

2012 budget: all sections

2011/2020(BUD) - 17/06/2011 - Document attached to the procedure

PURPOSE: presentation of an Amending Letter No 1 to the draft general budget 2012 (Section III-Commission).

CONTENT: this Amending Letter No 1 (AL 1) to the Draft General Budget for 2012 (DB 2012) covers the following:

- **the increase of EUR 400 million in commitment appropriations to support additional measures in the EU Neighbourhood region** as a follow-up of the recently adopted Joint Communication “[A new response to a changing Neighbourhood](#)”: EUR 395.5 million for the European Neighbourhood and Partnership Instrument (ENPI) and EUR 4.5 million for the European Instrument for Democracy and Human Rights (EIDHR);
- **the related redeployment of EUR 104.1 million in payment appropriations from other programs within Heading 4**: EUR 102.8 million to the ENPI and EUR 1.3 million to the EIDHR. There is no impact on the overall level of payment appropriations.

The reinforcement of EUR 400 million in commitment appropriations will be covered by the margin of Heading 4 (EUR 246.7 million), and by the mobilisation of the Flexibility Instrument (EUR 153.3 million).

Reinforcing the European Neighbourhood and partnership instrument: the strategic review of the European Neighbourhood Policy (ENP) that was initiated last year identified areas where the policy can be considerably strengthened. The revolutions and upheavals in the Southern Mediterranean and the strong aspirations that the people of these countries have expressed for political and economic change make the EU’s support even more crucial than in the past, and point to areas where EU and partner countries can and should do better. Equally, the EU remains committed to durably supporting the democratisation and reform processes in the entire neighbourhood, south and east.

The abovementioned Communication sets out the proposals emerging from the ENP strategic review and, in that context gives substance to the approaches towards Eastern Europe and the Southern Caucasus through the continued implementation of the Eastern Partnership and towards the Southern Mediterranean, in the context of the new “Partnership for Democracy and shared Prosperity”. With the offer of a “[Partnership for Democracy and shared Prosperity](#)”, in particular, the EU seeks to support the democratic transformation initiated in Egypt and Tunisia, and that may extend to other countries of the southern Mediterranean.

The Communication proposes the implementation of the new approach of the neighbourhood policy and identifies needs for additional resources for the region of up to **EUR 1 242 million until 2013** stemming from various sources.

It is proposed to reinforce with **EUR 751 million** the financial envelope of the **ENPI** over the period **2011 to 2013 and with EUR 4.5 million in 2012** the European Instrument for Democracy and Human Rights (**EIDHR**). Some EUR 355.5 million are to be redeployed from other instruments, including the corresponding administrative support expenditure.

The present Amending Letter relates to the 2012 tranche of the reinforcement implementing the new approach for the ENP and amends the relevant budget lines in Draft Budget 2012 accordingly, by **adding EUR 400 million** in commitment appropriations to ENPI and EIDHR. Given the timelines and uncertainties related to the conditions for implementation, the Commission proposes to reallocate EUR

120.1 million from payment appropriations already included in the 2012 Draft Budget. In case of need, and depending on the absorption capacity in the region, the Commission may request additional payment appropriations in the course of the year through transfers and/or an amending budget.

Sources of additional funding: the additional EUR 400 million will be covered by:

- the unallocated margin under the expenditure ceiling of Heading 4 (EUR 246.7 million). Part of the current margin in the Draft Budget 2012 was created by scaling down amounts originally programmed for 2012 for the Development Cooperation Instrument (EUR 89 million), the Instrument for Pre-accession Assistance (EUR 60 million) and the Instrument for Stability (EUR 60 million). The necessary payment appropriations will also be re-allocated from these programs;
- the Flexibility Instrument for an amount of EUR 153.3 million.