



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 25 November 2011

17472/11

**FIN 960
PE-L 148**

"I/A" ITEM NOTE

from:	General Secretariat of the Council
to:	Permanent Representatives Committee/Council
No. Cion prop.:	15683/11 FIN 758 - COM (2011) 674 final
Subject:	Draft amending budget No 6 to the general budget for 2011 - General statement of revenue - Statement of expenditure by Section - Section III - Commission

I. INTRODUCTION

1. On 18 October 2011, the Commission submitted to the Council draft amending budget (DAB) No 6/2011, covering at the same time an update of revenue and a request for additional commitment (c/a) and payment appropriations (p/a). On 11 November, the Commission forwarded to the Council a letter with updated figures as regards expenditure.
2. This DAB takes account of an increase in the forecast of revenue, as well as an increase in appropriations on the expenditure side, in line with the latest estimates and needs.

3. As regards revenue, the revised forecast for own resources shows a net increase of EUR 1 276.9 million, resulting from:
- VAT and GNI balances from previous years (+EUR 1 814.9 million);
 - other revenue, notably interests on late payments and fines (+EUR 662 million);
 - decreased revenue from traditional own resources (-EUR 1 200 million).
4. With regard to expenditure, the Commission proposes a net increase of EUR 3.25 million in c/a and of EUR 550.3 million in p/a. The breakdown is as follows:
- a) within sub-heading 1a (*Competitiveness for growth and employment*),
+EUR 82 million in p/a on Article 08 04 01 (*Cooperation - Nanosciences, nanotechnologies, materials and new production technologies*) and
+EUR 60 million in p/a on Item 09 04 01 01 (*Support for research cooperation in the area of information and communication technologies*), to meet outstanding needs which were not covered by the Global Transfer (DEC34/2011);
- b) within sub-heading 1b (*Cohesion for growth and employment*):
- +EUR 401.5 million in p/a on Article 04 02 17 (*European Social Fund - Convergence*) and +EUR 401.5 million in p/a on Article 04 02 19 (*European Social Fund - Regional competitiveness and employment*), to meet outstanding needs which were not covered by the Global Transfer;
 - +EUR 3.25 million in c/a and +EUR 0.3 million in p/a on Article 04 02 20 (*European Social Fund - Operational technical assistance (2007-2013)*) to address particularly urgent needs in the field of tax administration in Greece;

- c) within heading 2 (*Preservation and management of natural resources*), a decrease of EUR 395 million in p/a is proposed on Item 05 04 05 01 (*Rural development programmes*), taking into account payments declared in November by Member States (this amount is used to cater for part of the outstanding needs in sub-heading 1b).

Finally, within heading 4 (*The EU as a global player*), a redeployment of EUR 100 million in c/a is proposed in favour of Item 19 08 01 02 (*European Neighbourhood and Partnership financial assistance to Palestine, the peace process and UNRWA*), to address the most immediate needs of the Palestinian Authority (EUR 70.8 million) and UNRWA (EUR 29.2 million). This amount is proposed as a frontloading of appropriations to cover expenditure in 2012. In addition, a redeployment of EUR 13.4 million is proposed to secure the financing of commitment appropriations for Article 21 06 07 (*Banana Accompanying Measures*), including a frontloading of some EUR 8 million, within its reference amount of EUR 190 million over the years 2010-2013.

5. DAB No 6/2011 also includes the creation of a new Article 11 09 05 (*Programme to support the further development of an Integrated Maritime Policy*), with c/a entered in the reserve (EUR 23.14 million), financed through redeployment within heading 2 (c/a on Items 17 04 01 01 and 17 04 02 01 will be reduced accordingly).
6. The combined effect of the increase in the revised forecast of revenue (+EUR 1 276.9 million) and the increase in p/a (+EUR 550.3 million) is a net reduction of Member States' contributions to the 2011 budget by EUR 726.6 million.
7. The Budget Committee examined this DAB at its meetings on 28 October, 14 and 15 November.

II. OUTCOME OF THE CONCILIATION COMMITTEE

On 18/19 November 2011, the Conciliation Committee, in the framework of the agreement on joint text concerning the budget for 2012, reached a political agreement on DAB No 6/2011 with the following result:

(in EUR million)

Budget line	Name	Reinforcements/reductions	
		DAB No 6/2011*	AB No 6/2011
Commitment appropriations			
04 02 20	ESF - Operational technical assistance	+3.3	+3.3
19 08 01 02	ENPI - Palestine, MEPP, UNRWA	+100.0	+100.0
21 06 07	Banana Accompanying Measures	+13.4	+13.4
Sub-total reinforcements		+116.7	+116.7
01 03 02	Macro financial assistance	-104.4	-104.4
05 06 01	International agricultural agreements	-0.1	-0.1
07 11 01	Multilateral and international climate agreements	-0.2	-0.2
14 03 03	International organisations customs and tax	-0.1	-0.1
15 02 03	Third countries education and vocational training	-6.3	-6.3
21 07 03	FAO contribution	-0.3	-0.3
21 07 04	Commodities agreements	-2.0	-2.0
Sub-total reductions		-113.4	-113.4
TOTAL NET IMPACT		+3.3	+3.3
Payment appropriations			
04 02 17	ESF - Convergence	+401.5	+226.35
04 02 19	ESF - Regional Competitiveness	+401.5	+226.35
04 02 20	ESF - Operational technical assistance	+0.3	+0.3
08 04 01	Cooperation - Nanosciences, nanotechnologies	+82.0	+82.0
09 04 01	Cooperation - ICTs	+60.0	+60.0
Sub-total reinforcements		+945.3	+595.0
05 04 05 01	Rural Development	-395.0	-395.0
Sub-total reductions		-395.0	-395.0
TOTAL NET IMPACT		+550.3	+200.0
* As updated by the Commission's letter dated 11 November 2011.			

The combined effect of DAB No 6/2011, taking into account the new amount of +EUR 200 million net increase in p/a, is a reduction of Member States' contributions to the 2011 budget by EUR 1 076.9 million.

III. CONCLUSION

The Permanent Representatives Committee is invited to advise the Council to:

- adopt by qualified majority¹ the Council's position on DAB No 6/2011, as set out in point II;
- approve the draft decision of the European Parliament and of the Council establishing amending budget No 6/2011 as set out in Annex 1 and transmit it to the European Parliament for signature;
- instruct the Presidency to prepare the budgetary documents to be sent to the European Parliament and to approve the draft letter in Annex 3 to that effect;
- have the Council's position on draft amending budget No 6/2011 published in the *Official Journal of the European Union* as set out in the Annex 2.

¹ NL and UK voting against.

DRAFT

DECISION
of the EUROPEAN PARLIAMENT and of the COUNCIL
establishing amending budget No 6 of the European Union for the financial year 2011

The EUROPEAN PARLIAMENT and the COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with its Article 296, first paragraph,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,

Having regard to Council Decision 2007/436/EC, Euratom of 7 June 2007 on the system of the European Communities' own resources¹,

Whereas:

- (1) the European Union's general budget for the financial year 2011 was definitively adopted on 15 December 2010²,
- (2) on 18 October 2011, the Commission submitted draft amending budget No 6 of the European Union for the financial year 2011, in accordance with Article 314 of the Treaty on the Functioning of the European Union,

¹ OJ L 163, 23.6.2007, p. 17.

² OJ L 68, 15.3.2011.

- (3) the Council adopted its position on this draft amending budget on 30 November 2011,
- (4) the European Parliament approved the Council's position at its plenary sitting of [...] 2011,
- (5) the Treaties do not specify the type of act to be adopted; consequently, in implementation of Article 296, first paragraph, TFEU, the institutions concerned have selected among the legal acts of the Union foreseen in Article 288 TFEU the form of decision, in order to bestow the budget binding effect towards the institutions and the Member States,

HAVE ADOPTED THIS DECISION:

Sole Article

Amending budget No 6 of the European Union for the financial year 2011 is hereby established in accordance with the Annex to this Decision.

Done at [...], [...] 2011.

*For the European Parliament
The President*

*For the Council of the EU
The President*

Draft amending budget No 6 of the European Union for the financial year 2011**COUNCIL POSITION**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with the Treaty establishing the European Atomic and Energy Community, and in particular Article 106a thereof,

Having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹, as last amended by Regulation (EU, Euratom) No 1081/2010 of the European Parliament and of the Council of 24 November 2010², and in particular Article 37 thereof,

Whereas:

- the European Union's general budget for the financial year 2011 was definitively adopted on 15 December 2010³,
- on 18 October 2011, the Commission submitted a proposal containing draft amending budget No 6 to the general budget for the financial year 2011,

¹ OJ L 248, 16.9.2002, p. 1, with Corrigenda in OJ L 25, 30.1.2003, p. 43 and OJ L 99, 14.4.2007, p. 18.

² OJ L 311, 26.11.2010, p. 9.

³ OJ L 68, 15.3.2011.

- given the fact that draft amending budget No 6 for 2011 needs to be implemented within the financial year 2011 for reasons of sound financial management, it is justified to shorten the eight-weeks period laid down in Article 4 of the Protocol No 1 for the information of the National Parliaments, as well as the ten-days period for the placing of the item on the Council's provisional agenda, in accordance with Article 3(3) of the Council's Rules of procedure,

HAS DECIDED AS FOLLOWS:

Sole Article

The Council's position on draft amending budget No 6 of the European Union for the financial year 2011 was adopted on 30 November 2011.

The full text can be accessed for consultation or downloading on the Council's website:
<http://www.consilium.europa.eu/>.

Done at Brussels, on 30 November 2011.

*For the Council
The President*

DRAFT LETTER

from : President of the Council

to : President of the European Parliament

Sir,

I am forwarding under separate cover the Council's position on draft amending budget No 6 for the financial year 2011, adopted by the Council on 30 November 2011.

(Complimentary close).
