European Commission

# Analysis of the budgetary implementation of the Structural and Cohesion Funds in 2012

May 2013

Budget

EUROPEAN COMMISSION

DIRECTORATE-GENERAL BUDGET

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NOTE: THE INFORMATION CONTAINED IN THIS COMMISSION STAFF WORKING PAPER (DG BUDGET) IS WITHOUT PREJUDICE TO THE CONTENT OF THE OFFICIAL COMMISSION REPORTS ON THE CLOSURE OF THE ACCOUNTS AND ON THE STRUCTURAL AND COHESION FUNDS. READERS SHOULD REFER IN PARTICULAR TO THE REVENUE AND EXPENDITURE ACCOUNT FOR THE OFFICIAL FIGURES ON THE 2012 BUDGET OUTTURN.

## LIST OF ABBREVIATIONS

| | |
|---|---|
| **AB** | Amending Budget |
| **CA** | Commitment appropriations |
| **CB** | Cross-border cooperation |
| **CI** | Community initiative |
| **CF** | Cohesion Fund |
| **EAGGF-G** | European Agricultural Guidance and Guarantee Fund, Guidance section |
| **EERP** | European Economic Recovery Package |
| **ENPI** | European Neighbourhood and Partnership Instrument |
| **ETC** | European Territorial Cooperation |
| **EU-15** | Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, United Kingdom |
| **EU-10** | Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia |
| **EU-12** | EU-10 plus Bulgaria and Romania |
| **ERDF** | European Regional Development Fund |
| **ESF** | European Social Fund |
| **FIFG** | Financial Instrument for Fisheries Guidance |
| **H1B** | Heading 1b of the Multiannual Financial Framework |
| **IIA** | Inter Institutional Agreement |
| **IM & TA** | Innovation measures and technical assistance |
| **IPA** | Instrument for Pre-Accession |
| **MCS** | Management and Control System |
| **MS** | Member State |
| **NSRF** | National Strategic Reference Framework |
| **OP** | Operational programme |
| **PA** | Payment appropriations |
| **RAL** | "Reste à Liquider" – Outstanding Commitments |
| **RCE** | Regional Competitiveness and Employment |

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# EXECUTIVE SUMMARY

*Overall implementation*

- The year 2012 was marked by a level of commitments in line with the multiannual financial framework (EUR 52.6 billion) and a significant increase in payments by EUR 5.8 billion to EUR 47.6 billion.
- Payments for the 2007-2013 programming period (EUR 45.2 billion) progressed by 15% compared to 2011. The increase could have been considerably higher if more payment appropriations had been available at year-end.
- Payments for the closure of the previous programming period remained almost unchanged compared to 2011 (EUR 2.4 billion). They could also have been significantly higher if more payment appropriations had been made available.
- The total payment execution of EUR 47.6 billion compares to an initially voted budget of EUR 42.9 billion.
- The overall level of outstanding commitments (RAL) reached EUR 137.4 billion at the end of 2012. This corresponds to a level of 2.7 years of commitments which reflects the n+2/n+3 de-commitment rules of the 2007-13 period.

*Implementation of the 2007-2013 programming period*

- Due to the EUR 10.7 billion of unpaid claims at the end of 2011 and an acceleration of interim payment claims submitted by Member States in 2012, 2007-13 payment appropriations were reinforced by EUR 4.4 billion through an Amending Budget.
- Thus, overall execution for the three 2007-13 Funds under Heading 1B reached 110.7% of the initially voted 2012 budget. The backlog of unpaid claims nonetheless further increased to EUR 16.2 billion at year-end.
- The overall cumulative payments have reached 46.4% of the 2007-2013 financial allocation and the corresponding outstanding commitments amount to EUR 131.7 billion.
- Initial payment forecasts by Member States overestimated actual payment requests by 15% in total but the forecast results vary widely between countries.

*Implementation of the 2000-2006 programming period*

- The closure process accelerated considerably in 2012. The increased needs in payment appropriations for the 2000-2006 period were partially covered by some EUR 290 million in the End of Year Transfer. More operational programmes could have been closed in 2012 had additional payment appropriations been made available.
- 64% of the programmes, representing 42% of the total 2000-2006 financial allocation, had been closed by the end of 2012.
- Overall, by the end of 2012, the cumulative implementation for EU-15 at the global level reached 97.4% of their 2000-2006 allocation while the EU-10 rate stood at 99.3% of their 2004-2006 allocation.
- The outstanding commitments for the 2000-2006 period decreased by 31% from EUR 8.2 billion to EUR 5.6 billion. Payments (EUR 2.4 billion) account for a reduction of 29% of the RAL while the remaining 2% were the result of closure de-commitments (EUR 0.2 billion).

*Clearance of pre-2000 outstanding commitments*

- The RAL of the pre-2000 programming periods has been further reduced from EUR 109 million to EUR 101 million due equally to payments made and de-commitments at closure.

# 1 BUDGET IMPLEMENTATION IN 2012

## 1.1 *IMPLEMENTATION OF COMMITMENTS AND PAYMENTS IN 2012*

As mentioned in the last editions, the implementation report deals with all the funds of the 2007-2013 programming period assigned to Heading 1b "Cohesion policy" of the financial framework: ERDF and ESF and the Cohesion Fund. It will also continue to cover the EAGGF-G and the FIFG until the closure of the respective programmes, as they are Structural Funds of the period 2000-2006.

However, the report does not cover the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF) of Heading 2 "Natural Resources" of the financial framework 2007-2013, which are no longer Structural Funds. As the Cohesion Fund was not subject to the Structural Funds regulatory framework in pre-2007 programming periods, this report, as in previous years, does not cover the pre-2007 Cohesion Fund, either.

As can be expected from the legal framework, the execution of commitments in 2012 for the Structural and Cohesion Funds was high, amounting to EUR 52.6 billion, as shown in Table 1. Save for technical assistance (where a marginal amount of commitment appropriations was not used and lapsed at the end of the year), all the available commitment appropriations for programmes were committed. EUR 2 million had been carried forward from 2011.

**Table 1: Outturn of Commitment Appropriations for the 2007-2013 period in 2012 by Fund (in million EUR)**

| FUND | VOTED BUDGET | TRANSFERS, AMENDING BUDGETS, ADDITIONAL APPROPRIATIONS | TOTAL COMMITMENT APPROPRIATIONS | OUTTURN | % |
|---|---|---|---|---|---|
| ERDF | 29.612 | -115 | 29.497 | 29.492 | 100,0% |
| ESF | 11.187 | 118 | 11.305 | 11.303 | 100,0% |
| CF | 11.793 | -2 | 11.792 | 11.790 | 100,0% |
| **TOTAL 2007-2013** | **52.592** | **2** | **52.593** | **52.585** | **100,0%** |

Executed payments totalled EUR 47.6 billion, up EUR 5.8 billion compared to 2011. The great majority of the payments, EUR 45.2 billion, covered interim payments for the 2007-2013 programmes. Payments of the final balance for 2000-2006 programmes still amounted to EUR 2.4 billion while final payments for pre-2000 programmes totalled only EUR 4 million. The overall execution rate for payments was 100% compared to the final available appropriations. However, compared to the initial voted budget, implementation was significantly higher by around EUR 4.7 billion.

**Table 2: Outturn of Payment Appropriations in 2012 by Fund (in million EUR)**

| FUND | VOTED BUDGET | TRANSFERS, AMENDING BUDGETS, ADDITIONAL APPROPRIATIONS | TOTAL PAYMENT APPROPRIATIONS | OUTTURN | % |
|---|---|---|---|---|---|
| ERDF | 0 | 0 | 0 | 0 | 100,0% |
| ESF | 0 | 4 | 4 | 4 | 99,6% |
| EAGGF | 0 | 0 | 0 | 0 | |
| FIFG | 0 | 0 | 0 | 0 | |
| **TOTAL PRE-2000** | **0** | **4** | **4** | **4** | **99,6%** |
| ERDF | 1.446 | 217 | 1.662 | 1.662 | 100,0% |
| ESF | 483 | 76 | 559 | 559 | 100,0% |
| EAGGF | 85 | 52 | 138 | 138 | 99,8% |
| FIFG | 28 | -26 | 2 | 2 | 100,0% |
| **TOTAL 2000-2006** | **2.042** | **319** | **2.361** | **2.361** | **100,0%** |
| ERDF | 24.778 | 1.025 | 25.803 | 25.796 | 100,0% |
| ESF | 8.230 | 2.515 | 10.745 | 10.733 | 99,9% |
| CF | 7.811 | 867 | 8.678 | 8.676 | 100,0% |
| **TOTAL 2007-2013** | **40.819** | **4.407** | **45.227** | **45.204** | **100,0%** |
| | **42.862** | **4.730** | **47.592** | **47.569** | **100,0%** |

As shown in Table 2, the implementation of payment appropriations accelerated significantly in 2012, with the year-end execution exceeding the initially voted budget by almost 11% (or EUR 4.7 billion). By mid-October, the 2007-13 ESF programmes had virtually exhausted all available appropriations while the ERDF and CF had already consumed almost 80% of their available credits thus requiring substantial reinforcements. The reinforcement needs for 2007-13 programmes were partially covered via the Amending Budget 6 (EUR 4.4 billion) voted in December. Similarly, implementation progressed very quickly for the ESF and ERDF 2000-06 programmes which were reinforced to a limited extent via the new End of Year Transfer by EUR 79.6 million and EUR 211.3 million, respectively.
Available appropriations at year end were fully executed save for minor amounts almost entirely relating to technical assistance.

As regards reductions of payment appropriations in favour of other headings, some EUR 7 million was rendered by FIFG via the Global Transfer (another EUR 19 million were transferred inside Heading 2 from FIFG to the 2007-2013 EFF programmes).

### 1.2 OUTSTANDING COMMITMENTS IN 2012

Given that the yearly level of commitments stays above the level of payments, outstanding commitments are expected to increase accordingly. However they are due to remain around an amount of two to three years of commitments because of the regulatory framework (especially the n+2/n+3 de-commitments provisions). The recent actual evolution of the outstanding commitments (also known as RAL from the French acronym "reste à liquider") has been in line with these expectations. Thus, the n+3 de-commitment rule for 14 Member States (EU-12 plus Greece and Portugal), a transitory rule covering the 2007-2010 commitment tranches, has contributed to the increase of outstanding commitments. The amendment to the legal base adopted in June 2010 with regard to the application of the automatic de-commitment rule for 2007 commitments also allows for some postponement of payments hence further increasing the RAL.

Thus, at the end of 2012, the RAL stood at EUR 137.4 billion (see Table 3 below[1]) which corresponds to a ratio of outstanding commitments to yearly commitments of 2.7 (virtually unchanged compared to the end of 2011). In absolute terms, the RAL increased by EUR 4.8 billion, an increase of 4% compared to the previous year. Thus, due to accelerating payments mainly for 2007-13 programmes, the increase of RAL is further slowing down as compared to 2011 (+ EUR 8.3 billion or +7%) and 2010 (+EUR 12.7 billion or +11%).

**Table 3: Outstanding commitments at the end of 2012* (in EUR million)**

| | *RAL pre-2000* | *RAL 2000-2006* | *RAL 2007-2013* | *Total RAL* |
|---|---|---|---|---|
| **Outstanding commitments at the end of 2011** | **109** | **8.152** | **124.356** | **132.617** |
| De-commitments in 2012** on RAL at the end of 2011 | -5 | -192 | -23 | -220 |
| Payments in 2012 on outstanding commitments at the end of 2011 | -4 | -2.357 | -44.270 | -46.631 |
| ***(1) TOTAL outstanding commitments from before 2012*** | **101** | **5.603** | **80.063** | **85.766** |
| New commitments made in 2012 | 0 | 4 | 52.496 | 52.500 |
| Payments on 2012 commitments | 0 | -4 | -861 | -865 |
| ***(2) TOTAL outstanding commitments from 2012*** | **0** | **0** | **51.635** | **51.635** |
| **(1)+(2) TOTAL outstanding commitments at the end of 2012** | **101** | **5.603** | **131.698** | **137.401** |
| ** only operational lines* | | | | |
| *** see Section 3.3 on de-commitments and Chapter 4 on the clearance of pre-2000 RAL* | | | | |

For the 2007-2013 programming period, the RAL corresponds to EUR 132 billion in 2012 (compared to EUR 124 billion end 2011). As a result of the reduction of the 2000-2006 RAL and the growing amount of commitments for 2012, the share of the 2007-2013 period in the overall RAL has increased further from 94% to 96%.

For the 2000-2006 programming period, the RAL has been reduced by 31% to only 4% of the overall RAL at the end of 2012. The closure process has sped up in 2012 and it is expected that the bulk of the programmes will be closed in 2013. Since the start of the closing exercise until the end of 2012, final payments were made in respect of 64% (2011: 41%) of all programmes and the related outstanding commitments have been put to zero.

The RAL for the pre-2000 programmes has been further reduced in 2012 to EUR 101 million (2011: EUR 109 million) and accounts for 0.07% of the overall RAL.

[1] As explained in point 1.1, these figures include the pre-2007 RAL for the EAGGF-Guidance and the FIFG but do not include the pre-2007 RAL for the Cohesion Fund.

Chart 1 gives the evolution since 1993 of the RAL broken down by programming period. It shows that the RAL for the 2000-2006 period continues its downward trend while the increase for the 2007-2013 period is slowing down.

**Chart 1: Outstanding commitments by period of origin (in EUR million)**

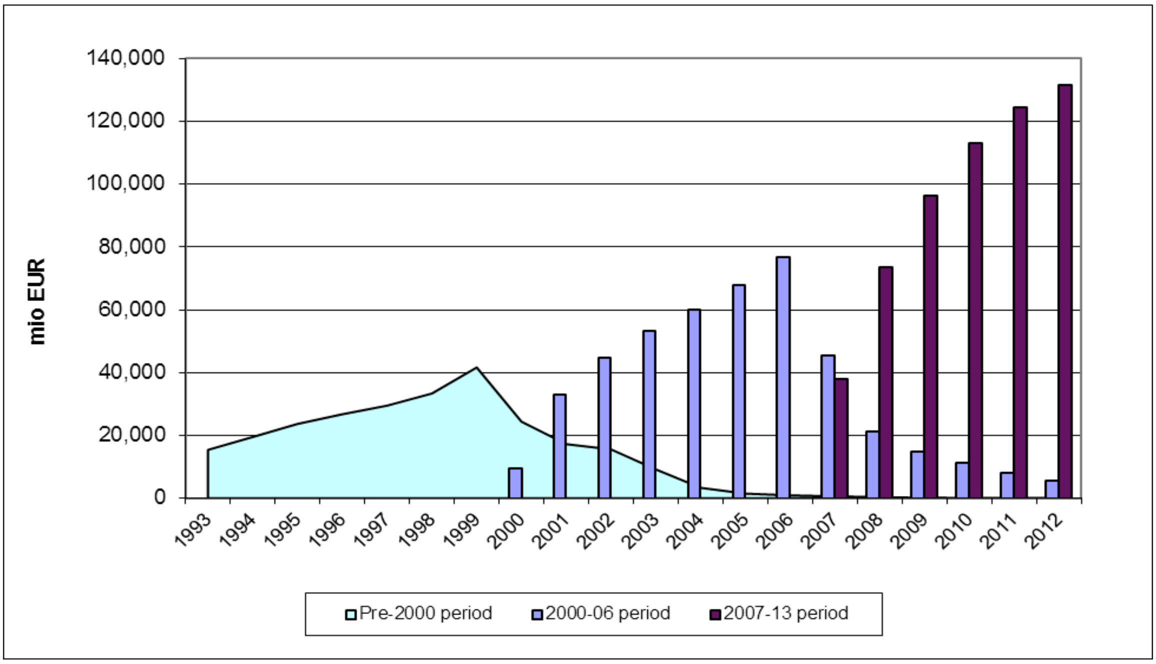
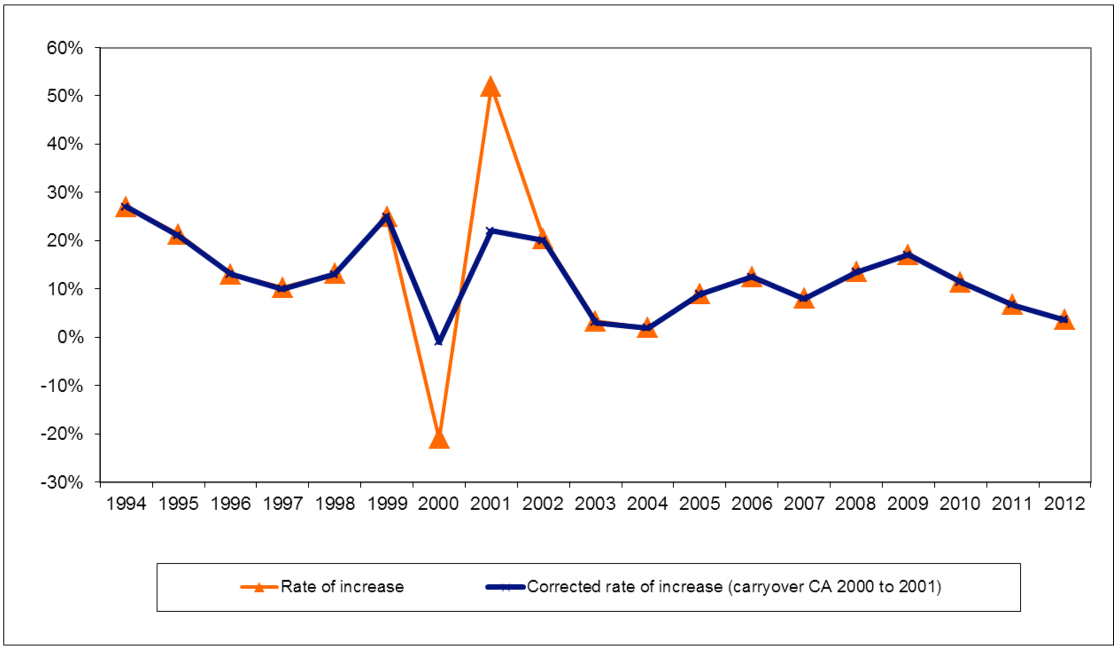



Chart 2 below shows the rate of increase of outstanding commitments over time. The downward trend which started in 2010 has continued in 2012 with the rate of increase being the lowest since 2004.

**Chart 2: Rate of increase of outstanding commitments**



## 1.3 TRANSFERS MADE IN 2012

In 2012 the volume of the transfers of payment appropriations made during the year was relatively low compared with previous years. A limited number of transfers were made by the Commission under its own prerogatives established in the Financial Regulation (a detailed list of these transfers is attached in Annex 2):

- Transfers of commitment appropriations were made for the following 2 reasons :

    1. Portugal and Estonia decided to reprogramme part of their allocation between Funds so transfers were necessary to shift appropriations between funds but within the same objectives.

    2. EUR 2 million was transferred from ERDF and CF operational technical assistance to ESF operational technical assistance in order to support administrative reforms in Greece.

- For ESF, several small value transfers of payment appropriations were carried out between and within periods in order to optimize budget implementation. For the 2000-06 programmes additional payment appropriations were provided via the End of Year Transfer (+EUR 79.6 million) while some EUR 3.6 million were transferred to the pre-2000 programmes.

- Payment appropriations for the 2000-06 ERDF programmes were reinforced by EUR 213 million essentially via the End of Year Transfer. As regards 2007-2013 ERDF programmes, in addition to several small value transfers, EUR 235 million were shifted from CF to ERDF within the Convergence objective in the second half of December in order to optimize execution at the very year-end.

- Finally, for FIFG, some EUR 7 million in payment appropriations were rendered as part of the Global transfer while an additional EUR 19 million was transferred to EFF programmes.

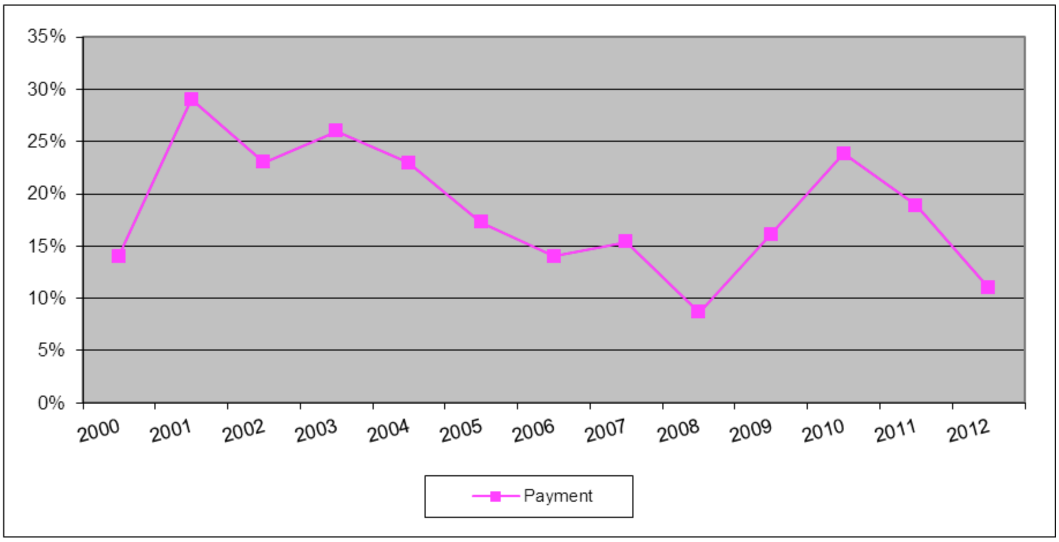
As referred to above, a new type of transfer was introduced in 2012 in the context of the revision of the Financial Regulation[2]. The "End of Year Transfer" allows the Commission to make use of any payment appropriations across the budget made available in mid-December in order to mitigate the lack of payment appropriations for shared management funds. The mechanism allows for the transfer to be operated by the Commission before the end of the financial year N and presented to the budgetary authority in early January of the following year. In case of rejection by the Council or European Parliament the transfer is cancelled and the necessary regularization operations reducing the budgetary consumption of year N are applied. The End of Year Transfer was implemented for the first time in 2012. It resulted in a transfer of EUR 290.9 million in favour of the 2000-06 ESF and ERDF programmes and was validated by the budgetary authority in January 2013.

[2] Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p.1)

## 1.4 EVOLUTION OF THE END-OF-YEAR CONCENTRATION

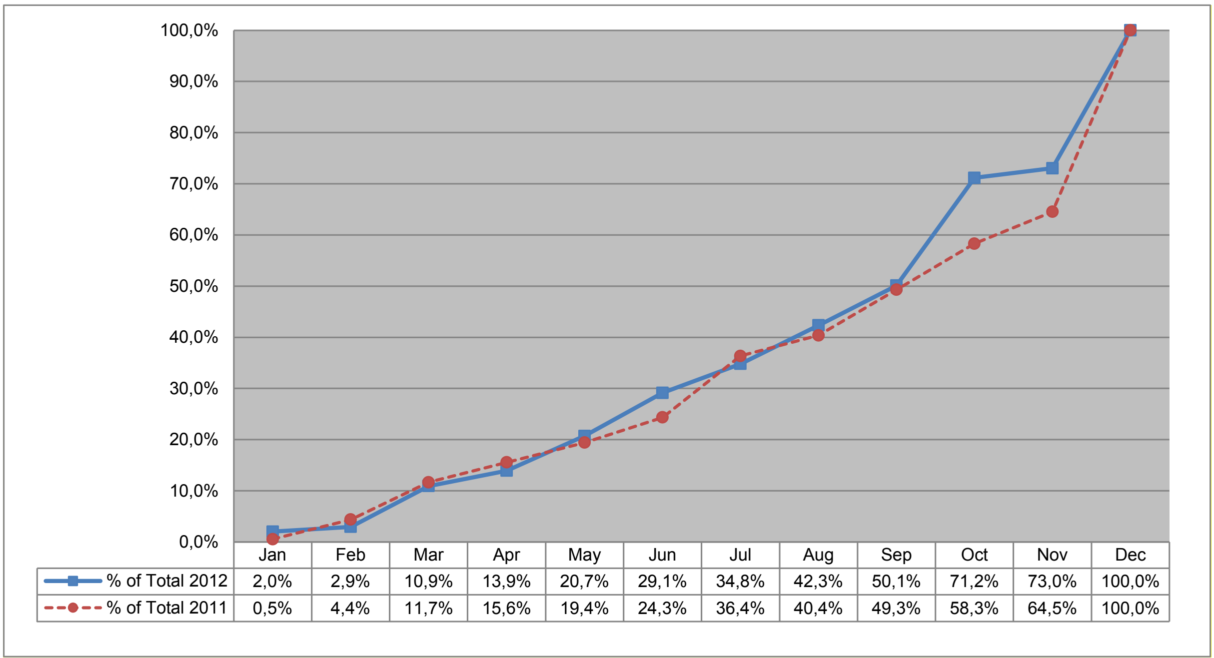
As most of the commitments under the Structural Funds (and now also the 2007-2013 Cohesion Fund) are typically made at the beginning of the year in accordance with the legal base (except for the first year of the programming period), Chart 3 focuses only on the end-of-year concentration for payments in December.
In 2012, the year-end concentration of payments declined further compared to previous years reaching a level similar to the record low level of 2008. However, this low year-end concentration was due, even more than in 2011, to insufficient payment appropriations towards the end of the year. If no additional payment appropriations had been provided by the Amending Budget No 6 and the End of Year Transfer, the percentage of payments executed in December would even have been close to zero.

**Chart 3: Concentration of payment appropriations in December (percentage executed in December) since 2000**




The profile of payment claim submission has significantly changed in 2012 compared to the previous year (see Chart 4 below). Unlike 2011, when 42% of the total payment claims for the 2007-13 programmes arrived during the last two months of the year, in 2012 the corresponding figure decreased to 29%. This anticipation of claim submission follows a corresponding Commission request to the MS in April 2012 calling for submission of most claims before 31 October. The request seems to have led to a strong increase of claims submitted within the month of October (accounting for 21% of total 2012 claims submission). Out of the EUR 14.6 billion worth of payment claims submitted during the last two months of the year, the overwhelming majority (EUR 13.3 billion) then only arrived in December, with a substantial peak in the last 10 days of the year. As in previous years, this was triggered, to some extent, by the n+2/n+3 de-commitment constraints.

**Chart 4: Monthly pattern of cumulative interim payment claim submission for the 2007-13 period in 2011 and 2012 (in % of the total)**




| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| % of Total 2012 | 2,0% | 2,9% | 10,9% | 13,9% | 20,7% | 29,1% | 34,8% | 42,3% | 50,1% | 71,2% | 73,0% | 100,0% |
| % of Total 2011 | 0,5% | 4,4% | 11,7% | 15,6% | 19,4% | 24,3% | 36,4% | 40,4% | 49,3% | 58,3% | 64,5% | 100,0% |

Overall, despite the reinforcement provided by amending budget No 6, EUR 16.2 billion in payment claims could not be honoured before year end and payment had to be postponed to 2013. This was almost 50% more than the unpaid claims at the end of 2011 (which stood at around EUR 11 billion) and more than 2.5 times the amount at the end of 2010 (approximately EUR 6 billion). Therefore, despite an earlier submission of payment claims, the accumulation of unpaid claims at the end of the year continues to increase, with an adverse effect on the implementation of the following year's budget. Several smaller transfers were also made during the last 2 weeks of December (see point 2.2.1 below) in order to maximise implementation.

**Table 4: Payment applications received in 2012 and unpaid applications at year-end for 2007-2013 period (in EUR billion)**

| Fund | Unpaid payment applications at 01/01/2012 | Valid payment applications received by 31/12/2012 | Payments made by 31/12/2012* | Unpaid payment applications as at 31/12/2012 |
|---|---|---|---|---|
| ESF | 3,2 | 11,6 | 10,7 | 4,1 |
| ERDF | 6,3 | 29,6 | 25,7 | 10,1 |
| CF | 1,3 | 9,4 | 8,7 | 2,0 |
| **Total H1b** | **10,74** | **50,63** | **45,12** | **16,26** |

** Excluding technical assistance*

# 2 IMPLEMENTATION OF THE 2007-2013 PERIOD

## 2.1 *COMMITMENTS FOR THE 2007-2013 PERIOD*

### 2.1.1 The 2007-13 allocation for cohesion policy

The allocation for cohesion policy (Heading 1b of the financial framework) for the 2007-2013 period was first decided at the European Council of December 2005, where it was fixed at EUR 307 619 million in 2004 prices.

This allocation was then slightly adjusted in the first months of 2006 to arrive at a value of EUR 308 041 million in 2004 prices as laid down in the Inter-institutional Agreement (IIA) of May 2006 (cf. OJ n° C 139 of 14/06/2006). In current prices, this initial allocation amounted to EUR 347 410 million. 2004 prices were transformed into current prices with a fixed deflator of 2% per annum (as foreseen by point 16 of the IIA). Thus, the overall amount in current prices was reached by adding up the current prices for the different years.

The original annual breakdown was slightly revised in 2008 in order to transfer the commitment appropriations that could not be used in 2007 due to delays in programming to later years of the programming period, as foreseen in point 48 of the IIA.

99.75% of the total original allocation, i.e. EUR 346 542 million, was made available for the financing of multi-annual operational programmes whereas the remaining 0.25%, i.e. EUR 868 million, was reserved for technical assistance, which is decided annually.

In 2010, the implementation of point 17 of the IIA resulted in a total additional allocation for 2011-2013 of EUR 1 007 million for Poland, the Czech Republic and Slovakia.[3] Following this adjustment the total Heading 1B 2007-2013 allocation in current prices reached EUR 348 417 million (including technical assistance).

This total allocation for cohesion policy is broken down into three objectives: Convergence, Regional Competitiveness and Employment and European Territorial Cooperation. Of the updated overall amount of EUR 347.5 billion (i.e. excluding technical assistance), EUR 283.8 billion (81.7%) is dedicated to Convergence, EUR 55.0 billion (15.8%) to Regional Competitiveness and Employment and EUR 8.7 billion (2.5%) to European Territorial Cooperation.

An updated annual breakdown of the 2007-2013 Heading 1B allocations by Member State can be found in Annex 6.

### 2.1.2 Implementation of commitments in 2012

The commitment appropriations available for the Structural and Cohesion Funds in 2012 totalled EUR 52 593 million (including EUR 1.77 million of appropriations carried over from 2011), i.e. 35% of the overall EU budget which means they remain in the range between 34% and 36% observed since 2007. This amount corresponds to the evolution foreseen by the

[3] The corresponding technical adjustment of the Multi-Annual Financial Framework was adopted by the Commission in April 2010, see COM(2010)160 of 16 April 2010.

Financial Framework. Implementation reached EUR 52 585 million (see Table 5 below) with the unused commitment appropriations concerning Technical Assistance activities (see below).

The carry-over from 2011 based on Article 9[4] of the Financial Regulation amounted to EUR 1.77 million for the European Territorial Cooperation objective (ETC). It corresponds to the 2011 annual contribution from the ERDF to a cross-border programme of the Instrument for Pre-Accession Assistance (IPA) for which no operational programme had been submitted by 30 of June 2010 and that had therefore been transferred back to ETC managed within the ERDF[5]. As the amendment of the financing decision assigning this 2011 annual amount to an ERDF cross-border programme could not be finalised in 2011, the corresponding commitment appropriations had to be carried forward to 2012.

During 2012, several transfers of commitment appropriations between operational lines took place: a net amount of EUR 115.97 million was transferred from the ERDF to the ESF as a result of the reprogramming between Funds for Portugal and Estonia.

Finally, an amount of EUR 2 million was transferred to the ESF Operational Technical Assistance line from the ERDF (EUR 0.5 million) and CF (EUR 1.5 million) Operational Technical Assistance in order to mobilise specific expertise in the field of tax policy and administrative reforms in Greece and thus directly support the implementation of a Greek ESF Operational Programme.

**Table 5 : Commitments: available appropriations and their implementation in 2012 (in EUR million)**

| ***2007-2013*** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Budget item | Title | Initial Budget | Carry-over | Amending Budgets | Other additional appropriations* | Transfers | Total available | Total execution |
| 04 0104 01 | ESF - Expenditure on adm. managment | 16,00 | | | 0,01 | | 16,01 | 14,25 |
| 04 02 17 | ESF - Convergence | 7.904,53 | | | | 112,02 | 8.016,56 | 8.016,56 |
| 04 02 18 | ESF - PEACE | | | | | | | |
| 04 02 19 | ESF - Regional competitiveness and employment | 3.256,26 | | | | 3,95 | 3.260,21 | 3.260,21 |
| 04 02 20 | ESF - Operational TA | 10,00 | | | 0,04 | 2,00 | 12,04 | 11,89 |
| | Total ESF | 11.186,79 | 0,00 | 0,00 | 0,05 | 117,97 | 11.304,82 | 11.302,91 |
| 13 0104 01 | ERDF - Expenditure on adm. management | 11,60 | | | 0,00 | | 11,60 | 10,31 |
| 13 03 16 | ERDF - Convergence | 24.398,78 | | | | -112,02 | 24.286,75 | 24.286,75 |
| 13 03 17 | ERDF - PEACE | 33,39 | | | | | 33,39 | 33,39 |
| 13 03 18 | ERDF - Regional competitivess and employment | 3.946,68 | | | | -3,95 | 3.942,73 | 3.942,73 |
| 13 03 19 | ERDF - European territorial co-operation | 1.168,91 | 1,77 | | | | 1.170,68 | 1.170,68 |
| 13 03 20 | ERDF - Operational TA | 50,00 | | | | -0,50 | 49,50 | 45,52 |
| 13 03 31 | ERDF - Operational TA Baltic Sea Strategy | 2,50 | | | | | 2,50 | 2,43 |
| | Total ERDF | 29.611,86 | 1,77 | 0,00 | 0,00 | 116 | 29.497,16 | 29.491,82 |
| 13 0104 03 | CF - Expenditure on adm. management | 4,20 | | | | | 4,20 | 4,00 |
| 13 04 02 | Cohesion Fund 2007-2013 | 11.788,81 | | | | -1,50 | 11.787,31 | 11.785,94 |
| | Total CF | 11.793,01 | 0,00 | 0,00 | 0,00 | -1,50 | 11.791,51 | 11.789,94 |
| TOTAL | | 52.591,67 | 1,77 | 0,00 | 0,05 | 0,00 | 52.593,49 | 52.584,67 |

** Appropriations made available again and earmarked revenue*

[4] Article 13 in the revised Financial Regulation adopted in October 2012, Regulation (EU, Euratom) No 966/2012, ( OJ L 298, 26.10.2012, p.1)

[5] According to Article 21(5) of Council Regulation (EC) 1083/2006 of 11 July 2006

## 2.2 *PAYMENTS FOR THE 2007-2013 PERIOD*

### 2.2.1 Implementation of payments in 2012

The initial budget of payment appropriations for the 2007-2013 period amounted to EUR 40.8 billion (see Table 6 below), an 11% increase on the corresponding 2011 figure. After a total increase of appropriations by EUR 4.4 billion during the year (essentially through the amending budget 6), the final available appropriations amounted to EUR 45.2 billion and were almost totally executed (apart from some residual amounts concerning mostly technical assistance lines). In its 2012 draft budget the Commission had proposed an amount of EUR 42.0 billion for the 2007-2013 programmes.

The implementation of an already tight budget 2012 was rendered even more difficult by the EUR 10.7 billion worth of payment claims that had remained unpaid at the end of 2011 and consequently had to be settled in 2012. This contributed to considerable cash flow constraints in the first part of the year and also directly implied that the 2012 budget would not be sufficient to honour new claims until close to year-end. Thus, already before the end of the third quarter the high inflow of payment claims confirmed the need for a substantial amending budget. By mid-October submission of payment applications was 20% above the figure for the same period in 2011.

In its draft amending budget 6 (DAB6) the Commission requested a reinforcement of EUR 5.8 billion for the 2007-2013 programmes of the Structural and Cohesion Funds. Of the requested appropriations only those for ESF Regional competitiveness and employment and the CF (amounting to some EUR 1.1 billion each) as well as a marginal amount for ESF technical assistance (EUR 3.5 million) were endorsed in full by the budgetary authority. Requests totalling some EUR 1.4 billion corresponding to suspended or interrupted payment claims were rejected by the budgetary authority with a declaration providing for an early amending budget in 2013 covering these 2012 claims, as soon as the interruptions/suspensions were lifted, and other pending legal obligations. This cut by EUR 1.4 billion of the Commission request for 2007-13 programmes affected the ERDF Convergence (EUR -0.9 billion), the ESF Convergence (EUR -0.4 billion) and the ERDF European Territorial Cooperation (EUR -0.1 billion) lines.

For ESF, reimbursements of payment claims were virtually stopped in October as budget lines had reached either full implementation (Regional competitiveness and employment line) or nearly full implementation (Convergence line). The initial budget was reinforced by 30% via the AB6 (+EUR 2.5 billion) allowing for payment of part of the outstanding claims in December.

For ERDF, slightly more than EUR 1 billion was added to the initial budget (+4%) via the AB6 (EUR 780 million) and internal transfers (EUR 240 million) mainly from the 2007-13 Cohesion Fund (EUR 235 million). As in 2011, Spain, Italy and Greece again submitted substantial payment claims late in December in order to reach their n+2/n+3 targets. Their combined unpaid claims represented half of the year-end stock of ERDF payment claims that could not be honoured in 2012.

For the Cohesion Fund (CF), final execution exceeded by 11% the initially budgeted figure whereas in 2011 the year-end implementation had been 12% below the initial budget. A transfer of EUR 235 million was done, within the Convergence objective, to ERDF in the second half of December. The high payment rate for the CF can be partly explained by the fact that the audit problems that had prevented the Czech Republic from submitting any payment requests since the beginning of 2011 were finally solved in 2012 and payments made towards the end of October.

As regards the top-up of 10 percentage points to the applicable co-financing rates for Member States receiving financial assistance[6], the corresponding payments in 2012 totalled EUR 983 million. Five Member States were concerned by such payments, namely Greece, Hungary, Ireland, Portugal and Romania.

Despite the AB6 and the internal reallocations made to optimize the use of available appropriations EUR 16.2 billion worth of payment claims remained unpaid at the end of 2012. Although some of these claims were sent too late in the year to be settled before year end, a significant part of the EUR 16 billion backlog could have been paid had sufficient payment appropriations been available. In 2011 some EUR 11 billion had remained unpaid at the end of the year while the corresponding amount at the end of 2010 had been approximately EUR 6 billion.

**Table 6 : Payments: available appropriations and their implementation in 2012 for the 2007-13 period (in EUR million)**

| 2007-2013 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Budget item | Title | Initial Budget | Carry-over* | Amending Budgets | Other additional appropriations ** | Transfers | Total available | Total execution | RAL 1/01/2012 | Committed in 2012 | Changes of RAL*** | RAL 31/12/2012 |
| 04 0104 01 | ESF - Expenditure on adm. management | 16,00 | 7,60 | | | 0 | 23,60 | 13,66 | 7,58 | 14,25 | -2,09 | 6,09 |
| 04 02 17 | ESF - Convergence | 5.889,00 | 0 | 1443,91 | | 0 | 7.332,91 | 7.332,91 | 18.620,30 | 8.016,56 | 0,00 | 19.303,95 |
| 04 02 18 | ESF - PEACE | p.m. | | | | | 0,00 | p.m. | 0,00 | | 0,00 | |
| 04 02 19 | ESF - Regional competitiveness and employment | 2.318,41 | 0 | 1060,00 | | 0,20 | 3.378,61 | 3.378,61 | 8.004,32 | 3.260,21 | -2,46 | 7.883,45 |
| 04 02 20 | ESF - Operational TA | 6,50 | | 3,50 | 0,04 | 0 | 10,04 | 7,51 | 16,69 | 11,89 | -1,01 | 20,06 |
| | Total ESF | 8.229,91 | 7,60 | 2.507,41 | 0,04 | 0,20 | 10.745,15 | 10.732,69 | 26.648,89 | 11302,91 | -5,57 | 27.213,55 |
| 13 0104 01 | ERDF - Expenditure on adm. management | 11,60 | 5,43 | | | 0 | 17,03 | 9,64 | 5,43 | 10,31 | -0,57 | 5,54 |
| 13 03 16 | ERDF - Convergence | 20.603,00 | 0 | 500,00 | | 235,20 | 21338,20 | 21338,20 | 57.013,50 | 24.286,75 | -1,98 | 59.960,08 |
| 13 03 17 | ERDF - PEACE | 40,00 | 0 | | | -8,79 | 31,21 | 31,21 | 73,53 | 33,39 | 0,00 | 75,71 |
| 13 03 18 | ERDF - Regional competitivess and employment | 3.400,97 | 0 | | | -61,76 | 3.339,21 | 3.339,21 | 11439,70 | 3.942,73 | -4,91 | 12.038,32 |
| 13 03 19 | ERDF - European territorial co-operation | 685,16 | 0 | 280,00 | | 73,70 | 1038,86 | 1038,86 | 3.288,46 | 1170,68 | -11,85 | 3.408,43 |
| 13 03 20 | ERDF - Operational TA | 35,00 | 0 | | | 2,67 | 37,67 | 37,67 | 32,33 | 45,52 | -4,81 | 35,37 |
| 13 03 31 | ERDF - Operational TA Baltic Sea Strategy | 2,50 | 0 | | | -1,61 | 0,89 | 0,89 | 0,92 | 2,43 | -0,02 | 2,44 |
| | Total ERDF | 24.778,23 | 5,43 | 780,00 | 0,00 | 239,42 | 25.803,08 | 25.795,68 | 71853,88 | 29.491,82 | -24,12 | 75.525,90 |
| 13 0104 03 | CF-Expenditure on adm management | 4,20 | 2,40 | | | 0 | 6,60 | 4,04 | 2,40 | 4,00 | -0,36 | 1,99 |
| 13 04 02 | Cohesion Fund 2007-2013 | 7.807,00 | 0 | 1100,00 | | -235,18 | 8.671,82 | 8.671,81 | 25.916,09 | 11785,94 | -2,08 | 29.028,15 |
| | Total CF | 7.811,20 | 2,40 | 1100,00 | 0,00 | -235,18 | 8.678,42 | 8.675,85 | 25.918,48 | 11789,94 | -2,44 | 29.030,13 |
| TOTAL | | 40.819,34 | 15,43 | 4.387,41 | 0,04 | 4,44 | 45.226,65 | 45.204,22 | 124.421,25 | 52.584,67 | -32,13 | 131769,58 |

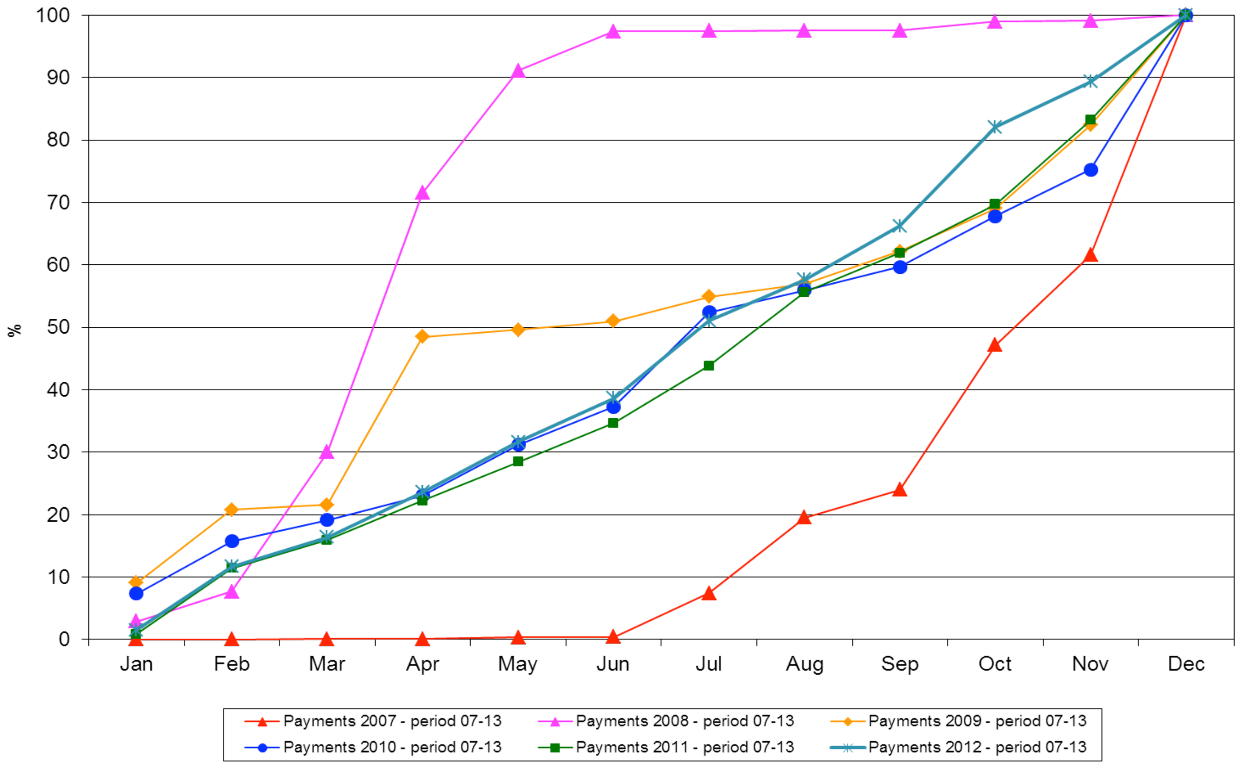
** For Non differentiated appropriations : automatic carry-over after corrections and adjustments*
*** Appropriations made available again and earmarked revenue*
**** Recommitted & Decommitted & Cancelled*

Chart 5 shows the monthly distribution of payments throughout the year. As compared with 2011, implementation in 2012 followed a similar pattern in the first few months of the year because of the cash flow constraints, but then gradually picked up as of May. By the end of October, execution had already reached 82% of the year-end execution, a 12 percentage point advance on the same period in 2011. It should however be noted that the percentage refers to

[6] Based on Regulation (EU) no 1311/2011 of the European Parliament and the Council of 13 December 2011 amending Council Regulation (EC) No 1083/2006 as regards certain provisions relating to financial management for certain Member States experiencing serious difficulties with respect to their financial stability. (MS concerned as of adoption: EL, HU, IE, LV, PT, RO).

executed appropriations at year-end. Without the 11% increase of 2007-13 appropriations via the AB6, the 2012 curve would have consistently been about 10 percentage points higher and would thus have reached close to 100% execution already at the end of November. In December, the surge in payments was basically limited to the AB 6 additional appropriations.

**Chart 5: Monthly implementation patterns of payments in 2007-2012 (%) for the 2007-13 period**




## 2.2.2 Implementation of the 2007-2013 allocation

The cumulative execution of the 2007-13 allocation by Member State broken down by payment type shown in Chart 6 below reflects the acceleration of interim payment execution for most countries.

Thus, on average, more than four fifths of the overall execution of 46.4% of the total 2007-2013 allocation is now accounted for by interim payments. Average interim payment execution across all MS reached 37.7% (i.e. about 2.6 average annual commitment tranches). For 4 Member States cumulative interim payment execution already went beyond 1/2 of their allocation. At the opposite end of the scale, for 5 Member States interim payment execution stayed below 30% of the allocation. Romania represents an extreme case with interim payment execution still hardly above the level of advance payment execution. The particularly high level of cumulative advance payments of about 11% for Estonia, Lithuania, Latvia, Hungary and Romania is the result of the additional advance payments these five countries received in 2010.

Overall, it should be recalled that total interim payment execution in 2012 was limited by the lack of payment appropriations towards the end of the year. Depending on the time profile of their claim submission, interim payment execution may therefore considerably lag behind cumulative submission of claims at year-end for certain MS.

**Chart 6: Cumulative execution of advance and interim payments at the end of 2012 by EU-27 Member States (compared to the national allocation available for the period 2007-13 incl. reserves and pt17IIA)**

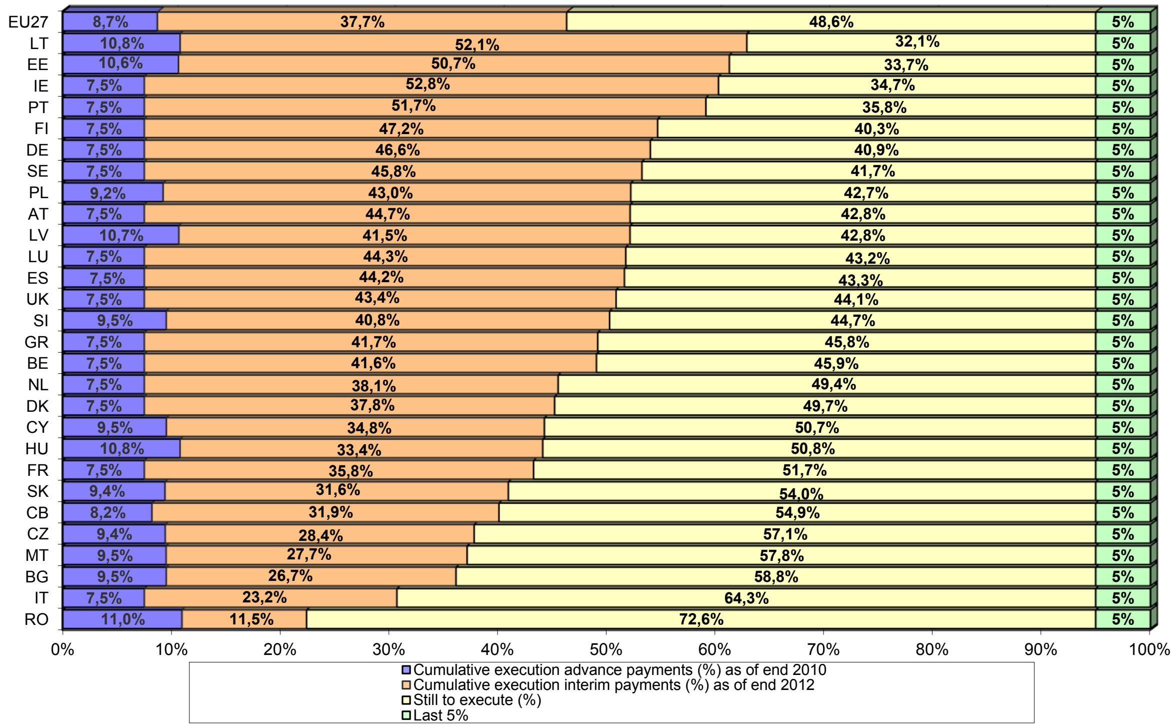
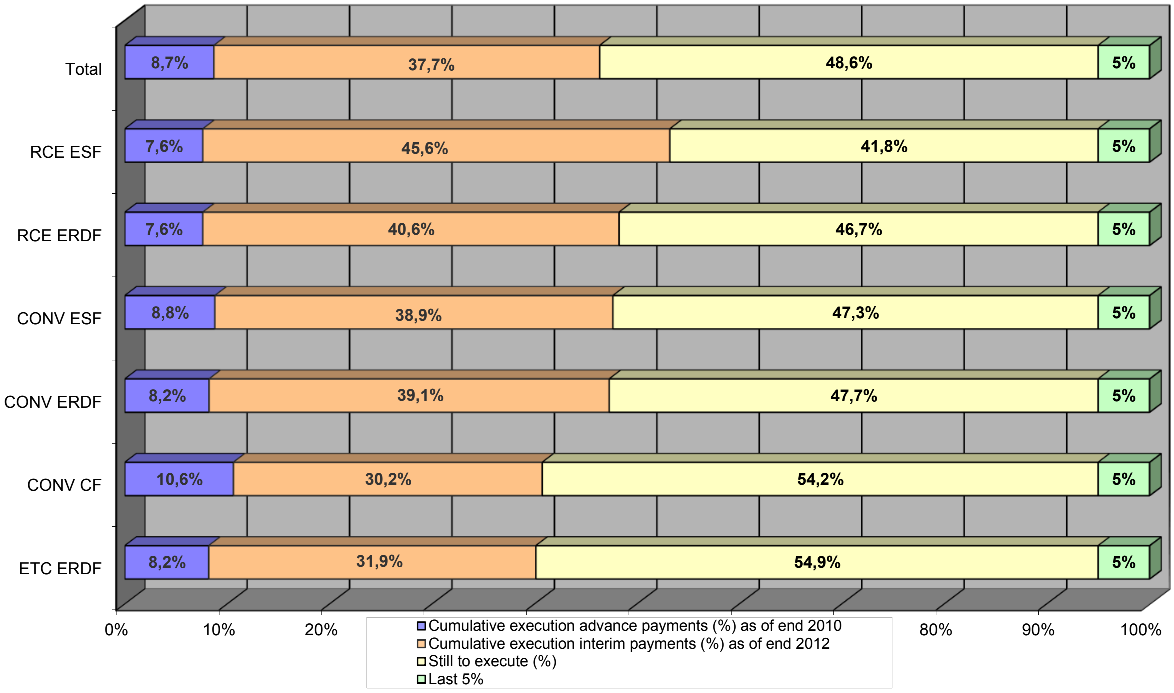



Chart 7 below also illustrates the acceleration of interim payment execution. Thus, at 45.6%, interim payments for the ESF in Regional Competitiveness and Employment (RCE) regions are now equivalent to more than three average annual commitment tranches. At 40.6% cumulative interim payment execution for ERDF RCE regions is still about 3 percentage points above the average of 37.7% but 2012 execution for ERDF RCE was particularly limited by the lack of payment appropriations at year-end.

While cumulative interim payment execution for the ERDF and ESF in Convergence regions is close to average, it is still lagging behind for European Territorial Cooperation (ETC) and the Cohesion Fund. This may largely be explained by the more complex programme setup for cross-border programmes and the infrastructure type of investment of Cohesion Fund projects.

**Chart 7: Cumulative EU-27 execution of advance and interim payments at the end of 2012 by objective and fund, compared to the overall allocation available for the period 2007-13 (including reserves and pt17 IIA)**




## 2.3 OUTSTANDING COMMITMENTS FROM THE PROGRAMMING PERIOD 2007-2013

The outstanding commitments for the 2007-2013 period have increased by EUR 7.3 billion (6%) to about EUR 131.7 billion in 2012 (compared to EUR 124.4 billion in 2011). Thus, the increase of RAL slowed down further as compared to the increases of EUR 11.4 billion (10%) in 2011 and EUR 16.4 billion (17%) in 2010. The increase of the RAL could have been limited even further if the ability for the Commission to honour payment claims received late in the year had not been limited by a lack of payment appropriations. Despite the EUR 4.4 billion reinforcement of payment appropriations through amending budget no 6 (AB6), EUR 16.2 billion worth of valid payment claims remained unpaid at the end of 2012.

**Table 7: Outstanding commitments 2007-2013 at the end of 2012* (in EUR million)**

| | |
|---|---|
| **Outstanding commitments at the end of 2011** | **124 356** |
| De-commitments in 2012 on RAL at the end of 2011 | -23 |
| Payments in 2012 on outstanding commitments at the end of 2011 | - 44 270 |
| ***(1) TOTAL outstanding commitments from before 2012*** | **80 063** |
| New commitments made in 2012 | 52 496 |
| Payments on 2012 commitments | - 861 |
| ***(2) TOTAL outstanding commitments from 2012*** | **51 635** |
| **(1)+(2) TOTAL outstanding commitments at the end of 2012** | **131 698** |
| | |
| * only operational lines (incl. CF technical assistance) | |

The EU-12 countries accounted for 51% of the 2007-2013 RAL in 2012 while the share of the EU-15 countries has declined to 46%. In 2011 the similar figure was 49% for both groups.
The modification of the N+2/N+3 rule (see chapter 2.4 N+2 de-commitments) is likely to have had an impact on the increase of RAL. Overall, for most countries the share in the total RAL at the end of 2012 differs only rather slightly from the relative weight of the country's initial allocation. However, because of diverging speed of interim payment execution, for some MS discrepancies between the share in RAL and the share in the total allocation have increased.

**Chart 8 : Outstanding commitments by Member State at the end of 2012 (million EUR) for 2007-13 period**

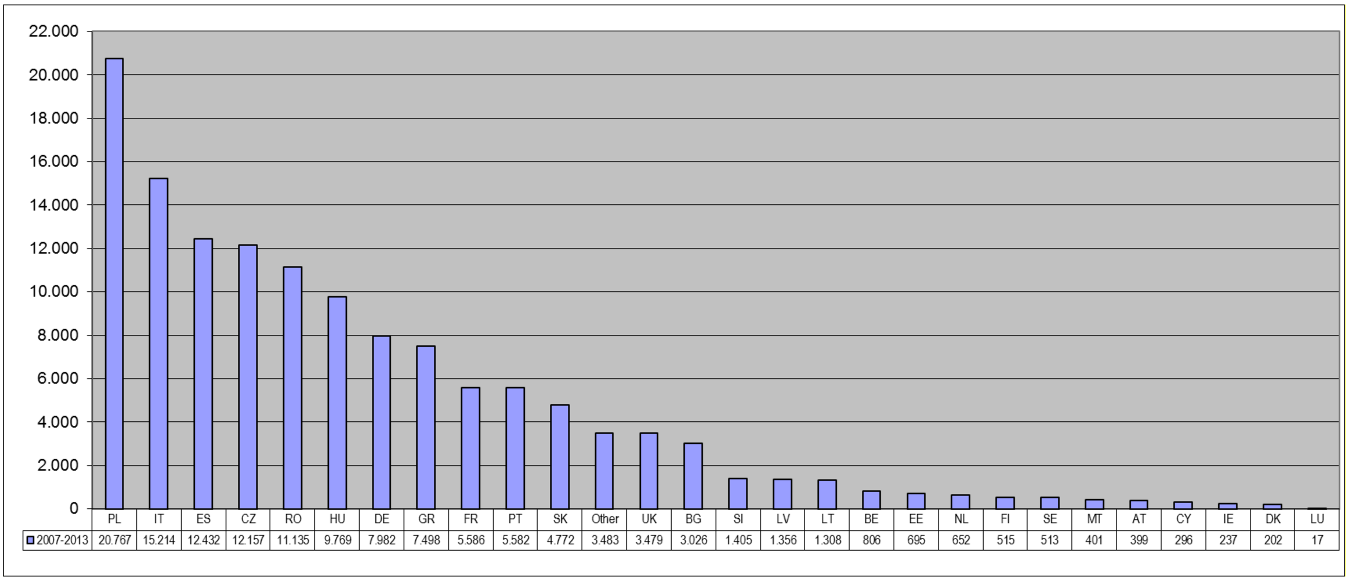
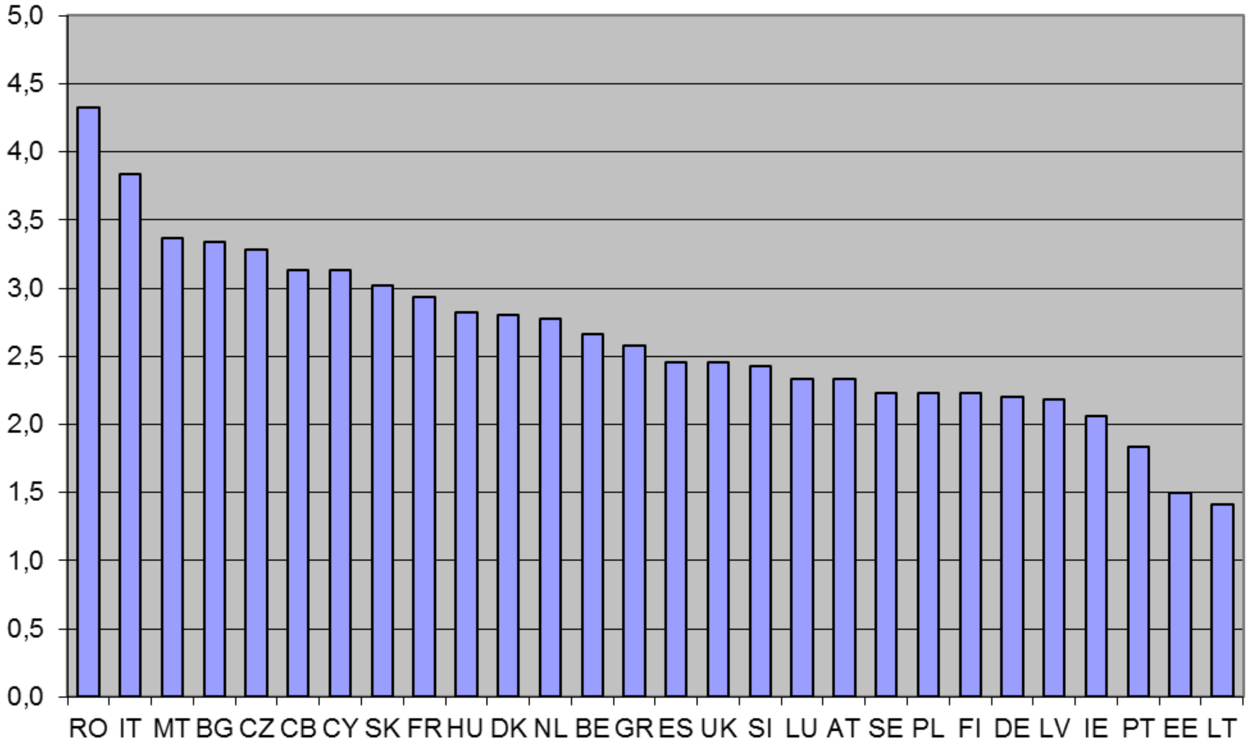


**Chart 9: Ratio 2007-13 RAL at end 2012 / average yearly commitments 2007-2012**




## 2.4 N+2 DECOMMITMENTS (for 2007-2013)

### 2.4.1 Legal Framework

For the programming period 2007-2013 N+2/N+3 de-commitments are regulated by article 93 of Council Regulation (EC) N° 1083/2006 (General Regulation).

According to the original version of article 93 the first de-commitments for the 2007-2013 programming period were to have been calculated as of the end of 2009. The provisions were however modified by the amending Regulation (EU) N° 539/2010 of the European Parliament and of the Council of 16 June 2010.

Among the measures for combating the crisis, in July 2009, the Commission proposed a set of amendments to the cohesion policy General Regulation containing a simplification package and a financial package for the ESF. The financial proposal was rejected by the Council and finally replaced, with unanimity in Council, by additional advances of EUR 775 million limited to 5 MS and a change to the automatic de-commitment rule which spreads the 2007 commitment tranche equally over the years 2008 to 2013. For the commitments of year 2007 the automatic de-commitment rule does not apply as of end 2009 (n+2) / end 2010 (n+3) but rather 1/6 of this tranche is added to the calculation of de-commitments for each of the subsequent tranches. According to this modified rule the first de-commitments were therefore only calculated as of 31/12/2010 for the "n+2 countries" and as of 31/12/2011 for the "n+3 countries".

Any amounts at risk, calculated as of 31 December of year n+2/n+3, are subject to contradictory procedures with the Member States concerned. Amounts confirmed during these procedures shall then be de-committed by 30 September of the following year. Thus, the first n+2 de-commitments for the 2007-2013 period were effectively implemented in 2011 as a result of the n+2 calculation as of 31 December 2010 for the n+2 countries, while the first n+3 de-commitments were effectively implemented in 2012 (see below).

### 2.4.2 N+2/N+3 de-commitments made in 2012

In line with the revised legal framework, 2012 was the second year of implementation of N+2 de-commitments for the "n+2 countries" and the first year of implementation of N+3 de-commitments for the "n+3 countries" during the programming period 2007-2013.
The total amount de-committed under the N+2/N+3 rule in 2012 was EUR 21.2 million or 0.04% of the end 2011 target (2009 commitment tranche + 1/6 of the 2007 commitment for n+2, 2008 commitment tranche + 1/6 of the 2007 commitment tranche for n+3). Only eight programmes were affected by the automatic de-commitment rule (see detailed list in Annex 3).
As concerns the breakdown by fund, ERDF was the principal fund affected by de-commitments in 2012: n+2/n+3 targets were not met by four territorial cooperation programmes, two OPs in the RC&E Objective and one OP in the Convergence Objective, leading to reductions of EUR 11.8 million, EUR 4.9 million and EUR 2 million respectively. The total de-committed amount related to ERDF is EUR 18.7 million, approximately 8.7% of the 2011 targets for the OPs concerned.
For the ESF, an OP in the RC&E Objective was affected, with a total amount de-committed of EUR 2.5 million, approximately 39.2% of its 2011 target.
As before, there were no de-commitments in 2012 for the Cohesion Fund, mainly because the N+3 rule applies to all Member States benefitting from the Cohesion Fund except for Spain.
As concerns the breakdown by n+2/n+3, the total amount de-committed under N+2 rule was EUR 15.7 million, while the total amount de-committed under N+3 rule was EUR 5.5 million.

### 2.4.3 Cumulative N+2/N+3 de-commitments made by the end of 2012

The lower the part of the commitments that is lost over time, the more successful is a Fund/Objective in actually making use of the respective financial allocation of the period 2007-2013. The corresponding performance indicator is the share of total accumulated de-commitments (implemented in 2011 to 2012) in the value of the cumulative n+2 / n+3 target at end 2011 (i.e. commitment tranches 2008 and 2009 plus 2/6 of the 2007 tranche for n+2, commitment tranche 2008 plus 1/6 of the 2007 tranche for n+3).

The total amount de-committed under the N+2/N+3 rule up to 2012 was EUR 30.8 million or 0.04% of the end 2011 cumulative target. Eleven programmes were affected by the automatic de-commitment rule.
As concerns the breakdown by fund, ERDF was the principal fund affected by de-commitments up to 2012: six territorial cooperation programmes lost a total amount of EUR 14.0 million, two OPs in the RC&E Objective lost a total of EUR 4.9 million and one OP in the Convergence Objective lost EUR 2.0 million. The total cumulative de-committed amount related to ERDF is thus EUR 20.9 million, approximately 4.4% of the end 2011 cumulative targets for the OPs concerned.

For the ESF, two OPs were affected: an OP in the RC&E Objective lost EUR 2.5 million and another one in the Convergence Objective lost EUR 7.5 million. The total cumulative de-committed amount related to ESF is thus EUR 9.9 million, approximately 3.1% of the end 2011 cumulative targets for the OPs concerned.
Up to 2012, there were no de-commitments for the Cohesion Fund.
As concerns the breakdown by n+2/n+3, the total cumulative amount de-committed under the N+2 rule was EUR 25.3 million, while the total amount de-committed under the N+3 rule was EUR 5.5 million.

## 2.5 MEMBER STATES' PAYMENT FORECASTS FOR THE 2007-13 PERIOD

Every year, in accordance with the regulations on Cohesion Policy Funds, national authorities submit by 30 April their forecasts of requests for payments for the current and following year, per Programme and per Fund. For the programming period 2007-2013 this requirement is made under article 76(3) of Council Regulation 1083/2006.

Table 8 below presents the 2012 forecasting errors by Member State for the 2007-2013 programmes for EU-27. Relative forecast errors are used in the analysis, i.e. the forecasting error by a Member State for a given year measured in percentage of the actual payment claims submitted by that Member State during the same year. For 2012 this approach seems to be more appropriate than the one used during previous years, based on the comparison between forecast and payments made to Member States: the lack of payment appropriations at the end of the year would make the interpretation of forecast errors based on the comparison with payments less conclusive.

The overall forecasting error was an overestimation of 15%, lower than the 2011 error (20% overestimation, based on the comparison with payments made), but the situation varies widely across Member States. The underestimation by some countries partially counterbalanced the overestimation by the other countries.

Thus, in 2012, the 6$^{th}$ year of the programming period, although most programmes reached cruising speed, the general trend of overestimation was confirmed.

Denmark had the highest overestimation reaching 133%, but this did not have a large impact on the total forecast error (as its claims represent only 0.1% of the total claims).
Romania and the Czech Republic had a high overestimation of 97% and 58% respectively, which contributed significantly to increase the general forecast error, as the 2012 payment requests relating to Romania represent 3.1% and those relating to the Czech Republic 6.6% of the total claims.
Germany overestimated its payments by 26%. As its payment claims represent 7.8% of the total claims, this forecast error also had a substantial influence on the overall average.
Hungary and Italy had a relatively limited overestimation of 16% and 15% respectively but as their payment claims represent 5.8% and 6.9% of the total value, these forecast errors had a relevant influence on the overall average.

On the other hand, it should be noted that only 4 countries underestimated their payment forecasts (in the interval from -3% to -17%). Their estimations however partially counterbalanced the general trend of overestimation, as the payment claims of these countries represent 10.1% in the total payment claims.

Overall, as concerns the accuracy of forecasts, 4 Member States had error-rates of less than 5% (Poland, Spain, Finland and Austria).

The update of payment forecasts, submitted by the Member States in September 2012, involved a reduction to the total forecast amount of EUR 4.2 billion down to EUR 54.1 billion. This reduction of the payment forecasts was the net result of total increases by EUR 0.6 billion from 9 MS and Territorial Cooperation and total decreases by EUR 4.8 billion from another 12 MS. The highest reduction came from the Czech Republic which decreased its forecast by EUR 1.4 billion. Taking into account this reduction, the final result for Czech Republic still corresponded to an overestimation of 16%.

With an average overestimation of 7% the update of forecasts in September was, overall, significantly closer to the total amount of the claims submitted by MS between January and December than the April forecast. However, this average remains the sum of over- and under-estimation between the various Member States and between the Funds within a same Member State.

**Table 8: Forecasting errors by EU-27 in 2012 for 2007-2013 programmes (million EUR)**

| 2012 | Forecast* | Payment requests | Difference | % |
|---|---|---|---|---|
| AT | **221** | **228** | -7 | -3% |
| BE | **477** | **367** | 110 | 30% |
| BG | **933** | **844** | 89 | 11% |
| CY | **113** | **67** | 46 | 69% |
| CZ | **5272** | **3342** | 1930 | 58% |
| DE | **4972** | **3961** | 1011 | 26% |
| DK | **138** | **59** | 79 | 133% |
| EE | **588** | **543** | 45 | 8% |
| ES | **5435** | **5275** | 160 | 3% |
| FI | **284** | **275** | 9 | 3% |
| FR | **2330** | **2136** | 194 | 9% |
| GR | **3565** | **3208** | 357 | 11% |
| HU | **3432** | **2947** | 485 | 16% |
| IE | **139** | **98** | 41 | 42% |
| IT | **4030** | **3515** | 515 | 15% |
| LT | **1142** | **850** | 292 | 34% |
| LU | **6** | **7** | -1 | -17% |
| LV | **699** | **656** | 43 | 7% |
| MT | **123** | **77** | 46 | 61% |
| NL | **339** | **286** | 53 | 19% |
| PL | **10778** | **10484** | 294 | 3% |
| PT | **3917** | **4589** | -672 | -15% |
| RO** | **3122** | **1589** | 1533 | 97% |
| SE | **235** | **265** | -30 | -11% |
| SI | **715** | **527** | 188 | 36% |
| SK | **2453** | **1765** | 689 | 39% |
| UK | **1537** | **1345** | 192 | 14% |
| Territorial Cooperation | **1356** | **1290** | 65 | 5% |
| **TOTAL** | **58.351** | **50.592** | **7.759** | **15%** |

* Data as of 25 May 2012.

** Romania had not sent its payment forecast within April 2012. The amount included in the table is the value provided in June 2012.

# 3 IMPLEMENTATION OF THE 2000-2006 PERIOD

The financial framework for the Structural Funds for the programming period 2000-2006 (Heading 2a) consisted of the 2000-2006 allocation for the EU-15 MS decided in 1999 and the 2004-2006 allocation for the EU-10 MS decided in 2002.
By the end of 2012, operational programmes with combined allocations equivalent to 42% of the global 2000-2006 allocation had already been closed.

## *3.1 PAYMENTS AND RECONSTITUTIONS FOR 2000-2006 PROGRAMMES IN 2012*

The clearance of the 2000-2006 programmes continued to progress as shown in Table 9. Unlike previous years, when initial payment appropriations for closure had exceeded actual needs, due to acceleration of closure in 2012 the voted budget proved insufficient, with ESF, ERDF and EAGGF requiring reinforcements towards the end of the year.

The Commission therefore requested additional payment appropriations for the ESF (EUR 200 million), the ERDF (EUR 920 million) and the EAGGF (EUR 111 million) in the draft amending budget 6 (DAB6) proposed in October 2012. However these additional amounts were finally not approved by the budgetary authority. Some reinforcement was then provided, albeit to a much lesser extent, via the End of Year Transfer and accounted for 15% and 16% of the first two funds initial allocations, respectively.

The End of Year Transfer is a new procedure adopted in the context of the revision of the Financial Regulation[7], which allows the Commission according to the new Article 179 to collect available payment appropriations from any item throughout the budget in order to address the lack of payment appropriations for the Structural and Cohesion Funds towards the end of the year. In 2012 this exercise was conducted for the first time resulting in a redistribution of EUR 290.9 million drawn from 102 budget lines in favour of ESF Objective 1 (EUR 79.6 million) and ERDF Objectives 1 and 2 (EUR 211.3 million).

Several other small transfers were made between closure lines, mainly in favour of Interreg which was reinforced by almost 40% (EUR 35.5 million).

As regards reductions of payment appropriations, FIFG rendered about EUR 7 million as part of the Global transfer whereas another EUR 19 million were used to reinforce EFF 2007-13 programmes via internal transfer in December.

[7] Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p.1)

**Table 9 : Payments: available appropriations and their implementation for 2000-2006 programmes and evolution of the RAL.**

**2000-2006**

| Budget item | Title | Initial Budget | Other additional appropriations* | Transfers | Total available | Total execution | RAL 1/01/2012 | Changes of RAL** | RAL 31/12/2012 |
|---|---|---|---|---|---|---|---|---|---|
| 04 02 01 | ESF Objective 1 | 430,00 | | 81,31 | 511,31 | 511,31 | 1926,30 | -7,89 | 1407,10 |
| 04 02 02 | ESF - PEACE | p.m. | | | 0,00 | 0,00 | 9,68 | | 9,68 |
| 04 02 04 | ESF Objective 2 | p.m. | | 17,41 | 17,41 | 17,41 | 27,88 | -1,10 | 9,37 |
| 04 02 06 | ESF - Objective 3 | 42,82 | | -19,96 | 22,86 | 22,86 | 353,13 | -1,89 | 328,38 |
| 04 02 08 | EQUAL | 10,00 | | -2,96 | 7,04 | 7,04 | 50,21 | -1,24 | 41,92 |
| 04 02 10 | ESF - TA and Innovative Measures | p.m. | 0,16 | | 0,16 | 0,00 | 0,00 | | 0,00 |
| | Total ESF | 482,82 | 0,16 | 75,80 | 558,79 | 558,63 | 2.367,21 | -12,12 | 1796,46 |
| 13 03 01 | ERDF Objective 1 | 1200,00 | | 33,71 | 1233,71 | 1233,71 | 3.626,25 | -7,09 | 2.385,45 |
| 13 03 02 | ERDF - PEACE | p.m. | | 18,40 | 18,40 | 18,40 | 18,40 | | 0,00 |
| 13 03 04 | ERDF Objective 2 | 145,60 | | 125,32 | 270,91 | 270,91 | 869,34 | -88,27 | 510,16 |
| 13 03 06 | URBAN | 10,00 | | -0,03 | 9,97 | 9,97 | 25,22 | -4,88 | 10,38 |
| 13 03 08 | ERDF - TA and Innovative Measures | p.m. | 0,08 | 0,14 | 0,22 | 0,14 | 0,42 | -0,28 | 0,01 |
| 13 03 13 | Interreg III | 90,00 | 3,70 | 35,49 | 129,18 | 129,18 | 316,92 | -38,23 | 149,51 |
| | Total ERDF | 1445,60 | 3,78 | 213,02 | 1662,40 | 1662,31 | 4.856,56 | -138,75 | 3.055,50 |
| | Total Heading 1B | 1928,42 | 3,95 | 288,82 | 2.221,19 | 2.220,94 | 7.223,77 | -150,87 | 4.851,96 |
| 05 04 02 01 | EAGGF Objective 1 | 85,34 | 50,85 | | 136,19 | 136,19 | 592,77 | -14,95 | 441,64 |
| 05 04 02 02 | EAGGF - PEACE | p.m. | | | 0,00 | 0,00 | 2,19 | | 2,19 |
| 05 04 02 06 | Leader | p.m. | 1,58 | | 1,58 | 1,35 | 37,35 | -21,30 | 14,70 |
| 05 04 02 09 | EAGGF - Operational TA | p.m. | | | 0,00 | 0,00 | 0,00 | | 0,00 |
| | Total EAGGF | 85,34 | 52,43 | 0,00 | 137,77 | 137,54 | 632,32 | -36,24 | 458,53 |
| 11 06 01 | FIFG Objective 1 | 21,33 | | -18,91 | 2,43 | 2,43 | 186,50 | -1,29 | 182,78 |
| 11 06 02 | FISH - PEACE | p.m. | | | 0,00 | 0,00 | 0,00 | | 0,00 |
| 11 06 04 | FIFG outside Obj 1 | 7,11 | | -7,11 | 0,00 | 0,00 | 109,25 | -0,00 | 109,25 |
| 11 06 07 | FIFG - Operational TA and Innovative Measures | 0,00 | | | 0,00 | 0,00 | | | 0,00 |
| | Total FIFG | 28,45 | 0,00 | -26,02 | 2,43 | 2,43 | 295,75 | -1,29 | 292,03 |
| | Total Heading 2 | 113,79 | 52,43 | -26,02 | 140,19 | 139,97 | 928,07 | -37,54 | 750,56 |
| | **Total** | **2.042,20** | **56,37** | **262,80** | **2.361,38** | **2.360,91** | **8.151,84** | **-188,40** | **5.602,53** |

** Appropriations made available again and earmarked revenue*
*** Recommitted & Decommitted & Cancelled*

For the analysis of closures that follows, programmes are considered as closed in budgetary terms when the final payment has been processed and the commitment has been brought to zero through final payment and/or de-commitment. Multi-fund programmes are considered as individual programmes for each fund concerned.

Following the above mentioned criteria, 64% (530 OPs) of the programmes have been closed by the end of 2012. These 530 OPs represent EUR 93.8 billion (42%) of the original total allocation. For these 530 programmes closed by the end of 2012, overall 1.9% of their initial allocation was de-committed.

The share of closed programmes could have been even higher. It should be recalled that the total final payment execution in 2012 was limited by the lack of payment appropriations.

As can be seen in Chart 10, the closure process advanced at a particularly fast pace for the EAGGF and the ERDF for which the OPs closed in 2012 account for 26% and 20% of those funds' respective allocations.

**Chart 10: Progress of closure of total allocation per fund for the 2000-2006 period in billion EUR as of end 2012**

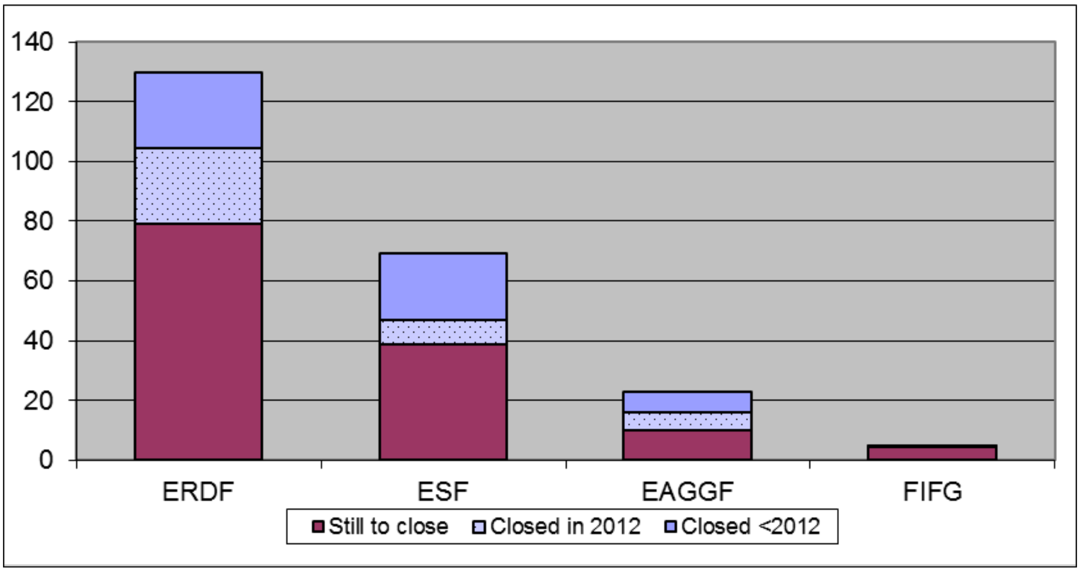
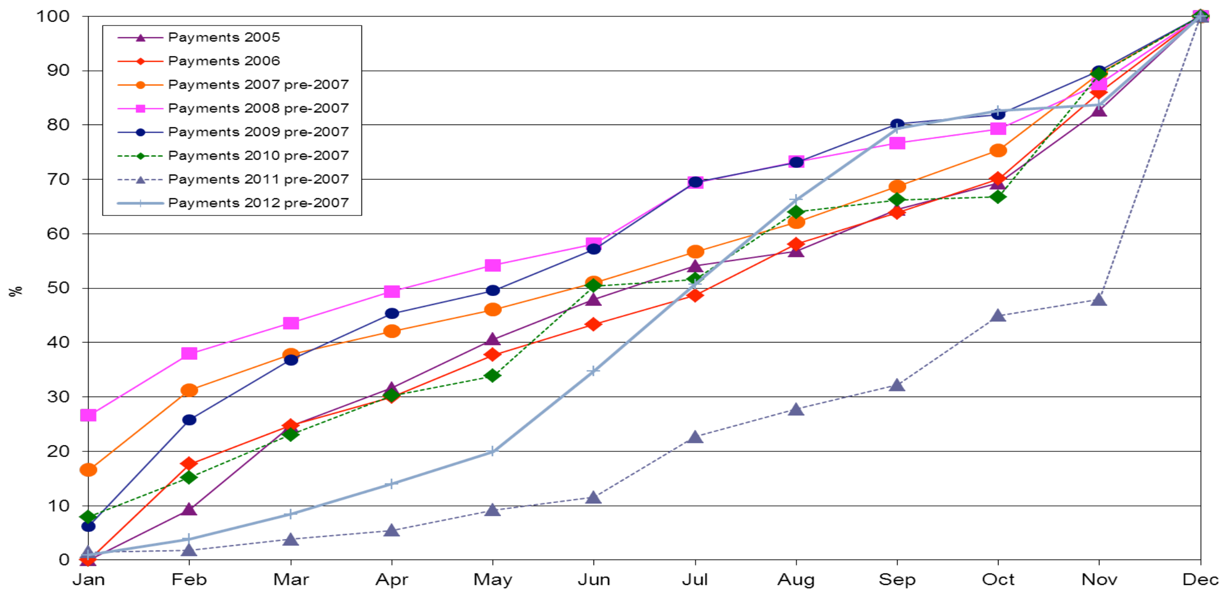



Chart 11 depicts the cumulative monthly payment execution since 2005. In 2012 the cumulative execution progressed rather slowly in the first part of the year but picked up in May, with implementation reaching 50% by July. During the summer implementation accelerated further to 80% of the year-end level in September but levelled off during the following two months as the payment appropriations in the initially voted budget had basically been exhausted. As additional appropriations were made available in December through the End of Year Transfer payments advanced 16% in the last month of the year.

**Chart 11: Monthly implementation patterns of payments in 2005-2012 (%) for the 2000-2006 period**

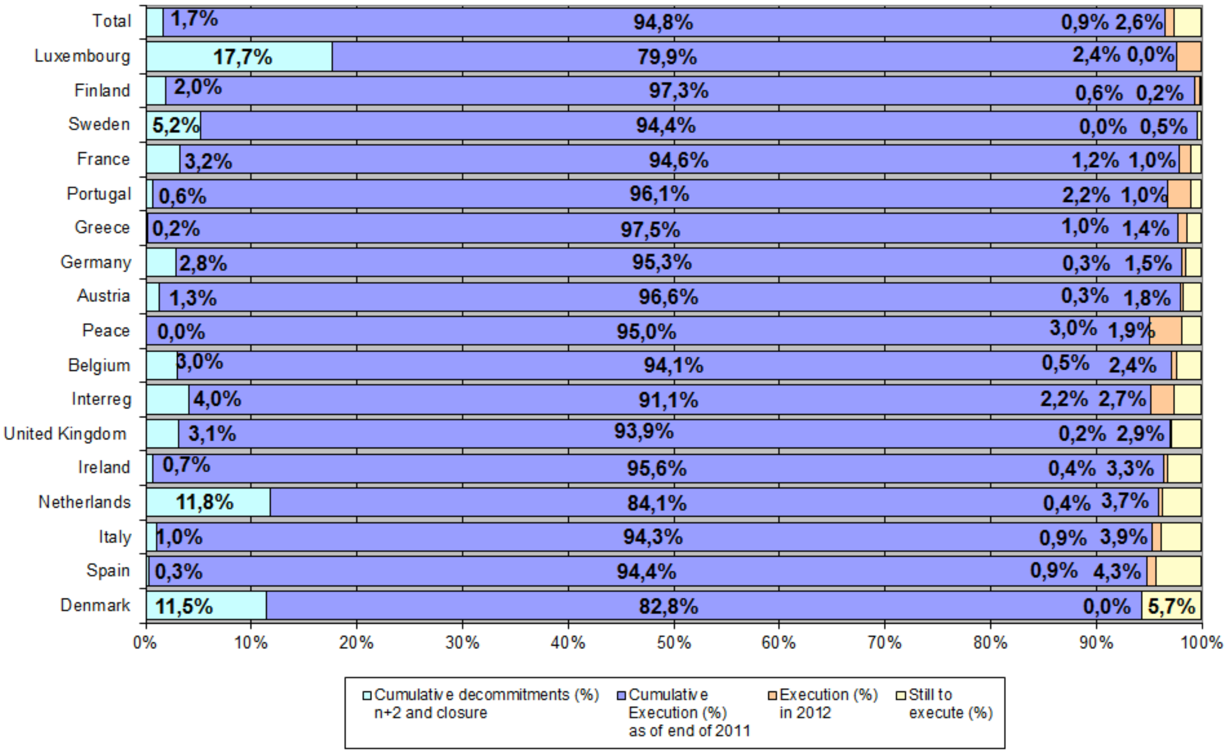


## 3.2 FINANCIAL FRAMEWORK FOR 2000-2006: CUMULATIVE IMPLEMENTATION BY THE END OF 2012

### 3.2.1 Implementation of the 2000-2006 allocation by the EU-15 Member States

Member States' progress in finalising the implementation of the 2000-2006 allocation can be assessed by looking at total payments made so far as a share of the total allocation. Chart 12 below compares, for each EU-15 Member State, the cumulative payments at the end of 2011, plus the new payments made in 2012, with the respective allocations (including all reserves) for the full period 2000-2006. As for some Member States n+2 and first closure de-commitments have considerably reduced the allocation still to be executed, they have also been included in the chart below.

**Chart 12: Cumulative execution at the end of 2012 (cumulative payments at the end of 2011 + new payments in 2012 + cumulative de-commitments) by EU-15 Member States (mainstream programmes and Community Initiatives) compared to the initial national allocation available for the period 2000-06 (including reserves)**




*The financial allocation and all payments for the INTERREG and Peace programmes have been singled out in Chart 12 to allow for comparisons by country. Those payments are often allocated in the accounts to the country that manages the specific initiative independently of the ultimate beneficiary, which does not allow for a meaningful analysis of the execution of the amounts made available to each country.*

At the end of 2012, only 2.6% of the overall 2000-2006 allocation is still to be executed. As finally no additional payment appropriations for closure were approved by the budgetary authority in the Amending Budget No 6, global payment execution in 2012 was limited to 1.0% of the total allocation. Closure decommitments accounted for another 0.1% of the allocation. Nine EU-15 Member States have reached more than 98% of cumulative execution (payments plus de-commitments) with Luxembourg reaching even 100%. Annual 2012 payment execution was limited to a maximum of 3.0% of the allocation for the Peace programme while 2012 closure decommitments were limited to a maximum of 1% for Denmark.

A similar comparison of overall execution with original allocations, this time broken down by objective, is shown in the following chart:

**Chart 13: Cumulative EU-15 execution at the end of 2012 (cumulative payments at the end of 2011 plus new payments in 2012 plus cumulative de-commitments) by objective, compared to the overall allocation available for the period 2000-06 (including reserves)**

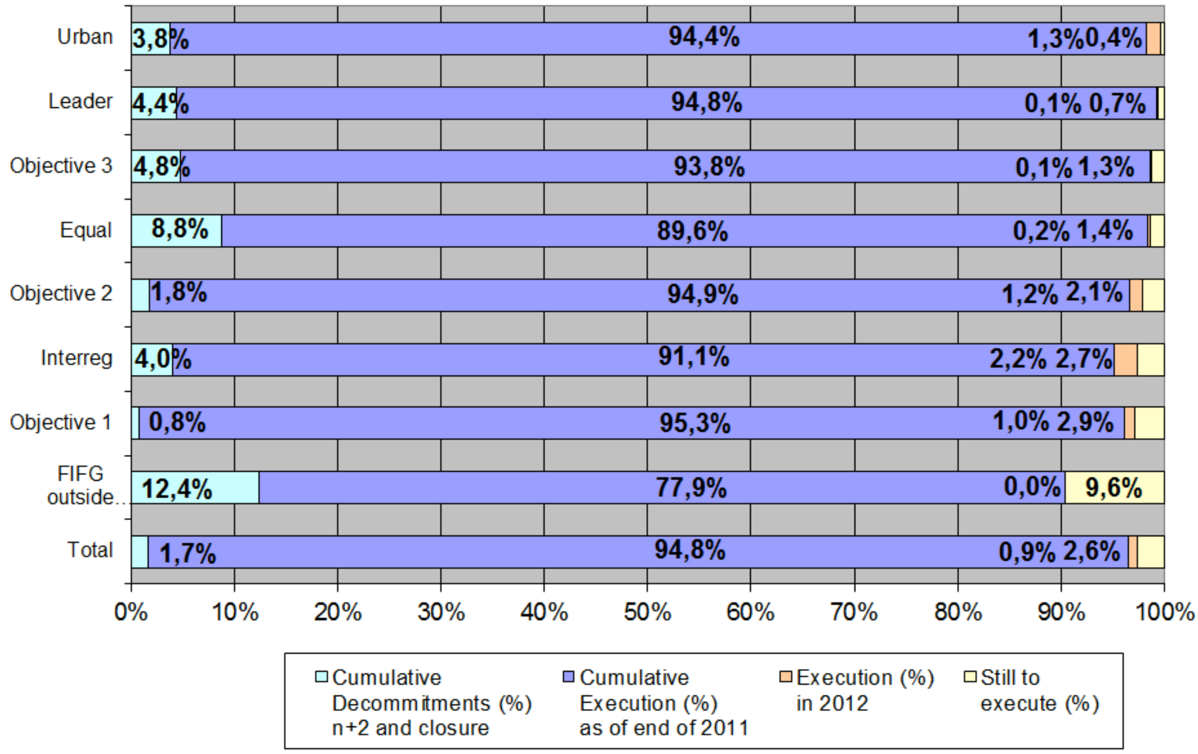


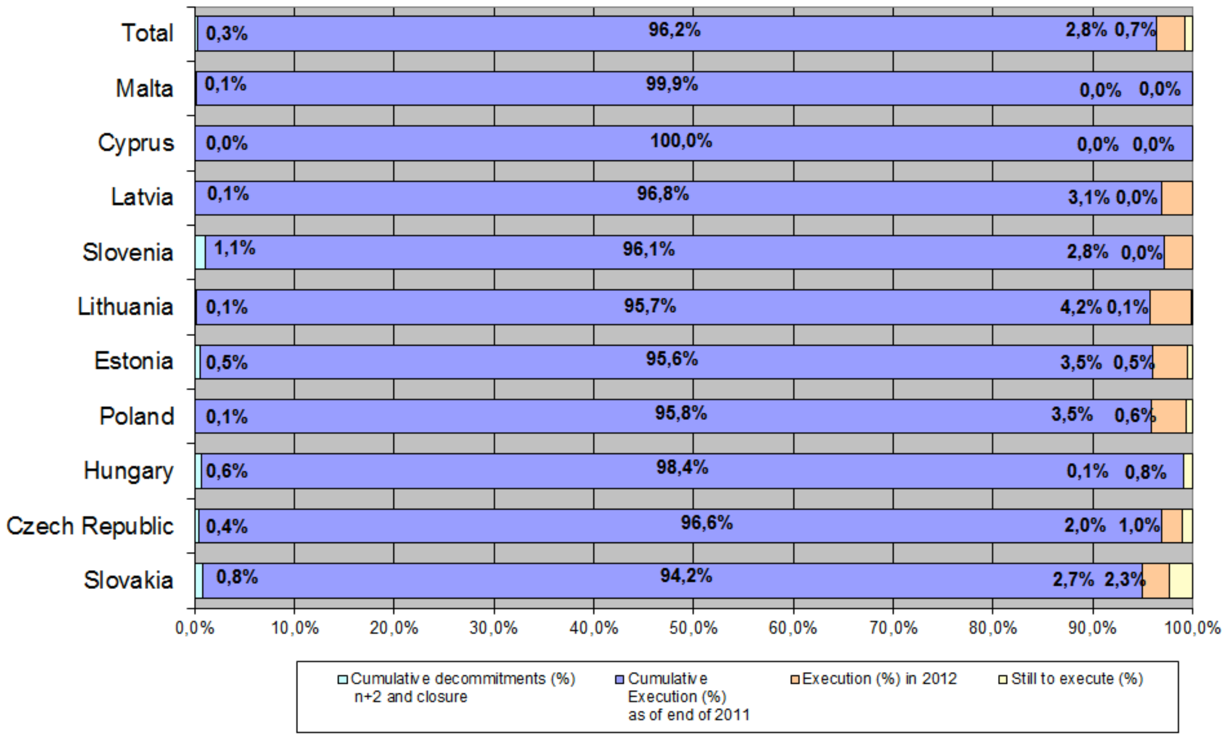

Chart 13 illustrates the following main points:

The cumulative execution for the main two objectives is close to the average of 97.4% that is largely determined by their weight in the overall EU-15 allocation. In 2012, execution (via both closure payments and decommitments) progressed by 2 percentage points for Urban and 1 percentage point for Leader, thus leaving less than 1% of their allocations still to be executed. As a result of the high preliminary closure de-commitments done in 2010 for the ESF, the percentage still to be executed is also already close to 1% for Objective 3 and Equal. While the highest annual execution (2.9%) brought Interreg close to the average overall execution, no progress in execution was recorded for the FIFG outside Objective 1.

### 3.2.2 Implementation of the 2004-2006 allocation by the EU-10 Member States

Chart 14 below shows the breakdown of total execution by the EU-10 Member States of their 2004-2006 allocations.

**Chart 14: Total execution at the end of 2012 (cumulative payments at the end of 2011 plus new payments in 2012 plus cumulative de-commitments) by EU-10 Member States (mainstream programmes and Community Initiative EQUAL) compared to the national allocation available for the period 2004-06**




As a result of an accelerating closure process, the annual payment execution for EU-10 Member States corresponded to 2.8% of their 2004-2006 allocations (as compared to 1.4% in 2011). Closure decommitments accounted for an additional 0.1% of the allocation. Thus, the average cumulative execution rate reached 99.3% after 96.4% the year before. At Member State level, after Malta and Cyprus in 2011, Latvia and Slovenia also reached 100% of execution and Lithuania 99.9%. On the other hand only Slovakia and the Czech Republic still have more than 1% of their allocations remaining to be executed.

Chart 15 shows the implementation of the 2004-2006 allocation for EU-10 MS, this time broken down by Objective / Community Initiative:

**Chart 15: Total EU-10 execution at the end of 2012 (cumulative payments at the end of 2011 plus new payments in 2012 plus cumulative de-commitments) by objective, compared to the overall allocation available for the period 2004-06**

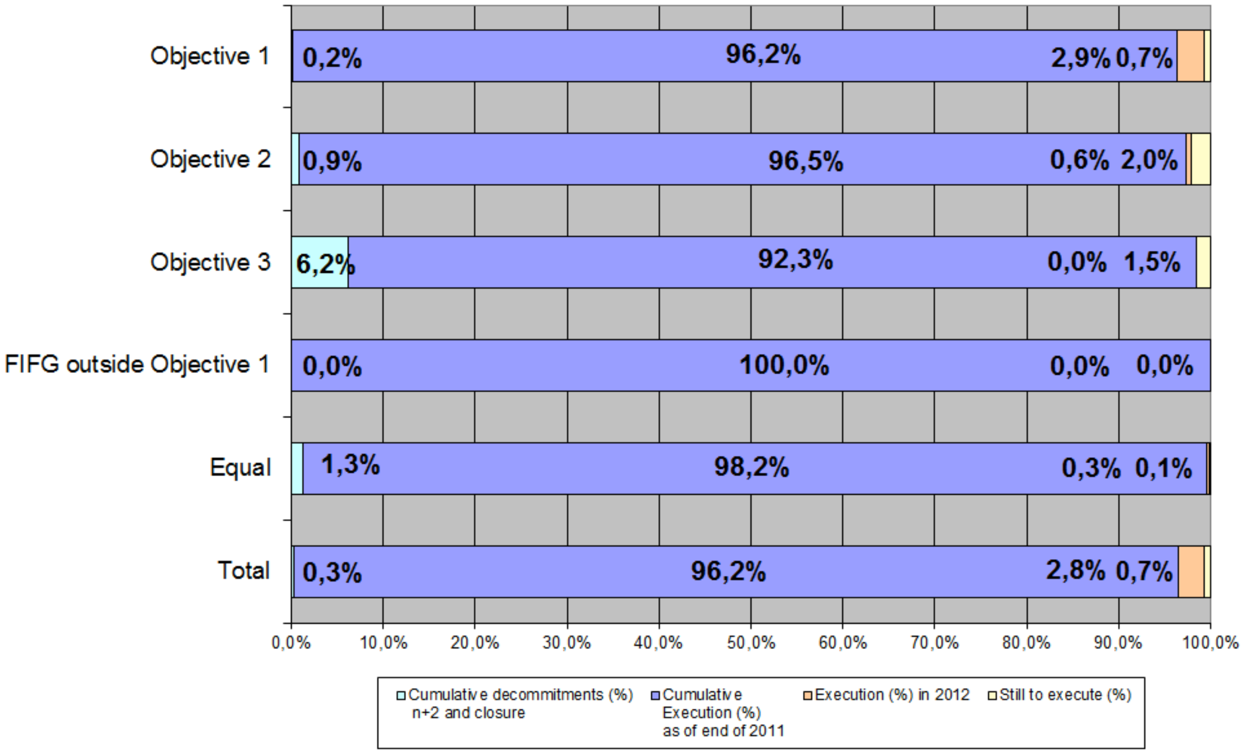



Chart 15 illustrates the following main points:

Unsurprisingly, the cumulative execution for Objective 1 coincides with the overall average of 99.3% due to the dominant weight of Objective 1 in the overall EU-10 allocation. Due to a relatively low 2012 execution of only 1.4 percentage points (0.8 in decommitments and 0.6 in payments) cumulative execution for Objective 2 is now lagging behind at 98.0%. While no progress was recorded in 2012 for Objective 3 (98.5%), Equal reached 99.9% of cumulative execution. As regards the FIFG outside Objective 1, full execution of its EU-10 allocation had already been reached in 2011.

## 3.3 CUMULATIVE DE-COMMITMENTS AT THE END OF 2012 (FOR 2000-2006)

This chapter presents the cumulative N+2 de-commitments together with the 2010, 2011 and 2012 de-commitments related to closure.

For the programming period 2000-2006 N+2 de-commitments are regulated by article 31.2 of Council Regulation (EC) N° 1260/1999, known as the N+2 rule. The implementing rules are set in Commission Communication C(2002)1942, as amended by Commission Communication C(2003)2982.

The last N+2 de-commitment exercise was in respect of 2005 commitments, at the end of 2007. There was no N+2 de-commitment for 2006 commitments. The de-commitment cases for 2006 commitments are treated in the framework of the closure exercise.

It should be noted that the 2010-2012 closure de-commitments can be:

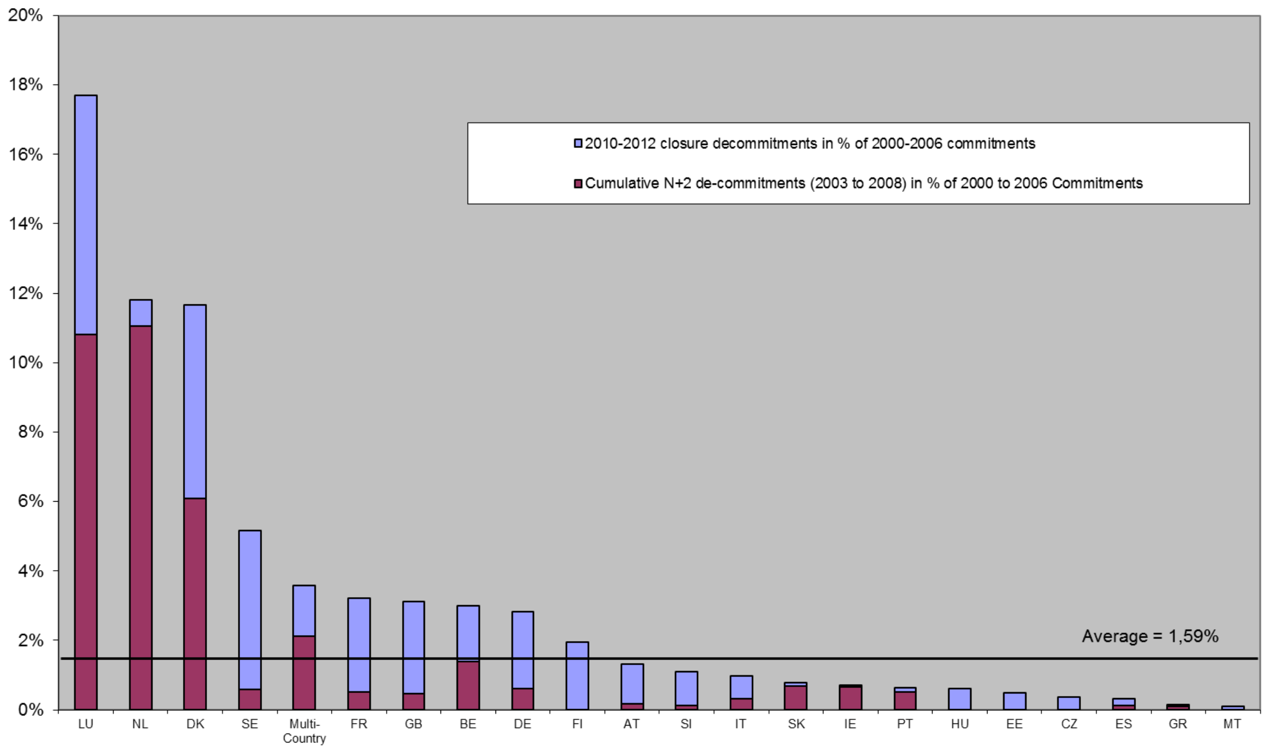
a) final closure de-commitments when the final commitment is brought to zero, any balance due is paid and therefore the programmes closed from the budgetary point of view; the Commission has already analysed the certified expenditure (see also chapter 3.1 above) or
b) preliminary closure de-commitments representing the difference between the outstanding commitments and the amount of the certified expenditure declared together with the closure documents. The Commission is still in the process of analysing the certified expenditure; in the situation of a partial approval of the certified expenditure, the amount not approved will also be de-committed later.

In order to measure the effect of de-commitments, the performance indicator used is the share of total accumulated n+2 de-commitments (from 2003 to 2008) on top of which are added the 2010, 2011 and 2012 closure de-commitments, in the value of total commitments (2000-2006).

The average de-commitments so far are equivalent to 1.59% of the total commitments of the period 2000-06, (n+2: 0.56%, closure: 1.03%). In absolute terms the cumulative amount of decommitments has reached EUR 3.6 billion so far (of which EUR 1.3 billion were n+2 decommitments and another EUR 2.3 billion were closure decommitments).

Using the indicator of decommitments relative to total commitments, the following 3 charts give the (cumulative) situation by Member State, Fund and Objective, respectively.

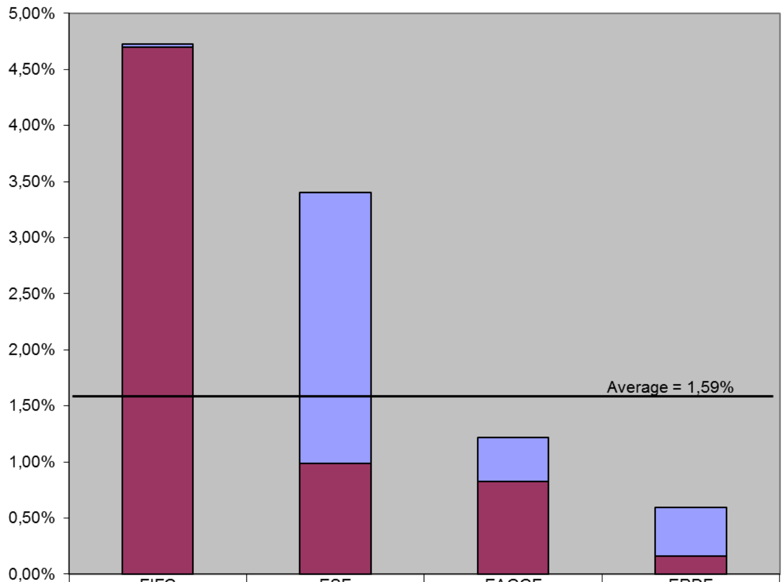
**Chart 16: Relative significance of the cumulative de-commitments up to the end of 2012, by Member State**



By Fund, as of the end of 2012, the ERDF and the EAGGF have de-commitments which are lower than the average (1.59% of 2000 to 2006 commitments). For these two Funds the ongoing closure process has resulted in relatively fewer preliminary closure de-commitments so far. The FIFG is still indicated as having the highest cumulative de-commitments with 4.73% of 2000 to 2006 commitments. The FIFG de-commitments are still mainly related to the application of the N+2 rule as there were just 0.03% of FIFG closure de-commitments before the end of 2012.

For the ESF, however, there is already a high rate of closure de-commitments of 2.42% of 2000-2006 commitments which correspond mostly to the second case of preliminary closure de-commitment described above (i.e. where the outstanding commitment not covered by the certified expenditure is already de-committed before final closure).

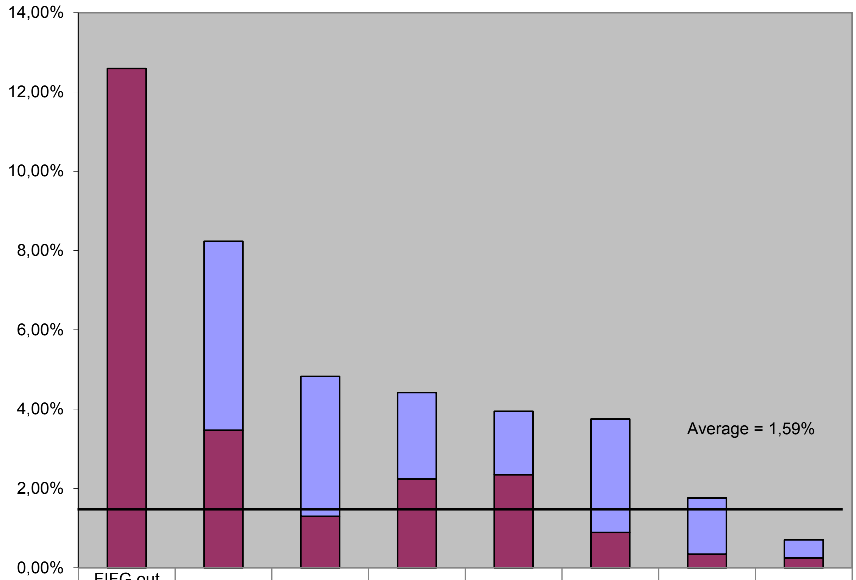
**Chart 17: Relative significance of the cumulative de-commitments up to the end of 2012, by Fund**




| | FIFG | ESF | EAGGF | ERDF |
|---|---|---|---|---|
| 2010-2012 closure decommitments in % of 2000-2006 commitments | 0,03% | 2,42% | 0,40% | 0,43% |
| Cumulative N+2 de-commitments (2003 to 2008) in % of (2000 to 2006)Commitments | 4,69% | 0,98% | 0,82% | 0,16% |

By objective, the de-commitments as of the end of 2012 are only below the average of 1.59% for Objective 1; for Objective 2 they are close to the average, whereas for all of the other objectives/initiatives the de-commitments are above average.

**Chart 18: Relative significance of the cumulative de-commitments up to the end of 2012 by objective**




| | FIFG out Obj.1 | EQUAL | OBJ. 3 | LEADER+ | INTERREG | URBAN | OBJ. 2 | OBJ. 1 |
|---|---|---|---|---|---|---|---|---|
| 2010-2012 closure decommitments in % of 2000-2006 commitments | 0,00% | 4,77% | 3,53% | 2,18% | 1,60% | 2,86% | 1,42% | 0,46% |
| Cumulative N+2 de-commitments (2003-2008) in % of (2000-2006)Commitments | 12,59% | 3,47% | 1,29% | 2,23% | 2,34% | 0,89% | 0,34% | 0,25% |

## *3.4 OUTSTANDING COMMITMENTS FROM THE PROGRAMMING PERIOD 2000-2006*

### 3.4.1 Evolution of 2000-06 outstanding commitments in 2012

In 2012, the RAL from the 2000-2006 programming period decreased by 31%, from EUR 8.2 billion to EUR 5.6 billion (see Table 10 below). This reduction was the consequence of the continuation of the closure procedure through the processing of both payments and de-commitments. EUR 4 million had to be recommitted in 2012 in order to pay for closures of programmes for which RAL had previously been unduly decommitted.

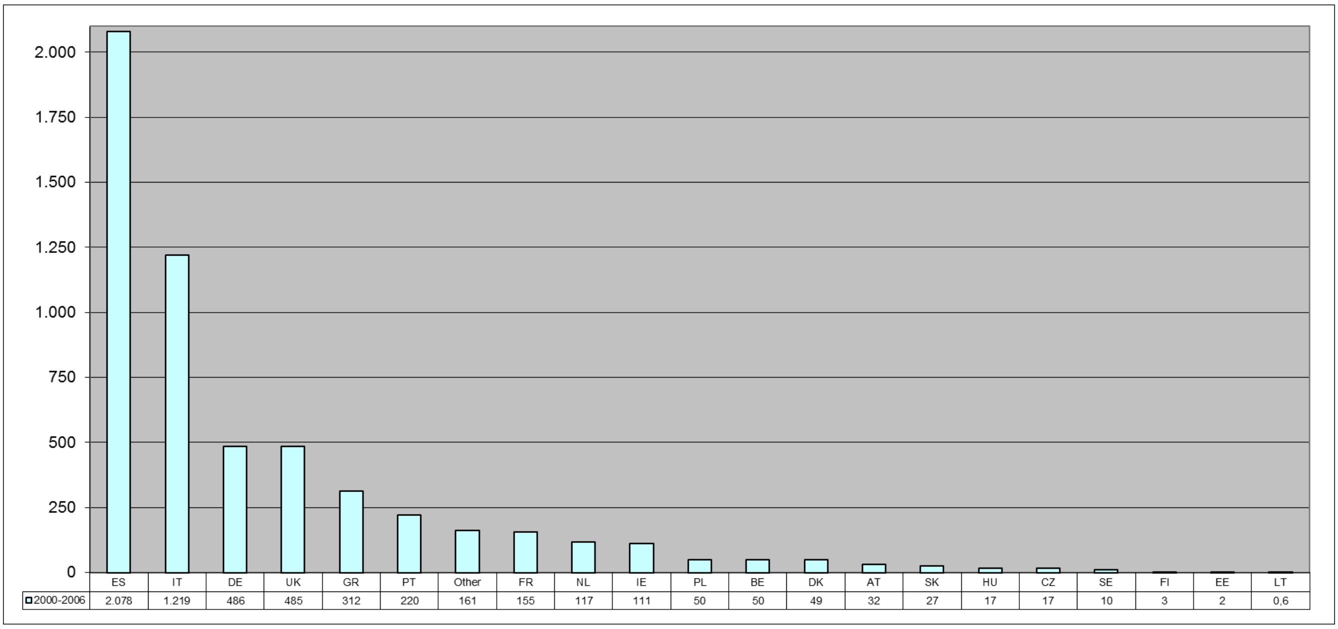
**Table 10: Outstanding commitments from 2000-2006 at the end of 2012* (in EUR million)**

| | |
|---|---|
| **Outstanding commitments at the end of 2011** | **8.152** |
| De-commitments in 2012 on RAL at the end of 2011 | -192 |
| Payments in 2012 on outstanding commitments at the end of 2011 | -2.357 |
| ***(1) TOTAL outstanding commitments from before 2012*** | **5.603** |
| New commitments made in 2012 | 4 |
| Payments on 2012 commitments | -4 |
| ***(2) TOTAL outstanding commitments from 2012*** | **0** |
| **(1)+(2) TOTAL outstanding commitments at the end of 2012** | **5 603** |
| | |
| * only operational lines | |

## 3.4.2 Breakdown of 2000-06 outstanding commitments by Member State

Chart 19 presents total outstanding commitments at the end of 2012 by Member State. Spain and Italy remain the Member States with by far the highest RAL, followed at quite some distance by Germany and the United Kingdom. The RAL for Poland, Portugal and France was reduced by more than 60% compared to 2011, thus well in excess of the general decrease of the RAL 2000-06. As a result of the faster progress of closure for EU-10 countries, the EU-10 share in the 2000-2006 RAL has declined significantly from 7% in 2011 to 2% at the end of 2012. Within the EU-15 countries, the shares of Spain and Italy have increased from 31% and 18% in 2011 to 37% and 22%, respectively, while Portugal reduced its part from 9% to 4%. In this context it should however be recalled that the RAL for some MS could have been reduced substantially further if the requested additional payment appropriations for closure of the 2000-2006 period had been granted in the Amending Budget No 6.

**Chart 19: Outstanding commitments by Member State at the end of 2012 (million EUR) (2000-2006 period)**



# 4 PRE-2000 PROGRAMMES

## 4.1 Implementation in 2012 of pre-2000 programmes

In 2012, the RAL from the pre-2000 programming period decreased by 8%, from EUR 109 million to EUR 101 million. Thus it now represents only 0.07% of the total RAL for the Structural Funds. The reduction of the pre-2000 RAL results almost to an equal extent from de-commitments (EUR 4.72 million) often linked to financial corrections and from payments (EUR 3.64 million). Another EUR 0.23 million for a pre-2000 Community Initiative were recommitted and paid within 2012 with no net effect on the RAL at year-end.

The closure of the pre-2000 programmes is ongoing. The amounts still outstanding concern commitments whose payment is suspended due to ongoing legal proceedings. The final closure for the corresponding programmes is therefore progressing slowly and it is expected to result in more de-commitments and recoveries than payments. The monitoring of these programmes is going to be continued in 2013.

Table 11 shows the evolution of the RAL amount for the pre-2000 programmes in 2012.

**Table 11 : Payments: available appropriations and their implementation for pre-2000 programmes and evolution of the RAL (in EUR million)**

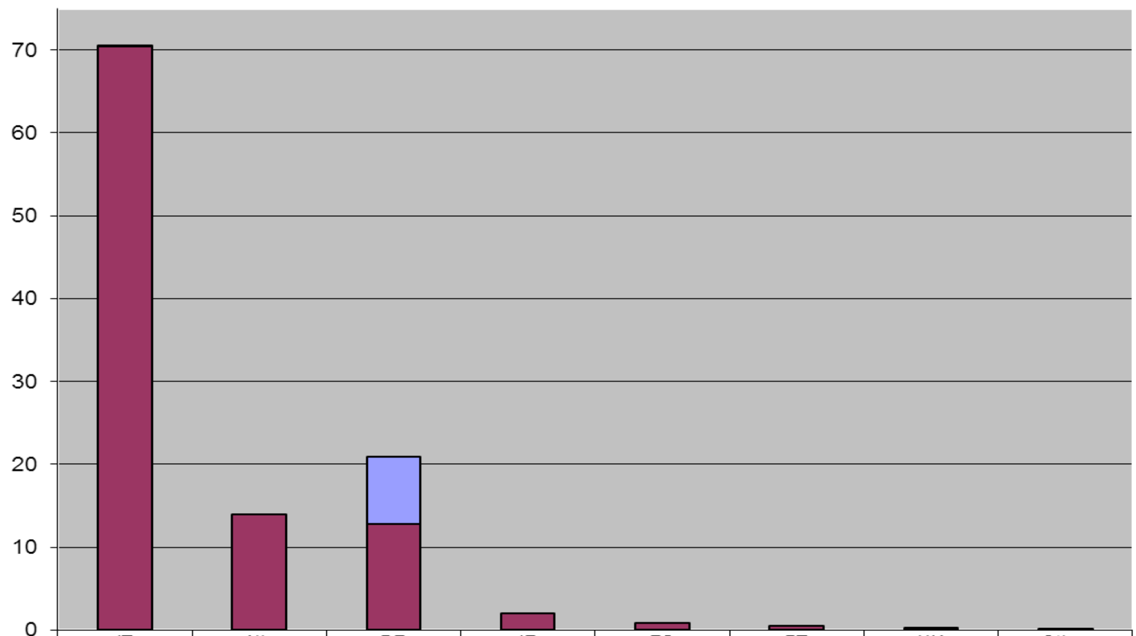
| Budget item | Title | Initial Budget | Other additional appropriations * | Transfers | Total available | Total execution | RAL 1/01/2012 | Changes of RAL** | RAL 31/12/2012 |
|---|---|---|---|---|---|---|---|---|---|
| 04 02 03 | ESF - Former Objectives 1 and 6 | p.m. | | 3,64 | 3,64 | 3,63 | 54,68 | -4,44 | 46,60 |
| 04 02 05 | ESF - Former Objectives 2 and 5b | p.m. | | | 0,00 | 0,00 | 7,24 | -0,13 | 7,12 |
| 04 02 07 | ESF - Former Objectives 3 and 4 | p.m. | | | 0,00 | 0,00 | 14,43 | 0,00 | 14,43 |
| 04 02 09 | ESF - Community Initiatives (prior to 2000) | p.m. | | | 0,00 | 0,00 | 24,53 | 0,00 | 24,53 |
| 04 02 11 | ESF - Innovative measures and technical assistance | | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| | Total ESF | 0,00 | 0,00 | 3,64 | 3,64 | 3,63 | 100,88 | -4,57 | 92,68 |
| 13 03 03 | ERDF - Former Objectives 1 and 6 | p.m. | | | 0,00 | 0,00 | 0,36 | 0,00 | 0,36 |
| 13 03 05 | ERDF - Former Objectives 2 and 5b | p.m. | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 13 03 07 | ERDF - Community initiatives (prior to 2000) | p.m. | 0,23 | | 0,23 | 0,23 | 1,66 | 0,23 | 1,66 |
| 13 03 09 | ERDF - Innovative measures and technical assistance | p.m. | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| | Total ERDF | 0,00 | 0,23 | 0,00 | 0,23 | 0,23 | 2,02 | 0,23 | 2,02 |
| | Total Heading 1B | 0,00 | 0,23 | 3,64 | 3,87 | 3,86 | 102,90 | -4,34 | 94,70 |
| 05 04 02 03 | EAGGF - Former Objectives 1 and 6 | p.m. | | | 0,00 | 0,00 | 1,27 | 0,00 | 1,27 |
| 05 04 02 04 | EAGGF - Former Objective 5b | p.m. | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 05 04 02 05 | EAGGF - Former Objective 5a | p.m. | | | 0,00 | 0,00 | 0,21 | 0,00 | 0,21 |
| 05 04 02 07 | EAGGF - Community intitiatives (prior to 2000) | p.m. | | | 0,00 | 0,00 | 2,38 | 0,00 | 2,38 |
| | Total EAGGF | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 3,86 | 0,00 | 3,86 |
| 11 06 03 | FIFG - Former Objectives 1 and 6 | p.m. | | | 0,00 | 0,00 | 1,14 | -0,15 | 0,99 |
| 11 06 05 | FIFG - Former Objective 5a | | | | 0,00 | | 1,17 | 0,00 | 1,17 |
| 11 06 06 | FIFG - Community Initiatives (prior to 2000) | p.m. | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| | Total FIFG | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 2,31 | -0,15 | 2,16 |
| | Total Heading 2 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 6,17 | -0,15 | 6,02 |
| | **Total** | **0,00** | **0,23** | **3,64** | **3,87** | **3,86** | **109,07** | **-4,50** | **100,72** |

** Appropriations made available again and earmarked revenue*
*** Recommited & Decommitted & Cancelled*

## *4.2 Clearance of outstanding commitments from pre-2000 programmes*

Chart 20 shows the breakdown of outstanding commitments for pre-2000 programmes by Member State. Compared to 2011, outstanding commitments for Germany were reduced by almost 40%. No progress could be made in 2012 regarding the reduction of the remaining pre-2000 RAL for the Netherlands, Ireland, Spain, Portugal and the United Kingdom and the reduction for Italy was insignificant. Thus, overall, in 2012, the share of Italy in the remaining pre-2000 RAL increased further from 65% to 70%. The absorption rhythm of the pre-2000 RAL is dependent on the evolution of the ongoing legal proceedings.

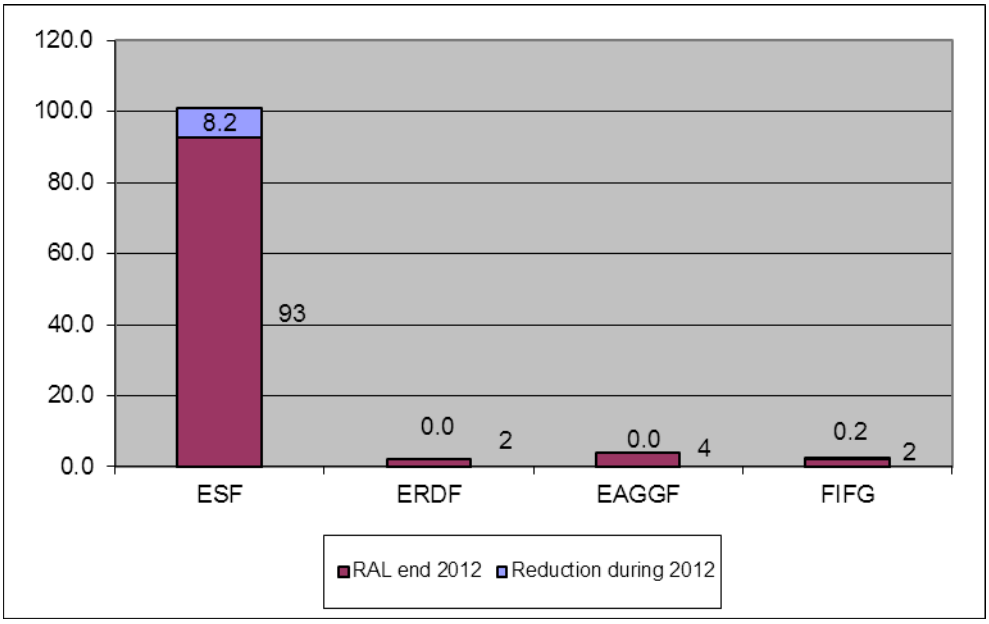
**Chart 20 : Reduction in 2012 and remaining outstanding commitments from pre-2000 programmes at the end of 2012 by Member State (in EUR million)**




| | IT | NL | DE | IE | ES | PT | UK | Other |
|---|---|---|---|---|---|---|---|---|
| Reduction during 2012 | 0.15 | 0.00 | 8.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| RAL end 2012 | 70.38 | 14.00 | 12.74 | 1.99 | 0.79 | 0.54 | 0.22 | 0.07 |

Chart 21 gives the breakdown of pre-2000 RAL by Fund. Almost all of the total outstanding commitments originate from ESF programmes (92%). As a result, the bulk of the EUR 8.4 million reduction of pre-2000 RAL concerned the ESF (EUR 8.2 million) with only a minor reduction attributable to the FIFG (EUR 0.2 million). The already low residual RAL for the ERDF and EAGGF remained unchanged in 2012.

**Chart 21: Reduction in 2012 and remaining outstanding commitments from pre-2000 programmes at the end of 2012 by Fund (in EUR million)**



**OVERVIEW OF CHARTS**

## OVERVIEW OF TABLES

**ANNEXES**

## ANNEX 1 : IMPLEMENTATION BY BUDGET LINES IN 2012 - STRUCTURAL FUNDS

### Financial year 2012: Outturn of Commitment Appropriations on 31.12.2012 by budget item

Source C2 provisional outturn reports at date of 22/03/2013 in Euros

| ITEM | HEADING | BUDGET | | | | | ADDITIONAL APPROPR. | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | VOTED BUDGET | TRANSFERS & AMENDING BUDGET | TOTAL | OUTTURN | % | CARRY OVER, INCOME, RECONSTITUTIONS | OUTTURN | TOTAL BUDGET | OUTTURN | % |
| | | 1 | 2 | 3 = 1+2 | 4 | 5 = 4/3 | 6 | 7 | 8 = 3+6 | 9 = 4+7 | 10 =9/8 |
| **PRE-2000** | **programming periods** | | | | | | | | | | |
| 13 03 07 | ERDF - Community initiatives (prior to 2000) | p.m. | | 0 | 0 | | 225.934 | 225.934 | 225.934 | 225.934 | 100,00% |
| **TOTAL PRE-2000** | | **0** | **0** | **0** | **0** | **0,00%** | **225.934** | **225.934** | **225.934** | **225.934** | **100,00%** |
| | | | | | | | | | | | |
| **2000-2006** | **Programming period** | | | | | | | | | | |
| 04 02 08 | EQUAL | p.m. | | 0 | 0 | | 225 | 225 | 225 | 225 | |
| 04 02 10 | ESF - TA and Innovative Measures | - | | 0 | 0 | | 163.053 | | 163.053 | 0 | 0,00% |
| 05 04 02 01 | EAGGF - Objective 1 | p.m. | | 0 | 0 | | 13.468.864 | | 13.468.864 | 0 | 0,00% |
| 05 04 02 06 | EAGGF -Completion of Leader | p.m. | | 0 | 0 | | 4.415.603 | | 4.415.603 | 0 | 0,00% |
| 13 03 04 | ERDF Objective 2 | p.m. | | 0 | 0 | | 13.450 | 13.450 | 13.450 | 13.450 | 100,00% |
| 13 03 06 | URBAN | p.m. | | 0 | 0 | | 3.106 | 3.106 | 3.106 | 3.106 | 100,00% |
| 13 03 08 | ERDF - TA and Innovative Measures | p.m. | | 0 | 0 | | 84.503 | | 84.503 | 0 | 0,00% |
| 13 03 13 | Interreg III | p.m. | | 0 | 0 | | 3.699.161 | 3.699.161 | 3.699.161 | 3.699.161 | 100,00% |
| **TOTAL 2000-2006** | | **0** | **0** | **0** | **0** | | **21.847.965** | **3.715.941** | **21.847.965** | **3.715.941** | **17,01%** |
| | | | | | | | | | | | |
| **2007-2013** | **Ongoing Programming period** | | | | | | | | | | |
| 04 01 04 01 | ESF - Expenditure on adm. management | 16.000.000 | | 16.000.000 | 14.237.885 | 88,99% | 14.925 | 14.480 | 16.014.925 | 14.252.366 | 88,99% |
| 04 02 17 | ESF - Convergence | 7.904.534.226 | 112.024.634 | 8.016.558.860 | 8.016.558.860 | 100,00% | | | 8.016.558.860 | 8.016.558.860 | 100,00% |
| 04 02 19 | ESF - Regional competitiveness and employment | 3.256.259.513 | 3.948.049 | 3.260.207.562 | 3.260.207.562 | 100,00% | | | 3.260.207.562 | 3.260.207.562 | 100,00% |
| 04 02 20 | ESF - Operational TA | 10.000.000 | 2.000.000 | 12.000.000 | 11.892.759 | 99,11% | 35.289 | | 12.035.289 | 11.892.759 | 98,82% |
| 13 01 04 01 | ERDF - Expenditure on adm. management | 11.600.000 | | 11.600.000 | 10.311.479 | 88,89% | 193 | | 11.600.193 | 10.311.479 | 88,89% |
| 13 01 04 03 | CF- Expenditure on adm. management | 4.200.000 | | 4.200.000 | 3.995.407 | 95,13% | | | 4.200.000 | 3.995.407 | 95,13% |
| 13 03 16 | ERDF - Convergence | 24.398.779.141 | -112.024.634 | 24.286.754.507 | 24.286.754.507 | 100,00% | | | 24.286.754.507 | 24.286.754.507 | 100,00% |
| 13 03 17 | ERDF - PEACE | 33.392.292 | | 33.392.292 | 33.392.292 | 100,00% | | | 33.392.292 | 33.392.292 | 100,00% |
| 13 03 18 | ERDF - Regional competitivess and employment | 3.946.682.563 | -3.948.049 | 3.942.734.514 | 3.942.734.514 | 100,00% | | | 3.942.734.514 | 3.942.734.514 | 100,00% |
| 13 03 19 | ERDF - European territorial co-operation | 1.168.910.427 | | 1.168.910.427 | 1.168.910.427 | 100,00% | 1.769.863 | 1.769.863 | 1.170.680.290 | 1.170.680.290 | 100,00% |
| 13 03 20 | ERDF - Operational TA | 50.000.000 | -500.000 | 49.500.000 | 45.518.218 | 91,96% | | | 49.500.000 | 45.518.218 | 91,96% |
| 13 03 31 | ERDF - Operational TA Baltic Sea Strategy | 2.500.000 | | 2.500.000 | 2.432.751 | 97,31% | | | 2.500.000 | 2.432.751 | 97,31% |
| 13 04 02 | Cohesion Fund 2007-2013 | 11.788.814.578 | -1.500.000 | 11.787.314.578 | 11.785.940.667 | 99,99% | | | 11.787.314.578 | 11.785.940.667 | 99,99% |
| **TOTAL 2007-2013** | | **52.591.672.740** | **0** | **52.591.672.740** | **52.582.887.329** | **99,98%** | **1.820.270** | **1.784.343** | **52.593.493.010** | **52.584.671.672** | **99,98%** |
| | **Total** | **52.591.672.740** | **0** | **52.591.672.740** | **52.582.887.329** | **99,98%** | **23.894.169** | **5.726.219** | **52.615.566.909** | **52.588.613.548** | **99,95%** |

## ANNEX 1 : IMPLEMENTATION BY BUDGET LINES IN 2012 - STRUCTURAL FUNDS

**Financial year 2012: Outturn of Payment Appropriations on 31.12.2012 by budget item**

Source C2 provisional outturn reports at date of 22/03/2013 in Euros

| | | BUDGET | | | | | ADDITIONAL APPROPR. | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ITEM | HEADING | VOTED BUDGET | TRANSFERS & AMENDING BUDGET | TOTAL | OUTTURN | % | CARRY OVER, INCOME, RECONSTITUTIONS | OUTTURN | TOTAL BUDGET | OUTTURN | % |
| | | 1 | 2 | 3 = 1+2 | 4 | 5 = 4/3 | 6 | 7 | 8 = 3+6 | 9 = 4+7 | 10 =9/8 |
| **Pre-2000** | **programming periods** | | | | | | | | | | |
| 04 02 03 | ESF - Former Objectives 1 and 6 | p.m. | 3.644.970 | 3.644.970 | 3.630.606 | 99,61% | | | 3.644.970 | 3.630.606 | 99,61% |
| 04 02 05 | ESF - Former Objectives 2 and 5b | p.m. | | 0 | | | | | 0 | 0 | |
| 04 02 07 | ESF - Former Objectives 3 and 4 | p.m. | | 0 | | | | | 0 | 0 | |
| 04 02 09 | ESF - Community Initiatives (prior to 2000) | p.m. | | 0 | | | | | 0 | 0 | |
| 04 02 11 | ESF - TA and Innovative measures | | | 0 | | | | | 0 | 0 | |
| 05 04 02 03 | EAGGF - Former Objectives 1 and 6 | p.m. | | 0 | | | | | 0 | 0 | |
| 05 04 02 04 | EAGGF - Former Objective 5b | p.m. | | 0 | | | | | 0 | 0 | |
| 05 04 02 05 | EAGGF - Former Objective 5a | p.m. | | 0 | | | | | 0 | 0 | |
| 05 04 02 07 | EAGGF - Community initiatives (prior to 2000) | p.m. | | 0 | | | | | 0 | 0 | |
| 11 06 03 | FIFG - Former Objectives 1 and 6 | p.m. | | 0 | | | | | 0 | 0 | |
| 11 06 06 | FIFG - Community Initiatives (prior to 2000) | p.m. | | 0 | | | | | 0 | 0 | |
| 13 03 03 | ERDF - Former Objectives 1 and 6 | p.m. | | 0 | | | | | 0 | 0 | |
| 13 03 05 | ERDF - Former Objectives 2 and 5b | p.m. | | 0 | | | | | 0 | 0 | |
| 13 03 07 | ERDF - Community initiatives (prior to 2000) | p.m. | | 0 | | | 225.934 | 225.934 | 225.934 | 225.934 | 100,00% |
| 13 03 09 | ERDF - TA and Innovative measures | p.m. | | 0 | | | | | 0 | 0 | |
| **TOTAL PRE-2000** | | **0** | **3.644.970** | **3.644.970** | **3.630.606** | **99,61%** | **225.934** | **225.934** | **3.870.905** | **3.856.541** | **99,63%** |
| **2000-2006** | **Previous programming period** | | | | | | | | | | |
| 04 02 01 | ESF Objective 1 | 430.000.000 | 81.308.619 | 511.308.619 | 511.308.618 | 100,00% | | | 511.308.619 | 511.308.618 | 100,00% |
| 04 02 02 | ESF - PEACE | p.m. | | 0 | | | | | 0 | 0 | |
| 04 02 04 | ESF Objective 2 | p.m. | 17.411.017 | 17.411.017 | 17.411.017 | 100,00% | | | 17.411.017 | 17.411.017 | 100,00% |
| 04 02 06 | ESF - Objective 3 | 42.822.534 | -19.958.825 | 22.863.709 | 22.863.709 | 100,00% | | | 22.863.709 | 22.863.709 | 100,00% |
| 04 02 08 | EQUAL | 10.000.000 | -2.957.728 | 7.042.272 | 7.042.272 | 100,00% | | | 7.042.272 | 7.042.272 | 100,00% |
| 04 02 10 | ESF - TA and Innovative Measures | p.m. | | 0 | | | 163.053 | | 163.053 | 0 | 0,00% |
| 05 04 02 01 | EAGGF Objective 1 | 85.339.148 | | 85.339.148 | 85.339.148 | 100,00% | 50.851.075 | 50.851.075 | 136.190.223 | 136.190.223 | 100,00% |
| 05 04 02 02 | EAGGF - PEACE | p.m. | | 0 | | | | | 0 | 0 | |
| 05 04 02 06 | Leader | p.m. | | 0 | | | 1.576.281 | 1.353.953 | 1.576.281 | 1.353.953 | 85,90% |
| 05 04 02 09 | EAGGF - Operational TA | p.m. | | 0 | | | | | 0 | 0 | |
| 11 06 01 | FIFG Objective 1 | 21.334.787 | -18.908.290 | 2.426.497 | 2.426.497 | 100,00% | | | 2.426.497 | 2.426.497 | 100,00% |
| 11 06 02 | FISH - PEACE | p.m. | | 0 | | | | | 0 | 0 | |
| 11 06 04 | FIFG outside Obj 1 | 7.111.596 | -7.111.596 | 0 | | | | | 0 | 0 | |
| 11 06 07 | FIFG - Operational TA and Innovative Measures | | | 0 | | | | | 0 | 0 | |
| 13 03 01 | ERDF Objective 1 | 1.200.000.000 | 33.709.347 | 1.233.709.347 | 1.233.709.347 | 100,00% | | | 1.233.709.347 | 1.233.709.347 | 100,00% |
| 13 03 02 | ERDF - PEACE | p.m. | 18.404.872 | 18.404.872 | 18.404.872 | 100,00% | | | 18.404.872 | 18.404.872 | 100,00% |
| 13 03 04 | ERDF Objective 2 | 145.596.619 | 125.315.942 | 270.912.561 | 270.912.561 | 100,00% | | | 270.912.561 | 270.912.561 | 100,00% |
| 13 03 06 | URBAN | 10.000.000 | -34.674 | 9.965.326 | 9.965.326 | 100,00% | | | 9.965.326 | 9.965.326 | 100,00% |
| 13 03 08 | ERDF - TA and Innovative Measures | p.m. | 136.000 | 136.000 | 136.000 | 100,00% | 84.503 | | 220.503 | 136.000 | 61,68% |
| 13 03 13 | Interreg III | 90.000.000 | 35.485.619 | 125.485.619 | 125.485.619 | 100,00% | 3.699.161 | 3.699.161 | 129.184.780 | 129.184.780 | 100,00% |
| **TOTAL 2000-2006** | | **2.042.204.684** | **262.800.304** | **2.305.004.988** | **2.305.004.988** | **100,00%** | **56.374.072** | **55.904.188** | **2.361.379.061** | **2.360.909.176** | **99,98%** |
| **2007-2013** | **Ongoing Programming period** | | | | | | | | | | |
| 04 01 04 01 | ESF - Expenditure on adm. management | 16.000.000 | | 16.000.000 | 8.167.286 | 51,05% | 7.598.841 | 5.489.816 | 23.598.841 | 13.657.102 | 57,87% |
| 04 02 17 | ESF - Convergence | 5.889.000.000 | 1.443.907.505 | 7.332.907.505 | 7.332.907.505 | 100,00% | | | 7.332.907.505 | 7.332.907.505 | 100,00% |
| 04 02 19 | ESF - Regional competitiveness and employment | 2.318.412.030 | 1.060.198.381 | 3.378.610.411 | 3.378.610.411 | 100,00% | | | 3.378.610.411 | 3.378.610.411 | 100,00% |
| 04 02 20 | ESF - Operational TA | 6.500.000 | 3.500.000 | 10.000.000 | 7.476.643 | 74,77% | 35.289 | 35.289 | 10.035.289 | 7.511.931 | 74,86% |
| 13 01 04 01 | ERDF - Expenditure on adm. managment | 11.600.000 | | 11.600.000 | 4.696.451 | 40,49% | 5.433.022 | 4.942.839 | 17.033.022 | 9.639.290 | 56,59% |
| 13 01 04 03 | CF- Expenditure on adm. management | 4.200.000 | | 4.200.000 | 1.926.757 | 45,88% | 2.395.556 | 2.115.430 | 6.595.556 | 4.042.187 | 61,29% |
| 13 03 16 | ERDF - Convergence | 20.603.000.000 | 735.197.588 | 21.338.197.588 | 21.338.197.588 | 100,00% | | | 21.338.197.588 | 21.338.197.588 | 100,00% |
| 13 03 17 | ERDF - PEACE | 40.000.000 | -8.785.818 | 31.214.182 | 31.214.182 | 100,00% | | | 31.214.182 | 31.214.182 | 100,00% |
| 13 03 18 | ERDF - Regional competitivess and employment | 3.400.965.947 | -61.759.030 | 3.339.206.917 | 3.339.206.917 | 100,00% | | | 3.339.206.917 | 3.339.206.917 | 100,00% |
| 13 03 19 | ERDF - European territorial co-operation | 685.160.555 | 353.702.926 | 1.038.863.481 | 1.038.863.478 | 100,00% | | | 1.038.863.481 | 1.038.863.478 | 100,00% |
| 13 03 20 | ERDF - Operational TA | 35.000.000 | 2.670.250 | 37.670.250 | 37.669.113 | 100,00% | | | 37.670.250 | 37.669.113 | 100,00% |
| 13 03 31 | ERDF - Operational TA Baltic Sea Strategy | 2.500.000 | -1.605.770 | 894.230 | 894.230 | 100,00% | | | 894.230 | 894.230 | 100,00% |
| 13 04 02 | Cohesion Fund 2007-2013 | 7.807.000.000 | 864.820.905 | 8.671.820.905 | 8.671.805.422 | 100,00% | | | 8.671.820.905 | 8.671.805.422 | 100,00% |
| **TOTAL 2007-2013** | | **40.819.338.532** | **4.391.846.938** | **45.211.185.470** | **45.191.635.985** | **99,96%** | **15.462.707** | **12.583.374** | **45.226.648.177** | **45.204.219.358** | **99,95%** |
| | **Total** | **42.861.543.216** | **4.658.292.213** | **47.519.835.429** | **47.500.271.578** | **99,96%** | **72.062.714** | **68.713.496** | **47.591.898.143** | **47.568.985.075** | **99,95%** |

**Annex 2:**

**LIST OF COMMISSION TRANSFERS EXECUTED BY THE SF TEAM OF DG BUDG/A2 IN 2012**

***Payment*** titles of Budget line to adapt ! Click here → Commitments Non Structural Funds item

| Origin | Description of budget line | Amount Withdrawn | Destination | Description of budget line | Amount Reinforced | Request | SI2.code | Reason |
|---|---|---|---|---|---|---|---|---|
| 13.0320 | ERDF - Operational TA | -203,584 | 13.0308 | ERDF - TA & Innovative Measures | 136,000 | 19/01/12 | SI2.1497825 | Need of payment appropriations |
| | | | 13.0323 | PP - Promotion EU reg policy Global scale | 67,584 | | | |
| 04.0206 | ESF - Objective 3 | -1,644,970 | 04.0203 | ESF- old Objective 1 | 1,644,970 | 27/02/12 | SI2.1505011 | Need of payment appropriations |
| 04.0201 | ESF - Objective 1 | -5,038,198 | 04.0204 | ESF Objective 2 | 5,038,198 | 3/04/12 | SI2.1511831 | Need of payment appropriations |
| 04.0201 | ESF - Objective 1 | -9,421,484 | 04.0204 | ESF Objective 2 | 9,421,484 | 14/05/12 | SI2.1516288 | Need of payment appropriations |
| 13.0301 | ERDF Objective 1 | -111,489,738 | 13.0304 | ERDF Objective 2 | 103,144,571 | 27/06/12 | SI2.1521263 | Need of payment appropriations |
| | | | 13.0313 | Interreg III | 8,345,167 | 27/06/12 | SI2.1521263 | Need of payment appropriations |
| 04.0208 | EQUAL | -2,722,788 | 04.0204 | ESF Objective 2 | 2,722,788 | 10/07/12 | SI2.1523802 | Need for payment appropriations |
| 04.0201 | ESF - Objective 1 | -2,000,000 | 04.0203 | ESF- old Objective 1 | 2,000,000 | 13/07/12 | SI2.1524388 | Need for payment appropriations |
| 13.0301 | ERDF Objective 1 | -12,947,782 | 13.0313 | Interreg III | 12,947,782 | 3/08/12 | SI2.1526122 | Need for payment appropriations |
| 13.0301 | ERDF Objective 1 | -18,404,872 | 13.0302 | ERDF - PEACE | 18,404,872 | 7/09/12 | SI2.1532425 | Need for payment appropriations- closure payment |
| 13.0301 | ERDF Objective 1 | -14,192,670 | 13.0313 | Interreg III | 14,192,670 | 1/09/12 | SI2.1533748 | Need for payment appropriations- closure payment |
| 04.0206 | ESF - Objective 3 | -15,623,171 | 04.0201 | ESF Objective 1 | 15,623,171 | 24/09/12 | SI2.1533876 | Need for payment appropriations- closure payment |
| 13.0318 | ERDF - Regional competitivess and employment | -61,759,030 | 13.0319 | ERDF - European territorial co-operation | 61,759,030 | 21/09/12 | SI2.1534500 | Need for payment appropriations |
| 13.0320 | ERDF - Operational TA | -32,966 | 13.0323 | PP - Promotion EU reg policy Global scale | 32,966 | 29/10/12 | SI2.1539036 | Need for payment appropriations |
| 13.0330 | PP - Platform Danube macro-region | -680,000 | 13.0320 | ERDF - Operational TA | 2,237,025 | 15/11/12 | SI2.1542158 | Need for payment appropriations |
| 13.0331 | Baltic Sea Strategy - Operational TA | -1,162,025 | | | | | | |
| 13.0334 | PA Erasmus for elected local & regional representatives | -395,000 | | | | | | |
| 04.0206 | ESF - Objective 3 | -1,651,703 | 04.0201 | ESF Objective 1 | 1,651,703 | 21/11/12 | SI2.1543821 | Need for payment appropriations |
| 13.0304 | ERDF Objective 2 | -3,789,287 | 13.0301 | ERDF Objective 1 | 5,432,726 | 4/12/12 | SI2.1546730 | Need for payment appropriations- closure payment |
| 13.0306 | Urban | -34,674 | | | | | | |
| 13.0312 | Contribution to International Fund for Ireland | -1,608,766 | | | | | | |
| 04.0206 | ESF - Objective 3 | -228,547 | 04.0204 | ESF Objective 2 | 228,547 | 13/12/12 | SI2.1548568 | Need for payment appropriations- closure payment |
| 13.0401 | Cohesion Fund pre-2007 | -18,493 | 13.0402 | Cohesion Fund 2007-2013 | 18,493 | 14/12/12 | SI2.1548672 | Need for payment appropriations |
| 13.0317 | ERDF - PEACE | -8,785,818 | 13.031900.14 | ERDF - European territorial co-operation | 11,943,896 | 14/12/12 | SI2.1548679 | Need for payment appropriations |
| 13.0321 | PP - Roma integration | -213,796 | 13.0320 | ERDF - Operational TA | 669,775 | | | |
| 13.0326 | PP - Suburbs sustainable regeration | -357,838 | | | | | | |
| 13.0327 | PA - RURBAN | -549,014 | | | | | | |
| 13.0328 | PA - Promotion EU reg policy Global scale | -636,078 | | | | | | |
| 13.0329 | PA - Platform Danube macro-region Governance model | -780,092 | | | | | | |
| 13.0330 | PP - Platform Danube macro-region | -400,000 | | | | | | |
| 13.0331 | Baltic Sea Strategy - Operational TA | -443,745 | | | | | | |
| 13.0334 | PA Erasmus for elected local & regional representatives | -447,292 | | | | | | |
| 04.0206 | ESF - Objective 3 | -0.75 | 04.0201 | ESF Objective 1 | 0.75 | 18/12/12 | SI2.1550565 | missing 0.75 euro for final payment (rounding error in DEC56) |
| 04.0206 | ESF - Objective 3 | -165,512 | 04.0201 | ESF Objective 1 | 165,512 | 19/12/12 | SI2.1552017 | Need for payment appropriations - closure payment |
| 13.0402 | Cohesion Fund 2007-2013 | -235,197,588 | 13.0316 | ERDF - Convergence | 235,197,588 | 19/12/12 | SI2.1552063 | Need for payment appropriations |
| 04.0206 | ESF - Objective 3 | -644,921 | 04.0201 | ESF Objective 1 | 681,479 | 19/12/12 | SI2.1552142 | Need for payment appropriations - closure payment GR |
| 04.0208 | EQUAL | -36,559 | | | | | | |
| 11.0601 | FIFG Objective 1 | -18,908,290 | 11.0612 | EFF - Convergence | 12,839,559 | 19/12/12 | SI2.1552068 | need for payment appropriations |
| 11.0604 | FIFG outside Obj 1 | -106,140 | 11.0613 | EFF - outside Convergence | 7,006,593 | | | |
| 11.0611 | EFF - Operational TA | -831,722 | | | | | | |
| 04.0208 | EQUAL | -198,381 | 04.0219 | ESF - Regional competitiveness and employment | 198,381 | 26/12/12 | SI2.1553236 | need for payment appropriations |

Commitments

| Origin | Description of budget line | Amount Withdrawn | Destination | Description of budget line | Amount Reinforced | Request | SI2.code | Reason |
|---|---|---|---|---|---|---|---|---|
| 13.0316 | ERDF - Convergence | -112,024,634 | 04.0217 | ESF - Convergence | 112,024,634 | 26/01/12 | SI2.1498634 | tfr btw programmes for EE and PT (art 158 FR) |
| 04.0219 | ESF - Regional competitiveness and employment | -3,801,951 | 13.0318 | ERDF - Regional competitivess and employment | 3,801,951 | | SI2.1498637 | tfr btw programmes for EE and PT (art 158 FR) |
| 130320 | ERDF - Operational TA | -500,000 | 04.0220 | ESF - Operational TA | 2,000,000 | 10/12/12 | SI2.1547363 | Transfer for Taskforce Greece |
| 13.0402 | Cohesion Fund 2007-2013 | -1,500,000 | | | | | | |
| 13.0318 | ERDF - Regional competitivess and employment | -7,750,000 | 04.0219 | ESF - Regional competitiveness and employment | 7,750,000 | 19/12/12 | SI2.1552011 | tfr between programmes for PT |

## ANNEX 3: N+2/N+3 DECOMMITMENTS IN 2012

| FUND | PROGRAMME (CCI code) | TITLE | OBJECTIVE | COUNTRY CODE | AMOUNT |
|---|---|---|---|---|---|
| ERDF | 2007IT161PO001 | Attrattori culturali, naturali e turismo | Conv | IT | 1.975.922,00 |
| ERDF | 2007DE162PO009 | Hamburg | RC&E | DE | 386.735,34 |
| ERDF | 2007ES162PO007 | Baleares | RC&E | ES | 4.520.527,00 |
| ERDF | 2007CB163PO038 | Two Seas (FR-Engl-Flanders) | TC (CB+TR) | CB | 1.012.011,00 |
| ERDF | 2007CB163PO021 | Romania-Bulgaria cross-border coop | TC (CB+TR) | CB | 4.409.780,08 |
| ERDF | 2007CB163PO040 | Manche | TC (CB+TR) | CB | 5.320.843,00 |
| ERDF | 2007CB163PO060 | Greece-Italy | TC (CB+TR) | CB | 1.104.676,00 |
| **ERDF Total** | | | | | **18.730.494,42** |
| ESF | 2007ES052PO005 | Baleares | RC&E | ES | 2.463.999,52 |
| **ESF Total** | | | | | **2.463.999,52** |
| **Grand Total** | | | | | **21.194.493,94** |

## ANNEX 4: HISTORICAL TREND IN COMMITMENTS AND PAYMENTS

Charts 1 and 2 illustrate the evolution of the budget and its execution from 1994 to 2012. As mentioned above, the EAGGF-G and the FIFG are included in the data, while from 2007 onwards their successors, the European Agricultural Fund for Rural Development and the European Fisheries Fund, are not. On the other hand, the data now include the Cohesion Fund programmes of the 2007-2013 period, as its regulatory framework and financial management have become the same as for the Structural Funds. As before, the pre-2007 projects funded by the Cohesion Fund are excluded. Comparisons between pre-2007 years and the years from 2007 onwards should therefore be treated with caution.

Since the accession of ten new Member States (EU-10) in 2004, followed by Bulgaria and Romania in 2007 (EU-2), the commitments budget for the Structural Funds has increased considerably. Although the medium-term trend for payments also points upwards, the short term evolution is more irregular due to variations in payment execution especially during the start-up phase of new programmes (see also Chart 2 years 2000 until 2003).

**Chart 1: Commitment and payment appropriations entered in the budget from 1994 to 2012 (EUR million, including all transfers during the year but excluding amounts carried over.)**

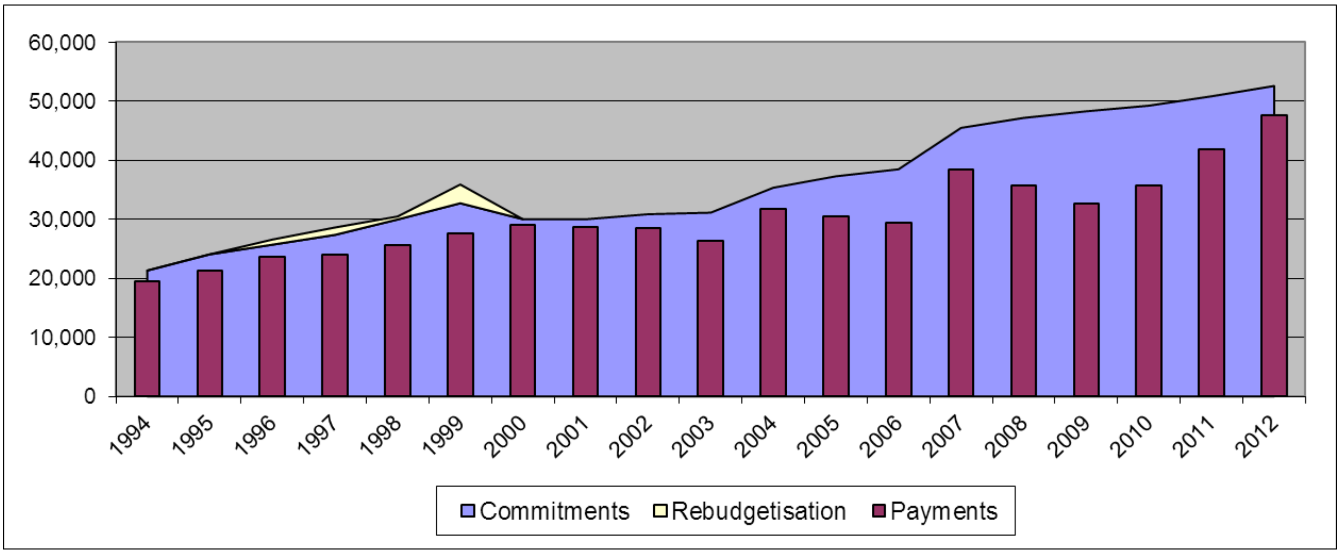


**Chart 2: Execution of commitments and payments (outturn, including of appropriations carried forward) from 1994 to 2012 (EUR million)**

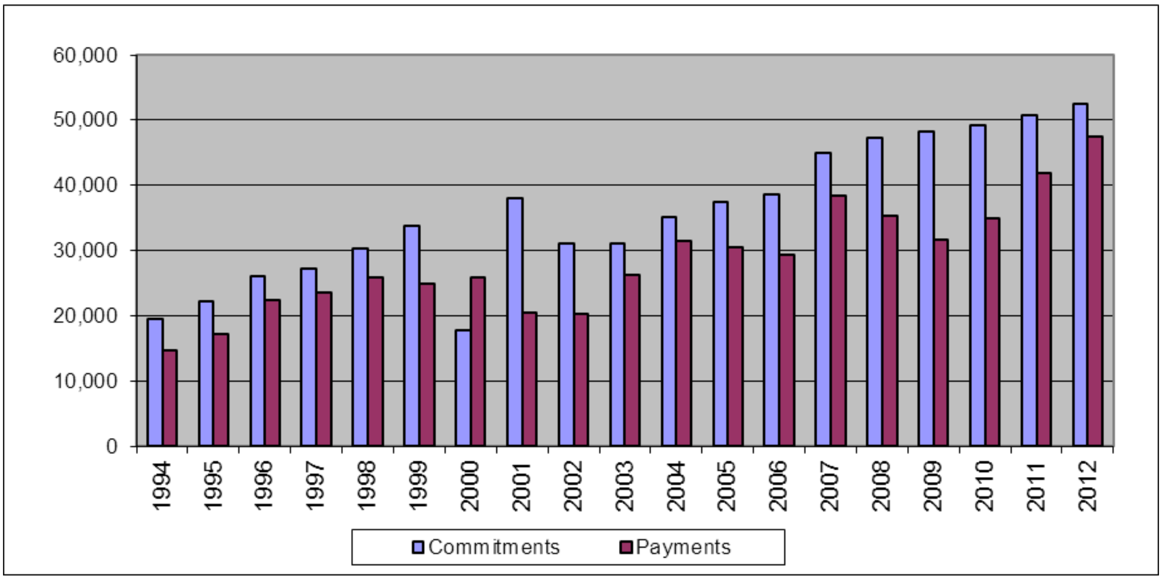
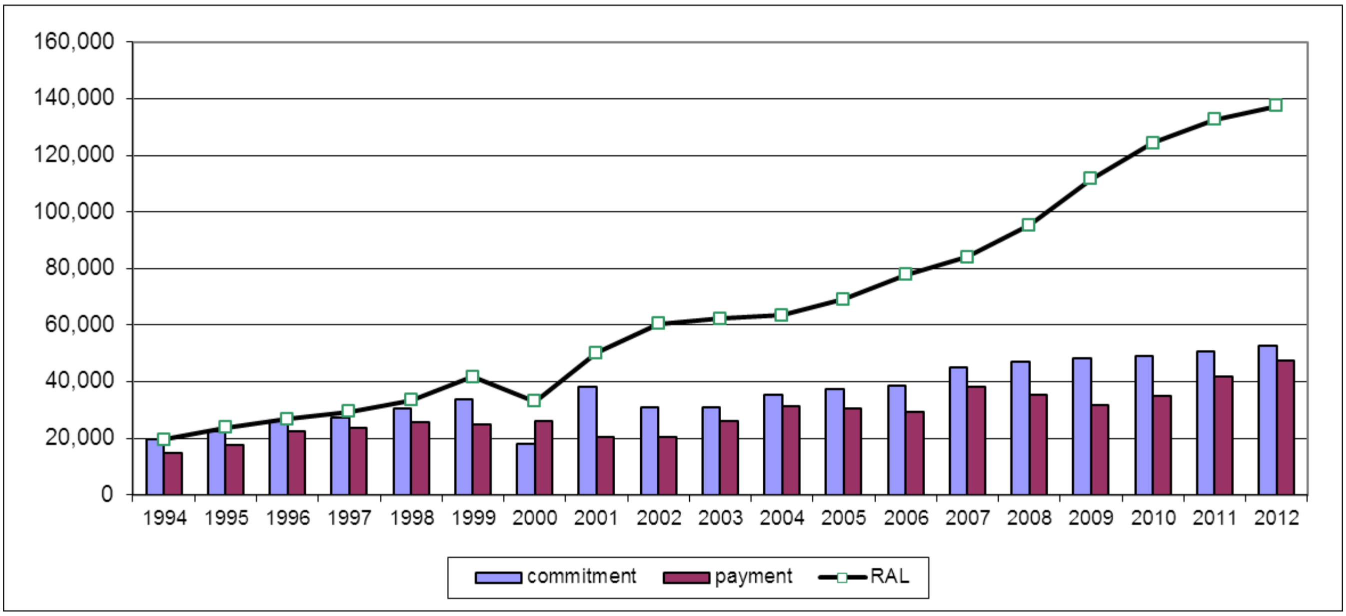



Chart 3 shows the evolution of the overall RAL for the Structural Funds (all periods combined) since 1994 resulting from the evolution of commitments and payments over the years.

**Chart 3: Implementation of commitments and payments and outstanding commitments at the end of each year (EUR million)**



## ANNEX 5: HISTORIC ANALYSIS OF MEMBER STATES PAYMENT FORECASTS

Table 1 gives an overview of the aggregate results of the forecasting exercise since 2001 thus showing the evolution of the forecasting performance over time.
Up to 2011 the forecast error was expressed as a percentage of payment execution while from 2012 onwards, following the change in methodology due to the lack of payment appropriations (see Chapter 2.5), the forecast error will be expressed as a percentage of claims submitted.

Thus, in 2012 the total relative forecast error for the 2007-2013 programmes is 15%. This means that for every EUR 100 of payments claims actually submitted in 2012, the Member States had forecasted they would claim EUR 115. In absolute terms, the error was EUR 7.8 billion.

**Table 1: Overall forecasting errors from 2001 to 2012**

| | Year | Forecast | Paid/Claimed*** | Error | % |
|---|---|---|---|---|---|
| **Structural Funds 2000-2006** | | € billion | € billion | € billion | |
| 2000-2006 programmes EU15 | 2001 | 18,0 | 14,7 | 3,3 | 22% |
| | 2002 | 27,8 | 19,0 | 8,8 | 46% |
| | 2003 | 34,2 | 22,7 | 11,5 | 51% |
| | 2004 | 33,1 | 26,3 | 6,8 | 26% |
| | 2005 | 33,9 | 27,9 | 6,0 | 22% |
| | 2006 | 34,5 | 26,0 | 8,5 | 33% |
| | 2007 | 31,4 | 26,4 | 5,0 | 19% |
| | 2008 | 22,9 | 20,2 | 2,7 | 13% |
| | 2009 | 8,8 | 5,9 | 2,9 | 49% |
| 2000-2006 programmes EU10 | 2004 | 1,3 | 1,5 | -0,3 | -19% |
| | 2005 | 4,0 | 1,6 | 2,4 | 152% |
| | 2006 | 4,2 | 3,0 | 1,2 | 39% |
| | 2007 | 5,4 | 4,9 | 0,5 | 10% |
| | 2008 | 4,6 | 3,6 | 1,0 | 28% |
| | 2009 | 1,8 | 0,3 | 1,5 | 586% |
| **Structural Funds and Cohesion Fund 2007-2013** | | | | | |
| 2007-2013 programmes | 2008 | 14,5 | 11,4 | 3,0 | 27% |
| | 2009 | 28,5 | 25,4 | 3,1 | 12% |
| | 2010* | 38,0 | 31,9 | 6,1 | 19% |
| | 2011 | 47,2 | 39,3 | 7,8 | 20% |
| | **2012*** ** | **58,4** | **50,6** | **7,8** | **15%** |
| **All programmes**** | | | | | |
| | 2001 | 28,2 | 20,4 | 7,8 | 38% |
| | 2002 | 34,8 | 20,1 | 14,7 | 73% |
| | 2003 | 41,2 | 23,8 | 17,4 | 73% |
| | 2004 | 34,4 | 27,9 | 6,5 | 23% |
| | 2005 | 37,9 | 29,5 | 8,4 | 28% |
| | 2006 | 38,7 | 29,0 | 9,6 | 33% |
| | 2007 | 36,7 | 31,3 | 5,4 | 17% |
| | 2008 | 42,0 | 35,2 | 6,8 | 19% |
| | 2009 | 39,1 | 31,6 | 7,5 | 24% |
| | 2010* | 38,0 | 31,9 | 6,1 | 19% |
| | 2011 | 47,2 | 39,3 | 7,8 | 20% |
| | **2012*** ** | **58,4** | **50,6** | **7,8** | **15%** |

* Pre-financing not included in the paid amount.

**The years 2001-2003 also include pre-2000 programmes.

***Following a change in methodology to take into account the context of lack of payment appropriations at year-end, data from 2012 onwards show a comparison between forecast and payment claims submitted by Member States (replacing the former comparison between forecast and payments executed, used for the period 2001-2011).

**ANNEX 6: Heading 1B allocation 2007-2013 by Member State***
**Current prices**

| MEMBER STATE | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Total |
|---|---|---|---|---|---|---|---|---|
| BE | 364.782.423 | 355.082.490 | 338.863.166 | 324.002.185 | 308.411.217 | 291.967.309 | 274.742.281 | 2.257.851.071 |
| BG | 514.156.102 | 737.395.668 | 991.807.428 | 1.044.073.825 | 1.116.219.641 | 1.188.568.684 | 1.260.634.073 | 6.852.855.421 |
| CZ | 3.062.673.977 | 3.736.726.397 | 3.640.861.285 | 3.809.477.285 | 4.057.240.806 | 4.225.344.390 | 4.396.377.252 | 26.928.701.392 |
| DK | 82.161.566 | 83.852.733 | 85.627.577 | 87.489.747 | 89.392.151 | 91.283.768 | 93.215.294 | 613.022.836 |
| DE | 3.664.753.567 | 3.696.945.314 | 3.729.709.000 | 3.763.069.632 | 3.796.272.804 | 3.828.502.786 | 3.860.503.462 | 26.339.756.565 |
| EE | 375.773.750 | 409.974.515 | 446.440.649 | 486.201.728 | 530.407.148 | 578.211.678 | 628.833.031 | 3.455.842.499 |
| IE | 211.627.916 | 180.726.400 | 148.539.883 | 115.030.041 | 80.120.385 | 81.798.584 | 83.511.860 | 901.355.069 |
| EL | 3.081.795.081 | 3.030.352.207 | 2.965.710.146 | 2.900.527.687 | 2.831.871.687 | 2.814.512.973 | 2.795.007.243 | 20.419.777.024 |
| ES | 6.286.221.788 | 5.754.627.341 | 5.190.294.720 | 4.713.797.783 | 4.449.810.861 | 4.426.415.514 | 4.395.823.007 | 35.216.991.014 |
| FR | 1.903.733.647 | 1.979.629.804 | 2.002.022.276 | 2.043.766.980 | 2.086.874.054 | 2.129.783.741 | 2.173.081.869 | 14.318.892.371 |
| IT | 3.926.520.792 | 4.107.196.762 | 4.066.774.676 | 4.098.643.256 | 4.132.637.630 | 4.204.627.884 | 4.275.367.920 | 28.811.768.920 |
| CY | 167.249.650 | 139.394.063 | 109.772.622 | 79.106.741 | 47.184.756 | 48.141.963 | 49.104.156 | 639.953.951 |
| LV | 506.300.760 | 554.225.773 | 603.897.967 | 655.705.281 | 710.375.167 | 766.371.106 | 823.567.165 | 4.620.443.219 |
| LT | 765.428.028 | 833.413.967 | 902.450.439 | 975.204.912 | 1.053.325.430 | 1.136.152.559 | 1.219.008.746 | 6.884.984.081 |
| LU | 8.756.085 | 8.935.186 | 9.122.005 | 9.316.863 | 9.515.866 | 9.714.797 | 9.917.880 | 65.278.682 |
| HU | 3.034.075.077 | 3.229.332.901 | 3.437.663.559 | 3.625.536.814 | 3.785.205.955 | 3.991.504.202 | 4.204.078.399 | 25.307.396.907 |
| MT | 112.921.080 | 118.650.128 | 119.794.709 | 122.608.369 | 125.103.657 | 127.189.558 | 129.091.993 | 855.359.494 |
| NL | 254.143.957 | 262.353.171 | 266.388.003 | 272.165.145 | 278.066.817 | 283.939.844 | 289.936.565 | 1.906.993.502 |
| AT | 201.773.292 | 203.999.556 | 206.307.685 | 208.701.529 | 211.108.607 | 213.450.462 | 215.801.550 | 1.461.142.681 |
| PL | 8.115.637.219 | 8.664.528.631 | 9.213.686.770 | 9.441.366.926 | 10.241.130.196 | 10.822.800.565 | 11.417.491.612 | 67.916.641.919 |
| PT | 2.971.529.895 | 3.005.027.735 | 3.038.715.640 | 3.072.645.240 | 3.106.743.224 | 3.140.848.240 | 3.175.048.081 | 21.510.558.055 |
| RO | 1.328.853.181 | 1.915.639.995 | 2.576.314.547 | 3.092.046.613 | 3.333.557.963 | 3.583.355.862 | 3.837.878.891 | 19.667.647.052 |
| SI | 554.581.636 | 569.325.544 | 584.455.520 | 599.981.475 | 615.894.683 | 632.185.174 | 648.880.924 | 4.205.304.956 |
| SK | 1.299.120.357 | 1.407.175.683 | 1.526.146.266 | 1.662.255.913 | 1.831.363.943 | 1.953.063.707 | 2.046.490.160 | 11.725.616.029 |
| FI | 259.817.867 | 257.565.813 | 251.850.073 | 245.850.925 | 241.105.162 | 234.363.175 | 225.661.616 | 1.716.214.631 |
| SE | 253.179.976 | 259.066.457 | 264.410.131 | 269.946.722 | 275.963.376 | 281.647.637 | 287.084.668 | 1.891.298.967 |
| UK | 1.593.604.027 | 1.598.716.728 | 1.533.475.408 | 1.489.332.118 | 1.442.809.705 | 1.465.894.632 | 1.489.325.826 | 10.613.158.444 |
| Technical Assistance | 113.408.759 | 117.459.544 | 121.200.980 | 122.888.158 | 126.925.914 | 130.992.625 | 134.822.683 | **867.698.663** |
| Interregional | 46.390.403 | 49.483.076 | 54.889.060 | 62.743.816 | 70.890.806 | 76.995.260 | 83.315.535 | **444.707.956** |
| | | | | | | | | |
| **Total** | **45.060.971.858** | **47.266.803.582** | **48.427.192.190** | **49.393.483.709** | **50.985.529.611** | **52.759.628.679** | **54.523.603.742** | **348.417.213.371** |

*Including the 2011-2013 allocations assigned to PL, CZ and SK according to point 17IIA

## ANNEX 7: REFERENCES

More information about the Structural and Cohesion Funds in general as well as their recent implementation may be found on the EUROPA site at the following addresses:

### GENERAL INFORMATION

- ERDF and CF:
  Regional Policy DG – Inforegio:
  http://ec.europa.eu/regional_policy/index_en.cfm

- ESF:
  Employment and Social Affairs DG – ESF:
  http://ec.europa.eu/employment_social/esf/index_en.htm

- Rural development 2000-2006:
  Agriculture DG:
  http://ec.europa.eu/agriculture/rur/index_en.htm

- FIFG 2000-2006:
  Maritime Affairs and Fisheries DG:
  http://ec.europa.eu/fisheries/cfp/eff/fifg/index_en.htm

### LEGAL BASES

- Overview of Regulations for 2007-2013:
  http://ec.europa.eu/regional_policy/information/legislation/index_en.cfm

- Overview of Regulations for 2000-2006:
  http://ec.europa.eu/regional_policy/information/legislation/archives_2000_2006_en.cfm

- Overview of Regulations for 1994-1999:
  http://ec.europa.eu/regional_policy/information/legislation/archives_1994_1999_en.cfm

### ANNUAL REPORTS

- The annual Reports on the Structural Funds and on the Cohesion Fund edited by the operational DGs are published at the following address:
  http://ec.europa.eu/regional_policy/information/reports/index_en.cfm

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