



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 9.1.2004
COM(2004) 3 final

2003/0115 (COD)

**COMMUNICATION FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT**

pursuant to the second subparagraph of Article 251 (2) of the EC Treaty

concerning the

**common position of the Council on the adoption of a European Parliament and
Council Decision establishing a programme of Community action to promote
organisations active at European level in the area of culture**

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1. BACKGROUND

Date on which the proposal was sent to the EP and the Council (document COM(2003) 275 final – 2003/0115 (COD)):	5 June 2003
Date of the opinion of the Committee of the Regions:	renounced
Date of the European Parliament's opinion at first reading:	6 November 2003
Date of Council political agreement (by unanimity):	24 November 2003
Date of adoption of the common position:	22 December 2003

2. OBJECTIVE OF THE COMMISSION PROPOSAL

Based on Article 151 of the Treaty, this Decision is intended, following the implementation of the new Financial Regulation applicable to the budget of the European Communities, to establish a basic act for awarding grants to promote organisations active at European level and support specific activities in the area of culture.

This programme would cover certain former budget lines in Part A, Chapter 30 of the budget, particularly those aimed at supporting the European Bureau for Lesser Used Languages and Mercator, protecting the sites of Nazi concentration camps as historical monuments, and awarding grants to organisations of European cultural interest.

3. COMMENTS ON THE COMMON POSITION

3.1. General remarks

The text of the Common Position is largely acceptable to the Commission, which in particular has accepted, in a spirit of compromise, the reduction in the duration of the programme as requested by Parliament and the Council. The Commission is also in a position to confirm the agreement reached at the budgetary conciliation on 24 November 2003 on “earmarking”, gradual reduction and clauses derogating from the Financial Regulation.

The Commission nevertheless attaches importance to the coherent application of the criteria of Article 2 of the Council Decision on committee procedures (1999/468/EC), the implications of which were highlighted in the judgment of the Court of 21 January. Bearing in mind the budget laid down in the proposal, the criteria of this Article would not be met. Without maintaining its reservation, the Commission therefore presented a unilateral declaration on this subject (see annex).

3.2. Examination of the amendments proposed by the Parliament at first reading

Amendments incorporated in full in the Commission's amended proposal and in the common position: 2, 8, 9, 12, 16.

- Amendment 2 introduces into recital 11 a reminder of the negotiation of the Financial Regulation;
- Amendment 8 provides for an annual report on the implementation of the programme by the Commission;
- Amendment 9 adds to the list of activities supported that of "cultural ambassador" promoting the common cultural heritage;
- Amendment 12 adds two evaluation criteria to grant applications (exchange of experiences in promoting cultural diversity, and mobility of arts and artists) and provides for the advertising of grants;
- Amendment 16 provides in Article 1 (3) for the duration of the future programme to be three years (2004–2006) rather than five years.

Amendments incorporated in the Commission's amended proposal and not in the common position: 17, 18.

- Amendment 17 provided in Article 5 (1) for an amendment to the budget for a period of three years (2004–2006) to 22.764 million euro.
- Amendment 18 identified two possibilities for selecting beneficiaries in strand 2 (call for proposals and "earmarking").

There is therefore a high degree of convergence between the Commission's amended proposal and the common position with regard to the European Parliament's amendments. Among the amendments not adopted by the Council, amendment 17 concerned the amount of the programme budget, which has since been the subject of budgetary conciliation (see point 3.3 below). Amendment 18, on the method for selecting beneficiaries in strand 2, was relatively close to the initial proposal. However, the Commission considers the compromise reached at Council level to be acceptable.

3.3. Main divergences between the Commission's amended proposal and the common position

With regard to the programme budget over the period 2004–2006, at the budgetary conciliation meeting on 24 November 2003 Parliament, the Council and the Commission agreed on an amount of 19 million euro. This is therefore the amount, already accepted by the Commission, which figures in the common position.

On strand 2 of the programme, the Council's common position provides for a system of designated beneficiaries in the annex for 2004, then the establishment of a system of calls for proposals for 2005 and 2006. The agreement reached at the budgetary conciliation meeting provides for an extension of the system of designated beneficiaries in 2005. The Commission confirms its agreement with this position.

4. CONCLUSIONS

The Commission considers the text of the common position a good basis for a Decision of the European Parliament and of the Council. However, the Decision should reflect the agreement reached between the co-legislators on 24 November 2003, namely:

- extension of the system of designated beneficiaries until 2005;
- given that the Decision will only be adopted during 2004, inclusion of two derogations from the Financial Regulation worded as follows:

"For grants awarded in 2004, it will be possible for the period of eligibility of expenditure to start on 1 January 2004, provided that the expenditure does not precede the date on which the grant application was lodged or the date on which the beneficiary's budget year starts.

During 2004, in the case of beneficiaries whose budgetary year starts before 1 March, an exception may be granted to the obligation to sign the grant agreement within the first four months of the start of the beneficiary's budget year, as referred to in Article 112, paragraph 2 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities. In this case, the grant agreement should be signed by 30 June 2004 at the latest".

Declaration by the Commission

The Commission notes the Council's decision to introduce in Article 6 an appeal to the Management Committee of the Culture 2000 programme relating to various measures for implementing the programme of Community action to promote organisations active at European level in the area of culture. It would nevertheless point out the importance, in its view, of a consistent application of the criteria in Article 2 of Council Decision No 1999/468/EC (the implications of which have been highlighted by the judgment of the Court of Justice of 21 January 2003). Bearing in mind the budget laid down in this particular case, the Commission considers that the criteria in Article 2 are not met.