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Committee on Budgets

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DRAFT OPINION

of the Committee on Budgets

for the Committee on Culture and Education

on the proposal for a decision of the European Parliament and of the Council establishing an action programme for the enhancement of quality in higher education and the promotion of intercultural understanding through co-operation with third countries (Erasmus Mundus) (2009-2013) (COM(2007)0395 – C6-0228/2007 – 2007/0145(COD))

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SHORT JUSTIFICATION

1. Current Erasmus Mundus programme

The current Erasmus Mundus programme covers the 2004-2008 period. Its overall aim is to enhance the quality of European higher education by fostering cooperation with third countries. The particular objectives include: promoting a quality offer in higher education, attracting quality graduates and scholars, fostering cooperation with third countries' educational institutions, improving accessibility and visibility of higher education in the EU.¹

The financial framework of the programme for the years 2004-2008 has been set for EUR 230 million, financed under Heading 1a of the Financial Framework.

The so called "External Cooperation Windows" of the programme are based on several Council regulations concerning various external policy instruments; accordingly, they are financed separately, under the financial envelopes of these instruments.

2. Commission's proposal for the extension of the programme

The aim of the proposal is to extend the programme for a further five years (2009-2013), in a modified form. One of the major modifications to the programme, apart from the inclusion of doctoral studies, is the proposal to incorporate its External Cooperation Windows more directly.

The programme has, so far, been implemented by the Education and Culture Executive Agency (EAC EA), and according to the proposal it would still be the case in the coming years. One should note, however, that the mandate of the Agency still needs to be extended for that purpose (see amendment 2).

From a budgetary point of view, a major modification is the integration of the activities currently covered by the "External Cooperation Windows" into the Erasmus Mundus programme itself as Action 2 (Erasmus Mundus Partnerships with Third-Countries Higher Education Institutions including Scholarships). The financial provisions are very much different from those applying to Action 1 (Erasmus Mundus Joint Programmes including Scholarships) and Action 3 (Enhancing the Attractiveness of European Higher Education).

Financing of Action 1 and 3

The overall reference amount for the five years of the duration of the programme is EUR 493,69 million, to be financed under Heading 1a of the Financial Framework. This represents a serious increase compared to the envelope foreseen for the 2004-2008 period, which is to be welcomed, in light of the proposed inclusion of doctoral studies into the programme and the declared ambition to ensure better funding to the successful applicants.

¹ Decision No 2317/2003/EC of the European Parliament and the Council of 5 December 2003 establishing a programme for the enhancement of quality in higher education and the promotion of intercultural understanding through cooperation with third countries (Erasmus Mundus) (2004 to 2008) (OJ L 345, 31.12.2003, p. 1).

The breakdown of this expenditure is as follows:

EUR million

	2009	2010	2011	2012	2013	2014+	Total
Operational expenditure - CA	90,25	92,52	94,1	95,86	98,54		471,27
Operational expenditure - PA	63,17	91,839	93,63	95,33	97,74	29,56	471,27
Administrative expenditure within ref. amount	4,42	4,46	4,48	4,51	4,56		22,42
Total reference amount - CA	94,67	96,98	98,58	100,37	103,10		493,69
Total reference amount - PA	67,59	96,30	98,10	99,84	102,29	29,56	493,69

The operational expenditure is in line with the Financial Programming as presented by the Commission in January 2008. This is also the case for the overall amount of administrative expenditure of the programme.

The administrative expenditure within reference amount comes to EUR 22,42 million over the five years of the duration of the programme. It represents 4,5% of the reference amount, which seems to be an acceptable ratio. Out of this sum, EUR 17,44 million (78%) will cover the needs of the Executive Agency, which, according to the information from the Commission, will implement some 97-98% of the operational budget.

Financing of Action 2

The current "External Cooperation Windows" were launched in 2005 at the initiative of the Commission's DG AidCo and implemented on the basis of various external policy instruments, such as DCI or ENPI.

However, the proposal for the new Erasmus Mundus regulation does not include concrete and binding provisions on the financing of Action 2; it only refers to the legal bases of the external policy instruments, namely: Instrument for Pre-Accession (Regulation 1085/2006), European Neighbourhood and Partnership Instrument (Regulation 1638/2006), Development Cooperation Instrument (Regulation 1905/2006), Instrument for Cooperation with Industrialised and Other High-Income Countries (ICI, Regulation 1934/2006), and European Development Fund (ACP Partnership Agreement (Decision 2005/599/EC) and the relevant Internal Agreement (Decision 2006/608/EC)). The indicative expenditure on Action 2 of Erasmus Mundus under those instruments - covered by Heading 4 of the Financial Framework - would amount to EUR 460 million, with following indicative breakdown:

- ENPI: EUR 140 million
- DCI: EUR 240 million
- ICI: 20 EUR million

- IPA: EUR 30 million
- 10th EDF: EUR 30 million

It should be noted, however, that this overall amount and contributions from these instruments are neither definite nor legally binding, as they are not determined in the legislative part of the proposal. Accordingly, your rapporteur proposes amendment 3 to the legislative resolution.

The detailed breakdown of the amounts planned for action 2 under different external instruments provided by the Commission is indicative only; nevertheless, it should be monitored by the responsible parliamentary committees whether this breakdown is followed and what are the extent and reasons behind its modifications, if any.

AMENDMENTS

The Committee on Budgets calls on the Committee on Culture and Education, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1 Paragraph 1a (new)

1a. Considers that the financial envelope indicated in the legislative proposal must be compatible with the ceiling of heading 1a of the new multiannual financial framework (MFF) and points out that the annual amount will be decided within the annual budgetary procedure in accordance with the provisions of point 37 of the IIA of 17 May 2006 on budgetary discipline and sound financial management;

Amendment 2 Paragraph 1b (new)

1b. Notes that the mandate of the Education and Culture Executive Agency does not cover the proposed extension of the Erasmus Mundus programme; stresses that implementation of the programme by the Executive Agency will only be possible after a duly approved extension of the mandate, in accordance with the legal provisions in force;

Justification

Parliament should insist on the obligation to respect legal provisions regulating the functioning of executive agencies.

Amendment 3
Paragraph 1c (new)

1c. Notes that the indicative overall amount of EUR 460 million proposed for the financing of Action 2 of the programme would be covered by the financial envelopes of the respective external policy instruments;

Justification

Amendment clarifies financial characteristics of the expenditure on Action 2.

Amendment 4
Paragraph 1d (new)

1d. Stresses that financing of the activities foreseen under Action 2 must not be detrimental to other activities financed under the respective instruments; reiterates its position that new actions should only be financed from the EU budget when additional financial means are provided for them; calls on the Commission to provide the Parliament with an annual report presenting detailed data on the activities under Action 2 and their breakdown by financial instrument and among the regions and countries concerned;

Justification

Amendment aims at ensuring that expenditure on education under different external policy instruments is not made at the expense of other objectives determined in respective legal bases.

Text proposed by the Commission

Amendments by Parliament

Amendment 5
Article 7, paragraph 2, point (b)

(b) the annual ***budget*** and the ***breakdown*** of funds among the different actions of the programme and indicative grant amounts;

(b) the annual ***allocations*** and the ***distribution*** of funds among the different actions of the programme and indicative grant amounts;

Justification

This is a clearer formulation, in line with earlier legislation within the policy area.