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DRAFT OPINION

of the Committee on Culture and Education

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2008
(C6-0000/2007 - 2007/2019(BUD))

Section III - Commission

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SUGGESTIONS

The Committee on Culture and Education calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the improvements in the Activity Statements, with detailed targets and budgets allowing for useful comparison, and takes note of the proposed budgetary allocations for the various programmes;
2. Supports all efforts to simplify and speed up application and grant procedures, such as the launch of calls for proposals in the third quarter of the year N-1, greater use of flat-rate grants and lump sums, multi-annual partnerships, two-step procedures, unilateral grant decisions, harmonisation of application forms and on-line submissions, and encourages the Executive Agency to extend such innovations where possible; invites the various DGs of the Commission to cooperate in order to examine the setting up of a - preferably central - database for applicants, where standard information can be stored and updated;
3. Intends to examine, at the time of the mid-term review of the multi-annual programmes, for which parts of co-decided programmes it is necessary to maintain comitology procedures, taking into account the sums for the projects involved and the fact that normally the choices of the selection committee are not contested by the programme committee or Parliament; will continue to cooperate in a flexible way with the Commission as regards Parliament's "droit de regard";
4. Regrets the fact that the problems relating to the non-profit rule remain unresolved for now, but intends to pursue these issues further, at the time of the mid-term review of the programmes, if the Financial Regulation or its implementing rules remain unchanged until then;
5. Asks DG EAC to evaluate further to what extent other ways can be found to avoid capital decrease for beneficiaries as a result of the non-profit rule;
6. Proposes the continuation of Parliament's pilot projects introduced last year and proposes the establishment of a new Erasmus-like pilot project for mobility of cultural operators; proposes that the pilot project on European political foundations be financed under heading 5, "Administration";
7. Proposes frontloading of expenditure for certain strands of the Youth and Europe for Citizens programmes (Actions 1.1, 1.3 and 4.1, and Actions 1 and 2 respectively) with a view to intensifying debate on the Reform Treaty and its ratification in Member States;
8. Suggests therefore that the annual maximum ceiling for operational grants under the Youth programme be raised from EUR 35 000 to 60 000;
9. Asks in particular DG Communication, for both its central and national activities, to step up cooperation with NGOs on its main communication actions, as their actions often provide high value for (little) money and more sustainable outcomes than one-off public relations activities.

EXPLANATORY REMARKS

The committee on culture and education deals with budget lines under heading 1a "Competitiveness for growth and employment", 3b "Citizenship" and 5 "Administration". In the Preliminary Draft Budget (PDB) presented by the Commission these are the titles 9, 15, 16, 25 and 26.

Another comment should be made regarding the relevance of activity statements. These documents in recent time constitute the main justificative element of the appropriations requested by the Commission and therefore deserve special attention.

Commitment appropriations in **Title 15** are proposed by the Commission in the PDB at the level of EUR 1.320,7 million against EUR 1 222,66 million in 2007, an increase of 8.02%. **Human Resources** rise from 598 to 602 posts (an increase of 8 establishment posts against a decrease in external staff of 4 posts)

The main operational programmes in this Chapter are **Life Long Learning** with EUR 873.3 million in operational expenditure (EUR 823.8 million in 2007), **Erasmus Mundus** with EUR 90.9 million (EUR 55.6 million in 2007), **Culture** with EUR 44.6 million (EUR 43.6 million in 2007), **Youth** EUR 119.5 million (EUR 114.8 million in 2007) and **Europe for Citizens** EUR 26.4 million (EUR 21.3 million in 2007). The proposed contribution of the **Executive Agency** for Education Culture and Audiovisual is EUR 29.8 million. The following amounts diminish the operational envelopes of the programmes from which they are financed: EUR 19.982 million as regards heading 1A, EUR 9.327 million as regards programmes under heading 3b (culture, youth and citizens) and EUR 0.520 million for actions under heading 4. The **Media programme** also contributes with EUR 8.250 million to the financing of the agency.

The **Activity Statements** for **title 15** contain a chapter on performance information and proposed appropriations. As regards **Lifelong Learning**, budget line 15 02 22, there are three specific objectives, with objective 2 (Support the European dimension in education and training and modernise the national systems and practices through implementation of the LLL programme) absorbing the major part: EUR 838.536 million, divided into **Comenius** (EUR 136.5 million), **Erasmus** (EUR 395.4 million), **Leonardo da Vinci** (EUR 233.9 million), **Grundtvig** (EUR 40 million) **Jean Monnet** action (EUR 17.08 million) and a small part for transversal actions (EUR 2.8 million) . Due to the scaling down of budgets as a result of lower amounts adopted in the financial perspectives compared to initial proposals, some of the targets in numbers of partnerships and mobility for Comenius, Leonardo da Vinci and Grundtvig are lower than the latest known results in 2006, even if the budgets for Comenius and Grundtvig are higher than in 2006. Targets for Erasmus are higher for 2008 than the results in 2006 (200,000 student mobility grants and 25,000 staff teaching staff mobility grants against 155,000 and 23,500 in 2006) and Erasmus Mundus sees the most significant increase (1,890 grants for third country students and 420 grants to third country scholars against 741 students and 191 scholars in 2006).

As regards the Lifelong Learning Programme (LLL) more than **80%** of the proposed budget concerns **decentralised funds managed by national agencies**. The amounts of decentralised funds already include the operative grant given to national agencies. The work plan of DG

EAC for 2007 foresees for example EUR 695.557 million to be allocated via decentralised funds for the LLL programme of which EUR 29.979 million (4%) is foreseen as the EU contribution to managements costs.

Thus adding up **administrative expenditure** for the LLL programme one comes to a total of around EUR 64 million, consisting of EUR **8.670** million for administrative expenditure under budget line 15 01 04 22, EUR **25.6** million under budget line 15 01 04 30 executive agency, (the other EUR 4.4 million for the agency under heading 1A comes from the Erasmus Mundus envelope) and around EUR 30 million allocated national agencies. This is a significant amount, representing around 7 % of the total amount foreseen for Lifelong learning.

Budget line 15 02 11 deals with the proposed **European Institute of Technology**. The amount foreseen for the start up in 2008 is EUR 2.9 million.

Pending the adoption of the legal basis for this programme, the rapporteur proposes that the funding shall be put in reserve in accordance with standard practice.

As regards the **Culture programme (budget line 15 04 44)** the number of projects and budgets for the different components of the programme do not deviate in a significant way from 2007. The **Year of intercultural dialogue (budget line 15 04 47)** sees an increase in budget from EUR 3 to 7 million. Community actions are multiplied by a factor of 9 (9 projects for a value of EUR 2.7 million instead of 1 for EUR 0.3 million) and there are 20 national actions foreseen for an amount of EUR 2.250 million compared to 7 in 2007 for a value of EUR 0.75 million. Communication and studies remain more or less stable in terms of budget (EUR 2.05 million).

Your rapporteur is currently examining a proposal for a pilot project on mobility for European cultural operators. The amount proposed by the initiators is EUR 3 million but this does not take into account administrative expenditure.

As regards the **Youth in action programme (budget line 15 05 55)** targets include **quantitative** (number of young people involved) and **qualitative** targets (feeling more European, tolerant, etc.). The budget rises by 4 % compared with last year. Youth for Europe and the European Voluntary Service follow more or less this trend in output and budget increase, but as regards Youth in the World the number of projects will decrease from 230 to 180 (budget EUR 5.537 million instead of EUR 6.823 million last year) and as regards support structures there is a sharp increase in information actions (from 11 to 80) although the budget foreseen remains modest (EUR 0.970 million compared to EUR 0.134 million last year). The Activity Statement furthermore pays attention to the management by national agencies in view of the remarks by the Court of Auditors and points out that the Commission, apart from providing assistance through guides and training sessions requires both an ex-ante as well as an annual statement of assurance as regards the reliability of the systems and procedures in place and the proper use of appropriations.

Your rapporteur considers that frontloading of expenditure in order to intensify the debate on the Reform Treaty ratification process may be helpful and that youth organisations can play an important role in fostering debate. Frontloading would be targeted at action 1.1, 1.3, 4.1.

Chapter 15 06, **Fostering European Citizenship**, sees a decrease in appropriations for 2008 to 28.504 million (EUR 32.199 million in 2007). This decrease is due to the fact that no further funding is foreseen for the organisation of 'stages' (heading 5 expenditure EUR 6.3 million in 2007) and the fact that the Commission has not entered any amounts for **special annual events** (EUR 1.5 million in 2007, now integrated as Action 3 of the Europe for Citizens programme) or the **pilot project for European political foundations** (EUR 1 million, heading 3b). The **programme Europe for Citizens (budget line 15 06 66)** however sees its appropriations increased with 23.8 %. The Activity Statement for the Citizenship programme also contains quantitative and some qualitative targets. Especially as regards **town twinning** (EUR 13.010 million) there is a significant change in breakdown of appropriations in favour of thematic networking of twinned towns compared to 2007. But in general, the number of actions, their level and division of funding comes closer to the situation in 2006. Also as regards structural support for **think thanks and civil society organisations** the budget is slightly higher than the budget 2006, after a "dip" in 2007. Especially significant is the intended increase in the number of civil society projects to be supported from 93 in 2006 to 115 in 2007 and 144 in 2008.

Your rapporteur considers that frontloading of expenditure for the Citizens programme in order to intensify the debate on the Reform Treaty may be helpful since civil society organisations play an important role in fostering debate. The frontloading of expenditure would concern action 1 and 2.

Your rapporteur considers that the pilot project on European political foundations needs to be continued while awaiting the adoption of a legal base with the proposal for an amendment of the regulation for the financing of European political parties. The Commission proposes that political foundations be financed from the EP budget (administrative expenditure). Therefore the rapporteur suggests that the funding for the pilot project on European political foundations also be placed under heading 5 of the financial framework. Your rapporteur also proposes a p.m. line in the 2008 EP budget.

Total administrative expenditure for the programmes Culture, Youth and Citizenship comes to **EUR 22.663 million**: EUR 9.327 million for the Executive Agency (budget line 15 01 04 32), EUR 0.670 million for the culture programme (line 15 01 04 44), EUR 0.780 million for the youth programme (line 15 01 04 55), EUR 0.350 million (line 15 01 04 66); EUR 1.236 million for the culture contact points national agencies (work plan DG EAC 2007), EUR 8.9 million for the Youth "Eurodesks" (work plan DG EAC 2007), EUR 1.4 million for the "centres de ressources" (work plan DG EAC 2007). From a total of operational expenditure of EUR 190.5 million for the three programmes concerned this represents around 12%. However, it has to be acknowledged that the nature of expenditure related to the "culture points", "Eurodesks" and "Centres de ressources" may go beyond simple administrative expenditure.

Title 16, Communication amounts to EUR 201.2 million, virtually the same as 2007, although with a different breakdown: an increase in chapter 16 02 "**Communication and the Media**" from EUR 27.7 million to EUR 30.9 million, compensated by a decrease in **Going local** from EUR 39.5 million to EUR 38.5 million and in administrative expenditure down to EUR 107.5 million compared to EUR 109.5 million in 2007.

The decrease in **Chapter 16 03 Going Local** is however due to the non budgeting of two pilot

projects: "**EuroGlobe**" EUR 1.5 million and "**Pilot Information Networks**", EUR 5 million), as well as a decrease for the budget line 16 03 01 "**information outlets**" (an increase in Europe Direct centres from 430 to 460 and European Documentation Centres from 380 to 375, paid for by the abolishment of the three " Grands Centres"). The Commission foresees more appropriations for **local actions** (EUR 10.4 million instead of EUR 8.393 million in 2007). This covers also the cooperation between the representations of Commission and Parliament in the Member States. For specific actions on priority themes **PRINCE** receives EUR 12.830 million instead of EUR 7.868 million in 2007 (partly allocated to the cooperation between the Commission representations and Member States). **Human Resources** for DG COMM, according to the Activity Statement, stand at 1011 posts, an increase of 10 over 2007 (a decrease of 15 persons in the establishment plan and 3 posts support staff from delegations offset by an increase in other support staff of 28 posts).

Your rapporteur considers that the pilot actions inscribed in the 2007 budget need to be continued and will examine the appropriate amounts for 2008. In view of the European Council conclusions on the need for a reinforcement of communication on the European Union, especially during the Intergovernmental Conference and ratification process, your rapporteur is willing to enter into a dialogue with the Commission on an eventual increase of appropriations for line 16 03 04.

Almost all outputs mentioned under the objectives of **Chapter 16 02 Communication and the Media** remain the same as in 2007; the increases in the budget stem mainly from a rise in expenditure linked to the establishment of a **second EBS channel** and a rise in expenditure for **audiovisual co-productions**, due to more television instead of radio co-productions (5,712 hours of material in 2008). **Euronews**, according to the Activity Statement, receives a financial support of EUR 5.2 million both in 2007 and 2008 which is reflected in 1,000 hours of programme per year. This does not include the launching of a new contract for the extension of Euronews in new languages, including Arabic, which is foreseen in DG Communication's Annual work plan for 2007, in accordance with Parliament's vote of 14 December 2006 on the second reading of the budget 2007.

Appropriations under **Chapter 16 04 Analysis and Communication tools**, remain virtually unchanged.

As regards **Title 09, Information Society and Media**, the committee is responsible for budget lines **09 02 01, electronic communication** (decrease in appropriations from EUR 3.320 million in 2007 to EUR 2.5 million in 2008 (a reduction in the number of studies), budget line **09 03 03 "preparatory action for the creation of an internet based system for better legislation and public participation"**, EUR 1.5 million instead of EUR 5 million in 2007 (this would permit the financing of only 5 additional contracts on top of the 12 contracts foreseen for 2007 and 6 projects launched in 2006), and **Chapter 09 06 " i2010-Audiovisual policy and Media programme"**(EUR 93.794 million in 2008 compared to EUR 74.862 million in 2007 and EUR 90.755 million in 2006).

Progress in simplifying application procedures for the culture programmes

As a follow-up to the Executive Agency's presentation of its work programme in the committee on 8 May 2007 your rapporteur raised a number of questions to the agency by form of a letter. The letter was answered by the Agency's Director and oral explanations were

given in a meeting on 22 June 2007.

According to the Agency the whole **selection process** takes on average 6 to 7 months, including comitology, which counts on average for 2 months (although the advice of the selection committee has always been followed so far). An important innovation for 2008 will be that the annual **calls for proposals** will be launched earlier, i.e. during the third quarter of the **preceding year**, with a view to finalising the selection procedure before the end of the first quarter of the year N. There are continuous attempts to **simplify and harmonise** procedures, e.g. with regard to Socrates and Leonardo da Vinci or the possibility to have **unilateral grant decisions** (by the Commission) instead of conventions/contracts which need to be signed by both sides. Another simplification is the use of **flat-rate financing** which is already used for citizenship and youth projects, for which the extension to other programmes and operational grants is under examination. Furthermore, a **two-step** selection procedure will be put in place for certain strands of significant size of several programmes with a high percentage of rejections in order to lower the administrative burden for applicants, again with further analysis to see if such system could be extended also to small and medium-sized grants. **Multi-annual partnerships** will also be proposed. **On-line submissions** will be tested, which would help to simplify further although this would not come close to the simplifications that could be achieved by means of a **central database** where applicants can update the standard information they now need to give time and again with each application. More problematic is the **non-profit rule which does not allow organisations to build up reserves**. There is however very little scope for the Agency to overcome this problem as it is linked to the Financial Regulation and its implementing rules.