.

These amounts coming from 2 different incomes concerned 2009 but were not available on time during that financial year in order to be committed. These additional allocations are therefore taken into account to determine the level of 2010 appropriations needed to implement the Statistical programme during the current year.

As a consequence of the above elements, commitment appropriations foreseen in the 2010 budget will not be fully needed in 2010. The amount of EUR 2 million can therefore be made available for other urgent needs.