

Official Journal

of the European Union

L 327

English edition

Legislation

Volume 49
24 November 2006

Contents

I Acts whose publication is obligatory

- ★ **Regulation (EC) No 1717/2006 of the European Parliament and of the Council of 15 November 2006 establishing an Instrument for Stability** 1
- ★ **Decision No 1718/2006/EC of the European Parliament and of the Council of 15 November 2006 concerning the implementation of a programme of support for the European audiovisual sector (MEDIA 2007)** 12
- ★ **Decision No 1714/2006/EC of the European Parliament and of the Council of 15 November 2006 establishing the 'Youth in Action' programme for the period 2007 to 2013** 30
- ★ **Decision No 1720/2006/EC of the European Parliament and of the Council of 15 November 2006 establishing an action programme in the field of lifelong learning** 45

Price: 18 EUR

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.

I

(Acts whose publication is obligatory)

REGULATION (EC) No 1717/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 15 November 2006
establishing an Instrument for Stability

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 179(1) and 181a thereof,

Having regard to the proposal from the Commission,

Acting in accordance with the procedure referred to in Article 251 of the Treaty ⁽¹⁾,

Whereas:

- (1) The Community is a major provider of economic, financial, technical, humanitarian and macroeconomic assistance to third countries. The promotion of stable conditions for human and economic development and the promotion of human rights, democracy and fundamental freedoms remains one of the prime objectives of European Union (hereinafter referred to as 'the EU') external action to which Community instruments for external assistance contribute. The Council and the Representatives of the Governments of the Member States meeting within the Council, in their November 2004 Conclusions on the effectiveness of EU External Action, concluded that 'peace, security and stability as well as human rights, democracy and good governance, are essential elements for sustainable economic growth and poverty eradication'.
- (2) The EU Programme for the Prevention of Violent Conflicts, endorsed by the European Council, underlines the EU's 'political commitment to pursue conflict prevention as one of the main objectives of the EU's external relations' and states that Community development cooperation instruments can contribute to this goal and to the development of the EU as a global player.
- (3) Measures taken under this Regulation in pursuit of the objectives of Articles 177 and 181a of the Treaty establishing the European Community (hereinafter referred to as 'the EC Treaty') may be complementary to and should be consistent with measures adopted by the EU in pursuit of Common Foreign and Security Policy objectives within the framework of Title V and measures adopted within the

framework of Title VI of the Treaty on European Union (hereinafter referred to as 'the EU Treaty'). The Council and the Commission should cooperate to ensure such consistency, each in accordance with their respective powers.

- (4) The European Consensus on Development, adopted by the Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the Commission on 22 November 2005 and welcomed by the European Council on 15 and 16 December 2005, states that the Community, within the respective competences of its institutions, will develop a comprehensive prevention approach to State fragility, conflict, natural disasters and other types of crises, to which goal this Regulation should contribute.
- (5) The European Council approved the European Security Strategy on 12 December 2003.
- (6) The European Council Declaration on Combating Terrorism of 25 March 2004 called for counter-terrorist objectives to be integrated into external assistance programmes. Moreover, the EU Millennium Strategy on the prevention and control of organised crime, adopted by the Council on 27 March 2000, calls for closer cooperation with third countries.
- (7) Post-crisis stabilisation requires a sustained and flexible engagement from the international community, in particular in the first years after a crisis, on the basis of integrated transition strategies.
- (8) Implementation of programmes of assistance in times of crisis and political instability requires specific measures to ensure flexibility in decision-making and budget allocation, as well as enhanced measures to ensure coherence with bilateral aid and mechanisms for the pooling of donor funds, including the delegation of public authority tasks through indirect centralised management.
- (9) The Resolutions of the European Parliament and the Conclusions of the Council following the Commission Communications on the Linking of Relief, Rehabilitation

⁽¹⁾ Opinion of the European Parliament delivered on 6 July 2006 (not yet published in the Official Journal) and Council Decision of 7 November 2006.

and Development emphasise the need to ensure effective bridging between operations financed from different Community financing instruments in the context of crisis.

- (10) In order to address the above issues in an effective and timely manner specific financial resources and financing instruments are required that can work in a manner complementary to humanitarian aid and long-term cooperation instruments. Humanitarian aid should continue to be delivered under Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid ⁽¹⁾.
- (11) In addition to the measures agreed with partner countries in the context of the policy framework for cooperation established under the related Community instruments for external assistance, the Community must be able to provide assistance which addresses major global and transnational issues having a potentially destabilising effect.
- (12) The 2001 'Guidelines for strengthening operational coordination between the Community, represented by the Commission, and the Member States in the field of external assistance' emphasise the need for enhanced coordination of EU external assistance.
- (13) This Regulation establishes for the period 2007 to 2013 a financial envelope which constitutes the prime reference amount for the budgetary authority according to 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 ⁽²⁾.
- (14) The measures necessary for the implementation of this Regulation 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 ⁽³⁾.
- (15) This Regulation aims at covering the scope of and replacing a number of existing Regulations concerning Community external assistance; those Regulations should therefore be repealed.
- (16) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States, because of the need for concerted multilateral response in the areas defined in this Regulation, and can therefore be better achieved at Community level, taking account of the scale and global effects of the measures provided for herein, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the EC 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 these objectives,

HAVE ADOPTED THIS REGULATION:

TITLE I

OBJECTIVES AND SCOPE

Article 1

Objectives

1. The Community shall undertake development cooperation measures, as well as financial, economic and technical cooperation measures with third countries under the conditions set out in this Regulation.
2. In accordance with the objectives of such cooperation and within its limits as laid down in the EC Treaty, the specific aims of this Regulation shall be:
 - (a) in a situation of crisis or emerging crisis, to contribute to stability by providing an effective response to help preserve, establish or re-establish the conditions essential to the proper implementation of the Community's development and cooperation policies;
 - (b) in the context of stable conditions for the implementation of Community cooperation policies in third countries, to help build capacity both to address specific global and transregional threats having a destabilising effect and to ensure preparedness to address pre- and post-crisis situations.
3. Measures taken under this Regulation may be complementary to, and shall be consistent with, and without prejudice to, measures adopted under Title V and Title VI of the EU Treaty.

Article 2

Complementarity of Community assistance

1. Community assistance under this Regulation shall be complementary to that provided for under related Community instruments for external assistance. It shall be provided only to the extent that an adequate and effective response cannot be provided under those instruments.
2. The Commission shall ensure that measures adopted under this Regulation are consistent with the Community's overall strategic policy framework for the partner country, and in particular with the objectives of the instruments referred to in paragraph 1, as well as with other relevant Community measures.
3. In order to enhance the effectiveness and consistency of Community and national assistance measures, the Commission shall promote close coordination between its own activities and those of the Member States, both at decision-making level and on the ground. To that end, the Member States and the Commission shall operate a system for exchange of information.

⁽¹⁾ OJ L 163, 2.7.1996, p. 1. Regulation as amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).

⁽²⁾ OJ C 139, 14.6.2006, p. 1.

⁽³⁾ OJ L 184, 17.7.1999, p. 23. Decision as amended by Decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11).

Article 3

Assistance in response to situations of crisis or emerging crisis

1. Community technical and financial assistance in pursuit of the specific aims set out in point (a) of Article 1(2) may be undertaken in response to a situation of urgency, crisis or emerging crisis, a situation posing a threat to democracy, law and order, the protection of human rights and fundamental freedoms, or the security and safety of individuals, or a situation threatening to escalate into armed conflict or severely to destabilise the third country or countries concerned. Such measures may also address situations where the Community has invoked the essential elements clauses of international Agreements in order to suspend, partially or totally, cooperation with third countries.

2. Technical and financial assistance referred to in paragraph 1 shall cover the following areas:

- (a) support, through the provision of technical and logistical assistance, for the efforts undertaken by international and regional organisations, state and non-state actors in promoting confidence-building, mediation, dialogue and reconciliation;
- (b) support for the establishment and the functioning of interim administrations mandated in accordance with international law;
- (c) support for the development of democratic, pluralistic state institutions, including measures to enhance the role of women in such institutions, effective civilian administration and related legal frameworks at national and local level, an independent judiciary, good governance and law and order, including non-military technical cooperation to strengthen overall civilian control, and oversight over the security system and measures to strengthen the capacity of law enforcement and judicial authorities involved in the fight against the illicit trafficking of people, drugs, firearms and explosive materials;
- (d) support for international criminal tribunals and ad hoc national tribunals, truth and reconciliation commissions, and mechanisms for the legal settlement of human rights claims and the assertion and adjudication of property rights, established in accordance with international human rights and rule of law standards;
- (e) support for measures necessary to start the rehabilitation and reconstruction of key infrastructure, housing, public buildings and economic assets, as well as essential productive capacity, and for the re-starting of economic activity and the generation of employment and the establishment of the minimum conditions necessary for sustainable social development;
- (f) support for civilian measures related to the demobilisation and reintegration of former combatants into civil society,

and where appropriate their repatriation, as well as measures to address the situation of child soldiers and female combatants;

- (g) support for measures to mitigate the social effects of restructuring of the armed forces;
- (h) support for measures to address, within the framework of Community cooperation policies and their objectives, the socio-economic impact on the civilian population of anti-personnel landmines, unexploded ordnance or explosive remnants of war; activities financed under this Regulation shall cover risk education, victim assistance, mine detection and clearance and, in conjunction therewith, stockpile destruction;
- (i) support for measures to address, within the framework of Community cooperation policies and their objectives, the impact on the civilian population of the illicit use of and access to firearms; such support shall be limited to survey activities, victim assistance, raising public awareness and the development of legal and administrative expertise and good practice.

Assistance shall be provided only to the extent necessary to re-establish the conditions for social and economic development of the populations concerned, in a situation of crisis or emerging crisis as referred to in paragraph 1. It shall not include support for measures to combat the proliferation of arms;

- (j) support for measures to ensure that the specific needs of women and children in crisis and conflict situations, including their exposure to gender-based violence, are adequately met;
- (k) support for the rehabilitation and reintegration of the victims of armed conflict, including measures to address the specific needs of women and children;
- (l) support for measures to promote and defend respect for human rights and fundamental freedoms, democracy and the rule of law, and the related international instruments;
- (m) support for socio-economic measures to promote equitable access to and transparent management of natural resources in a situation of crisis or emerging crisis;
- (n) support for socio-economic measures to address the impact of sudden population movements, including measures addressing the needs of host communities in a situation of crisis or emerging crisis;
- (o) support for measures to support the development and organisation of civil society and its participation in the political process, including measures to enhance the role of women in such processes and measures to promote independent, pluralist and professional media;

- (p) support for measures in response to natural or man-made disasters and threats to public health in the absence of, or to complement, Community humanitarian assistance.

3. In the exceptional and unforeseen situations referred to in paragraph 1, the Community may also provide technical and financial assistance not expressly covered by the specific areas of assistance set out in paragraph 2. Such assistance shall be limited to Exceptional Assistance Measures as referred to in Article 6(2), which:

- fall within the general scope and specific aims set out in Article 1(a), and
- are limited in duration to the period laid down in Article 6(2), and
- would normally be eligible under the other Community instruments for external assistance, but which, in accordance with Article 2, should be addressed through this Regulation because of the need to respond rapidly to a situation of crisis or emerging crisis.

Article 4

Assistance in the context of stable conditions for cooperation

The Community shall provide technical and financial assistance in pursuit of the specific aims set out in Article 2(b) in the following areas:

- (1) threats to law and order, to the security and safety of individuals, to critical infrastructure and to public health;

assistance shall cover:

- (a) strengthening the capacity of law enforcement and judicial and civil authorities involved in the fight against terrorism and organised crime, including illicit trafficking of people, drugs, firearms and explosive materials and in the effective control of illegal trade and transit.

Priority shall be given to trans-regional cooperation involving third countries which have demonstrated a clear political will to address these problems. Measures in this area shall place particular emphasis on good governance and shall be in accordance with international law, in particular human rights law and international humanitarian law.

With regard to assistance to authorities involved in the fight against terrorism, priority shall be given to supporting measures concerning the development and strengthening of counter-terrorism legislation, the implementation and practice of financial law, of customs law and of immigration law and the development of international procedures for law enforcement.

With regard to assistance relating to the problem of drugs, due attention shall be given to international cooperation aimed at promoting best practices relating to the reduction of demand, production and harm;

- (b) support for measures to address threats to international transport, energy operations and critical infrastructure, including passenger and freight traffic and energy distribution.

Measures adopted in this area shall place particular emphasis on trans-regional cooperation and the implementation of international standards in the fields of risk awareness, vulnerability analysis, emergency preparedness, alert and consequence management;

- (c) contributing to ensuring an adequate response to sudden major threats to public health, such as epidemics with a potential trans-national impact.

Particular emphasis shall be placed on emergency-planning, management of vaccine and pharmaceutical stockpiles, international cooperation, early warning and alert systems;

- (2) risk mitigation and preparedness relating to chemical, biological, radiological and nuclear materials or agents;

assistance shall cover:

- (a) the promotion of civilian research activities as an alternative to defence-related research, and support for the retraining and alternative employment of scientists and engineers formerly employed in weapons-related areas;

- (b) support for measures to enhance safety practices related to civilian facilities where sensitive chemical, biological, radiological and nuclear materials or agents are stored, or are handled in the context of civilian research programmes;

- (c) support, within the framework of Community cooperation policies and their objectives, for the establishment of civil infrastructure and relevant civilian studies necessary for the dismantlement, remediation or conversion of weapons-related facilities and sites where these are declared as no longer belonging to a defence programme;

- (d) strengthening the capacity of the competent civilian authorities involved in the development and enforcement of effective control of illicit trafficking in chemical, biological, radiological and nuclear materials or agents (including the equipment for their production or delivery), including through the

installation of modern logistical evaluation and control equipment;

- (e) the development of the legal framework and institutional capacities for the establishment and enforcement of effective export controls on dual-use goods, including regional cooperation measures;
- (f) the development of effective civilian disaster-preparedness, emergency-planning, crisis response, and capabilities for clean-up measures in relation to possible major environmental incidents in this field;

as regards the measures covered by points (b) and (d), particular emphasis shall be placed on assistance to those regions or countries where stockpiles of materials or agents referred to in points (b) and (d) still exist and where there is a risk of proliferation of such materials or agents.

(3) Pre- and post-crisis capacity building

Support for long-term measures aimed at building and strengthening the capacity of international, regional and sub-regional organisations, state and non-state actors in relation to their efforts in:

- (a) promoting early warning, confidence-building, mediation and reconciliation, and addressing emerging inter-community tensions;
- (b) improving post-conflict and post-disaster recovery.

Measures under this point shall include know-how transfer, the exchange of information, risk/threat assessment, research and analysis, early warning systems and training. Measures may also include, where appropriate, financial and technical assistance for the implementation of those Recommendations made by the UN Peacebuilding Commission falling within the objectives of Community cooperation policy.

TITLE II

IMPLEMENTATION

Article 5

General framework for implementation

Community assistance under this Regulation shall be implemented through the following measures:

- (a) Exceptional Assistance Measures and Interim Response Programmes;
- (b) Multi-country Strategy papers, Thematic Strategy Papers and Multi-annual Indicative Programmes;
- (c) Annual Action Programmes;
- (d) Special Measures.

Article 6

Exceptional Assistance Measures and Interim Response Programmes

1. Community assistance under Article 3 shall be carried out through Exceptional Assistance Measures and through Interim Response Programmes.

2. The Commission may adopt Exceptional Assistance Measures in a situation of crisis as referred to in Article 3(1), as well as in exceptional and unforeseen situations as referred to in Article 3(3), where the effectiveness of the measures is dependent on rapid or flexible implementation. Such measures may have a duration of up to 18 months. Individual measures may be extended in duration by a further six months in the case of objective and unforeseen obstacles to their implementation, provided that the financial amount of the measure does not increase.

3. Where an Exceptional Assistance Measure is costing more than EUR 20 000 000, that measure shall be adopted in accordance with the procedure referred to in Article 22(2).

4. The Commission may adopt Interim Response Programmes with a view to establishing or re-establishing the essential conditions necessary for the effective implementation of the Community's external cooperation policies. Interim Response Programmes shall build on Exceptional Assistance Measures. They shall be adopted in accordance with the procedure referred to in Article 22(2).

5. The Commission shall keep the Council regularly informed about its planning of Community assistance under Article 3. Before adopting or renewing any Exceptional Assistance Measures costing up to EUR 20 000 000, the Commission shall inform the Council of their nature, objectives and the financial amounts envisaged. It shall take account of the relevant policy approach of the Council both in its planning and subsequent implementation of such measures, in the interests of the coherence of EU external action. The Commission shall likewise inform the Council before making significant substantive changes to Exceptional Assistance Measures already adopted.

6. At as early a stage as possible, following the adoption of Exceptional Assistance Measures, and in any case within seven months of doing so, the Commission shall report to the European Parliament and the Council by giving an overview of the existing and planned Community response, including the contribution to be made from other Community financing instruments, the status of existing Country and Multi-Country Strategy Papers, and the Community's role within the broader international and multilateral response. This report shall also indicate whether and, if so, for how long the Commission intends to continue the Exceptional Assistance Measures.

*Article 7***Multi-country Strategy Papers, Thematic Strategy Papers and Multi-annual Indicative Programmes**

1. Multi-country and Thematic Strategy Papers shall constitute the general basis for the implementation of assistance under Article 4.
2. Multi-country and Thematic Strategy Papers shall set out the Community's strategy for the countries or themes concerned, having regard to the needs of the countries concerned, the Community's priorities, the international situation and the activities of the main partners.
3. Multi-country and Thematic Strategy Papers, and any revisions or extensions thereof, shall be adopted in accordance with the procedure referred to in Article 22(2). They shall cover an initial period of no longer than the period of application of this Regulation and shall be reviewed at the mid-point.
4. Strategy Papers shall be consistent with, and avoid duplication of, Country, Multi-country or Thematic Strategy Papers adopted under other Community instruments for external assistance. Strategy Papers shall, where appropriate, be based on a dialogue with the partner country, countries or region concerned, including with civil society, so as to support national development strategies and to ensure the participation and involvement of the partner country, countries or region. In addition, joint consultations shall be carried out between the Commission, Member States, and other donors where appropriate, in order to ensure that the cooperation activities of the Community are complementary to those of the Member States and other donors. Other stakeholders may be associated where appropriate.
5. Each Multi-country Strategy Paper shall, where appropriate, be accompanied by a Multi-annual Indicative Programme summarising the priority areas selected for Community financing, the specific objectives, the expected results and timeframe of Community support and the indicative financial allocation, overall and for each priority area. The financial allocations may be given in the form of a range where necessary.
6. The Multi-annual Indicative Programmes shall determine the financial allocations for each programme using transparent criteria, based on the needs and performance of the partner countries or regions concerned and taking into account the particular difficulties faced by countries or regions in crisis or conflict.
7. Multi-annual Indicative Programmes, and any revisions or extensions thereof, shall be adopted in accordance with the procedure referred to in Article 22(2). They shall be established, where appropriate, in consultation with the partner countries or regions concerned.
8. The financial amounts of Multi-annual Indicative Programmes may be increased or decreased as a result of reviews, taking into account changes in a country's situation,

performance and needs, in accordance with the procedure referred to in paragraph 7.

*Article 8***Annual Action Programmes**

1. Annual Action Programmes shall set out measures to be adopted on the basis of the Multi-country and Thematic Strategy Papers and Multi-annual Indicative Programmes referred to in Article 7.
2. Annual Action Programmes shall specify the objectives pursued, the fields of intervention, the expected results, the management procedures and total amount of financing planned. They shall contain a summary description of the operations to be financed, an indication of the amounts allocated for each operation and an indicative implementation timetable. Where relevant, they should include the results of any lessons learned from previous assistance. Objectives shall be measurable.
3. Annual Action Programmes and any revision or extension thereof shall be adopted in accordance with the procedure referred to in Article 22(2).

*Article 9***Special Measures**

1. Notwithstanding Articles 7 and 8, in the event of unforeseen needs or circumstances, the Commission may adopt Special Measures not provided for in the Multi-country and Thematic Strategy Papers and Multi-annual Indicative Programmes referred to in Article 7 or the Annual Action Programmes referred to in Article 8.
2. Special Measures shall specify the objectives pursued, the areas of activity, the expected results, the management procedures used and the total amount of financing planned. They shall contain a description of the operations to be financed, an indication of the amounts allocated for each operation and an indicative implementation timetable.
3. Special Measures costing more than EUR 5 000 000 shall be adopted in accordance with the procedure referred to in Article 22(2).
4. The Commission shall inform the Committee set up pursuant to Article 22(1) within one month of adopting Special Measures costing up to EUR 5 000 000.

TITLE III

BENEFICIARIES AND FORMS OF FINANCING*Article 10***Eligibility**

1. The following shall be eligible for funding under this Regulation for the purposes of implementing the Exceptional Assistance Measures and Interim Response Programmes referred

to in Article 6, the Annual Action Programmes referred to in Article 8 and the Special Measures referred to in Article 9:

Article 11

Types of measures

- (a) partner countries and regions and their institutions;
 - (b) decentralised bodies in the partner countries, such as regions, departments, provinces and municipalities;
 - (c) joint bodies set up by the partner countries and regions and the Community;
 - (d) international organisations, including regional organisations, UN bodies, departments and missions, international financial institutions and development banks, and institutions of international jurisdiction, in so far as they contribute to the objectives of this Regulation;
 - (e) European agencies;
 - (f) the following entities and bodies of the Member States, partner countries and regions and any other third country in so far as they contribute to the objectives of this Regulation:
 - (i) public and para-statal bodies, local authorities or administrations and consortia thereof;
 - (ii) companies, firms and other private organisations and businesses;
 - (iii) financial institutions that grant, promote and finance private investment in partner countries and regions;
 - (iv) non-state actors referred to in paragraph 2;
 - (v) natural persons.
2. Non-state actors eligible for financial support under this Regulation shall include: non-governmental organisations, organisations representing indigenous peoples, local citizens' groups and traders' associations, cooperatives, trade unions, organisations representing economic and social interests, local organisations (including networks) involved in decentralised regional cooperation and integration, consumer organisations, women's and youth organisations, teaching, cultural, research and scientific organisations, universities, churches and religious associations and communities, the media and any non-governmental associations and private and public foundations likely to contribute to development or the external dimension of internal policies.
3. Other bodies or actors not listed in paragraphs 1 and 2 may be financed when this is necessary to achieve the objectives of this Regulation.
1. Community financing may take the following forms:
 - (a) projects and programmes;
 - (b) sectoral or general budget support, where the partner country's arrangements for managing public funds are sufficiently transparent, reliable and effective, and where proper sectoral or macro-economic policies have been put in place by the partner country and approved by its main donors, including international financial institutions where applicable. Budgetary support may in general be one of several instruments. It shall be allocated with precise objectives and related benchmarks. Disbursement of budgetary support shall be conditional on satisfactory progress towards achieving the objectives in terms of impact and results;
 - (c) in exceptional cases, sectoral and general import-support programmes, which may take the form of:
 - (i) sectoral programmes for imports in kind,
 - (ii) sectoral import programmes providing foreign currency to finance imports for the sector in question, or
 - (iii) general import programmes providing foreign currency to finance general imports, covering a wide range of products;
 - (d) funds made available to financial intermediaries in accordance with Article 20, with a view to providing loans (to support investment and development of the private sector, for example), risk capital (in the form of subordinated or conditional loans) or other temporary minority holdings in business capital, to the extent that the financial risk of the Community is limited to these funds;
 - (e) grants to fund measures;
 - (f) grants to cover operating costs;
 - (g) funding for twinning programmes between public institutions, national public bodies or private-law entities with a public-service mission of a Member State and those of a partner country or region;
 - (h) contributions to international funds, in particular those managed by international or regional organisations;
 - (i) contributions to national funds set up by partner countries and regions to attract joint financing from a number of donors, or contributions to funds set up by one or more donors for the purpose of the joint implementation of operations;

- (j) human and material resources required for effective administration and supervision of projects and programmes by partner countries and regions.

2. Community financing shall in principle not be used for paying taxes, duties or charges in beneficiary countries.

3. Activities covered by Regulation (EC) No 1257/96 and eligible for funding thereunder may not be funded under this Regulation.

Article 12

Support measures

1. Community financing may cover expenditure associated with the preparation, follow-up, monitoring, auditing and evaluation activities directly necessary for the implementation of this Regulation and the achievement of its objectives. Community financing shall also cover expenditure on administrative support staff employed at Commission Delegations to manage projects funded under this Regulation.

2. Support may be financed outside the scope of Multi-annual Indicative Programmes. The Commission shall adopt such support measures in accordance with Article 9.

Article 13

Cofinancing

1. Measures financed under this Regulation are eligible for cofinancing from the following, *inter alia*:

- (a) Member States, and in particular their public and para-statal agencies;
- (b) other donor countries and in particular their public and para-statal agencies;
- (c) international and regional organisations, and in particular international and regional financial institutions;
- (d) companies, firms, other private organisations and businesses, and other non-state actors referred to in Article 10(2);
- (e) partner countries and regions in receipt of funding, and other bodies eligible for funding as referred to in Article 10.

2. In the case of parallel cofinancing, the project or programme is split into a number of clearly identifiable sub-projects, which are each financed by different partners providing cofinancing in such a way that the end-use of the financing can always be identified. In the case of joint cofinancing, the total cost of the project or programme is shared between the partners providing

the cofinancing and resources are pooled in such a way that it is not possible to identify the source of funding for any given activity undertaken as part of the project or programme.

3. In the case of joint cofinancing, the Commission may receive and manage funds on behalf of the bodies referred to in points (a), (b) and (c) of paragraph 1 for the purpose of implementing joint measures. In this case, the Commission shall implement the joint measures centrally, either directly or indirectly, by delegating the task to Community agencies or bodies set up by the Community. Such funds shall be dealt with as assigned revenue in accordance with Article 18 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⁾.

Article 14

Management procedures

1. The measures financed under this Regulation shall be managed, monitored, evaluated and reported on in accordance with Regulation (EC, Euratom) No 1605/2002.

2. The Commission may decide to entrust tasks of public authority, and in particular budget implementation tasks, to bodies referred to in Article 54(2)(c) of Regulation (EC, Euratom) No 1605/2002 if they are of recognised international standing, comply with internationally recognised systems of management and control, and are supervised by public authority.

3. In the case of decentralised management, the Commission may decide to use the procurement or grant procedures of the beneficiary country or region.

Article 15

Budget commitments

1. Budget commitments shall be made on the basis of decisions taken by the Commission in accordance with Articles 6, 8, 9 and 12.

2. The legal forms for Community financing shall include (*inter alia*):

- financing agreements,
- grant agreements,
- procurement contracts,
- employment contracts.

⁽¹⁾ OJ L 248, 16.9.2002, p. 1.

*Article 16***Protection of the financial interests of the Community**

1. Any agreements resulting from this Regulation shall contain provisions ensuring the protection of the Community's financial interests, in particular with respect to fraud, corruption and any other irregularities 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. The agreements referred to in paragraph 1 shall expressly entitle the Commission and the Court of Auditors to have the power of audit, on the basis of documents and on the spot, over all contractors and subcontractors who have received Community funds. They shall also expressly authorise the Commission to carry out on-the-spot checks and inspections, as provided for in Regulation (Euratom, EC) No 2185/96.

3. All contracts resulting from the implementation of assistance shall ensure the rights of the Commission and the Court of Auditors, as provided for in paragraph 2, during and after the implementation of contracts.

*Article 17***Participation and rules of origin**

1. Participation in the award of procurement or grant contracts financed under this Regulation shall be open to all natural or legal persons from Member States.

2. Participation in the award of procurement or grant contracts financed under this Regulation shall be also open to all natural and legal persons from:

- any country that is a beneficiary of the Instrument for Pre-Accession Assistance ⁽⁴⁾,
- any non-EU Member State of the European Economic Area, and
- any other third country or territory in cases where reciprocal access to external assistance has been established.

3. In the case of measures taken in any third country considered a Least Developed Country according to the criteria laid down by the OECD, participation in the award of procurement or grant contracts shall be open on a global basis.

4. In the case of Exceptional Assistance Measures and Interim Response Programmes referred to in Article 6, participation in

the award of procurement or grant contracts shall be open on a global basis.

5. In the case of measures adopted in pursuit of the objectives referred to in Article 4, participation in the award of procurement or grant contracts shall be open, and rules of origin shall extend, to any natural or legal person of a developing country or of a country in transition, as defined by the OECD, and to natural or legal persons of any other country eligible under the relevant strategy.

6. Participation in the award of procurement or grant contracts financed under this Regulation shall be open to international organisations.

7. Experts proposed in the context of procedures for the award of contracts need not comply with the nationality rules set out in this Article.

8. All supplies and materials purchased under contracts financed under this Regulation shall originate from the Community or a country eligible under paragraphs 2 to 5.

9. Participation by natural and legal persons from third countries or territories with traditional economic, trade or geographical links to the partner country may be authorised on a case-by-case basis. The Commission may, moreover, in duly substantiated cases authorise the participation of natural and legal persons from other countries, or the use of supplies and materials of different origin.

*Article 18***Prefinancing**

Interest generated by prefinancing payments to the beneficiaries shall be deducted from the final payment.

*Article 19***Grants**

In accordance with Article 114 of Regulation (EC, Euratom) No 1605/2002 natural persons may receive grants.

*Article 20***Funds made available to the European Investment Bank or other financial intermediaries**

The funds referred to in Article 11(1)(d) shall be managed by financial intermediaries, the European Investment Bank (hereinafter referred to as 'the EIB') or any other bank or organisation capable of managing them. The Commission shall adopt implementing provisions for this Article, on a case-by-case basis to cover risk-sharing, the remuneration of the intermediary entrusted with the task of implementation, the use and recovery

⁽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.

⁽⁴⁾ Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA) (OJ L 210, 31.7.2006, p. 82).

of interest on the fund and the closure of the operation.

Article 21

Evaluation

The Commission shall regularly evaluate the results and efficiency of policies and programmes and the effectiveness of programming in order to ascertain whether the objectives have been met and enable it to formulate recommendations with a view to improving future operations. The Commission shall send for discussion significant evaluation reports to the Committee set up pursuant to Article 22(1). These results shall feed back into programme design and resource allocation.

TITLE IV

FINAL PROVISIONS

Article 22

Committee procedure

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.

The period provided for in Article 4(3) of Decision 1999/468/EC shall be set at 30 days.

3. The Committee shall adopt its Rules of Procedure.
4. An observer from the EIB shall take part in the Committee's proceedings with regard to questions concerning the EIB.

Article 23

Report

The Commission shall examine progress achieved in implementing the measures undertaken pursuant to this Regulation and shall submit to the European Parliament and the Council an annual report on the implementation of the assistance. The report shall also be addressed to the European Economic and Social Committee and the Committee of the Regions. The report shall contain information relating to the previous year on the measures financed and information on the results of monitoring and evaluation exercises and the implementation of budget commitments and payments, broken down by country, region and cooperation sector.

Article 24

Financial envelope

The financial envelope for implementation of this Regulation over the period 2007 to 2013 is EUR 2 062 000 000. Annual

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

In the period 2007 to 2013:

- (a) no more than 7 percentage points of the financial envelope shall be allocated to measures falling under Article 4(1);
- (b) no more than 15 percentage points of the financial envelope shall be allocated to measures falling under Article 4(2);
- (c) no more than 5 percentage points of the financial envelope shall be allocated to measures falling under Article 4(3).

Article 25

Review

The Commission shall submit to the European Parliament and the Council, by 31 December 2010, a report evaluating the implementation of this Regulation in the first three years, if appropriate with a proposal introducing the modifications to the Regulation.

Article 26

Repeal

1. As of 1 January 2007 the following Regulations are repealed:
 - Regulation (EC) No 2130/2001 of the European Parliament and of the Council of 29 October 2001 on operations to aid uprooted people in Asian and Latin American developing countries ⁽¹⁾,
 - Council Regulation (EC) No 1725/2001 of 23 July 2001 concerning action against anti-personnel landmines in third countries other than developing countries ⁽²⁾,
 - Regulation (EC) No 1724/2001 of the European Parliament and of the Council of 23 July 2001 concerning action against anti-personnel landmines in developing countries ⁽³⁾,
 - Council Regulation (EC) No 381/2001 of 26 February 2001 creating a rapid-reaction mechanism ⁽⁴⁾,
 - Council Regulation (EC) No 1080/2000 of 22 May 2000 on support for the United Nations Interim Mission in Kosovo (UNMIK) and the Office of the High Representative in Bosnia and Herzegovina (OHR) ⁽⁵⁾, with the exception of Article 1a of that Regulation,
 - Council Regulation (EC) No 2046/97 of 13 October 1997 on north-south cooperation in the campaign against drugs and drug addiction ⁽⁶⁾,

⁽¹⁾ OJ L 287, 31.10.2001, p. 3.

⁽²⁾ OJ L 234, 1.9.2001, p. 6.

⁽³⁾ OJ L 234, 1.9. 2001, p. 1.

⁽⁴⁾ OJ L 57, 27.2. 2001, p. 5.

⁽⁵⁾ OJ L 122, 24.5.2000, p. 27.

⁽⁶⁾ OJ L 287, 21.10. 1997, p. 1.

— Council Regulation (EC) No 2258/96 of 22 November 1996 on rehabilitation and reconstruction operations in developing countries ⁽¹⁾.

2. The repealed Regulations shall continue to apply for legal acts and commitments implementing the budget years preceding 2007.

Article 27

Entry into force

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2007 to 31 December 2013.

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

Done at Strasbourg, 15 November 2006.

For the European Parliament

The President

J. BORRELL FONTELLES

For the Council

The President

P. LEHTOMÄKI

⁽¹⁾ OJ L 306, 28.11. 1996, p. 1.

DECISION No 1718/2006/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 15 November 2006

concerning the implementation of a programme of support for the European audiovisual sector (MEDIA 2007)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 150(4) and 157(3) 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 referred to in Article 251 of the Treaty ⁽³⁾,

Whereas:

(1) The European audiovisual sector has a key role to play in the emergence of European citizenship because it is one of the principal vectors for conveying the Union's common and shared fundamental social and cultural values to Europeans and especially young people. Community support is designed to enable the European audiovisual sector to promote intercultural dialogue, increase mutual awareness amongst Europe's cultures and develop its political, cultural, social and economic potential, which constitutes genuine added value in the task of making European citizenship a reality. Such support is intended to enhance competitiveness and, in particular, to increase the market share in Europe of non-national European works.

(2) It is also necessary to promote active citizenship and to do more to ensure respect for the principle of human dignity, promote equality between men and women and combat all forms of discrimination and exclusion, including racism and xenophobia.

(3) All actions adopted pursuant to this programme should be compatible with the Charter of Fundamental Rights of the European Union and, in particular, Article 11 thereof on freedom of expression and media pluralism.

(4) Article 22 of the said Charter states that the Union is to respect cultural and linguistic diversity. It is, therefore, necessary to pay attention to the specific needs of the smaller Member States and those with more than one linguistic area.

(5) Community support for the audiovisual sector takes into account Article 151 of the Treaty.

(6) Community support for the audiovisual sector is also in keeping with the new strategic aim defined for the Union by the Lisbon European Council of 23 and 24 March 2000, namely to boost training, employment, economic reform and social cohesion in a knowledge-based economy. In its conclusions, the European Council stated that 'content industries create added value by exploiting and networking European cultural diversity'. This approach was confirmed in the conclusions of the Brussels European Council of 20 and 21 March 2003.

(7) Community support for the audiovisual sector is based on the considerable experience acquired in the MEDIA I, MEDIA II, MEDIA Plus and MEDIA — Training programmes ⁽⁴⁾, which have helped the European audiovisual industry to develop since 1991, as has emerged clearly in the evaluation of these programmes.

⁽⁴⁾ Programmes which were established by:

- Council Decision 90/685/EEC of 21 December 1990 concerning the implementation of an action programme to promote the development of the European audiovisual industry (MEDIA) (1991 to 1995) (OJ L 380, 31.12.1990, p. 37) (MEDIA I),
- Council Decision 95/563/EC of 10 July 1995 on the implementation of a programme encouraging the development and distribution of European audiovisual works (MEDIA II — Development and distribution) (1996 to 2000) (OJ L 321, 30.12.1995, p. 25) and Council Decision 95/564/EC of 22 December 1995 on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA II — Training) (OJ L 321, 30.12.1995, p. 33) (MEDIA II),
- Council Decision 2000/821/EC of 20 December 2000 on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (MEDIA Plus — Development, Distribution and Promotion) (2001 to 2005) (OJ L 336, 30.12.2000, p. 82). Decision as last amended by Regulation (EC) No 885/2004 (OJ L 168, 1.5.2004, p. 1) (MEDIA Plus), and
- Decision No 163/2001/EC of the European Parliament and of the Council of 19 January 2001 on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA — Training) (2001 to 2005) (OJ L 26, 27.1.2001, p. 1). Decision as last amended by Regulation (EC) No 885/2004 (MEDIA — Training) respectively.

⁽¹⁾ OJ C 255, 14.10.2005, p. 39.

⁽²⁾ OJ C 164, 5.7.2005, p. 76.

⁽³⁾ Opinion of the European Parliament of 25 October 2005 (not yet published in the Official Journal), Council Common Position of 24 July 2006 (OJ C 251 E, 17.10.2006, p. 1) and Position of the European Parliament of 25 October 2006 (not yet published in the Official Journal).

- (8) The results obtained showed that Community action should concentrate mainly:
- upstream of audiovisual production, on the development of European audiovisual works and on the acquisition and improvement of audiovisual skills, the latter needing to be seen as an integral part of the audiovisual pre-production process,
 - downstream of audiovisual production, on distribution, cinema exhibition and promotion of European audiovisual works,
 - on digitisation making a decisive contribution to strengthening the audiovisual sector and on its being a central feature of MEDIA 2007. Support for digital services and European catalogues is one of the programme's priorities in order to overcome the fragmentation of the European audiovisual market.
- (9) The MEDIA programme should encourage authors (script-writers and directors) in the creative process and encourage them to develop and adopt new creative techniques which will strengthen the innovative capacity of the European audiovisual sector.
- (10) There is more than one platform of digitisation in the projections of films, depending on different uses, users and needs. Pilot projects of the MEDIA programme are a test ground for future developments in the audiovisual sector.
- (11) The preparatory action 'Growth and Audiovisual: i2i Audiovisual', which supplements the MEDIA Plus and MEDIA — Training programmes, marked a further stage in implementing the policy of Community support for the audiovisual sector. It was intended specifically to provide a remedy for the problems of access to funding of small and medium-sized enterprises (SMEs) in this sector. The evaluation of 'Growth and Audiovisual: i2i Audiovisual' confirmed that it met the sector's needs and confirmed the need to pursue Community action along these lines but that it should be more closely geared towards the specific needs of the sector.
- (12) The European audiovisual sector is characterised by its considerable potential for growth, innovation and dynamism, by the fragmentation of the market as a function of cultural and linguistic diversity and, consequently, by a large number of SMEs and very small enterprises with chronic undercapitalisation. For the purposes of implementing Community support, the specific nature of the audiovisual sector should be taken into account and it should be ensured that administrative and financial procedures in relation to the amount of support are simplified as far as possible and adapted to the aims pursued and the sector's practices and requirements.
- (13) Throughout the EU one major obstacle to competition is an almost complete lack of companies specialising in providing loan financing in the audiovisual sector.
- (14) The Commission and Member States should review their support for the audiovisual sector, in particular the results of the preparatory action 'Growth and Audiovisual: i2i Audiovisual', to establish to what extent future support can simplify the development of specialist offers for SMEs in terms of loan financing.
- (15) Loan finance systems that have been developed in the Member States to promote national audiovisual projects and to mobilise private capital should be examined to see whether such capital could be made available for non-national European projects.
- (16) Increased transparency and dissemination of information concerning the European audiovisual market can make operators in the sector, and especially SMEs, more competitive. This could encourage private investors' confidence by improving understanding of the industry's potential. This also makes it easier for Community action to be evaluated and followed up. Participation by the European Union in the European Audiovisual Observatory should help it to achieve these aims.
- (17) In a Community of 25 Member States, cooperation is increasingly becoming a strategic response to strengthen the competitiveness of the European film industry. There is therefore a need for greater support for projects for EU-wide networks at all MEDIA programme levels — training, development, distribution and promotion. This applies in particular to cooperation with players from the Member States which joined the European Union after 30 April 2004. It should be emphasised that any strategy for cooperation between players in the audiovisual sector should comply with the Community's competition law.
- (18) Public support for cinema at European, national, regional or local level is essential to overcome the sector's structural difficulties and allow the European audiovisual industry to meet the challenge of globalisation.
- (19) European Union accession countries and those EFTA countries which are parties to the EEA Agreement are recognised as potential participants in Community programmes in accordance with the agreements concluded with these countries.
- (20) Cooperation between MEDIA and Eurimages needs to be strengthened, but without this leading to integration in financial and administrative matters.
- (21) The European Council in Thessaloniki of 19 and 20 June 2003 adopted 'The agenda for the Western Balkans: Moving towards European integration', providing that Community

programmes should be open to countries in the process of stabilisation and association on the basis of framework agreements to be signed between the Community and these countries.

- (22) The other European countries which are parties to the Council of Europe Convention on Transfrontier Television are an integral part of the European audiovisual area and should therefore be enabled, if they wish and taking into account budgetary considerations or priorities of their audiovisual industries, to participate in this programme or benefit under a more limited cooperation formula on the basis of supplementary appropriations and specific arrangements in accordance with conditions to be laid down in the agreements between the parties concerned.
- (23) Cooperation with non-European third countries developed on the basis of mutual and balanced interests may create added value for the European audiovisual industry in terms of promotion, market access, distribution, dissemination and exhibition of European works in those countries. Such cooperation should be developed on the basis of supplementary appropriations and specific arrangements to be agreed upon with the parties concerned.
- (24) Suitable measures should be implemented to prevent irregularities and fraud and to recover funds which have been lost or transferred or used improperly.
- (25) 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 ⁽¹⁾, for the budgetary authority during the annual budgetary procedure.
- (26) 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⁾.
- (27) The arrangements for monitoring and evaluating actions should include detailed annual reports as well as specific, measurable, achievable, relevant and time-bound objectives and indicators.
- (28) Provision needs to be made for measures governing the transition from the MEDIA Plus and MEDIA — Training programmes to the programme established by this Decision.
- (29) Since the objectives of this Decision cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale and 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,

HAVE DECIDED AS FOLLOWS:

CHAPTER I

GLOBAL OBJECTIVES AND BUDGET

Article 1

Global objectives and priorities of the programme

1. This Decision establishes a programme for support to the European audiovisual sector, hereinafter referred to as the 'programme', for a period from 1 January 2007 to 31 December 2013.

2. The audiovisual sector is an essential vector for conveying and developing European cultural values and for creating highly skilled future-oriented jobs. Its creativity is a positive factor for competitiveness and cultural appeal with the public. The programme is intended to strengthen the audiovisual sector economically to enable it to play its cultural roles more effectively by developing an industry with powerful and diversified content and a valuable and accessible heritage and to add value to national support.

The global objectives of the programme are to:

- (a) preserve and enhance European cultural and linguistic diversity and its cinematographic and audiovisual heritage, guarantee its accessibility to the public and promote intercultural dialogue;
 - (b) increase the circulation and viewership of European audiovisual works inside and outside the European Union, including through greater cooperation between players;
 - (c) strengthen the competitiveness of the European audiovisual sector in the framework of an open and competitive European market favourable to employment, including by promoting links between audiovisual professionals.
3. In order to achieve these objectives, the programme shall support:
- (a) upstream of audiovisual production: the acquisition and improvement of skills in the audiovisual field and the development of European audiovisual works;
 - (b) downstream of audiovisual production: the distribution and promotion of European audiovisual works;
 - (c) pilot projects to ensure that the programme adjusts to market developments.

⁽¹⁾ OJ C 139, 14.6.2006, p. 1.

⁽²⁾ OJ L 184, 17.7.1999, p. 23. Decision as last amended by Decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11).

4. The priorities in the areas for intervention set out in paragraph 3 shall be as follows:

- (a) fostering creativity in the audiovisual sector and knowledge and dissemination of Europe's cinematographic and audiovisual heritage;
- (b) strengthening the structure of the European audiovisual sector, particularly SMEs;
- (c) reducing the imbalances in the European audiovisual market between high audiovisual production capacity countries and countries or regions with low audiovisual production capacity and/or a restricted geographic and linguistic area;
- (d) following and supporting market developments with regard to digitisation, including the promotion of attractive digital catalogues of European films on digital platforms.

Article 2

The financial envelope

1. The financial envelope for implementing this programme for the period set out in Article 1(1) is fixed at EUR 754 950 000. The indicative breakdown of this amount according to areas is reflected in point 1.4 of Chapter II of the Annex.
2. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial framework.

CHAPTER II

SPECIFIC OBJECTIVES UPSTREAM OF AUDIOVISUAL PRODUCTION

Article 3

Acquisition and improvement of skills in the audiovisual field

In the field of acquisition and improvement of skills, the objectives of the programme shall be to:

1. strengthen the skills of European audiovisual professionals in the fields of development, production, distribution/dissemination and promotion, in order to improve the quality and potential of European audiovisual works. The programme shall support notably action in the following areas:
 - (a) scriptwriting techniques with the aim of increasing the quality of European audiovisual works and their potential circulation;
 - (b) economic, financial and commercial management of production, distribution and promotion of audiovisual works to enable European strategies to be devised right from the development phase;

- (c) inclusion upstream of digital technologies for production, post-production, distribution, marketing and archiving of European audiovisual programmes.

Steps shall also be taken to ensure the participation of professionals and trainers from countries other than those in which training activities supported under point 2(a), (b) and (c) take place;

2. improve the European dimension of audiovisual training activities by:
 - (a) support for the networking and mobility of European training professionals, in particular:
 - European film schools,
 - training institutes,
 - partners in the professional sector;
 - (b) training for trainers;
 - (c) support for film schools;
 - (d) adoption of coordination activities and of promotion of the bodies supported in relation to the activities set out in point 1;
3. enable, through special scholarships, professionals from the Member States which acceded to the European Union after 30 April 2004 to take part in the training activities set out in point 1.

The measures set out in points 1, 2 and 3 shall be implemented in accordance with the provisions in the Annex.

Article 4

Development

1. In the development sector, the objectives of the programme shall be to:
 - (a) support the development of production projects intended for the European and international market, submitted by independent production companies;
 - (b) support the elaboration of financial plans for companies and projects for European productions, in particular the financing of co-productions.
2. The Commission shall take steps to ensure that the activities supported in the field of improving professional skills and those set out in paragraph 1 complement each other.
3. The measures set out in paragraphs 1 and 2 shall be implemented in accordance with the provisions in the Annex.

CHAPTER III

SPECIFIC OBJECTIVES DOWNSTREAM OF AUDIOVISUAL PRODUCTION*Article 5***Distribution and dissemination**

In the field of distribution and dissemination, the programme's objectives shall be to:

- (a) strengthen European distribution by encouraging distributors to invest in the co-production, acquisition and promotion of non-national European films and to set up coordinated marketing strategies;
- (b) improve the circulation of non-national European films on the European and international markets by incentive measures for export, distribution on any medium and cinema exhibition;
- (c) promote the transnational dissemination of European audiovisual works produced by independent production companies by encouraging cooperation between broadcasters on the one hand and independent producers and distributors on the other;
- (d) encourage the digitisation of European audiovisual works and the development of a competitive digital market place;
- (e) encourage cinemas to exploit the possibilities offered by digital distribution.

The measures set out in points (a) to (e) shall be implemented in accordance with the provisions in the Annex.

*Article 6***Promotion**

In the field of promotion, the objectives of the programme shall be to:

- (a) improve the circulation of European audiovisual works by ensuring that the European audiovisual sector has access to European and international professional markets;
- (b) improve the European and international public's access to European audiovisual works;
- (c) encourage common actions between national film and audiovisual programme promotion organisations;
- (d) encourage the promotion of Europe's cinematographic and audiovisual heritage and the improvement of the public's access to it at both European and international level.

The measures set out in points (a) to (d) shall be implemented in accordance with the provisions in the Annex.

CHAPTER IV

PILOT PROJECTS*Article 7***Pilot projects**

1. The programme may support pilot projects to ensure that it adapts to market developments, with a particular emphasis on the introduction and utilisation of information and communication technologies.

2. For the purposes of implementing paragraph 1, the Commission shall be advised by technical advisory groups made up of experts designated by the Member States in response to a proposal by the Commission.

CHAPTER V

ARRANGEMENTS FOR IMPLEMENTING THE PROGRAMME AND FINANCIAL PROVISIONS*Article 8***Provisions concerning third countries**

1. The programme shall be open to the participation of the following countries as long as the required conditions are met and supplementary appropriations are received:

- (a) EFTA States which are members of the EEA, in accordance with the provisions of the EEA agreement;
- (b) accession countries benefiting from a strategy for pre-accession to the European Union in accordance with the general principles and general conditions and arrangements for these countries participating in Community programmes laid down in the framework agreement and the Association Councils' decisions respectively;
- (c) the Western Balkan countries in accordance with arrangements made with these countries following framework agreements to be established governing their participation in Community programmes.

2. The programme shall also be open to the participation of States which are parties to the Council of Europe Convention on Transfrontier Television other than those referred to in paragraph 1, assuming that supplementary appropriations are received in compliance with the conditions to be agreed upon between the parties concerned.

3. Opening up of the programme to European third countries referred to in paragraphs 1 and 2 may be subject to prior examination of the compatibility of their national legislation with Community legislation, including Article 6(5) of Council Directive 89/552/EEC of 3 October 1989 on the coordination of certain provisions laid down by Law, Regulation or Administrative Action in Member States concerning the pursuit of television broadcasting activities⁽¹⁾. This provision does not apply to actions pursuant to Article 3 of this Decision.

⁽¹⁾ OJ L 298, 17.10.1989, p. 23.

4. The programme shall also be open to cooperation with other third countries which have concluded association or cooperation agreements with the European Union incorporating clauses on the audiovisual sector and on the basis of supplementary appropriations and specific arrangements to be agreed upon. Western Balkan countries referred to in paragraph 1 that do not wish to participate fully in the programme may benefit from cooperation with the programme under the conditions provided for in this paragraph.

Article 9

Financial provisions

1. Legal and natural persons may be the beneficiaries of the programme.

Without prejudice to the agreements and conventions to which the Community is a contracting party, enterprises which benefit from the programme shall be owned and shall continue to be owned, whether directly or by majority participation, by Member States and/or Member State nationals.

2. The Commission may decide, depending on the beneficiaries and the type of action, whether they may be exempted from verification of the professional skills and qualifications required to successfully complete an action or programme of work. The Commission may also take into account the type of activity supported, the specific profile of the target public from the audiovisual sector and the objectives of the programme.

3. Depending on the type of action, financial aid may take the form of grants or scholarships or any other instrument authorised by 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⁾. The Commission may also award prizes for the programme's activities or projects. Depending on the nature of the activity, the use of scales of unit costs or flat-rate financing for contributions of no more than the amount mentioned in Article 181 of Commission Regulation (EC, Euratom) No 2342/2002 laying down detailed rules for the implementation of Regulation (EC, Euratom) No 1605/2002 ⁽²⁾ may be authorised.

4. The Commission shall adhere to the proportionality principle in respect of administrative and financial requirements, such as eligibility criteria and financial capacity, with regard to the size of the grant awarded.

5. Financial aid awarded under the terms of the programme may not exceed 50 % of the final costs of the operation supported. However, in the cases expressly provided for in the Annex, financial aid may be as high as 75 %. Furthermore, such aid shall be granted whilst ensuring that award procedures are transparent and objective.

6. In keeping with the specific nature of the activities cofunded and in accordance with Article 112(1) of Regulation (EC, Euratom) No 1605/2002, the Commission may deem costs directly linked with implementing the activity supported to be

eligible, even if they were partially incurred by the beneficiary before the selection procedure.

7. In accordance with Article 113(1) of Regulation (EC, Euratom) No 1605/2002 and in conjunction with Article 172 of Regulation (EC, Euratom) No 2342/2002, cofunding may be provided either entirely or partly in kind as long as the value of the contribution does not exceed the cost actually borne and duly supported by accounting documents, or the cost generally accepted in the market in question. Premises made available for training or promotional purposes may be included in such contributions.

8. Any sums reimbursed under the programme, those from the MEDIA programmes (1991 to 2006) and sums not used by selected projects shall be allocated to the requirements of the MEDIA 2007 programme.

Article 10

Implementation of this Decision

1. The Commission shall be responsible for implementing the programme in accordance with the provisions laid down in the Annex.

2. The measures necessary for the implementation of this Decision relating to the matters referred to below shall be adopted in accordance with the procedure referred to in Article 11(2):

- (a) the general guidelines for all the measures described in the Annex;
- (b) the content of the calls for proposals, the definition of the criteria and the procedures for the selection of projects;
- (c) questions concerning the annual internal breakdown of the programme resources, including the breakdown between measures in the fields of improving professional skills, development, distribution/dissemination and promotion;
- (d) the arrangements for monitoring and evaluating actions;
- (e) any proposal for the allocation of Community funds in excess of EUR 200 000 per beneficiary and year in the case of training and promotion, EUR 200 000 in the case of development and EUR 300 000 in the case of distribution;
- (f) the choice of pilot projects provided for in Article 7.

3. The measures necessary for the implementation of this Decision relating to any other matters shall be adopted in accordance with the procedure referred to in Article 11(3).

Article 11

Committee procedure

1. The Commission shall be assisted by a committee.

⁽¹⁾ OJ L 248, 16.9.2002, p. 1.

⁽²⁾ OJ L 357, 31.12.2002, p. 1.

2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply.

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

4. 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.

5. The committee shall adopt its rules of procedure.

Article 12

MEDIA Desks

1. The European network of MEDIA Desks shall act as an implementing body for disseminating information on the programme at national level, in particular for cross-border projects, improving its visibility and stimulating its use, whilst complying with Article 54(2)(c) and (3) of Regulation (EC, Euratom) No 1605/2002 as defined in point 2.2 in Chapter II of the Annex.

2. Cooperation between MEDIA Desks through networks, especially proximity networks, shall be encouraged in order to facilitate exchanges and contacts between professionals, public awareness of key events supported by the programme, as well as prizes and awards.

3. The MEDIA Desks shall respect 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 informatics and communications;
- (c) operate in an administrative context which enables them to carry out their tasks satisfactorily and to avoid conflicts of interest.

Article 13

Consistency and complementarity

1. In the implementation of the programme, the Commission shall, in close cooperation with the Member States, ensure general consistency and complementarity with other relevant Community policies, programmes and actions that impinge upon the training and audiovisual fields.

2. The Commission shall also ensure coordination between the programme and other Community programmes in the areas of education, training, research and the information society.

3. The Commission shall ensure effective liaison between this programme and programmes and actions in the training and audiovisual fields being carried out in the framework of Community cooperation with non-member countries and the

relevant international organisations, in particular the Council of Europe (Eurimages and the European Audiovisual Observatory, hereinafter referred to as the Observatory).

Article 14

Monitoring and evaluation

1. The Commission shall ensure that the actions covered by this Decision are subject to prior evaluation, monitoring and *ex-post* evaluation. The results of the process of monitoring and evaluation shall be taken into account in the implementation of the programme.

The Commission shall ensure that the programme is evaluated regularly, externally and independently. In order to evaluate the programme effectively the Commission may compile data in order to survey all activities supported by the programme. This evaluation should take into account the Committee's arrangements for monitoring and evaluation referred to in Article 10(2)(d).

This monitoring process shall comprise drawing up the reports mentioned in paragraph 2(a) and (c) and specific activities.

2. The Commission shall present 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 and the qualitative and quantitative aspects of implementing the programme no later than three years after the start of the programme;
- (b) a communication on the continuation of the programme no later than four years after the start of the programme;
- (c) a detailed *ex-post* evaluation report by 31 December 2015 covering the implementation and results of the programme, on completion of its implementation.

The Commission shall publish and disseminate via the MEDIA Desks any relevant statistics and analyses.

3. Reports produced pursuant to paragraph 2(a) and (c) shall identify the added value of the programme.

Article 15

Transitional provisions

Activities undertaken before 31 December 2006 on the basis of Council Decision 2000/821/EC ⁽¹⁾ and Decision No 163/2001/EC of the European Parliament and of the Council ⁽²⁾ shall continue to be managed until they are terminated in compliance with the provisions of those Decisions.

The committee provided for by Article 8 of Decision 2000/821/EC and Article 6 of Decision No 163/2001/EC shall be replaced by the committee provided for under Article 11 of this Decision.

⁽¹⁾ OJ L 13, 17.1.2001, p. 82.

⁽²⁾ OJ L 26, 27.1.2001, p. 1.

CHAPTER VI

**INFORMATION ON THE EUROPEAN AUDIOVISUAL SECTOR
AND PARTICIPATION IN THE EUROPEAN AUDIOVISUAL
OBSERVATORY***Article 16***Information on the European audiovisual sector**

The European Union shall contribute to increased transparency and dissemination of information on the European audiovisual sector.

*Article 17***Participation in the European Audiovisual Observatory**

For the purposes of implementing Article 16, the European Union shall be a member of the Observatory throughout the programme.

The Commission shall represent the European Union in its dealings with the Observatory.

*Article 18***Contribution to meeting the programme's objectives**

Participation by the European Union in the Observatory shall form an integral part of this programme and shall contribute to meeting its objectives:

- (a) by encouraging transparency in the market through an improved comparability of data collected in the different countries and ensuring that operators have access to financial and legal statistics and information, especially on the Member States which have acceded to the European

Union after 30 April 2004, thereby enhancing the European audiovisual sector's ability to compete and develop;

- (b) by enabling the programme to be monitored more effectively and making it easier to evaluate.

*Article 19***Monitoring and evaluation**

Monitoring and evaluation of the European Union's participation in the Observatory shall be carried out within the framework of the monitoring and evaluation of the programme in accordance with Article 14.

CHAPTER VII

ENTRY INTO FORCE*Article 20***Entry into force**

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

It shall apply from 1 January 2007.

Done at Strasbourg, 15 November 2006.

For the European Parliament

The President

J. BORRELL FONTELLES

For the Council

The President

P. LEHTOMÄKI

ANNEX

CHAPTER I

OPERATIONAL OBJECTIVES AND ACTIONS TO BE IMPLEMENTED

1. Acquisition and improvement of skills in the audiovisual field

- 1.1. Strengthen European audiovisual professionals' skills in the fields of development, production, distribution/ dissemination and promotion in order to improve the quality and the potential of European audiovisual works

1.1.1. Scriptwriting techniques

Operational objective

- Enable experienced scriptwriters to improve their capacities to develop techniques based on traditional and interactive methods of writing.

Actions to be implemented

- Support the development, implementation and updating of training modules on identifying the target audience, editing and development of scripts for an international audience, and the relationship between the scriptwriter, the script editor, the director, the producer and the distributor, *inter alia*.
- Support distance learning and encourage exchanges and partnerships associating countries and regions with low audiovisual production capacity and/or with a restricted linguistic or geographical area.

1.1.2. Economic, financial and commercial management of production, distribution and promotion of audiovisual works

Operational objective

- Develop the professionals' ability to grasp and integrate the European dimension into the fields of development, production, marketing, distribution/dissemination and promotion of audiovisual programmes.

Actions to be implemented

- Support the development, implementation and updating of training modules in management, taking into account the European dimension.
- Support distance learning and encourage exchanges and partnerships associating countries and regions with low audiovisual production capacity and/or with a restricted linguistic or geographical area.

1.1.3. Inclusion upstream of digital technologies for the production, post-production, distribution, marketing and archiving of European audiovisual programmes

Operational objective

- Develop the professionals' capacity to use digital technologies, in particular in the fields of production, post-production, distribution, marketing, archiving and multimedia.

Actions to be implemented

- Support the development, implementation and updating of training modules in digital audiovisual technologies.
- Support distance learning and encourage exchanges and partnerships associating countries and regions with low audiovisual production capacity and/or with a restricted linguistic or geographical area.

1.2. Improve the European dimension of audiovisual training activities

- 1.2.1. Support for the networking and mobility of European training professionals, in particular European film schools, training institutes, partners of the professional sector

Operational objective

- Encourage exchanges and cooperation between existing training institutions and/or activities.

Action to be implemented

- Encourage the programme beneficiaries to intensify coordination of their training activities, in particular those involving further training, in order to develop a European network which can receive Community support, in particular for cooperation involving players, including television broadcasters.

1.2.2. Training for trainers

Operational objective

- Ensure that trainers are competent.

Actions to be implemented

- Contribute to training for trainers, in particular by distance learning.

1.2.3. Support for film schools

Operational objective

- Encourage mobility of cinema students in Europe.

Actions to be implemented

- Encourage mobility scholarships linked to a training project.
- Encourage the development of new talents and professionals through the establishment of a Prize for New Talent.

1.2.4. Introduction of coordination and promotion measures by the bodies supported under 1.2.1

Operational objective

- Promote coordination and promotion of the projects supported by the programme.

Action to be implemented

- Contribute to the adoption of targeted actions of coordination and promotion of the training activities supported by the programme.

1.2.5. Enable, through special scholarships, the professionals from the Member States which have acceded to the European Union after 30 April 2004 to take part in the training activities set out in 1.1

Operational objective

- Facilitate the participation by professionals from the Member States which have acceded to the European Union after 30 April 2004 in the projects supported by the programme.

Action to be implemented

- Contribute to setting up a grant mechanism.

2. Development

2.1. Support the development of production projects intended for the European and International market submitted by independent production companies, in particular SMEs

Operational objectives

- Support the development of European works of the following types: drama, animation, documentary and multimedia.
- Encourage companies to produce quality works with international potential.
- Encourage companies to use digital technologies in production and distribution right from the development phase.

- Encourage companies to devise strategies for international screening, marketing and distribution right from the development phase.
- Enable SMEs to access support for development and tailor actions to meet their needs.
- Enhance complementarity with the actions supported by MEDIA to improve audiovisual professionals' skills.

Actions to be implemented

- Support the development of audiovisual projects or project catalogues.
- Support digitisation of European audiovisual works right from the development phase.

2.2. Support the elaboration of financing plans for European production companies and projects, including co-production projects

Operational objectives

- Encourage the elaboration of financing plans by production companies for works of the following types: drama, animation, documentary and multimedia.
- As a follow-up to the preparatory action 'Growth and Audiovisual: i2i Audiovisual', encourage the search for financial partners at European level to achieve synergy between public and private investors and the devising of distribution strategies right from the production phase.

Actions to be implemented

- Support the side costs of private financing of production and co-production projects presented by SMEs (such as financial expenses, insurance and completion guarantee costs).
- Support access by SMEs, especially independent production companies, to companies providing financial services active in drawing up investment plans for the development and co-production of audiovisual works with potential for international distribution.
- Encourage financial intermediaries to support the development and co-production of audiovisual works with potential for international distribution.
- Support cooperation between the national agencies in the audiovisual sector.

3. **Distribution and dissemination**

Horizontal operational objective

- Enhance the cultural and linguistic diversity of European audiovisual works distributed.

Action to be implemented

- Support dubbing and subtitling for distribution and dissemination, through all available channels, in particular digital channels, of European audiovisual works for the benefit of producers, distributors and broadcasters.

3.1. Strengthen European distribution by encouraging distributors to invest in the co-production, acquisition and promotion of non-national European films and to set up coordinated marketing strategies

Operational objective No 1

- Encourage cinematographic distributors to invest in the co-production, acquisition of exploitation rights and promotion of non-national European films.

Actions to be implemented

- Establish a system of automatic support for European distributors, proportional to cinema admissions for non-national European films in the Member States taking part in the programme, subject to a ceiling for each film and adjusted for each country.

- The support thus generated may be used by distributors only for investment in:
 - non-national European film co-production,
 - the acquisition of exploitation rights of non-national European films,
 - editing (copying, dubbing and subtitling), promotion and advertising of non-national European films.

Operational objective No 2

- Encourage European distributors to cooperate with a view to adopting joint strategies on the European market.

Action to be implemented

- Establish a system of selective aid for non-national European film distribution intended for European distributor groupings and grant them direct aid where they exist on a permanent basis.

Operational objective No 3

- Encourage cooperation between distributors, producers and sales agents in order to set up international marketing strategies for European films right from the development phase.

Action to be implemented

- Establish a system of support for the creation of a promotion kit for European cinematographic works (including a subtitled copy, an international sound track — music and effects — and promotion materials).

Operational objective No 4

- Encourage access to financing of SMEs for distribution and international sale of non-national European works.

Action to be implemented

- Support the side costs (such as financial expenses and insurance) connected with distribution and/or international sales activities such as: acquisition of non-national European film catalogues, searching for new markets for these films, and setting up of permanent groupings of European distributors.

- 3.2. Improve the circulation of non-national European films on the European and international markets by incentives measures for export, distribution on any medium and cinema exhibition

Operational objective No 1

- Encourage cinematographic distributors to invest in appropriate publishing and promotion of non-national European films.

Actions to be implemented

- Establish a system of selective support to cinematographic distributors for the promotion and marketing of non-national European films. The selection criteria for the films may include provisions aiming to differentiate between the projects according to their origin and the size of their budget.
- Grant special support to films of interest for the development of European cultural and linguistic diversity.
- Grant aid for the release of a non-national European works slate over a given period.

Operational objective No 2

- Encourage the screening of non-national European films on the European market, in particular by supporting the coordination of a cinema network.

Actions to be implemented

- Encourage cinema owners and operators to screen a significant proportion of non-national European films in cinemas for first release for a minimum defined period. The support granted to each cinema will be determined according to the programming and taking into account the number of tickets sold for non-national European films over a reference period.
- Contribute to the development of educational and awareness-raising activities for young cinema-goers.
- Support the creation and the consolidation of a European cinema owners' network developing common actions of this type.

Operational objective No 3

- Encourage international sales and export of European films, particularly non-national European films within Europe.

Action to be implemented

- Establish a support system for European companies distributing cinema films internationally (sales agents) according to their performance on the market over a given period. This support will have to be invested in the acquisition of new non-national European films and their promotion on the European and international markets.

- 3.3. Promote the transnational broadcasting of European audiovisual works produced by independent production companies by encouraging cooperation between broadcasters on the one hand, and independent producers and distributors on the other

Operational objective No 1

- Encourage the broadcasting of non-national European audiovisual works from independent production companies.

Action to be implemented

- Encourage independent producers to produce works (drama, documentary and animation) involving the participation of at least three broadcasters from several Member States. The selection criteria for the beneficiaries will include provisions aiming to differentiate between the projects according to the size of their budget. Grant special support to films of interest for the enhancement of Europe's cultural and linguistic diversity and audiovisual heritage.

Operational objective No 2

- Facilitate access to financing for European independent production companies.

Action to be implemented

- Support the side costs (such as financial costs, insurance and completion guarantee costs) connected with the production of works (drama, documentary and animation) involving the participation of at least three broadcasters from several Member States belonging to different linguistic areas.

Operational objective No 3

- Encourage the international distribution of European television programmes made by independent producers. The distribution of such programmes will require the agreement of the independent producer, who must receive an appropriate share of the sales revenue.

Action to be implemented

- Establish a system of support for European international distribution companies of audiovisual works (international distributors) according to their performance on the market over a given period. Support thus generated will have to be invested by the international distributors in the acquisition and promotion of new European works on the European and international markets.

3.4. Encourage the digitisation of European audiovisual works

Operational objective No 1

- Improve the distribution of non-national European works on digital media for private use (DVD), in particular by encouraging publishers to cooperate on creating multilingual masters on a European scale.
- Encourage the use of digital technologies in European works (creating digital masters which can be used by all European distributors).
- Encourage publishers in particular to invest in appropriate promotion and distribution of non-national European audiovisual works.
- Support the multilingualism of European works (dubbing, subtitling and multilingual production).

Actions to be implemented

- Establish a system of automatic support for European cinematographic and audiovisual works publishers on media intended for private use (such as DVD, DVD-ROM) according to their performance on the market over a given period. Support thus generated will have to be invested by the publishers in the publishing and distribution of non-national European works on digital media.
- Support the digitisation of content for distribution.

Operational objective No 2

- Encourage supply of non-national European works for on-line distribution through advanced distribution services and new media (Internet, video-on-demand, pay-per-view), while developing techniques to securise online works in order to fight against piracy.
- Encourage the European audiovisual programme industry to adapt to developments in digital technology, in particular with regard to advanced on-line distribution services.

Actions to be implemented

- Encourage European companies (on-line access suppliers, special-interest channels, etc.) — by measures to digitise works and create promotion and publicity material on digital media — to create European works slates in digital format intended for use on the new media.
- Promote the emergence of digital services that carry European catalogues.

3.5. Encourage cinemas showing a significant percentage of non-national European works to exploit the possibilities offered by digital distribution

Operational objective

- Encourage cinemas to invest in digital equipment, by facilitating access to credit by cinema owners.

Action to be implemented

- Support the side costs (such as financial expenses and insurance) incurred by cinema owners and operators for investment in digital equipment.

4. Promotion

4.1. Improve the circulation of European audiovisual works by ensuring that the European audiovisual sector has access to the professional European and international audiovisual markets

Operational objective No 1

- Improve the conditions of access for professionals to trade events and to professional audiovisual markets inside and outside Europe.

Action to be implemented

- Provide technical and financial assistance in connection with events such as:
 - the principal European and international cinema markets,
 - the principal European and international television markets,
 - thematic markets, particularly for cartoons, documentary, multimedia and new technologies.

Operational objective No 2 and action to be implemented

- Encourage and support the constitution of European catalogues and the setting up of databases of European programme catalogues intended for professionals.

Operational objective No 3

- Encourage support for promotion from the pre-production or production phase.

Actions to be implemented

- Support the organisation of forums for development, financing, co-production and distribution of European (or mainly European) works and programmes.
- Set up and launch marketing and sales promotion campaigns for European cinematographic and audiovisual programmes during the production phase.

4.2. Improve access to European audiovisual works for the European and international public

Operational objectives and actions to be implemented

- Encourage and support audiovisual festivals to screen a majority or significant proportion of European works.
- Prioritise and support festivals contributing to the promotion of works from Member States or regions with low audiovisual production capacity and of works produced by young Europeans, and enhancing cultural and linguistic diversity and intercultural dialogue.
- Encourage and support initiatives for image education organised by festivals for young people, in particular in close cooperation with schools and other institutions.
- Encourage and support initiatives by professionals, in particular cinema owners, public or commercial television channels, festivals and cultural institutions which aim, in close cooperation with the Member States and the Commission, to organise promotional activities for the general public for European cinematographic and audiovisual creation.
- Encourage and support the organisation of events with wide media coverage such as prize awards and European cinema days.

4.3. Encourage common actions between national film and audiovisual programme promotion organisations

Operational objective:

- Encourage networking and coordination of European common actions and projects.

Actions to be implemented

- Support the creation of European promotion platforms.
- Support European groupings and umbrella organisations for national and/or regional promotion on the European markets and worldwide.
- Support the networking of festivals, in particular the exchange of programming and of expertise.
- Support the grouping of projects pursuing identical, similar and/or complementary aims.
- Support the setting up of networks of databases and catalogues.

4.4. Encourage promotion of and access to Europe's cinematographic and audiovisual heritage

Operational objective and action to be implemented

- Encourage and support the organisation of events, in particular those targeting young people, to promote Europe's cinematographic and audiovisual heritage.

5. **Pilot projects**

Operational objective

- Ensure that the programme adapts to market developments, mainly in connection with the introduction and use of information and communication technologies.

Actions to be implemented

- Support pilot projects in areas considered likely to be influenced by the introduction and use of new information and communication technologies.
- Disseminate widely the results of pilot projects by organising conferences or on- and off-line events to encourage the dissemination of good practices.

CHAPTER II

ARRANGEMENTS FOR IMPLEMENTATION

1. **Community support**

1.1. The share of the Community contribution in the cost of operations supported

The financial contribution from MEDIA may not exceed 50 % of the costs of operations supported, except in the following cases.

The financial contribution from MEDIA may be up to 60 % of the costs of operations supported:

- (a) for training activities in countries or regions with low audiovisual production capacity and/or with a restricted linguistic or geographical area;
- (b) for projects submitted under the development, distribution/dissemination and promotion strands which have the merit of highlighting the value of European linguistic and cultural diversity;
- (c) for actions, amongst those described in point 3 of Chapter I of this Annex (distribution and dissemination), identified as conforming with the procedure set out in Article 11(2).

The financial contribution from MEDIA may be up to 75 % of the costs of operations supported for training activities in the Member States which have acceded to the European Union after 30 April 2004. Attention will be focused on this provision during the mid-term evaluation of the programme.

1.2. Arrangements for Community support

The Commission shall ensure that the programme is accessible and is implemented in a transparent manner.

Community support is in the form of grants or scholarships.

In the training sector, an appropriate amount of the available funds each year must be allocated to new activities as far as possible.

1.3. Project selection

The selected projects must comply with:

- the provisions of this Decision and its Annex,
- the provisions of Regulation (EC, Euratom) No 1605/2002 and Regulation (EC, Euratom) No 2342/2002.

1.4. Breakdown of resources

The funds available will be broken down according to the following guidelines:

| | |
|---------------------------------------|-------------------|
| Acquisition and improvement of skills | approximately 7 % |
| Development | at least 20 % |
| Distribution | at least 55 % |
| Promotion | approximately 9 % |
| Pilot projects | approximately 4 % |
| Horizontal issues | at least 5 % |

These percentages are indicative and subject to change in accordance with the procedure referred to in Article 11(2).

In order to secure overall efficiency and appropriate implementation of the objectives of the programme, as laid down in Article 1, Community actions should concentrate on the development of the actions carried out under the previous programmes cited in recital 7.

All actions shall be reviewed on a yearly basis in accordance with the procedure laid down in Article 10(2), allowing the Community to react to the needs and the development of the sector.

In order to secure the overall cultural and industrial objectives of the programme the decision on the annual breakdown of the financial envelope should be based on an ongoing monitoring of the effectiveness of the action lines in the programme.

2. Communication

2.1. Commission

The Commission may organise seminars, symposia or meetings to help implement the programme and may institute any suitable information, publication and dissemination measures, particularly in connection with monitoring and evaluation of the programme. Such activities may be funded by grants or calls for tender or may be organised and financed directly by the Commission.

2.2. MEDIA Desks and MEDIA antennae

The Commission, acting directly in concert with the Member States, shall establish a European network of MEDIA Desks and MEDIA antennae, which will operate as an implementing body at national level in accordance with Article 54(2)(c) and (3) of Regulation (EC, Euratom) No 1605/2002, notably for the purposes of:

- (a) informing professionals in the audiovisual sector about the various types of aid available under European Union policies;
- (b) publicising and promoting the programme;
- (c) encouraging the greatest possible participation by professionals in the programme's activities;
- (d) helping professionals to present their projects in response to calls for proposals;
- (e) encouraging cross-border cooperation between professionals, institutions and networks;
- (f) supporting the Commission in liaising with the various support bodies in the Member States in order to ensure that the programme's activities complement national support measures;
- (g) making data on national audiovisual markets available to interested parties.

3. **Information about the European audiovisual market and participation in the Observatory and possible cooperation with the Council of Europe's Eurimages Support Fund.**

The programme provides the legal basis for the expenditure necessary to monitor Community audiovisual policy measures.

It provides for the European Union to continue participating in the Observatory. This will ease access to information for operators and dissemination in the sector. It will also contribute to greater transparency in the production process. The programme could likewise enable the European Union to explore possibilities for cooperation (excluding financial and administrative matters) with the Eurimages Support Fund, with a view to promoting the competitiveness of the European audiovisual sector on the international market.

4. **Management tasks**

The programme's financial allocation can 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 that the Commission may have recourse to for the management of the programme. Experts from the technical advisory groups, or other evaluation and selection procedures, may be duly remunerated.

In implementing the Programme, the Commission will ensure compliance with the objectives and priorities set out in Article 1 and ensure that the participation of professionals in the programme reflects European cultural diversity in a balanced way.

5. **Checks and audits**

For the projects selected in accordance with the procedure described in Article 9, a system of random auditing shall be set up.

Any beneficiary of a grant shall keep at the Commission's disposal for a period of five years following the final payment all supporting documents on the expenditure incurred. Beneficiaries shall ensure that, if need be, any supporting document in the possession of partners or members is made available to the Commission.

The Commission, either directly through its staff or through any other qualified, external agency of its choice, is entitled to carry out an audit on the use of the grant. These audits may be carried out throughout the term of the contract and for a period of five years from the date of the payment of the balance of the grant. The outcome of these audits may lead to a decision by the Commission to recover funds.

The Commission's staff and external persons authorised by the Commission shall have suitable access, in particular to the offices of the beneficiary and to all information needed, including that in electronic form, to carry out the audits properly.

The Court of Auditors and the European Anti-Fraud Office shall have the same rights, especially of access, as the Commission.

Moreover, in order to protect the European Communities' financial interests against fraud and other irregularities, the Commission is authorised to carry out checks and verifications *in situ* under the present programme, in compliance with 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 ⁽¹⁾. If need be, investigations shall be carried out by the European Anti-Fraud Office and shall be governed by 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) ⁽²⁾.

⁽¹⁾ OJ L 292, 15.11.1996, p. 2.

⁽²⁾ OJ L 136, 31.5.1999, p. 1.

DECISION No 1719/2006/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**of 15 November 2006****establishing the ‘Youth in Action’ programme for the period 2007 to 2013**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission,

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

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

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

Whereas:

- (1) The Treaty establishing the European Community, hereinafter referred to as the ‘Treaty’, establishes citizenship of the Union and provides that Community action in the field of education, vocational training and youth is to be aimed, primarily, at encouraging the development of youth exchanges, exchanges of socio-educational instructors and quality education.
- (2) The Treaty on European Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, equality between men and women and non-discrimination. The promotion of young people’s active citizenship should contribute to the development of these values.
- (3) Decision No 1031/2000/EC of the European Parliament and of the Council of 13 April 2000 established the ‘Youth’ Community action programme ⁽⁴⁾. It is appropriate to pursue and strengthen cooperation and Community action in that field on the basis of the experience acquired from that programme.
- (4) Decision No 790/2004/EC of the European Parliament and of the Council of 21 April 2004 established a programme of Community action to promote bodies active at European level in the field of youth ⁽⁵⁾.
- (5) The extraordinary European Council held in Lisbon on 23 and 24 March 2000 established a strategic objective for the EU including an active employment policy giving greater priority to lifelong learning, complemented by the

sustainable development strategy of the Gothenburg European Council of 15 and 16 June 2001.

- (6) The Laeken Declaration annexed to the Presidency conclusions of the European Council of 14 and 15 December 2001 asserts that one of the basic challenges to be resolved by the EU is how to bring citizens, and primarily young people, closer to the European design and the European institutions.
- (7) The Commission adopted a White Paper on ‘A new impetus for European youth’ on 21 November 2001, which proposes a cooperation framework in the field of youth to focus on participation, information, voluntary activities and a greater understanding of young people. The European Parliament adopted these proposals in its resolution of 14 May 2002 ⁽⁶⁾.
- (8) The Resolution of the Council and of the representatives of the Governments of the Member States meeting within the Council of 27 June 2002 ⁽⁷⁾ establishes, in particular, an open method of coordination covering the priorities of participation, information, voluntary activities among young people and greater understanding of youth. This should be taken into account in the implementation of the Youth in Action Programme, hereinafter referred to as ‘the Programme’.
- (9) In its conclusions of 6 May 2003 ⁽⁸⁾, the Council stresses the need to maintain and develop the existing Community instruments specifically addressed to young people, as they are essential for the development of Member States’ cooperation in the field of youth, and, moreover, that the priorities and objectives of those instruments should be aligned with the Framework of European Cooperation in the field of Youth.
- (10) The Spring European Council on 22 and 23 March 2005 adopted the European Pact for Youth as one of the instruments contributing to the achievement of the Lisbon objectives of growth and jobs. The Pact focuses on three areas: employment, integration and social advancement; education, training and mobility; reconciliation of working life and family life.
- (11) The Community’s action includes a contribution to high quality education and training and must seek to eliminate inequalities and promote equality between men and women, pursuant to Article 3(2) of the Treaty.

⁽¹⁾ OJ C 234, 22.9.2005, p. 46.

⁽²⁾ OJ C 71, 22.3.2005, p. 34.

⁽³⁾ Opinion of the European Parliament delivered on 25 October 2005 (not yet published in the Official Journal), Council Common Position of 24 July 2006 (OJ C 251 E, 17.10.2006, p. 20) and Position of the European Parliament of 25 October 2006 (not yet published in the Official Journal).

⁽⁴⁾ OJ L 117, 18.5.2000, p. 1. Decision as last amended by Council Regulation (EC) No 885/2004 (OJ L 168, 1.5.2004, p. 1).

⁽⁵⁾ OJ L 138, 30.4.2004, p. 24.

⁽⁶⁾ OJ C 180 E, 31.7.2003, p. 145.

⁽⁷⁾ OJ C 168, 13.7.2002, p. 2.

⁽⁸⁾ OJ C 115, 15.5.2003, p. 1.

- (12) The special needs of people with disabilities should be addressed.
- (13) There is a need to promote active citizenship and, when implementing the action lines, step up the fight against exclusion and discrimination in all their forms, including those based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, in accordance with Article 13(1) of the Treaty.
- (14) The candidate countries and those EFTA countries which are parties to the EEA Agreement are recognised as potential participants in Community programmes, in accordance with the agreements concluded with them.
- (15) The Thessaloniki European Council of 19 and 20 June 2003 adopted the 'Thessaloniki Agenda for the Western Balkans: moving towards European integration', which provides that Community programmes should be open to countries forming part of the Stabilisation and Association process, on the basis of framework agreements to be signed between the Community and these countries.
- (16) Steps should be taken with a view to opening up the Programme to Switzerland.
- (17) The Barcelona Declaration adopted at the Euro-Mediterranean conference in 1995 states that youth exchanges should be the means to prepare future generations for closer cooperation between the Euro-Mediterranean partners, while respecting the principles of human rights and fundamental freedoms.
- (18) In its conclusions of 16 June 2003, the Council on the basis of the Commission communication entitled 'Wider Europe — Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours' sets out as action lines for the Community the stepping up of cultural cooperation, mutual understanding and cooperation in the area of education and training with the neighbouring countries.
- (19) The interim evaluation reports of the existing Youth Programme and the public consultation on the future of Community's activity in education, training and youth reveal a strong and in some respects growing need for continuing cooperation and mobility in the youth field at European level, and press for a simpler, more user-friendly and more flexible approach to implement such action.
- (20) Following the principle of sound financial management, the implementation of the Programme may be simplified by recourse to lump sum funding, in respect either of support awarded to programme participants or of Community support for the structures established at national level for the administration of the Programme.
- (21) The Programme should be regularly monitored and evaluated in cooperation between the Commission and the Member States in order to allow for readjustments, particularly in the priorities for implementing the measures. This monitoring and evaluation should include measurable and relevant objectives and indicators.
- (22) It is necessary to provide sufficient flexibility in the formulation of the legal base for the Programme to allow for appropriate adjustments in the actions to respond to changing needs during the period 2007 to 2013, and to avoid the excessively detailed provisions of previous programmes, so this Decision is deliberately limited to generic definitions of actions and their essential accompanying administrative and financial provisions.
- (23) It is appropriate to ensure a correct closure of the Programme, in particular regarding the continuation of multi-annual arrangements for its management, such as the financing of technical and administrative assistance. As of 1 January 2014, the technical and administrative assistance will ensure, if necessary, the management of actions not yet finalised by the end of 2013.
- (24) It is necessary to provide for specific arrangements for the application 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⁾ and its implementing measures, as well as for the derogations from these texts necessitated by the features of the beneficiaries and the nature of the actions.
- (25) Appropriate measures should be implemented to prevent irregularities and fraud and to recover funds lost or incorrectly paid or used.
- (26) 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 ⁽²⁾, for the budgetary authority during the annual budgetary procedure.
- (27) Since the objectives of this Decision cannot be sufficiently achieved by the Member States as multilateral partnerships, transnational mobility measures and an exchange of information at European level are required and can therefore, by reason of the transnational and multilateral scale of the proposed 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 in order to achieve those objectives.

⁽¹⁾ OJ L 248, 16.9.2002, p. 1.

⁽²⁾ OJ C 139, 14.6.2006, p. 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 ⁽¹⁾.

(29) Provisional measures to monitor actions started before 31 December 2006 should be adopted pursuant to Decision No 1031/2000/EC and Decision No 790/2004/EC,

HAVE DECIDED AS FOLLOWS:

Article 1

Establishment of the Programme

1. This Decision establishes the Youth in Action Programme as a Community action, hereinafter referred to as 'the Programme', the aim of which is to develop cooperation in the field of youth in the European Union.

2. The Programme shall start on 1 January 2007 and end on 31 December 2013.

Article 2

General objectives of the Programme

1. The general objectives of the Programme shall be:

- (a) to promote young people's active citizenship in general and their European citizenship in particular;
- (b) to develop solidarity and promote tolerance among young people, in particular in order to reinforce social cohesion in the EU;
- (c) to foster mutual understanding between young people in different countries;
- (d) to contribute to developing the quality of support systems for youth activities and the capabilities of civil society organisations in the youth field;
- (e) to promote European cooperation in the youth field.

2. The general objectives of the Programme shall complement the objectives pursued in other areas of the Community's activities, in particular in the field of lifelong learning, including vocational training and non-formal and informal learning, as well as in other fields, such as culture, sport and employment.

3. The general objectives of the Programme shall contribute to the development of the EU policies, in particular with regard to the recognition of cultural, multicultural and linguistic diversity in Europe, to fostering social cohesion and combating all discrimination based on sex, race or ethnic origin, religion or belief, disability, age or sexual orientation, and with regard to sustainable development.

Article 3

Specific objectives of the Programme

The specific objectives are as follows:

1. In the context of the general objective to promote young people's active citizenship in general and their European citizenship in particular:
 - (a) giving young people and youth organisations the opportunity to take part in the development of society in general and the EU in particular;
 - (b) developing young people's sense of belonging to the EU;
 - (c) encouraging the participation of young people in the democratic life of Europe;
 - (d) fostering the mobility of young people in Europe;
 - (e) developing intercultural learning within the youth field;
 - (f) promoting the fundamental values of the EU among young people, in particular respect for human dignity, equality, respect for human rights, tolerance and non-discrimination;
 - (g) encouraging initiative, enterprise and creativity;
 - (h) facilitating participation in the Programme by young people with fewer opportunities, including young people with disabilities;
 - (i) ensuring that the principle of equality between men and women is respected in participation in the Programme and that gender equality is fostered in the actions;
 - (j) providing non-formal and informal learning opportunities with a European dimension and opening up innovative opportunities in connection with active citizenship.
2. In the context of the general objective of developing solidarity and promoting tolerance among young people, in particular in order to reinforce social cohesion in the EU:
 - (a) giving young people the opportunity to express their personal commitment through voluntary activities at European and international level;
 - (b) involving young people in actions fostering solidarity between citizens of the EU.

⁽¹⁾ OJ L 184, 17.7.1999, p. 23. Decision as amended by Decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11).

3. In the context of the general objective to foster mutual understanding between young people in different countries:

(a) developing exchanges and intercultural dialogue between young Europeans and young people in the neighbouring countries;

(b) contributing to the development in these countries of the quality of support structures for young people and of the role of those active in youth work and youth organisations;

(c) developing with other countries thematic cooperation projects involving young people and those active in youth work and youth organisations.

4. In the context of the general objective to contribute to developing the quality of support systems for youth activities and the capabilities of civil society organisations in the youth field:

(a) contributing to the networking of the organisations concerned;

(b) developing the training of, and collaboration between, those active in youth work and youth organisations;

(c) promoting innovation in the development of activities for young people;

(d) contributing to the improvement of information for young people, while paying special attention to the access of young people with disabilities;

(e) supporting long-term youth projects and initiatives of regional and local bodies;

(f) facilitating the recognition of young people's non-formal learning and skills acquired through participation in the Programme;

(g) exchanging good practices.

5. In the context of the general objective to promote European cooperation in the youth field, taking due account of local and regional aspects:

(a) encouraging the exchange of good practices and cooperation between administrations and policy-makers at all levels;

(b) encouraging structured dialogue between policy-makers and young people;

(c) improving knowledge and understanding of youth;

(d) contributing to the cooperation between various national and international youth voluntary activities.

Article 4

Actions

The specific and general objectives of the Programme shall be pursued through the following actions, details of which can be found in the Annex.

1. Youth for Europe

The aim of this action is to:

- support exchanges of young people in order to increase their mobility,
- support youth initiatives and projects and activities concerning participation in democratic life, in order to develop young people's citizenship and mutual understanding.

2. European Voluntary Service

The aim of this action is to support young people's participation in various forms of voluntary activities, both within and outside the EU.

3. Youth in the World

The aim of this action is to:

- support projects with the partner countries mentioned in Article 5(2), in particular exchanges of young people and those active in youth work and youth organisations,
- support initiatives that reinforce young people's mutual understanding, sense of solidarity and tolerance, as well as the development of cooperation in the field of youth and civil society in these countries.

4. Youth support systems

The aim of this action is to support bodies active at European level in the field of youth, in particular the operation of youth NGOs, their networking, advice for people developing projects, ensuring quality by means of the exchange, training and networking of those active in youth work and youth organisations, encouraging innovation and quality, providing young people with information, developing the structures and activities needed for the Programme to meet these goals and encouraging partnerships with local and regional authorities.

5. Support for European cooperation in the youth field

The aim of this action is to:

- organise structured dialogue between the various actors in the field of youth, in particular young people themselves, those active in youth work and youth organisations and policymakers,
- support youth seminars on social, cultural and political issues in which young people are interested,
- contribute to the development of policy cooperation in the youth field,
- facilitate the development of the networks necessary to a better understanding of youth.

Article 5

Participation in the Programme

1. The Programme is open to the participation of the following countries, hereinafter referred to as the 'participating countries':

- (a) the Member States;
- (b) the EFTA States that are party to the EEA Agreement, in accordance with the provisions of that Agreement;
- (c) the candidate countries benefiting from a pre-accession strategy, pursuant to the general principles and the general conditions and arrangements laid down in the framework agreements concluded with these countries for their participation in Community programmes;
- (d) the countries of the western Balkans, in accordance with the arrangements to be established with these countries following the framework agreements providing for their participation in Community programmes;
- (e) Switzerland, subject to the conclusion of a bilateral agreement with that country.

2. The actions in points 2 and 3 of the Annex shall be open to cooperation with third countries that have signed agreements with the Community relevant to the youth field, hereinafter referred to as 'partner countries'.

This cooperation shall be based, where relevant, on additional appropriations from partner countries to be made available in accordance with procedures to be agreed with these countries.

Article 6

Access to the Programme

1. The Programme is intended to support not-for-profit projects for young people, groups of young people, those active in youth work and youth organisations, non-profit making organisations and associations and, in certain justified cases, other partners working in the field of youth.

2. Without prejudice to the arrangements in the Annex for the implementation of actions, the Programme is intended for young people aged between 15 to 28, although certain actions are open to young people aged as young as 13 or up to the age of 30.

3. Beneficiaries shall be legal residents of a country participating in the Programme or, depending on the nature of the action, a partner country.

4. All young people, without discrimination, shall be able to have access to the activities of the Programme, subject to the provisions of the Annex. The Commission and the participating countries shall ensure that particular efforts are made with regard to young people who have particular difficulties taking part in the Programme for educational, social, physical, psychological, economic or cultural reasons or because they live in remote areas.

5. The participating countries shall endeavour to take appropriate measures so that participants in the Programme can have access to health care in accordance with the provisions of Community law. The country of origin shall endeavour to take appropriate measures to enable participants in the European Voluntary Service to retain their social protection. The participating countries shall also endeavour to adopt appropriate measures, in accordance with the Treaty, to remove legal and administrative obstacles to access to the Programme.

Article 7

International cooperation

The Programme shall also be open to cooperation with international organisations with authority in the field of youth, in particular the Council of Europe.

Article 8

Implementation of the Programme

1. The Commission shall ensure the implementation of the actions covered by the Programme in accordance with the Annex.

2. The Commission and the participating countries shall take appropriate measures to develop structures at European, national and, if necessary, regional or local level to achieve the objectives of the Programme and to derive the greatest benefit from the actions of the Programme.

3. The Commission and the participating countries shall take appropriate measures to encourage the recognition of non-formal and informal learning for young people, for example by means of documents or certificates, whilst taking account of national situations recognising the experience gained by the beneficiaries and attesting to the direct participation of young people or those active in youth work and youth organisations in an action under the Programme. This aim may be reinforced by complementing other Community actions as provided for in Article 11.

4. The Commission, in cooperation with the participating countries, shall ensure the adequate protection of Communities' financial interests by introducing effective, proportionate and dissuasive measures, administrative checks and penalties.

5. The Commission and the participating countries shall ensure that the actions supported under the Programme are properly publicised.

6. The participating countries shall:

(a) take the necessary measures to ensure that the Programme runs smoothly at national level, involving the parties concerned with the various aspects of youth in accordance with national practice;

(b) create/appoint and monitor the national agencies in the implementation of the Programme actions at national level, pursuant to Article 54(2)(c) of Regulation (EC, Euratom) No 1605/2002 and in accordance with the following criteria:

(i) the body created or appointed as the national agency shall have legal personality or be part of an organisation having legal personality (and be governed by the law of the participating country). A ministry shall not be appointed as the national agency;

(ii) the body shall have sufficient staff with the appropriate skills to work in an international cooperation environment, an appropriate infrastructure and an administrative environment allowing it to avoid any conflict of interests;

(iii) it shall be able to apply the fund management rules and the contractual conditions laid down at Community level;

(iv) it shall have sufficient financial guarantees (preferably from a public authority) and an administrative capacity in line with the volume of Community funds that it will have to manage;

(c) assume responsibility for the sound management by the national agencies referred to in (b) of the appropriations transferred to them to be awarded to projects. In particular, they shall be responsible for ensuring that the national agencies comply with the principles of transparency, equal treatment and non-cumulation vis-à-vis other Community funds, and for the obligation to recover any funds due from the beneficiaries;

(d) take the necessary measures to audit and monitor the finances of the national agencies referred to in (b), and in particular:

(i) provide the Commission, before the national agency starts work, with the necessary assurances regarding

the existence, relevance and operation in the national agency, in accordance with the rules of sound financial management, of suitable procedures, monitoring systems, accounting systems and procedures for the award of contracts and grants;

(ii) assure the Commission, at the end of each financial year, of the reliability of the national agencies' financial systems and procedures and the accuracy of their accounts;

(iii) assume responsibility for any funds not recovered in the event of any irregularity, negligence or fraud on the part of the national agencies referred to in (b) which leads the Commission to seek recovery of funds from the national agency.

7. As part of the procedure mentioned in Article 10(1), the Commission may draw up guidelines for each of the actions in the Annex in order to adapt the Programme to any changes of priority in European cooperation in the field of youth.

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.

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

Implementation measures

1. The measures necessary for the implementation of this Decision relating to the following matters shall be adopted in accordance with the procedure referred to in Article 9(2):

(a) the arrangements for the implementation of the Programme, including the annual work plan;

(b) the general balance between the various actions of the Programme;

(c) with regard to the funding, the criteria (e.g. youth population, GDP and geographical distance between

countries) applicable for establishing the indicative breakdown of funds among the Member States for the purpose of the actions to be managed on a decentralised basis;

- (d) the monitoring of the agreement referred in point 4.2 of the Annex, including the annual work plan and annual report of the European Youth Forum;
- (e) the arrangements for evaluating the Programme;
- (f) the arrangements for certifying the participation of the young people concerned;
- (g) the arrangements for adapting the actions of the Programme mentioned in Article 8(7).

2. The measures necessary for the implementation of this Decision relating to all other matters shall be adopted in accordance with the procedure referred to in Article 9(3).

Article 11

Complementarity with other Community actions

1. The Commission shall ensure the complementarity between the Programme and other areas of Community action, especially education, vocational training, culture, citizenship, sport, languages, employment, health, research, enterprise, the EU's external action, social inclusion, gender equality and combating discrimination.
2. The Programme may, where compatible, share resources with other Community instruments in order to implement actions meeting the objectives of both the Programme and these instruments.
3. The Commission and the Member States shall highlight the actions of the Programme that contribute to the development of the objectives of other fields of Community action, such as education, vocational training, culture and sport, languages, social inclusion, gender equality and combating discrimination.

Article 12

Complementarity with national policies and instruments

1. The participating countries may apply to the Commission for entitlement to award a European label to national, regional or local actions similar to those in Article 4.
2. A participating country may make national funding available to beneficiaries to be managed in accordance with the rules of the Programme and, to this end, use the decentralised structures of the Programme, as long as it ensures the complementary pro rata funding of these structures.

Article 13

General financial provisions

1. The budget for the implementation of this programme for the period referred to in Article 1 is hereby set at EUR 885 000 000.
2. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial framework.

Article 14

Financial provisions concerning the beneficiaries

1. Legal and natural persons may receive grants under the Programme.
2. The Commission may decide, depending on the characteristics of the beneficiaries and the nature of the actions, to exempt them from the verification of professional competences and qualifications for completing the action or work programme. The Commission shall respect the principle of proportionality in determining the requirements in relation to the amount of financial support, taking account of the characteristics of the recipients, their age, the nature of the action and the amount of financial support.
3. Depending on the nature of the action, the financial support may take the form of subsidies or scholarships. The Commission may also award prizes for actions or projects implemented under the Programme. Depending on the nature of the action, flat-rate financing and/or the application of scales of unit costs may be authorised.
4. In the case of grants for actions, agreements should be signed within two months of the award of the grants.
5. Operating grants awarded under the Programme to organisations active at European level, as defined in Article 162 of 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 on the Financial Regulation applicable to the general budget of the European Communities ⁽¹⁾, shall not be automatically decreased in accordance with Article 113(2) of Regulation (EC, Euratom) No 1605/2002 in the event of renewal.

6. Pursuant to Article 54(2)(c) of Regulation (EC, Euratom) No 1605/2002, the Commission may entrust tasks of public authority and, in particular, budget implementation tasks to the structures referred to in Article 8(2) of this Decision.

7. Pursuant to Article 38(1) of Regulation (EC, Euratom) No 2342/2002, the option in paragraph 6 of this Article shall also apply to structures in all participating countries.

⁽¹⁾ OJ L 357, 31.12.2002, p. 1.

*Article 15***Monitoring and Evaluation**

1. The Commission shall ensure that the Programme is regularly monitored against its objectives. This monitoring shall include the reports referred to in paragraph 3 and specific activities. The Commission's consultations on this monitoring shall involve young people.
2. The Commission shall ensure the regular, independent, external evaluation of the Programme.
3. Participating countries shall submit to the Commission a report on the implementation of the Programme by 30 June 2010 and a report on the impact of the Programme by 30 June 2015.
4. 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 the qualitative and quantitative aspects of the implementation of the Programme by 31 March 2011;
 - (b) a Communication on the continuation of the Programme by 31 December 2011;
 - (c) an *ex post* evaluation report by 31 March 2016.

*Article 16***Temporary provision**

Actions started before 31 December 2006 pursuant to Decision No 1031/2000/EC and Decision No 790/2004/EC shall continue to be governed, until their completion, by those Decisions.

If necessary, appropriations could be entered in the budget beyond 2013 to cover technical and administrative assistance expenses necessary to enable the management of actions not yet completed by 31 December 2013. The committee provided for in Article 8 of Decision No 1031/2000/EC shall be replaced by the one provided for in Article 9 of this Decision.

As provided for by Article 18 of Regulation (EC, Euratom) No 1605/2002, the appropriations corresponding to assigned revenue arising from the repayment of amounts wrongly paid pursuant to Decision No 1031/2000/EC and Decision No 790/2004/EC may be made available to the Programme.

*Article 17***Entry into force**

This Decision shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2007.

Done at Strasbourg, 15 November 2006.

For the European Parliament
The President
J. BORRELL FONTELLES

For the Council
The President
P. LEHTOMÄKI

ANNEX

The actions implementing the general and specific objectives of the Programme support small-scale projects promoting the active participation of young people, while ensuring the European visibility and impact of projects.

The participation of young people in the Programme is not subject to any specific experience or qualifications, except in exceptional cases.

The Programme should be implemented in a user-friendly way.

The Programme should encourage the initiative, enterprise and creativity of young people, facilitate the participation in the Programme by young people with fewer opportunities, including young people with disabilities, and ensure that the principle of equality between men and women is respected as regards the participation in the Programme and that gender equality is fostered in all actions.

Participation in the actions is possible providing that appropriate insurance coverage is available, in order to ensure the protection of young people during the implementation of the activities of the Programme.

ACTIONS

The actions can be broken down into the following measures:

Action 1 — Youth for Europe

The objective of this action is to reinforce the active citizenship of young people and mutual understanding between them through the following measures.

1.1. Youth exchanges

Youth exchanges allow one or more groups of young people to be hosted by a group from another country in order to participate together in a joint programme of activities. They are available, in principle, to young people aged between 13 and 25.

These activities, based on transnational partnerships between the various actors in a project, involve the active participation of young people and are designed to allow them to discover and become aware of different social and cultural realities, to learn from each other and reinforce their feeling of being European citizens. The support focuses on multilateral group mobility activities but does not exclude bilateral activities of this kind.

Bilateral group exchanges are justified especially where it is their first European activity or the participants are small-scale or local groups without experience at European level. Exchanges for young people with fewer opportunities are particularly welcome, in order to step up their participation in the Programme.

This measure also supports preparation and follow-up activities, with the aim of reinforcing young people's active participation in the projects, in particular those activities intended to help the young people at a linguistic and intercultural level.

1.2. Support for young people's initiatives

This measure supports projects where young people participate actively and directly in activities of their own devising in which they play the key roles, in order to develop their initiative, enterprise and creativity. In principle, it is for young people aged between 18 and 30, although certain initiatives may admit young people from the age of 15, as long as appropriate supervision is provided.

This measure supports group projects designed at local, regional and national level and the networking of similar projects in different countries, in order to strengthen their European aspect and to enhance cooperation and exchanges of experiences between young people.

Particular attention is paid to young people with fewer opportunities.

1.3. Participative democracy projects

This measure supports young people's participation in democratic life. These projects and activities encourage the active participation of young people in the life of their local, regional or national community or at international level.

It is open, in principle, to young people aged between 13 and 30.

These projects or activities are based on international partnerships, allowing the pooling, at European level, of ideas, experiences and good practices from projects or activities at local or regional level, in order to improve young people's participation at different levels. They may include organising consultation projects with young people to find out their needs and wishes, with a view to developing new approaches to their active participation in a democratic Europe.

Action 2 — European Voluntary Service

The aim of the Voluntary Service is to develop solidarity and promote active citizenship and mutual understanding among young people through the following measures.

The young volunteer takes part in a non-profit-making unpaid activity to the benefit of the general public in a country other than his or her country of residence. The European Voluntary Service must not have an adverse effect on potential or existing paid employment or be seen as a substitute for it.

The service lasts for no less than two months, and may last up to twelve months. In duly justified cases, in particular to facilitate the participation of young people with fewer opportunities, shorter periods and volunteer projects which allow groups of young people may be allowed.

This measure also supports volunteer projects which allow groups of young people to take part collectively in local, regional, national, European or international-level activities in a range of fields, including for example culture, sport, civil protection, the environment and development aid.

In exceptional cases, depending on the tasks to be implemented and the situation in which the volunteers are deployed, certain types of project may call for the selection of candidates with specific skills.

The measure is for young people aged between 18 and 30; certain activities may admit young people aged 16 and over, as long as appropriate supervision is provided.

The measure covers all or part of the volunteer's expenses, insurance, subsistence and travel, plus an additional allowance for young people with fewer opportunities where appropriate.

It also supports activities for the training and tutoring of young volunteers and coordination activities for the various partners, as well as initiatives which aim at building on experience gained by young people during European Voluntary Service.

The Member States and the Commission shall make sure that certain quality standards are respected: the voluntary work must include a non-formal education dimension demonstrated by pedagogical activities to prepare young people at a personal, intercultural and technical level, as well as ongoing personal support. Partnership between the various actors involved in the project and risk prevention are considered particularly important.

Action 3 — Youth in the World

The purpose of this action is to develop mutual understanding between peoples in a spirit of openness, whilst also contributing to the development of quality systems that support the activities of young people in the countries concerned. It is open to the Programme's partner countries.

3.1. Cooperation with the neighbouring countries of the EU

This measure supports projects with the Programme partner countries that are each considered neighbourhood countries under the provisions of the EU's European neighbourhood policy and under the terms of Article 5(2), as well as with the Russian Federation and Western Balkan countries until they fulfil the requirements of Article 5(1)(d). It supports youth exchanges — mainly multilateral but not excluding bilateral ones — which allow several groups of young people from participating countries and neighbouring countries to meet and take part together in a programme of activities. It is available, in principle, to young people aged between 13 and 25. These activities, based on transnational partnerships between the various actors in a project, involve the prior training of supervisory staff and the active participation of young people, to allow them to discover and become aware of different social and cultural realities. Activities to enhance the participation of young people in the projects, particularly those intended to help them at a linguistic and intercultural level, may be eligible for funding.

As long as adequate national management structures are created in the neighbouring countries, individual or group initiatives at local, regional or national level in these countries can be supported where they are carried out in conjunction with similar initiatives in countries participating in the Programme. These are activities designed by the young people themselves, in which they are the key players. In principle, the activity is for young people aged between 18 and 30, although certain initiatives may admit young people from age 16, as long as appropriate supervision is provided.

This measure supports activities designed to network and enhance the capacity of NGOs in the field of youth, recognising the important role that they can play in the development of civil society in the neighbouring countries. It covers the training of those active in youth work and youth organisations, and exchanges of experience, expertise and good practices between them. It supports activities which may lead to the establishment of long-lasting, high quality projects and partnerships.

This measure also supports projects to stimulate innovation and quality, aiming at introducing, implementing and promoting innovative approaches in the youth field.

Financial support may be awarded to information activities for young people and those active in youth work and youth organisations.

This measure also supports activities promoting cooperation in the field of youth with the neighbouring countries, e. g. promoting cooperation and the exchange of ideas and good practices in the field of youth, as well as other promotion and dissemination measures regarding the results of the projects and activities supported in the countries concerned in the field of youth.

3.2. Cooperation with other countries

This measure supports cooperation activities in the field of youth, in particular the exchange of good practices with the other partner countries.

It encourages exchanges between and the training of those active in youth work and youth organisations, and the development of partnerships and networks of youth organisations.

Multilateral and bilateral exchanges of young people between these countries and the participating countries may be implemented on a thematic basis.

Funding is awarded to activities that demonstrate their potential multiplier effect.

In the context of cooperation with industrialised countries, this measure funds only European beneficiaries of projects.

Action 4 — Youth support systems

The aim of this action is to develop the quality of youth support structures, to support the role of those active in youth work and youth organisations, to develop the quality of the Programme and promote the civil participation of young people at European level by supporting bodies active at European level in the field of youth.

4.1. Support for bodies active at European level in the field of youth

This measure supports the operation of NGOs active at European level in the field of youth that pursue a goal of general European interest. Their activities must contribute to young people's participation in public life and society and the development and implementation of European cooperation activities in the field of youth in the broad sense.

To be eligible for an operating grant, a body must satisfy the following requirements:

- it must have been legally established for at least one year,
- it must be non-profit-making,
- it must be established in one of the participating countries, in accordance with Article 5(1), or in one of certain eastern European countries (i.e. Belarus, Moldova, Russian Federation, Ukraine),
- it must operate at European level, alone or in coordination with other associations, and its structure and activities must cover at least eight participating countries; it may be a European network representing bodies active in the field of youth,

- its activities must be in accordance with the principles underlying the Community activity in the field of youth,
- it may be a body whose activities are solely for the benefit of young people or a body with wider aims, some of the activities of which are for the benefit of young people,
- it must involve the young people in managing the activities conducted for their benefit.

Beneficiaries are selected on the basis of calls for proposals. Multiannual partnership framework agreements may be concluded with the bodies selected. However, such framework agreements do not exclude the possibility of launching annual calls for proposals for additional beneficiaries.

The main activities of the youth organisations that are likely to contribute to the strengthening and effectiveness of Community action are:

- representing the views and interests of young people in their diversity at European level,
- youth exchanges and voluntary services,
- non-formal and informal learning and youth activity programmes,
- promoting intercultural learning and understanding,
- debates on European issues, the policies of the EU or youth policies,
- dissemination of information on Community action,
- actions promoting young people's participation and initiative.

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

The grant is awarded with due respect for the body's independence in the selection of its members and its autonomy in the detailed definition of its activities.

At least 20 % of the budgets of the bodies concerned must be covered by non-Community sources.

4.2. Support for the European Youth Forum

Grants may be awarded under this measure to support the ongoing activities of the European Youth Forum, hereinafter referred to as 'Forum', an organisation pursuing a goal of general European interest, with due respect for the following principles:

- the Forum's independence in the selection of its members, ensuring the broadest possible representation of different kinds of youth organisations,
- its autonomy in the detailed specification of its activities,
- the broadest possible involvement in the Forum's activities of non-member youth organisations and young people who do not belong to organisations,
- the active contribution by the Forum to the political processes relevant to youth at European level, in particular by responding to the European institutions when they consult civil society and explaining the positions adopted by these institutions to its members.

The eligible expenditure of the Forum comprises operating costs and expenses for carrying out its actions. In view of the need to ensure the continuity of the Forum, the Programme resources shall be allocated in accordance with the following guideline: the annual resources allocated to the Forum shall not be less than EUR 2 million.

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

At least 20 % of the Forum's budget must be covered by non-Community sources.

The main activities of the Forum are as follows:

- representing youth organisations vis-à-vis the EU,
- coordinating the positions of its members vis-à-vis the EU,
- relaying information on youth vis-à-vis the European institutions,
- relaying information from the EU to the national youth councils and non-governmental organisations,
- promoting and preparing the participation of young people in democratic life,
- contributing to the new cooperation framework in the youth field established at the level of the EU,
- contributing to the development of youth policies, youth work and educational opportunities, and to relaying information concerning young people and developing representative structures for young people throughout Europe,
- engaging in discussion and reflection on youth in Europe and in other parts of the world and on the Community's action for young people.

4.3. Training and networking of those active in youth work and youth organisations

This measure supports the training of those active in youth work and youth organisations in this field, in particular project leaders, youth advisers and supervisors in these projects. It also supports the exchange of experiences, expertise and good practices between those active in youth work and youth organisations, as well as activities which may lead to the establishment of long-lasting, high quality projects, partnerships and networks. This may, for instance involve job shadowing.

Particular attention is to be paid to activities fostering the participation of those young people who find it most difficult to participate in Community actions.

4.4. Projects encouraging innovation and quality

This measure supports projects aimed at introducing, implementing and promoting innovative approaches in the youth field. These innovative aspects may relate to the content and objectives, in line with the development of the European cooperation framework in the youth field, the involvement of partners from different backgrounds or the dissemination of information.

4.5. Information activities for young people and those active in youth work and youth organisations

This measure supports information and communication targeting young people by improving their access to relevant information and communication services in order to increase their participation in public life and facilitate the realisation of their potential as active, responsible citizens. To this end, support is given to activities at European and national level which improve young people's access to information and communication services and increase the provision of quality information and the participation of young people in the preparation and dissemination of information.

This measure contributes, for example, to the development of European, national, regional and local youth portals for the dissemination of specific information for young people through all kinds of information channels, particularly those most frequently used by young people. It can also support measures which promote the involvement by young people in the preparation and dissemination of understandable, user-friendly and targeted information products and advice, so as to improve the quality of the information and access for all young people. All publications shall respect equality and diversity.

4.6. Partnerships

This measure is for the funding of partnerships with regional or local bodies, in order to develop over the long-term projects which combine various measures in the Programme. The funding focuses on projects and coordination activities.

4.7. Support for the structures of the Programme

This measure funds the structures provided for in Article 8(2), in particular the National Agencies. The measure also provides funding for assimilated bodies, such as the national coordinators, the resource centres, the EURODESK network, the Euro-Mediterranean Youth Platform and the associations of young European volunteers, acting as implementation bodies at national level, in full compliance with Article 54(2)(c) and (3) of Regulation (EC, Euratom) No 1605/2002.

4.8. Adding to the value of the Programme

The Commission may organise seminars, colloquia or meetings to facilitate the implementation of the Programme and undertake appropriate information, publication and dissemination actions as well as Programme monitoring and evaluation. These activities may be financed by means of grants, purchased by means of procurement procedures or organised and funded directly by the Commission.

Action 5 — Support for European cooperation in the youth field

The aim of this action is to promote European cooperation in youth field.

5.1. Meetings of young people and those responsible for youth policy

This measure supports cooperation, seminars and structured dialogue between young people, those active in youth work and youth organisations and those responsible for youth policy. The activities include, in particular, promoting cooperation and the exchange of ideas and good practices in the field of youth, conferences organised by the EU Presidencies and other measures to exploit and disseminate the results of the projects and the results of the Community's activities in the field of youth.

This measure covers European Youth Week, which might include events in the Member States and at European level on the work of the European institutions, dialogue between European decision makers and young people, and recognition for the high quality projects promoted by the Programme.

This measure may, in particular, support the aims being pursued through the Open Method of Coordination in the youth field and the European Pact for Youth, as well as cooperation between national and international youth voluntary activities.

5.2. Support for activities to bring about better understanding and knowledge of the field of youth

This measure supports specific projects for the identification of existing knowledge relating to the priorities for the field of youth established under the open method of coordination and projects intended to complement and update them or facilitate access to them.

It is also designed to support the development of methods for analysing and comparing the results of studies and guaranteeing their quality.

The Programme may also support the networking of the various actors in the youth field.

5.3. Cooperation with international organisations

This action can be used to support the EU's cooperation with international organisations working in the youth field, in particular the Council of Europe, the United Nations or its specialised institutions.

INFORMATION

In order to present examples of good practices and model projects, a database shall be developed containing information about existing ideas concerning youth activities at European level.

A guide explaining the objectives, rules and procedures of the Programme in particular explaining the legal rights and obligations when accepting a grant must be made available by the Commission.

MANAGEMENT OF THE PROGRAMME

Minimum allocations

Subject to Article 13, the minimum amounts to be allocated to the actions shall be, in relation to the financial envelope set out in that Article:

Action 1: Youth for Europe 30 %

Action 2: European Voluntary Service 23 %

Action 3: Youth in the World 6 %

Action 4: Youth support systems 15 %

Action 5: Support for European cooperation in the youth field 4 %

The Programme budget may also cover expenditure associated with the preparation, follow-up, monitoring, auditing and evaluation activities directly necessary for the management of the Programme and the realisation of its objectives, in particular studies, meetings, information and publication activities, expenditure associated with the IT networks for the exchange of information and any other administrative and technical support expenditure on which the Commission may decide for the management of the Programme.

CHECKS AND AUDITS

A system of spot checks has been created for projects selected in accordance with the procedure referred to in Article 14(3) of this Decision.

Grant beneficiaries must keep for the Commission supporting documents for all expenditure for a period of five years from the date of the last payment. They must ensure that, where applicable, supporting documents in the possession of partners or members be 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. These 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 of the grant. Where appropriate, the audit findings may lead the Commission to seek recovery of sums paid.

Commission staff and outside persons authorised by the Commission must be granted 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) must enjoy the same rights, especially of access, as the Commission.

The Commission's decisions taken under Article 10, the contracts with the national agencies, the agreements with the participating third countries and the associated contracts and agreements must provide, in particular, for the Commission or its authorised representative, OLAF and the Court of Auditors to undertake inspections and financial audits, in situ if necessary. The national agencies or, if necessary, the grant beneficiaries may be inspected.

The Commission may also undertake in situ inspections pursuant to 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 ⁽¹⁾.

For the Community actions referred to in this Decision, the term 'irregularity' referred to in Article 1(2) of Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests ⁽²⁾ shall mean any infringement of a provision of Community law or any non-performance of a contractual obligation resulting from an act or omission by a party, which has, or would have, because of an unjustified item of expenditure, the effect of prejudicing the general budget of the European Union or budgets managed by the Communities.

⁽¹⁾ OJ L 292, 15.11.1996, p. 2.

⁽²⁾ OJ L 312, 23.12.1995, p. 1.

DECISION No 1720/2006/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 15 November 2006
establishing an action programme in the field of lifelong learning

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 149(4) and 150(4) 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) Council Decision 1999/382/EC ⁽⁴⁾ established the second phase of the Community vocational training action programme 'Leonardo da Vinci'.
- (2) Decision No 253/2000/EC of the European Parliament and of the Council ⁽⁵⁾ established the second phase of the Community action programme in the field of education 'Socrates'.
- (3) Decision No 2318/2003/EC of the European Parliament and of the Council ⁽⁶⁾ established a multi-annual programme for the effective integration of information and communication technologies (ICT) in education and training systems in Europe (eLearning programme).
- (4) Decision No 791/2004/EC of the European Parliament and of the Council ⁽⁷⁾ established a Community action programme to promote bodies active at European level in the field of education and training and to support specific activities in this field.
- (5) Decision No 2241/2004/EC of the European Parliament and of the Council ⁽⁸⁾ established a single framework for the transparency of qualifications and competences (Euro-pass).
- (6) Decision No 2317/2003/EC of the European Parliament and of the Council ⁽⁹⁾ established a programme for the

enhancement of quality in higher education and the promotion of intercultural understanding through cooperation with third countries (Erasmus Mundus) (2004 to 2008).

- (7) The Bologna Declaration, signed by the Ministers for Education of 29 European countries on 19 June 1999, established an intergovernmental process aimed at creating a 'European Area of Higher Education' by 2010, which requires support at Community level.
- (8) The Lisbon European Council of 23 and 24 March 2000 set a strategic goal for the European Union to become 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, and invited the Education Council to undertake a general reflection on the concrete future objectives of education systems, focusing on common concerns and priorities while respecting national diversity.
- (9) An advanced knowledge society is the key to higher growth and employment rates. Education and training are essential priorities for the European Union in order to achieve the Lisbon goals.
- (10) On 12 February 2001 the Council adopted a report on the concrete future objectives of education and training systems. On 14 June 2002 it subsequently adopted a detailed work programme on the follow-up of these objectives, requiring support at Community level.
- (11) The Göteborg European Council of 15 and 16 June 2001 agreed a strategy for sustainable development and added an environmental dimension to the Lisbon process for employment, economic reform and social cohesion.
- (12) The Barcelona European Council of 15 and 16 March 2002 set the objective of making European Union education and training systems a world quality reference by 2010, and called for action to improve the mastery of basic skills, in particular by teaching at least two foreign languages from a very early age.

⁽¹⁾ OJ C 221, 8.9.2005, p. 134.

⁽²⁾ OJ C 164, 5.7.2005, p. 59.

⁽³⁾ Opinion of the European Parliament delivered on 25 October 2005 (not yet published in the OJ), Council Common Position delivered on 24 July 2006 (OJ C 251 E, 17.10.2006, p. 37), Position of the European Parliament delivered on 25 October 2006 (not yet published in the OJ).

⁽⁴⁾ OJ L 146, 11.6.1999, p. 33. Decision as last amended by Regulation (EC) No 885/2004 (OJ L 168, 1.5.2004, p. 1).

⁽⁵⁾ OJ L 28, 3.2.2000, p. 1. Decision as last amended by Regulation (EC) No 885/2004.

⁽⁶⁾ OJ L 345, 31.12.2003, p. 9.

⁽⁷⁾ OJ L 138, 30.4.2004, p. 31.

⁽⁸⁾ OJ L 390, 31.12.2004, p. 6.

⁽⁹⁾ OJ L 345, 31.12.2003, p. 1.

- (13) The Commission Communication and the Council Resolution of 27 June 2002 ⁽¹⁾ on lifelong learning affirm that lifelong learning should be enhanced by actions and policies developed within the framework of Community programmes in this field.
- (14) The Council Resolution of 19 December 2002 ⁽²⁾ established a process of enhanced European cooperation in vocational education and training, requiring support at Community level. The Copenhagen Declaration, agreed by the Ministers for Education of 31 European countries on 30 November 2002, associated the social partners and the candidate countries with this process.
- (15) The Commission Communication on the Action Plan for skills and mobility noted the continuing need for action at European level to improve the recognition of education and training qualifications.
- (16) The Commission Communication on the Action Plan promoting language learning and linguistic diversity set out actions to be taken at European level during the period from 2004 to 2006 and requires follow-up action.
- (17) Promoting the teaching and learning of languages and linguistic diversity should be a priority of Community action in the field of education and training. The teaching and learning of languages is of special relevance among neighbouring Member States.
- (18) The interim evaluation reports of the existing Socrates and Leonardo da Vinci programmes and the public consultation on the future of Community activity in education and training revealed a strong and in some respects growing need for continuing cooperation and mobility in these fields at European level. The reports emphasised the importance of creating closer links between Community programmes and policy developments in education and training, expressed the wish that Community action should be structured so as to respond better to the lifelong learning paradigm, and pressed for a simpler, more user-friendly and more flexible approach to implementing such action.
- (19) Following the principle of sound financial management, the implementation of the programme may be simplified by recourse to lump sum funding, in respect either of support awarded to programme participants or of Community support for the structures established at national level for the administration of the programme.
- (20) Significant advantages would accrue from integrating Community support for transnational cooperation and mobility in the fields of education and training into a single programme, which would permit greater synergies between the different fields of action and offer more capacity to support developments in lifelong learning and more coherent, streamlined and efficient modes of administration. A single programme would also encourage better cooperation between the various levels of education and training.
- (21) A Lifelong Learning Programme should therefore be established to contribute through lifelong learning to the development of the European Union as an advanced knowledge society, with sustainable economic development, more and better jobs and greater social cohesion.
- (22) Given the specificities of the schools, higher education, vocational training and adult education sectors, and the consequent need for Community action to be based on objectives, forms of action and organisational structures tailored to them, it is appropriate to retain individual programmes within the framework of the Lifelong Learning Programme targeted at each of these four sectors, while maximising the coherence and common ground between them.
- (23) In its Communication 'Building our common Future: Policy challenges and Budgetary means of the Enlarged Union 2007-2013', the Commission set out a sequence of quantified targets to be achieved by the new generation of Community education and training programmes, which require a significant increase in mobility and partnership actions.
- (24) Given the demonstrated beneficial impacts of transnational mobility on individuals and on education and training systems, the high volume of unfulfilled demand for mobility in all sectors, and its importance in the context of the Lisbon target, it is necessary to increase substantially the volume of support for transnational mobility in the four sectoral sub-programmes.
- (25) In order to cover more adequately the real additional costs borne by students studying abroad, the standard student mobility grant should be maintained at an average of EUR 200 per month in real terms for the duration of the programme.
- (26) More provision should be made for the mobility needs of individual school pupils at secondary level and of individual adult learners, hitherto not covered by Community programmes, by introducing a new type of mobility action into the Comenius and Grundtvig programmes. The opportunities offered by individual teacher mobility for the development of long-term cooperation between schools in neighbouring regions should also be exploited more fully.

⁽¹⁾ OJ C 163, 9.7.2002, p. 1.

⁽²⁾ OJ C 13, 18.1.2003, p. 2.

- (27) Small and medium-sized enterprises play an important role in the European economy. Hitherto, however, participation by such enterprises in the Leonardo da Vinci programme has been limited. Steps should be taken to improve the attractiveness of Community action to such enterprises, in particular by ensuring that more mobility opportunities are available for apprentices. Suitable arrangements, similar to those that exist under the Erasmus programme, should be made for the recognition of the outcomes of such mobility.
- (28) Given the particular educational challenges facing the children of occupational travellers and mobile workers in Europe, full use should be made of the opportunities available under the Comenius programme to support transnational activities targeted at their needs.
- (29) Increased mobility throughout Europe should be accompanied by constantly higher standards.
- (30) In order to respond to the increased need to support activities at European level designed to achieve these policy objectives, to provide a means of supporting trans-sectoral activity in the fields of languages and ICT, and to strengthen the dissemination and exploitation of results of the programme, it is appropriate to complement the four sectoral sub-programmes with a transversal programme.
- (31) In order to respond to the increasing need for knowledge and dialogue on the European integration process and its development, it is important to stimulate excellence in teaching, research and reflection in this field by supporting higher education institutions specialising in the study of the European integration process, European associations in the fields of education and training and the Jean Monnet Action.
- (32) It is necessary to provide sufficient flexibility in the formulation of this Decision to allow for appropriate adjustments in the actions of the Lifelong Learning Programme to respond to changing needs during the period from 2007 to 2013, and to avoid the inappropriately detailed provisions of previous phases of Socrates and Leonardo da Vinci programmes.
- (33) In all its activities, the Community is to aim to eliminate inequalities and promote equality between men and women, as provided for in Article 3(2) of the Treaty.
- (34) Further to Article 151 of the Treaty, the Community is to take cultural aspects into account in its action under other provisions of the Treaty, in particular in order to respect and to promote the diversity of its cultures. Particular attention should be paid to the synergy between culture, education and training. Intercultural dialogue should also be encouraged.
- (35) There is a need to promote active citizenship and respect for human rights and democracy, and to step up the fight against exclusion in all its forms, including racism and xenophobia.
- (36) There is a need to widen access for those from disadvantaged groups and to address actively the special learning needs of those with disabilities, in the implementation of all parts of the programme, including through the use of higher grants to reflect the additional costs of disabled participants, and the provision of support for the learning and use of sign languages and Braille.
- (37) Note should be taken of the achievements of the European Year of Education through Sport (2004) and of the potential educational benefits of cooperation between educational institutions and sports organisations that the Year highlighted.
- (38) The candidate countries for accession to the European Union and the EFTA countries which are members of the EEA may participate in Community programmes in accordance with agreements to be signed between the Community and these countries.
- (39) The Thessaloniki European Council of 19 and 20 June 2003 approved the Council conclusions of 16 June 2003 on the Western Balkans, including the Annex thereto entitled 'The Thessaloniki Agenda for the Western Balkans: moving towards European integration', which provides that Community programmes should be opened to the Stabilisation and Association Process countries on the basis of framework agreements to be signed between the Community and those countries.
- (40) The Community and the Swiss Confederation have declared their intention of undertaking negotiations to conclude agreements in areas of common interest such as Community education, training and youth programmes.
- (41) The Lifelong Learning Programme should be regularly monitored and evaluated in cooperation between the Commission and the Member States in order to allow for readjustments, particularly with respect to the priorities for implementing the measures. The evaluation should include an external evaluation to be conducted by independent, impartial bodies.
- (42) In its Resolution of 28 February 2002 on the implementation of the Socrates programme ⁽¹⁾ the European Parliament drew attention to the disproportionately onerous administrative procedures for grant applicants under the second phase of the programme.

⁽¹⁾ OJ C 293 E, 28.11.2002, p. 103.

(43) 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⁾ 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⁾, which safeguard the Community's financial interests, have to be applied taking into account the principles of simplicity and consistency in the choice of budgetary instruments, a limitation on the number of cases where the Commission retains direct responsibility for their implementation and management, and the required proportionality between the amount of resources and the administrative burden related to their use.

(44) Radical administrative simplification of application procedures is essential for successful implementation of the programme. Administrative and accounting requirements should be proportional to the size of the grant.

(45) Appropriate measures should also be taken to prevent irregularities and fraud and the necessary steps should be taken to recover funds lost, wrongly paid or incorrectly used.

(46) It is appropriate to ensure a correct closure of the Lifelong Learning Programme, in particular regarding the continuation of multi-annual arrangements for its management, such as the financing of technical and administrative assistance. As from 1 January 2014, the technical and administrative assistance should ensure, if necessary, the management of actions not finalised by the end of 2013, including monitoring and audit actions.

(47) Since the objective of this Decision, namely the contribution of European cooperation to quality education and training, cannot be sufficiently achieved by the Member States because of the need for multilateral partnerships, transnational mobility and Community-wide exchanges of information, and can therefore, by reason of the nature of the actions and measures necessary, 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 that objective.

(48) 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 ⁽³⁾,

for the budgetary authority during the annual budgetary procedure.

(49) 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 ⁽⁴⁾,

HAVE DECIDED AS FOLLOWS:

TITLE I

GENERAL PROVISIONS

CHAPTER I

The Lifelong Learning Programme

Article 1

Establishment of the Lifelong Learning Programme

1. This Decision establishes a programme for Community action in the field of lifelong learning, hereinafter referred to as 'the Lifelong Learning Programme'.

2. The general objective of the Lifelong Learning Programme is to contribute through lifelong learning to the development of the Community as an advanced knowledge-based society, with sustainable economic development, more and better jobs and greater social cohesion, while ensuring good protection of the environment for future generations. In particular, it aims to foster interchange, cooperation and mobility between education and training systems within the Community so that they become a world quality reference.

3. The Lifelong Learning Programme shall have the following specific objectives:

- (a) to contribute to the development of quality lifelong learning, and to promote high performance, innovation and a European dimension in systems and practices in the field;
- (b) to support the realisation of a European area for lifelong learning;
- (c) to help improve the quality, attractiveness and accessibility of the opportunities for lifelong learning available within Member States;
- (d) to reinforce the contribution of lifelong learning to social cohesion, active citizenship, intercultural dialogue, gender equality and personal fulfilment;
- (e) to help promote creativity, competitiveness, employability and the growth of an entrepreneurial spirit;

⁽¹⁾ OJ L 248, 16.9.2002, p. 1.

⁽²⁾ OJ L 357, 31.12.2002, p. 1. Regulation as last amended by Regulation (EC, Euratom) No 1248/2006 (OJ L 227, 19.8.2006, p. 3).

⁽³⁾ OJ C 139, 14.6.2006, p. 1.

⁽⁴⁾ OJ L 184, 17.7.1999, p. 23. Decision as amended by Decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11).

- (f) to contribute to increased participation in lifelong learning by people of all ages, including those with special needs and disadvantaged groups, regardless of their socio-economic background;
- (g) to promote language learning and linguistic diversity;
- (h) to support the development of innovative ICT-based content, services, pedagogies and practice for lifelong learning;
- (i) to reinforce the role of lifelong learning in creating a sense of European citizenship based on understanding and respect for human rights and democracy, and encouraging tolerance and respect for other peoples and cultures;
- (j) to promote cooperation in quality assurance in all sectors of education and training in Europe;
- (k) to encourage the best use of results, innovative products and processes and to exchange good practice in the fields covered by the Lifelong Learning Programme, in order to improve the quality of education and training.
4. In accordance with the administrative provisions set out in the Annex, the Lifelong Learning Programme shall support and supplement action taken by the Member States, while fully respecting their responsibility for the content of education and training systems and their cultural and linguistic diversity.
5. As set out in Article 3, the objectives of the Lifelong Learning Programme shall be pursued through the implementation of four sectoral programmes, one transversal programme, and the Jean Monnet programme, hereinafter collectively referred to as 'the sub-programmes'.
6. This Decision shall be implemented over the period from 1 January 2007 to 31 December 2013. However, preparatory measures, including decisions by the Commission in accordance with Article 9, may be implemented as from the entry into force of this Decision.
4. 'teachers/educational staff' means persons who, through their duties, are involved directly in the education process in the Member States;
5. 'trainers' mean persons who, through their duties, are involved directly in the vocational education and training process in the Member States;
6. 'student' means a person registered in a higher education institution, whatever their field of study, in order to follow higher education studies leading to a recognised degree or other recognised tertiary level qualification, up to and including the level of doctorate;
7. 'trainee' means a person undergoing vocational training, either within a training institution or training organisation or at the workplace;
8. 'adult learner' means a learner participating in adult education;
9. 'people in the labour market' means workers, the self-employed or people available for employment;
10. 'higher education institution' means:
- (a) any type of higher education institution, in accordance with national legislation or practice, which offers recognised degrees or other recognised tertiary level qualifications, whatever such establishments may be called in the Member States;
- (b) any institution, in accordance with national legislation or practice, which offers vocational education or training at tertiary level;
11. 'Joint Masters' means Masters courses in higher education that:
- (a) involve a minimum of three higher education institutions from three different Member States;
- (b) implement a study programme which involves a period of study in at least two of those three institutions;
- (c) have built-in mechanisms for the recognition of periods of study undertaken in partner institutions based on, or compatible with, the European credit transfer system;
- (d) result in the awarding of joint, double or multiple degrees, recognised or accredited by the Member States, from the participating institutions;
12. 'vocational training' means any form of initial vocational education or training, including technical and vocational teaching and apprenticeships, which contributes to the achievement of a vocational qualification recognised by the

Article 2

Definitions

For the purpose of this Decision, the following definitions shall apply:

1. 'pre-school' means organised educational activity undertaken before the start of obligatory primary schooling;
2. 'pupil' means a person enrolled in a learning capacity at a school;
3. 'school' means all types of institutions providing general (pre-school, primary or secondary), vocational and technical education and, exceptionally, in the case of measures to promote language learning, non-school institutions providing apprenticeship training;

competent authorities in the Member State in which it is obtained, as well as any continuing vocational education or training undertaken by a person during his or her working life;

13. 'adult education' means all forms of non-vocational adult learning, whether of a formal, non-formal or informal nature;
14. 'study visit' means a short-term visit, made to study a particular aspect of lifelong learning in another Member State;
15. 'mobility' means spending a period of time in another Member State, in order to undertake study, work experience, other learning or teaching activity or related administrative activity, supported as appropriate by preparatory or refresher courses in the host language or working language;
16. 'placement' means spending a period of time in an enterprise or organisation in another Member State, supported as appropriate by preparatory or refresher courses in the host language or working language, with a view to helping individuals to adapt to the requirements of the Community-wide labour market, to acquiring a specific skill and to improving understanding of the economic and social culture of the country concerned in the context of acquiring work experience;
17. 'unilateral' means involving a single institution;
18. 'bilateral' means involving partners from two Member States;
19. 'multilateral' means involving partners from at least three Member States. The Commission may regard associations or other bodies with membership from three Member States or more as multilateral;
20. 'partnership' means a bilateral or multilateral agreement between a group of institutions or organisations in different Member States to carry out joint European activities in lifelong learning;
21. 'network' means a formal or informal grouping of bodies active in a particular field, discipline or sector of lifelong learning;
22. 'project' means a cooperation activity with a defined outcome developed jointly by a formal or informal grouping of organisations or institutions;
23. 'project coordinator' means the organisation or institution in charge of the implementation of the project by the multilateral grouping;
24. 'project partners' means the organisations or institutions other than the coordinator, which form the multilateral grouping;
25. 'enterprise' means all undertakings engaged in economic activity in the public or private sector whatever their size,

legal status or the economic sector in which they operate, including the social economy;

26. 'social partners' means, at national level, employers' and workers' organisations in conformity with national laws and/or practices and, at Community level, employers' and workers' organisations taking part in the social dialogue at Community level;
27. 'guidance and counselling' means a range of activities such as information, assessment, orientation and advice to assist learners, trainers and other staff to make choices relating to education and training programmes or employment opportunities;
28. 'dissemination and exploitation of results' means activities designed to ensure that the results of the Lifelong Learning Programme and its predecessors are appropriately recognised, demonstrated and implemented on a wide scale;
29. 'lifelong learning' means all general education, vocational education and training, non-formal education and informal learning undertaken throughout life, resulting in an improvement in knowledge, skills and competences within a personal, civic, social and/or employment-related perspective. It includes the provision of counselling and guidance services.

Article 3

Sub-programmes

1. The sectoral sub-programmes shall be the following:
 - (a) the Comenius programme, which shall address the teaching and learning needs of all those in pre-school and school education up to the level of the end of upper secondary education, and the institutions and organisations providing such education;
 - (b) the Erasmus programme, which shall address the teaching and learning needs of all those in formal higher education and vocational education and training at tertiary level, whatever the length of their course or qualification may be and including doctoral studies, and the institutions and organisations providing or facilitating such education and training;
 - (c) the Leonardo da Vinci programme, which shall address the teaching and learning needs of all those in vocational education and training, other than at tertiary level, as well as the institutions and organisations providing or facilitating such education and training;
 - (d) the Grundtvig programme, which shall address the teaching and learning needs of those in all forms of adult education, as well as the institutions and organisations providing or facilitating such education.
2. The transversal programme shall comprise the following four key activities:

- (a) policy cooperation and innovation in lifelong learning;
- (b) promotion of language learning;
- (c) development of innovative ICT-based content, services, pedagogies and practice for lifelong learning;
- (d) dissemination and exploitation of results of actions supported under the programme and previous related programmes, and exchange of good practice.

3. The Jean Monnet programme shall support institutions and activities in the field of European integration. It shall comprise the following three key activities:

- (a) the Jean Monnet Action;
- (b) operating grants to support specified institutions dealing with issues relating to European integration;
- (c) operating grants to support other European institutions and associations in the fields of education and training.

Article 4

Access to the Lifelong Learning Programme

The Lifelong Learning Programme shall be aimed at:

- (a) pupils, students, trainees and adult learners;
- (b) teachers, trainers and other staff involved in any aspect of lifelong learning;
- (c) people in the labour market;
- (d) institutions or organisations providing learning opportunities within the context of the Lifelong Learning Programme, or within the limits of its sub-programmes;
- (e) the persons and bodies responsible for systems and policies concerning any aspect of lifelong learning at local, regional and national level;
- (f) enterprises, social partners and their organisations at all levels, including trade organisations and chambers of commerce and industry;
- (g) bodies providing guidance, counselling and information services relating to any aspect of lifelong learning;
- (h) associations working in the field of lifelong learning, including students', trainees', pupils', teachers', parents' and adult learners' associations;
- (i) research centres and bodies concerned with lifelong learning issues;

- (j) non-profit organisations, voluntary bodies, non-governmental organisations (NGOs).

Article 5

Community actions

1. The Lifelong Learning Programme shall comprise support for the following actions:

- (a) the mobility of individuals in lifelong learning;
- (b) bilateral and multilateral partnerships;
- (c) multilateral projects especially designed to promote quality in education and training systems through the transnational transfer of innovation;
- (d) unilateral and national projects;
- (e) multilateral projects and networks;
- (f) observation and analysis of policies and systems in the field of lifelong learning, the establishment and regular improvement of reference material, including surveys, statistics, analyses and indicators, action to support transparency and recognition of qualifications and prior learning, and action to support cooperation in quality assurance;
- (g) operating grants to support certain operational and administrative costs of institutions and associations active in the field covered by the Lifelong Learning Programme;
- (h) other initiatives aimed at promoting the objectives of the Lifelong Learning Programme (accompanying measures).

2. Community support may be awarded for preparatory visits in respect of any of the actions set out in this Article.

3. The Commission may organise such seminars, colloquia or meetings as are likely to facilitate the implementation of the Lifelong Learning Programme, and undertake appropriate information, publication and dissemination actions and actions to increase awareness of the Programme, as well as programme monitoring and evaluation.

4. The actions referred to in this Article may be implemented by means of calls for proposals, calls for tenders, or directly by the Commission.

Article 6

Tasks of the Commission and the Member States

1. The Commission shall ensure the effective and efficient implementation of the Community actions provided for by the Lifelong Learning Programme.

2. Member States shall

- (a) take the necessary steps to ensure the efficient running of the Lifelong Learning Programme at national level, involving all the parties concerned with aspects of lifelong learning in accordance with national practice or legislation;
 - (b) establish or designate and monitor an appropriate structure for the coordinated management of the implementation of the Lifelong Learning Programme's actions at national level (national agencies), including budgetary management, in conformity with the provisions of Article 54(2)(c) of Regulation (EC, Euratom) No 1605/2002 and of Article 38 of Regulation (EC, Euratom) No 2342/2002, in accordance with the following criteria:
 - (i) an organisation established or designated as a national agency shall have legal personality or be part of an entity having legal personality, and be governed by the law of the Member State concerned. A ministry may not be designated as a national agency;
 - (ii) each national agency must have adequate staff to fulfil its tasks, with professional and linguistic capacities appropriate for work in an environment of international cooperation in the field of education and training;
 - (iii) it must have an appropriate infrastructure, in particular as regards informatics and communications;
 - (iv) it must operate in an administrative context which enables it to carry out its tasks satisfactorily and to avoid conflicts of interest;
 - (v) it must be in a position to apply the financial management rules and contractual conditions laid down at Community level;
 - (vi) it must offer adequate financial guarantees, issued preferably by a public authority, and its management capacity must be appropriate to the level of Community funds it will be called upon to manage;
 - (c) take responsibility for the proper management by the national agencies referred to in point (b) of credits transferred to national agencies to support projects, and in particular for the respect by national agencies of the principles of transparency, equality of treatment and of the avoidance of double-funding with other sources of Community funds, and of the obligation to monitor projects and to recover any funds due for reimbursement by beneficiaries;
 - (d) take the necessary steps to ensure the appropriate audit and financial overseeing of the national agencies referred to in point (b), and in particular:
 - (i) before the national agency starts work, provide the Commission with the necessary assurances as to the existence, relevance and proper operation within it, in accordance with the rules of sound financial management, of the procedures to be applied, the control systems, the accounting systems and the procurement and grant award procedures;
 - (ii) provide the Commission with a declaration of assurance each year as to the reliability of the financial systems and procedures of the national agencies, and the probity of their accounts;
 - (e) in the event of irregularity, negligence or fraud imputable to a national agency established or designated under point (b), and where this gives rise to claims by the Commission on the national agency which are not completely recovered, be responsible for the funds not recovered;
 - (f) designate upon request from the Commission the institutions or organisations providing learning opportunities, or the types of such institutions or organisations, to be considered eligible to participate in the Lifelong Learning Programme in their respective territories;
 - (g) endeavour to adopt all appropriate measures to remove legal and administrative obstacles to the proper functioning of the Lifelong Learning Programme;
 - (h) take steps to ensure that potential synergies with other Community programmes and financial instruments and with other relevant programmes operating in the Member State in question are achieved at national level.
3. The Commission, in cooperation with Member States, shall ensure
- (a) the transition between the actions carried out within the context of the preceding programmes in the fields of education, training and lifelong learning and those to be implemented under the Lifelong Learning Programme;
 - (b) the adequate protection of the Communities' financial interests, in particular by introducing effective, proportionate and dissuasive measures, administrative checks and penalties;
 - (c) the wide dissemination of information, publicity and follow-up with regard to actions supported under the Lifelong Learning Programme;
 - (d) the collection, analysis and processing of available data required to measure the results and effects of the programme, and to monitor and evaluate activities as referred to in Article 15;
 - (e) the dissemination of the results of the previous generation of education and training programmes and of the Lifelong Learning Programme.

*Article 7***Participation of third countries**

1. The Lifelong Learning Programme shall be open to the participation of:

- (a) EFTA countries which are members of the EEA, in accordance with the conditions laid down in the EEA Agreement;
- (b) the candidate countries benefiting from a pre-accession strategy, in accordance with the general principles and general terms and conditions laid down in the framework agreements concluded with these countries for their participation in Community programmes;
- (c) the countries of the Western Balkans, in accordance with the provisions to be determined with these countries following the establishment of framework agreements providing for their participation in Community programmes;
- (d) the Swiss Confederation, on the basis of a bilateral agreement to be concluded with that country.

2. Key activity 1 of the Jean Monnet programme referred to in Article 3(3)(a) shall also be open to higher education institutions in any other third country.

3. Third countries participating in the Lifelong Learning Programme shall be subject to all the obligations and shall fulfil all the tasks set out in this Decision in relation to Member States.

*Article 8***International cooperation**

Under the Lifelong Learning Programme, and in accordance with Article 9, the Commission may cooperate with third countries and with the competent international organisations, in particular the Council of Europe, the Organisation for Economic Cooperation and Development (OECD) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

*CHAPTER II***Implementation of the Lifelong Learning Programme***Article 9***Implementing measures**

1. The measures necessary for the implementation of the Lifelong Learning Programme relating to the following matters shall be adopted by the Commission, in accordance with the procedure referred to in Article 10(2):

- (a) the annual plan of work including priorities;
- (b) the annual allocations and the distribution of funds between and within the sub-programmes;

- (c) the general guidelines for implementing the sub-programmes (including decisions concerning the nature of the actions, their duration and funding level), the selection criteria and procedures;
- (d) the Commission's proposals for the selection of applications for multilateral projects and networks as referred to in Article 33(1)(b) and (c);
- (e) the Commission's proposals for the selection of applications for actions set out in Article 5(1)(e), not covered by point (d) of this paragraph, and in Article 5(1)(f), (g) and (h), for which the Community support proposed exceeds EUR 1 million;
- (f) the definition of the respective roles and responsibilities of the Commission, the Member States and the national agencies regarding the National agency procedure as set out in the Annex;
- (g) the distribution of funds among the Member States for the actions to be managed through the National agency procedure as set out in the Annex;
- (h) the arrangements for ensuring internal consistency within the Lifelong Learning Programme;
- (i) the arrangements for monitoring and evaluating the Lifelong Learning Programme and the sub-programmes and for the dissemination and transfer of results.

2. The measures necessary for the implementation of all matters other than those specified in paragraph 1 shall be adopted in accordance with the procedure referred to in Article 10(3).

*Article 10***Committee procedure**

1. The Commission shall be assisted by a Committee, hereinafter referred to as 'the 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.

5. Member States may not be represented by persons employed in, or having operational responsibility for, national agencies referred to in Article 6(2)(b).

*Article 11***Social partners**

1. Whenever the Committee is consulted on any matter concerning the application of this Decision in relation to vocational education and training, representatives of the social partners, appointed by the Commission on the basis of proposals from the European social partners, may participate in the work of the Committee as observers.

The number of such observers shall be equal to the number of representatives of the Member States.

2. Such observers shall have the right to request that their position be recorded in the minutes of the meeting of the Committee.

*Article 12***Horizontal policies**

In implementing the Lifelong Learning Programme, due regard shall be paid to ensuring that it contributes fully to furthering the horizontal policies of the Community, in particular by:

- (a) promoting an awareness of the importance of cultural and linguistic diversity within Europe, as well as of the need to combat racism, prejudice and xenophobia;
- (b) making provision for learners with special needs, and in particular by helping to promote their integration into mainstream education and training;
- (c) promoting equality between men and women and contributing to combating all forms of discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

*Article 13***Consistency and complementarity with other policies**

1. The Commission shall, in cooperation with the Member States, ensure overall consistency and complementarity with the Education and Training 2010 Work Programme and other relevant Community policies, instruments and actions, in particular those in the field of culture, the media, youth, research and development, employment, recognition of qualifications, enterprise, environment, ICT and the Community's statistical programme.

The Commission shall, in cooperation with the Member States, ensure an efficient link-up between the Lifelong Learning Programme and the programmes and actions in the area of education and training undertaken within the framework of the Community's pre-accession instruments and other cooperation with third countries and the competent international organisations.

2. The Commission shall keep the Committee regularly informed about other relevant Community initiatives taken in the field of lifelong learning, including cooperation with third countries and international organisations.

3. In implementing actions under the Lifelong Learning Programme, the Commission and the Member States shall have regard to the priorities set out in the integrated guidelines for employment adopted by the Council as part of the Lisbon partnership for growth and jobs.

4. In partnership with the European social partners, the Commission shall endeavour to develop an appropriate coordination between the Lifelong Learning Programme and the social dialogue at Community level, including in the different sectors of the economy.

5. In implementing the Lifelong Learning Programme, the Commission shall secure the assistance as appropriate of the European Centre for the Development of Vocational Training (Cedefop) in areas related to its competence and in accordance with the arrangements set out in Regulation (EEC) No 337/75 of the Council ⁽¹⁾. Where appropriate, the Commission may also secure the support of the European Training Foundation within the scope of its mandate and in accordance with the arrangements set out in Council Regulation (EEC) No 1360/90 ⁽²⁾.

6. The Commission shall keep the Advisory Committee on Vocational Training regularly informed of relevant progress in the area of vocational education and training.

*CHAPTER III***Financial provisions — Evaluation***Article 14***Funding**

1. The indicative financial envelope for the implementation of this Decision for the period of seven years as from 1 January 2007 is set at EUR 6 970 000 000. Within this envelope, the amounts to be allocated to the Comenius, Erasmus, Leonardo da Vinci and Grundtvig programmes shall not be less than as set out in point B.11 of the Annex. Those allocations may be amended by the Commission in accordance with the procedure referred to in Article 10(2).

2. Up to 1 % of the allocations of the Lifelong Learning Programme may be used to support the participation in partnership, project and network actions organised under the Lifelong Learning Programme of partners from third countries which do not participate in the Lifelong Learning Programme under the provisions of Article 7.

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

⁽¹⁾ OJ L 39, 13.2.1975, p. 1. Regulation as last amended by Regulation (EC) No 2051/2004 (OJ L 355, 1.12.2004, p. 1).

⁽²⁾ OJ L 131, 23.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1648/2003 (OJ L 245, 29.9.2003, p. 22).

*Article 15***Monitoring and evaluation**

1. The Commission shall, in cooperation with the Member States, regularly monitor and evaluate the Lifelong Learning Programme against its objectives.

2. The Commission shall arrange for regular independent external evaluations of the Lifelong Learning Programme and shall regularly publish statistics for monitoring progress.

3. The findings of the monitoring and evaluation of the Lifelong Learning Programme and the previous generation of education and training programmes shall be taken into account when implementing the Programme.

4. Member States shall submit to the Commission, by 30 June 2010 and 30 June 2015 respectively, reports on the implementation and the impact of the Lifelong Learning Programme.

5. 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 qualitative and quantitative aspects of the implementation of the Lifelong Learning Programme, including an analysis of the results achieved, by 31 March 2011;
- (b) a communication on the continuation of the Lifelong Learning Programme by 31 December 2011;
- (c) an ex post evaluation report by 31 March 2016.

TITLE II

THE SUB-PROGRAMMES

CHAPTER I

The Comenius programme*Article 16***Access to the Comenius programme**

Within the framework of the Lifelong Learning Programme, the Comenius programme shall be aimed at:

- (a) pupils in school education up to the end of upper secondary education;
- (b) schools, as specified by Member States;
- (c) teachers and other staff within those schools;
- (d) associations, non-profit organisations, NGOs and representatives of those involved in school education;
- (e) persons and bodies responsible for the organisation and delivery of education at local, regional and national levels;

- (f) research centres and bodies concerned with lifelong learning issues;
- (g) higher education institutions;
- (h) bodies providing guidance, counselling and information services relating to any aspect of lifelong learning.

*Article 17***Objectives of the Comenius programme**

1. In addition to the objectives of the Lifelong Learning Programme as set out in Article 1, the specific objectives of the Comenius programme shall be:

- (a) to develop knowledge and understanding among young people and educational staff of the diversity of European cultures and languages and its value;
- (b) to help young people acquire the basic life-skills and competences necessary for their personal development, for future employment and for active European citizenship.

2. The operational objectives of the Comenius programme shall be:

- (a) to improve the quality and to increase the volume of mobility involving pupils and educational staff in different Member States;
- (b) to improve the quality and to increase the volume of partnerships between schools in different Member States, so as to involve at least 3 million pupils in joint educational activities during the period of the programme;
- (c) to encourage the learning of modern foreign languages;
- (d) to support the development of innovative ICT-based content, services, pedagogies and practice for lifelong learning;
- (e) to enhance the quality and European dimension of teacher training;
- (f) to support improvements in pedagogical approaches and school management.

*Article 18***Actions of the Comenius programme**

1. The following actions may be supported by the Comenius programme:

- (a) mobility of individuals as referred to in Article 5(1)(a). In arranging for or supporting the organisation of such

mobility, the necessary preparatory measures shall be adopted and care shall be taken to ensure that adequate supervision, advice and support is available for individuals in mobility.

Such mobility may include:

- (i) exchanges of pupils and staff;
- (ii) mobility to schools for pupils and placements in schools or enterprises for educational staff;
- (iii) participation in training courses for teachers and other educational staff;
- (iv) study and preparatory visits for mobility, partnership, project or network activities;
- (v) assistantships for teachers and potential teachers.
- (b) development of partnerships, as referred to in Article 5(1)(b), between:
 - (i) schools, with a view to developing joint learning projects for pupils and their teachers ('Comenius school partnerships');
 - (ii) organisations responsible for any aspect of school education, with a view to fostering inter-regional cooperation, including border region cooperation ('Comenius-Regio partnerships');
- (c) multilateral projects as referred to in Article 5(1)(e). They may include projects aimed at:
 - (i) developing, promoting and disseminating educational best practices, including new teaching methods or materials;
 - (ii) developing or exchanging experience on systems of providing information or guidance particularly adapted to the learners, teachers and other staff concerned by the Comenius programme;
 - (iii) developing, promoting and disseminating new teacher training courses or course content;
- (d) multilateral networks as referred to in Article 5(1)(e). They may include networks aimed at:
 - (i) developing education in the discipline or subject area in which they operate, for their own benefit and for that of education more widely;
 - (ii) acquiring and disseminating relevant good practice and innovation;

(iii) providing content support to projects and partnerships set up by others;

(iv) promoting the development of needs analysis and its practical applications within school education;

(e) other initiatives aimed at promoting the objectives of the Comenius programme as referred to in Article 5(1)(h) ('accompanying measures').

2. The operational details of the actions referred to in paragraph 1 shall be decided in accordance with the procedure referred to in Article 10(2).

Article 19

Amount allocated to the Comenius programme

Not less than 80 % of the amount allocated to the Comenius programme shall be devoted to support for mobility as referred to in Article 18(1)(a) and for Comenius partnerships as set out in Article 18(1)(b).

CHAPTER II

The Erasmus programme

Article 20

Access to the Erasmus programme

Within the framework of the Lifelong Learning Programme, the Erasmus programme shall be aimed at:

- (a) students and trainees learning in all forms of tertiary level education and training;
- (b) higher education institutions, as specified by Member States;
- (c) teachers, trainers and other staff within those institutions;
- (d) associations and representatives of those involved in higher education, including relevant student, university, and teacher/trainer associations;
- (e) enterprises, social partners and other representatives of working life;
- (f) public and private bodies, including non-profit organisations and NGOs, responsible for the organisation and delivery of education and training at local, regional and national levels;
- (g) research centres and bodies concerned with lifelong learning issues;

- (h) bodies providing guidance, counselling and information services relating to any aspect of lifelong learning.

training centres, research centres or other organisations;

Article 21

Objectives of the Erasmus programme

1. In addition to the objectives of the Lifelong Learning Programme as set out in Article 1, the specific objectives of the Erasmus programme shall be:

- (a) to support the achievement of a European Area of Higher Education;
- (b) to reinforce the contribution of higher education and advanced vocational education to the process of innovation.

2. The operational objectives of the Erasmus programme shall be:

- (a) to improve the quality and to increase the volume of student and teaching staff mobility throughout Europe, so as to contribute to the achievement by 2012 of at least 3 million individual participants in student mobility under the Erasmus programme and its predecessor programmes;
- (b) to improve the quality and to increase the volume of multilateral cooperation between higher education institutions in Europe;
- (c) to increase the degree of transparency and compatibility between higher education and advanced vocational education qualifications gained in Europe;
- (d) to improve the quality and to increase the volume of cooperation between higher education institutions and enterprises;
- (e) to facilitate the development of innovative practices in education and training at tertiary level, and their transfer, including from one participating country to others;
- (f) to support the development of innovative ICT-based content, services, pedagogies and practice for lifelong learning.

Article 22

Actions of the Erasmus programme

1. The following actions may be supported by the Erasmus programme:

- (a) mobility of individuals as referred to in Article 5(1)(a). Such mobility may include:
 - (i) mobility of students for the purposes of studying or training in Member States in higher education institutions, as well as placements in enterprises,

- (ii) mobility of teaching staff in higher education institutions in order to teach or receive training in a partner institution abroad;

- (iii) mobility of other staff in higher education institutions and staff of enterprises for purposes of training or teaching;

- (iv) Erasmus intensive programmes organised on a multilateral basis.

Support may also be awarded to the home and host higher education institutions or enterprises for action to ensure quality at all stages of the mobility arrangements, including preparatory and refresher language courses.

- (b) multilateral projects, as referred to in Article 5(1)(e), focusing inter alia on innovation, experimentation and the exchange of good practice in the areas mentioned in the specific and operational objectives;
- (c) multilateral networks, as referred to in Article 5(1)(e), run by consortia of higher education institutions and representing a discipline or a cross-disciplinary field, ('Erasmus thematic networks') which aim to develop new learning concepts and competences. Such networks may also include representatives from other public bodies or from enterprises or associations;
- (d) other initiatives aimed at promoting the objectives of the Erasmus programme as referred to in Article 5(1)(h) ('accompanying measures').

2. Individuals participating in mobility under paragraph 1(a)(i) ('Erasmus students') shall be:

- (a) students in higher education institutions who, enrolled at least in the second year, spend a study period in another Member State within the framework of the mobility action of the Erasmus programme, regardless whether they have been awarded financial support under that programme. Such periods shall be fully recognised under the inter-institutional agreements between the sending and host institutions. The host institutions shall not charge tuition fees to such students;

- (b) students enrolled on Joint Masters programmes and engaged in mobility;

- (c) students in higher education institutions taking part in placements.

3. The operational details of the actions set out in paragraph 1 shall be decided in accordance with the procedure referred to in Article 10(2).

*Article 23***Amount allocated to the Erasmus programme**

Not less than 80 % of the amount allocated to the Erasmus programme shall be devoted to support for mobility as referred to in Article 22(1)(a).

*CHAPTER III***The Leonardo da Vinci programme***Article 24***Access to the Leonardo da Vinci programme**

Within the framework of the Lifelong Learning Programme, the Leonardo da Vinci programme shall be aimed at:

- (a) people learning in all forms of vocational education and training except at tertiary level;
- (b) people in the labour market;
- (c) institutions or organisations providing learning opportunities in the fields covered by the Leonardo da Vinci programme;
- (d) teachers, trainers and other staff within those institutions or organisations;
- (e) associations and representatives of those involved in vocational education and training, including trainees', parents' and teachers' associations;
- (f) enterprises, social partners and other representatives of working life, including chambers of commerce and other trade organisations;
- (g) bodies providing guidance, counselling and information services relating to any aspect of lifelong learning;
- (h) persons and bodies responsible for systems and policies concerning any aspect of vocational education and training at local, regional and national level;
- (i) research centres and bodies concerned with lifelong learning issues;
- (j) higher education institutions;
- (k) non-profit organisations, voluntary bodies, NGOs.

*Article 25***Objectives of the Leonardo da Vinci programme**

1. In addition to the objectives of the Lifelong Learning Programme as set out in Article 1, the specific objectives of the Leonardo da Vinci programme shall be:

- (a) to support participants in training and further training activities in the acquisition and the use of knowledge, skills and qualifications to facilitate personal development, employability and participation in the European labour market;
- (b) to support improvements in quality and innovation in vocational education and training systems, institutions and practices;
- (c) to enhance the attractiveness of vocational education and training and mobility for employers and individuals and to facilitate the mobility of working trainees.

2. The operational objectives of the Leonardo da Vinci programme shall be:

- (a) to improve the quality and to increase the volume of mobility throughout Europe of people involved in initial vocational education and training and in continuing training, so as to increase placements in enterprises to at least 80 000 per year by the end of the Lifelong Learning Programme;
- (b) to improve the quality and to increase the volume of cooperation between institutions or organisations providing learning opportunities, enterprises, social partners and other relevant bodies throughout Europe;
- (c) to facilitate the development of innovative practices in the field of vocational education and training other than at tertiary level, and their transfer, including from one participating country to others;
- (d) to improve the transparency and recognition of qualifications and competences, including those acquired through non-formal and informal learning;
- (e) to encourage the learning of modern foreign languages;
- (f) to support the development of innovative ICT-based content, services, pedagogies and practice for lifelong learning.

*Article 26***Actions of the Leonardo da Vinci programme**

1. The following actions may be supported by the Leonardo da Vinci programme:

- (a) mobility of individuals, as referred to in Article 5(1)(a). In arranging for or supporting the organisation of such mobility, the necessary preparatory measures, including language preparation, shall be adopted and care shall be taken to ensure that adequate supervision and support is available for individuals in mobility. Such mobility may include:

- (i) transnational placements in enterprises or in training institutions;
- (ii) placements and exchanges aimed at the further professional development of trainers and guidance counsellors, and at those responsible for training establishments and for training planning and career guidance within enterprises;
- (b) partnerships, as referred to in Article 5(1)(b), focusing on themes of mutual interest to the participating organisations;
- (c) multilateral projects, as referred to in Article 5(1)(c), in particular those aimed at improving training systems by focusing on the transfer of innovation involving the linguistic, cultural and legal adaptation to national needs of innovative products and processes developed in different contexts;
- (d) multilateral projects, as referred to in Article 5(1)(e), aimed at improving training systems by focusing on the development of innovation and good practice;
- (e) thematic networks of experts and organisations, as referred to in Article 5(1)(e), working on specific issues related to vocational education and training;
- (f) other initiatives aimed at promoting the objectives of the Leonardo da Vinci programme, as referred to in Article 5(1)(h) ('accompanying measures').
- (c) teachers and other staff within those institutions or organisations;
- (d) establishments involved in the initial or further training of adult education staff;
- (e) associations and representatives of those involved in adult education, including learners' and teachers' associations;
- (f) bodies providing guidance, counselling and information services relating to any aspect of lifelong learning;
- (g) persons and bodies responsible for systems and policies concerning any aspect of adult education at local, regional and national level;
- (h) research centres and bodies concerned with lifelong learning issues;
- (i) enterprises;
- (j) non-profit organisations, voluntary bodies, NGOs;
- (k) higher education institutions.

Article 29

Objectives of the Grundtvig programme

1. In addition to the objectives of the Lifelong Learning Programme set out in Article 1, the specific objectives of the Grundtvig programme shall be:

- (a) to respond to the educational challenge of an ageing population in Europe;
- (b) to help provide adults with pathways to improving their knowledge and competences.

2. The operational objectives of the Grundtvig programme shall be:

- (a) to improve the quality and accessibility of mobility throughout Europe of individuals involved in adult education and to increase its volume so as to support the mobility of at least 7 000 such individuals per year by 2013;
- (b) to improve the quality and to increase the volume of cooperation between organisations involved in adult education throughout Europe;
- (c) to assist people from vulnerable social groups and in marginal social contexts, in particular older people and those who have left education without basic qualifications, in order to give them alternative opportunities to access adult education;

Article 27

Amounts allocated to the Leonardo da Vinci programme

Not less than 60 % of the amounts allocated to the Leonardo da Vinci programme shall be devoted to support for mobility and partnerships as referred to in Article 26(1)(a) and (b).

CHAPTER IV

The Grundtvig programme

Article 28

Access to the Grundtvig programme

Within the framework of the Lifelong Learning Programme, the Grundtvig programme shall be aimed at:

- (a) learners in adult education;
- (b) institutions or organisations providing learning opportunities in adult education;

- (d) to facilitate the development of innovative practices in adult education and their transfer, including from a participating country to others;
- (e) to support the development of innovative ICT-based content, services, pedagogies and practice for lifelong learning;
- (f) to improve pedagogical approaches and the management of adult education organisations.

Article 30

Actions of the Grundtvig programme

1. The following actions may be supported by the Grundtvig programme:

- (a) mobility of individuals, as referred to in Article 5(1)(a). In arranging for or supporting the organisation of such mobility, the necessary preparatory measures shall be adopted and care shall be taken to ensure that adequate supervision and support is available for individuals in mobility. Such mobility may include visits, assistantships and exchanges for participants in formal and non-formal adult education, including the training and professional development of adult education staff, especially in synergy with partnerships and projects;
- (b) partnerships, as referred to in Article 5(1)(b), known as 'Grundtvig learning partnerships', focusing on themes of mutual interest to the participating organisations;
- (c) multilateral projects, as referred to in Article 5(1)(e), aimed at improving adult education systems through the development and transfer of innovation and good practice;
- (d) thematic networks of experts and organisations, as referred to in Article 5(1)(e), known as 'Grundtvig networks', working in particular on:
 - (i) developing adult education in the discipline, subject area or management aspect to which they relate;
 - (ii) identifying, improving and disseminating relevant good practice and innovation;
 - (iii) providing content support to projects and partnerships set up by others and facilitating interactivity between such projects and partnerships;
 - (iv) promoting the development of needs analysis and quality assurance within adult education;
- (e) other initiatives aimed at promoting the objectives of the Grundtvig programme, as referred to in Article 5(1)(h) ('accompanying measures').

2. The operational details of such actions shall be decided in accordance with the procedure referred to in Article 10(2).

Article 31

Amounts allocated to the Grundtvig programme

Not less than 55 % of the amounts allocated to the Grundtvig programme shall be devoted to support for mobility and partnerships as referred to in Article 30(1)(a) and (b).

CHAPTER V

The transversal programme

Article 32

Objectives of the transversal programme

1. In addition to the objectives of the Lifelong Learning Programme as set out in Article 1, the specific objectives of the transversal programme shall be:

- (a) to promote European cooperation in fields covering two or more sectoral sub-programmes;
- (b) to promote the quality and transparency of Member States' education and training systems.

2. The operational objectives of the transversal programme shall be:

- (a) to support policy development and cooperation at European level in lifelong learning, notably in the context of the Lisbon process and Education and Training 2010 Work Programme, as well as the Bologna and Copenhagen processes and their successors;
- (b) to ensure an adequate supply of comparable data, statistics and analyses to underpin lifelong learning policy development, as well as to monitor progress towards objectives and targets in lifelong learning, and to identify areas for particular attention;
- (c) to promote language learning and to support linguistic diversity in the Member States;
- (d) to support the development of innovative ICT-based content, services, pedagogies and practice for lifelong learning;
- (e) to ensure that the results of the Lifelong Learning Programme are appropriately recognised, demonstrated and implemented on a wide scale.

Article 33

Actions of the transversal programme

1. The following actions may be supported under the key activity of policy cooperation and innovation in lifelong learning, as referred to in Article 3(2)(a):

- (a) individual mobility, as referred to in Article 5(1)(a), including study visits for experts and officials designated by national, regional and local authorities, for directors of education and training establishments and guidance and experience accreditation services, and for social partners;
- (b) multilateral projects, as referred to in Article 5(1)(e), aimed at preparing and testing policy proposals developed at Community level and innovation in lifelong learning;
- (c) multilateral networks, as referred to in Article 5(1)(e), of experts and/or institutions working together on policy issues. Such networks may include:
 - (i) thematic networks working on issues related to the content of lifelong learning or to lifelong learning methodologies and policies. Such networks may observe, exchange, identify and analyse good practice and innovation, and make proposals for a better and wider use of such practices across the Member States;
 - (ii) forums on strategic issues in lifelong learning;
- (d) observation and analysis of policies and systems in the field of lifelong learning, as referred to in Article 5(1)(f), which may include:
 - (i) studies and comparative research;
 - (ii) development of indicators and statistical surveys, including support for work undertaken in the field of lifelong learning in cooperation with Eurostat;
 - (iii) support for the operation of the Eurydice network and funding of the Eurydice European Unit set up by the Commission;
- (e) action to support transparency and recognition of qualifications and competences including those acquired through non-formal and informal learning, information and guidance on mobility for learning purposes, and cooperation in quality assurance, as referred to in Article 5(1)(f), which may include:
 - (i) networks of organisations which facilitate mobility and recognition, such as Euroguidance and National Academic Recognition Information Centres (NARICs);

- (ii) support for transnational web-based services such as Ploteus;

- (iii) activities under the Europass initiative in accordance with Decision No 2241/2004/EC;

- (f) other initiatives, as referred to in Article 5(1)(h) (accompanying measures), including peer-learning activities aimed at promoting the objectives of the key activity referred to in Article 3(2)(a).

2. The following actions, designed to address teaching and learning needs concerning more than one sub-programme area, may be supported under the key activity of language learning, as referred to in Article 3(2)(b):

- (a) multilateral projects, as referred to in Article 5(1)(e), aimed, *inter alia*, at:
 - (i) developing new language learning materials, including online courses, and instruments for language testing;
 - (ii) developing tools and courses for training language teachers, trainers and other staff;
- (b) multilateral networks as referred to in Article 5(1)(e), in the field of language learning and linguistic diversity;
- (c) other initiatives in line with the objectives of the Lifelong Learning Programme, as referred to in Article 5(1)(h), including activities to make language learning more attractive to learners through the mass media and/or marketing, publicity and information campaigns, as well as conferences, studies and the development of statistical indicators in the field of language learning and linguistic diversity.

3. The following actions, designed to address teaching and learning needs concerning more than one sub-programme area, may be supported under the key activity of ICT, as referred to in Article 3(2)(c):

- (a) multilateral projects, as referred to in Article 5(1)(e), aimed at the development and distribution, as appropriate, of innovative methods, contents, services and environments;
- (b) multilateral networks as referred to in Article 5(1)(e), aimed at sharing and exchanging knowledge, experience and good practice;
- (c) other action aimed at improving lifelong learning policy and practice, as described in Article 5(1)(f), which may include mechanisms for evaluation, observation, bench-

marking, quality improvement and the analysis of trends with respect to technology and pedagogy.

4. The following actions may be supported under the key activity of dissemination, as referred to in Article 3(2)(d):

- (a) unilateral and national projects, as referred to in Article 5(1)(d);
- (b) multilateral projects, as referred to in Article 5(1)(e), aimed *inter alia* at:
 - (i) supporting the exploitation and implementation of innovative products and processes;
 - (ii) stimulating cooperation between projects operating in the same field;
 - (iii) developing good practice with regard to dissemination methods;
- (c) the establishment of reference material as referred to in Article 5(1)(f), which may include the collection of relevant statistical data and studies in the field of dissemination, the exploitation of results and the exchange of good practice.

CHAPTER VI

The Jean Monnet programme

Article 34

Access to the Jean Monnet programme

Within the framework of the Lifelong Learning Programme, the Jean Monnet programme shall be aimed at:

- (a) students and researchers in the field of European integration in all forms of higher education within and outside the Community;
- (b) higher education institutions within and outside the Community as recognised within their own countries;
- (c) teachers and other staff within those institutions;
- (d) associations and representatives of those involved in education and training within and outside the Community;
- (e) public and private bodies responsible for the organisation and delivery of education and training at local, regional and national levels;
- (f) research centres and bodies concerned with issues relating to European integration within and outside the Community.

Article 35

Objectives of the Jean Monnet programme

1. In addition to the objectives of the Lifelong Learning Programme as set out in Article 1, the specific objectives of the Jean Monnet programme shall be:

- (a) to stimulate teaching, research and reflection activities in the field of European integration studies;
- (b) to support the existence of an appropriate range of institutions and associations focusing on issues relating to European integration and on education and training in a European perspective.

2. The operational objectives of the Jean Monnet programme shall be:

- (a) to stimulate excellence in teaching, research and reflection in European integration studies in higher education institutions within and outside the Community;
- (b) to enhance knowledge and awareness among specialist academics and among European citizens generally of issues relating to European integration;
- (c) to support key European institutions dealing with issues relating to European integration;
- (d) to support the existence of high-quality European institutions and associations active in the fields of education and training.

Article 36

Actions of the Jean Monnet programme

1. The following actions may be supported under the key activity referred to in Article 3(3)(a):

- (a) unilateral and national projects, as referred to in Article 5(1)(d), which may include:
 - (i) Jean Monnet Chairs, centres of excellence and teaching modules;
 - (ii) associations of professors, other teachers in higher education, and researchers specialising in European integration;
 - (iii) support for young researchers specialising in European integration studies;
 - (iv) information and research activities relating to the Community with the aim of promoting discussion, reflection and knowledge about the process of European integration;

(b) multilateral projects and networks, as referred to in Article 5 (1)(e), which may include support for the establishment of multilateral research groups in the field of European integration.

2. Operating grants as referred to in Article 5(1)(g) to support certain operational and administrative costs of the following institutions pursuing an aim of European interest may be awarded under the key activity referred to in Article 3(3)(b):

- (a) the College of Europe (Bruges and Natolin campuses);
- (b) the European University Institute, Florence;
- (c) the European Institute of Public Administration, Maastricht;
- (d) the Academy of European Law, Trier;
- (e) the European Agency for Development in Special Needs Education, Middelbart;
- (f) the International Centre for European Training (CIFE), Nice.

3. Under the key activity referred to in Article 3(3)(c), operating grants as referred to in Article 5(1)(g) may be awarded to support certain operational and administrative costs of European institutions or associations active in the fields of education and training.

4. Grants may be awarded on an annual basis or on a renewable basis within a framework partnership agreement with the Commission.

Article 37

Amounts allocated to the Jean Monnet programme

Not less than 16 % of the amounts allocated to the Jean Monnet programme shall be devoted to support for the key activity referred to in Article 3(3)(a), not less than 65 % to the key

activity referred to in Article 3(3)(b), and not less than 19 % to the key activity referred to in Article 3(3)(c).

TITLE III

TRANSITIONAL AND FINAL PROVISIONS

Article 38

Transitional provision

1. Actions which are initiated on or before 31 December 2006 on the basis of Decision 1999/382/EC, Decision No 253/2000/EC, Decision No 2318/2003/EC, Decision No 791/2004/EC or Decision No 2241/2004/EC, shall be administered in conformity with the provisions of those Decisions, with the exception that the committees established by those Decisions shall be replaced by the committee established by Article 10 of this Decision.

2. As provided for by Article 18 of Regulation (EC, Euratom) No 1605/2002, the appropriations corresponding to assigned revenue arising from the repayment of amounts wrongly paid pursuant to Decision 1999/382/EC, Decision No 253/2000/EC, Decision No 2318/2003/EC, Decision No 791/2004/EC or Decision No 2241/2004/EC, may be made available to the Lifelong Learning Programme.

Article 39

Entry into force

This Decision shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*.

Done at Strasbourg, 15 November 2006.

For the European Parliament

The President

J. BORRELL FONTELLES

For the Council

The President

P. LEHTOMÄKI

ANNEX

ADMINISTRATIVE AND FINANCIAL PROVISIONS

A. Administrative provisions

Procedures for the proposal and selection of the actions contained in the Lifelong Learning Programme are as follows:

1. National agency procedure

1.1. Procedure 1

The following actions, under which the selection decisions are taken by the appropriate national agencies, shall be managed through the 'National agency procedure 1':

- (a) the mobility of individuals in lifelong learning, as referred to in Article 5(1)(a);
- (b) bilateral and multilateral partnerships, as referred to in Article 5(1)(b);
- (c) unilateral and national projects, as referred to in Article 5(1)(d), where these are funded under Article 33(4)(a).

Requests for financial assistance submitted under these actions shall be directed to the appropriate national agencies designated by the Member States in accordance with Article 6(2)(b). The national agencies shall carry out the selection and allocate financial assistance to the applicants selected in accordance with the general guidelines to be established under Article 9(1)(c). The national agencies shall distribute grants to beneficiaries located in their respective Member States. Each partner in a bilateral or multilateral partnership shall receive funding direct from its respective national agency.

1.2. Procedure 2

The following action, under which the selection decisions are taken by the Commission, but evaluation and contracting procedures are undertaken by the appropriate national agencies, shall be managed through the 'National agency procedure 2':

- multilateral projects, as referred to in Article 5(1)(c).

Requests for financial assistance submitted under this action shall be directed to the national agency designated by the Member State of the coordinator of the project in accordance with Article 6(2)(b). The national agency of the Member State of the coordinator of the project shall carry out the evaluation of applications and submit to the Commission a shortlist of applications which it proposes to accept. The Commission shall decide upon the shortlist proposed, following which the national agency shall allocate the appropriate financial assistance to the applicants selected in accordance with the general guidelines to be established under Article 9(1)(c).

Before submitting the shortlist to the Commission, the national agency of the country in which the project is coordinated shall liaise with those in the countries of all the other project partners. The national agencies shall distribute grants to selected project coordinators located in their respective Member States, which shall be responsible for distributing the funds to the partners involved in the projects.

2. Commission procedure

The following actions, under which project proposals are submitted to the Commission and the selection decisions are taken by the Commission, shall be managed through the 'Commission procedure':

- (a) unilateral and national projects, as referred to in Article 5(1)(d), except those funded under Article 33(4)(a);
- (b) multilateral projects and networks, as referred to in Article 5(1)(e);

- (c) observation and analysis of policies and systems in the field of lifelong learning, the establishment of reference material, including surveys, statistics, analyses and indicators, and action to support transparency and recognition of qualifications and prior learning, as referred to in Article 5(1)(f);
- (d) operating grants, as referred to in Article 5(1)(g);
- (e) other initiatives aimed at promoting the objectives of the Lifelong Learning Programme, as referred to in Article 5(1)(h) ('accompanying measures').

Requests for financial assistance submitted under these actions shall be directed to the Commission, which shall carry out the selection and allocate financial assistance to the applicants selected in accordance with the general guidelines to be established under Article 9(1)(c).

B. Financial provisions

The Commission shall ensure that the financial and administrative requirements placed on beneficiaries of grants awarded under the Lifelong Learning Programme are proportionate to the level of the grant. In particular, the Commission shall ensure that the financial rules and the application and reporting requirements for individual mobility and for partnerships remain user-friendly and sufficiently simple not to restrict access for less advantaged individuals and the institutions or organisations that work with them.

In particular, the Commission shall provide the national agencies with criteria which they shall follow in regard to selection and award procedures, as well as contract and payment/audit arrangements, for the funds they manage. These criteria shall take into account the size of the grants made and, where grants are of less than EUR 25 000, they shall provide for simplified systems at all stages involving applicants or beneficiaries. They shall enable the national agencies to determine and limit the details required from applicants for grants and to issue contracts following the award of grants on a simplified basis which includes only the following elements:

- the contracting parties,
- the duration of the contract, which shall be the period of eligibility of the expenditure,
- the maximum amount of funding awarded,
- a summary description of the action involved,
- reporting and audit access requirements.

Also such criteria shall enable the national agencies to provide that co-financing provided by beneficiaries may take the form of contributions in kind. These shall be verifiable as to fact, but need not be the subject of financial evaluation.

1. Actions managed through the National agency procedure

1.1. The Community funds intended to provide financial support under the actions to be managed through the National agency procedure in accordance with section A point 1.1 of this Annex, are to be allocated among the Member States in accordance with formulae determined by the Commission in accordance with Article 10(2), which may include the following elements:

- (a) a minimum amount allocated to each Member State, to be determined in accordance with budgetary availability for the action concerned;
- (b) the remainder will be allocated to the various Member States on the basis of:
 - (i) each Member State's total number of:
 - pupils and teachers in school education for the school partnerships and mobility actions of the Comenius programme set out in Article 18(1)(a) and (b),
 - students and/or graduates in higher education for the mobility of students and intensive programmes actions of the Erasmus programme set out in Article 22(1)(a)(i) and (iv),

- teachers in higher education institutions for the mobility of teachers and the mobility of other staff actions of the Erasmus programme set out in Article 22(1)(a)(ii) and (iii),
 - overall population and number of 15 to 35 year olds in relation to it, for the mobility, partnership and multilateral project actions of the Leonardo da Vinci programme set out in Article 26(1)(a), (b) and (c),
 - adults for the mobility and partnership actions of the Grundtvig programme set out in Article 30(1)(a) and (b);
- (ii) the difference in the cost of living between the Member States;
 - (iii) the distance between the capital cities of each of the Member States;
 - (iv) the level of demand and/or take-up for the action concerned within each Member State.
- 1.2. These formulae should, as far as possible, be neutral with respect to the different education and training systems of the Member States.
- 1.3. The Community funds thus distributed shall be administered by the national agencies provided for in Article 6 (2)(b).
- 1.4. The Commission, acting in cooperation with the Member States, shall take the necessary measures to encourage balanced participation at Community, national and, where appropriate, regional level and, where appropriate, across the various fields of study. The proportion allocated to these measures shall not exceed 5 % of the annual allocations for financing each of the actions in question.

2. Designation of beneficiaries

The institutions listed in Article 36(2) of this Decision are hereby designated beneficiaries of grants under the Lifelong Learning Programme, in accordance with Article 168 of Regulation (EC, Euratom) No 2342/2002.

The constituent national units of the NARIC network, the Eurydice network, the Euroguidance network, the National Support Services for the eTwinning Action and the Europass National Centres act as instruments to implement the programme at national level, in conformity with the provisions of Article 54(2)(c) of Regulation (EC, Euratom) No 1605/2002 and of Article 38 of Regulation (EC, Euratom) No 2342/2002.

3. Types of beneficiary

In accordance with Article 114(1) of Regulation (EC, Euratom) No 1605/2002, grants may be awarded to legal persons or to natural persons. In the case of natural persons, these may take the form of scholarships.

4. Flat-rate grants, scales of unit costs and prizes

Flat-rate grants and/or scales of unit costs, as provided for in Article 181(1) of Regulation (EC, Euratom) No 2342/2002 may be used in the case of the actions referred to in Article 5.

Flat-rate grants may be used up to a maximum of EUR 25 000 per grant. They may be combined up to a maximum of EUR 100 000 and/or used in conjunction with scales of unit costs.

The Commission may provide for the award of prizes in relation to activities undertaken in the framework of the Lifelong Learning Programme.

5. Procurement

Where the implementation of actions supported under the Lifelong Learning Programme requires the beneficiary to have recourse to procurement procedures, the procedures for low-value contracts set out in Article 129 of Regulation (EC, Euratom) No 2342/2002 shall apply.

6. Partnership agreements

Where actions under the Lifelong Learning Programme are supported by means of framework partnership grants, pursuant to Article 163 of Regulation (EC, Euratom) No 2342/2002, such partnerships may be selected and funded for a four-year period, subject to a lightweight renewal procedure.

7. Public institutions or organisations providing learning opportunities

All schools and higher education institutions specified by Member States, and all institutions or organisations providing learning opportunities which have received over 50 % of their annual revenues from public sources over the last two years, or which are controlled by public bodies or their representatives, shall be treated by the Commission as having the necessary financial, professional and administrative capacity, together with the necessary financial stability, to carry out projects under the Lifelong Learning Programme; they shall not be required to present further documentation to demonstrate this. Such institutions or organisations may be exempted from auditing requirements pursuant to Article 173(4) of Regulation (EC, Euratom) No 2342/2002.

8. Bodies pursuing an objective of general European interest

Where operating grants are awarded under the Lifelong Learning Programme to bodies pursuing an objective of general European interest as defined in Article 162 of Regulation (EC, Euratom) No 2342/2002, these shall, in accordance with Article 113(2) of Regulation (EC, Euratom) No 1605/2002, not be subject on renewal to the principle of gradual decrease.

9. Applicants' professional competencies and qualifications

The Commission may decide in accordance with Article 176(2) of Regulation (EC, Euratom) No 2342/2002 that specified categories of beneficiaries have the professional competences and qualifications required to complete the proposed action or work programme.

10. Participation of partners from third countries

Partners from third countries may participate in multilateral projects, networks or partnerships under the terms of Article 14(2) at the discretion of the Commission or the national agency concerned. The decision whether to support such partners shall be based on the degree of added value at European level likely to result from their participation in the project, network or partnership in question.

11. Minimum allocations

Subject to Article 14 of this Decision, the minimum amounts to be allocated to sectoral sub-programmes shall be, in relation to the financial envelope set out in that Article:

Comenius 13 %

Erasmus 40 %

Leonardo da Vinci 25 %

Grundtvig 4 %

12. National agencies

Community financial assistance shall be provided to support the activities of the national agencies established or designated by the Member States in accordance with Article 6(2)(b).

In accordance with Article 38(1) of Regulation (EC, Euratom) No 2342/2002, the function of national agency may, in third countries participating in the Lifelong Learning Programme by virtue of Article 7(1) of this Decision, be discharged of public-sector bodies or private-law bodies with a public-service mission governed by the law of the country concerned.

In accordance with the principle of proportionality, certification and reporting requirements will be kept to an appropriate minimum necessary level.

13. Technical assistance

The financial envelope of the Lifelong Learning Programme may also cover expenditure related to preparatory actions, monitoring, control, audit and evaluation directly necessary for the implementation of the Programme and for the achievement of its objectives. These may in particular include studies, meetings, information activities, publications, expenditure on informatics networks for the exchange of information and any other expenditure on technical and administrative assistance to which the Commission may need to have recourse for the implementation of the Programme.

14. Anti-fraud provisions

Commission decisions taken under Article 9, the contracts and agreements resulting from them, as well as agreements with participating third countries, shall provide in particular for supervision and financial control by the Commission (or any representative authorised by it), including by the European Anti-Fraud Office (OLAF), and for audits by the Court of Auditors, if necessary on-the-spot. Such controls may be carried out with the national agencies as well, where necessary, as with recipients of grants.

The beneficiary of an operating grant shall keep available for the Commission all the supporting documents, including the audited financial statement, regarding expenditure incurred during the grant year, for a period of five years following the last payment. The beneficiary of a grant shall ensure that, where applicable, supporting documents in the possession of partners or members be made available to the Commission.

The Commission may have an audit of the use made of the grant carried out either directly by its own staff or by any other qualified outside body of its choice. Such audits may be carried out throughout the lifetime of the agreement and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Commission.

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

The Court of Auditors and OLAF shall enjoy the same rights, especially of access, as the Commission.

In addition, the Commission may carry out on-the-spot checks and inspections under the Lifelong Learning Programme in accordance with 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 ⁽¹⁾.

For the Community actions financed under this decision, the notion of irregularity referred to in Article 1, paragraph 2 of Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests ⁽²⁾ 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 Communities or allocations managed by them, by an unjustified item of expenditure.

⁽¹⁾ OJ L 292, 15.11.1996, p. 2.

⁽²⁾ OJ L 312, 23.12.1995, p. 1.