REPORT

on the 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 (COM(2003) 273 – C5-0255/2003 – 2003/0114(COD))

Committee on Culture, Youth, Education, the Media and Sport

Rapporteur: Doris Pack
Symbols for procedures

* Consultation procedure
  majority of the votes cast
**I Cooperation procedure (first reading)
  majority of the votes cast
**II Cooperation procedure (second reading)
  majority of the votes cast, to approve the common position
  majority of Parliament’s component Members, to reject or amend the common position
*** Assent procedure
  majority of Parliament’s component Members except in cases covered by Articles 105, 107, 161 and 300 of the EC Treaty and Article 7 of the EU Treaty
***I Codecision procedure (first reading)
  majority of the votes cast
***II Codecision procedure (second reading)
  majority of the votes cast, to approve the common position
  majority of Parliament’s component Members, to reject or amend the common position
***III Codecision procedure (third reading)
  majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in **bold italics**. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.
## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROCEDURAL PAGE</td>
<td>4</td>
</tr>
<tr>
<td>DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION</td>
<td>5</td>
</tr>
<tr>
<td>EXPLANATORY STATEMENT</td>
<td>12</td>
</tr>
<tr>
<td>FINANCIAL STATEMENT</td>
<td>17</td>
</tr>
<tr>
<td>OPINION OF THE COMMITTEE ON BUDGETS</td>
<td>19</td>
</tr>
<tr>
<td>OPINION OF THE COMMITTEE ON CITIZENS' FREEDOMS AND RIGHTS, JUSTICE AND HOME AFFAIRS</td>
<td>26</td>
</tr>
</tbody>
</table>
By letter of 28 May 2003 the Commission submitted to Parliament, pursuant to Article 251(2) and Article 149 and 150 of the EC Treaty, the 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 (COM(2003) 273 – 2003/0114 (COD)).

At the sitting of 19 June 2003 the President of Parliament announced that he had referred this proposal to the Committee on Culture, Youth, Education, the Media and Sport as the committee responsible and the Committee on Budgets, the Committee on citizens' freedoms and rights, justice and home affairs and the Committee on Budgetary Control for their opinions (C5-0255/2003).

The Committee on Culture, Youth, Education, the Media and Sport had appointed Doris Pack rapporteur at its meeting of 8 July 2003.

It considered the Commission proposal and draft report at its meetings of 29-30 September and 20 October 2003.

At the latter meeting it adopted the draft legislative resolution with 26 votes in favour and 4 abstentions.

The following were present for the vote: Michel Rocard, chairman; Vasco Graça Moura, vice-chairman; Mario Mauro, vice-chairman, Theresa Zabell, vice-chairman; Doris Pack, rapporteur; Nuala Ahern (for Daniel Marc Cohn-Bendit), Pedro Aparicio Sánchez, Christopher J.P. Beazley, Christine de Veyrac (for Marielle de Sarnez), Bárbara Dührkop Dührkop (for José María Mendiluce Pereiro, pursuant to Rule 153(2)), Said El Khadraoui (for Barbara O'Toole), Cristina García-Orcoyen Tormo (for Domenico Mennitti), Marie-Hélène Gillig (for José María Mendiluce Pereiro), Lissy Gröner, Cristina Gutiérrez Cortines (for Francis Decourrière), Ruth Hieronymi, Ulpu Iivari, Arlette Laguiller (for Geneviève Fraisse), Lucio Manisco, Maria Martens, Camilo Nogueira Román (for Giorgio Celli), Juan Ojeda Sanz, Gérard Onesta (for Eurig Wyn), Roy Perry, Christa Prets, Marieke Sanders-ten Holte, Walter Veltroni (for Giorgio Ruffolo), Peder Wachtmeister (for Stavros Xarchakos), Sabine Zissener and Myrsini Zorba (for Gianni Vattimo).

The opinions of the Committee on Budgets, the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs are attached.

The Committee on Budgetary Control decided on 8 September 2003 not to deliver an opinion.

The report was tabled on 20 October 2003.
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the 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 (COM(2003) 273 – C5-0255/2003 – 2003/0114(COD))

(Codecision procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to the European Parliament and the Council (COM(2003) 2731),

– having regard to Article 251(2) of the EC Treaty and Articles 149 and 150 of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C5-0255/2003),

– having regard to Rule 67 of its Rules of Procedure,

– having regard to the report of the Committee on Culture, Youth, Education, the Media and Sport and the opinions of the Committee on Budgets and the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs (A5-0357/2003),

1. Approves the Commission proposal as amended;

2. Asks for the matter to be referred to it again, should the Commission intend to amend its proposal substantially or replace it with another text;

3. Instructs its President to forward its position to the Council and Commission.

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendments by Parliament</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amendment 1</td>
</tr>
<tr>
<td>Recital 10</td>
<td>The European Parliament, the Council and the Commission undertook, at the time of the adoption of the Financial Regulation, to achieve the objective of ensuring that this basic act enters into force as from the financial year 2004.</td>
</tr>
</tbody>
</table>

Amendment 1 Recital 10

The European Parliament, the Council and the Commission undertook, at the time of the adoption of the Financial Regulation, to achieve the objective of ensuring that this basic act enters into force as from the financial year 2004 taking into consideration the budgetary remarks in the context of implementation.

1 Not yet published in the OJ.
Justification

In the negotiations of the new Financial Regulation, a common agreement was reached to preserve EP’s rights to identify beneficiaries of grants through earmarking in the budget. This right has been formalised in the statement to article 108 of the Financial regulation.

Amendment 2
Recital 12 a (new)

(12 a) In the interest of transparency, any beneficiary of a grant from the budget of the European Communities should indicate this in a prominent place, such as a website homepage or an annual report.

Justification

Transparency

Amendment 3
Article 4

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.

The programme covers two groups of beneficiaries:
- Group 1: Operating grants directly awarded to the beneficiaries referred to under point 2 of the Annex.
- Group 2: Support for European associations active in the field of education or training, support for activities in the field of higher education concerning European integration, including Jean Monnet chairs, support for activities contributing to the achievement of the future objectives of education and training systems in Europe and support for training of national judges in the field of European law and for organisations for judicial cooperation awarded by means of a call for proposal.

Justification

The legal act should identify with more transparency the different awarding criteria in respect of the provisions of the Financial regulation.
Amendment 4  
Article 6, paragraph 1

1. The financial framework for the implementation of the programme for the period specified in Article 1(3) is EUR **129.62 million**.

1. The financial framework for the implementation of the programme for the period specified in Article 1(3) is EUR **149.92 million**.

**Justification**

*The financial framework for the implementation of the programme must take Budget 2004, rather than Budget 2003, as its starting point. It must also take account of the impact of enlargement.*

Amendment 5  
Annex, Part 2, Action 1

- 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 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 International Federation of Europe Houses (FIME), in reducing the distance between the problems of citizens and the questions under discussion at the level of the European Union; in linking national identities with a European identity; and in making clear the coherence and complementarity of the European, national, regional and local levels of decision-making.

**Justification**

*The activities of FIME are essentially educational in character. In Budget 2004, the Parliament will transfer the funding for FIME from policy area 16 of the Commission budget to policy area 15.*
Amendment 6
Annex, Part 2, Action 1

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.

The resources to be committed under Action 1 will be not more than 68 per cent and not less than 64 per cent of the total budget available for this programme.

Justification

Consistency with amendments 2 and 3.

Amendment 7
ANNEX, point 2, Action 1, paragraph 1, indent 4

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

Justification

This is the correct title of the Academy.

Amendment 8
Annex, Part 2, Action 2

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

The resources to be committed under Action 2 will not be more than 3 per cent of the total budget available for this programme.

Justification

Consistency with amendments 2 and 3.
Amendment 9
Annex, Part 2, Action 3A

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. The resources to be committed under Action 3A will be not more than 21 per cent and not less than 19 per cent of the total budget available for this programme.

Justification

Consistency with amendments 2 and 3.

Amendment 10
Annex, Part 2, Action 3B

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. The resources to be committed under Action 3B will be not more than 9 per cent and not less than 7 per cent of the total budget available for this programme.

Justification

Consistency with amendments 2 and 3.

Amendment 11
Annex, Part 2, Action 3C

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

Justification

Consistency with amendments 2 and 3.
Amendment 12
Annex, Part 2

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

Transparency

Under any part of the programme, any beneficiary of a grant shall indicate in a prominent place, such as a website homepage or an annual report, that it has received funding from the budget of the European Communities.

Justification

Transparency

Amendment 13
Annex, point 3

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
The priority themes and types of activity of calls for proposals will be communicated to the European Parliament before proceeding to the calls for proposal.

Justification

In order to keep control over the Commission's priorities when issuing a call for proposals the priorities, themes and actions must be communicated to the EP so that there can be a dialogue between the Commission and the relevant committees.
EXPLANATORY STATEMENT

BACKGROUND

1. For many years, a number of grants from the Community budget have been financed from appropriations in Part A (administrative appropriations) of the Commission budget. The main reason for this is that there are no basic acts (i.e. legal bases) allowing them to be classified as operational expenditure (covered by Part B of the Commission budget). Their inclusion in Part A means that they are regarded as Commission administrative expenditure, for which a separate legal base is not required.

2. Similarly, a number of grants have been financed from Part B of the budget, even though they have not had a separate legal base. Most of these grants are placed in Chapter B3-30 (information and communication) of the Commission budget: they do not need a separate legal base because they are covered by the institutional prerogatives of the Commission in the field of information.

3. Most of these grants - whether in Part A or Part B of the Commission budget - have a common aim, namely to support organisations and activities that reinforce the European message.

4. Three developments now mean that this way of financing grants cannot continue:

   a) In May 1998, the European Court of Justice ruled that all Community expenditure must have a legal base. The only exceptions are: expenditure arising from the prerogatives of one or more of the institutions, pilot projects, preparatory measures, and administrative appropriations for each institution. This principle is now enshrined in Article 49(2) of the Financial Regulation, which governs all Community expenditure.

   b) Under Article 41 of the Financial Regulation, the Commission budget is now an Activity-Based Budget. This means that it aims to show the full cost (bringing together all administrative and operational expenditure) of each Community activity. As a consequence, the distinction between former Part A and Part B of the Commission budget is no longer made.

   c) The Financial Regulation contains a whole Title (Title VI) devoted entirely to rules for the award of grants. It emphasises the principles of transparency, equal treatment, non-cumulation of grants, non-retroactivity, and co-financing. It is important to establish basic acts which enable authorising officers to follow clearly defined principles in approving and managing grants: authorising officers need such clear guidance if they are to comply both with the Financial Regulation and with the wishes of the budgetary authority.

5. The intention to establish legal bases for grants currently in Part A of the Commission budget was publicly announced by the Commission in a declaration linked to the approval of the Financial Regulation.
THE COMMISSION PROPOSAL

6. This Commission proposal - which is one of seven establishing basic acts for grants currently without a separate legal base - aims to set up a multi-annual programme (2004-2008) for grants for organisations engaged at European level in the fields of education and training. It is based on Treaty Articles 149 (Education) and 150 (Vocational Training) and has been drafted in compliance with the Financial Perspective and its implementing rules. It will be adopted under the codecision procedure, with the Council acting by qualified majority.

7. The programme will cover 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 (Article 1(2)(a)) or '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' (Article 1(2)(b)). Article 1(2) also states that: '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'.

8. To be eligible for a grant, a body must meet satisfy a number of requirements set out in Article 2 and in the Annex, such as:
   - being 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;
   - having been legally established of more than two years and having had its annual statement of accounts for the preceding two years certified by a registered auditor.

The proposal classifies grants into three groups.

9. Action 1: Grants to support the ongoing activities of a list of named organisations which are deemed to be 'institutional partners' or 'network heads' i.e. organisations of general European interest:
   - 15 02 01 02 (ex-A-3010) College of Europe (Bruges & Natolin campuses)
   - 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
   - 19 04 01 (ex-A-3014) European Inter-University Centre for Human Rights and Democratisation
   - 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

Grants awarded under this action will not be subject to the principle of gradual reduction set out in Article 113(2) of the Financial Regulation.

10. Action 2: Grants to support the ongoing activities of other European associations
active in the field of education and training. Grants, which may be annual or multi-annual, will be awarded following published calls for proposals and a selection process: grants may cover no more than 75% of the eligible costs of the organisations selected, but will not be subject to the principle of gradual reduction.

11. **Action 3:** This is sub-divided into three sub-actions:

- **Action 3A:** Support for activities in the field of higher education concerning European integration, including Jean Monnet chairs. (formerly supported under budget line B3-304 and B3-304A)
- **Action 3B:** Support for activities contributing to the achievement of the future objectives of education and training systems in Europe (formerly supported under budget line B3-1000 and B3-1000A)
- **Action 3C:** Support for training of national judges in the field of European law and for organisations for judicial cooperation.

In each case, grants may not exceed 75% of the eligible costs of the proposals selected.

12. **Management:** The Commission announces that it may entrust all or part of the tasks of managing the programme to an executive agency in line with Article 55 of the Financial Regulation.

13. **Budget:** Since the Commission proposal is related to a Treaty article involving codecision, the Commission proposes (in accordance with Article 33 of the 1999 Interinstitutional Agreement on budgetary discipline) that the Parliament and Council adopt a multi-annual budget to cover the entire life of the programme. The proposal will not alter the headings of the Financial Perspective to which the funding of the grants is attached (some are attached to Heading 3 [internal policies], some are attached to Heading 5 [administrative expenditure]). Starting from levels of appropriations for the relevant budget lines in budget 2003, the Commission proposes a multi-annual budget of EUR 125,62 million for grants and a multi-annual budget of EUR 4,0 million for technical assistance (studies, meetings of experts, information and publications), giving a total multi-annual budget of EUR 129,62 million the annual appropriations to be authorised by the Budgetary Authority within the limits of the Financial Perspective. This total incorporates an assumed future inflation rate of 2% per year over the lifetime of the programme.

14. The proposed breakdown of this multi-annual budget (2004-2008) between the different Actions is as follows:

<table>
<thead>
<tr>
<th>ACTION</th>
<th>MINIMUM (%)</th>
<th>MAXIMUM (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>58</td>
<td>65</td>
</tr>
<tr>
<td>2</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>3A</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td>3B</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>3C</td>
<td>0</td>
<td>4</td>
</tr>
</tbody>
</table>

15. **Administration costs:** The Commission estimates that the total cost of administering
the programme over its lifetime will amount to EUR 8.64 million.

16. Transitional provisions: The Communication which accompanies the package of proposals to create multi-annual programmes to replace the current A-lines states the following: ‘When the Financial regulation was approved, the three institutions declared that they understood to attain that objective [adoption of a framework regulation] to ensure that the regulation enters into force by 2004. In principle, the basic acts should therefore be adopted by the legislature in order to be applicable by 2004. In the event of failure to achieve that objective, the Commission will propose transitional derogations enabling grants to be awarded in 2004, pending adoption of the basic acts.’

RAPPORTEUR’S COMMENTS

17. Late adoption: The proposal is to be adopted under the codecision procedure, involving up to two readings each by Parliament and Council and, if necessary, a conciliation process. The Commission’s adoption of this proposal only at the end of May 2003 is thus regrettable, since it is now quite likely that the proposal will be adopted only in spring 2004: it is correspondingly unlikely that beneficiary organisations will receive the first tranches of their grants before late summer 2004. Since the need to replace the current A-lines with multi-annual programmes was evident even before the adoption of the Financial Regulation, it is not obvious why adoption by the Commission took place so late.

18. Action 1 list of beneficiaries: To the list of beneficiary organisations under Action 1 should be added the International Federation of Europe Houses. The work of the International Federation is primarily educational in character; and it is more logical to finance this work from the education and culture budget than from the press and communication budget (the creation of a new budget line in budget 2004 - 15 02 01 09 - is being proposed separately, and corresponding reductions in appropriations in Policy Area 16 will also be proposed).

19. Budget: The proposed budget of EUR 129.62 million needs to be increased for a number of reasons:

- The Commission proposes for 2004 the same funding as in 2003. In subsequent years, it plans a 2% increase to take account of inflation. But why has there been no 2% increase for 2004?
- The Commission should take the figures voted for budget 2004 as its starting point: the Committee has already voted amendments to the Draft Budget for 2004 increasing the funding for a number of the institutions covered by Action 1 of the programme. (It is possible that Parliament will increase the funding for other Action 1 beneficiaries in its First Reading of budget 2004 in October, and these increases, too, would need to be taken into account).
- The multi-annual budget for the programme also needs to take account of the addition of the International Federation of Europe Houses to the list of beneficiaries under Action 1. Annual funding of EUR 2.4 million is proposed for FIME: allowing for an annual increase of 2% to take account of inflation, this will increase the five-year multi-annual budget by an extra EUR 12.49 million.
The rapporteur will propose a multi-annual financial endowment, including EUR 4.0 million for technical assistance, of **EUR 149.92 million**. She proposes the following breakdown of this total:

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action 1</td>
<td>16,619</td>
<td>19,901</td>
<td>20,299</td>
<td>20,705</td>
<td>21,119</td>
<td>98,643</td>
</tr>
<tr>
<td>Action 2</td>
<td>0,750</td>
<td>0,765</td>
<td>0,780</td>
<td>0,796</td>
<td>0,812</td>
<td>3,903</td>
</tr>
<tr>
<td>Action 3A</td>
<td>5,406</td>
<td>5,514</td>
<td>5,624</td>
<td>5,736</td>
<td>5,851</td>
<td>28,131</td>
</tr>
<tr>
<td>Action 3B</td>
<td>2,200</td>
<td>2,200</td>
<td>2,200</td>
<td>2,200</td>
<td>2,200</td>
<td>11,000</td>
</tr>
<tr>
<td>Action 3C</td>
<td>0,816</td>
<td>0,832</td>
<td>0,849</td>
<td>0,866</td>
<td>0,883</td>
<td>4,246</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>145,923</strong></td>
</tr>
</tbody>
</table>

20. **Transparency:** Recipients of grants should acknowledge publicly, in prominent places, such as their website home pages and their annual reports, that their activities are in part funded by the European Community.
FINANCIAL STATEMENT*

* to be attached to the draft report, in accordance with article 159, para 3 (c) of the Rules of Procedure (only if the financial framework proposed differs from the Commission proposal)

Report: A5-0357/2003
Rapporteur: Doris PACK

1. DESCRIPTION

1.1. Title of action: Community action programme to promote bodies active at European level and support specific activities in the field of education and training

1.2. Policy area(s): 15: Education and culture

Activit(y/ies):

1.3 ABB nomenclature (traditional nomenclature)

Heading 3 of Financial Perspective
03.03.01 Accompanying measures pertaining to the reform of mergers, antitrust, market liberalisations and cartel enforcement (ex-A-3017)
15.01.04.01 Support of Community action in the field of education - Expenditure on administrative management (ex-B3-1000A)
15.01.04.11 European integration in universities - Expenditure on administrative management (ex-B3-304A)
15.02.01.01 European integration in universities (ex-B3-304)
15.02.02.01 Support of Community action in the field of education (ex-B3-1000)

Heading 5 of Financial Perspective
15.02.01.02 College of Europe (ex-A-3010)
15.02.01.03 European University Institute, Florence (ex-A-3011)
15.02.01.04 European Law Academy, Trier (ex-A-3012)
15.02.01.05 European Institute of Public Administration, Maastricht (ex-A-3013)
15.02.01.06 Study and research centres (ex-A-3022)
15.02.01.07 International Centre for European Training (ex-A-3027)
15.02.01.08 European Agency for Development in Special Needs Education (ex-A-3044)
19.04.01 European Inter-University Centre for Human Rights and Democratisation (ex-A-3014)
2. OVERALL FIGURES

21. Period of application:

2004 - 2008

2.2. Global cost and multiannual programming:

(Financial intervention + technical assistance + human resources)

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Total</th>
</tr>
</thead>
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<td>32,28</td>
<td>32,831</td>
<td>33,393</td>
<td>158,563</td>
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</table>

3. COMPATIBILITY WITH FINANCIAL PROGRAMMING AND FINANCIAL PERSPECTIVE

[X] Version compatibility

[ ] Version partial incompatibility

[ ] Version total incompatibility

4. FINANCIAL IMPACT

<table>
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<td>11,000</td>
</tr>
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<td>0,816</td>
<td>0,832</td>
<td>0,849</td>
<td>0,866</td>
<td>0,883</td>
<td>4,246</td>
</tr>
<tr>
<td>Total</td>
<td>25,791</td>
<td>29,212</td>
<td>29,752</td>
<td>30,303</td>
<td>30,865</td>
<td>145,923</td>
</tr>
</tbody>
</table>
9 October 2003

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Culture, Youth, Education, the Media and Sport

on the 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


Draftsman: Bárbara Dührkop Dührkop

PA_Leg

PROCEDURE

The Committee on Budgets appointed Bárbara Dührkop Dührkop draftsman at its meeting of 10 July 2003.

It considered the draft opinion at its meetings of 9 October 2003.

At the meeting it adopted the following amendments unanimously.

The following were present for the vote: Reimer Böge (acting chairman), Anne Elisabet Jensen (vice-chairwoman), Bárbara Dührkop Dührkop (draftswoman), Kathalijne Maria Buitenweg, Joan Colom i Naval, Gérard M.J. Deprez (for Markus Ferber), Manuel António dos Santos, Den Dover, James E.M. Elles, Göran Färm, Salvador Garriga Polledo, Neena Gill, Jutta D. Haug, María Esther Herranz García, Constanze Angela Krehl, John Joseph McCartin, Jan Mulder, Juan Andrés Naranjo Escobar, Joaquim Piscarreta, Guido Podestà, Marieke Sanders-ten Holte (for Johan Van Hecke), Per Štenmarck, Rijk van Dam (for Michel Raymond), Kyösti Tapio Virrankoski, Ralf Walter.
SHORT JUSTIFICATION

Content

Following the entry into force of the new Financial Regulation which requires a basic act for the actions covered by the subsidies of former chapter A-30 (plus subsidies provided under some B lines), the Commission has presented seven proposals establishing action programmes. The subsidies have been grouped according to the articles of the Treaty they refer to. All of them will become multiannual programmes with a financial amount (reference amount for codecisions).

Nevertheless, the rapporteur underlines that four proposals fall under the codecision procedure and three under the conciliation procedure.

Concerning the timetable, the following declaration was agreed at the conciliation of 16 July:

"The European Parliament and the Council will attempt to finalise their respective positions in the relevant legislative procedures before the end of November 2003, and to keep each other and the Commission informed of the progress of these works.

The three institutions agree to convene a trialogue before the Council's second reading of the budget, with the objective to reach a common approach and, if possible, to finally adopt the legal bases before the end of the year 2003."

The rapporteur therefore regrets Commission's late adoption of this proposal, which was only at the end of May 2003, and draws attention to the possible difficulties of completing the procedure within the agreed timetable, not to mention possible difficulties during the conciliation procedure with Council.

In view of a possible delay, the Commission in its Communication which accompanies the package of proposals to replace the current A-lines states the following: "In the event of failure to achieve that objective, the Commission will propose transitional derogations enabling grants to be awarded in 2004, pending adoption of the basic acts".

Consequently, the rapporteur considers that the Commission should be prepared to put the transitional provisions in place, if needed.

At its meeting of 25 September, the Conference of Presidents decided that article 162a) of the rules of procedure, enhanced Cupertino, should apply to all aspects resulting from the provisions of the Financial Regulation and that article 63a) would apply to the aspects relating to the financial framework.
The rapporteur will have to look at the coherence of the proposals in close cooperation and the agreement with the specialised committees as required by this article.

Moreover, the rapporteur cannot avoid mentioning that these proposals intend to give a legal response to an old contentious item in the EU budget and therefore is convinced that the responsibility of Parliament as a co-legislator, adopting a solid legal framework for the future, should prevail over the necessity of the limitation of a timetable.

**Contents of the proposals in respect of the provisions of the Financial Regulation**

The new Financial Regulation contains a specific title while ruling the scope, the awarding procedure, the payment and the implementation provisions of grants financed by the budget (title VI, articles 108 to 110 and articles 162 to 168 of the implementing rules).

Article 110, paragraph 1 of the Financial Regulation foresees that all types of grants are submitted to the rule of call for proposals "save in duly substantiated exceptional cases of urgency or where the characteristics of the beneficiary leave no other choice for a given action".

Article 168, paragraph 1 of the implementing rules clarifies the exceptions and in particular the case of organisations identified in a special legal act.

The rapporteur recalls that these provisions directly result from the negotiations with the Commission and the Council on the Financial Regulation. In fact, the Commission proposals legitimate specific and limited exceptions to the general rules of the Financial Regulation. As a consequence, differentiated awarding conditions are set up between three groups of “bodies” who may be eligible for a subsidy according to different awarding procedures as described below:

**Group 1:** organisations pre-assigned in the legal act itself for the support of operating grants: **awarded without a call for proposals** on the condition that it respects the criteria laid down in the annex of the regulation and general principles of the Financial Regulation (case of the College of Bruges).

**Group 2:** the general rule is the **call for proposal**.

However two exceptions are admitted in the field of culture and citizenship only (Com (2003) 275 and Com (2003) 276). Operating grants, allocated to

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1 Grants shall be subject to an annual programme, to be published at the start of the year, with the exception of crisis management aid and humanitarian aid operations. This work programme shall be implemented through the publication of calls for proposals save in duly substantiated exceptional cases of urgency or where the characteristics of the beneficiary leave no other choice for a given action.

2 Grants may be awarded without a call for proposals only in the following cases:
   (a) for the purposes of humanitarian aid, within the meaning of Council Regulation No 1257/96 and aid for crisis situations within the meaning of paragraph 2;
   (b) in other exceptional and duly substantiated emergencies;
   (c) to bodies with a *de jure* or *de facto* monopoly, duly substantiated in the Commission’s award decision;
   (d) to bodies identified by a basic act as recipients of a grant.
beneficiaries explicitly named in the budget remarks of budget lines entirely pre-assigned, can be allocated without a call for proposal in accordance with the criteria laid down in the annex (former budget lines A-3021, A-3026 and A-3042).

Group 3: organisations eligible for a EU subsidy on a specific activity awarded with a call for proposals in accordance with the overall criteria laid down in the annex (other cases).

Not all of the seven basic acts contain the three strands. The conditions for the call for tender are defined in the annex of each of the seven proposals for regulation.

The rapporteur recognises the efforts made by the Commission to respect Parliament’s prerogatives through the budget; however she considers that the exceptions should remain limited and that the calls for proposals should remain the general rule.

The rapporteur is of the opinion that group 2 (ear-marking) is dubious from a legal point of view.

Degressivity and co-financing

In accordance with article 113, paragraph 1 of the new Financial Regulation, the grant may not finance the entire costs of the action, subject to Title IV of part two, nor the entire operating expenditure of the beneficiary body.

In accordance with article 113, paragraph 2 of the new Financial Regulation, degressivity should apply to all operating grants except those bodies pursuing an objective of general European interest. However, article 113 foresees the exception of legal acts which provide for different measures.

The proposals of the Commission do not present a homogeneous approach with respect to the different organisations in these two aspects.

The rapporteur is in favour of harmonising the provisions on a more equal manner.

Annual Report

The Commission will publish an annual report with the list of beneficiaries and the amounts received. The rapporteur agrees on this transparency provision.

Implementation

All the programmes contained in the legal acts (except relations between EU and third countries and organisations working for equality between men and women), will be managed through an executive agency. The others will be managed internally.

The rapporteur supports the Commission's intention to delegate executive tasks to the new executive agencies however she is of the opinion that any attempt at introducing committology
should be rejected.

**Budgetary Aspects**

**Duration of the Programmes**

The proposals foresee different durations.

The rapporteur proposes a similar duration for all the programmes until 2008 in order to harmonise the length of the programmes, on the basis of a mid term evaluation, to maintain more coherence between them and to facilitate the budgetary forecasts.

**Financial framework**

Particularly in the case of codecisions, the rapporteur stresses the advantage of a global decision in the negotiations with Council.

The Commission has calculated the amounts of the different envelopes on B'2003 with a deflator of 2% per year. The envelopes take on board the figure entered in the A and B parts however they also include additional amounts for technical assistance and comitology as the actions become programmes. This generates additional administrative costs which should not reduce the share of operational appropriations.

The rapporteur considers that the amounts entered in the Budget 2004 should be the basis to evaluate further needs during the period.

**AMENDMENTS**

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

<table>
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<th>Text proposed by the Commission</th>
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<tr>
<td><strong>Amendment 1</strong></td>
<td></td>
</tr>
<tr>
<td>Recital 9</td>
<td>The European Parliament, the Council and the Commission undertook, at the time of the adoption of the Financial Regulation, to achieve the objective of ensuring that this basic act enters into force as from the financial year 2004.</td>
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The European Parliament, the Council and the Commission undertook, at the time of the adoption of the Financial Regulation, to achieve the objective of ensuring that this basic act enters into force as from the financial year 2004 **taking into consideration the budgetary remarks in**
the context of implementation.

Justification

In the negotiations of the new Financial Regulation, a common agreement was reached to preserve EP’s rights to identify beneficiaries of grants through earmarking in the budget. This right has been formalised in the statement to article 108 of the Financial regulation.

Amendment 2
Article 4

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.

The programme covers two groups of beneficiaries:
- Group 1: Operating grants directly awarded to the beneficiaries referred to under point 2 of the Annex.
- Group 2: Support for European associations active in the field of education or training, support for activities in the field of higher education concerning European integration, including Jean Monnet chairs, support for activities contributing to the achievement of the future objectives of education and training systems in Europe and support for training of national judges in the field of European law and for organisations for judicial cooperation awarded by means of a call for proposal.

Justification

The legal act should identify with more transparency the different awarding criteria in respect of the provisions of the Financial regulation.

Amendment 3
Article 5

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.

1. 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.

2. The principles of degressivity in real terms and cofinancing apply to all beneficiaries as follows:
- bodies identified by a basic act: at least 10% of cofinancing even through contributions in kind, and no degressivity;
- bodies explicitly named in the budget lines and bodies selected by calls for proposals: at least 20% of cofinancing even through contributions in kind, and degressivity at a rate of 2.5% from the third year onwards.

Justification

The legal acts should provide the opportunity to harmonise those principles with the awarding procedures foreseen by the Financial Regulation.

Amendment 4
Annex, point 3

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.

The priority themes and types of activity of calls for proposals will be communicated to the European Parliament before proceeding to the calls for proposal.

Justification

In order to keep control over the Commission's priorities when issuing a call for proposals the priorities, themes and actions must be communicated to the EP so that there can be a dialogue between the Commission and the relevant committees.
8 October 2003

OPINION OF THE COMMITTEE ON CITIZENS’ FREEDOMS AND RIGHTS,
JUSTICE AND HOME AFFAIRS

for the Committee on Culture, Youth, Education, the Media and Sport

on the 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

Draftsman: Heide Rühle

PROCEDURE

The Committee on Citizens' Freedoms and Rights, Justice and Home Affairs appointed Heide
Rühle draftsman at its meeting of 9 July 2003.

It considered the draft opinion at its meetings of 1 September 2003, 22 September 2003 and 7
October 2003.

At the last meeting it adopted the following amendments unanimously.

The following were present for the vote Jorge Salvador Hernández Mollar (chairman), Robert
J.E. Evans (vice-chairman), Giacomo Santini (vice-chairman), Heide Rühle (draftsman),
Regina Bastos (for Carlos Coelho pursuant to Rule 153(2)), Maria Berger (for Margot
Keßler), Christian Ulrik von Boetticher, Alima Boumediene-Thiery, Giuseppe Brienza,
Kathalijne Maria Buitenweg (for Pierre Jonckheer), Marco Cappato (for Mario Borghezio),
Michael Cashman, Charlotte Cederschiöld, Carmen Cerdeira Morterero, Ozan Ceyhun,
Gérard M.J. Deprez, Giuseppe Di Lello Finuoli, Marie-Thérèse Hermange (for Mary
Elizabeth Banotti), Alain Krivine (for Ole Krarup), Baroness Ludford, Lucio Manisco (for
Fodé Sylla), Bill Newton Dunn, Marcelino Oreja Arburúa, Elena Ornella Paciotti, Hubert
Pirker, Martine Roure, Francesco Rutelli, Patsy Sörensen, Joke Swiebel, Anna Terrón i Cusí
and Maurizio Turco.
AMENDMENTS

The Committee on Citizens' Freedoms and Rights, Justice and Home Affairs calls on the Committee on Culture, Youth, Education, the Media and Sport, as the committee responsible, to incorporate the following amendments in its report:

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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 Treaty², which increases the power of national courts to apply these Treaty provisions.

There is an increased need to train national judges in the application of Community law and about the various national legal systems of the Member States as well as for such training to be supported by the Community. This is mainly necessary because the principle of mutual recognition requires a very high degree of trust between Member States which can only be established through training. Additional needs arise for example through the 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 Treaty³, which increases the power of national courts to apply these Treaty provisions, and the proposal for a regulation concerning jurisdiction and the recognition and enforcement of judgements in matrimonial matters and in matters of parental responsibility⁴. Urgent steps in this respect have to be undertaken to ensure citizens' support for the common European judicial area.

¹ Not yet published in OJ.
⁴ COM(2002) 222 final/2
Justification

The need to train judges arises mainly from the application of the principle of mutual recognition. The overall quality of justice needs to be continuously improved in order to ensure high performance of the system.

Amendment 2
Article 6, paragraph 1

1. The financial framework for the implementation of the programme for the period specified in Article 1(3) is EUR **129.62** million.

1. The financial framework for the implementation of the programme for the period specified in Article 1(3) is EUR **135.43** million.

Justification

The increase of 5.81 Mio € results from the inclusion of the European Judicial Training Network in Action 1. An amendment to create a new budget line (15.02.01.09) with an amount of 1 Mio € was adopted by the Committee (amendment n° 250). The underlying assumption is an annual amount of 1 Mio € over 5 years plus inflation (2%). This increase remains within the percentage reserved for Action 1 of the programme.

Amendment 3
Article 7, paragraph 1, subparagraph 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.

No later than 31 December 2007, the Commission shall submit a report to the European Parliament, the Council and the national Parliaments 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.

Justification

National Parliaments should be associated as closely as possible and should therefore receive this report as well. The protocol on the role of national Parliaments provides only for the transmission of communications, White and Green Books.

Amendment 4
Article 7, paragraph 1, subparagraph 2
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.

*Justification*

The whole idea of this programme is to achieve certain objectives by supporting beneficiaries. Therefore they should also report whether the programme achieves its objectives. As beneficiaries they will also have practical experiences about the operation of the programme. Their contribution could be extremely valuable for any adjustment to be made to this programme.

Amendment 5

ANNEX, point 2, Action 1, paragraph 1, indent 4

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

*Justification*

This is the correct title of the Academy.

Amendment 6

ANNEX, point 2, Action 1, paragraph 1, indent 4 a) (new)

- the *European Judicial Training Network* in the promotion of the training for members of the judiciary with a genuine European dimension;

*Justification*

The European Judicial Training Network (EJTN) was founded by the schools of judges and other institutions specifically responsible for the training of the professional judiciary of all
EU-Member States. Among its principal aims and objectives are 1) to promote a training programme for judges and public prosecutors with a genuine European dimension; 2) to cooperate with candidate countries especially in the field of judicial co-operation; and 3) to provide expertise and know-how to European, national or international institutions in all questions of judicial co-operation. This network fills a so far existing gap. The importance the European Parliament attaches to the training of members of the judiciary should also be stressed by supporting the ongoing work programme of this network.

Amendment 7
ANNEX, point 2, Action 2, paragraph 2

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.

Amendment 8
ANNEX, point 2, Action 3A, paragraph 4

Justification

Many organisations receiving funds from the EU budget complain about overcomplicated bureaucratic procedures to apply for funding, excessive reporting requirements, and late payments by the Commission. Efforts should therefore be undertaken to limit procedures to the necessary wherever possible.
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.

Grants will be awarded under this action following the selection of proposals submitted in response to one or more published calls for proposals. The Commission or if applicable the executive agency provided for in article 5 of this annex shall ensure that the call for proposals is "customer friendly" and does not represent an insurmountable bureaucratic burden. Wherever appropriate the call for proposals shall be organised in two steps with the first step requiring only the submission of limited documentation strictly necessary for the assessment of the proposal. The Community grant will not cover more than 75 per cent of the eligible costs of activities selected for funding under this action.

Justification

Many organisations receiving funds from the EU budget complain about overcomplicated bureaucratic procedures to apply for funding, excessive reporting requirements, and late payments by the Commission. Efforts should therefore be undertaken to limit procedures to the necessary wherever possible.

Amendment 9
ANNEX, point 2, Action 3B, paragraph 4

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. 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. The Commission or if applicable the executive agency provided for in article 5 of this annex shall ensure that the call for proposals is "customer friendly" and does not represent an insurmountable bureaucratic burden. Wherever appropriate the call for proposals shall be organised in two steps with the first step requiring only the submission of limited documentation strictly necessary for the assessment of the proposal.
Justification

Many organisations receiving funds from the EU budget complain about overcomplicated bureaucratic procedures to apply for funding, excessive reporting requirements, and late payments by the Commission. Efforts should therefore be undertaken to limit procedures to the necessary wherever possible.

Amendment 10
ANNEX, point 2, Action 3C, paragraph 3

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.

Amendment 11
ANNEX, point 2, Action 3C, paragraph 4

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

For Action 3C: Support for training of national judges in the field of European law, and for organisations for judicial cooperation, a maximum amount of 4% of the total budget available for this programme is proposed. An amount of 1.036.960 € per year for this undertaking is undoubtedly inadequate. So far 85 % of the appropriations are firmly committed (through the words "not less than ... per cent" for action ...). The total percentage figures ("not more than ... per cent" for action...), however, add up to 108%. The remaining margin of flexibility should be used for this action to at least symbolically underline the importance the European Parliament attaches to this task. At the same time the European Commission is urged to present further proposals on how this task can be supported by the Community.

Amendment 12
ANNEX, point 5, paragraph 2 (new)

The Commission shall have a regular exchange of views with representatives of current and potential beneficiaries of the action programme on the design, implementation and follow-up of the programme.

Justification

Currently, there seems to be an overrigid implementation of the new financial regulation by the Commission's services. This reaction is understandable if one looks at the obligations put on officials by the new financial regulation. A regular meeting could help to create mutual trust.

Amendment 13
ANNEX, point 5 a) (new)

Acknowledgement of Funding

Any institution, association or activity receiving a grant from this programme has the obligation to acknowledge the support received by the European Union. To this end the Commission shall lay down detailed visibility guidelines.

Justification

Financial support from the EU should always be acknowledged. This is a matter of transparency as well as an important tool to communicate the Union’s efforts. The
Commission has already elaborated detailed visibility guidelines for external aid (http://europa.eu.int/comm/europeaid/visibility/index_en.htm) that could be used as a general model.

Amendment 14
ANNEX, point 5 b (new)

Dissemination of Results

In order to facilitate the dissemination of results as many of the products as possible financed by this programme shall be made available electronically free of charge.

Justification

This would facilitate the dissemination of results which is often one of the objectives of a programme. It is also a matter of principle in the sense that a product was paid for by public money with the objective of serving the public.