



COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

EUROPEAN PARLIAMENT AND COUNCIL DECISION

**establishing a Community action programme to promote bodies active at European level
and support specific activities in the field of education and training**

(presented by the Commission)

EXPLANATORY MEMORANDUM

Introduction

The Treaty establishing the European Community provides that the latter shall contribute to the development of quality education by supporting and supplementing the action of Member States, while fully respecting their responsibility for the content of teaching and the organisation of education systems and their cultural and linguistic diversity, shall implement a vocational training policy which shall support and supplement the action of the Member States, while fully respecting their responsibility for the content and organisation of vocational training, and shall foster cooperation with third countries. The detailed work programme on the follow-up of the objectives of education and training systems in Europe adopted by the Council on 14 June 2002 sets out a programme of activity that requires support at Community level. The Laeken Declaration annexed to the conclusions of the European Council of 14 and 15 December 2001 also asserts that one of the basic challenges to be resolved by the European Union is to bring citizens closer to the European design and the European institutions.

The Declaration of the European Union on the occasion of the 50th anniversary of the Universal Declaration on Human Rights, Vienna, 10 December 1998, states that the EU should “further develop cooperation in the field of human rights, such as education and training activities, in coordination with other relevant organisations, and ensure the continuation of the Human Rights Masters Programme organised by fifteen European universities”.

There is an increased need to train national judges in the application of Community law and for such training to be supported by the European Community, notably following adoption of Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty, which increases the power of national courts to apply these Treaty provisions.

There is thus an expectation that the Community will act in the field of education and training, in addition to the actions made possible by the Socrates and Leonardo da Vinci programmes.

Background

For several years, support has been provided for promoting bodies active at European level in the field of education and training and for specific activities in this field, especially under headings in Part A of the budget:

heading A-3010 co-finances the operating costs of the College of Europe;

heading A-3011 co-finances the operating costs of the European University Institute, Florence;

heading A-3012 co-finances the operating costs of the European Law Academy, Trier;

heading A-3013 co-finances the operating costs of the European Institute of Public Administration, Maastricht;

heading A-3014 co-finances the operating costs of the European Inter-University Centre for Human Rights and Democratisation;

heading A-3017 co-finances the operating costs and costs of actions of organisations for judicial cooperation in the field of European law;

heading A-3022 co-finances actions conducted by study and research centres;

heading A-3027 co-finances the operating costs of the International Centre for European Training;

heading A-3044 co-finances the operating costs of the European Agency for Development in Special Needs Education.

Community operations in the field of education and training have also been funded under two headings in Part B of the budget, without any legal basis:

in recent years, heading B3-1000 has made it possible to fund preparatory measures in connection with the follow-up of the concrete future objectives of education and training systems;

for several years, heading B3-304 has made it possible to support activities seeking to disseminate information on European integration in higher education circles, in particular by means of the Jean Monnet Project.

All these operations have hitherto been carried out without any legal basis.

The main activities of the above educational institutions are as follows:

College of Europe: post-graduate studies in the European dimension of law, economics, political and social sciences and the humanities;

European University Institute, Florence: contribution to the development of Europe's cultural and scientific heritage by higher education and research;

European Institute of Public Administration, Maastricht: training of national and European officials to enable them to discharge their responsibilities in the field of European integration;

European Law Academy, Trier: university-level continuing education for European law practitioners and users;

European Inter-University Centre for Human Rights and Democratisation: European Masters Degree in Human Rights and Democratisation, Advanced Internship Programme and other education, training and research activities in promotion of human rights and democratisation;

European Agency for Development in Special Needs Education: improvement of the quality of special needs education and institution of extensive and long-term European cooperation in this field;

International Centre for European Training: study, education, training and research on issues of European and world unification, federalism, regionalism and the changing structures of contemporary society, from a world federalist viewpoint.

It should also be possible to award operating grants to European associations active in the field of education and training which pursue an aim of general European interest and are representative at European level.

The main information and study actions on European integration, supported in particular by the Jean Monnet Project and heading A-3022, are as follows:

implementation of European integration studies in universities;

creation and support of national associations of teachers specialised in European integration;

promotion of reflection and discussion on the process of European integration;

promotion of academic research on EU priority subjects, such as the future of Europe or dialogue between peoples and cultures, including research by young academics.

Actions to support training in European law target organisations for judicial cooperation and seek to promote training in European law, especially for national judges.

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 Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure² also sets clear time limits for recourse to preparatory actions without a legal basis.

The purpose of this Decision is therefore to adopt an act providing a basis for grants to promote bodies active at European level and support specific activities in the field of education and training, for a period of five years (2004–2008).

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 Articles 149 and 150 TEC. 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.

² OJ L 172, 18.6.1999, 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 129.62 million.

Description of articles

Article 1 states the objective of the programme, viz. to provide support for bodies active at European level and for specific activities in the field of education and training.

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

grants for the operation of bodies specified in the Decision;

grants for the operation of other organisations pursuing an aim of general European interest;

action grants for the other operations mentioned above (support for activities in the field of higher education relating to European integration; support for activities contributing to the follow-up of the objectives of education and training systems; support for training in European law).

The requirement for beneficiaries to have been established for at least two years does not apply to those designated at point 2.2.1 of the Annex to the Decision.

Article 3 provides for the geographic coverage of the programme to take in the Member States and in some cases possibly the candidate countries and the EFTA/EEA countries.

Article 4 refers to the Annex for the arrangements for selecting the programme's beneficiaries. Grants for the operation of organisations other than the bodies mentioned in the Decision and all action grants 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 129.62 million for the period 2004–2008.

Article 7 lays down the arrangements for interim and final evaluations of the programme and its renewal.

Proposal for a

EUROPEAN PARLIAMENT AND COUNCIL DECISION

establishing a Community action programme to promote bodies active at European level and support specific activities in the field of education and training

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 149(4) and 150(4) thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Economic and Social Committee²,

Having regard to the opinion of the Committee of the Regions³,

Acting in accordance with the procedure laid down in Article 251 of the Treaty⁴,

Whereas:

- (1) The Treaty provides that the Community is to contribute to the development of quality education by supporting and supplementing the action of Member States, to implement a vocational training policy which supports and supplements the action of the Member States, and to foster cooperation with third countries.
- (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 closer to the European design and the European institutions.
- (3) The detailed work programme on the follow-up of the objectives of education and training systems in Europe⁵, adopted by the Council on 14 June 2002, sets out a programme of activity that requires support at Community level.
- (4) The Declaration of the European Union on the occasion of the 50th anniversary of the Universal Declaration on Human Rights, Vienna, 10 December 1998, states that the Union should further develop cooperation in the field of human rights, such as

¹ OJ C [...], [...], p. [...].

² OJ C [...], [...], p. [...].

³ OJ C [...], [...], p. [...].

⁴ OJ C [...], [...], p. [...].

⁵ OJ C 142, 14.6.2002, p. 1.

education and training activities, in coordination with other relevant organisations, and ensure the continuation of the European Masters Programme in human rights and democratisation, organised by fifteen European universities.

- (5) The Conclusions of the Cologne European Council of 4 June 1999 stated that, in order to enhance the sustainability and continuity of the European Masters programme in human rights and democratisation, “further attention should be given to the issue of budget security”.
- (6) Headings A-3010, A-3011, A-3012, A-3013, A-3014, A-3017, A-3022, A-3027, A-3044, B3-1000 and B3-304 of the general budget of the European Communities for the financial year 2003 and previous financial years have proved their worth in the field of education and training.
- (7) The College of Europe, providing postgraduate courses in law, economics, politics, social sciences and humanities with a European dimension, the European University Institute, contributing to the development of European cultural and scientific heritage by means of higher education and research, the European Institute of Public Administration, training national and European civil servants in the field of European integration, the European Academy of Law, providing university-level training of European law professionals and users, the European Inter-University Centre in Human Rights and Democratisation, providing a European Masters degree and Advanced Internships and other education, training and research services in promotion of human rights and democratisation, the European Agency for Development in Special Needs Education, working to improve the quality of education for pupils with special needs and to foster sustainable European cooperation in this field, and the International Centre for European Training, providing teaching, training and research on issues of Europeanisation, globalisation, federalism, regionalism and the transformation of contemporary social structures, constitute bodies pursuing aims of general European interest.
- (8) There is an increased need to train national judges in the application of Community law and for such training to be supported by the Community, notably following adoption of Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty⁶, which increases the power of national courts to apply these Treaty provisions.
- (9) Council Regulation (EC, 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.
- (10) 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.

⁶ OJ L 1, 4.1.2003, p. 1.

⁷ OJ L 248, 16.9.2002, p. 1.

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

- (11) It is necessary to ensure that the institutions to which the Community has allocated funding support over previous years enjoy an adequate measure of stability and continuity of funding under the new financial regulations.
- (12) Provision should be made for the geographic scope of this programme to extend to the Member States and possibly, in the case of some actions, to the candidate countries and the EFTA/EEA countries.
- (13) Any non-Community financing from State resources must comply with Articles 87 and 88 of the Treaty.
- (14) This Decision establishes a financial framework for the entire duration of the programme which is to be the principal point 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.
- (15) Any support granted under this Decision must comply strictly with the principles of subsidiarity and proportionality,

HAVE DECIDED AS FOLLOWS:

Article 1 – [Programme objective]

1. This Decision establishes a Community action programme in the field of education and training, to support bodies and their activities which seek to extend and deepen knowledge of the building of Europe, or to contribute to the achievement of the common policy objectives in the field of education and training, both inside and outside the Community.
2. The general objective of the programme is to support the activities of bodies in the field of education and training.

The following activities are covered by the programme:

- a) the ongoing work programme of a body operating at European or world level which pursues an aim of general European interest in the field of education and training or an objective forming part of the European Union's policy in this area;
- b) a specific action promoting the European Union's action in this area, providing information on European integration and the objectives pursued by the Union in its international relations or supporting Community action and relaying it at national level.

In particular, these activities must contribute, or be capable of contributing, to the development and implementation of Community cooperation policy and actions in the field of education and training.

⁹ OJ C 172, 18.6.1999, p. 1.

3. The programme shall start on 1 January 2004 and shall end on 31 December 2008.

Article 2 – [Access to the programme]

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

- a) it must be an independent and non-profit-making legal person primarily active in the field of education and training, with an objective aimed at the public good;
- b) it must have been legally established for more than two years and have had its annual statement of accounts for the two preceding years certified by a registered auditor;
- c) its activities must be in accordance with the principles underlying Community action in the field of education and training and take account of the priorities set out in the Annex.

In exceptional circumstances, the Commission may grant a derogation from the requirement under point (b) of the first paragraph, provided that this would not compromise the protection of Community financial interests.

Article 3 – [Access to the programme]

Participation in actions under the 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.

Article 4 – [Selection of beneficiaries]

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

Grants for actions specified in the programme must be awarded in accordance with the overall criteria laid down in the Annex. Actions shall be selected by means of a call for proposals.

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 129.62 million.

2. The annual appropriations shall be authorised by the Budgetary Authority within the limits of the financial perspective.

Article 7 – [Monitoring and evaluation]

1. No later than 31 December 2007, the Commission shall submit a report to the European Parliament and the Council on the achievement of the programme's objectives and shall, if appropriate, make proposals for any adjustment to be made with a view to continuing or not continuing the programme.

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 must 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 as set out in Article 1 and in the Annex.

2. The European Parliament and the Council shall, in accordance with the Treaty, decide on the continuation of the programme as from 1 January 2009. Before presenting proposals to this end, the Commission shall have the external evaluation of the programme updated and shall take account of the outcome of this evaluation in its proposals.

No later than 31 December 2009, 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 the outcome of the external evaluation and shall assess the results obtained by the beneficiaries of the programme, in particular as regards the effectiveness and efficiency of their actions (considered overall and individually) in achieving 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
[...]

ANNEX

1. INTRODUCTION

The objectives laid down in Article 1 are to be implemented by means of the actions set out in this Annex.

This Annex contains two main types of actions:

- the first type, Actions 1 and 2, is aimed at supporting particular institutions or selected associations active at European level in the field of education;
- the second type, Action 3, is aimed at supporting particular activities or projects focusing on European integration (Action 3A), or supporting European Union policies in the fields of education and training outside the Community programmes in these fields (Action 3B), or promoting training in European law, notably for national judges (Action 3C).

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:

Action 1: Support for specified institutions active in the field of education

Grants may be awarded under this action of the programme to support certain operational and administrative costs of the following institutions pursuing an aim of general European interest, acting in the following fields:

- the College of Europe (Bruges and Natolin campuses) in post-graduate studies in the European dimension of law, economics, political and social sciences and the humanities;
- the European University Institute, Florence, in its contribution to the development of Europe's cultural and scientific heritage by higher education and research;
- the European Institute of Public Administration, Maastricht, in the training of national and European officials to enable them to discharge their responsibilities in the field of European integration;
- the European Law Academy, Trier, in university-level continuing education for European law practitioners and users;
- the European Inter-University Centre for Human Rights and Democratisation for the continuation of the European Masters Degree in Human Rights and Democratisation, the Advanced Internship Programme and other education, training and research activities in promotion of human rights and democratisation;

- the European Agency for Development in Special Needs Education in the improvement of the quality of special needs education and the institution of extensive and long-term European cooperation in this field;
- the International Centre for European Training in study, education, training and research on issues of European and world unification, federalism, regionalism and the changing structures of contemporary society, from a world federalist viewpoint.

The Commission may award grants to the institutions listed above upon receipt of an appropriate workplan and budget. Grants may be awarded on an annual basis or on a renewable basis within a framework partnership agreement with the Commission.

Grants awarded under this action shall not be subject to the principle of gradual reduction set out in Article 113(2) of the Financial Regulation applicable to the general budget of the European Communities.

The activities of the institutions supported under this action may take place within or beyond the European Union.

The resources to be committed under Action 1 will be not more than 65 per cent and not less than 58 per cent of the total budget available for this programme.

Action 2: Support for European associations active in the field of education or training

Grants may be awarded under this action of the programme to support certain operational and administrative costs of European associations active in the field of education and training, which fulfil the following minimum criteria:

- exist as a body pursuing an aim of general European interest as defined in article 162 of the implementing rules;
- operate in the field of education and training at European level and pursue clear and well-defined objectives laid down in their official articles of association;
- have members in at least twelve Member States of the European Union;
- be composed of national, regional or local associations;
- be located and have legal status in one of the Member States of the European Union;
- undertake the majority of its activity in the Member States of the European Union, in countries belonging to the European Economic Area and/or in the candidate countries.

Grants will be awarded under this action following the selection of proposals submitted in response to one or more published calls for proposals. The Community grant will not cover more than 75 per cent of the eligible costs set out in an approved workplan for the association. Grants may be awarded on an annual basis or on a renewable basis within a framework partnership agreement with the Commission.

Grants awarded under this action shall not be subject to the principle of gradual reduction set out in Article 113(2) of the Financial Regulation applicable to the general budget of the European Communities.

The resources to be committed under Action 2 will not be more than 4 per cent of the total budget available for this programme.

Action 3A: Support for activities in the field of higher education concerning European integration, including Jean Monnet chairs

This action relates to activities promoting the European Union's action in the field of higher education, raising awareness in higher education circles of European integration and the objectives pursued by the Union in its international relations or supporting Community action and relaying it at national level.

Activities supported under this action may take place in countries within or outside the European Union.

In accordance with Article 2 of the Decision, this particularly relates to:

- implementation of European integration studies in universities;
- creation and support of national associations of teachers specialised in European integration;
- promotion of reflection and discussion on the process of European integration;
- promotion of academic research on EU priority subjects, such as the future of Europe or dialogue between peoples and cultures, including research by young academics.

Grants will be awarded under this action following the selection of proposals submitted in response to one or more published calls for proposals. The Community grant will not cover more than 75 per cent of the eligible costs of activities selected for funding under this action.

The resources to be committed under Action 3A will be not more than 24 per cent and not less than 20 per cent of the total budget available for this programme.

Action 3B: Support for activities contributing to the achievement of the future objectives of education and training systems in Europe

Action 3B relates to support, implementation, awareness-raising and promotion activities concerning the follow-up of the three objectives of education and training systems in Europe agreed by the European Council for 2010¹:

- improving the quality and effectiveness of education and training systems in the European Union;

¹ Detailed work programme on the follow-up of the objectives of Education and training systems in Europe (OJ C142, 14.6.2002, p.1).

- facilitating the access of all to education and training systems;
- opening up education and training systems to the wider world;

and the 13 sub-objectives associated with them. These activities may include forward-looking approaches covering the period up to 2010 and may cover both intra-European aspects and aspects concerning Europe's place in the world.

The types of activity to be supported under this action consist of the implementation of the open method of coordination in the field of education and training, notably through peer review, exchange of good practice, exchange of information and setting of indicators and benchmarks.

These activities are, in particular:

- support for studies, inquiries and research linked to the achievement of the concrete future objectives;
- meetings of experts, seminars, conferences and study visits supporting the implementation of the detailed work programme on the objectives;
- preparation and execution of information activities and publications seeking to raise awareness in education and training circles, including those intended to promote the European Union's action in these fields and to improve the quality, universal accessibility and openness to the wider world of European education and training systems;
- various activities supporting Community action by involving players in civil society operating at national or European level in the fields of education and training.

This action will be implemented by means of grants awarded following the selection of proposals submitted in response to one or more calls for proposals.

Grants may be awarded to institutions based in one of the Member States of the European Union, in countries belonging to the European Economic Area, or in candidate countries. For activities relating to the third objective (opening up of education and training systems to the wider world), grants may exceptionally be awarded to institutions based in other third countries.

The Community grant will not normally cover more than 75 per cent of the eligible costs of selected proposals.

The resources to be committed under Action 3B will be not more than 11 per cent and not less than 7 per cent of the total budget available for this programme.

Action 3C: Support for training of national judges in the field of European law and for organisations for judicial cooperation

Grants may be awarded under this action to support organisations for judicial cooperation and actions designed to promote training in European law, notably for national judges.

Activities supported under this action may take place in Member States of the European Union, in countries of the European Economic Area, or in candidate countries.

Grants will be awarded under this action following the selection of proposals submitted in response to one or more published calls for proposals. The Community grant will not normally cover more than 75 per cent of the eligible costs of the activity set out in an approved workplan.

The resources to be committed under Action 3C will not be more than 4 per cent of the total budget available for this programme.

3. CRITERIA FOR THE ASSESSMENT OF FUNDING APPLICATIONS

Requests for grant funding submitted in response to a call for proposals will be assessed in respect of the following criteria:

- relevance to the objectives of the programme and of the specific action concerned;
- relevance to any priorities or other criteria set out in the call for proposals;
- the quality of the proposal;
- the likely impact of the proposal on education and/or training at European level.

4. ELIGIBLE EXPENDITURE

In determining the amount of a grant awarded under any action of this programme, the Commission may have recourse to flat-rate financing based on published scales of unit costs.

5. 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.

6. CHECKS AND AUDITS

- 6.1 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.
- 6.2 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.
- 6.3 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.
- 6.4 The Court of Auditors and the European Anti-Fraud Office (OLAF) shall enjoy the same rights, especially of access, as the Commission.
- 6.5 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 2185/96¹. 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 Council².

¹ OJ L 292, 15.11.1996, p. 2.

² OJ L 136, 31.5.1999, p. 1.

FINANCIAL STATEMENT

Policy areas: 1. Education and culture, 2. Competition, 3. External relations

Activities: 1. Education, 2. Merger control, antitrust, market liberalisation and cartel enforcement, 3. Human Rights and democratisation

TITLE OF ACTION

COMMUNITY ACTION PROGRAMME TO PROMOTE BODIES ACTIVE AT EUROPEAN LEVEL AND SUPPORT SPECIFIC ACTIVITIES IN THE FIELD OF EDUCATION AND TRAINING

1. BUDGET LINES + HEADINGS

15.02.01.02 (ex-A-3010) College of Europe

15.02.01.03 (ex-A-3011) European University Institute, Florence

15.02.01.04 (ex-A-3012) European Law Academy, Trier

15.02.01.05 (ex-A-3013) European Institute of Public Administration, Maastricht

15.02.01.06 (ex-A-3022) Study and research centres

15.02.01.07 (ex-A-3027) International Centre for European Training

15.02.01.08 (ex-A-3044) European Agency for Development in Special Needs Education

all these lines pertaining to the activity "Education" and covered by heading 5 of the financial perspective up to 2006

19.04.01 (ex-A-3014) European Inter-University Centre for Human Rights and Democratisation; line pertaining to the activity "Human rights and democratisation" and covered by heading 5 of the financial perspective up to 2006

15.02.01.01 (ex-B3-304) European integration in universities

15.02.02.01 (ex-B3-1000) Support of Community action in the field of education

15.01.04.11 (ex-B3-304A) European integration in universities – Expenditure on administrative management

15.01.04.01 (ex-B3-1000A) Support of Community action in the field of education – Expenditure on administrative management

all these lines pertaining to the activity "Education" and covered by heading 3 of the financial perspective up to 2006

03.03.01 (ex-A-3017) Accompanying measures pertaining to the reform of mergers, antitrust, market liberalisation and cartel enforcement; line pertaining to the activity “Merger control, antitrust, market liberalisation and cartel enforcement” and covered by heading 3 of the financial perspective up to 2006.

2. OVERALL FIGURES

2.1 **Total allocation for action (Part B): commitment appropriations EUR 129.62 million**

2.2 **Period of application:**

2004–2008

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)

Heading 5	2004	2005	2006	2006	2008	2009 and foll. fin. years	Total
Commitment appropriations	15.012	17.710	18.040	18.380	18.728		87.870
Payment appropriations ¹							

EUR million (to the third decimal place)

Heading 3	2004	2005	2006	2006	2008	2009 and foll. fin. years	Total
Commitment appropriations	7.550	7.550	7.550	7.550	7.550		37.750
Payment appropriations	6.040	7.550	7.550	7.550	7.550	1.510	37.750

¹ Ces crédits seront gérés comme des crédits non dissociés.

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

Heading 3

CA	0.800	0.800	0.800	0.800	0.800		4.000
PA	0.800	0.800	0.800	0.800	0.800		4.000

Heading 5

Subtotal a+b							
CA	15.012	17.710	18.040	18.380	18.728		87.870
PA							

Heading 3

Subtotal a+b							
CA	8.350	8.350	8.350	8.350	8.350		41.750
PA	6.840	8.350	8.350	8.350	8.350	1.510	41.750

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

CA/PA	1.728	1.728	1.728	1.728	1.728		8.640
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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:

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>	N° 3
<u>Comp/ Non-comp</u>	<u>Diff/Non-diff</u>	<u>YES/NO</u>	<u>YES/NO</u>	<u>YES/NO</u>	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-3010, A-3011, A-3012, A-3013, A-3014, A-3017, A-3022, A-3027, A-3044, B3-1000 and B3-304.

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

The Treaty establishing the European Community provides that the latter shall contribute to the development of quality education by supporting and supplementing the action of Member States, while fully respecting their responsibility for the content of teaching and the organisation of education systems and their cultural and linguistic diversity, shall implement a vocational training policy which shall support and supplement the action of the Member States, while fully respecting their responsibility for the content and organisation of vocational training, and shall foster cooperation with third countries: the detailed work programme on the follow-up of the objectives of education and training systems in Europe adopted by the Council on 14 June 2002 sets out a programme of activity that requires support at Community level. 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 to bring citizens closer to the European design and the European institutions. In this context, promotion of European cooperation in the relevant circles seems necessary to supplement the operations financed under the Socrates and Leonardo da Vinci Community programmes in the field of education and training.

The Community budget is in fact already providing support for institutions of European interest under headings in Part A of the budget. 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.

In recent years, the Community budget has also made it possible to provide support for the follow-up of the future objectives of the education and training systems under heading B3-1000, which financed preparatory measures in the field of education, and for operations under the Jean Monnet Project, financed under Article B3-304. These two actions had no legal basis.

This proposal, which is primarily informed by technical considerations, thus seeks to place on a solid legal footing grants hitherto awarded without a legal basis, comprising:

- operating grants to a number of bodies active in the field of education and training;
- grants for actions in this field.

5.1.2 Measures taken in connection with ex ante evaluation

This proposal essentially addresses the technical need to provide a 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.

5.2 Actions envisaged and budget intervention arrangements

The proposal is aimed at supporting two types of operation: grants to co-finance the operating costs of a number of bodies active in the field of education and training; grants to support actions contributing to achieving the Union's education and training objectives.

The operating grants are available to various educational institutions: the College of Europe, Bruges, and its Polish campus at Natolin, which from mid-2004 will no longer be funded under Phare, the European University Institute, Florence, the European Institute of Public Administration, Maastricht, the European Law Academy, Trier, the International Centre for European Training and the European Agency for Development in Special Needs Education, which fall within the policy area "Education and culture"; they are also available to the European Inter-University Centre for Human Rights and Democratisation, which falls within the policy area "External relations", for the continuation of the European Masters Degree in Human Rights and Democratisation, the Advanced Internship Programme and other education, training and research activities in promotion of human rights and democratisation.

Operating grants may also be awarded to European associations active in the field of education and training which satisfy certain criteria, in particular representativeness at European level; the Commission considers it appropriate that, alongside the Socrates and Leonardo da Vinci programmes, there should be a budgetary instrument making it possible to support the operation of bodies representative of the stakeholders in this policy area.

Support for individual actions is aimed at promoting the European Union's action in the field of higher education, raising awareness in higher education circles of European integration and the objectives pursued by the Union in its international relations or

supporting Community action and relaying it at national level. These operations mainly concern implementation of European integration studies in universities, creation and support of national associations of teachers specialised in European integration, promotion of reflection and discussion on the process of European integration and promotion of academic research on EU priority subjects, such as the future of Europe or dialogue between peoples and cultures, including research by young academics.

The programme is also intended to make it possible to finance support, implementation, awareness-raising and promotion actions concerning the follow-up of the objectives of education and training systems in Europe agreed by the Lisbon European Council in 2000, and the associated sub-objectives. These actions may include forward-looking approaches covering the period up to 2010 and may cover both intra-European aspects and aspects concerning Europe's place in the world.

Grants may also be awarded to support training in European law, especially for national judges.

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	2007	2008		Total
Part 1– heading 5	13.512	16.180	16.480	16.790	17.108		80.070
Part 2– heading 3	0.750	0.750	0.750	0.750	0.750		3.750
Part 3.a– heading 5	1.500	1.530	1.560	1.590	1.620		7.800
Part 3.a– heading 3	3.800	3.800	3.800	3.800	3.800		19.000
Part 3.b– heading 3	2.200	2.200	2.200	2.200	2.200		11.000
Part 3.c– heading 3	0.800	0.800	0.800	0.800	0.800		4.000
TOTAL	22.562	25.260	25.590	25.930	26.278		125.620

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	0.300	0.300	0.300	0.300	0.300		1.500
3) Contribution to an executive agency		0.500	0.500	0.500	0.500		2.000
Subtotal 3							
TOTAL	0.800	0.800	0.800	0.800	0.800		4.000

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>				
Institutions	Op. grants	40	2.002	80.070
<u>Part 2</u>				
Associations	Op. grants	50	0.075	3.750
<u>Part 3</u>	Action grants			41.800
TOTAL COST				125.620

The amount proposed takes account of the budgetary constraints, in particular those applying to heading 5, which will be the main source of funding.

In this context, it has been assumed as a general rule that grants to the bodies designated in the Decision establishing the programme (part 1) will increase by 2 per cent per year, save for exceptional cases justified by the Commission's wish to develop its cooperation with certain of these bodies.

In the case of the Natolin campus of the College of Europe, account has also been taken of the need to replace the funding previously provided under Phare.

The estimated level of expenditure on administrative support for the programme is not affected by uncertainty as to the date on which the proposed executive agency for assistance to the Commission in managing the education and culture programmes will become operational: if the agency were used, it would replace the temporary technical assistance office currently used to help manage the Jean Monnet Project.

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	8		8	<i>If necessary, a fuller description of the tasks may be annexed.</i>
	B	3		3	
	C	5		5	
Other human resources					
Total		16		16	

7.2 Overall financial impact of human resources

Type of human resources	Amounts EUR	Method of calculation *
Officials Temporary agents	1 728 000	16 x EUR 108 000
Other human resources (indicate budget heading)		
Total	1 728 000	

The amounts represent total expenditure for 12 months.

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.

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

I.	Annual total (7.2 + 7.3)	EUR 1 728 000
II.	Duration of action	5 years
III.	Total cost of the measure (I x II)	EUR 8 640 000

8. MONITORING AND EVALUATION

8.1 Monitoring arrangements

Article 7 of the Decision lays down the arrangements for evaluation of the programme (interim evaluation, before any decision on renewal of the programme; final evaluation).

8.2 Arrangements and schedule for the planned evaluation

No later than 31 December 2007, the Commission will submit a report to the European Parliament and the Council on the achievement of the programme's objectives and will, if appropriate, make proposals for any adjustment to be made with a view to continuing or not continuing the programme. This report will be based on an external evaluation report which must be available by the end of 2006 and will appraise at least the overall relevance and coherence of the programme, its practical effectiveness (in terms of preparation, selection and implementation of the 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).

The European Parliament and the Council, in accordance with the Treaty, will decide on the continuation of the programme as from 1 January 2009. Before presenting proposals to this end, the Commission will have an updated external evaluation made of the programme and will bear the results in mind in its proposals.

No later than 31 December 2009, 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 the results of the external appraisal and will look into the results obtained by the beneficiaries, more especially from the point of view of the

effectiveness and efficiency of the various actions (in overall and individual terms) in 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.