COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 1.9.2006
COM(2006) 476 final

2004/0150 (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 Decision establishing the Culture 2007 programme (2007-2013)

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1. BACKGROUND

Date of transmission of the proposal to the EP and the Council (document COM(2004) 469 final – 2004/0150(COD)):	14 July 2004
Date of the opinion of the European Committee of the Regions:	23 February 2005
Date of the opinion of the European Parliament, first reading:	25 October 2005
Date of the political agreement	18 May 2006
Date of adoption of the common position:	18 July 2006

2. OBJECTIVE OF THE COMMISSION PROPOSAL

The purpose of the Commission's proposal is to establish a programme which can contribute to the flourishing of shared European cultural values on the basis of cultural co-operation between artists, cultural operators and cultural institutions. It will seek to promote multilateral cooperation within Europe as well as contribute to the bottom-up development of a European identity, thanks to interactions between citizens.

In comparison with the programmes that preceded it, the proposed programme goes further in the reinforcement of cultural cooperation by focussing the EU action on three main objectives which have been identified as having strong European added value: the trans-national mobility of people working in the cultural sector, the trans-national circulation of works of art as well as of artistic and cultural products and intercultural dialogue.

It consists of three strands: i) direct support for cultural co-operation projects, ii) support for European cultural co-operation organisations and iii) support for studies and for collecting and disseminating information in the field of cultural co-operation.

3. COMMENTS ON THE COMMON POSITION

The common position was adopted on 18 July 2006 by unanimity. The Commission is of the opinion that it is a compromise which fulfils most of the objectives of the amended Commission proposal, which, in turn, accepted a large number of the European Parliament's

amendments. All the EP amendments that the Commission could in full, in part or in principle accept have been integrated into the common position of the Council, in some cases subject to some rewording, i.e. amendments 1, 4, 7, 11, 15, 20, 23, 27, 33, 41, 43, 51, 52, 10, 14, 53, 55, 56, 59, 6, 8, 16, 26, 19, 24, 38, 42 and 62. Moreover, amendments 2, 3 and 13 (for which the Commission had a reserved position) as well as amendments 34, 47 and 49 are also included in the common position.

However, the Commission cannot support the common position with regard to two issues: the budgetary breakdown and the broadening of the comitology procedure to individual decisions on selection.

The Council decided to modify the Commission's indicative budgetary breakdown, so that 32% of the programme budget could be dedicated to multiannual projects (strand 1.1 of programme), instead of 36 % in the Commission proposal, and 29% of the programme budget would be dedicated to cooperation measures (strand 1.2 of programme) instead of 24% in the Commission proposal. According to the Commission, its initial proposal enabled real structured European-wide cooperation to take place and thereby provided more visibility to sustainable long term projects and, as a consequence, to the programme. The initial emphasis on multi-annual projects should not be seen as an emphasis on big operators versus small operators; the aim was to encourage all the operators - whatever their scale - to participate within ambitious cooperation projects. The Commission also deems it necessary to dedicate 17% of the budget (as opposed to 16% in the common position) to special actions (strand 1.3 of programme) as this strand aims to strike a significant chord with the peoples of Europe and help them to increase their sense of belonging to the same community, which is highly instrumental towards the emergence of a European citizenship.

The Council decided to extend the comitology procedure to decisions on projects selection for grants over €200.000 (new Article 8.2d). This extension would imply, without a real added value, a longer internal decision-making procedure on the implementation of the programme.

The Commission also notes that the equivalent of the financial envelope of EUR 354 million in 2004 prices referred to in the Council common position (Article 2) is EUR 400 million in current prices.

4. CONCLUSION

The Commission considers that the common position adopted on 18 July 2006 by unanimity represents to a large extent a significant step forward in improving the clarity of the Decision and enhancing its provisions in line with the objectives to be achieved as set out by the Commission's proposal. However, the Commission rejects two of its aspects regarding the budgetary split as well as the comitology (see statement annexed herewith) and therefore cannot accept it.

ANNEX

Commission statement on Article 8

The Commission regrets the wish of the Council to introduce into the "Culture 2007" Programme Decision a comitology procedure for individual activity selection decisions, in addition to the comitology procedure envisaged in the Commission's original proposal for the selection procedure itself. The Commission notes that this would increase the time applicants have to wait for a decision on their proposals by 2 to 3 months, compared with the original proposal, which runs counter to the principle of simplification and user-friendliness espoused by the Commission, Council and European Parliament at the start of the legislative process. The Commission also notes that the European Parliament, in its First Reading opinion, was not in favour of subjecting individual selection decisions to a comitology procedure.

In implementing the Culture Programme, the Commission undertakes to inform the Council and the European Parliament without delay of all activity selection decisions that are taken without recourse to a comitology procedure.

The Commission furthermore undertakes to continue to seek ways to shorten the selection timetable through increases in administrative efficiency, in particular through use of the new Executive Agency for the implementation of the programme. It notes, however, that the scale of any such time-savings is substantially smaller than the 2 to 3 months that are at stake if recourse is made to a comitology procedure for individual selection decisions.

LEGISLATIVE FINANCIAL STATEMENT

Policy area(s):	Education and culture
Activit(y/ies):	**Culture et Langues**

TITLE OF ACTION:	**CULTURE PROGRAMME**

1. BUDGET LINE(S) + HEADING(S) HEADING 3B

15 04 44 - Culture 2007

15 01 04 44 – Culture 2007 – Expenditure on administrative management

15 01 04 31 –Executive Agency for Education, Audiovisual and Culture – Subsidy for programmes of Heading 3b

2. OVERALL FIGURES

2.1. Total allocation for action : € 400,000 million

2.2. Period of application:

2007-2013

2.3. Overall multiannual estimate of expenditure:

(a) Schedule of commitment appropriations/payment appropriations (financial intervention) *(see point 6.1.1)*

Cash prices € million (*to 3rd decimal place)*

	2007	2008	2009	2010	2011	2012	2013*	Total
Commitments	43,592	44,804	51,612	53,636	56,764	58,236	59,356	**368,000**
Payments	16,750	35,574	41,605	46,729	49,343	52,531	125,468	**368,000**

* 2013 et seq for payments

(b) Technical and administrative assistance and support expenditure *(see point 6.1.2)*

Cash prices € million (*to 3rd decimal place)*

	2007	2008	2009	2010	2011	2012	2013*	Total
Commitments	4,208	3,989	4,071	4,528	4,750	5,109	5,345	**32,000**
Payments	4,208	3,989	4,071	4,528	4,75	5,105	5,344	**32,000**

* 2013 et seq for payments

Cash prices € million (*to 3rd decimal place)*

Subtotal a + b	2007	2008	2009	2010	2011	2012	2013*	Total
Commitments	47,800	48,793	55,683	58,164	61,514	63,345	64,701	**400,00**
Payments	20,958	39,563	45,676	51,257	54,093	57,636	130,812	**400,00**

* 2013 et seq for payments

(c) Overall financial impact of human resources and other administrative expenditure *(see points 7.2 and 7.3)*

Cash prices € million (*to 3rd decimal place)*

	2007	2008	2009	2010	2011	2012	2013	Total
Commitments / payments	2,239	2,239	2,239	2,240	2,240	2,240	2,241	**15,678**

Cash prices € million *(to 3rd decimal place)*

TOTAL a+b+c	2007	2008	2009	2010	2011	2012	2013*	Total
Commitments	50,039	51,032	57,922	60,404	63,754	65,585	66,942	**415,678**
Payments	23,197	41,802	47,915	53,497	56,333	59,876	133,053	**415,678**

* 2013 et seq for payments

2.4. Compatibility with financial programming and financial framework

[X] Proposal is compatible with Annex I of the Interinstitutional Agreement on budgetary discipline and sound financial management on the financial framework 2007-2013 (JO C139 of 14 June 2006) and document V of the Commission on financial programming 2007-2013 (SEC(2006) 625 of May 2006)

2.5. Financial impact on revenue:

[X] Proposal has no financial implications (involves technical aspects regarding implementation of a measure)

3. BUDGET CHARACTERISTICS

Type of expenditure		**New**	**EFTA contribution**	**Contributions form applicant countries**	**Heading in financial framework**
Non-comp	Diff	NO	YES	YES	3b

4. LEGAL BASIS

Treaty establishing the European Community, Article 151

5. DESCRIPTION AND GROUNDS

See initial proposal.

6. FINANCIAL IMPACT

6.1. Total financial impact on Part B - (over the entire programming period)

6.1.1. Financial intervention

Commitments (cash prices)

	2007	2008	2009	2010	2011	2012	2013	Total
Strand 1 – Support for projects	**36,422**	**37,499**	**43,197**	**44,891**	**47,509**	**48,741**	**49,741**	**308,000**
-Multi-annual cooperation projects	16,824	17,532	20,196	20,988	22,212	22,788	23,460	144,000
-Cooperation measures	11,472	11,688	13,464	13,992	14,808	15,192	15,384	96,000
-Special Actions	8,126	8,279	9,537	9,911	10,489	10,761	10,897	68,000
Strand 2 – Support to European Bodies active in the field of Culture	**4,780**	**4,870**	**5,610**	**5,830**	**6,170**	**6,330**	**6,410**	**40,000**
Strand 3 – Analysis and Information	**2,390**	**2,435**	**2,805**	**2,915**	**3,085**	**3,165**	**3,205**	**20,000**
TOTAL	**43,592**	**44,804**	**51,612**	**53,636**	**56,764**	**58,236**	**59,356**	**368,000**

6.1.2. Technical and administrative assistance, support expenditure and IT expenditure (commitment appropriations)

Commitments (cash prices)

	2007	2008	2009	2010	2011	2012	2013	Total
1) Technical and administrative assistance								
a) Executive Agency	3,692	3,484	3,556	4,001	4,213	4,560	4,785	**28,288**
b) Other TAA: - intra muros:	0,171	0,167	0,171	0,175	0,178	0,182	0,186	**1,231**
- extra muros:	0,029	0,029	0,029	0,030	0,030	0,031	0,031	**0,209**
Symmetry								
Audits								
Other informatics assistance								
Experts – project evaluations								
Subtotal 1	**3,892**	**3,680**	**3,756**	**4,206**	**4,421**	**4,773**	**5,002**	**29,726**
2) Support expenditure								
a) Studies	0,104	0,106	0,108	0,110	0,113	0,115	0,118	**0,774**
b) Meetings of experts	0,061	0,062	0,063	0,064	0,065	0,067	0,068	**0,450**
c) Information and publications	0,151	0,142	0,145	0,148	0,151	0,154	0,157	**1,048**
d) Other								
Subtotal 2	**0,316**	**0,309**	**0,315**	**0,322**	**0,329**	**0,336**	**0,342**	**2,271**
TOTAL	**4,208**	**3,989**	**4,071**	**4,528**	**4,75**	**5,109**	**5,344**	**32,000**

Ces dépenses incluent la contribution du programme aux frais de fonctionnement de l'agence exécutive Education et culture, notamment les frais de personnel qui seront exposés par cette agence au titre de ce programme. Ces dépenses de personnel correspondent à une augmentation des effectifs au cours de la période résultant de l'augmentation des volumes d'activité qui seront confiés à l'agence, du fait de la croissance des budgets alloués aux volets dont la gestion lui sera déléguée.

6.2. Calculation of costs by measure envisaged in Part B (over the entire programming period)

Commitments (cash prices)

Breakdown	Type of outputs (projects, files)	Number of outputs (total for years 2007-2013)	Average unit cost	Total cost (total for years 2007-2013)
Strand 1- Support for projects				**308,000**
Multiannual cooperation projects	Subsidy/Grant to projects	79	1,826	**144,000**
Cooperation measures	Subsidy /Grant to projects	857	0,112	**96,000**
Special Actions	Subsidy/Grant to projects	393	0,173	**68,000**
Strand 2-Support to European Bodies active in the field of culture	Subsidy for the functioning costs of Organisations	268	0,149	**40,000**
Strand 3 – Analysis and Information				**20,000**
	Subsidy/Grant to projects	57	0,143	8,200
	Market contracts:			
	- Studies, collection, diffusion, exploitation of information and results	17	0,200	3,400
	Cultural Contact Points	189	0,044	8,400

Management of the programme	**Technical and administrative assistance (ATA)and support expenditure (DDA)**			**32,000**
TOTAL COST				**400,00**

7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

7.1. Impact on human resources

L'estimation des dépenses relevant de ce point 7 est une estimation moyenne sur la période 2007-2013. Il est envisagé d'augmenter les ressources humaines actuellement affectées à la gestion du programme Culture 2000 afin de prendre en compte l'évolution des crédits opérationnels affectés au programme; ces ressources humaines passeraient de 16 hommes/ans en 2007 à 20 hommes/ans en 2013 (pour 2013, les chiffres figurent entre parenthèses dans le tableau ci-dessous)

Types of post		Staff to be assigned to management of the action using existing and/or additional resources		Total	Description of tasks deriving from the action
		Number of permanent posts 2007 (2013)	Number of temporary posts 2007(2013)		
Officials or temporary staff	A	**4 (5)**		**4 (5)**	*Implementation of programme*
	B	**3 (5)**		**3 (5)**	
	C	**6 (7)**		**6 (7)**	
Other human resources DNE/AUX				**1** **2**	Support Staff National Experts (END)
Total		**13 (17)**		**16 (20)**	

7.2. Overall financial impact of human resources – 2004 prices

Type of human resources	Amount (€ million) 2007(2013)	Method of calculation
Officials Temporary staff	1.404.000 (1.836.000)	13* 108.000 17* 108.000
Other human resources (specify budget line)	108.000 90.000	1* 108.000 Support Staff 2* 45.000 National Experts (END)
Total	1.602.000 (2.034.000)	

The amounts are total expenditure for twelve months.

7.3. Other administrative expenditure deriving from the action – 2004 prices

Budget line (number and heading)	Amount € million 2007(2013)	Method of calculation
Overall allocation (Title A7)		
A0701 – Missions	41.250	5 pers.*10 missions* € 825 (average)
A07030 – Meetings	116.000	2 meet.*50 pers.* (€ 860 + 2*(€ 150)
A07031 – Compulsory committees [1]	64.500	3 meet.*25 pers. *€ 860+2* (€ 150)
A07032 – Non-compulsory committees		
A07040 – Conferences	200.000	
A0705 – Studies and consultations		
Other expenditure (specify)		
Information systems (A-5001/A-4300)		
Other expenditure - Part A (specify)		
Total	421.750	

The amounts are total expenditure for twelve months.

I.	Annual total (7.2 + 7.3)	€ 2.239.750
II.	Duration of action	7 years
III.	Total cost of action (I x II)	€ 15.678.250

The needs for human and administrative resources shall be covered within the allocation granted to the managing DG in the framework of the annual allocation procedure.

8. FOLLOW-UP AND EVALUATION

See initial proposal.

9. ANTI-FRAUD MEASURES

See initial proposal.