



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 2.8.2001  
COM(2001) 458 final

Proposal for a

**COUNCIL DECISION**

**concerning the Community position within the Association Council on the participation  
of Slovenia in the Community programme Fiscalis**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

### **1. Introduction**

In line with Article 7 of the European Parliament and Council Decision 888/98/EC<sup>1</sup>, the existing *Fiscalis* programme may be opened to the candidate countries of Central and Eastern Europe (CEECs) and Cyprus. No mention is made of Malta and Turkey in this provision.

Previously, the European Council, at its meeting in Luxembourg (December 1997), stressed the importance of the participation of candidate countries in Community programmes in the context of the pre-accession strategy, as a means to familiarise them with Community working methods and procedures. The Helsinki European Council of December 1999 confirmed the enlargement process launched 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 addition to those Community programmes in which candidate countries already participate, it is now proposed to decide terms and conditions for the participation of **Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia** in the Community programme **Fiscalis** for the duration of its remaining lifetime, i.e. till 31 December 2002.

The general objectives of the *Fiscalis* programme are:

- to enable officials to achieve a high common standard of understanding of Community law, in particular in the field of indirect taxation and of its implementation in Member States;
- to secure efficient, effective and extensive co-operation among Member States and between them and the Commission;
- to ensure the continuing improvement of administrative procedures to take account of the needs of administrations and taxpayers through the development and dissemination of good administrative practices.

The objective of opening it to the candidate countries will further contribute to their preparations for accession as a key feature of the pre-accession strategy. It will also enable these countries to familiarise themselves with the procedures and methods used in this Community programme.

### **2. Candidate countries of Central and Eastern Europe (CEECs)**

The Europe Agreements with these countries entered into force on various dates and provide for their participation in Community programmes dealing with a wide range of areas. They

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<sup>1</sup> OJ L 126 of 28.4.1998, p.1.

provide the possibility that other fields of Community activities may be added, if considered to be of mutual interest, so that activities in the field of internal market can be included too.

The decision-making process for this participation requires a decision by the Association Council of each of these Europe Agreements, which sets up the terms and conditions for such participation.

According to the provisions of the Europe Agreements or their additional protocols concerning these countries' participation in Community programmes, they will meet the costs resulting from their participation.

In this connection, the Luxembourg European Council indicated that candidate countries should steadily increase their own financial contribution, but agreed that Phare, if necessary, would continue to part-finance these countries' financial contributions; such support should, however, *"remain at around 10% of the Phare appropriation, not including participation in the research and development framework programme"*. The European Council also stated that *"The applicant States should be allowed to take part, as observers and for the points which concern them, in the management committees responsible for monitoring the programmes to which they contribute financially, under specific arrangements adapted to the case in question"*.

The ten CEECs, namely **Bulgaria**, the **Czech Republic**, **Estonia**, **Hungary**, **Latvia**, **Lithuania**, **Poland**, **Romania**, the **Slovakia** and **Slovenia**, confirmed to the Commission in writing their willingness to participate in the **Fiscalis** programme as from 2001, under the terms and conditions of the annexed draft Association Council Decisions, and to make available the necessary budgetary appropriations, as calculated by the Commission services.

The main issues addressed in these draft Decisions between the EC and, respectively, the above-mentioned 10 countries adopting the terms and conditions for their participation in the **Fiscalis** programme are the following:

- conditions for submission, assessment and selection of applications will be as far as possible in conformity with those prevailing for the Member States of the Union
- CEECs will contribute financially to the Community budget of the programme. The financial contributions have been calculated with a view to approximating CEEC conditions as far as possible to those applied to Member States. The annual contribution from each CEEC may be financed partly from its own budget and partly from its national Phare allocation, which should not exceed the above-mentioned 10% limit
- they will be invited as observers and for the points which concern them to the meetings of the programme committee
- these countries will be associated to the monitoring of their participation in the programme
- the Decisions shall apply for the remaining lifetime of the programme. Nevertheless, should the Community decide to extend the lifetime without any substantial change within the programme, the Decisions may also be extended correspondingly and automatically if no Party denounces them.

### 3. Conclusions

The adoption of the Association Council Decisions for the ten CEECs, allowing these candidate countries to participate in the Community's **Fiscalis** programme as from 2001, will offer them the opportunity to actively integrate in the Community's policies in this area, as part of the pre-accession strategy. It will also contribute to reinforce their institutional and administrative capacity ("Institution Building"). It is, therefore, of considerable political importance.

In order to allow the participation of **Bulgaria**, the **Czech Republic**, **Estonia**, **Hungary**, **Latvia**, **Lithuania**, **Poland**, **Romania**, **Slovakia** and **Slovenia** in the Community **Fiscalis** programme as from 2001, the Council is invited to take the respective Community position within the corresponding Association Council as set up in the ten annexed draft Council Decisions.

Proposal for a

## **COUNCIL DECISION**

### **concerning the Community position within the Association Council on the participation of Slovenia in the Community programme Fiscalis**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 95 in connection with Article 300(2), second indent thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) The Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and Slovenia, of the other part, entered into force on 1 February 1999<sup>2</sup>;
- (2) According to Article 106 of the Europe Agreement, Slovenia may participate in framework programmes, specific programmes, projects or other actions of the Community in the fields laid down in Annex XI and, according to this Annex, the Association Council may agree to add other fields of Community activities to those listed in the annex;
- (3) According to the above-mentioned Article 106, the terms and conditions for the participation of Slovenia in these activities shall be decided by the Association Council;
- (4) Decision No 888/98/EC of the European Parliament and of the Council of 30 March 1998<sup>3</sup> establishing a programme of Community action to ameliorate the indirect taxation systems of the internal market (Fiscalis programme) provides in Article 7 that this programme shall be open to the participation of the candidate countries of Central and Eastern Europe (CEECs), in accordance with the terms laid down in the Europe Agreements and the Additional Protocols relating to their participation in Community programmes and insofar as Community law on indirect taxation so permits,

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<sup>2</sup> OJ L 51 of 26.2.1999, p. 3.

<sup>3</sup> OJ L 126 of 28.4.1998, p. 1.

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 Slovenia, of the other part, concerning the participation of Slovenia in the Community Programme Fiscalis, is that set out in the attached draft decision of the Association Council.

Done at Brussels,

*For the Council*  
*The President*

**Decision n° ..../2001 of the Association Council between the European Communities and  
their Member States, of the one part,  
and Slovenia, of the other part,**

**of .....2001**

**adopting the terms and conditions for the participation of Slovenia  
in the Community programme Fiscalis**

THE ASSOCIATION COUNCIL,

Having regard to the Europe Agreement<sup>4</sup> between the European Communities and their Member States, of the one part, and Slovenia, of the other part, and in particular Article 106 thereof,

Whereas:

- (1) According to Article 106 of the Europe Agreement, Slovenia may participate in framework programmes, specific programmes, projects or other actions of the Community in the fields laid down in Annex XI;
- (2) According to this Annex, the Association Council may agree to add other fields of Community activities to those listed in the Annex;
- (3) According to the above-mentioned Article 106, the terms and conditions for the participation of Slovenia in these activities shall be decided by the Association Council,

HAS DECIDED AS FOLLOWS:

*Article 1*

Slovenia shall participate in the European Community programme Fiscalis according to the terms and conditions set out in Annexes I and II which shall form an integral part of this Decision.

*Article 2*

This Decision shall apply for the duration of the remaining lifetime of the Programme. Nevertheless, should the Community decide to extend the duration without any substantial change within the Programme, this Decision would also be extended correspondingly and automatically if no Party denounces it.

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<sup>4</sup> OJ L 51 of 26.2.1999, p. 3.

*Article 3*

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

Done at Brussels,

*For the Association Council  
The President*

## **ANNEX I**

### **TERMS AND CONDITIONS FOR THE PARTICIPATION OF SLOVENIA IN THE FISCALIS PROGRAMME.**

- (1) As stated in Article 7 of Decision No 888/98/EC<sup>5</sup> of the European Parliament and of the Council of 30 March 1998 establishing a programme of Community action to ameliorate the indirect taxation systems of the internal market - the Fiscalis programme (hereinafter called "the Programme") - Slovenia's participation in the Programme shall be in accordance with the conditions laid down in the Europe Agreement and insofar as Community law on indirect taxation so permits. Accordingly, Slovenia's participation in the Programme's activities shall be under the following conditions:
  - Activities foreseen in Article 4 (communication and information-exchange systems, manuals and guides) will be allowed insofar as Community indirect taxation provisions make it possible;
  - Activities foreseen in Article 5 (1) (exchanges of officials) and (2) (seminars) as well as those foreseen in Article 6 (common training initiative) will be allowed under the conditions laid down in these articles;
  - Activities foreseen in Article 5 (3) (multilateral controls) would not be allowed as the Community legal framework<sup>6</sup> for co-operation in this domain is only applicable to countries which are Member States of the EU.
- (2) The terms and conditions for the submission, assessment and selection of applications for seminars and exchanges related to officials of Slovenia shall be the same as those applicable to officials of the 15 national administrations of the Member States of the European Union.
- (3) Annex II establishes the financial contribution to the general budget of the European Union that Slovenia will have to pay at the beginning of every financial year to cover the costs resulting from its participation in the Programme, from 2001 to 2002. The Association Committee is entitled to adapt this contribution whenever necessary in accordance with the principles laid down in Article 114 (2) of the Europe Agreement between the European Communities and their Member States, of the one part, and Slovenia, of the other part.
- (4) Representatives of Slovenia will participate, as observers and for the points which concern them, in the Standing Committee on Administrative Co-operation in the field of Indirect Taxation foreseen in Article 11 (1) of Decision No 888/98/EC. This Committee shall meet without the presence of representatives of Slovenia for the rest of the points, as well as at the time of voting.
- (5) The Member States of the European Union and Slovenia will make every effort, within the framework of the existing provisions, to facilitate the free movement and residence of all eligible persons to the Programme moving between Slovenia and the

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<sup>5</sup> OJ L 126 of 28.4.1998, p. 1.

<sup>6</sup> Directive 77/799/EEC and Regulation (EEC) 218/92.

EU Member States for the purpose of participating in activities covered by the Decision.

- (6) Without prejudice to the responsibilities of the Commission of the European Communities and the Court of Auditors of the European Communities in relation to the monitoring and evaluation of the Programme pursuant to the Decision concerning Fiscalis, the participation of Slovenia in the Programme will be continuously monitored on a partnership basis involving Slovenia and the Commission. Slovenia will submit the necessary reports to the Commission and take part in other specific activities set out by the Community in that context.
- (7) The language to be used as regards the application process, contracts, reports to be submitted and other administrative arrangements for the Programme, will be one of the official languages of the European Community.
- (8) The Community and Slovenia may terminate activities under this Decision at any time upon twelve months' notice in writing. Activities in progress at the time of termination shall continue until their completion under the conditions laid down in this Decision.

## **ANNEX II**

### **FINANCIAL CONTRIBUTION OF SLOVENIA TO THE FISCALIS PROGRAMME**

- (1) The financial contribution of Slovenia will be added to the amount available each year in the general budget of the European Union for commitment appropriations to meet the Commission's financial obligations stemming from work to be carried out for the implementation, management and operation of the Fiscalis programme.
- (2) The financial contribution has been calculated considering an average daily allowance of EURO 146 and an average travel allowance of EURO 695 representing costs incurred for participating in seminars and exchanges. It is estimated for the calculation of the financial contribution that Slovenia will participate in 15 seminars and 20 exchanges as an average number of activities per year. The financial contribution may be adjusted at the beginning of each year to take into account the actual number of activities in which Slovenia plans to participate during that year. The adjustment will take place by means of the required call for funds that Slovenia will receive from the Commission, as referred to under item 5 below.
- (3) Slovenia's contribution will be of EURO 94 984 for every single year of participation, unless determined otherwise within the conditions under item 2. From this sum, an amount of EURO 6 214 will cover supplementary costs of an administrative nature related to the management of the Programme by the Commission stemming from Slovenia's participation.
- (4) Slovenia will pay the total contribution of its participation from its national budget, since Phare assistance has not been requested for this purpose.
- (5) The financial regulation applicable to the general budget of the European Union will apply, notably to the management of the contribution of Slovenia.

Upon entry into force of this Decision, the Commission will send to Slovenia one or more call for funds corresponding to its contribution to the costs of the activities for the current year. The contribution will be expressed in EURO and paid into an EURO bank account of the Commission. Slovenia will pay its contribution to the annual cost under this Decision according to the calls for funds and at the latest three months after the calls for funds are sent. Any delay in the payment of the contribution shall give rise to the payment of interest by Slovenia on the outstanding amount from the due date. The interest rate corresponds to the rate applied by the European Central Bank, on the due date, for its operations in EURO, increased by 1,5 percentage points.

- (6) The daily subsistence allowances are applicable to all participants in the Programme and are determined on a country per country basis by the Commission. Slovenia will receive a first budget advance from the Commission at the beginning of every year. A second advance may be paid at the middle of the year depending on the actual participation of Slovenia in the Programme activities and on the expected participation for the rest of the year. The Slovenian department concerned will use these advances to pay for the travel tickets and daily subsistence allowances for Slovenian participants.

- (7) Travel costs and subsistence costs incurred by representatives and experts of Slovenia for the purposes of taking part as observers in the work of the committee referred to in Annex I, point 4 shall be reimbursed by the Commission on the same basis as the Member States of the European Union.

## **FINANCIAL STATEMENT**

### **1. TITLE OF OPERATION**

Opening of Community Programme Fiscalis to Slovenia

### **2. BUDGET HEADING(S) INVOLVED**

Revenue: 6091 Revenue accruing from the participation of candidate countries in Community programmes

### **3. LEGAL BASIS**

Treaty establishing the European Community, and in particular Article 95, in conjunction with Article 300(2), second indent thereof.

The Europe Agreement<sup>7</sup> with Slovenia, entered into force on 1 February 1999, providing for the opening-up of Community programmes (Article 106 in conjunction with Annex XI).

Decision No 888/98/EC<sup>8</sup> of the European Parliament and of the Council of 30 March 1998 establishing a programme of Community action to ameliorate the indirect taxation systems of the internal market.

### **4. DESCRIPTION OF OPERATION**

#### **4.1 General objective**

- (1) To enable officials to achieve a high common standard of understanding of Community law, in particular in the field of indirect taxation and of its implementation in Member States.
- (2) To secure efficient, effective and extensive co-operation among Member States and between them and the Commission.
- (3) To ensure the continuing improvement of administrative procedures to take account of the needs of administrations and taxpayers through the development and dissemination of good administrative practices.
- (4) Slovenia's participation in the Community programme Fiscalis will further contribute to its preparation for accession as a key feature of a reinforced pre-accession strategy. It will also enable Slovenia to familiarise itself with the procedures and methods used in this Community programme.

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<sup>7</sup> OJ L 51 of 26.2.1999, p. 3.

<sup>8</sup> OJ L 126 of 28.4.1998, p. 1.

- (5) The decision-making process for this participation requires a decision by the Association Council of the Europe Agreement. This decision sets up the terms and conditions for such participation.
- (6) The Europe Agreement with Slovenia entered into force on 1 February 1999 and provides for Slovenia's participation in Community Programmes dealing with a wide range of areas. Since Annex XI of the Agreement also provides for addition of other Community areas, activities in the field of internal market can be included too.

#### **4.2 Period covered and arrangements for renewal**

From the entry into force of this Decision until the end of this Community programme, i.e. 31.12.2002.

### **5. CLASSIFICATION OF EXPENDITURE OR REVENUE**

#### **5.1 Non-compulsory expenditure**

#### **5.2 Differentiated appropriations**

#### **5.3 Type of revenue involved**

Since Article 106 of the Europe Agreement stipulates that Slovenia itself will meet the costs of its participation, it will be invited to transfer its contribution to item 6091 of the EU's budget receipts.

### **6. TYPE OF EXPENDITURE OR REVENUE**

Expenditure comprises reimbursement of participants' travel expenses and daily subsistence allowances, organisational costs and costs incurred through seminars and exchanges.

As far as revenue is concerned, provision for Slovenia'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 programme concerned 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 for every single financial year (relation between individual and total costs)**

The calculation is based on the following preconditions:

- Slovenia's contribution to the financing of the activities referred to in Article 106 of the Europe Agreement is calculated according to the principle that the country bears the costs of participation itself. Heading 6091 has been created in the statement of budget revenue for that purpose.
- Based on the Europe Agreement with Slovenia, the financial and budgetary arrangements for the programme concerned are as follows: the costs have been calculated on the basis of various assumptions related to the participation in a number of 15 seminars and 20 exchanges per year, including average costs of travel of EURO 695 from Slovenia to the country of the host administration, the duration of exchanges or seminars and average daily subsistence allowance of EURO 146.

On the basis of these assumptions, the total cost of Slovenia's participation will be EURO 94 984 per year from its national budget.

From the above-mentioned figure, the supplementary cost of an administrative nature is of EURO 6 214 per year.

## 7.2 Itemised breakdown of costs in EURO

<b>EXCHANGES</b>	<b>FINANCIAL CONTRIBUTION PER YEAR</b>
Number of exchanges*	20
Length of exchanges (days)	14
Number of participants per exchange	1
Subsistence allowances**	40 880
Travel expenses***	13 900
<b>TOTAL</b>	<b>54 780</b>

<b>SEMINARS</b>	<b>FINANCIAL CONTRIBUTION PER YEAR</b>
Number of seminars*	15
Number of participants in each seminar	2
Length of seminar (days)	3
Subsistence allowances**	13 140
Travel expenses***	20 850
<b>TOTAL</b>	<b>33 990</b>

<b>TOTAL SEMINARS+EXCHANGES</b>	<b>88 770</b>
7% administrative costs	6 214

<b>TOTAL PER YEAR</b>	<b>94 984</b>
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\* number of exchanges and seminars yearly attended by Member States with the same population as Slovenia

\*\* € 146/day (average daily subsistence allowance)

\*\*\* € 695 (average travel allowance)

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

None

**7.4 Schedule for multi-annual operations:**

TOTAL EXPENDITURE:

Item 6091	2001	2002	TOTAL
Seminars + exchanges	88 770	88 770	177 540
7% administrative costs	6 214	6 214	12 428
TOTAL	94 984	94 984	189 968

**8. FRAUD PREVENTION MEASURES; RESULTS OF MEASURES TAKEN**

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 Slovenia.

**9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS**

**9.1 Specific and quantified objectives; target population**

The main objectives of the programme are to contribute to the achievement of a high common standard of understanding of Community legislation in the field of indirect taxation, secure efficient co-operation among Member States and the Commission and improve administrative procedures.

The Fiscalis programme allows exchanges of officials involved in implementing Community legislation and the organisation of seminars.

The aim of opening up the Community programme Fiscalis is to bring to Slovenia the same benefits as the Member States of the European Union already enjoy from the Programme. The objective for each year is to have Slovenian officials participate in an average number of 20 exchanges by a placement in one of the 15 EU members and in an average number of 15 seminars.

The integration of Slovenian officials in Community networks will make a definite contribution to preparing Slovenia for future membership.

## 9.2 Monitoring and evaluation of the operation

The monitoring and evaluation procedures included in the Fiscalis programme will also cover Slovenian participants.

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

Actual mobilisation 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 authorised by the budgetary authority.

### 10.1 Effect on the number of posts

Type of post	Staff required to manage the operation		Source		Duration Per year
	Permanent posts	Temporary posts	Existing resources of the DG or department concerned	Additional resources	
<b>Officials or temporary staff</b>					
A	0,02		0,02		
B	0,02		0,02		
C	0,02		0,02		
<b>Other resources (Technical assistance, item A-7002)</b>					
<b>TOTAL</b>	<b>0,06</b>		<b>0,06</b>		

## 10.2 Overall financial impact of additional human resources

(in EURO)

	<b>Total</b> <b>EURO</b>	<b>Method of calculation (total cost of the action per year)</b>
<b>Officials *</b> <b>Temporary staff</b> <b>Other resources (Technical assistance, item A-7002)</b>	6 480	0,06 man/year x 108 000 EURO
<b>TOTAL</b>	<b>6 480</b>	

\* By using existing resources required to manage the operation (calculation based on A-1, A-2, A-4, A-5, A-7).

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

	2001	2002	TOTAL
A.701 (missions)*	1 980	1 980	3 960
A.7031  (compulsory committees)**	4 234	4 234	8 468
<b>TOTAL</b>	<b>6 214</b>	<b>6 214</b>	<b>12 428</b>

\* Average cost for a 2-day mission of 2 officials per year in Slovenia

\*\* Participation of Slovenia in SCAC meetings

The above expenditure will be met from the receipts (art. 4 § 2 third indent of the financial regulation) received from Slovenia (see point 5.3 and 7.4 of the financial statement)