



COMMISSION OF THE EUROPEAN COMMUNITIES

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2001/0015 (ACC)

Proposal for a

COUNCIL DECISION

concerning the Community position within the Association Council on the financial contribution of Lithuania for participation in the Socrates and Youth programmes in the years 2001 to 2006

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Helsinki European Council of December 1999 confirmed the enlargement process launched at its meeting of December 1997 in Luxembourg. The enhanced Pre-Accession Strategy defined in 1997 has been reiterated, which includes the participation of the 13 candidate States in Community programmes as an important part of such strategy.

As regards the ten candidate countries of Central and Eastern Europe (CEECs), participation in Community programmes is provided in their respective Europe Agreements. Pursuant to the Europe Agreements, the conditions and modalities of these countries' participation are defined by the respective Association Councils.

In the case of the education, training and youth programmes, all the CEECs have been participating in 1999 in the first phase of the Leonardo da Vinci and of the Socrates programmes, and in the Youth for Europe programme, which expired on 31 December 1999. Their participation in these programmes has been an important element in these countries' pre-accession process.

Moreover, Association Council decisions have already been adopted in 2000 to allow them to participate in the second phase of *Leonardo da Vinci*, the second phase of *Socrates*, and the new *Youth* programme, which have taken the place of the previous programmes as from 2000. The CEECs have thus participated in these new programmes since their beginning, and the activities undertaken within the first generation of programmes have been able to continue within the successor programmes without any interruption.

For the Socrates and Youth programmes, the Association Council decisions adopted in 2000, which apply until the end of the programmes, establish the financial contribution to be paid by each CEEC for participation in the year 2000, and specify that their financial contribution for the following years will be decided by the respective Association Councils in the course of the year 2000. The Commission has calculated this contribution on the basis of the budgets for the programmes concerned. All the CEECs have confirmed their agreement, and indicated their willingness to pay their financial contribution partly from their national budget, and partly from their annual Phare allocation. As provided in the conclusions of the meeting of the European Council in Luxembourg of 12 and 13 December 1997, these countries' financial contributions of their own are steadily increasing.

Therefore, the Commission now proposes to the Council to specify the financial contribution of each CEEC to Socrates and Youth for the years 2001 to 2006 in a new decision, which will complete the decisions of the respective Association Councils adopting the terms and conditions for the participation of these countries in the Socrates and Leonardo da Vinci programme on one part, and the Youth programme on the other.

Accordingly, the Council is invited to adopt the annexed proposal for a Council Decision concerning the Community position within the Association Council on the financial contribution of Lithuania for participation in the Socrates and Youth programmes in the years 2001 to 2006.

Proposal for a

COUNCIL DECISION

concerning the Community position within the Association Council on the financial contribution of Lithuania for participation in the Socrates and Youth programmes in the years 2001 to 2006

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 149 and 150, in conjunction with Article 300(2) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Decision 3/2000 of 28 September 2000 of the Association Council between the European Communities and their Member States, of the one part, and the Republic of Lithuania, of the other part¹, has adopted the terms and conditions for the participation of the Republic of Lithuania in the second phase of the Leonardo da Vinci and Socrates programmes, and it applies for the duration of these programmes.
- (2) Decision 4/2000 of 13 December 2000 of the Association Council between the European Communities and their Member States, of the one part, and the Republic of Lithuania, of the other part², has adopted the terms and conditions for the participation of the Republic of Lithuania in the Youth programme, and it applies for the duration of this programme.
- (3) Annex II, point 2 of Decision 3/2000, and annex II, point 1 of Decision 4/2000 provide that the financial contribution to be paid by Lithuania to the budget of the European Union to participate in these programmes in the years 2001 to 2006 will be decided by the Association Council in the course of the year 2000,

¹ OJ L ...,2001, p. ...

² OJ L ...,2001, p. ...

HAS DECIDED AS FOLLOWS:

The position to be taken by the Community within the Association Council established by the Europe Agreement between the European Communities and their Member States, of the one part, and the Republic of Lithuania, of the other part, concerning the financial contribution of Lithuania for participation in the Socrates and Youth programmes in the years 2001 to 2006, is the attached draft decision of the Association Council.

Done at Brussels,

For the Council
The President

Draft

DECISION N° .../ 2001 OF THE ASSOCIATION COUNCIL

**between the European Communities and their Member States, of the one part, and the Republic of Lithuania, of the other part
of**

establishing the financial contribution of Lithuania for participation in the Socrates and Youth programmes in the years 2001 to 2006

THE ASSOCIATION COUNCIL

Having regard to the Europe Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Republic of Lithuania, of the other, and in particular Article 110 thereof³;

Whereas :

- (1) Decision 3/2000 of 28 September 2000 of the Association Council between the European Communities and their Member States, of the one part, and the Republic of Lithuania, of the other part⁴, has adopted the terms and conditions for the participation of the Republic of Lithuania in the second phase of the Leonardo da Vinci and Socrates programmes, and it applies for the duration of these programmes.
- (2) Decision 4/2000 of 13 December 2000 of the Association Council between the European Communities and their Member States, of the one part, and the Republic of Lithuania, of the other part⁵, has adopted the terms and conditions for the participation of the Republic of Lithuania in the Youth programme, and it applies for the duration of this programme.
- (3) Annex II, point 2 of Decision 3/2000, and annex II, point 1 of Decision 4/2000 provide that the financial contribution to be paid by Lithuania to the budget of the European Union to participate in these programmes in the years 2001 to 2006 will be decided by the Association Council in the course of the year 2000,

³ OJ L 51, 20.2.1998, p. 3.

⁴ OJ L ...,2001, p. ...

⁵ OJ L...,2001, p. ...

HAS DECIDED AS FOLLOWS:

Article 1

The financial contribution to be paid by Lithuania to the budget of the European Union to participate in the Socrates II programme in the years 2001 to 2006 will be the following (in €):

Year 2001	Year 2002	Year 2003	Year 2004	Year 2005	Year 2006
1 490 000	1 527 000	1 562 000	1 605 000	1 654 000	1 717 000

Article 2

The financial contribution to be paid by Lithuania to the budget of the European Union to participate in the Youth programme in the years 2001 to 2006 will be the following (in €) :

Year 2001	Year 2002	Year 2003	Year 2004	Year 2005	Year 2006
643 000	682 000	722 000	757 000	794 000	843 000

Article 3

PHARE funds will be requested according to the following schedule :

- for the contribution to the Socrates II programme, the following yearly amounts (in €)

Year 2001	Year 2002	Year 2003	Year 2004	Year 2005	Year 2006
720 000	739 000	756 000	778 000	802 000	834 000

- for the contribution to the Youth programme, the following yearly amounts (in €)

Year 2001	Year 2002	Year 2003	Year 2004	Year 2005	Year 2006
312 000	332 000	352 000	369 000	388 000	412 000

The remaining part of the contribution of Lithuania will be covered from the Lithuanian State budget.

Article 4

This Decision shall enter into force the day of its adoption by the Association Council.

Done at Brussels,

*For the Association Council
The President*

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Participation of Lithuania in Socrates and Youth in 2001-2006

2. BUDGET HEADING INVOLVED

B7-030 Economic aid to the associated countries of Central and Eastern Europe
6091 Revenue accruing from the participation of the associated countries of central Europe in Community programmes

3. LEGAL BASIS

Treaty establishing the European Community, and in particular Articles 149 and 150, in conjunction with Article 300(2) thereof ;

the Europe Agreement with Lithuania (Article 110), providing for the participation in Community programmes ;

Decisions 3/2000 of 28 September 2000 and 4/2000 of 13 December 2000 of the Association Council between the European Communities and their Member States, of the one part, and the Republic of Lithuania, of the other part, and in particular annex II thereof ;

4. DESCRIPTION OF OPERATION

4.1 General objective

The Europe Agreement with Lithuania provides for Lithuania's participation in Community programmes in a wide range of areas, among which education and youth.

Its participation will not only contribute towards the implementation of the provisions relating to economic and cultural cooperation in the Europe Agreement, but will also enable Lithuania to familiarise itself with the procedures and methods used in Community programmes.

Lithuania has been participating in the first phase of the Leonardo da Vinci and Socrates programmes, and in the Youth for Europe programme, since 1 November 1998. In line with the Commission communication "Agenda 2000" of 16.7.1997 and of the conclusions of the European Council in Luxemburg, Lithuania's participation in these programmes has been part of the reinforced preaccession strategy which assist this country in its preparation for future accession to the Union.

The decision-making process for the opening-up of programmes involves a decision by the Association Council between the Union and Lithuania. The decision of the Association Council establishing the participation of Lithuania in the first generation of programmes in the field of training, education and youth has expired on 31 December 1999. Two other Association Council decisions, one for Leonardo da Vinci and Socrates, and one for Youth, have been adopted in 2000 to allow the Lithuanian participation to be carried on in the new generation of programmes, starting from 2000. These two Association Council decisions established the financial contribution of Lithuania to Socrates and Youth for the year 2000, but not for the years 2001 to 2006.

A new Association Council decision is thus needed to complete the former ones.

4.2 Period covered and arrangements for renewal

Until the end of the Community programmes concerned, i.e. 31.12.2006.

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1 Non-compulsory expenditure

5.2 Differentiated appropriations

5.3 Type of revenue involved

Since Article 110 of the Europe Agreement stipulates that Lithuania itself will meet the costs resulting from its participation, it will be invited to pay a contribution for participating in the programmes. As the same article states that the Community may supplement Lithuania's contribution, Lithuania will contribute only part from its national budget. The remaining part of its contribution will be taken from its PHARE National Programme. The required PHARE funds will be charged to heading B7-030, and transferred to Lithuania by means of a separate Financing Memorandum. Together with the part coming from Lithuania's State budget, these funds will constitute Lithuania's national contribution, out of which it will make payments in response to annual calls for funds from the Commission. The total contribution, once paid by Lithuania, will be transferred to item 6091 of the EU's budget receipts.

6. TYPE OF EXPENDITURE OR REVENUE

- 100% subsidy
- Subsidy for joint financing with other sources in the public and/or private sector
- No provision for all or part of the Community contribution to be reimbursed
- As far as revenue is concerned, provision for Lithuania's contribution to cover the cost of its participation is made under item 6091. The revenue will be allocated to the items for expenditure on the two programmes in question and, where appropriate, to the relevant items of operating expenditure. The total revenue expected is given under item 7.4.

7. FINANCIAL IMPACT

7.1 Method of calculating total cost of operation (relation between individual and total costs)

Based on the Europe Agreement with Lithuania, the financial and budgetary arrangements for the two programmes concerned are as follows: the Lithuania's contribution takes into account two elements :

- the foreseeable operational costs, which have been calculated on the basis of the programme budgets, the country's estimated take-up capacity, and previous experience of its participation in the first phase of the Socrates programme, and in the Youth for Europe programme,

- the foreseeable administrative costs, corresponding to the meetings and missions. These estimated administrative costs amount yearly to 50 000 € for Socrates, and 19 000 € for Youth.

Lithuania will use part of its national PHARE annual programme as a complement to its state budget to finance its contribution to the operational costs.

7.2 Itemised breakdown of cost (in €)

	2001	2002	2003	2004	2005	2006	Total
Socrates	1 490 000	1 527 000	1 562 000	1 605 000	1 654 000	1 717 000	9 555 000
Origin: National budget	770 000	788 000	806 000	827 000	852 000	883 000	4 926 000
of which administrative costs Part B (see point 7.3)	40 000	41 000	42 000	43 000	45 000	47 000	258 000
of which administrative costs Part A (see point 10)	50 000	50 000	50 000	50 000	50 000	50 000	300 000
Origin: PHARE funds	720 000	739 000	756 000	778 000	802 000	834 000	4 629 000
Youth	643 000	682 000	722 000	757 000	794 000	843 000	4 441 000
Origin: National budget	331 000	350 000	370 000	388 000	406 000	431 000	2 276 000
of which administrative costs Part B (see point 7.3)	26 000	28 000	29 000	31 000	33 000	35 000	182 000
of which administrative costs Part A (see point 10)	19 000	19 000	19 000	19 000	19 000	19 000	114 000
Origin: PHARE funds	312 000	332 000	352 000	369 000	388 000	412 000	2 165 000

7.3 Operational expenditure for studies, experts etc. included in Part B of the budget

p.m. : up to a maximum in proportion to the appropriations of that kind in the EUR 15 allocations for Socrates and Youth, but within the limits allowed by the part of the contribution which comes from the country's national budget.

7.4 Schedule of commitment and payment appropriations

Amounts to be charged to item B7-030

	2000	2001	2002	2003	2004	2005	2006	TOTAL
Comm. approp.	1 032 000	1 071 000	1 108 000	1 147 000	1 190 000	1 246 000		6 794 000
Pay. app.		1 032 000	1 071 000	1 108 000	1 147 000	1 190 000	1 246 000	6 794 000

The foreseeable annual receipts are as follows:

Item 6091	2001	2002	2003	2004	2005	2006	TOTAL
operational part	2 064 000	2 140 000	2 215 000	2 293 000	2 379 000	2 491 000	13 582 000
Administrative part	69 000	69 000	69 000	69 000	69 000	69 000	414 000
TOTAL	2 133 000	2 209 000	2 284 000	2 362 000	2 448 000	2 560 000	13 996 000

8. FRAUD PREVENTION MEASURES

All the Commission's contracts, agreements and other legal commitments provide for on-the-spot checks by the Commission and Court of Auditors. Among other things, the beneficiaries of the operations are obliged to file reports and financial statements. These are analysed from the point of view of their content and the eligibility of the expenditure in line with the objective of Community financing.

The anti-fraud provisions of the basic budget headings apply to this heading too when adapted to the case of the countries of Central Europe.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1 Specific and quantified objectives; target population

The essential aim of Community action on education and youth is to enable all European citizens to achieve their full potential and to display initiative and creativity so that they can participate fully in society and in the building of Europe.

The target population comprises students, teachers, pupils, educational institutions, youth organisations, young people aged 15 to 25 living in one or several Member States, decision-makers in the field of educational and youth policies.

9.2 Grounds for the operation

- Need for Community financial aid

In view of the high cost of participation in the programmes and Lithuania's precarious budgetary situation, assistance from PHARE is essential.

- Choice of ways and means

With a contribution from the national budget, supplemented by one from PHARE, Lithuania's integration in the programmes concerned will allow its citizens to cooperate with their counterparts in the current EU Member States. The integration of Lithuanian nationals in Community networks will make a definite contribution to preparing Lithuania for future membership

- Main factors of uncertainty which could affect the specific results of the operation

Since projects will be selected according to qualitative criteria, it will only be possible to measure the real impact on the basis of Lithuanian institutions' capacity to respond to the calls for proposal launched by the Commission under the two programmes.

9.3 Monitoring and evaluation of the operation

The monitoring and evaluation procedures included in the Socrates II and Youth programmes (notably in respect of evaluation, as included in the decisions establishing the two programmes) will also cover operations financed for Lithuanian beneficiaries.

10. ADMINISTRATIVE EXPENDITURE (SECTION III, PART A OF THE BUDGET)

Actual mobilization of the necessary administrative resources will depend on the Commission's annual decision on the allocation of resources, taking into account the number of staff and additional amounts authorized by the budgetary authority.

10.1 Effect on the number of posts

Type of post		Staff to be assigned to managing the operation		Source		Duration
		Permanent posts	Temporary posts	Existing resources in the DG or department concerned	Additional resources	2001-2006
Officials or temporary staff	A	1		1		
	B	1		1		
	C					
Other resources						
Total		2		2		

10.2 Overall financial impact of the human resources

EUR

	Amounts	Method of calculation (total cost for the period 2001-2006)
Officials (*)	1 296 000	2 men x 6 years x 108 000
Temporary staff		
Other resources		
Total	1 296 000	

(*) By using existing resources required to manage the operation (Calculation based on titles A1, A2, A4, A5 and A7)

10.3 Increase in other administrative expenditure as a result of the operation

EUR

Budget heading	Amounts	Method of calculation (yearly cost of the action)
A 7010 -missions	12 000	1100 EURO x 11 yearly missions
A 7031 -committees	22 000	Travel allowance and subsistence allowance for 23 participants in two-days meetings*
A 7030 - other meetings	26 000 9 000	Travel allowance and subsistence allowance for 27 participants in two-days meetings** Travel allowance and subsistence allowance for Lithuanian experts participating in 2 meetings of 7 days in average and 4 two-days meetings
Total	69 000	

* 2 representatives in 10 committee and subcommittee meetings (8 for Socrates and 2 for Youth), and 1 representative in 3 Socrates subcommittee meetings

** 2 representatives in 4 Youth meetings, and 1 participant in 19 Socrates meetings

The above expenditure will be met from the receipts (article 4 par.2, third indent of the financial regulation) received from Lithuania (see point 5.3 and 7.4 of the financial statement).