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I

(Information)

COUNCIL

COMMON POSITION (EC) No 10/2006

adopted by the Council on 27 June 2006

with a view to adopting Regulation (EC) No .../2006 of the European Parliament and of the Council of ... concerning the Financial Instrument for the Environment (LIFE+)

(2006/C 238 E/01)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 175(1) thereof,

Having regard to the proposal from the Commission,

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

Having regard to the opinion of the Committee of the Regions ⁽²⁾,

Acting in accordance with the procedure laid down in Article 251 of the Treaty ⁽³⁾,

Whereas:

- (1) Environmental protection is one of the key objectives set out in the declarations on the guiding principles for sustainable development that the European Council has adopted. It is a priority for Community co-financing and should be funded primarily through the Community's horizontal financial instruments, including the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development, the Competitiveness and Innovation Framework Programme, the European Fisheries Fund and the seventh Research Framework Programme.
- (2) These Community financial instruments do not cover all environmental priorities. There is therefore a need for a Financial Instrument for the Environment (LIFE+) to

provide specific support for developing and implementing Community environmental policy and legislation, in particular the objectives of the Sixth Community Environment Action Programme (6th EAP) laid down by Decision No 1600/2002/EC of the European Parliament and of the Council of 22 July 2002 ⁽⁴⁾.

- (3) Support should be provided through grant agreements and public procurement contracts in accordance with Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾.
- (4) Measures and projects financed under LIFE+ should meet eligibility criteria to secure the best possible use of Community funds. In particular, for that part of the budget subject to delegated management, measures and projects should meet additional eligibility criteria to ensure European added value and to avoid financing recurring activities, such as day-to-day operations.
- (5) In the area of nature and biodiversity, the implementation of Community policy and legislation itself provides a framework for European added value. Best-practice or demonstration measures and projects, including those relating to the management and designation of Natura 2000 sites in accordance with Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora ⁽⁶⁾ and Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds ⁽⁷⁾, should be eligible for

⁽¹⁾ OJ C 255, 14.10.2005, p. 52.

⁽²⁾ OJ C 231, 20.9.2005, p. 72.

⁽³⁾ Opinion of the European Parliament of 7 July 2005 (not yet published in the Official Journal), Council common position of 27 June 2006 and position of the European Parliament of ... (not yet published in the Official Journal).

⁽⁴⁾ OJ L 242, 10.9.2002, p. 1.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ OJ L 206, 22.7.1992, p. 7. Directive as last amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).

⁽⁷⁾ OJ L 103, 25.4.1979, p. 1. Directive as last amended by Regulation (EC) No 807/2003 (OJ L 122, 16.5.2003, p. 36).

- Community financing under LIFE+, except where they are eligible for funding under other Community financial instruments.
- (6) Innovative or demonstration measures and projects relating to Community environmental objectives, including the development or dissemination of best practice techniques, know-how or technologies, as well as measures and projects for awareness-raising campaigns and special training for agents involved in forest fire prevention interventions should be eligible for Community financing under LIFE+, except where they are eligible for funding under other Community financial instruments.
- (7) Measures and projects for the development and implementation of Community objectives relating to the broad-based, harmonised, comprehensive and long-term monitoring of forests and environmental interactions should be eligible for Community financing under LIFE+, except where they are eligible for funding under other Community financial instruments.
- (8) The challenge of effective policy development and implementation under the 6th EAP can be met only through support for best-practice or demonstration measures and projects for the development or implementation of Community environmental policy; demonstration of innovative policy approaches, technologies, methods and instruments; consolidating the knowledge base; building implementation capacity; fostering good governance, promoting networking, mutual learning and the exchange of best practice; and improved dissemination of information, awareness-raising and communication. Financial support under this Regulation should therefore contribute to the development, implementation, monitoring and evaluation of environmental policy and legislation, as well as its communication and dissemination throughout the Community.
- (9) LIFE+ should have three components: LIFE+ Nature and Biodiversity, LIFE+ Environment Policy and Governance, and LIFE+ Information and Communication. It should be possible for measures and projects financed by LIFE+ to contribute to the achievement of the specific objectives of more than one of these three components and to involve the participation of more than one Member State, as well as to contribute to the development of strategic approaches to meeting environmental objectives.
- (10) In order to carry out its role in the initiation of environment policy development and implementation, the Commission should use resources from LIFE+ to complete studies and evaluations, to undertake services with a view to the implementation and integration of environment policy and legislation, to hold meetings, seminars and workshops with experts and stakeholders, to develop and maintain networks and to develop and maintain computer systems. In addition, the Commission should use the centrally managed part of the LIFE+ budget to undertake information, publication and dissemination activities, including events, exhibitions and similar awareness-raising measures, for the preparation and production costs of audio-visual materials, and to obtain technical and/or administrative assistance relating to the identification, preparation, management, monitoring, audit and supervision of programmes and projects.
- (11) Non-governmental organisations (NGOs) contribute to the development and implementation of Community environmental policy and legislation. It is therefore appropriate for the centrally managed part of the LIFE+ budget to support the operations of a number of appropriately qualified environmental NGOs through the competitive and transparent awarding of annual operating grants. Such NGOs would need to be independent and non-profit-making and to pursue activities in at least three European countries, either alone or in the form of an association.
- (12) The experience of current and past instruments has highlighted the need to plan and programme on a multi-annual basis and to concentrate efforts to promote environmental protection by prioritising and targeting the areas of activity able to benefit from Community co-financing.
- (13) Member States should prepare national annual work programmes, different both from plans and programmes which are prepared for a number of sectors and which set a framework for future development consent and from plans and programmes which have been determined to require assessment pursuant to Directive 92/43/EEC, and those work programmes should not be considered plans or programmes subject to Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment⁽¹⁾.
- (14) Environmental protection requirements should be integrated into the definition and implementation of Community policies and activities, including financial instruments. LIFE+ should therefore be complementary to other Community financial instruments and the Commission and Member States should ensure such complementarity at Community, national, regional and local level.
- (15) In line with the conclusions of the Luxembourg European Council (December 1997) and of the Thessaloniki European Council (June 2003), candidate countries and the Western Balkan countries in the Stabilisation and Association Process should be eligible to participate in Community programmes, in accordance with the conditions established in the relevant bilateral agreements concluded with these countries.

⁽¹⁾ OJ L 197, 21.7.2001, p. 30.

- (16) It is necessary to consolidate a number of existing environmental instruments and to simplify programming and management by creating a single, streamlined financial instrument for the environment.
- (17) It is also necessary to ensure a smooth transition and to continue to monitor, audit and qualitatively assess the activities financed under current programmes following their expiry.
- (18) This Regulation lays down, for the entire duration of the programme, a financial envelope constituting the prime reference, within the meaning of point 37 of the Inter-institutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management⁽¹⁾, for the budgetary authority during the annual budgetary procedure.
- (19) The general objective of LIFE+ is to contribute to the implementation, updating and development of Community environmental policy and legislation and, in particular, to support the implementation of the 6th EAP. By working together through Community instruments to improve delivery at national or local levels, to achieve Community goals or to provide for Community-wide exchanges of information, Member States can achieve European added value. Since this objective of LIFE+ cannot be sufficiently achieved by the Member States and can therefore be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve its objective.
- (20) The implementing measures that this Regulation empowers the Commission to adopt are management measures relating to the implementation of a programme with substantial budgetary implications within the meaning of Article 2(a) of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission⁽²⁾. Certain implementing measures should therefore be adopted in accordance with the management procedure provided for in Article 4 of that Decision. However, this Regulation establishes a general framework and will apply for seven years. Community and national priorities are likely to evolve significantly during this period. This Regulation also defers many essential decisions to multi-annual strategic programmes and national annual work programmes. These issues are of critical concern to individual Member States and of crucial importance for their national environmental policy. It is therefore more appropriate for

certain other measures to be adopted in accordance with the regulatory procedure provided for in Article 5 of Decision 1999/468/EC, in order to give Member States the option of bringing proposed measures before the Council for consideration. The regulatory procedure is also appropriate for the adoption of amendments to the Annexes to this Regulation, which specify essential provisions, in particular the measures eligible for funding, and for the laying down of implementing rules other than the technical measures explicitly mentioned in this Regulation,

HAVE ADOPTED THIS REGULATION:

Article 1

Purpose

1. This Regulation establishes a financial instrument for the environment ('LIFE+').
2. The general objective of LIFE+ shall be to contribute to the implementation, updating and development of Community environmental policy and legislation, including the integration of the environment into other policies, thereby contributing to sustainable development.

In particular, LIFE+ shall support the implementation of the 6th EAP, including the thematic strategies, and finance measures and projects with European added value in Member States.

Article 2

Definitions

For the purpose of this Regulation:

- 1) '6th EAP' means the Sixth Community Environment Action Programme laid down by Decision No 1600/2002/EC;
- 2) 'Financial Regulation' means Regulation (EC, Euratom) No 1605/2002;
- 3) 'national agencies' mean national public-sector bodies, or bodies governed by private law with a public-service mission, to which budget implementation tasks have been entrusted in accordance with Article 7(2).

Article 3

Eligibility criteria

1. Measures and projects financed by LIFE+ shall support the achievement of the general objective set out in Article 1(2). Where possible, measures and projects financed by LIFE+ shall promote synergies between different priorities under the 6th EAP, and integration.

⁽¹⁾ OJ C ...

⁽²⁾ OJ L 184, 17.7.1999, p. 23.

2. Measures envisaged in the multi-annual strategic programmes drawn up in accordance with Article 6(1), national annual work programmes adopted in accordance with Article 6(5) and projects implemented pursuant to those programmes shall satisfy the following criteria:

- (a) being of Community interest by making a significant contribution to the achievement of the general objective of LIFE+ set out in Article 1(2); and
- (b) being technically and financially coherent and feasible and providing value for money.

3. In addition, to ensure European added value and avoid financing recurring activities, measures envisaged in national annual work programmes and projects implemented pursuant to those programmes shall satisfy at least one of the following criteria:

- (a) being best practice measures and projects, or demonstration measures and projects, for the implementation of Directive 79/409/EEC or Directive 92/43/EEC;
- (b) being innovative measures and projects, or demonstration measures and projects, relating to Community environmental objectives, including the development or dissemination of best practice techniques, know-how or technologies;
- (c) being awareness-raising campaigns and special training for agents involved in forest fire prevention;
- (d) being measures and projects for the development and implementation of Community objectives relating to the broad-based, harmonised, comprehensive and long-term monitoring of forests and environmental interactions.

Article 4

Specific objectives

1. LIFE+ shall consist of three components:

- LIFE+ Nature and Biodiversity,
- LIFE+ Environment Policy and Governance,
- LIFE+ Information and Communication.

2. The specific objectives of LIFE+ Nature and Biodiversity shall be:

- (a) to contribute to the implementation of Community policy and legislation on nature and biodiversity, in particular Directives 79/409/EEC and 92/43/EEC, including at local and regional level, and to support the further development and implementation of the Natura 2000 network, including coastal and marine habitats and species;
- (b) to contribute to the consolidation of the knowledge base for the development, assessment, monitoring and evaluation of Community nature and biodiversity policy and legislation;

(c) to support the design and implementation of policy approaches and instruments for the monitoring and assessment of nature and biodiversity and the factors, pressures and responses that impact on them, in particular in relation to the achievement of the target of halting biodiversity loss within the Community by 2010;

(d) to provide support for better environmental governance, by broadening stakeholder involvement, including that of NGOs, in consultations on, and the implementation of, nature and biodiversity policy and legislation.

3. The specific objectives of LIFE+ Environment Policy and Governance shall be, in relation to the objectives of the 6th EAP, including for the priority areas of climate change, environment and health and quality of life, and natural resources and wastes:

- (a) to contribute to the development and demonstration of innovative policy approaches, technologies, methods and instruments;
- (b) to contribute to consolidating the knowledge base for the development, assessment, monitoring and evaluation of environmental policy and legislation;
- (c) to support the design and implementation of approaches to monitoring and assessment of the state of the environment and the factors, pressures and responses that impact on it;
- (d) to facilitate the implementation of Community environment policy, with particular emphasis on implementation at local and regional level;
- (e) to provide support for better environmental governance by broadening stakeholder involvement, including that of NGOs, in policy consultation and implementation.

4. The specific objectives of LIFE+ Information and Communication shall be:

- (a) to disseminate information and raise awareness on environmental issues, including forest fire prevention;
- (b) to provide support for accompanying measures, such as information, communication actions and campaigns, conferences and training, including training on forest fire prevention.

5. Annex I contains the list of eligible measures.

Article 5

Types of intervention

1. Community funding may take the following legal forms:

- (a) grant agreements;
- (b) public procurement contracts.

2. Community grants may be provided in specific forms, such as framework partnership agreements, participation in financial mechanisms and funds, or co-funding of operating or action grants. Operating grants to bodies pursuing objectives of general European interest shall not be subject to the degenerativity provisions of the Financial Regulation.

3. For action grants, the maximum rate of co-financing shall be 50 % of eligible costs. However, by way of exception, the maximum co-financing rate for LIFE+ Nature and Biodiversity may be up to 75 % of eligible costs in the case of measures and projects concerning priority habitats or species for the implementation of Directive 79/409/EEC or Directive 92/43/EEC, when this is necessary to achieve the conservation objective.

4. In the case of public procurement contracts, Community funds may cover the costs of purchase of services and goods. These costs may include expenditure on information and communication, preparation, implementation, monitoring, checking and evaluation of projects, policies, programmes and legislation.

5. If a Member State so decides, staff costs shall be eligible for Community co-financing on condition that:

- (a) in the case of national agencies, such Community funding represents no more than 2 % of the Community contribution to the Member State's national annual work programme for the year concerned. The staff in question must be carrying out additional tasks that national administrations did not previously fulfil in connection with the implementation of Community programmes;
- (b) civil servants' salary costs may be funded only to the extent that they relate to the cost of project implementation activities that the relevant public authority would not have carried out had the project concerned not been undertaken. The staff in question must be specifically seconded to a project and they must represent an additional cost with respect to existing permanent staff.

Article 6

Programming

1. The Commission shall draw up a first multi-annual strategic programme for 2007 to 2010 and a second multi-annual strategic programme for 2011 to 2013. These programmes shall define the principal objectives, priority areas of action, type of measures and expected results for Community funding in relation to the objectives and criteria set out in Articles 1, 3 and 4. They shall include allocations between Member States and indicate those parts of the budget subject to central direct management and those subject to delegated management in accordance with Article 7(2).

At least 80 % of the budget shall be subject to delegated management.

2. Member States' allocations for the part of the budget subject to delegated management shall be without prejudice to the annual budgetary procedure provided for in Article 11(3). The Commission shall base these allocations on the following criteria:

- (a) population:
 - (i) the total population of each Member State. A weighting of 50 % shall be applied to this criterion; and
 - (ii) the population density of each Member State, up to a limit of twice the EU's average population density. A weighting of 5 % shall be applied to this criterion;
- (b) nature and biodiversity:
 - (i) the total area of sites of Community importance for each Member State, expressed as a proportion of the total area of sites of Community importance. A weighting of 25 % shall be applied to this criterion; and
 - (ii) the proportion of a Member State's territory covered by sites of Community importance in relation to the proportion of Community territory covered by sites of Community importance. A weighting of 20 % shall be applied to this criterion.

As soon as relevant data are available for all Member States, the Commission shall make the calculations for nature and biodiversity on the basis of both sites of Community importance and special protection areas, while avoiding double counting.

In addition, the Commission may make additional allocations to land-locked Member States. The total amount of such allocations shall not exceed 3 % of the total delegated budget.

However, the Commission shall ensure that no Member State's allocation is less than an appropriate minimum allocation of between EUR 1 and 3 million per year, taking into account population density, environmental expenditure, environmental need and absorption capacity.

3. Within the framework of the multi-annual strategic programmes referred to in paragraph 1, Member States shall, for the part of the budget subject to delegation, submit draft national annual work programmes to the Commission for each year in the periods 2007 to 2010 and 2011 to 2013. These shall, as a minimum and for each year:

- (a) identify priority areas taking account of identified long-term needs;
- (b) outline specific national objectives;
- (c) describe the measures to be financed and how they meet the eligibility criteria set out in Article 3;
- (d) provide cost estimates; and
- (e) describe the proposed monitoring framework.

Member States may include transnational measures in their draft national annual work programmes.

4. The Commission shall consult Member States on the draft multi-annual strategic programmes within the Committee referred to in Article 14(1). The programmes shall be adopted in accordance with Article 15(1)(a). For the multi-annual strategic programme for 2007 to 2010, adoption shall take place as soon as possible, and no later than three months after the entry into force of this Regulation.

5. The Commission shall consult Member States bilaterally on the draft national annual work programmes, with a view to the adoption of national annual work programmes in accordance with Article 15(1)(b). Member States shall submit draft national annual work programmes for 2007 to the Commission as soon as possible, and no later than three months after the adoption of the first multi-annual strategic programme. They shall, as necessary, submit national annual work programmes for subsequent years, and updates of drafts already submitted, pursuant to the timetable laid down in accordance with Article 15(2)(b).

Member States may, if they so wish, submit draft national annual work programmes for some or all of the years covered by this Regulation at the same time.

6. Member States shall ensure that national agencies implement national annual work programmes adopted in accordance with Article 15(1)(b). National agencies shall invite project applications for the implementation of the measures set out in national annual work programmes. They shall ensure that projects meet the criteria set out in Article 3, giving priority to those projects that make the greatest contribution to the achievement of the objectives of this Regulation.

7. National agencies shall report to the Commission on the implementation of national annual work programmes. They shall make the final project reports referred to in Article 12(1), or summaries of them, available to the public. The Commission shall regularly publish lists of projects financed through LIFE+, including a short description of objectives and results achieved and a summary of funds expended. It shall do so using appropriate media and technologies, including the Internet.

Article 7

Financial procedures and budget delegation

1. The Commission shall implement this Regulation in accordance with the Financial Regulation.

2. The Commission may decide to entrust part of implementation of the budget to national agencies designated in agreement with the Member State concerned on the basis of Article 54(2)(c) of the Financial Regulation and in accordance with the selection criteria set out in Annex II of this Regulation.

Article 8

Beneficiaries

Public and/or private bodies, actors and institutions may receive financing through LIFE+.

Article 9

Participation of third countries

Programmes financed through LIFE+ shall be open to the participation of the following countries, provided that supplementary appropriations are received:

- (a) EFTA States which have become members of the European Environment Agency in accordance with Council Regulation (EC) No 933/1999 of 29 April 1999 amending Regulation (EEC) No 1210/90 on the establishment of the European Environment Agency and the European environment information and observation network⁽¹⁾;
- (b) candidate countries for accession to the European Union;
- (c) Western Balkan countries included in the Stabilisation and Association Process.

Article 10

Complementarity between financial instruments

This Regulation shall not finance measures which fall within the eligibility criteria of, or receive assistance for the same purpose from, other Community financial instruments, including the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development, the Competitiveness and Innovation Framework Programme, the European Fisheries Fund and the seventh Research Framework Programme. The beneficiaries under this Regulation shall provide information on funding they have received from the Community budget and on their ongoing applications for funding to the Commission for centrally financed measures or to the national agency for delegated measures. Synergies and complementarity shall be sought with other Community instruments.

Article 11

Duration and budgetary resources

1. This Regulation shall be implemented during the period beginning on 1 January 2007 and ending on 31 December 2013.

2. The financial envelope for the implementation of LIFE+ shall be set at Euro 1 854 372 000 for the period from 1 January 2007 to 31 December 2013.

3. The budgetary resources allocated to the actions provided for in this Regulation shall be entered in the annual appropriations of the general budget of the European Union.

The budgetary authority shall authorise the available annual appropriations within the limits of the financial framework.

⁽¹⁾ OJ L 117, 5.5.1999, p. 1.

4. At least 40 % of the budgetary resources for LIFE+ shall be allocated to measures to support the conservation of nature and biodiversity.

Article 12

Monitoring

1. For any measures and projects financed by LIFE+, the beneficiary shall submit, to the Commission for centrally financed measures or to the national agency for delegated measures, technical and financial reports on the progress of work. A final report shall also be submitted within three months of the completion of the project.

2. Without prejudice to the audits carried out by the Court of Auditors in liaison with the competent national audit bodies or departments pursuant to Article 248 of the Treaty, or any inspection carried out pursuant to Article 279(1)(b) of the Treaty, officials and other staff of the Commission shall carry out on-the-spot checks, including sample checks, on projects financed under LIFE+, in particular to check compliance with the eligibility criteria set out in Article 3.

3. Contracts and agreements resulting from this Regulation, including agreements with national agencies, shall provide in particular for supervision and financial control by the Commission, or any representative that the Commission may authorise, and for audits by the Court of Auditors, if necessary on-the-spot.

4. The beneficiary of financial assistance shall keep available for the Commission, for a period of five years following the last payment in respect of any project, all supporting documents regarding expenditure on that project.

5. On the basis of the results of the reports and sample checks referred to in paragraphs 1 and 2, the Commission shall, if necessary, adjust the scale or the conditions of allocation of the financial assistance originally approved as well as the timetable for payments.

6. The Commission shall take all other steps necessary to verify that measures and projects financed are carried out properly and in compliance with the provisions of this Regulation and the Financial Regulation.

Article 13

Protection of Community financial interests

1. The Commission shall ensure that, when measures financed under this Regulation are implemented, the financial interests of the Community are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and by the recovery of the amounts unduly paid and, if irregularities are detected, by the application of effective, proportional and dissuasive penalties,

in accordance with Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests ⁽¹⁾, Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities ⁽²⁾, and Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF) ⁽³⁾.

2. For Community measures financed under LIFE+, 'irregularity' as referred to in Article 1(2) Regulation (EC, Euratom) No 2988/95, shall mean any infringement of a provision of Community law or any breach of a contractual obligation resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them by an unjustified item of expenditure.

3. The Commission shall reduce, suspend or recover the amount of financial assistance granted for a project if it finds irregularities, including non-compliance with the provisions of this Regulation or the individual decision or the contract or agreement granting the financial assistance in question, or if it transpires that, without Commission approval having been sought, the project has been subjected to a change which conflicts with its nature or implementing conditions.

4. If time limits have not been observed or if only part of the allocated financial assistance is justified by the progress made with implementing a project, the Commission shall request the beneficiary to submit observations within a specified period. If the beneficiary does not give a satisfactory answer, the Commission may cancel the remaining financial assistance and demand repayment of sums already paid.

5. Any undue payment shall be repaid to the Commission. Interest shall be added to any sums not repaid in good time under the conditions laid down by the Financial Regulation.

Article 14

Committee

1. The Commission shall be assisted by a committee.

2. Where reference is made to this paragraph, Articles 5 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

The period laid down in Article 5(6) of Decision 1999/468/EC shall be set at three months.

⁽¹⁾ OJ L 312, 23.12.1995, p. 1.

⁽²⁾ OJ L 292, 15.11.1996, p. 2.

⁽³⁾ OJ L 136, 31.5.1999, p. 1.

3. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

The period laid down in Article 4(2) of Decision 1999/468/EC shall be set at three months.

4. The committee shall adopt its rules of procedure.

Article 15

Implementing decisions

1. The following implementing decisions shall be taken in accordance with the procedure referred to in Article 14(2):

- (a) to adopt and, if necessary, to amend multi-annual strategic programmes drawn up in accordance with Article 6(1);
- (b) to adopt and, if necessary, to amend national annual work programmes based on drafts that Member States have submitted in accordance with Article 6(3);
- (c) to add measures to Annex I or to amend Annex II; and
- (d) to lay down detailed rules necessary for the implementation of this Regulation.

2. The following implementing decisions shall be taken in accordance with the procedure referred to in Article 14(3):

- (a) to decide to delegate implementation of the budget to a national agency or agencies in accordance with Article 7(2) and to confirm the agency's or agencies' compliance with the selection criteria set out in Annex II;
- (b) to specify the format, content and submission dates for draft national annual work programmes for the purposes of Article 6(3) and of the reports referred to in Article 6(7);
- (c) to determine the form, content and recipients of the reports referred to in Article 12(1); and
- (d) to establish indicators to assist the monitoring of measures financed by LIFE+.

Article 16

Evaluation

1. The Commission shall ensure that regular monitoring of multi-annual programmes takes place to assess their impact.

2. No later than 30 September 2010, the Commission shall submit a mid-term review of LIFE+ to the European Parliament and to the Committee referred to in Article 14(1). The mid-term review shall evaluate the implementation of this Regulation from 2007 to 2009. The Commission shall, if appropriate, propose modifications to the implementing decisions in accordance with Article 15.

3. The Commission shall arrange for a final evaluation of the implementation of this Regulation assessing its contribution to the implementation, updating and development of Community environmental policy and legislation and the use made of the appropriations. It shall submit this final evaluation to the European Parliament and the Council no later than 31 December 2012, together, if appropriate, with a proposal for the further development of a financial instrument exclusively in the environmental field, to apply from 2014 onwards.

Article 17

Repeal and transitional provisions

1. The following instruments shall be repealed with a view to simplification and consolidation:

- (a) Regulation (EC) No 1655/2000 of the European Parliament and of the Council of 17 July 2000 concerning the Financial Instrument for the Environment (LIFE) ⁽¹⁾;
- (b) Decision No 1411/2001/EC of the European Parliament and of the Council of 27 June 2001 on a Community Framework for cooperation to promote sustainable urban development ⁽²⁾;
- (c) Decision No 466/2002/EC of the European Parliament and of the Council of 1 March 2002 laying down a Community action programme promoting non-governmental organisations primarily active in the field of environmental protection ⁽³⁾;
- (d) Regulation (EC) No 2152/2003 of the European Parliament and of the Council of 17 November 2003 concerning monitoring of forests and environmental interactions in the Community (Forest Focus) ⁽⁴⁾.

2. Measures started before 31 December 2006 pursuant to the acts referred to in paragraph 1 shall, until their completion, continue to be governed by those acts. The Committee referred to in Article 14(1) shall replace the committees provided for in these acts. This Regulation shall be used to fund any obligatory monitoring and evaluation required under those acts following their expiry. Until their completion, measures shall comply with the technical provisions defined in the acts referred to in paragraph 1.

Article 18

Entry into force

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

⁽¹⁾ OJ L 192, 28.7.2000, p. 1. Regulation as last amended by Regulation (EC) No 1682/2004 (OJ L 308, 5.10.2004, p. 1).

⁽²⁾ OJ L 191, 13.7.2001, p. 1. Decision as amended by Decision No 786/2004/EC (OJ L 138, 30.4.2004, p. 7).

⁽³⁾ OJ L 75, 16.3.2002, p. 1. Decision as amended by Decision No 786/2004/EC.

⁽⁴⁾ OJ L 324, 11.12.2003, p. 1. Regulation as amended by Regulation (EC) No 788/2004 (OJ L 138, 30.4.2004, p. 17).

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg,

For the European Parliament

The President

...

For the Council

The President

...

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ANNEX I

MEASURES ELIGIBLE FOR FUNDING

Without prejudice to Article 10, the following measures may be financed by LIFE+ if they satisfy the eligibility criteria set out in Article 3:

1. as regards the budget subject to central direct management:
 - (a) certain operational activities of NGOs that are primarily active in protecting and enhancing the environment at European level,
 - (b) developing and maintaining networks and computer systems directly linked to the implementation of Community environmental policy and legislation;
 2. as regards the budget subject to either central direct or delegated management:
 - (a) studies, surveys, modelling and scenario building;
 - (b) monitoring, including the monitoring of forests;
 - (c) capacity building assistance;
 - (d) training, workshops and meetings, including the training of agents participating in forest fire prevention initiatives;
 - (e) networking and best practice platforms;
 - (f) information and communication actions, including awareness-raising campaigns and, in particular, public awareness-campaigns on forest fires;
 - (g) demonstration of innovative policy approaches, technologies, methods and instruments;
 - (h) national agencies' staff costs; and
 - (i) specifically for the nature and biodiversity component:
 - site and species management and site planning, including the improvement of the ecological coherence of the Natura 2000 network;
 - the monitoring of conservation status, including setting up procedures and structures for such monitoring;
 - the development and implementation of species and habitats conservation action plans;
 - the extension of the Natura 2000 network in marine areas;
 - the purchase of land, provided that:
 - the purchase would contribute to maintaining or restoring the integrity of a Natura 2000 site,
 - land purchase is the only or most effective way of achieving the desired conservation outcome,
 - the land purchased is reserved in the long term for uses consistent with the objectives set out in Article 4(2), and
 - the Member State concerned shall, by way of transfer or otherwise, ensure the long-term reservation of such land for nature conservation purposes.
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ANNEX II

CRITERIA FOR THE DELEGATION OF BUDGET IMPLEMENTATION TASKS

1. The Commission shall designate national agencies in agreement with Member States. Member States may also designate national agencies in accordance with Article 54(2)(c) and Article 56 of the Financial Regulation and with Articles 38 and 39 of Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Regulation (EC, Euratom) No 1605/2002⁽¹⁾. Member States shall establish administrative and financial provisions vis-à-vis national agencies with a view to the effective implementation of national annual work programmes.
2. The Commission shall ensure that delegation complies with the principles of economy, effectiveness and efficiency. Before proceeding with any delegation, the Commission shall ensure, by means of an assessment, that delegation of funds to national agencies complies with sound financial management and will enhance the visibility of the Community action.
3. A body designated as a national agency shall comply with the following criteria:
 - it has legal personality and is governed by the law of the Member State concerned;
 - it has an adequate number of staff, with professional capacities in the field of environment policy;
 - it has appropriate infrastructure, in particular as regards computing and communications;
 - it operates in an administrative context which enables it to carry out its tasks satisfactorily and to avoid conflicts of interest;
 - it is in a position to apply the financial management rules and contractual conditions laid down at Community level;
 - it offers adequate financial guarantees, issued preferably by a public authority, and its management capacity is appropriate to the level of Community funds that it will be called upon to manage.
4. The Commission shall conclude an agreement with each national agency in accordance with Article 41 of Regulation (EC, Euratom) No 2342/2002, setting out detailed provisions covering, *inter alia*, the definition of tasks, rules on reporting, the demarcation of responsibilities and control arrangements. National agencies shall respect the principles of transparency and equality of treatment. They shall avoid double-funding from other sources of Community funds. They shall monitor projects and recover any funds due for reimbursement by beneficiaries.
5. Moreover, the Commission shall verify that Member States take necessary steps to ensure the appropriate audit and financial overseeing of national agencies. Member States shall, before any delegation takes place, provide the Commission with necessary assurances as to the existence, relevance and proper operation of rules of sound financial management within the relevant national agency.
6. Each national agency shall be responsible for any funds not recovered in the event of irregularity, negligence or fraud imputable to it.
7. The Commission shall, in cooperation with Member States, ensure the transition between measures carried out within the context of the earlier programmes in the environmental field and those to be implemented under this Regulation.

⁽¹⁾ OJ L 357, 31.12.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

STATEMENT OF THE COUNCIL'S REASONS

I. INTRODUCTION

The Commission adopted its proposal ⁽¹⁾ for a Regulation concerning the Financial Instrument for the Environment ('LIFE+') in September 2004.

The European Parliament adopted its first-reading opinion in July 2005 ⁽²⁾.

The Committee of the Regions ⁽³⁾ and the Economic and Social Committee ⁽⁴⁾ adopted their opinions in April 2005.

The Council adopted its common position on 27 June 2006.

II. OBJECTIVE

The proposed Regulation is one of several relating to the financial framework for 2007 to 2013, but the only proposal specific to the environment. Its objective is:

- to provide specific support at Community level for measures and projects with European added value for the implementation, updating and development of Community environmental policy and legislation, in particular the implementation of the sixth Community Environment Action Programme (while funding for investments and management measures benefiting the environment, particularly in relation to the Natura 2000 network, would generally be available through other financial instruments); and
- to replace a number of existing programmes (while some elements of the current LIFE regime would be integrated into other financial instruments).

The aim of this 'integrated approach' is to provide more scope for co-financing, to encourage joined-up policy making and better to enable funding to reflect national and regional priorities.

III. ANALYSIS OF THE COMMON POSITION

1. General

The common position incorporates half of the European Parliament's first-reading amendments, either verbatim, in part or in spirit. In particular, it makes provision for a specific nature and biodiversity component and establishes general eligibility criteria to ensure European added value.

It does not reflect the remaining amendments because the Council agrees with the Commission that they are unnecessary and/or undesirable.

The common position also includes a number of changes other than those envisaged in the European Parliament's first-reading opinion. The following sections describe the changes of substance. In addition, there are drafting changes to clarify the text or to ensure the overall coherence of the Regulation.

2. Purpose, definitions and eligibility criteria (Articles 1, 2 and 3)

The common position is not consistent with European Parliament amendment 11. The Council believes that it is necessary to make a distinction between the **general objective** set out in Article 1 and the specific objectives set out in Article 4. It also considers that it is not necessary to paraphrase the objectives of 6th Community Environment Action Programme and that it would be inappropriate to seek to make changes to the priorities that the three Institutions have agreed for the period 2002 to 2012, as set out in Decision No 1600/2002/EC other than in the context of the review provided for in Article 11(1) of that Decision.

⁽¹⁾ OJ C 12, 18.1.2005, p. 25.

⁽²⁾ doc. 10814/05

⁽³⁾ OJ C 231, 20.9.2005, p. 72.

⁽⁴⁾ OJ C 255, 14.10.2005, p. 52.

The Council has added Article 2 to give **definitions** of three terms that the Regulation uses frequently.

Article 3 is consistent with parts of amendments 12 and 42, 15 and 34 in that it lays down general **eligibility criteria** to ensure that Community co-financing through LIFE+ provides European added value. In particular, LIFE+ would not finance recurring activities, such as day-to-day operations.

3. Specific objectives (Article 4 and Annex I)

Article 4 takes on board other parts of amendments 12 and 42, in particular by the creation of a new component specifically for **nature and biodiversity** and the addition of references to eco-technologies and forests.

The common position also changes the status of Annex I from an indicative to an exhaustive list of **eligible measures**. Annex I no longer includes a section on themes. The Council considers that the objectives and criteria set out in Articles 1, 3 and 4 and the list of eligible measures in Annex I are sufficient to define the scope of LIFE+.

4. Financial provisions (Articles 5 and 8 to 13)

The Council cannot accept amendment 43 concerning the LIFE+ budget. The common position provides for a **financial envelope** of € 1 854 372 000, which is the figure contained in the Commission's amended proposal (made following the agreement of 17 May 2006 on the Financial Framework 2007-2013).⁽¹⁾

The common position is fully consistent with amendment 44 since it contains no Annex setting out an indicative division of the LIFE+ budget between the components. However, rather than giving a figure for each of the three components as envisaged in amendment 26, to provide greater flexibility Article 11(4) would ring-fence 40 % of the budget specifically for measures to support the conservation of nature and biodiversity.

Article 5 is consistent with amendment 34 in that it sets a general maximum **co-financing rate** of 50 %. It is partly consistent with amendment 13 in that a higher co-financing of up to 75 % would be possible for certain nature protection projects. Article 5 also includes clarification on the co-financing of staff costs (consistent with current practice and the Financial Regulation).

The Council believes that there is no need to give examples of potential **beneficiaries** of LIFE+ funding. Article 8 is therefore not consistent with amendment 21.

The Council agrees that, consistent with the principle of **complementarity**, LIFE+ should not finance measures which fall within the eligibility criteria of other Community financial instruments. Article 10 of the common position is consistent with the aim of amendment 23.

On **monitoring**, the common position strengthens the requirement for the Commission to carry out on-the-spot checks. Read together with Article 17(2)(c), Article 12(1) is consistent with the objectives of amendment 27.

5. Programming approach (Articles 6 and 7 and Annex II)

The Commission's proposal envisaged the delegation of a significant part of budget implementation to Member States. The Council accepts this approach, but has included considerably more detail on the applicable procedures in the common position. This provides greater clarity on the respective roles of Member States and the Commission and on the types of expenditure that will fall under the centrally managed part of the budget (in particular for NGOs, which is consistent with amendment 36).

⁽¹⁾ EUR 1 854 372 000 is in 2004 prices (equivalent to EUR 2 097 880 000 in current prices). Point 37 of the Inter-institutional Agreement on budgetary discipline and improvement of the budgetary procedure provides that this amount will constitute the prime reference for the budgetary authority during the annual budgetary procedure. The Council has also made a statement on the figure contained in the Commission's amended proposal.

The common position also contains detailed criteria for the allocation of the delegated part of the budget between Member States. There are two criteria: population, including population density, since this is a proxy for many environmental pressures; and nature and biodiversity (based on the absolute and relative size of designated sites). The annexed table gives an indication of the implications of these criteria.

Article 6 is partly consistent with amendment 14, since it makes clear (paragraph 3, second subparagraph) that LIFE+ could fund transnational measures. The procedure for the adoption of national annual work programmes is in line with the aim of amendment 16, since it would give Member States flexibility to take account of national and regional priorities.

The Council cannot accept the first part of amendment 15 or amendments 17 or 18. Adopting multi-annual strategic programmes through co-decision would unduly delay the funding of environmental projects. However, the common position includes significantly more details in the co-decided text of the Regulation.

6. Comitology (Articles 14 and 17)

The common position is broadly consistent with amendment 29, since all key decisions would be subject to the regulatory procedure. This is appropriate because the Regulation establishes a general framework for seven years. Community and national priorities are likely to evolve significantly during this period. The multi-annual strategic programmes and national annual work programmes will deal with matters of critical concern to individual Member States and of crucial importance for their national environmental policy. However, certain more technical decisions should be subject to the management procedure.

The Council cannot accept amendments 28, 30 and 31 since they would deviate from the procedures laid down in Decision 1999/468/EC. Any changes would need to be negotiated horizontally, not in the context of a specific instrument.

7. Other

In addition the common position:

- has a slightly expanded **preamble** to clarify key provisions in the body of the Regulation. The recitals incorporate European Parliament first-reading amendment 9 (but not amendments 1 to 8, since the proposed text would not have motivated any provision in the Articles or Annexes or would not have been consistent with these provisions). In addition, recital 15 is partly consistent with the aim of amendment 24;
- includes in Articles 6(7) and 12(2) requirements for the Commission to carry out and report on **follow-up measures** consistent with the aim of amendment 19;
- meets the objectives of amendments 32 and 33 by clarifying, in Article 15, the aim of, and timetable for, **evaluation reports**;
- does not incorporate amendment 20, since the Commission would not be able to ensure that the implementation of LIFE+ leads to **job creation**.

IV. CONCLUSION

The Council believes that the common position represents a balanced package that would provide targeted Community co-financing to complement other Community financial instruments and national and regional environmental expenditure. It looks forward to constructive discussions with the European Parliament with a view to the early adoption of the Regulation.

ANNEX

INDICATIVE ALLOCATIONS TO MEMBER STATES FOR 2007

Member State	Surface area (km ²)	Population (thousands)	% of total EU population	Population density	Ratio MS density: EU density	Normalised ratio population density	SCI surface area (km ²)	Ratio SCI:total	% SCI total	Ratio MS %: EU total %	Normalised ratio SCIs	Budget allocation (%)	Budget allocation (EUR million)	Corrected budget allocation (EUR million)	Member State
A	B	C	D	E	F	G	H	I	L	M	N	O	P	Q	R
			(C/Total C)	(C·1000/B)	(E/Total E)	(F/Total F)		(H/Total H)	(H/B)	(J/Total J)	(K/Total K)	(0,5·D+0,05·G+0,25·I+2·L)	(D·2·M)		
BE	30 528,00	10 396,40	2,14 %	226,56	2,00	7,23 %	3 220,88	0,54 %	10,55 %	0,76	2,67 %	2,10 %	3,991	3,968	BE
CZ	78 866,00	10 211,50	2,10 %	129,48	1,14	4,13 %	7 241,36	1,22 %	9,18 %	0,67	2,32 %	2,03 %	3,851	3,829	CZ
DK	43 093,00	5 397,60	1,11 %	125,25	1,11	4,00 %	11 135,95	1,88 %	25,84 %	1,87	6,54 %	2,53 %	4,813	4,785	DK
DE	357 031,00	82 531,70	16,97 %	226,56	2,00	7,23 %	53 293,92	9,00 %	14,93 %	1,08	3,78 %	11,85 %	22,517	22,388	DE
EE	45 226,00	1 351,00	0,28 %	29,87	0,26	0,95 %	10 591,08	1,79 %	23,42 %	1,70	5,93 %	1,82 %	3,456	3,437	EE
EL	131 940,00	11 041,10	2,27 %	83,68	0,74	2,67 %	27 640,97	4,67 %	20,95 %	1,52	5,30 %	3,50 %	6,642	6,604	EL
ES	504 782,00	42 345,30	8,71 %	83,89	0,74	2,68 %	119 104,03	20,11 %	23,60 %	1,71	5,97 %	10,71 %	20,347	20,230	ES
FR	549 192,00	59 900,70	12,32 %	109,07	0,96	3,48 %	48 809,61	8,24 %	8,89 %	0,64	2,25 %	8,84 %	16,800	16,704	FR
IE	70 280,00	4 027,70	0,83 %	57,31	0,51	1,83 %	10 560,74	1,78 %	15,03 %	1,09	3,80 %	1,71 %	3,253	3,234	IE
IT	301 333,00	57 888,20	11,90 %	192,11	1,70	6,13 %	43 977,33	7,43 %	14,59 %	1,06	3,69 %	8,85 %	16,820	16,723	IT
CY	9 250,00	730,4	0,15 %	78,96	0,70	2,52 %	509,52	0,09 %	8,88 %	0,64	2,25 %	0,67 %	1,277	2,000	CY
LV	64 589,00	2 319,20	0,48 %	35,91	0,32	1,15 %	7 651,27	1,29 %	11,85 %	0,86	3,00 %	1,22 %	2,315	2,500	LV
LT	65 200,00	3 445,90	0,71 %	52,85	0,47	1,69 %	6 663,58	1,13 %	10,22 %	0,74	2,59 %	1,24 %	2,351	2,500	LT
LU	2 597,00	451,6	0,09 %	173,89	1,54	5,55 %	383,11	0,06 %	14,75 %	1,07	3,73 %	1,09 %	2,065	2,053	LU
HU	93 030,00	10 116,70	2,08 %	108,75	0,96	3,47 %	13 929,21	2,35 %	14,97 %	1,09	3,79 %	2,56 %	4,863	4,835	HU
MT	316,00	399,4	0,08 %	226,56	2,00	7,23 %	39,35	0,01 %	12,45 %	0,90	3,15 %	1,03 %	1,966	1,954	MT
NL	41 526,00	16 258,00	3,34 %	226,56	2,00	7,23 %	7 510,00	1,27 %	18,09 %	1,31	4,58 %	3,27 %	6,204	6,169	NL

Member State	Surface area (km ²)	Population (thousands)	% of total EU population	Population density	Ratio MS density: EU density	Normalised ratio population density	SCI surface area (km ²)	Ratio SCI:total	% SCI total	Ratio MS %: EU total %	Normalised ratio SCIs	Budget allocation (%)	Budget allocation (EUR million)	Corrected budget allocation (EUR million)	Member State
A	B	C	D	E	F	G	H	I	L	M	N	O	P	Q	R
			(C/Total C)	(C·1000/B)	(E/Total E)	(F/Total F)		(H/Total H)	(H/B)	(J/Total J)	(K/Total K)	(0,5·D+0,05·G+0,25·I+2·L)	(D42·M)		
AT	83 859,00	8 140,10	1,67 %	97,07	0,86	3,10 %	8 883,93	1,50 %	10,59 %	0,77	2,68 %	1,90 %	3,616	3,595	AT
PL	312 685,00	38 190,60	7,85 %	122,14	1,08	3,90 %	13 123,86	2,22 %	4,20 %	0,30	1,06 %	4,89 %	9,286	9,233	PL
PT	91 990,00	10 474,70	2,15 %	113,87	1,01	3,63 %	16 502,94	2,79 %	17,94 %	1,30	4,54 %	2,86 %	5,440	5,409	PT
SI	20 273,00	1 996,40	0,41 %	98,48	0,87	3,14 %	6 359,62	1,07 %	31,37 %	2,27	7,94 %	2,22 %	4,216	4,192	SI
SK	48 845,00	5 380,10	1,11 %	110,15	0,97	3,51 %	5 739,36	0,97 %	11,75 %	0,85	2,97 %	1,57 %	2,975	2,958	SK
FI	338 145,00	5 219,70	1,07 %	15,44	0,14	0,49 %	48 551,64	8,20 %	14,36 %	1,04	3,63 %	3,34 %	6,341	6,305	FI
SE	414 864,00	8 975,70	1,85 %	21,64	0,19	0,69 %	62 356,23	10,53 %	15,03 %	1,09	3,80 %	4,35 %	8,265	8,218	SE
UK	244 820,00	59 673,10	12,27 %	226,56	2,00	7,23 %	25 102,47	4,24 %	10,25 %	0,74	2,60 %	8,07 %	15,342	15,254	UK
BG	110 910,00	7 801,3	1,60 %	70,34	0,62	2,24 %	15 299,25	2,58 %	13,79 %	1,00	3,49 %	2,26 %	4,291	4,266	BG
RO	238 391,00	21 711,3	4,46 %	91,07	0,80	2,91 %	18 085,00	3,05 %	7,59 %	0,55	1,92 %	3,52 %	6,697	6,658	RO
EU + BG + RO	4 293 561,00	486 375,40	100,00 %	113,28	27,67	100,00 %	592 266,18	100,00 %	13,79 %	28,64	100,00 %	100,00 %	190	190	EU

NOTES

The Commission services prepared the above table. The allocations shown are indicative. The actual allocations will be fixed through comitology following adoption of the Regulation. A number of factors could result in the actual allocations being somewhat different.

1. The table indicates allocations for 2007, based on a delegated budget of EUR 190 million for that year. The Commission's financial programming envisages that both the LIFE+ budget and the share of the budget allocated to Member States would increase year on year.
 2. The table uses the most recent data available to the Commission (e.g., Member States' populations are those given in the Eurostat yearbook for 2005 and SCI data is that available at 15 May 2006). The data and therefore the allocations will change over the life of the LIFE+ instrument. In particular, Article 6(2), second subparagraph, mandates the Commission to make the calculations for nature and biodiversity on the basis of both sites of Community importance and special protection areas, while avoiding double counting, as soon as relevant data are available for all Member States.
 3. Article 6(2), third subparagraph, would enable the Commission to propose additional allocations for land-locked Member States. The table assumes that there would be no such additional allocations in 2007.
 4. The area of SCIs in BG has been estimated at the average for the current Member States and RO. The area of SCIs in CY applies only to the surface of the area to which the Habitats Directive applies.
 5. Article 6(2), fourth subparagraph, prescribes a minimum annual allocation for all Member States of between EUR 1 and 3 million, taking into account population density, environmental expenditure, environmental need and absorption capacity. The table assumes that this provision would be used to increase the allocation for CY to EUR 2 million and those for LV/LT to EUR 2,5 million.
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COMMON POSITION (EC) No 11/2006**adopted by the Council on 18 July 2006****with a view to adoption a Decision No .../2006/EC of the European Parliament and of the Council of ... establishing the Culture Programme (2007-2013)**

(2006/C 238 E/02)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular the first indent of Article 151(5) thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the Committee of the Regions ⁽¹⁾,

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

Whereas:

- (1) It is essential to promote cooperation and cultural exchanges in order to respect and promote the diversity of cultures and languages in Europe and improve knowledge among European citizens of European cultures other than their own, while at the same time heightening their awareness of the common European cultural heritage they share. Promoting cultural and linguistic cooperation and diversity thus helps to make European citizenship a tangible reality by encouraging direct participation by European citizens in the integration process.
- (2) An active cultural policy aimed at the preservation of European cultural diversity and the promotion of its common cultural elements and cultural heritage can contribute to improving the external visibility of the European Union.
- (3) For citizens to give their full support to, and participate fully in, European integration, greater emphasis should be placed on their common cultural values and roots as a key element of their identity and their membership of a society founded on freedom, equity, democracy, respect for human dignity and integrity, tolerance and

solidarity, in full compliance with the Charter of Fundamental Rights of the European Union.

- (4) It is essential that the cultural sector contribute to, and play a role in, broader European political developments. The cultural sector is an important employer in its own right and there is, in addition, a clear link between investment in culture and economic development, hence the importance of reinforcing cultural policies at regional, national and European level. Accordingly, the place of cultural industries in the developments taking place under the Lisbon Strategy should be strengthened, as these industries are making an increasingly large contribution to the European economy.
- (5) It is also necessary to promote active citizenship and strengthen the fight against exclusion in all its forms, including racism and xenophobia. Improving access to culture for as many as possible can be a means of combating social exclusion.
- (6) Article 3 of the Treaty stipulates that, in all the activities referred to in that Article, the Community is to aim at eliminating inequalities, and at promoting equality, between men and women.
- (7) The Kaleidoscope, Ariane, Raphaël and Culture 2000 cultural programmes, set out respectively in Decisions Nos 719/96/EC ⁽³⁾, 2085/97/EC ⁽⁴⁾, 2228/97/EC ⁽⁵⁾ and 508/2000/EC ⁽⁶⁾, marked positive stages in the implementation of Community action on culture. Considerable experience has thus been acquired, particularly through the evaluation of these cultural programmes. It is at present worthwhile to rationalise and strengthen Community cultural action on the basis of the results of these evaluations, the results of consultation with all interested parties and recent work by the European institutions. It is therefore appropriate to establish a programme to this end.

⁽¹⁾ OJ C 164, 5.7.2005, p. 65.

⁽²⁾ Opinion of the European Parliament of 25 October 2005 (not yet published in the Official Journal), Council Common Position of 18 July 2006 and Position of the European Parliament of ... (not yet published in the Official Journal).

⁽³⁾ Decision No 719/96/EC of the European Parliament and of the Council of 29 March 1996 establishing a programme to support artistic and cultural activities having a European dimension (OJ L 99, 20.4.1996, p. 20). Decision as amended by Decision No 477/1999/EC (OJ L 57, 5.3.1999, p. 2).

⁽⁴⁾ Decision No 2085/97/EC of the European Parliament and of the Council of 6 October 1997 establishing a programme of support, including translation, in the field of books and reading (OJ L 291, 24.10.1997, p. 26). Decision as amended by Decision No 476/1999/EC (OJ L 57, 5.3.1999, p. 1).

⁽⁵⁾ Decision No 2228/97/EC of the European Parliament and of the Council of 13 October 1997 establishing a Community action programme in the field of cultural heritage (OJ L 305, 8.11.1997, p. 31). Decision as repealed by Decision No 508/2000/EC (OJ L 63, 10.3.2000, p. 1).

⁽⁶⁾ Decision No 508/2000/EC of the European Parliament and of the Council of 14 February 2000 establishing the Culture 2000 programme (OJ L 63, 10.3.2000, p. 1). Decision as last amended by Council Regulation (EC) No 885/2004 (OJ L 168, 1.5.2004, p. 1).

- (8) The European institutions have themselves spoken out on many occasions on subjects relating to Community cultural action and the challenges of cultural cooperation, in particular in Council Resolutions of 25 June 2002 on a new work plan on European cooperation in the field of culture ⁽¹⁾ and of 19 December 2002 implementing the work plan for European cooperation in the field of culture ⁽²⁾, resolutions of the European Parliament of 5 September 2001 on cultural cooperation in the European Union ⁽³⁾, of 28 February 2002 on the implementation of the Culture 2000 Programme ⁽⁴⁾, of 22 October 2002 on the importance and dynamism of the theatre and the performing arts in an enlarged Europe ⁽⁵⁾, and of 4 September 2003 on Cultural Industries ⁽⁶⁾, and the opinion of the Committee of the Regions of 9 October 2003 on the extension of the Culture 2000 Programme.
- (9) The Council, in its abovementioned resolutions, has stressed the need to adopt a more coherent approach at Community level with regard to culture, and that European added value is an essential and determining concept in the context of European cultural cooperation, and a general condition for Community measures in the field of culture.
- (10) In order to make this common cultural area for the peoples of Europe a reality, it is important to promote the transnational mobility of cultural players and the transnational circulation of artistic and cultural works and products, and to encourage dialogue and cultural exchanges.
- (11) The Council, in its conclusions of 16 November 2004 relating to the work plan on culture (2005-2006), the European Parliament in its resolution of 4 September 2003 on Cultural Industries, and the European Economic and Social Committee in its opinion of 28 January 2004 on cultural industries in Europe, have expressed their views on the need to take greater account of the specific economic and social features of non-audiovisual cultural industries. Moreover, the preparatory actions for cooperation on cultural matters promoted between 2002-2004 should be taken into account in the new programme.
- (12) In this context, there is a case for promoting increased cooperation between cultural players by encouraging them to form multi-annual cooperation projects, thus enabling them to develop common activities, to provide support for more targeted measures with a real European added value, to support symbolic cultural events, to support European cultural cooperation organisations and to encourage analyses on chosen themes of European interest, as well as the collection and dissemination of information and activities aimed at maximising the impact of projects in the field of European cultural cooperation and European cultural policy development.
- (13) Under Decision 1419/1999/EC of the European Parliament and of the Council of 25 May 1999 establishing a Community action for the European Capital of Culture event for the years 2005 to 2019 ⁽⁷⁾ significant funding should be given to this event, which has a high profile among Europeans and helps to strengthen the feeling of belonging to a common cultural area. In the context of this event, the accent should be on trans-European cultural cooperation.
- (14) Support should be given to the operation of organisations working for European cultural cooperation and thus playing the role of ambassadors of European culture, based on the experience acquired by the European Union in the context of Decision No 792/2004/EC of the European Parliament and of the Council of 21 April 2004 establishing a Community action programme to promote bodies active at European level in the field of culture ⁽⁸⁾.
- (15) It is necessary for the Programme, in compliance with the principle of freedom of expression, to contribute to the European Union's efforts to promote sustainable development and to combat all forms of discrimination.
- (16) The European Union candidate countries and EFTA countries which are members of the EEA Agreement should be recognised as potential participants in Community programmes in accordance with the agreements concluded with these countries.
- (17) The Thessaloniki European Council of 19 and 20 June 2003 adopted the 'Agenda for the Western Balkans: moving towards European integration', laying down that Community programmes should be open to the countries in the Stabilisation and Association Process on the basis of framework agreements to be signed between the Community and these countries. If they wish, these countries should be able, depending on budgetary considerations or political priorities, to take part in the Programme or benefit from a more limited formula for cooperation, on the basis of supplementary appropriations and specific procedures to be agreed between the parties concerned.
- (18) The Programme should also be open to cooperation with other third countries which have signed agreements with the Community containing a cultural strand, in accordance with procedures to be defined.

⁽¹⁾ OJ C 162, 6.7.2002, p. 5.

⁽²⁾ OJ C 13, 18.1.2003, p. 5.

⁽³⁾ OJ C 72 E, 21.3.2002, p. 142.

⁽⁴⁾ OJ C 293 E, 28.11.2002, p. 105.

⁽⁵⁾ OJ C 300 E, 11.12.2003, p. 156.

⁽⁶⁾ OJ C 76 E, 25.3.2004, p. 459.

⁽⁷⁾ OJ L 166, 1.7.1999, p. 1. Decision as amended by Decision No 649/2005/EC (OJ L 117, 4.5.2005, p. 20).

⁽⁸⁾ OJ L 138, 30.4.2004, p. 40.

- (19) It is necessary, in order to increase the added value of the Community action, to ensure coherence and complementarity between actions carried out within the framework of this Decision and other relevant Community policies, actions and instruments, in compliance with Article 151(4) of the Treaty. Particular attention should be paid to the interface of Community measures in the fields of culture and education and to actions which promote exchanges of best practice and closer cooperation at European level.
- (20) With regard to the implementation of Community support, the specific nature of the cultural sector in Europe should be taken into account, and particular care should be taken to ensure that administrative and financial procedures are simplified as much as possible and adapted to the objectives pursued as well as to practices and developments in the cultural sector.
- (21) The Commission, Member States and the cultural contact points should work to encourage the participation of smaller operators in the multi-annual cooperation projects and the organisation of activities aimed at bringing together potential project partners.
- (22) The Programme should bring together the specific qualities and expertise of cultural operators from throughout Europe. Where necessary, the Commission and Member States should take measures to address low participation rates of cultural operators in any Member State or participating country.
- (23) It is worthwhile ensuring, within the framework of cooperation between the Commission and Member States, ongoing monitoring and evaluation of the Programme in order to enable readjustments, particularly within the priorities for the implementation of measures. The evaluation should include an external evaluation to be conducted by independent, impartial bodies.
- (24) The procedures for monitoring and evaluating the Programme should make use of objectives and indicators which are specific, measurable, achievable, relevant, and timed.
- (25) Suitable measures should be implemented to prevent irregularities and fraud and to recover funds which have been lost or transferred or used improperly.
- (26) It is appropriate to establish a single financing and programming instrument for cultural cooperation, entitled the 'Culture Programme', for the period from 1 January 2007 to 31 December 2013.
- (27) This Decision lays down, for the entire duration of the Programme, a financial envelope constituting the prime reference, within the meaning of point 37 of the Inter-institutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management⁽¹⁾.
- (28) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission⁽²⁾.
- (29) The measures necessary for the financial implementation of this Decision should be adopted in accordance with Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁽³⁾ (hereinafter referred to as 'the Financial Regulation'), and with Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002⁽⁴⁾.
- (30) Community action is complementary to national or regional action in the field of cultural cooperation. Since the objectives of this Decision, namely to enhance the European cultural area based on common cultural heritage (transnational mobility of cultural players in Europe, transnational circulation of works of art and cultural and artistic products and intercultural dialogue) cannot be sufficiently achieved by the Member States owing to their transnational character, and can therefore, by reason of the scale or effects of the action, be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality as set out in that Article, this Decision does not go beyond what is necessary in order to achieve those objectives.
- (31) There should be transitional provisions in order to ensure a smooth transition between the programmes drawn up by Decisions Nos 508/2000/EC and 792/2004/EC on the one hand and, on the other, the Programme established by this Decision,

HAVE DECIDED AS FOLLOWS:

Article 1

Establishment and duration

1. This Decision establishes the Culture Programme, a single multi-annual programme for Community measures in the field of culture open to all cultural sectors and all categories of cultural operators (hereinafter referred to as 'the Programme').

⁽¹⁾ OJ C ...

⁽²⁾ OJ L 184, 17.7.1999, p. 23.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 357, 31.12.2002, p. 1. Regulation as last amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. The Programme shall be implemented for the period from 1 January 2007 to 31 December 2013.

Article 5

Provisions concerning third countries

Article 2

Budget

1. The financial envelope for the implementation of the Programme for the period referred to in Article 1 is hereby set at EUR 354 million (*).

2. Annual appropriations shall be authorised by the budgetary authority within the limits of the financial framework.

1. The Programme shall be open to the participation of the following countries:

- (a) EFTA countries which are members of the EEA, in accordance with the provisions of the EEA Agreement;
- (b) candidate countries benefiting from a pre-accession strategy for accession to the Union, in accordance with the general principles and with the general conditions and procedures for the participation of these countries in the Community programmes established in the framework agreements;
- (c) the countries of the Western Balkans in accordance with the procedures defined with these countries following the framework agreements providing for their participation in Community programmes.

Provided that the conditions are met and additional appropriations are paid, the countries referred to in this paragraph shall participate fully in the Programme.

Article 3

Objectives

1. The general objective of the Programme shall be to enhance the cultural area shared by Europeans and based on a common cultural heritage through the development of cultural cooperation between the creators, cultural players and cultural institutions of the countries taking part in the Programme, with a view to encouraging the emergence of European citizenship. The Programme shall be open to the participation of non-audiovisual cultural industries, in particular small cultural enterprises, where such industries are acting in a non-profit-making cultural capacity.

2. The specific objectives of the Programme are:

- (a) to promote the transnational mobility of cultural players;
- (b) to encourage the transnational circulation of works and cultural and artistic products;
- (c) to encourage intercultural dialogue.

2. The Programme shall also be open to cooperation with other third countries which have concluded association or cooperation agreements with the Community which include cultural clauses, on the basis of supplementary appropriations and specific procedures to be laid down.

The countries of the Western Balkans referred to in paragraph 1(c) which do not wish to benefit from full participation in the Programme may benefit from cooperation with the Programme under the conditions laid down in this paragraph.

Article 4

Fields of action

1. The objectives of the Programme shall be pursued through the implementation of the following measures, as described in the Annex:

- (a) support for cultural actions, as follows:
 - multi-annual cooperation projects,
 - cooperation measures,
 - special actions;
- (b) support for bodies active at European level in the field of culture;
- (c) support for analyses and the collection and dissemination of information and for activities maximising the impact of projects in the field of European cultural cooperation and European cultural policy development.

2. These measures shall be carried out in accordance with the provisions set out in the Annex.

Article 6

Cooperation with international organisations

The Programme shall permit joint action with international organisations competent in the field of culture, such as UNESCO or the Council of Europe, on the basis of joint contributions and in accordance with the various rules prevailing in each institution or organisation for the realisation of the measures listed in Article 4.

Article 7

Complementarity with other Community instruments

The Commission shall ensure a link between the Programme and other Community instruments, particularly those relating to the Structural Funds and those in the fields of education, vocational training, research, information society, citizenship, youth, sport, languages, social inclusion, EU external relations and combating all forms of discrimination.

(*) This amount is based on 2004 figures and shall be subject to technical adjustment to take account of inflation.

*Article 8***Implementation**

1. The Commission shall implement the Community actions which form the subject of the Programme, in accordance with the Annex.
2. The following measures shall be adopted in accordance with the procedure referred to in Article 9(2):
 - (a) the annual plan of work, including priorities, selection criteria and procedures;
 - (b) the annual budget and the breakdown of funds among the different actions of the Programme;
 - (c) the procedures for monitoring and evaluating the Programme;
 - (d) the financial support to be provided by the Community in relation to any measure proposed under Article 4(1) with a total Community contribution over EUR 200 000: amounts, duration, distribution and beneficiaries.
3. All other measures necessary for the implementation of this Decision shall be adopted in accordance with the procedure referred to in Article 9(3).

*Article 9***Committee**

1. The Commission shall be assisted by a committee.
2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at two months.

3. Where reference is made to this paragraph, Articles 3 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.
4. The committee shall adopt its Rules of Procedure.

*Article 10***Cultural contact points**

1. The cultural contact points as defined in section I.3.1 of the Annex shall act as implementing bodies for the dissemination of information on the Programme at national level, having regard to Article 54(2)(c) and (3) of the Financial Regulation.
2. The cultural contact points shall comply with the following criteria:

- (a) have an adequate number of staff, with professional and linguistic capacities appropriate for work in an environment of international cooperation;
- (b) have an appropriate infrastructure, in particular as regards information and communications technology;
- (c) operate in an administrative context which enables them to carry out their tasks satisfactorily and to avoid conflicts of interest.

*Article 11***Financial provisions**

1. Financial aid shall take the form of grants to legal persons. Grants may in certain cases be awarded to natural persons under the terms of Article 114(1) of the Financial Regulation. The Commission may also award prizes to natural or legal persons for actions or projects implemented under the Programme. Depending on the nature of the action, flat-rate financing and/or the application of unit cost rates may be authorised.
2. The Commission may decide, in accordance with the characteristics of the beneficiaries and the nature of the actions, whether to exempt them from verification of the professional competencies and qualifications required to complete the proposed action or work programme.
3. Specific activities by the European Capitals of Culture designated pursuant to Decision 1419/1999/EC may receive a grant or a prize.

*Article 12***Contribution to other Community objectives**

The Programme shall contribute to the strengthening of the transversal objectives of the Community, in particular by:

- (a) promoting the fundamental principle of freedom of expression;
- (b) encouraging greater awareness of the importance of contributing to sustainable development;
- (c) seeking to promote mutual understanding and tolerance within the European Union;
- (d) contributing to the elimination of all discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Particular attention shall be given to coherence and complementarity between the Programme and Community policies in the field of cultural cooperation with third countries.

*Article 13***Monitoring and evaluation**

1. The Commission shall ensure regular monitoring of the Programme against its objectives. The results of the monitoring and evaluation process shall be used when implementing the Programme.

Monitoring shall include in particular the drawing up of the reports referred to in paragraph 3(a) and (c).

The specific objectives of the Programme may, on the basis of the results of monitoring reports, be revised in accordance with the procedure laid down in Article 251 of the Treaty.

2. The Commission shall ensure regular, external and independent evaluation of the Programme.

3. The Commission shall submit to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions:

- (a) an interim evaluation report on the results obtained and on the qualitative and quantitative aspects of the implementation of the Programme not later than 31 December 2010;
- (b) a communication on the continuation of the Programme not later than 31 December 2011;
- (c) an ex post evaluation report not later than 31 December 2015.

*Article 14***Transitional provisions**

Actions initiated before 31 December 2006 on the basis of Decisions Nos 508/2000/EC and 792/2004/EC shall continue to be administered until their closure in accordance with the provisions of these Decisions.

The committee set up under the terms of Article 5 of Decision No 508/2000/EC shall be replaced by the committee provided for in Article 9 of this Decision.

*Article 15***Entry into force**

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

Done at Brussels,

For the European Parliament
The President

...

For the Council
The President

...

ANNEX

I. DESCRIPTION OF ACTIVITIES AND EVENTS

1. First strand: support for cultural actions

1.1. Multi-annual cooperation projects

The Programme shall support sustainable and structured cultural cooperation projects in order to bring together the specific quality and expertise of cultural operators throughout the whole of Europe. This support is intended to assist the cooperation projects in their start-up and structuring phase or in their geographical extension phase. The aim shall be to encourage them to establish sustainable foundations and achieve financial autonomy.

Each cooperation project shall involve at least six operators from six different countries participating in the Programme. Its purpose shall be to bring together a variety of operators from one or more sectors for various multi-annual activities, which may be sectoral or cross-sectoral in nature but which must pursue a common objective.

Each cooperation project shall be intended to carry out a number of structured, multi-annual cultural activities. These activities are to be implemented throughout the duration of Community financing. They must have at least two of the three specific objectives indicated in Article 3(2). Priority will be given to cooperation projects intending to develop activities meeting the three specific objectives in that Article.

The cooperation projects shall be selected following calls for proposals pursuant to the Financial Regulation. In this context, selection will be made on the basis, among other things, of the recognised expertise of co-organisers in their field of activity, their financial and operational capacity to carry out the proposed activities, and the quality of these activities and the extent to which they meet the general objective and specific objectives of the Programme, as set out in Article 3.

The cooperation projects must be founded on a cooperation agreement, i.e. a common document with a legal form in one of the participating countries and signed by all co-organisers.

Community support may not exceed 50 % of the project budget and shall be degressive in nature. It may not be more than EUR 500 000 per year for all activities of the cooperation projects. This support shall be granted for a period of three to five years.

By way of illustration, approximately 32 % of the total budget allocated to the Programme shall be devoted to this type of support.

1.2. Cooperation measures

The Programme shall support sectoral or cross-sectoral cultural cooperation actions between European operators. Priority shall be given to creativity and innovation. Actions aimed at exploring avenues for cooperation in order to develop them over the longer term will be particularly encouraged.

Each action shall be designed and carried out in partnership by at least three cultural operators in three different participating countries, whether or not these operators come from one or more sectors.

Actions shall be selected following calls for proposals pursuant to the Financial Regulation. In this context, selection will be made on the basis of the recognised expertise of co-organisers, their financial and operational capacity to carry out the proposed activities, the quality of these activities and the extent to which they meet the general objective and specific objectives of the Programme, as set out in Article 3.

Community support may not exceed 50 % of the project budget. It may not be less than EUR 50 000 nor more than EUR 200 000. This support shall be granted for a maximum of 24 months.

The conditions set out for this action concerning the minimum number of operators required in order to present projects, as well as the minimum and maximum amounts for Community support, may be adapted to take account of the specific conditions of literary translation.

By way of illustration, approximately 29 % of the total budget allocated to the Programme shall be devoted to this type of support.

1.3. Special actions

The Programme shall also support special actions. These actions shall be special in that they should be substantial in scale and scope, strike a significant chord with the peoples of Europe and help to increase their sense of belonging to the same community, make them aware of the cultural diversity of Member States, and also contribute to intercultural and international dialogue. They must meet at least two of the three specific objectives set out in Article 3.

These special actions shall also help to raise the visibility of Community cultural action both within and beyond the European Union. They shall also contribute to raising global awareness of the wealth and diversity of European culture.

Significant support will be given to the 'European Capitals of Culture' in order to help implement activities stressing European visibility and trans-European cultural cooperation.

Special actions may also include the awarding of prizes, in so far as they highlight artists, works or cultural or artistic achievements, make them known beyond national borders and thus encourage mobility and exchanges.

Support may also be given in this context to cooperation with third countries and international organisations, as set out in Article 5(2) and Article 6.

The examples given above do not constitute an exhaustive list of measures likely to be supported under this strand of the Programme.

The selection procedures for special actions will depend on the action in question. Financing will be granted following calls for proposals and invitations to tender, except in the cases referred to in Articles 54 and 168 of the Financial Regulation. Account will also be taken of the extent to which each action meets the general objective and specific objectives of the Programme, as set out in Article 3 of this Decision.

Community support may not exceed 60 % of the project budget.

By way of illustration, approximately 16 % of the total budget allocated to the Programme shall be devoted to this type of support.

2. **Second strand: support for bodies active at European level in the field of culture**

This support shall take the form of an operating grant to co-finance expenditure associated with the permanent work programme of a body which pursues an aim of general European interest in the field of culture or an objective forming part of the Union's policy in this area.

Provision shall be made for these grants to be awarded on the basis of annual calls for proposals.

By way of illustration, approximately 10 % of the total budget allocated to the Programme shall be devoted to this strand.

Support may be given to bodies working for cultural cooperation in one or more of the following ways:

- providing representation at Community level,
- collecting or disseminating information for facilitating trans-European Community cultural cooperation,
- networking at European level for bodies active in the field of culture,
- participating in cultural cooperation projects or acting as ambassadors for European culture.

These bodies must present a real European dimension. In this regard, they must carry out their activities at European level, alone or in the form of various coordinated associations, and their structure (registered members) and activities must have a potential influence at European Union level or cover at least seven European countries.

The beneficiaries of these operating grants shall be selected through a call for proposals. This shall be done on the basis of matching the bodies' work programme with the specific objectives set out in Article 3.

The total operating grant awarded under this strand may not exceed 80 % of the body's admissible expenditure for the year in which the grant is awarded.

3. **Third strand: support for analyses and for the collection and dissemination of information and for maximising the impact of projects in the field of cultural cooperation**

By way of illustration, approximately 5 % of the total budget allocated to the Programme shall be devoted to this strand.

3.1. *Support for cultural contact points*

In order to ensure targeted, effective grass-roots dissemination of practical information on the Programme, it shall provide for support from cultural contact points. These bodies, acting at national level, shall be set up on a voluntary basis according to Article 39 of Regulation (EC, Euratom) No 2342/2002.

The task of the cultural contact points shall be to:

- promote the Programme,
- facilitate access to the Programme for, and encourage participation in its activities by, as many professionals and operators in the cultural field as possible, by means of an effective dissemination of information and by developing appropriate networking initiatives between themselves,

- provide an efficient link with the various institutions providing aid to the cultural sector in Member States, thus contributing to complementarity between the measures taken under the Programme and national support measures,
- provide information on other Community programmes open for cultural projects if required.

3.2. *Support for analyses in the field of cultural cooperation*

The Programme shall support the carrying out of studies and analyses in the field of European cultural cooperation and European cultural policy development. The aim of this support shall be to increase the volume and quality of information and data to develop comparative data and analysis on cultural cooperation at European level, particularly with regard to the mobility of creators and cultural players, the circulation of works of art and artistic and cultural products and intercultural dialogue.

Studies and analyses contributing to increasing knowledge of the phenomenon of trans-European cultural cooperation and to creating favourable conditions for it to flourish may be supported under this strand. Projects aimed at collecting and analysing statistics will be particularly encouraged.

3.3. *Support for the collection and dissemination of information and for maximising the impact of projects in the field of cultural cooperation*

The Programme shall support the collection and dissemination of information and activities aimed at maximising the impact of projects via the development of an Internet tool targeted at the needs of culture professionals in the field of trans-European cultural cooperation.

This tool should make possible the exchange of experience and good practice and the dissemination of information concerning the Programme as well as trans-European cultural cooperation in the broad sense.

II. PROGRAMME MANAGEMENT

The Programme's financial allocation may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities, required directly for the management and the realisation of the objectives of the Programme, in particular, studies, meetings, information and publication actions, expenses linked to informatic networks focusing on information exchange, together with all other technical and administrative assistance expense to which the Commission may have recourse for the management of the Programme.

III. CONTROLS AND AUDITS

For projects selected in accordance with the procedure described in Article 11(2), a sampling audit system will be established.

The beneficiary of a grant shall make available to the Commission all supporting documents relating to expenditure for a period of five years reckoned from the date of the final payment. The beneficiary of a grant shall ensure that, where applicable, supporting documents in the possession of partners or members are made available to the Commission.

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 contract 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.

Commission staff and outside personnel authorised by the Commission shall have appropriate access to the offices of the beneficiary and to all the information, including information in electronic format, needed in order to conduct such audits.

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

In order to protect the financial interests of the Community against fraud and other irregularities, the Commission may carry out on-the-spot checks and inspections under the Programme in accordance with Council Regulation (Euratom, EC) No 2185/96⁽¹⁾. Where necessary, investigations shall be conducted by OLAF in accordance with Regulation (EC) No 1073/1999 of the European Parliament and of the Council⁽²⁾.

⁽¹⁾ OJ L 292, 15.11.1996, p. 2.

⁽²⁾ OJ L 136, 31.5.1999, p. 1.

IV. INFORMATION, COMMUNICATION AND ACTIVITIES AIMED AT MAXIMISING THE IMPACT OF PROJECTS

1. Commission

The Commission may organise seminars, conferences or meetings in order to facilitate the implementation of the Programme, and undertake information, publication, dissemination and other activities aimed at maximising the impact of projects as appropriate, as well as the monitoring and evaluation of the Programme. Such activities may be financed by means of grants, or the public procurement process, or be organised and financed directly by the Commission.

2. Contact points

The Commission and Member States shall organise on a voluntary basis and reinforce the exchange of information useful for the implementation of the Programme via the cultural contact points acting as implementing bodies at national level, under the terms of Article 54(2)(c) and (3) of the Financial Regulation.

3. Member States

Without prejudice to Article 87 of the Treaty, Member States may, if necessary, establish support schemes for individual mobility of cultural players in order to address their low participation in the Programme. This support may take the form of travel grants for cultural operators in order to facilitate the preparatory phase of transnational cultural projects.

V. OVERALL BUDGET BREAKDOWN

Breakdown of the annual budget for the Programme

	Percentage of the budget
Strand 1 (support for cultural actions)	Approximately 77 %
— multi-annual cooperation projects	Approximately 32 %
— cooperation measures	Approximately 29 %
— special actions	Approximately 16 %
Strand 2 (support for bodies active at European level in the field of culture)	Approximately 10 %
Strand 3 (support for analysis, collection and dissemination of information)	Approximately 5 %
Total operational expenditure	Approximately 92 %
Programme management	Approximately 8 %

These percentages are indicative and subject to change by the Committee provided for in Article 9 in accordance with the procedure referred to in Article 9(2).

STATEMENT OF THE COUNCIL'S REASONS

I. INTRODUCTION

1. On 15 July 2004 the Commission submitted to the European Parliament and to the Council a proposal for a decision, based on article 151 of the EC Treaty, establishing the Culture 2007 programme (2007-2013).
2. The Committee of the Regions delivered its opinion on 23 February 2005.
3. The European Parliament delivered its opinion at first reading on 25 October 2005.
4. On 18 July 2006, the Council adopted its common position in accordance with Article 251 (2) of the EC Treaty.

II. OBJECTIVE

The proposal aims at replacing the current Culture 2000 programme and the Decision on support to cultural bodies active at European level and has the following main objectives:

- promoting the transnational mobility of people working in the cultural sector,
- encouraging the transnational circulation of works of art and cultural and artistic products,
- fostering intercultural dialogue.

III. ANALYSIS OF THE COMMON POSITION

1. General comments

The Council's common position remains largely in line with the Commission's original proposal. The Council has retained the three main objectives of the programme, while stressing that it should be open to all cultural sectors and categories of cultural operators. It has highlighted in several parts of the text the importance of cultural heritage but has been careful to maintain the open and non sectoral character of the programme.

The budget of EUR 354 million (at 2004 prices, i.e. EUR 400 million at current prices) was agreed by the three institutions in the context of the interinstitutional agreement on the Financial framework for 2007-2013.

2. New elements contained in the common position as compared to the Commission proposal

The Council has, in agreement with the Commission and the European Parliament, transferred support for actions for the preservation of memorials to the proposed 'Citizens for Europe' Programme.

The Council has sought to strike the right balance between small and large scale projects, and to facilitate access of small operators to the programme. To that effect, and in line with the European Parliament's approach, it has lowered the minimum community support from EUR 60 000 to EUR 50 000 and reduced the minimum number of operators from 4 to 3 for cooperation measures.

With the same objective of opening up the programme to small cultural operators, the indicative budget breakdown in the Council's common position devotes more resources to cooperation measures (smaller scale projects) as compared to multi-annual cooperation projects (large scale projects). The percentages arrived at, i.e. 32 % for multi-annual cooperation projects and 29 % for cooperation measures, represent a middle ground between the Commission's original proposal and Parliament's opinion.

In keeping with the EP's opinion, the Council has introduced greater flexibility in the duration of both multi-annual cooperation projects (3 to 5 years) and cooperation measures (1 to 2 years).

The Council has introduced a management committee procedure for projects with a total Community contribution exceeding EUR 200 000.

3. European Parliament amendments

3.1. Amendments accepted in full, in part or in principle

The Council was able to accept a considerable number of the European Parliament's amendments in full or in part.

Amendments 1, 2, 3, 4, 6, 7, 11, 13, 15, 20, 23, 27, 33, 41, 43, 47, 51 and 52 have been included in full. Amendments 14, 19, 26 (which was inserted in Article 7), 34, 53, 55, 56 and 59 have been reworded.

The Council has included in part amendments 8, 10, 16 (with the exception of the reference to specific projects), 24 (without the reference to specific fields of activities), 62 and 49 (with the exception of the mention of specific bodies), 38 and 42 (the part of both amendments on the duration of the projects was accepted).

3.2. Amendments not incorporated

While unable to accept the indicative budget breakdown between the different strands proposed by Parliament in amendments 39, 44, 47, 48, 54, 60, the Council has sought to approximate positions with the EP as compared to the original Commission's proposal, as indicated above. On strand 2, support to bodies, the Council considers that devoting 14 % of the budget to that strand would be excessive, particularly since one action under strand 2 (memorials) was transferred to another programme. Amendment 21 on the overall budget was rejected in light of the interinstitutional agreement on the Financial Framework as referred to above.

Lowering the minimum budget for cooperation measures to EUR 30 000, as proposed in amendment 42, was considered excessive since the threshold was already set at EUR 50 000 in the current programme. However, the Council went some way towards the Parliament's position by reducing the threshold from EUR 60 000 to EUR 50 000.

The Council rejected amendment 36 reducing the minimum number of operators from different countries involved in multiannual cooperation projects from 6 to 4 in order to preserve the multilateral character of the projects. In contrast, for the smaller sized cooperation measures, it accepted amendment 41 reducing the number of operators.

All amendments introducing sectoral priorities, adding sectoral objectives or emphasizing support to specific sectors or bodies (amendments 61, 5, 9, 12, 64, 65 and related amendments 37 and 45, 25, 40 and 46) have been rejected in order to maintain consistency with the objectives of the programme and not to detract from the open character of the programme by prioritizing the different fields of cultural activities. The same consideration prevailed for amendments 16, 24 and 49, which were accepted in part.

Increasing the share of Community support from 50 % to 70 % as provided for in the first part of amendments 38 and 42 was considered excessive.

While agreeing with the spirit of amendments 29, 31 and 32 (on contribution to other Community objectives), the Council considered that they were already covered by the recitals or other provisions of the legislative text. Likewise, the Council considered that amendment 18 (on adequate resources) did not have its place in the legislative text and that amendment 17 (on the Unesco Convention on cultural diversity) fell outside the scope of the Decision.

The Council did not consider it necessary to include amendments 28 and 50 on transparency measures and multiannual partnership amendments since those provisions are covered by the financial regulation and recital 29 already provides for implementation decisions to be adopted in accordance with the financial regulation. Amendment 35 on evaluation was considered superfluous since the evaluation itself has to be external and independent. Amendment 72 on participation of the countries covered by the European Neighbourhood Policy to the Programme could not be accepted, and amendment 57 on the premises of the Cultural Contact Points (CCPs) was considered difficult to implement since CCPs are usually part of national structures.

IV. CONCLUSION

The Council considers that its common position constitutes a balanced text, providing a good basis for launching this instrument, thereby facilitating cooperation in the cultural sector throughout Europe. Against this background, Council looks forward to reaching an agreement with Parliament in the near future with a view to the early adoption of the Decision.

COMMON POSITION (EC) No 12/2006**adopted by the Council on 18 July 2006****with a view to adoption a Decision No .../2006/EC of the European Parliament and of the Council
... establishing a Community Programme for Employment and Social Solidarity — Progress**

(2006/C 238 E/03)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 13(2), 129 and 137(2)(a) thereof,

Having regard to the proposal from the Commission,

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

Having regard to the Opinion of the Committee of the Regions ⁽²⁾,

Acting in accordance with the procedure laid down in Article 251 of the Treaty ⁽³⁾,

Whereas:

- (1) The Lisbon European Council of 23 and 24 March 2000 incorporated the promotion of employment and social inclusion as an integral part of the overall strategy of the Union in order to achieve its strategic goal for the next decade of becoming the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion. It set ambitious objectives and targets for the Union aiming to recreate the conditions for full employment, improve quality and productivity at work, and promote social cohesion and an inclusive labour market. Furthermore, the strategy was focused upon again by the Brussels European Council of 22 and 23 March 2005.
- (2) In line with the Commission's express intention of consolidating and rationalising Community funding instruments, this Decision should establish a single and streamlined programme providing for the continuation and development of the activities launched on the basis of Council Decision 2000/750/EC of 27 November 2000 establishing a Community action programme to combat discrimination (2001 to 2006) ⁽⁴⁾, Council Decision 2001/51/EC of 20 December 2000 establishing a

Programme relating to the Community framework strategy on gender equality (2001-2005) ⁽⁵⁾ and European Parliament and Council Decisions No 50/2002/EC of 7 December 2001 establishing a programme of Community action to encourage cooperation between Member States to combat social exclusion ⁽⁶⁾, No 1145/2002/EC of 10 June 2002 on Community incentive measures in the field of employment ⁽⁷⁾ and No 848/2004/EC of 29 April 2004 establishing a Community action programme to promote organisations active at European level in the field of equality between men and women ⁽⁸⁾, as well as those activities undertaken at Community level in relation to working conditions.

- (3) The Extraordinary European Council on Employment in Luxembourg of 20 and 21 November 1997 launched the European Employment Strategy to coordinate Member States' employment policies on the basis of commonly agreed employment guidelines and recommendations. The European Employment Strategy is now the most important instrument at European level for implementation of the employment and labour market objectives of the Lisbon Strategy.
- (4) The Lisbon European Council concluded that the number of people living below the poverty line and in social exclusion in the Union was unacceptable and therefore deemed it necessary to take steps to make decisive progress in the eradication of poverty by setting adequate objectives. Such objectives were agreed by the Nice European Council of 7, 8 and 9 December 2000. It further agreed that policies for combating social exclusion should be based on the open method of coordination, combining national action plans and a Commission initiative for cooperation.
- (5) Demographic change represents a major long-term challenge to the ability of social protection systems to deliver adequate pensions and high-quality health and long-term care which are accessible to all and can be funded in the long term. It is important to promote policies that can achieve both adequate social protection and the sustainability of social protection systems. The Lisbon European Council decided that cooperation in this area should be based on the open method of coordination.

⁽¹⁾ OJ C 255, 14.10.2005, p. 67.

⁽²⁾ OJ C 164, 5.7.2005, p. 48.

⁽³⁾ Opinion of the European Parliament of 6 September 2005 (not yet published in the Official Journal), Council common position of 18 July 2006 and Position of the European Parliament of ... (not yet published in the Official Journal).

⁽⁴⁾ OJ L 303, 2.12.2000, p. 23.

⁽⁵⁾ OJ L 17, 19.1.2001, p. 22. Decision as last amended by Decision No 1554/2005/EC (OJ L 255, 30.9.2005, p. 9).

⁽⁶⁾ OJ L 10, 12.1.2002, p. 1. Decision as last amended by Decision No 786/2004/EC (OJ L 138, 30.4.2004, p. 7).

⁽⁷⁾ OJ L 170, 29.6.2002, p. 1. Decision as amended by Decision No 786/2004/EC.

⁽⁸⁾ OJ L 157, 30.4.2004, p. 18. Decision as amended by Decision No 1554/2005/EC.

- (6) Attention should be drawn to the specific situation of migrants in this context and also to the importance of taking action to transform undeclared work into regular employment.
- (7) Ensuring minimum standards and the constant improvement of working conditions in the Union is a central feature of European social policy and an important overall objective of the European Union. The Community has an important role to play in supporting and complementing Member States' activities in the fields of workers' health and safety, working conditions, including the need to reconcile work and family life, protection of workers where their employment contract is terminated, information, consultation and participation of workers, and representation and collective defence of the interests of workers and employers.
- (8) Non-discrimination is a fundamental principle of the European Union. Article 13 of the Treaty provides for action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Non-discrimination is also enshrined in Article 21 of the Charter of Fundamental Rights of the European Union. The specific features of the diverse forms of discrimination should be accommodated, and appropriate action developed in parallel to prevent and combat discrimination on one or more grounds. Therefore, when considering the accessibility and results of the Programme, the particular needs of people with disabilities should be taken into account in terms of ensuring their full and equal access to the activities funded by this Programme and the results and evaluation of those activities, including the compensation of additional costs that they incur as a result of their disability. Experience gained over many years of combating certain forms of discrimination, including discrimination based on sex, may be useful in combating other kinds of discrimination.
- (9) On the basis of Article 13 of the Treaty, the Council has adopted the following directives: Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin ⁽¹⁾ which prohibits discrimination based on racial or ethnic origin in, inter alia, employment, vocational training, education, goods and services and social protection, Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation ⁽²⁾ which prohibits discrimination in employment and occupation on the grounds of religion or belief, disability, age and sexual orientation, and Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between men and women in the access to and supply of goods and services ⁽³⁾.
- (10) Pursuant to Articles 2 and 3 of the Treaty equal treatment for men and women is a fundamental principle of Community law. The directives and other acts adopted on the basis of this principle play a major part in improving the situation of women in the Union. Experience of action at Community level has shown that promoting gender equality in Community policies and combating discrimination in practice call for a combination of instruments, including legislation, funding tools and mainstreaming, designed to complement one another. In accordance with the principle of equality between men and women, gender mainstreaming should be promoted in all sections and activities of the Programme.
- (11) Many non-governmental organisations (NGOs) active at various levels can make an important contribution at European level through key networks which assist in changing policy orientations relating to the general objectives of the Programme.
- (12) Since the objectives of this Decision cannot be sufficiently achieved at Member States level because of the need for exchange of information at European level and the Community-wide dissemination of good practice and since therefore these objectives can, by reason of the multilateral dimension of the Community actions and measures, be better achieved at Community level, the Community may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality as set out in that Article, this Decision does not go beyond what is necessary to achieve those objectives.
- (13) This Decision lays down, for the entire duration of the Programme, a financial envelope constituting the prime reference, within the meaning of point 37 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management ⁽⁴⁾, for the budgetary authority during the annual budgetary procedure.
- (14) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission ⁽⁵⁾.
- (15) As the Programme is divided into five sections, Member States may provide for the rotation of their national representatives according to the subjects addressed by the Committee assisting the Commission,

⁽¹⁾ OJ L 180, 19.7.2000, p. 22.

⁽²⁾ OJ L 303, 2.12.2000, p. 16.

⁽³⁾ OJ L 373, 21.12.2004, p. 37.

⁽⁴⁾ OJ C ...

⁽⁵⁾ OJ L 184, 17.7.1999, p. 23.

HAVE DECIDED AS FOLLOWS:

Article 3

Structure of the Programme

Article 1

Establishment and duration of the Programme

1. This Decision establishes the Community Programme for Employment and Social Solidarity, called Progress ('the Programme'), to support financially the implementation of the objectives of the European Union in the fields of employment and social affairs, as set out in the Commission Communication on the Social Agenda, and thereby contribute to the achievement of the Lisbon Strategy goals in those fields.

2. The Programme shall run from 1 January 2007 to 31 December 2013.

Article 2

General objectives

1. The Programme pursues the following general objectives:
 - (a) to improve the knowledge and understanding of the situation prevailing in the Member States and in other participating countries through analysis, evaluation and close monitoring of policies;
 - (b) to support the development of statistical tools and methods and common indicators, where appropriate broken down by gender and age group, in the areas covered by the Programme;
 - (c) to support and monitor the implementation of Community law, where applicable, and Community policy objectives in the Member States, and assess their effectiveness and impact;
 - (d) to promote networking, mutual learning, identification and dissemination of good practice and innovative approaches at European level;
 - (e) to enhance awareness of the Community policies and objectives pursued under each of its five sections among stakeholders and the general public;
 - (f) to boost the capacity of key European level networks to promote, support and further develop Community policies and objectives, where applicable.
2. Gender mainstreaming shall be promoted in all sections of and activities under the Programme.

3. The results achieved in the Programme sections and activities shall be disseminated to those involved and to the public as appropriate. The Commission shall conduct exchanges of views with the main stakeholders as appropriate.

The Programme shall be divided into the following five sections:

- 1) Employment;
- 2) Social protection and inclusion;
- 3) Working conditions;
- 4) Antidiscrimination and diversity;
- 5) Gender equality.

Article 4

Section 1: Employment

Section 1 shall support the implementation of the European Employment Strategy (EES) by:

- (a) improving the understanding of the employment situation and prospects, in particular through analysis and studies and the development of statistics and common indicators within the framework of the EES;
- (b) monitoring and evaluating the implementation of the European Employment Guidelines and Recommendations and their impact, notably through the Joint Employment Report, and analysing the interaction between the EES and general economic and social policy and other policy areas;
- (c) organising exchanges on policies, good practice and innovative approaches, and promoting mutual learning in the context of the EES;
- (d) raising awareness, disseminating information and promoting the debate about employment challenges and policies and the implementation of national reform programmes, including among the social partners, regional and local actors and other stakeholders.

Article 5

Section 2: Social protection and inclusion

Section 2 shall support the implementation of the open method of coordination (OMC) in the field of social protection and inclusion by:

- (a) improving the understanding of social exclusion and poverty issues, social protection and inclusion policies, in particular through analysis and studies and the development of statistics and common indicators, within the framework of the OMC in the field of social protection and inclusion;
- (b) monitoring and evaluating the implementation of the OMC in the field of social protection and inclusion and its impact at national and Community level as well as analysing the interaction between this OMC and other policy areas;

- (c) organising exchanges on policies, good practice and innovative approaches and promoting mutual learning in the context of the social protection and inclusion strategy;
- (d) raising awareness, disseminating information and promoting the debate about the key challenges and policy issues raised in the context of the Community coordination process in the field of social protection and inclusion, including among the social partners, regional and local actors, NGOs and other stakeholders;
- (e) developing the capacity of key European level networks to support and further develop Community policy goals and strategies on social protection and inclusion.

Article 6

Section 3: Working conditions

Section 3 shall support the improvement of the working environment and working conditions, including health and safety at work and reconciling work and family life, by:

- (a) improving the understanding of the situation in relation to working conditions, in particular through analysis and studies and, where appropriate, the development of statistics and indicators, as well as assessing the effectiveness and impact of existing legislation, policies and practices;
- (b) supporting the implementation of Community labour law through effective monitoring, the holding of seminars for those working in the field, the development of guides and networking amongst specialised bodies, including the social partners;
- (c) initiating preventive actions and fostering the prevention culture in the field of health and safety at work;
- (d) raising awareness, disseminating information and promoting the debate about the key challenges and policy issues in relation to working conditions, including among the social partners and other stakeholders.

Article 7

Section 4: Antidiscrimination and diversity

Section 4 shall support the effective implementation of the principle of non-discrimination and promote its mainstreaming in all Community policies by:

- (a) improving the understanding of the situation in relation to discrimination, in particular through analysis and studies and, where appropriate, the development of statistics and indicators as well as by assessing the effectiveness and impact of existing legislation, policies and practices;
- (b) supporting the implementation of Community anti-discrimination legislation through effective monitoring, the holding of seminars for those working in the field and networking amongst specialised bodies dealing with anti-discrimination;
- (c) raising awareness, disseminating information and promoting the debate about the key challenges and policy issues in relation to discrimination and the mainstreaming of anti-discrimination in all Community policies, including among the social partners, NGOs and other stakeholders;
- (d) developing the capacity of key European level networks to promote and further develop Community policy goals and strategies in the field of combating discrimination.

Article 8

Section 5: Gender equality

Section 5 shall support the effective implementation of the principle of gender equality and promote gender mainstreaming in all Community policies by:

- (a) improving the understanding of the situation in relation to gender issues and gender mainstreaming, in particular through analysis and studies and the development of statistics and, where appropriate, indicators, as well as assessing the effectiveness and impact of existing legislation, policies and practices;
- (b) supporting the implementation of Community gender equality legislation through effective monitoring, holding seminars for those working in the field and networking amongst specialised equality bodies;
- (c) raising awareness, disseminating information and promoting the debate about the key challenges and policy issues in relation to gender equality and gender mainstreaming, among the social partners, NGOs and other stakeholders;
- (d) developing the capacity of key European level networks to support and further develop Community policy goals and strategies on gender equality.

*Article 9***Types of actions**

1. The Programme shall finance the following types of actions, which may be implemented, where appropriate, within a transnational framework:

(a) Analytical activities:

- (i) collection, development and dissemination of data and statistics;
- (ii) development and dissemination of common methodologies and, where appropriate, indicators or benchmarks;
- (iii) carrying out of studies, analyses and surveys and dissemination of their results;
- (iv) carrying out of evaluations and impact assessments and dissemination of their results;
- (v) elaboration and publication of guides, reports and educational material via the Internet or other media.

(b) Mutual learning, awareness and dissemination activities:

- (i) identification of, and exchanges on, good practices, innovative approaches and experiences, and organisation of peer review and mutual learning, by means of meetings/workshops/seminars at European, transnational or national level, taking account, where possible, of specific national circumstances;
- (ii) organisation of Presidency conferences/seminars;
- (iii) organisation of conferences/seminars in support of the development and implementation of Community law and policy objectives;
- (iv) organisation of media campaigns and events;
- (v) compilation and publication of materials to disseminate information as well as results of the Programme.

(c) Support for main actors:

- (i) support for the running costs of those key European level networks whose activities are linked to implementation of the objectives of the Programme;
- (ii) organisation of working groups of national officials to monitor the implementation of Community law;

(iii) funding of specialised seminars addressed to those working in the field, key officials and other relevant actors;

(iv) networking among specialised bodies at European level;

(v) funding of experts' networks;

(vi) funding of European level observatories;

(vii) exchange of personnel between national administrations;

(viii) cooperation with international institutions.

2. The activities provided for in point (b) of paragraph 1 shall have a strong European dimension, be of an appropriate scale in order to ensure a real European added value and be carried out by national, regional or local authorities, specialised bodies provided for under Community law or actors considered to be the key players in their area.

3. The Programme shall not finance any measures for the preparation and implementation of European Years.

*Article 10***Access to the Programme**

1. Access to the Programme shall be open to all public and/or private bodies, actors and institutions, in particular:

- (a) Member States;
- (b) public employment services and their agencies;
- (c) local and regional authorities;
- (d) specialised bodies provided for under Community law;
- (e) the social partners;
- (f) NGOs, in particular those organised at European level;
- (g) higher education institutions and research institutes;
- (h) experts in evaluation;
- (i) national statistical offices;
- (j) the media.

2. The Commission may also directly participate in the Programme insofar as the activities provided for in points (a) and (b) of Article 9(1) are concerned.

*Article 11***Method of application for support**

1. Activities of the type referred to in Article 9 may be financed by:
 - (a) a service contract following a call for tenders, in which case the Eurostat procedures shall apply in respect of cooperation with national statistical offices;
 - (b) partial support following a call for proposals, in which case, the Community co-financing may not exceed, as a general rule, 80 % of the total expenditure incurred by the recipient. Any financial support in excess of this ceiling may be granted only in exceptional circumstances and after close scrutiny.
2. Activities of the type provided for in Article 9(1) may be granted financial support in response to requests by, for example, Member States, in accordance with relevant provisions of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽¹⁾, in particular Article 110 thereof, and Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 ⁽²⁾, in particular in Article 168 thereof.

*Article 12***Implementing provisions**

1. The measures necessary for the implementation of this Decision that relate to the following matters shall be adopted in accordance with the procedure referred to in Article 13(2):
 - (a) the general guidelines for the implementation of the Programme;
 - (b) the annual work programme for the implementation of the Programme, divided into separate sections;
 - (c) the financial support to be granted by the Community;
 - (d) the annual budget, subject to Article 17;
 - (e) the procedures for selecting the actions to be supported by the Community and the draft list of actions to receive such support submitted by the Commission;
 - (f) the criteria for evaluating the Programme, including those relating to cost effectiveness and the arrangements for disseminating and transferring results.
2. The measures necessary for the implementation of this Decision that relate to all matters other than those referred to in paragraph 1 shall be adopted in accordance with the procedure referred to in Article 13(3).

⁽¹⁾ OJ L 248, 16.9.2002, p. 1.

⁽²⁾ OJ L 357, 31.12.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

*Article 13***Committee**

1. The Commission shall be assisted by a Committee.
2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at two months.
3. Where reference is made to this paragraph, Articles 3 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.
4. The Committee shall adopt its rules of procedure.

*Article 14***Cooperation with other committees**

1. The Commission shall establish the necessary links with the Social Protection Committee and the Employment Committee in order to ensure that they are regularly and appropriately informed about the implementation of activities referred to in this Decision.
2. The Commission shall also inform other relevant committees of the action taken under the five sections of the Programme.
3. Where appropriate, the Commission shall establish regular and structured cooperation between the Committee referred to in Article 13 and the monitoring committees established for other relevant policies, instruments and actions.

*Article 15***Consistency and complementarity**

1. The Commission shall, in cooperation with the Member States, ensure overall consistency with other Union and Community policies, instruments and actions, in particular by establishing appropriate mechanisms to coordinate the activities of the Programme with relevant activities relating to research, justice and home affairs, culture, education, training and youth policy, and in the fields of enlargement and the Community's external relations, and with regional policy and general economic policy. Special attention shall be devoted to the possible synergies between this Programme and those in the field of education and training.

2. The Commission and the Member States shall ensure consistency and complementarity and the absence of duplication between activities under the Programme and other relevant Union and Community actions, in particular under the Structural Funds, especially the European Social Fund.

3. The Commission shall ensure that expenditure covered by and charged to the Programme is not charged to any other Community financial instrument.

4. The Commission shall keep the Committee referred to in Article 13 regularly informed of other Community action that contributes to achieving the Lisbon strategy goals in the field of the Social Agenda.

5. Member States shall make all possible efforts to ensure consistency and complementarity between activities under the Programme and those carried out at national, regional and local levels.

Article 16

Participation of third countries

The Programme shall be open to the participation of:

- the EFTA/EEA countries in accordance with the conditions established in the EEA Agreement,
- the accession and candidate countries associated to the European Union, as well as the western Balkan countries included in the stabilisation and association process.

Article 17

Financing

1. The financial envelope for implementing the Community activities referred to in this Decision for the period from 1 January 2007 to 31 December 2013 is hereby set at EUR 657 590 000 (*).

2. Over the entire period of the Programme, the financial breakdown between the different sections shall respect the following lower limits:

Section 1	Employment	23 %
Section 2	Social protection and inclusion	30 %
Section 3	Working conditions	10 %
Section 4	Antidiscrimination and diversity	23 %
Section 5	Gender equality	12 %

3. A maximum of 2 % of the financial envelope shall be attributed to the implementation of the Programme to cover, for example, the expenditure related to the functioning of the Committee referred to in Article 13 or the evaluations carried out pursuant to Article 19.

(*) This amount is based on 2004 figures and shall be subject to technical adjustment to take account of inflation.

4. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial framework.

5. The Commission may have recourse to technical and/or administrative assistance, to the mutual benefit of the Commission and of the beneficiaries, as well as to support expenditure.

Article 18

Protection of the Community's financial interests

1. The Commission shall ensure that, when actions financed under this Decision are implemented, the financial interests of the Community are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and by the recovery of the amounts unduly paid and, if irregularities are detected, by effective, proportional and dissuasive penalties, in accordance with Council Regulations (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests ⁽¹⁾ and (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities ⁽²⁾, and with Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF) ⁽³⁾.

2. For Community actions financed under this Decision, the notion of irregularity referred to in Article 1(2) of Regulation (EC, Euratom) No 2988/95 shall mean any infringement of a provision of Community law or any breach of a contractual obligation resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the European Union or budgets managed by it, by an unjustified item of expenditure.

3. Contracts and agreements as well as agreements with participating third countries resulting from this Decision shall provide, in particular, for supervision and financial control by the Commission (or any representative authorised by it) and audits by the Court of Auditors, if necessary, on the spot.

Article 19

Monitoring and evaluation

1. In order to ensure the regular monitoring of the Programme and to allow for any necessary reorientations, annual activity reports focusing on the results of the Programme shall be drawn up by the Commission and forwarded to the European Parliament and to the Committee referred to in Article 13.

⁽¹⁾ OJ L 312, 23.12.1995, p. 1.

⁽²⁾ OJ L 292, 15.11.1996, p. 2.

⁽³⁾ OJ L 136, 31.5.1999, p. 1.

2. The various sections of the Programme shall also be the subject of a mid-term evaluation, which will provide an overview of the Programme as a whole in order to measure the progress made in meeting the objectives of the Programme, the efficiency of the use of resources and its European added value. This evaluation may be supplemented by on-going evaluations. These shall be carried out by the Commission with the assistance of external experts. When available, their results shall be reported in the activity reports referred to in paragraph 1.

3. An ex-post evaluation covering the whole Programme shall be carried out, by 31 December 2015, by the Commission with the assistance of external experts, in order to measure the impact of the Programme objectives and its European added value. The Commission shall submit the expert evaluation to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

4. The implementation of the individual sections of the Programme, including the presentation of results and dialogue on future priorities, shall also be discussed within the frame-

work of the Forum on the implementation of the Social Agenda.

Article 20

Entry into force

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

Done at Brussels,

For the European Parliament

The President

...

For the Council

The President

...

STATEMENT OF THE COUNCIL'S REASONS

I. INTRODUCTION

On 27 August 2004, the Commission submitted a proposal for a Decision of the European Parliament and the Council establishing a Community Programme for Employment and Social Solidarity — Progress (2007-2013). The legal basis of this proposal rests on Articles 13(2), 129 and 137(2)(a) of the Treaty. Essentially, the proposal combines in a single text a number of programmes which had previously been the subject of separate Decisions.

The Committee of the Regions gave its opinion on 23 February 2005 and the Economic and Social Committee submitted its opinion on 6 April 2005.

During its plenary from 5 to 8 September 2005, the European Parliament gave its opinion on first reading and adopted 72 amendments to the proposal for a Decision.

The Commission adopted its amended proposal on 21 October 2005. On 24 May 2006, the Commission adopted an amended proposal that concerned only Article 17(1), the budget of the Programme.

The Council adopted a Common Position on 18 July 2006, in accordance with the procedure laid down in Article 251 of the Treaty.

II. OBJECTIVE

The overall objective of the Programme is to consolidate into one streamlined Programme, running from 2007 to 2013, activities launched under a number of earlier Decisions. The Programme's activities are divided into five different sections: employment, social protection and inclusion, working conditions, anti-discrimination and diversity, and gender equality.

III. ANALYSIS OF THE COMMON POSITION

1. General

On the whole, the Council, the European Parliament and the Commission have convergent approaches to this Programme. A significant number of the European Parliament's amendments have been taken up in the Common Position (see Section 2 below for more details).

The Programme's budget of EUR 657,59 million ⁽¹⁾ was agreed by the three institutions in the context of the inter-institutional agreement on the Financial Perspectives for the years 2007-2013. The Common Position reflects that agreement (Article 17(1)).

A major modification to the Commission's proposal is that the Common Position, in Article 17(2), allocates the overall budget fully between the different sections of the Programme; the Commission had initially proposed a ten per cent unallocated reserve, to be distributed between the five sections during the period of the Programme's implementation. The Parliament, in its amendment 67, wished to increase the funding to two sections, Section 2 (social protection and inclusion) and Section 5 (gender equality). The Council accepts this amendment fully but also wishes to increase the funding to two other sections, i.e. Sections 1 (employment) and 3 (working conditions). As a consequence, the Council considers that it is best to allocate all the funding from the outset of the Programme, as a relatively small reserve would be unnecessarily cumbersome to allocate annually. The Council considers that this full allocation of the funding follows the aim of the European Parliament which, in its amendments, stressed the importance of transparency in the budgetary decision-making.

2. European Parliament Amendments taken up by the Council

A large number of the Parliament's amendments have been accepted by the Council. Amendments 1, 2, 3, 5, 6, 7, 8, 10, 11, 12, 15, 17, 19, 20, 21, 22, 24, 25, 26, 27, 30, 34, 36, 39, 40, 42, 43, 44, 45, 46, 53, 61, 62, 63, 65, 67, 69 and 70 have been accepted in their entirety, albeit in places with minor linguistic changes or updating (like using the term '*national reform programmes*', a term introduced by the European Council in March 2005, instead of '*national action plans*' in Amendment 22).

⁽¹⁾ At 2004 prices. This corresponds to EUR 743,25 million at indexed prices.

A number of amendments are accepted in part, taken up elsewhere in the text or taken up in spirit. On these amendments, the Council makes the following comments:

Amendment 4: The Council shares the Parliament's concern on migrants and undeclared work; however, it does not consider that these two are automatically linked; thus the Council, while accepting the amendment's spirit, has changed the wording (Recital 6).

Amendment 9 on the role of NGOs: The Council agrees with the Parliament on the important role of the NGOs and a new recital has been included in the text, using different wording, however, from that in the Parliament's amendment (Recital 11).

Amendment 13 on the general objectives of the Programme: The Council does not accept the inclusion of the text on '*the creation of more and better jobs*' in Article 2, as this is not a prerogative of this Programme.

Amendment 14 also on general objectives: The Council accepts adding 'innovative approaches' to the text; however, it considers that the Programme should have its focus at EU level and therefore has not included the words 'regional' and 'national' in the Common Position (Article 2(1)(d)).

Amendment 16 on supporting the capacity of key EU networks: The Council considered that it was not necessary to list specific requirements concerning these networks (Article 2(1)(f)).

Amendment 18 on the dissemination of the results: The Council agreed with the Parliament on the importance of such dissemination but considers that it is unnecessary to list in the article the stakeholders to whom the results are disseminated (Article 2(3)).

Amendment 28 on gender mainstreaming (Article 6): The Council fully agrees with the principle and this issue is dealt with in Article 2(2).

Amendment 29 on statistics in the field of working conditions: The Council does not consider it necessary to describe the types of indicators (Article 6(a)).

Amendment 32 on working conditions: The second part of the amendment (on specific topics within the larger field of working conditions) is not included in the text in full, as it was considered to be already covered (Article 6(d)).

Amendment 35 on anti-discrimination and diversity: The Council considered that the words '*and action taken to combat it*' were already covered at the beginning of the point in question (Article 7(a)).

Amendment 37 also on anti-discrimination and diversity: The Council agreed with the Parliament to add a list of stakeholders but used a slightly different list, for the sake of consistency with the articles dealing with other sections of the Programme (Article 7(c)).

Amendment 38 also on anti-discrimination and diversity: The Council agrees with the Commission to align the wording of this paragraph with similar paragraphs in other articles. As in the case of Amendment 16, it does not consider it necessary to include a list of the qualities of NGOs (Article 7(d)).

Amendment 48: The Council has followed the Commission's amended proposal and has incorporated this reference to national circumstances in the text of Article 9(1), point (b), first indent.

Amendment 49: The Council agrees with the Commission's amended proposal that it is not necessary to list the other relevant actors (Article 9(1)(c)(iii)).

Amendments 54 and 55 on access to the Programme: Although the Programme is also open to regional and national NGOs, the Council wishes to stress the role of the NGOs organised at EU level. Similarly, in this context, the Council wishes to stress the important role of public employment services. However, it notes that all bodies, actors and institutions can have access to the Programme, as stated in the introductory part of Article 10.

Amendment 64 on consistency and complementarity. While the Council agrees with the Parliament on the importance of this issue, it considers that Article 15(2) covers the issue and that it is not, therefore, necessary to list the different European agencies in the legal text.

Amendment 66 on the overall budget: See comments above, under Section III, point 1.

Amendment 71 on evaluations: The Council agrees with the Parliament that the ex-post evaluation should be available by 31.12.2015. However, concerning the other parts of the Parliament's amendment, it has followed the Commission's amended proposal (Article 19).

3. European Parliament amendments not adopted by the Council

The Council followed the advice of the Commission and did not include the following Amendments in its Common Position: 23, 33, 50, 51, 56, 57, 59, 60 and 72.

As for Amendments 31, 41, 47, 52, 58 and 68 (which were included in the Commission's amended proposal), the Council did not consider it advisable to include them in its Common Position:

Amendment 31: While the Parliament wanted to delete the words '*the prevention culture in the field of*' from the text of Article 6(3), the Council considered it more appropriate to keep the words in the text, as the prevention culture should indeed be fostered.

Amendment 41: The Parliament wanted to add a reference to '*reconciling work and family life*' also to Article 8(3); the Council considers this superfluous, as the text has already been added elsewhere in the text.

Amendment 47 on the Forum: The Council did not consider it necessary to include a reference to '*an annual forum to evaluate the Social agenda and the Programme*' in Article 9 (i.e. in the Article on Types of actions). A new Article 19(4) includes several of the ideas contained in this amendment, whilst not taking on board the requirements to organise the Forum annually and to use it to evaluate the Programme.

Amendment 52 on the Social Agenda. As the amended version of Article 1 already includes references to the Lisbon strategy and to the Social Agenda, the Council considers it superfluous to introduce a new paragraph on this issue under Article 9.

Amendments 58 and 68 on the budgetary procedure: These amendments have become redundant now that all the Programme's funding is distributed between the different sections. See also Section III, point 1.

IV. CONCLUSION

The Council considers that, as a whole, the Common Position is in line with the objectives of the Commission's amended proposal. The Council also considers that it has taken account of the objectives pursued by the European Parliament in its amendments to the original Commission proposal.
