



EUROPEAN COMMISSION

BRUSSELS, 29/10/2010

GENERAL BUDGET - 2010
SECTION III - COMMISSION TITLES 13, 22

TRANSFER OF APPROPRIATIONS N° **DEC 61/2010**

EUR

FROM

CHAPTER - 2202 Enlargement process and strategy

ITEM - 22 02 04 01 Cross-border cooperation (CBC) between IPA countries and participation in ERDF transnational / interregional programmes and ENPI sea basins programmes

Commitments - 4 921 679

TO

CHAPTER - 1305 Pre-accession operations related to the structural policies

ITEM - 13 05 03 02 Cross-border cooperation (CBC) - Contribution from Heading 4

Commitments 4 921 679

I. INCREASE

a) Heading

13 05 03 02 - Cross-border cooperation (CBC) - Contribution from Heading 4

b) Figures at 18/10/2010

	Commitments
1A. Appropriation in budget (initial budget + AB)	35 308 079
1B. Appropriation in budget (EFTA)	0
2. Transfers	0
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3. Final appropriation for the year (1A+1B+2)	35 308 079
4. Utilisation of final appropriation	35 308 079
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5. Amount not used/available (3-4)	0
6. Requirements up to year-end	4 921 679
7. Increase proposed	4 921 679
8. Increase as percentage of appropriation in budget (7/1A)	13.94%
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 18/10/2010	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the increase

Apart from bilateral cross-border cooperation (CBC) programmes, component II CBC of IPA (Instrument of pre-Accession) may also support the participation of candidate and potential candidate countries in transnational cooperation programmes under the European Regional Development Fund (ERDF) European Territorial Cooperation objective (cf. Article 9.1 IPA Regulation No 1085/2006 and Article 86.4 IPA Implementing Regulation No 718/2007). According to Article 86.4 of Regulation 718/2007, as amended by Regulation No 80/2010, the rules governing the participation of the IPA beneficiary countries shall be established in the Operational Programmes (OP's) of the relevant Structural Funds' transnational programme and/or in the relevant financing agreement, as appropriate.

Since 2007, the IPA CBC component has financed the participation of the Western Balkans beneficiary countries in the ERDF transnational programmes 'South-East Europe' and 'Mediterranean'. IPA funds (in total ~ EUR 4 million/year) were broken down per country and, under the responsibility of DG ELARG, committed through annual financing decision (one per beneficiary country) and contracted by the relevant EU Delegations (the national authorities in case of Croatia). This approach proved to be inefficient (e.g. large amount of unused funds due to the break down of funds per country and per year; different timing and implementing modalities compared to the ERDF funds) and extremely cumbersome for all actors involved (Commission headquarters and delegations, management structures of the ERDF transnational programmes, final beneficiaries of grants).

Following thorough discussions between DG ELARG and DG REGIO, it has been decided to streamline IPA support for the participation of beneficiary countries in the above mentioned ERDF transnational programmes by emulating the successful approach already followed for IPA cross-border programmes between beneficiary countries and Member States.

The agreed improvements are as follows:

- In the Budget 2010, IPA component II funds allocated for the participation of Western Balkan beneficiary countries in the ERDF transnational programmes have been pooled together in the budget item 22 02 04 01 (no more break down per country);
- These IPA 2010 funds (EUR 4.9 million) shall be transferred from Title 22 'Enlargement' (budget item 22 02 04 01) to Title 13 'Regional Policy' (budget item 13 05 03 02). The same transfer will take place for the subsequent years.
- The operational programmes 'South-East Europe' and 'Mediterranean' will be amended to include a financial table covering IPA funds for 2010–2013 (with the inclusion of a specific clause: conditional to the adoption of the budget by the Budgetary Authority).
- The Commission decision adopting the amended OPs will constitute a financing decision within the meaning of Article 75 of the Financial Regulation.
- IPA funds will be managed in shared management by the managing Authorities of the two programmes (Hungary for the 'South-East Europe' programme and France for the 'Mediterranean' programme) under the responsibility of DG REGIO.

This approach has been thoroughly discussed with the Managing Authorities of the two Structural Funds transnational programmes. As foreseen in article 86.4 of the IPA Implementing Regulation No 718/2007, the detailed rules governing the participation of the IPA countries in these programmes will be included in the amended Operational Programmes and in the Financing Agreements concluded between the Commission (DG REGIO) and the beneficiary countries.

II. DECREASE

a) Heading

22 02 04 01 - Cross-border cooperation (CBC) between IPA countries and participation in ERDF transnational / interregional programmes and ENPI sea basins programmes

b) Figures at 18/10/2010

	Commitments
1A. Appropriation in budget (initial budget + AB)	25 057 113
1B. Appropriation in budget (EFTA)	0
2. Transfers	-5 475 434
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3. Final appropriation for the year (1A+1B+2)	19 581 679
4. Utilisation of final appropriation	13 000 000
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5. Amount not used/available (3-4)	6 581 679
6. Requirements up to year-end	1 660 000
7. Proposed decrease	4 921 679
8. Decrease as percentage of appropriation in budget (7/1A)	19.64%
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	0
2. Appropriation available on the 18/10/2010	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detail grounds for the transfer

See justification 'Increase'