

EUROPEAN PARLIAMENT

1999



2004

Session document

FINAL
A5-0075/2004

19 February 2004

*****II**

RECOMMENDATION FOR SECOND READING

on the Council common position for adopting a European Parliament and Council decision establishing a Community action programme to promote bodies active at European level in the field of youth
(15327/1/2003 – C5-0021/2004 – 2003/0113(COD))

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

Rapporteur: Christa Prets

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.

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PROCEDURAL PAGE

At its sitting of 6 November 2003 Parliament adopted its position at first reading on the amended proposal for a European Parliament and Council decision establishing a Community action programme to promote bodies active at European level in the field of youth. (COM(2003) 272 – 2003/0113(COD)).

At the sitting of 15 January 2004 the President of Parliament announced that the common position had been received and referred to the Committee on Culture, Youth, Education, the Media and Sport (15327/1/2003 - C5-0021/2004).

The committee had appointed Christa Prets rapporteur at its meeting of 8 July 2003.

It considered the Commission proposal and the draft recommendation for second reading at its meetings of 27 January 2004 and 19 February 2004.

At the last meeting it adopted the draft legislative resolution unanimously.

The following were present for the vote: Michel Rocard, chairman; Mario Mauro, vice-chairman; Christa Prets, rapporteur; Pedro Aparicio Sánchez, Saïd El Khadraoui (for Barbara O'Toole), Cristina Gutiérrez Cortines (for Christopher J.P. Beazley), Ulpu Iivari, Lucio Manisco, Juan Ojeda Sanz, Doris Pack, Roy Perry, Eurig Wyn and Sabine Zissener.

The recommendation for second reading was tabled on 19 February 2004.

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the Council common position for adopting a European Parliament and Council decision establishing a Community action programme to promote bodies active at European level in the field of youth
(15327/1/2003 - C5-0021/2004 - 2003/0113(COD))

(Codecision procedure: second reading)

The European Parliament,

- having regard to the Council common position ((15327/1/2003 - C5-0021/2004),
 - having regard to its position at first reading¹ on the Commission proposal to Parliament and the Council (COM(2003) 272)²,
 - having regard to the Commission Communication on the common position (COM(2004) 5),
 - having regard to Article 251(2) of the EC Treaty,
 - having regard to Rule 80 of its Rules of Procedure,
 - having regard to the recommendation for second reading of the Committee on Culture, Youth, Education, the Media and Sport (A5-0075/2004),
1. Amends the common position as follows;
 2. Instructs its President to forward its position to the Council and Commission.

Council common position

Amendments by Parliament

Amendment 1
Annex, 2.3 (new)

2.3 Transitional provisions

2.3.1 For grants awarded in 2004, it will be possible for the period of eligibility of expenditure to start on 1 January 2004, provided that the expenditure does not

¹ P5_TA-PROV(2003)0474.

² Not yet published in OJ.

precede the date on which the grant application was lodged or the date on which the beneficiary's budget year starts.

2.3.2 During 2004, in the case of beneficiaries whose budgetary year starts before 1 March, an exception may be granted to the obligation to sign the grant agreement within the first four months of the start of the beneficiary's budget year, as referred to in Article 112, paragraph 2 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities. In this case, the grant agreement should be signed by 30 June 2004 at the latest.

EXPLANATORY STATEMENT

THE COMMISSION PROPOSAL

1. On 4 June 2003, the Commission presented to the European Parliament and the Council a proposal for a decision establishing a Community action programme to promote bodies active at European level in the field of youth. The proposal - based on Article 149§4 (Education) of the EC Treaty - was drafted in compliance with the Financial Regulation and its implementing rules: its aim was to provide a basic act for grants which, though long-standing, had hitherto lacked a separate legal base.
2. The proposed programme, which was to run from 2004 until 2006, was divided into two parts:
 - support for the European Youth Forum (provided under budget line 15.07.01.01, former A-3023);
 - support for several dozen international non-governmental youth organisations (provided under line 15.07.01.02, former A-3029) selected following a call for proposals.

The Commission proposal intended that, from 2007 onwards, support for these youth organisations would be provided under the successor programme to the current Youth programme.

3. Taking budget 2003 as its starting point, under Heading 5 of the Financial Perspective the Commission proposed a multi-annual budget (including expenditure on administrative overheads) of EUR 11,52 million. Of the EUR 11,32 million intended as operational expenditure, at least EUR 2,0 million each year was earmarked for a grant to the European Youth Forum.

THE PARLIAMENT'S FIRST READING

4. The Parliament held its first reading on 6 November 2003. It approved the Commission proposal, subject to a number of amendments.
 - amendments 1, 2, 3, 7, 12, 13 sought to highlight the important role that non-governmental youth organisations can play in promoting the active participation of young citizens in public life and society;
 - amendments 5, 18 and 19 sought to establish the status of the international non-governmental youth organisations as organisations pursuing an aim of general

- European interest, and to exempt them from the application of the principle of gradual reduction in grant ('degressivity');
- amendments 4, 6, 10, 16, 17, 20 and 23 sought to increase the transparency and user-friendliness of the proposed programme, and to make possible greater scrutiny of its implementation by the European Parliament;
 - amendment 11 proposed an increase in the programme budget to EUR 13,17 million, to take Parliament's proposals for budget 2004 as the starting point for the overall budget and to take account of the likely impact of enlargement of the European Union from 2004.

THE COUNCIL'S COMMON POSITION

5. In its common position, the Council approved the Commission proposal subject to a number of amendments of its own.
 - the multi-annual budget was set at EUR 13,0 million;
 - new Article 7 was introduced to clarify the Commission's role in the implementation of the programme;
 - Part 2 of the Annex was restructured to distinguish more clearly the two categories of beneficiaries;
 - other modifications or clarifications were introduced to Article 3 (participation of countries outside the European Union) and Annex 6.6 (application of the Financial Regulation and its implementing rules).
6. The Council adopted in full, in part or in essence, 13 of the 16 Parliament amendments adopted by the Commission (amendments 1, 2, 3, 5, 6, 7, 9, 10, 12, 13, 16, 17, 20). In addition to the amendments not adopted by the Commission, and which were not accepted by the Council, the Council rejected amendments 11 and 14 (on the budget) and amendments 18 and 19 (exempting the international non-governmental youth organisations from application of gradual reduction in their grants from the third year of such grants onwards).

RAPPORTEUR'S REMARKS

7. The Council has gone a long way towards accepting the Parliament's position at first reading.
 - the Council has incorporated in its common position, in whole, in part or in spirit, all of the Parliament's first reading amendments on the role of non-governmental youth organisations in promoting participation by young people in public life and society;

- the Council's amendments to Article 4, Article 7, Annex part 3.2 and Annex part 4, increase the transparency and user-friendliness of the programme and the Commission's accountability to the Parliament for its implementation;
- the political agreement reached in the course of the budget conciliation on 24 November, which increased the programme budget to EUR 13,0 million, is only a little short of Parliament's first reading position and makes adequate provision for enlargement.

Given the likely difficult situation of Heading 5 of the Financial Perspective in 2005 and 2006, the Council's agreement to a 13% increase in the programme budget is particularly welcome.

8. The only significant point of difference between Parliament and Council is whether grants to the international non-governmental youth organisations should be exempt from the principle of gradual reduction from the third year onwards. In the inter-institutional discussions which preceded the budget conciliation, and in the conciliation itself, it became clear that neither Commission nor Council was willing to accept a derogation of this kind from the Financial Regulation in respect of grants under Part 2 of the programme. Your rapporteur does not feel that this is an important enough point to justify a third reading (conciliation), with the delay until autumn 2004 in the launch of the programme which this would inevitably entail.
9. The rapporteur recommends that the Parliament accept the common position subject to one amendment. This arises directly from the late adoption of the proposal by the Commission and the fact that it has therefore been impossible to adopt the act before the beginning of 2004. In the 'Joint statement on the basic acts for grants (ex A-30)' issued in the course of the EcoFin Council on 24 November 2003, Parliament and Council noted that: 'Should approval not occur until 2004, transitional clauses covering the period before approval will have to be added to the basic acts, allowing, on an exceptional basis, the agreements mentioned in Article 112(2) of the Financial Regulation to be signed before 30 June 2004.' Such transitional clauses are necessary because, under Article 112(2), beneficiaries may claim a grant in respect of costs incurred no more than four months before the signature of a contract with the Commission. Since they will not be able to sign a contract with the Commission before 30 April 2004, without a derogation from Article 112(2) beneficiaries would not be able to claim a grant in respect of the totality of their eligible costs in 2004. Amendment 1 proposes the necessary transitional provisions.
