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Proposal for a

EUROPEAN PARLIAMENT AND COUNCIL DECISION

**establishing a Community action programme to promote bodies active at European level
in the field of youth**

(presented by the Commission)

EXPLANATORY MEMORANDUM

Introduction

In addition to the Treaty, which establishes European citizenship, various recent statements stress the need to promote active citizenship, especially that of young people:

the Commission's White Paper on Governance stresses the principle of citizen participation in devising and carrying out policy, of involvement of civil society and its component organisations;

the Laeken Declaration, annexed to the conclusions of the European Council of 14 and 15 December 2001, asserts that one of the basic challenges to be resolved by the European Union is "how to bring citizens, and primarily the young, closer to the European design and the European institutions";

the Commission's White Paper "A new impetus for European youth" argues that participation by young people should be encouraged and advocates strengthening the organisations within which young people can make their voice heard;

the European Parliament resolution of 14 May 2002 adopting a report on this White Paper states that the policies proposed in the White Paper must be translated into concrete measures and that appropriate budget funds additional to the YOUTH programme must be provided.

Background

For several years, support has been provided for bodies active at European level in the field of youth, under headings in Part A of the budget:

heading A-3023 co-finances the operating costs of the European Union Youth Forum;

heading A-3029 provides support for international non-governmental youth organisations.

The main activities of the European Youth Forum are as follows:

representing young people *vis-à-vis* the European Union;

coordinating the positions of its members *vis-à-vis* the European Union;

relaying information on youth to the European institutions;

relaying information from the European Union to national youth councils and non-governmental organisations;

contributing to the new cooperation framework in the youth field which it has been decided to establish at the level of the European Union;

engaging in discussion and reflection on youth in Europe and on the European Union's action for the benefit of young people.

The main activities of these youth organisations that are likely to contribute to the strengthening and effectiveness of Community action are as follows:

representation of stakeholders at Community level;

youth exchanges and voluntary services;

informal education and training programmes;

debate on youth policies;

dissemination of information on Community action;

actions promoting young people's participation and initiative.

This support has been provided without any legal basis, under budgetary headings entered in the Commission's administrative expenditure.

Objectives

The adoption of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹ and the decision to base the structure of the Commission budget on the ABB (Activity Based Budgeting) approach require basic acts to be adopted for a number of grants hitherto financed under appropriations entered in Part A (administrative appropriations) of the Commission section of the budget (section III).

The purpose of this Decision is therefore to adopt an act providing a basis for operating grants to bodies active at European level in the field of youth, for a period of three years (2004-2006).

In a statement in connection with the adoption of the new Financial Regulation, the Commission publicly announced its intention of providing basic acts for grants hitherto financed under Part A. In this statement, "the European Parliament and the Council note the Commission's intention of submitting a proposal for a Framework Regulation in which the overall criteria regarding selection and the awarding of grants for the functioning of the bodies provided for in Article 108(1)(b) may be specified".

Legal basis

The proposal is based on Article 149 TEC, which provides that Community action shall be aimed, *inter alia*, at encouraging the development of youth exchanges and of exchanges of socio-educative instructors. The procedure to be followed is that of Article 251 TEC: the decision is to be adopted in co-decision by the European Parliament and the Council on the basis of a Commission proposal.

¹ OJ L 248, 16.9.2002, p. 1.

Budgetary impact

Since the proposal essentially addresses the technical need to provide a legal basis for operations for which no such basis currently exists, the amounts provided for are largely based on those allocated in the budget of the European Union for the 2003 financial year.

The total amount proposed is EUR 11.52 million.

Description of Articles

Article 1 states the objective of the programme, viz. to provide support for non-governmental organisations active at European level in the field of youth.

Article 2 states the conditions of access to the programme and refers to the Annex, which describes the two parts of the programme:

grant for the operation of the European Youth Forum;

grants for the operation of non-governmental youth organisations.

Article 3 provides for participation in the programme to be open to the Member States, and in some cases possibly to the EFTA/EEA countries, the candidate countries, the Balkan countries forming part of the Stabilisation and Association process for countries of South Eastern Europe, and some countries of the Commonwealth of Independent States.

Article 4 refers to the Annex for the arrangements for selecting the programme's beneficiaries. Grants for the operation of international non-governmental youth organisations are to be awarded on the basis of annual calls for proposals.

Article 5 refers to the Annex for the conditions governing award of grants.

Article 6 sets the programme allocation at EUR 11.52 million for the period 2004–2006.

Article 7 lays down the arrangements for final evaluation of the programme. There is no intention to extend the programme beyond 2006; from 2007 onwards, the actions for which it provides will be incorporated into the new programme for youth which will follow on from the present YOUTH Programme.

Proposal for a

EUROPEAN PARLIAMENT AND COUNCIL DECISION

**establishing a Community action programme to promote bodies active at European level
in the field of youth**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 149(4) thereof,

Having regard to the proposal from the Commission²,

Having regard to the opinion of the European Economic and Social Committee³,

Having regard to the opinion of the Committee of the Regions⁴,

Acting in accordance with the procedure laid down in Article 251 of the Treaty⁵,

Whereas:

- (1) The Treaty establishes citizenship of the Union and provides that Community action in the field of education, vocational training and youth shall be aimed, *inter alia*, at encouraging the development of youth exchanges and of exchanges of socio-educative instructors.
- (2) The Laeken Declaration annexed to the conclusions of the European Council of 14 and 15 December 2001 asserts that one of the basic challenges to be resolved by the European Union is how to bring citizens, and primarily the young, closer to the European design and the European institutions.
- (3) The Commission's White Paper "A new impetus for European youth" argues that participation by young people should be encouraged and advocates strengthening the organisations within which young people can make their voice heard; it also states that information is essential to the development of active citizenship.

² OJ C [...], [...], p. [...].

³ OJ C [...], [...], p. [...].

⁴ OJ C [...], [...], p. [...].

⁵ OJ C [...], [...], p. [...].

- (4) The resolution of the Council and of the representatives of the Governments of the Member States, meeting within the Council of 27 June 2002 regarding the framework of European cooperation in the youth field⁶ endorses the thematic priorities as proposed in the White Paper, and in particular participation and information, especially with the aim of encouraging participation by young people in the exercise of active citizenship, and proposes mechanisms for implementing the open method of coordination by consulting young people through specific arrangements at national level and consulting the European Youth Forum at European level.
- (5) The European Youth Forum represents young people *vis-à-vis* the European Union. Its action is essential in order to coordinate and relay to the European institutions the views of the non-governmental youth organisations and to relay to these organisations information on youth policy matters. This action is a matter of general European interest.
- (6) Headings A-3023 and A-3029 of the general budget of the European Communities for the financial year 2003 and previous financial years provide support for the European Youth Forum and international non-governmental youth organisations.
- (7) Council Regulation (CE, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁷, hereinafter “The Financial Regulation”, requires a basic act to be provided to cover these existing support actions.
- (8) The European Parliament, the Council and the Commission undertook, at the time of the adoption of the Financial Regulation⁸, to achieve the objective of ensuring that this basic act enters into force as from the financial year 2004.
- (9) Provision should be made for the geographic scope of this programme to extend to the Member States and possibly, in the case of some activities, to all European countries, in view of the importance of strengthening links between the enlarged Union and its neighbours on the European continent.
- (10) Any non-Community financing from State resources must comply with Articles 87 and 88 of the Treaty.
- (11) This Decision establishes a financial framework for the entire duration of the programme, which is to be the principal part of reference for the budgetary authority within the meaning of point 33 of the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure⁹.
- (12) Any support granted under this Decision must comply strictly with the principles of subsidiarity and proportionality.

⁶ OJ C 168, 13.7.2002, p. 2.

⁷ OJ L 248, 16.9.2002, p. 1.

⁸ Statement of 13 June 2002 on adoption of the Financial Regulation, re Article 108.

⁹ OJ C 172, 18.6.1999, p. 1.

HAVE DECIDED AS FOLLOWS:

Article 1 – [Programme objective]

1. This Decision establishes a Community action programme to support non-governmental organisations active at European level in the field of youth.
2. The general objective of the programme is to support the activities of these bodies. These activities are the ongoing work programme of a body which pursues an aim of general European interest in the field of youth or an objective forming part of the European Union's policy in this area. In particular, these activities must contribute, or be capable of contributing, to the development and implementation of Community cooperation actions in the field of youth. Cooperation with the European Youth Forum contributes to this general objective in so far as the European Youth Forum represents and coordinates non-governmental youth organisations and relays information on youth to the European institutions.
3. The programme shall start on 1 January 2004 and shall end on 31 December 2006.

Article 2 – [Access to the programme]

To be eligible for an operating grant, a body must satisfy the requirements of the Annex and have the following characteristics:

- a) its activities must be in accordance with the principles underlying Community action in the youth policy area and take account of the priorities set out in the Annex;
- b) it must have been legally established for more than one year;
- c) it must operate at European level, either alone or in the form of various coordinated associations, and its structure and activities must have a potential impact throughout the Union or cover at least eight of the countries referred to in Article 3, including the Member States.

Article 3 – [Participation of countries outside the Union]

Participation in actions under this programme may be open to the EFTA/EEA countries and the candidate countries for accession to the European Union, in accordance with the relevant provisions in the instruments governing relations between the European Community and these countries.

Participation may also be open to the Balkan countries forming part of the Stabilisation and Association process for countries of South Eastern Europe¹⁰, in accordance with the conditions and procedures to be agreed with these countries.

¹⁰ Former Yugoslav Republic of Macedonia, Albania, Serbia and Montenegro, Bosnia and Herzegovina, and Croatia.

Participation may also be open to some countries of the Commonwealth of Independent States¹¹, in accordance with the conditions and procedures to be agreed with these countries.

Article 4 – [Selection of beneficiaries]

Operating grants for the ongoing work programme of a body pursuing an aim of general European interest or an objective forming part of the European Union's policy in the field of youth shall be awarded in accordance with the overall criteria laid down in the Annex.

Article 5 – [Award of the grant]

Grants under the different actions of the programme shall be awarded in compliance with the provisions set out in the relevant part of the Annex.

Article 6 – [Financial provisions]

1. The financial framework for the implementation of the programme for the period specified in Article 1(3) is EUR 11.52 million.
2. The annual appropriations shall be authorised by the Budgetary Authority within the limits of the financial perspective.

Article 7 – [Monitoring and evaluation]

No later than 31 December 2007, the Commission shall present to the European Parliament and the Council a report on the achievement of the programme's objectives. This report shall be based, *inter alia*, on an external evaluation report which must be available no later than the end of 2006 and which shall appraise at least the overall pertinence and coherence of the programme, the effectiveness of its execution (preparation, selection, implementation of the actions) and the overall and individual effectiveness of the various actions in terms of achievement of the objectives set out in Article 1 and in the Annex.

Article 8 – [Entry into force]

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels, [...]

For the European Parliament
The President
[...]

For the Council
The President
[...]

¹¹ Belarus, Moldova, Russian Federation, Ukraine.

ANNEX

1. ACTIVITIES SUPPORTED

The general objective laid down in Article 1 is to strengthen Community action in the field of youth and increase its effectiveness by promoting the bodies working in this field.

1.1. The main activities of these youth organisations that are likely to contribute to the strengthening and effectiveness of Community action are as follows:

- representation of stakeholders at Community level;
- youth exchanges and voluntary services;
- informal education and training programmes;
- debate on youth policies;
- dissemination of information on Community action;
- actions promoting citizens' participation and initiative.

1.2. The main activities of the European Youth Forum are as follows:

- representing young people *vis-à-vis* the European Union;
- coordinating the positions of its members *vis-à-vis* the European Union;
- relaying information on youth to the European institutions;
- relaying information from the European Union to national youth councils and non-governmental organisations;
- contributing to the new cooperation framework in the youth field which it has been decided to establish at the level of the European Union;
- engaging in discussion and reflection on youth in Europe and on the European Union's action to assist young people.

2. IMPLEMENTATION OF THE ACTIVITIES SUPPORTED

The activities carried out by the bodies eligible for Community funding under the programme fall within one of the following areas:

2.1 Part 1: permanent activities of the European Youth Forum, a body pursuing an aim of general European interest whose members are the national youth councils and the international non-governmental youth organisations, in conformity with the following principles:

- independence of the European Youth Forum in the selection of its members;

- autonomy of the European Youth Forum in the detailed specification of its activities, in conformity with section 1.2;
- broadest possible involvement in the European Youth Forum’s activities of non-member youth organisations and young people who do not belong to organisations;
- active contribution by the European Youth Forum to the political processes relevant to youth at European level, in particular by responding to the European institutions when they consult civil society and explaining the positions adopted by these institutions to its members;
- geographic membership coverage extending to the countries mentioned in Article 3 of the Decision.

2.2. Part 2: permanent activities of a body pursuing an aim of general European interest in the field of youth or an objective forming part of the European Union’s policy in this area.

This may relate to:

- a) a non-profit-making body whose activities are solely for the benefit of young people or a body with wider aims, part of whose activities are solely for the benefit of young people; in either case, the body must involve young people in managing the activities conducted for their benefit;
- b) a European network representing non-profit-making bodies working for the benefit of young people and involving young people in their activities.

An annual operating grant may be awarded to support the conduct of the permanent work programme of such a body.

2.3 In view of the need to ensure continuity of the European Youth Forum, the programme resources shall be allocated in accordance with the following guideline: the resources allocated under part 1 shall be not less than EUR 2 million.

3. SELECTION OF BENEFICIARIES

3.1 The grant under part 1 of the programme shall be awarded directly to the European Youth Forum.

3.2 The bodies receiving operating grants under part 2 of the programme shall be selected on the basis of calls for proposals.

Framework partnership agreements may be concluded for the duration of the programme with the bodies so selected. The specific grants based on the framework agreements shall be awarded in accordance with the procedures laid down in these agreements.

Calls for proposals shall be issued to select additional beneficiaries.

4. CRITERIA FOR THE ASSESSMENT OF FUNDING APPLICATIONS

Funding applications shall be assessed in the light of:

- their consistency with the programme objectives;
- the quality of the planned activities;
- the likely multiplier effect on young people of these activities;
- the geographic impact of the activities carried out;
- the involvement of young people in the organisation of the bodies concerned.

5. FUNDING AND ELIGIBLE EXPENDITURE

- 5.1 Under part 1, the eligible expenditure of the European Youth Forum comprises operating costs and expenses for carrying out its actions.
- 5.1 Under part 1, the eligible expenditure of the European Youth Forum comprises operating costs and expenses for carrying out its actions.
- 5.2 The grant to the European Youth Forum shall not fund all its eligible expenditure in the calendar year for which it is awarded: at least 20 per cent of the Forum's budget must be co-financed from non-Community sources. Such co-financing may be partly contributed in kind, provided the contribution is valued at no more than the cost actually incurred and evidenced by accounting documents or the cost generally obtaining on the market in question.
- 5.3 Pursuant to Article 113(2) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002, the principle of gradual reduction shall not apply to operating grants to the European Youth Forum, since it is a body pursuing an objective of general European interest.
- 5.4 Under part 2, the only costs to be taken into account in determining the operating grant shall be those necessary for the proper conduct of the normal activities of the body selected, in particular personnel costs, overheads (rental and property charges, equipment, office supplies, telecommunications, postal charges, etc.), costs of internal meetings, and publication, information and dissemination costs.
- 5.5 An operating grant under part 2 of the Annex shall not fund all the body's eligible expenditure in the calendar year for which it is awarded. At least 20 per cent of the budgets of the bodies covered by this part must be co-financed from non-Community sources. The co-financing rate shall be determined each year in the call for proposals. Such co-financing may be partly contributed in kind, provided the contribution is valued at no more than the cost actually incurred and evidenced by accounting documents or the cost generally obtaining on the market in question.

- 5.6 Pursuant to Article 113(2) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002, operating grants so awarded, if renewed, shall be gradually decreased. This reduction shall apply from the third year onwards, at a rate of 2.5% per year. In order to observe this rule, which applies without prejudice to the co-financing rule mentioned above, the percentage of Community co-financing corresponding to the grant awarded for a given financial year shall be at least 2.5 points below the percentage of Community co-financing corresponding to the grant awarded for the previous financial year.

6. MANAGEMENT OF THE PROGRAMME

In the light of a cost/benefit analysis, the Commission may decide to entrust all or part of the tasks of managing the programme to an executive agency, in conformity with Article 55 of the Financial Regulation applicable to the general budget of the European Communities; it may also have recourse to experts and incur any other expenditure on technical and administrative assistance, not involving the exercise of public authority, outsourced under *ad hoc* service contracts. It may also finance studies and organise meetings of experts likely to facilitate the implementation of the programme, and undertake information, publication and dissemination actions directly linked to the achievement of the programme's objective.

7. CHECKS AND AUDITS

- 7.1 The beneficiary of an operating grant shall keep available for the Commission all the supporting documents, including the audited financial statement, regarding expenditure incurred during the grant year, for a period of five years following the last payment. The beneficiary of a grant shall ensure that, where applicable, supporting documents in the possession of partners or members be made available to the Commission.
- 7.2 The Commission may have an audit of the use made of the grant carried out either directly by its own staff or by any other qualified outside body of its choice. Such audits may be carried out throughout the lifetime of the agreement and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Commission.
- 7.3 Commission staff and outside personnel authorised by the Commission shall have appropriate right of access, in particular to the beneficiary's offices and to all the information, including information in electronic format, needed in order to conduct such audits.
- 7.4 The Court of Auditors and the European Anti-Fraud Office (OLAF) shall enjoy the same rights, especially of access, as the Commission.

7.5 In order to protect the European Communities' financial interests against fraud and other irregularities, the Commission may carry out on-the-spot checks and inspections under this programme in accordance with Council Regulation (Euratom, EC) No 2185/96¹². Where necessary, investigations shall be conducted by the European Anti-Fraud Office (OLAF) and these shall be governed by Regulation (EC) No 1073/1999 of the European Parliament and of the Council¹³.

¹² OJ L 292, 15.11.1996, p. 2.

¹³ OJ L 136, 31.5.1999, p. 1.

FINANCIAL STATEMENT

Policy area: Education and culture

Activity: Youth

TITLE OF ACTION

COMMUNITY ACTION PROGRAMME TO PROMOTE BODIES ACTIVE AT EUROPEAN LEVEL IN THE FIELD OF YOUTH

1. BUDGET LINE(S) + HEADING(S)

15.07.01.01 (ex-A-3023) European Youth Forum (previously European Union Youth Forum)

15.07.01.02 (ex-A-3029) Support for international non-governmental youth organisations

15.01.04.19 Support for international non-governmental youth organisations – expenditure on administrative management

2. OVERALL FIGURES

2.1 Total allocation for action (Part B): commitment appropriations EUR 11.52 million

2.2 Period of application:

2004–2006

2.3 Overall multiannual estimate of expenditure

a) Schedule of commitment appropriations/payment appropriations (financial intervention) (see point 6.1.1)

EUR million (to the third decimal place)

	2004	2005	2006	2007	2008		Total
Commitment appropriations	3.700	3.770	3.850				11.320
Payment appropriations ¹⁴							

¹⁴ These appropriations will be managed as non-differentiated appropriations.

b) Technical and administrative assistance and support expenditure (see point 6.1.2)¹⁵

CA	p.m.	0.100	0.100				0.200
PA							

Subtotal a+b							
CA	3.700	3.870	3.950				11.520
PA							

c) Overall financial impact of human resources and other administrative expenditure (see points 7.2 and 7.3)

CA/PA	0.108	0.008	0.008				0.124
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TOTAL a+b+c							
CA							
PA							

2.4 Compatibility with financial programming and financial perspective

- Proposal compatible with the existing financial programming
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- This may entail application of the provisions of the Interinstitutional Agreement.

2.5 Financial impact on revenue

- No financial implications (involves technical aspects regarding implementation of a measure)
- Proposal has financial impact – the effect on revenue is as follows:

¹⁵ The resources are estimated on the assumption that an executive agency will be set up and will be deducted from the resources currently allocated as part of the Commission's administrative expenditure.

3. BUDGET CHARACTERISTICS

Type of expenditure		New	EFTA participation	Participation applicant countries	Heading financial perspective
<u>Comp/ Non-comp</u>	<u>Diff/ Non-diff</u>	<u>YES/NO</u>	<u>YES/NO</u>	<u>YES/NO</u>	No 5

Note: the action is new in this form; however, it follows on from existing Community operations which have existed in another form for several years and its main purpose is to provide a legal basis for these operations. It relates to the old headings A-3023 and A-3029.

4. LEGAL BASIS

Proposal for a Decision of the European Parliament and of the Council, adopted by the Commission on ...

5. DESCRIPTION AND GROUNDS

5.1 Need for Community intervention

5.1.1 Objectives pursued

In addition to the Treaty, which establishes European citizenship, various recent statements stress the need to promote active citizenship, especially of young people: the Commission's White Paper on Governance stresses the principle of citizen participation in devising and carrying out policy, of involvement of civil society and its component organisations; the Laeken Declaration annexed to the conclusions of the European Council of 14 and 15 December 2001 asserts that one of the basic challenges to be resolved by the European Union is "how to bring citizens, and primarily the young, closer to the European design and the European institutions"; the Commission's White Paper "A new impetus for European youth" argues that participation by young people should be encouraged and advocates strengthening the arrangements within which young people can make their voice heard; the European Parliament resolution of 14 May 2002 adopting a report on this White Paper states that the policies proposed in the White Paper must be translated into concrete measures and that appropriate budget funds additional to the YOUTH programme must be provided.

For several years, support has in fact been provided for bodies active at European level in the field of youth under two headings in Part A of the budget: heading A-3023 co-finances the operating costs of the European Union Youth Forum; heading A-3029 provides support for international non-governmental youth organisations. This support has been provided without any legal basis, under budgetary headings entered in the Commission's administrative expenditure. The introduction, as from 2004, of a budgetary nomenclature in accordance with ABB principles makes it necessary to provide a proper legal basis for these operations, as agreed by the European Parliament, the Council and the Commission when the new Financial Regulation was adopted.

This proposal, which is primarily informed by technical considerations, thus seeks to place on a solid legal footing operating grants awarded:

- to the Youth Forum, which represents young people *vis-à-vis* the European Union and whose action is essential in order to coordinate and relay to the European institutions the views of the non-governmental youth organisations and to relay to these organisations information on matters of youth policy;
- to bodies which seek to involve young people in terms of active citizenship and inform them on matters of youth policy and which contribute to promoting the European ideal among young people both within and outside the European Union.

This support is intended to be incorporated at a future date into the programme to be proposed by the Commission as a follow-up to the current YOUTH programme, which expires on 31 December 2006. This proposal thus covers the transitional period 2004 to 2006.

5.1.2 Measures taken in connection with ex ante evaluation

This proposal essentially addresses the technical need to provide a solid legal basis for operating grants which have traditionally been paid in this area under Part A of the budget, so following up the joint statement made by the three institutions when the new Financial Regulation was adopted.

The external evaluation of Community support for non-governmental youth organisations carried out in 2002 under heading A-3029 underlines the multiplier effect of these organisations and the positive impact of their action.

5.2 Actions envisaged and budget intervention arrangements

The proposal is aimed at supporting organisations active in the field of youth: the Youth Forum and the youth NGOs. It thus supplements the other types of intervention employed in the education and culture policy activity “Youth”, which consist mainly in action grants under the YOUTH programme.

The aim of supporting the Youth Forum is to enable it to play its role as a go-between linking the Community institutions and young people’s organisations.

The aim of supporting the youth NGOs is to enable them to develop a European dimension to their activities. In this context, minimum representativity requirements are laid down for bodies eligible to receive funding under this action. The aim is to support about 80 bodies per year.

In both cases, Community intervention takes the form of operating grants. In view of its statutes, the European Youth Forum is to be regarded as a body pursuing an objective of general European interest; the annual grant it is awarded is not subject to the principle of gradual reduction of operating grants. Operating grants to youth NGOs are awarded following calls for proposals and are subject to the principle of gradual reduction.

5.3 Implementation arrangements

A feasibility study is in hand on the establishment of an executive agency to assist the Commission in the field of education and culture. If, in the light of a cost/benefit analysis, the Commission decides to set up such an agency, it may be involved in some of the tasks of managing the programme, in conformity with Article 55 of the Financial Regulation applicable to the general budget of the European Communities.

This possibility is being considered at the general policy level; this is the level at which an appraisal will be made of the implications of such an approach for the resources required to manage the programme within the Commission. At this stage, the working hypothesis is that this programme will contribute to the operating costs of the executive agency envisaged (by means of the administrative expenditure line associated with the budgetary heading for the programme).

6. FINANCIAL IMPACT

6.1 Total financial impact on Part B (over the entire programming period)

6.1.1 Financial intervention

Commitments in EUR million (to the third decimal place)

Breakdown	2004	2005	2006				Total
Part 1: Youth Forum	2.000	2.040	2.080				6.120
Part 2: international NGOs	1.700	1.730	1.770				5.200
TOTAL	3.700	3.770	3.850				11.320

6.1.2 Technical and administrative assistance, support expenditure and IT expenditure (commitment appropriations)

	2004	2005	2006				Total
1) Technical and administrative assistance:							
a) Technical assistance offices:							
b) Other technical and administrative assistance: - intra-muros: - extra-muros: <i>of which for construction and maintenance of computerised management systems:</i>							
Subtotal 1							

2) Support expenditure:							
a) Studies							
b) Meetings of experts							
c) Information and publications							
Subtotal 2							
3) Contribution to an executive agency	pm	0.100	0.100				0.200
Subtotal 3	pm	0.100	0.100				0.200
TOTAL	pm	0.100	0.100				0.200

6.2. Calculation of costs by measure envisaged in Part B (over the entire programming period)

Commitments in EUR million (to the third decimal place)

Breakdown	Type of outputs (projects, files, etc.)	Number of outputs (total for years 1...n)	Average unit cost	Total cost (total for years 1...n)
	1	2	3	4=(2X3)
<u>Part 1</u>				
Youth Forum	Op. grants	3	2.040	6.20
<u>Part 2</u>				
Youth NGOs	Op. grants	240	0.022	5.200
TOTAL COST				11.320

The amount proposed is intended, in particular, to allow annual financing of the grant to the Youth Forum, on the basis of an annual increase of 2 per cent.

7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

Human resource and administrative needs will be covered by the managing DG's allocation under the annual allocation procedure.

7.1. Impact on human resources

These are existing resources.

Type of job		Staff to be assigned to management of the measure, using existing and/or additional resources		Total	Description of tasks deriving from the measure
		Number of permanent posts	Number of temporary posts		
Permanent officials or temporary staff	A	1		1	<i>If necessary, a fuller description of the tasks may be annexed.</i>
	B				
	C				
Other human resources					
Total		1		1	

7.2 Overall financial impact of human resources

Type of human resources	Amounts EUR	Method of calculation *
Officials Temporary agents	108 000	1 x EUR 108 000
Other human resources (indicate budget heading)		
Total	108 000	

The amounts represent total expenditure for 12 months, without assistance from an executive agency; if assistance were provided by an executive agency from 2005 onwards, the internal Commission resources used to manage the action would be reduced accordingly (this is assumed in the total shown below).

7.3 Other administrative expenditure deriving from the measure

Budget heading (number and heading)	Amounts EUR	Method of calculation
Overall allocation (Title A7) A0701 – Missions A07030 – Meetings A07031 – Compulsory committees ⁽¹⁾ A07032 – Non-compulsory committees ⁽¹⁾ A07040 – Conferences A0705 – Studies and consultations ... Other expenditure (please specify)		
Information systems (A-5001/A-4300)		
Other expenditure - Part A (please specify)		
Total		

The amounts represent total expenditure for 12 months, without assistance from an executive agency; if assistance were provided by an executive agency from 2005 onwards, the internal Commission resources used to manage the action would be reduced accordingly (this is assumed in the total shown below).

⁽¹⁾ Specify the type of committee and the group to which it belongs.

I.	Annual total (7.2 + 7.3)	EUR 108 000
II.	Duration of action	3 years
III.	Total cost of the measure (I x II)	EUR 124 000

8. MONITORING AND EVALUATION

8.1 Monitoring arrangements

Article 7 of the Decision lays down the arrangements for evaluation of the programme (final evaluation).

8.2 Arrangements and schedule for the planned evaluation

No later than 31 December 2007, the Commission will present to the European Parliament and the Council a report on the achievement of the programme's objectives. This report will be based on an external evaluation report which must be available by the end of 2006 and which will appraise at least the overall relevance and coherence of the programme, its practical effectiveness (in terms of preparation, selection and implementation of actions), and the overall and individual effectiveness of the various actions (in terms of achieving the objectives set out in Article 1 and in the Annex).

9. FRAUD PREVENTION MEASURES

All contracts, agreements and legal undertakings entered into by the Commission and the beneficiaries provide for checks to be carried out by the Commission or the Court of Auditors on the premises of a direct beneficiary of a Community grant, and for evidence to be required of any expenditure under such contracts, agreements and legal undertakings, during the five years after the end of the contract period. Beneficiaries are required to submit financial reports and accounts, which are analysed for content and eligibility of expenditure in the light of the objective of Community funding, bearing in mind the contractual obligations and the principles of economy and sound financial management.

Attached to the financial agreements are administrative and financial information intended *inter alia* to specify expenditure which is eligible under these agreements. Where appropriate, Community coverage of certain cost elements will be limited to items which are real, identifiable and verifiable in the beneficiary's book-keeping arrangements, so as to facilitate checking and auditing (and evaluation for selection purposes) of projects in receipt of funding.