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*****I**

REPORT

on the proposal for a European Parliament and Council decision laying down a Community Action Programme promoting non-governmental organisations primarily active in the field of environmental protection
(COM 2001/0337 – C5-0281/2001 – 2001/0139(COD))

Committee on the Environment, Public Health and Consumer Policy

Rapporteur: Caroline F. Jackson

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

	Page
PROCEDURAL PAGE	4
LEGISLATIVE PROPOSAL	5
DRAFT LEGISLATIVE RESOLUTION	17
OPINION OF THE COMMITTEE ON BUDGETS	18

PROCEDURAL PAGE

By letter of 22 June 2001 the Commission submitted to Parliament, pursuant to Article 251(2) and Article 175(1) of the EC Treaty, the proposal for a European Parliament and Council decision on laying down a Community Action Programme promoting non-governmental organisations primarily active in the field of environmental protection (COM 2001/0337 - 2001/0139 (COD)).

At the sitting of 2 July 2001 the President of Parliament announced that she had referred this proposal to the Committee on the Environment, Public Health and Consumer Policy as the committee responsible and the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy and Committee on Budgets for their opinions (C5-0281/2001).

The Committee on the Environment, Public Health and Consumer Policy had appointed Caroline F. Jackson rapporteur at its meeting of 26 June 2001.

It considered the Commission proposal and draft report at its meetings of 28 August 2001 and 8 October 2001.

At the last meeting it adopted the draft legislative resolution by 44 votes to 2, with 1 abstention.

The following were present for the vote: Guido Sacconi, acting chairman; Alexander de Roo, vice-chairman; Caroline F. Jackson, rapporteur; Per-Arne Arvidsson, María del Pilar Ayuso González, Emmanouil Bakopoulos (for Mihail Papayannakis), Jean-Louis Bernié, Hans Blokland, David Robert Bowe, John Bowis, Dorette Corbey, Chris Davies, Avril Doyle, Anne Ferreira, Marialiese Flemming, Karl-Heinz Florenz, Cristina García-Orcóyen Tormo, Laura González Álvarez, Robert Goodwill, Françoise Grossetête, Cristina Gutiérrez Cortines, Anneli Hulthén, Hedwig Keppelhoff-Wiechert (for Martin Callanan), Christa Kieß, Eija-Riitta Anneli Korhola, Bernd Lange, Giorgio Lisi (for Peter Liese), Jules Maaten, Minerva Melpomeni Malliori, Patricia McKenna, Emilia Franziska Müller, Rosemarie Müller, Riitta Myller, Karl Erik Olsson, Ria G.H.C. Oomen-Ruijten, Béatrice Patrie, Marit Paulsen, Encarnación Redondo Jiménez (for Jorge Moreira da Silva), Frédérique Ries, Didier Rod (for Hiltrud Breyer), Dagmar Roth-Behrendt, Giacomo Santini, Karin Scheele, Horst Schnellhardt, Inger Schörling, Jonas Sjöstedt, María Sornosa Martínez, Nicole Thomas-Mauro, Antonios Trakatellis, Phillip Whitehead.

The opinion of the Committee on Budgets is attached; the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy decided on 28 August 2001 not to deliver an opinion.

The report was tabled on 9 October 2001.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

LEGISLATIVE PROPOSAL

Proposal for a European Parliament and Council decision on laying down a Community Action Programme promoting non-governmental organisations primarily active in the field of environmental protection (COM 2001/0337 – C5-0281/2001 – 2001/0139(COD))

The proposal is amended as follows:

Text proposed by the Commission ¹

Amendments by Parliament

Amendment 1 Recital 10 a (new)

(10a) The annual appropriations are decided by the Budgetary Authority in the budgetary procedure.

Justification

The legislative authority decides about the multiannual envelope but the annual amounts are decided in the context of the budgetary procedure.

Amendment 2 Article 1, paragraph 2

2. The general objective of this Programme shall be to promote NGOs, which are primarily active in the field of environmental protection at a European level and which contribute, or have the ability to contribute, to the development and implementation of Community environmental policy and legislation in all regions of Europe. The Programme shall also promote the systematic involvement of NGOs at all stages of the Community environmental policy-making process, by ensuring relevant representation in stakeholder consultation

2. The general objective of this Programme shall be to promote NGOs, which are primarily active in the field of environmental ***and animal*** protection at a European level and which contribute, or have the ability to contribute, to the development and implementation of Community environmental policy and legislation in all regions of Europe. The Programme shall also promote the systematic involvement of NGOs at all stages of the Community environmental policy-making process, by ensuring relevant representation in

¹ Not yet published

meetings and public hearings.

stakeholder consultation meetings and public hearings.

Justification

In the past, both the Commission and the Parliament have agreed that the European animal welfare organisations should be financially supported. Such support is just as important now as it was when first introduced in 1986.

Amendment 3
Article 2, point a)

a) it must be an independent and non-profit-making legal person primarily active in the field of environmental protection, with an **environmental** objective aimed at the public good;

a) it must be an independent and non-profit-making legal person primarily active in the field of environmental **and animal** protection, with an objective aimed at the public good;

Justification

In the past, both the Commission and the Parliament have agreed that the European animal welfare organisations should be financially supported. Such support is just as important now as it was when first introduced in 1986.

Amendment 4
Article 2, point b)

b) it must be active at a European level, with **a structure (membership base) and** activities covering at least **three** European countries;

b) it must be active at a European level, **either singly or in the form of several coordinated associations**, with activities covering at least **two** European countries, **except for an organisation operating in one of the Accession Countries, where this will be deemed desirable but not essential**;

Justification

Small associations which have worked in the regions and in various parts of Europe frequently suffer most from the lack of institutional support and have therefore been unable to build up a firm European structure. Consequently, cooperation among them should be sought so that they can provide mutual support and exchange information and solutions, as well as models for action. Sharing initiatives will also make it possible to strengthen these associations within their respective regions.

It is unreasonable to expect in Accession Countries organisations necessarily to be able to be part of a wider network.

Amendment 5 Article 2 point b a (new)

ba) it must develop networks between Member States and pre-accession organisations.

Justification

The principles stated for subsidies of part A should apply to other grants.

Amendment 6 Article 2 point c a (new)

ca) it must encourage partnerships with organisations in the public and private sector.

Justification

see amendment 5

Amendment 7 Article 2 point d a (new)

da) it must be able to attract part-financing from external sources.

Justification

see amendment 5

Amendment 8
Article 3 a (new)

Given the importance for sustainable development and for the health and quality of life of European citizens, the Programme identifies, in particular, the priority issues from the Sixth Environment Action Programme, that have been grouped under four main headings

- Limiting climate change***
- Nature and bio-diversity – protecting a unique resource***
- Health and environment***
- Ensuring the sustainable management of natural resources and wastes***

The Sixth Environment Action Programme will be subject to a review in the fourth year of operation and revised and updated, as necessary, to take account of new developments and information.

In addition to the above-mentioned areas, environmental education and implementation and enforcement of Community environmental legislation shall also be priorities.

Justification

The text of this amendment was originally put in the first part of the Annex. This amendment ensures that the Programme priorities appear in the Articles. The amendment to the second

para of para.1 is consequential to changes to the 6th EAP and "environmental education" was added as it is considered to be an important function of environmental NGOs.

Amendment 9
Article 4, paragraph 2

2. The Call for Proposals shall set out the eligibility, selection and award criteria and the application, assessment and approval procedure.

2. The Call for Proposals **will include an information package and** shall set out the eligibility, selection and award criteria **(including details of the proposed weighting system)** and the application, assessment and approval procedure.

Justification

Required for transparency in relation to the application and selection procedure.

Amendment 10
Article 4, paragraph 3

3. After assessing the proposals, the Commission shall decide which organisations are to receive financing in the following year, by 31 December each year, save for a delay in the adoption of the Community budget. The decision shall give rise to an agreement between the Commission and the beneficiary, fixing the maximum amount of the grant, the modalities of payment, the control and monitoring measures and the objectives to be achieved by the grant.

3. After assessing the proposals, the Commission shall decide which organisations are to receive financing in the following year, by 31 December each year, save for a delay in the adoption of the Community budget. The decision shall give rise to an agreement between the Commission and the beneficiary, fixing the maximum amount of the grant, the modalities of payment, the control and monitoring measures and the objectives to be achieved by the grant. **Payment shall be made immediately.**

Justification

Self-explanatory.

Amendment 11
Article 4, paragraph 3 a (new)

The Commission shall publish in the Official Journal of the European Communities before 30th September 2002 an explanation of how it will thereafter determine the legitimacy of NGO applicants in terms of public support or particular expertise, and details of the fixed weighting system used in assessing applications

Justification

To promote transparency regarding the proper use of public money and the selection procedure.

Amendment 12
Article 4, paragraph 3 b (new)

Selection and procedures shall be transparent and easy to comprehend. The selection committee shall invite two representatives of the European Parliament to attend selection and procedure meetings as observers.

Justification

Self-explanatory.

Amendment 13
Article 6, paragraph 1

A grant shall not exceed 70% of the applicant's average audited annual eligible expenses during the preceding two years, in the case of NGOs based in the Community, or 80% in the case of NGOs based in the Candidate Countries and the Balkans, nor 80% of the applicant's eligible expenses for the current year.

The amount shall be determined annually

A grant shall not exceed 70% of the applicant's average audited annual eligible expenses during the preceding two years, in the case of NGOs based in the Community, or 80% in the case of NGOs based in the Candidate Countries and the Balkans, nor 80% of the applicant's eligible expenses for the current year.

The amount shall be determined annually

according to a fixed weighting system, which takes into account the score values resulting from the assessment described in Article 5 and the **relative size of the NGOs** as outlined in part 3 of the Annex.

according to a fixed weighting system, which takes into account the score values resulting from the assessment described in Article 5 and the **principles** as outlined in part 3 of the Annex.

Justification

Amendment is consequential.

Amendment 14
Article 6, paragraph 2

2. A beneficiary under this Programme shall be free to use the grant to cover eligible expenses of the **organisation**, as it deems appropriate, over the grant year. All expenses incurred by the beneficiary during the grant year shall be considered eligible, except for those specified in point 4 of the Annex.

2. A beneficiary under this Programme shall be free to use the grant to cover eligible expenses of the **NGO**, as it deems appropriate, over the grant year. All expenses incurred by the beneficiary during the grant year shall be considered eligible, except for those specified in point 4 of the Annex. **Beneficiaries may also disburse funds to partners or member organisations in accordance with details specified in the approved work programme.**

Justification

The addition takes account of the inclusion of networks and federations of NGOs in the definition.

Amendment 15
Article 6, paragraph 2 a (new)

Non-cash contributions or work done without payment may be fully credited as expenses in monetary terms.

Justification

Self-explanatory.

Amendment 16
Article 6, paragraph 5 a (new)

The Commission will provide unsuccessful applicants with reasons for the failure of the NGO to meet the requirements, giving sufficient explanation to enable them to identify reforms needed prior to making new applications

Justification

Self-evident.

Amendment 17
Article 7, paragraph 3

3. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

3. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective. ***They take into account the conditions stated in article 11 hereafter.***

Justification

Qualitative and quantitative evaluation of the programme should be taken on board by budgetary decisions.

Amendment 18
Article 8

1. 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 2185/96 of 11 November 1996. ***In addition,*** investigations conducted by the European

1. 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 2185/96 of 11 November 1996. ***If appropriate,*** investigations ***will be*** conducted by the

Anti-Fraud Office (OLAF) are governed by Regulation (EC) No 1073/1999 of the European Parliament and of the Council.

2. The beneficiary of a 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.

European Anti-Fraud Office (OLAF) **and** are governed by Regulation (EC) No 1073/1999 of the European Parliament and of the Council.

2. The beneficiary of a grant **and, where appropriate its partners or members,** 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.

Justification

Para.1 clarification; Para.2 consequential on including networks and federations.

Amendment 19 Article 10

A list of the beneficiaries to be financed under this Programme, together with the amount allocated, shall be published each year in the *Official Journal of the European Communities*.

A list of the beneficiaries to be financed under this Programme, together with the amount allocated **and the score value achieved**, shall be published each year in the *Official Journal of the European Communities*.

Each applicant whose application is rejected shall receive an easily comprehensible, justified notification setting out the score value achieved and the score value which would have been required for a positive decision.

Justification

Self-explanatory.

Amendment 20
Article 11, subparagraph –1 (new)

The Commission shall provide a report by 30 April each year on the process of allocating grants for the current year, and outcomes from grants for the previous year. The report should include an explanation of how the Commission has selected beneficiaries for the current year. The Commission shall convene a meeting of Member States, representatives of the European Parliament and other stakeholders to discuss this report by 30 June each year.

Justification

*New paragraph to ensure ex post and ex ante information thereby ensuring greater transparency and accountability.
[This will avoid the need, identified by some Member States, for a Committee].*

Amendment 21
Article 11

By 31 December 2004 at the latest, the Commission shall submit a report to the European Parliament and the Council on the achievement of the objectives of this Programme during the first three years 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 on the reports concerning beneficiaries' performance and assess, in particular, their effectiveness in contributing to the objectives stated in Article 1 and the Annex.

By 31 December 2004 at the latest, the Commission shall submit a report to the European Parliament and the Council on the achievement of the objectives of this Programme during the first three years 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 on the reports concerning beneficiaries' performance and assess, in particular, their effectiveness in contributing to the objectives stated in Article 1 and the Annex. ***When the Commission submits the preliminary draft budget, it shall forward to the budgetary authority the result of the quantitative and qualitative***

evaluation of the measure based on the annual programme and on the performance indicators.

Justification

Qualitative and quantitative evaluation of the programme should be taken on board by budgetary decisions.

Amendment 22

Annex, point 2, subparagraph 1 (Extent to which the application meets the objectives of the programme), indent 3 a (new)

- Strengthening of European links and interconnection among small regional or local associations working to apply the acquis communautaire in relation to the environment and sustainable development in their local area.

Justification

Small associations which have worked in the regions and in various parts of Europe frequently suffer most from the lack of institutional support and have therefore been unable to build up a firm European structure. Consequently, cooperation among them should be sought so that they can provide mutual support and exchange information and solutions, as well as models for action. Sharing initiatives will also make it possible to strengthen these associations within their respective regions.

Amendment 23

Annex, point 3, introductory sentence and paragraph 1

DETERMINATION OF GRANTS

The grant is calculated on the applicant's forecasted total eligible expenses for the grant year, taking explicitly into account his average audited expenses over the preceding two years, according to the following principles:

(1) When all other parameters are equal,

DETERMINATION OF GRANTS

The grant is calculated on the applicant's forecasted total eligible expenses for the grant year, taking explicitly into account his average audited expenses over the preceding two years, according to the following principles:

(1) When all other parameters are equal, ***the***

larger NGOs (as measured by the average of their preceding two years' audited annual expenses and the forecasted total eligible expenses for the grant year) will receive higher amounts than smaller ones. However, the larger the NGO, the relatively smaller this size advantage will be;

grant amount for NGOs with larger volumes of relevant activities (as measured by the average ***value*** of their preceding two years' audited annual expenses and the forecasted total eligible expenses for the grant year) will ***normally be higher than the grant amounts for NGOs with smaller volumes of relevant activities. However, the distribution will be made on a non-linear basis and so beneficiaries with smaller volumes of relevant activities will receive a relatively higher rate of support.***

Justification

Part 3(1) has been altered so as not to favour large NGOs.

Amendment 24 Annex, point 4, indent 7

- Contributions in kind

- Contributions in kind ***for organisations with an annual budget of at least Euro 300,000.-***

Justification

To assist small, single organisations without financial backers, or links to big networks. Organisations with small incomes rely heavily on non-remunerated volunteers and the free use of facilities such as conferences, translators, etc.

DRAFT LEGISLATIVE RESOLUTION

European Parliament legislative resolution on the proposal for a European Parliament and Council decision on laying down a Community Action Programme promoting non-governmental organisations primarily active in the field of environmental protection (COM 2001/0337 – C5-0281/2001 – 2001/0139(COD))

(Codecision procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM 2001/0337¹),
 - having regard to Article 251(2) of the EC Treaty and Article 175(1) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C5-0281/2001),
 - having regard to Rule 67 of its Rules of Procedure,
 - having regard to the report of the Committee on the Environment, Public Health and Consumer Policy and the opinion of the Committee on Budgets (A5-0317/2001),
1. Approves the Commission proposal as amended;
 2. Asks to be consulted again should the Commission intend to amend the proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council and Commission.

¹ Not yet published

14 September 2001

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on the Environment, Public Health and Consumer Policy

on the proposal for a decision of the European Parliament and of the Council laying down a Community Action Programme promoting non-governmental organisations primarily active in the field of environmental protection
(COM(2001) 337 – C5-0281/2001 – 2001/0139 (COD))

Draftsman: Den Dover

PROCEDURE

The Committee on Budgets appointed Den Dover draftsman at its meeting of 11 July 2001.

It considered the draft opinion at its meeting of 12-13 September 2001.

At the latter meeting it adopted the following amendments by unanimously.

The following were present for the vote: Terence Wynn, chairman; Reimer Böge, vice-chairman; Den Dover, draftsman; Jean-Louis Bourlanges, Paulo Casaca, Carlos Costa Neves, Göran Färm, Markus Ferber, Salvador Garriga Polledo, Catherine Guy-Quint, Armin Laschet, John Joseph McCartin, Jan Mulder, Juan Andrés Naranjo Escobar, Giovanni Pittella, Bartho Pronk (for Ioannis Averoff), Encarnación Redondo Jiménez (for Alejo Vidal-Quadras Roca), Esko Olavi Seppänen (for Chantal Cauquil), Kyösti Tapio Virrankoski and Ralf Walter.

SHORT JUSTIFICATION

The objective of the proposal is to renew the legal basis for a multiannual programme (2002-2006) which aim is to promote NGOs, primarily active in the field of environmental protection at a European level and which contribute to the development and implementation of Community environmental policy and legislation, and which have an established or potential ability to represent and involve citizens in this process thereby increasing democracy, transparency and the sense of ownership of Community environmental policy and legislation.

An external evaluation of the preceeding Programme with a view to its possible renewal was carried out in 2000. The analysis which outcome is published in volume II (COM(2001) 337 final) highlights the need for simplification of procedures, focussing on the main objectives of the Programme and widening the geographical basis.

The rapporteur welcomes the Commission's initiative to renew the proposal on the basis of the evaluation findings and considers that the monitoring of implementation should be strengthened and provided yearly during the period covered by the new programme, in view to guiding the Budgetary Authority in its annual decisions.

He points out that the new programme is reduced in comparison with the former one by an amount of € 9,2 million. The common declaration of 20 July 2000 states that the Budgetary Authority evaluates its compatibility with the current financial framework. Because this programme will be adopted under the co-decision procedure, such an evaluation should be renewed if the amount of the envelope is modified in the course of the legislative process.

B4-3060, B7-811 and B7-811A		2002	2003	2004	2005	2006	Total 2002-2006
	B4-3060*	3,2	3,2	3,3	3,4	3,4	16,5
	B7-811 and B7-811A	5,1	5,2	5,3	5,4	5,5	26,5
	Total	8,3	8,4	8,6	8,8	8,9	43,0
COM (Fich. Fin.)	Total	5,3	6,0	6,8	7,5	8,3	33,8
Diff.		-3,0	-2,4	-1,8	-1,3	-0,7	-9,2

* Part covered by the legal basis.

The rapporteur also wishes to harmonise the rules for allocating grants with the principles set up for the subsidies of part A (A-30). He considers that the contributions in kind should be taken on board provided they are accountable.

AMENDMENTS

The Committee on Budgets calls on the Committee on the Environment, Public Health and Consumer Policy, as the committee responsible, to incorporate the following amendments in its report:

AMENDMENT TO THE LEGISLATIVE RESOLUTION

[The European Parliament],

Considers that the multiannual envelope foreseen in article 7 is compatible with the current financial perspective.

Justification:

According to the common declaration of 20 July 2000, the Budgetary Authority should evaluate the compatibility of the envelope with the Financial Perspective and without reduction of the other policies. Such an evaluation needs to be revised if the envelope is modified in the legislative process.

Text proposed by the Commission¹

Amendments by Parliament

Amendment 1
Recital 10 a (new)

(10a) The annual appropriations are decided by the Budgetary Authority in the budgetary procedure.

Justification

The legislative authority decides about the multiannual envelope but the annual amounts are decided in the context of the budgetary procedure.

Amendment 2
Article 2 a (new)

In order to qualify for a grant, an NGO

In order to qualify for a grant, an NGO

¹ OJ C Not yet published.

shall have the following characteristics:

- a) it must be an independent and non-profit-making legal person primarily active in the field of environmental protection, with an environmental objective aimed at the public good;
- b) it must be active at a European level, with a structure (membership base) and activities covering at least three European countries;

c) its activities must meet the principles underlying [the proposal for a Sixth Environment Action Programme] and be in line with the priority areas identified in part 1 of the Annex to this Decision;

d) it must have been legally constituted for more than two years and have had its annual statement of accounts for the two preceding years certified by a registered auditor.

shall have the following characteristics:

- a) it must be an independent and non-profit-making legal person primarily active in the field of environmental protection, with an environmental objective aimed at the public good;
- b) it must be active at a European level, with a structure (membership base) and activities covering at least three European countries;

ba) it must develop networks between Member States and pre-accession organisations.

c) its activities must meet the principles underlying [the proposal for a Sixth Environment Action Programme] and be in line with the priority areas identified in part 1 of the Annex to this Decision;

ca) it must encourage partnerships with organisations in the public and private sector.

d) it must have been legally constituted for more than two years and have had its annual statement of accounts for the two preceding years certified by a registered auditor.

da) it must be able to attract part-financing from external sources.

Justification

The principles stated for subsidies of part A should apply to other grants.

Amendment 3 Article 7, paragraph 3

3. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

3. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective. ***They take into account the conditions stated in article 11 hereafter.***

Justification

Qualitative and quantitative evaluation of the programme should be taken on board by budgetary decisions.

Amendment 4
Article 11

By 31 December 2004 at the latest, the Commission shall submit a report to the European Parliament and the Council on the achievement of the objectives of this Programme during the first three years 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 on the reports concerning beneficiaries' performance and assess, in particular, their effectiveness in contributing to the objectives stated in Article 1 and the Annex.

By 31 December 2004 at the latest, the Commission shall submit a report to the European Parliament and the Council on the achievement of the objectives of this Programme during the first three years 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 on the reports concerning beneficiaries' performance and assess, in particular, their effectiveness in contributing to the objectives stated in Article 1 and the Annex. ***When the Commission submits the preliminary draft budget, it shall forward to the budgetary authority the result of the quantitative and qualitative evaluation of the measure based on the annual programme and on the performance indicators.***

Justification

Qualitative and quantitative evaluation of the programme should be taken on board by budgetary decisions.

Amendment 5
Annex, point 4, 7th indent

- Contributions in kind

- Contributions in kind ***provided they are accountable***

Justification

The evaluation report enhances that NGOs often receive contributions in kind. Therefore, according to the vademecum on subsidies, they should be eligible provided they can be accountable.