THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 149(4) thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Economic and Social Committee (1),

Having consulted the Committee of the Regions,

Acting in accordance with the procedure laid down in Article 251 of the Treaty (2),

Whereas:

(1) The Treaty establishes citizenship of the Union and provides that Community action in the field of education, vocational training and youth shall be aimed, inter alia, at encouraging the development of youth exchanges and of exchanges of socio-educative instructors.

(2) The Laeken Declaration annexed to the conclusions of the European Council of 14 and 15 December 2001 asserts that one of the basic challenges to be resolved by the European Union is the way in which to bring citizens, and primarily the young, closer to the European design and the European institutions. International non-governmental youth organisations enable young people to become active citizens, develop a sense of responsibility, express their opinions and values and take part in exchanges across national borders; in so doing, these organisations help to bring Europe closer to young citizens.

(3) The Commission's White Paper entitled ‘A new impetus for European youth’ presented on 21 November 2001 argues that participation by young people should be encouraged and advocates strengthening the organisations within which young people can make their voice heard; it also states that information is essential to the development of active citizenship. In its Resolution on the White Paper (3), the European Parliament also stressed the important role played by international and European youth organisations in enabling young people to participate on a long-term basis in democratic life in Europe.

(4) In its White Paper on European governance (4) the Commission calls for general openness and for representatives of civil society to be consulted and included in the formation of EU policy. It recognises the role of non-governmental organisations in giving voice to the concerns of citizens.

(5) The resolution of the Council and of the representatives of the Governments of the Member States, meeting within the Council of 27 June 2002 regarding the framework of European cooperation in the youth field (5) endorses the thematic priorities as proposed in the White Paper on European Youth, and in particular participation and information, especially with the aim of encouraging participation by young people in the exercise of active citizenship, and proposes mechanisms for implementing the open method of coordination by consulting young people through specific arrangements at national level and consulting the European Youth Forum at European level.

(6) The European Youth Forum represents young people vis-à-vis the European Union and other international institutions. Its action is essential in order to coordinate and relay to the European institutions the views of the non-governmental youth organisations and to relay to these organisations information about European matters which are of interest to them. International Non-governmental Youth Organisations provide non-formal and informal learning, training and information to young people; they constitute networks representing non-profit bodies active in the Member States and other European countries.

Headings A-3023 and A-3029 of the general budget of the European Union for the financial year 2003 and previous financial years provide support for the European Youth Forum and international non-governmental youth organisations.

Council Regulation (CE, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (1), hereinafter ‘the Financial Regulation’, requires a basic act to be provided to cover these existing support actions.

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

 Provision should be made for the geographic coverage of the programme to extend to the acceding States, and possibly, in the case of some actions, to all European countries, in view of the importance of strengthening links between the enlarged Union and its neighbours on the European continent.

Any non-Community financing from State resources should comply with Articles 87 and 88 of the Treaty.

This Decision lays down, for the entire duration of the programme, a financial framework constituting the prime reference, within the meaning of point 33 of the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and Commission on budgetary discipline and improvement of the budgetary procedure (2), for the budgetary authority during the annual budgetary procedure.

Any support granted under this Decision should comply strictly with the principles of subsidiarity and proportionality.

HAVE DECIDED AS FOLLOWS:

**Article 1**

**Programme objective and activities**

1. This Decision establishes a Community action programme to promote bodies active at European level in the field of youth (hereinafter referred to as ‘the Programme’).

2. The general objective of the programme is to support the activities of these bodies. These activities are the ongoing work programme of a body, which pursues an aim of general European interest in the field of youth or an objective forming part of the European Union’s policy in this area. In particular, these activities must contribute, or be capable of contributing, to the active participation of young citizens in public life and in society and to the development and implementation of Community cooperation actions in the field of youth in the broad sense. Cooperation with the European Youth Forum contributes to this general objective in so far as the European Youth Forum represents and coordinates non-governmental youth organisations and relays information on youth to the European institutions.

3. The programme shall start on 1 January 2004 and shall end on 31 December 2006.

**Article 2**

**Access to the programme**

To be eligible for an operating grant, a body must satisfy the requirements of the Annex and have the following characteristics:

(a) its activities must be in accordance with the principles underlying Community action in the youth policy area and take account of the priorities set out in the Annex;

(b) it must have been legally established for more than one year;

(c) it must operate at European level, either alone or in the form of various coordinated associations, and its structure and activities must have a potential impact throughout the Union or cover at least eight of the countries referred to in Article 3, including the Member States.

**Article 3**

**Participation of third countries**

1. Participation in actions under the programme may be opened to bodies established in:

(a) acceding States which signed the Treaty of Accession on 16 April 2003;

(b) the EFTA/EEA countries, in accordance with the conditions laid down in the EEA Agreement;

(c) Romania and Bulgaria, the conditions for participation to be laid down in accordance with the European Agreements, their additional protocols and the decisions of the respective Association Councils;

(d) Turkey, the conditions for participation to be laid down in accordance with the Framework Agreement between the European Community and the Republic of Turkey of 26 February 2002 on the general principles for the participation of the Republic of Turkey in Community programmes (3).

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2. Participation in this programme may also be open to bodies established in the Balkan countries forming part of the Stabilisation and Association process for countries of South Eastern Europe (1) and to some countries of the Commonwealth of Independent States, in accordance with the conditions and procedures to be agreed with these countries (2).

**Article 4**

Selection of beneficiaries

The programme covers two types of beneficiaries:

(a) group 1: operating grants shall be directly awarded to the beneficiaries referred to under point 2 of the annex;

(b) group 2: operating grants shall be awarded in accordance with the overall criteria laid down in the annex by means of a call for proposals to the permanent activities of a body pursuing an aim of general European interest in the field of youth.

**Article 5**

Award of the grant

Grants under the different actions of the programme shall be awarded in compliance with the provisions set out in the relevant part of the Annex.

**Article 6**

Financial provisions

1. The financial framework for the implementation of the programme for the period specified in Article 1(3) is hereby set at EUR 13 million.

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

**Article 7**

Implementation

The Commission shall be responsible for, and shall regularly inform the European Parliament, the Council and the Member States concerning, the implementation of this programme in accordance with the provisions set out in the annex.

**Article 8**

Monitoring and evaluation

No later than 31 December 2007, the Commission shall present to the European Parliament and the Council a report on the achievement of the programme’s objectives.

This report shall be based, inter alia, on an external evaluation report which must be available no later than the end of 2006 and which shall appraise at least the overall pertinence and coherence of the programme, the effectiveness of its execution (preparation, selection, implementation of the actions) and the overall and individual effectiveness of the various actions in terms of achievement of the objectives set out in Article 1 and in the Annex.

**Article 9**

Entry into force

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

Done at . . .

For the European Parliament

The President

For the Council

The President

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(1) Former Yugoslav Republic of Macedonia, Albania, Serbia and Montenegro, Bosnia and Herzegovina, and Croatia.
(2) Belarus, Moldova, Russian Federation, Ukraine.
ANNEX

1. ACTIVITIES SUPPORTED

The general objective laid down in Article 1 is to strengthen Community action in the field of youth and increase its effectiveness by promoting the bodies working in this field.

1.1. The main activities of these youth organisations that are likely to contribute to the strengthening and effectiveness of Community action are as follows:

— representation of the views and interests of young people in all their diversity at Community level,
— youth exchanges and voluntary services,
— informal and non-formal learning and work programmes,
— the promotion of intercultural learning and understanding,
— debate on European matters and EU policies or youth policies,
— dissemination of information on Community action,
— actions promoting young citizens’ participation and initiative.

1.2. The main activities of the European Youth Forum are as follows:

— representing young people vis-à-vis the European Union,
— coordinating the positions of its members vis-à-vis the European Union,
— relaying information on youth to the European institutions,
— relaying information from the European Union to national youth councils and non-governmental organisations,
— promoting and paving the way for young people to participate in democratic life,
— contributing to the new cooperation framework in the youth field which it has been decided to establish at the level of the European Union,
— contributing to the development of youth policies, youth work and educational opportunities and to relaying information concerning young people and developing representative structures for young people throughout Europe,
— engaging in discussion and reflection on youth in Europe and other parts of the world and on the European Union’s action to assist young people.

2. IMPLEMENTATION OF THE ACTIVITIES SUPPORTED

The activities carried out by the bodies eligible for Community funding under the programme fall within one of the following areas:

2.1. Part 1: Support for the European Youth Forum

2.1.1. Grants may be awarded under this part to support the permanent activities of the European Youth Forum, a body pursuing an aim of general European interest whose members are the national youth councils and the international non-governmental youth organisations, in conformity with the following principles:

— independence of the European Youth Forum in the selection of its members ensuring the broadest possible representation of different types of youth organisations,
— autonomy of the European Youth Forum in the detailed specification of its activities, in conformity with section 1.2,

— broadest possible involvement in the European Youth Forum's activities of non-member youth organisations and young people who do not belong to organisations,

— active contribution by the European Youth Forum to the political processes relevant to youth at European level, in particular by responding to the European institutions when they consult civil society and explaining the positions adopted by these institutions to its members,

— geographic membership coverage extending to the countries mentioned in Article 3.

2.1.2. Under part 1, the eligible expenditure of the European Youth Forum comprises operating costs and expenses for carrying out its actions.

2.1.3. The grant to the European Youth Forum shall not fund all its eligible expenditure in the calendar year for which it is awarded. At least 20 per cent of the Forum's budget must be co-financed from non-Community sources. Such co-financing may be partly or wholly contributed in kind, provided the contribution is valued at no more than the cost actually incurred and evidenced by accounting documents or the cost generally accepted on the market in question.

2.1.4. Pursuant to Article 113(2) of the Financial Regulation the principle of gradual reduction shall not apply to operating grants to the European Youth Forum, since it is a body pursuing an objective of general European interest.

2.1.5. In view of the need to ensure continuity of the European Youth Forum, the programme resources shall be allocated in accordance with the following guideline: the resources allocated under part 1 shall be not less than EUR 2 million.

2.1.6. Grants may be awarded to the Youth Forum upon receipt of an appropriate work plan and budget. Grants may be awarded on an annual basis within a framework partnership agreement with the Commission.

2.2. Part 2: Support for permanent activities of bodies pursuing an aim of general European interest in the field of youth or an objective forming part of the European Union's policy in this area

2.2.1. Grants may be awarded under this part to support operational and administrative costs of the abovementioned bodies. This may relate to:

(a) a non-profit-making body whose activities are solely for the benefit of young people or a body with wider aims, part of whose activities are solely for the benefit of young people; in either case, the body must involve young people in managing the activities conducted for their benefit;

(b) a European network representing non-profit-making bodies working for the benefit of young people and involving young people in their activities.

An annual operating grant may be awarded to support the conduct of the permanent work programme of such a body.

2.2.2. Under part 2, the only costs to be taken into account in determining the operating grant shall be those necessary for the proper conduct of the normal activities of the body selected, in particular personnel costs, overheads (rental and property charges, equipment, office supplies, telecommunications, postal charges, etc.), costs of internal meetings, and publication, information and dissemination costs.

2.2.3. An operating grant under part 2 shall not fund all the body's eligible expenditure in the calendar year for which it is awarded. At least 20 per cent of the budgets of the bodies covered by this part must be co-financed from non-Community sources. The co-financing rate shall be determined each year in the call for proposals. Such co-financing may be partly or wholly contributed in kind, provided the contribution is valued at no more than the cost actually incurred and evidenced by accounting documents or the cost generally accepted on the market in question.
2.2.4. Pursuant to Article 113(2) of the Financial Regulation operating grants so awarded, if renewed, shall be gradually decreased. This reduction shall apply from the third year onwards, at a rate of 2.5 % per year. In order to observe this rule, which applies without prejudice to the co-financing rule mentioned above, the percentage of Community co-financing corresponding to the grant awarded for a given financial year shall be at least 2.5 points below the percentage of Community co-financing corresponding to the grant awarded for the previous financial year.

2.2.5. The bodies receiving operating grants under part 2 shall be selected on the basis of calls for proposals.

With the bodies so selected framework partnership agreements may be concluded for the duration of the programme. The specific grants based on the framework agreements shall be awarded in accordance with the procedures laid down in these agreements.

However the framework agreements shall not exclude annual calls for proposals for additional beneficiaries.

3. CRITERIA FOR THE ASSESSMENT OF FUNDING APPLICATIONS

3.1. Funding applications shall be assessed in the light of:

— their consistency with the programme objectives,

— the quality of the planned activities,

— the likely multiplier effect on young people of these activities,

— the geographic impact of the activities carried out,

— the involvement of young people in the organisation of the bodies concerned.

3.2. The Commission shall give applicants the opportunity to correct errors of form within a specified period after the submission of their application.

4. TRANSPARENCY

Any beneficiary of a grant awarded under any action of this programme shall indicate in a prominent place, such as a website homepage or an annual report, that it has received funding from the budget of the European Union.

5. MANAGEMENT OF THE PROGRAMME

In the light of a cost/benefit analysis, the Commission may decide to entrust all or part of the tasks of managing the programme to an executive agency, in conformity with Article 55 of the Financial Regulation; it may also have recourse to experts and incur any other expenditure on technical and administrative assistance, not involving the exercise of public authority, outsourced under ad hoc service contracts. It may also finance studies and organise meetings of experts likely to facilitate the implementation of the programme, and undertake information, publication and dissemination actions directly linked to the achievement of the programme's objective.

6. CHECKS AND AUDITS

6.1. The beneficiary of an operating 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. The beneficiary of a grant shall ensure that, where applicable, supporting documents in the possession of partners or members be made available to the Commission.

6.2. The Commission may have an audit of the use made of the grant carried out either directly by its own staff or by any other qualified outside body of its choice. Such audits may be carried out throughout the lifetime of the agreement and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Commission.
6.3. Commission staff and outside personnel authorised by the Commission shall have appropriate right of access, in particular to the beneficiary's offices and to all the information, including information in electronic format, needed in order to conduct such audits.

6.4. The Court of Auditors and the European Anti-Fraud Office (OLAF) shall enjoy the same rights, especially of access, as the Commission.

6.5. 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 (1). Where necessary, investigations shall be conducted by the European Anti-Fraud Office (OLAF) and these shall be governed by Regulation (EC) No 1073/1999 of the European Parliament and of the Council (2).

6.6. Wherever no regulation is specified in this basic act, the Financial Regulation and its rules for implementation shall apply.

STATEMENT OF THE COUNCIL’S REASONS

I. INTRODUCTION

1. On 4 June 2003 the Commission submitted to the European Parliament and the Council a proposal for a decision, based on article 149(4) of the EC Treaty, establishing a Community action programme to promote bodies active at European level in the field of youth.

2. The European Economic and Social Committee delivered its opinion on 24 September 2003.

3. The Committee of the Regions decided not to deliver an opinion.


5. In the light of the European Parliament’s opinion the Commission will submit an amended proposal for decision.

6. On 22 December 2003, the Council adopted its common position in accordance with Article 251(2) of the EC Treaty.

II. AIM OF THE PROPOSAL

The proposal aims to support the activities of bodies pursuing an aim of general European interest in the field of youth or an objective forming part of the European Union’s policy in this area.

1. GENERAL COMMENTS

In its common position the Council has approved the Commission’s proposal in principle, while making certain amendments which it thought desirable.

2. SPECIFIC COMMENTS

2.1. Amendments made by the Council to the Commission’s proposal

2.1.1. Budget (Article 6)

The budget has been set at EUR 13 million by the budgetary authority.

2.1.2. Implementation (Article 7)

A standard article has been introduced to clarify the Commission’s role in the implementation of the programme, which also refers to regular reporting by the Commission to the Council and the Parliament.

2.1.3. Specification of the beneficiaries (Annex part 2: Implementation of the activities supported)

This section of the annex has been restructured to distinguish more clearly the two categories of beneficiaries: (i) the European Youth Forum, which is a body pursuing an aim of general European interest and the recipient of a grant to support its permanent activities and (ii) bodies pursuing an aim of general European interest in the field of youth which receive grants to support operational and administrative costs selected on the basis of calls for proposals. This reflects the distinction set out in Article 4 (Selection of beneficiaries) (cf. European Parliament amendment 10).

2.1.4. Other questions

The Council has introduced other modifications or clarifications, as appropriate:

— Application of the Financial Regulation and its rules for implementation (Annex 6.6)

— Participation of countries outside the Union (Article 3)
2.2. European Parliament amendments

2.2.1. Parliament amendments adopted by the Commission

The Commission adopted in full, in part or in essence 16 of the 20 amendments adopted by the Parliament.

2.2.2. Parliament amendments adopted by the Council

The Council adopted in full, in part or in essence 13 of the amendments adopted by the Parliament and adopted by the Commission. Those amendments are 1, 2, 3, 5, 6, 7, 9, 10, 12, 13, 16, 17 and 20.

2.2.3. Parliament amendments not adopted by the Council

In addition to the amendments not adopted by the Commission, and which were not accepted by the Council, the Council did not accept the following amendments for the reasons stated: 11, 14, 18 and 19.

— Amendment 11

Financial provisions (Article 6)

Since, in the case of this proposal, the final decision on the financial framework falls within the competence of the budgetary authority, this amendment was not accepted.

— Amendments 14

Percentage of resources allocated to the European Youth Forum (Annex: action 1, point 2.1.5).

The Council did not accept this amendment which modifies the percentage allocated to the European Youth Forum since this is linked to the overall budget of the programme.

— Amendments 18 and 19

Degressivity and international youth organisations

The Council has not accepted that the principle of gradual reduction (degressivity) should not be applied to international youth organisations.

III. CONCLUSIONS

The Council considers that its common position constitutes a balanced text, which will provide the necessary support for the activities of bodies in the field of youth over the period concerned, also in view of future Community action in this area.