



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 09.03.2001
COM(2001) 128 final

2001/0064 (ACC)

VOLUME I

Proposal for a

COUNCIL DECISION

**concerning the Community position within the Association Council on the participation
of the Republic of Bulgaria in the "Culture 2000" programme**

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Helsinki European Council of December 1999 confirmed the enlargement process launched at its meeting of December 1997 in Luxembourg. The enhanced Pre-Accession Strategy defined in 1997 has been reiterated, which includes the participation of the 13 candidate States in Community programmes as an important part of such strategy.

As regards the ten candidate countries of Central and Eastern Europe (CEECs), participation in Community programmes is provided for in their respective Europe Agreements. Pursuant to the Europe Agreements, the conditions and modalities of these countries' participation are defined by the respective Association Councils.

The "Culture 2000" programme is a new programme, adopted on 14 February 2000, but the CEECs have all taken part in one or more of the previous Community cultural programmes (Ariane, Kaleidoscope and Raphael) during 1998 or 1999. The participation of the CEECs in these programmes has been an important element in these countries' pre-accession process.

Article 7 of Decision N° 508/2000/EC of the European Parliament and of the Council of 14 February 2000 which established the "Culture 2000" programme provides for the participation of the CEECs in the programme. All the CEECs have confirmed their willingness to participate in the new programme as from 2001, and to pay their financial contribution partly from their national budget, and partly from their annual Phare allocation. As provided in the conclusions of the meeting of the European Council in Luxembourg of 12 and 13 December 1997, these countries' financial contributions of their own are steadily increasing.

The main issues addressed in the proposed draft Decision of the Association Council are the following:

- projects and initiatives submitted by participants from the CEECs shall be subject to the same conditions, rules and procedures pertaining to this programme as are applied to Member States, regarding in particular the submission, assessment, and selection of applications and projects;
- the CEECs will pay each year a contribution to the programme, as established in the Association Council decision. This contribution will not be reimbursed to the CEEC if, at the end of the year, the results fall short of the contribution paid ;
- as provided in the conclusions of the meeting of the European Council in Luxembourg, the CEECs will be invited to attend the Management Committee of the "Culture 2000" programme as observers, for the points which concern them ;
- the decision will apply until the end of the programme and will enter into force the day of its adoption.

The early adoption of the Association Council decision would allow the candidate countries to become integrated in Community networks and other activities in the fields of culture, as quickly as possible.

Accordingly, the Council is invited to adopt the annexed proposal for a Council Decision concerning the Community position within the Association Council on the participation of Bulgaria in the “Culture 2000” programme.

Proposal for a

COUNCIL DECISION

concerning the Community position within the Association Council on the participation of the Republic of Bulgaria in the "Culture 2000" programme

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 151, in conjunction with Article 300(2) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) The Additional Protocol to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Bulgaria, of the other part has been concluded by decision of the Council and the Commission of 4 December 1995.
- (2) According to Article 1 of the Additional Protocol, Bulgaria may participate in Community framework programmes, specific programmes, projects or other actions notably in the field of culture, and pursuant to Article 2 the terms and conditions for the participation of Bulgaria in these activities shall be decided by the Association Council;
- (3) Decision N° 508/2000/EC of the European Parliament and of the Council of 14 February 2000 establishing the "Culture 2000" programme¹ and in particular Article 7 thereof, provides that "Culture 2000" shall be open to the participation of associated Central and Eastern European countries in accordance with the conditions set out in the Europe Agreements, in their Additional Protocols and in the decisions of the respective Association Councils,

¹ OJ L 63, 10.03.2000, p. 1

HAS DECIDED AS FOLLOWS:

The position to be taken by the Community within the Association Council established by the Europe Agreement between the European Communities and their Member States, of the one part, and the Republic of Bulgaria, of the other part, concerning the participation of Bulgaria in the “Culture 2000” programme, is the attached draft decision of the Association Council.

Done at Brussels,

*For the Council
The President*

Draft

DECISION N°../2001 OF THE ASSOCIATION COUNCIL

Between the European Communities and their Member States, of the one part, and the Republic of Bulgaria, of the other part

adopting the terms and conditions for the participation of the Republic of Bulgaria in the “Culture 2000” programme

THE ASSOCIATION COUNCIL

Having regard to the Additional Protocol to the Europe Agreement between the European Communities and their Member States, of the one part, and the Republic of Bulgaria, of the other, concerning Bulgaria’s participation in Community programmes, and in particular Articles 1 & 2 thereof,

Whereas:

- (1) According to Article 1 of the Additional Protocol, Bulgaria may participate in Community framework programmes, specific programmes, projects or other actions notably in the field of culture;
- (2) According to Article 2 the terms and conditions for the participation of Bulgaria in this area shall be decided by the Association Council;

HAS DECIDED AS FOLLOWS:

Article 1

Bulgaria shall participate in the “Culture 2000” programme according to the terms and conditions set out in Annexes I and II which shall form an integral part of this Decision.

Article 2

This Decision shall apply for the duration of the “Culture 2000” programme, starting from 1 January 2001.

Article 3

This Decision shall enter into force the day of its adoption by the Association Council

Done at Brussels

*For the Association Council
The President*

ANNEX I

Terms and conditions for the participation of the Republic of Bulgaria in the “Culture 2000” programme

- (1) Bulgaria will participate in the activities of the “Culture 2000” programme (hereinafter called “the Programme”) in conformity, unless otherwise provided in this Decision, with the objectives, criteria, procedures and deadlines as defined in Decision N° 508/2000/EC of the European Parliament and of the Council of 14 February 2000 establishing this Community action programme.
- (2) To participate in the Programme, Bulgaria will pay each year a contribution to the general budget of the European Union according to the modalities described in Annex II. If necessary in order to take into account programme developments, or the evolution of Bulgaria’s absorption capacity, the Association Committee is entitled to adapt this contribution, so as to avoid budgetary imbalance in the implementation of the programme.
- (3) The terms and conditions for the submission, assessment and selection of applications related to eligible institutions, organisations and individuals of Bulgaria will be the same as those applicable to eligible institutions, organisations and individuals of the Community. Bulgarian experts may be taken into consideration by the Commission when appointing independent experts according to the relevant provisions of the decision establishing the Programme to assist it in the project evaluation.
- (4) With a view to ensure the Community dimension of the Programme, to be eligible for Community financial support, projects and activities will have to include at least a partner from one of the Member States of the Community.
- (5) The maximum amount of financial support for the activities of the Cultural Contact Points will not exceed 50 % of the total budget for its activities.
- (6) Without prejudice to the responsibilities of the Commission of the European Communities and the Court of Auditors of the European Communities in relation to the monitoring and evaluation of the “Culture 2000” programme pursuant to the Decision (Article 8), the participation of Bulgaria in the programme will be continuously monitored on a partnership basis involving the Commission of the European Communities and Bulgaria. Bulgaria will submit to the Commission relevant reports and take part in other specific activities set out by the Community in that context.
- (7) In conformity with the Community’s Financial Regulations, contractual arrangements concluded with, or by, entities of Bulgaria shall provide for controls and audits to be carried out by, or under the authority of, the Commission and the Court of Auditors. As far as financial audits are concerned, they may be carried out with the purpose of controlling such entities’ income and expenditures, related to the contractual obligations towards the Community. In a spirit of co-operation and mutual interest, the relevant authorities of Bulgaria shall provide any reasonable and feasible assistance as may be necessary or helpful under the circumstances to perform such controls and audits.

- (8) Without prejudice to the procedures referred to in Article 5 of Decision N° 508/2000/EC of the European Parliament and of the Council of 14 February 2000 establishing the “Culture 2000” programme, representatives of Bulgaria will participate as observers in the Management Committee for the points which concern them. This committee shall meet without the presence of representatives of Bulgaria for the rest of the points, as well as, at the time of voting.
- (9) The language to be used in all sorts of contacts with the Commission, as regards the application process, contracts, reports to be submitted and other administrative arrangements for the programme, will be one of the official languages of the Community.
- (10) The Community and Bulgaria may terminate activities under this Decision at any time upon twelve months’ notice in writing. Projects and activities in progress at the time of termination shall continue until their completion under the conditions laid down in this Decision.

ANNEX 2
Financial contribution of the Republic of Bulgaria
to “Culture 2000”

1. The financial contribution to be paid by Bulgaria to the budget of the European Union to participate in the “Culture 2000” programme will be the following (in €):

Year 2001	Year 2002	Year 2003	Year 2004
220 713	220 713	220 713	220 713

2. Bulgaria will pay the contribution mentioned above, partly from the Bulgarian national budget, and partly from Bulgaria’s PHARE National Programme. Subject to a PHARE separate programming procedure, the requested PHARE funds will be transferred to Bulgaria by means of a separate Financing Memorandum. Together with the part coming from Bulgaria’s State budget, these funds will constitute Bulgaria’s national contribution, out of which it will make payments in response to annual calls for funds from the Commission.
3. PHARE funds will be requested according to the following schedule:

Year 2001	Year 2002	Year 2003	Year 2004
178 236	160 412	133 677	89 118

The remaining part of the contribution of Bulgaria will come from the Bulgarian State budget.

4. The financial regulation applicable to the general budget of the European Union will apply, notably to the management of the contribution of Bulgaria.

Travel costs and subsistence costs incurred by representatives and experts of Bulgaria for the purposes of taking part as observers in the work of the committee referred to in Annex I, Point 8 or other meetings related to the implementation of the Programme shall be reimbursed by the Commission on the same basis as and in accordance with the procedures currently in force for nongovernmental experts of the Member States of the European Union.

5. After the entry into force of this Decision and at the beginning of each following year, the Commission will send to Bulgaria a call for funds corresponding to its contribution to the budget of the programme under this Decision.

This contribution shall be expressed in Euros and paid into an Euro bank account of the Commission.

Bulgaria will pay its contribution according to the call for funds:

- by 1 May for the part financed from its national budget, provided that the call for funds is sent by the Commission before 1 April, or at the latest one month after the call for funds is sent if later;

- by 1 May for the part financed from PHARE, provided that the corresponding amounts have been sent to Bulgaria by this time, or at the latest in a period of 30 days after these funds have been sent to Bulgaria.

Any delay in the payment of the contribution shall give rise to the payment of interest by Bulgaria on the outstanding amount from the due date. The interest rate corresponds to the rate applied by the European Central Bank, on the due date, for its operations in EURO, increased by 1.5 percentage points.

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Participation of Bulgaria in the “Culture 2000” programme.

2. BUDGET HEADING INVOLVED

B7-030 Economic aid to the associated countries of Central and Eastern Europe
6091 Revenue accruing from the participation of the associated countries of central Europe in Community programmes

3. LEGAL BASIS

Treaty establishing the European Community, and in particular Article 151, in conjunction with Article 300(2) thereof;

the Additional Protocol to the Europe Agreement with Bulgaria providing for the participation in Community programmes;

Decision N° 508/2000/EC of the European Parliament and of the Council of 14 February 2000 establishing the “Culture 2000” programme, and in particular Article 7 thereof;

4. DESCRIPTION OF OPERATION

4.1 General objective

The Additional Protocol to the Europe Agreement with Bulgaria provides for Bulgaria’s participation in Community programmes in a wide range of areas, among which culture is included.

Its participation will not only contribute towards the implementation of the provisions relating to economic and cultural co-operation in the Europe Agreement, but will also enable Bulgaria to familiarise itself with the procedures and methods used in Community programmes.

Bulgaria has been participating in Community cultural programmes in the past. In line with the Commission communication “Agenda 2000” of 16.7.1997 and of the conclusions of the European Council in Luxembourg, Bulgaria’s participation in these programmes has been part of the reinforced pre-accession strategy which assist this country in its preparation for future accession to the Union.

The decision-making process for the opening-up of programmes involves a decision by the Association Council between the Union and Bulgaria.

This draft Association Council Decision aims at allowing the Bulgarian participation to benefit from the possibilities offered by “Culture 2000”. The draft Association Council Decision lays down conditions, notably as concerns Bulgaria’s financial contribution, and practical arrangements for participating in this programme.

4.2 Period covered and arrangements for renewal

Until the end of the Community programme concerned, i.e. 31.12.2004.

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1 Non-compulsory expenditure

5.2 Differentiated appropriations

5.3 Type of revenue involved

Since Article 3 of the Additional Protocol stipulates that Bulgaria itself will meet the costs resulting from its participation, it will be invited to pay a contribution for participating in the “Culture 2000” programme. As the same article states that the Community may supplement Bulgaria’s contribution, Bulgaria will contribute only part from its national budget. The remaining part of its contribution will be taken from its PHARE National Programme. The required PHARE funds will be charged to heading B7-030, and transferred to Bulgaria by means of a separate Financing Memorandum. Together with the part coming from Bulgaria’s State budget, these funds will constitute Bulgaria’s national contribution, out of which it will make payments in response to annual calls for funds from the Commission. The total contribution, once paid by Bulgaria, will be transferred to item 6091 of the EU’s budget receipts.

6. TYPE OF EXPENDITURE OR REVENUE

- 100% subsidy
- Subsidy for joint financing with other sources in the public and/or private sector
- No provision for all or part of the Community contribution to be reimbursed
- As far as revenue is concerned, provision for Bulgaria’s contribution to cover the cost of its participation is made under item 6091. The revenue will be allocated to the items for expenditure on the programme in question and, where appropriate, to the relevant items of operating expenditure. The total revenue expected is given under item 7.4.

7. FINANCIAL IMPACT

7.1 Method of calculating total cost of operation (relation between individual and total costs)

Based on the Additional Protocol to the Europe Agreement with Bulgaria, the financial and budgetary arrangements for the "Culture 2000" programme are as follows: Bulgaria's contribution takes into account three elements:

- the foreseeable operational costs, which have been calculated on the basis of the programme budget, as well as the GDP of the country as weighted by its Purchasing Power Parity.
- the contribution for a Cultural Contact Point.
- the foreseeable administrative costs, corresponding to the meetings and missions. These estimated administrative costs amount yearly to 4 000 €.

Bulgaria will use part of its national PHARE annual programme as a complement to its State budget to finance its contribution to the operational costs.

7.2 Itemised breakdown of cost (in €)

	2001	2002	2003	2004	Total
Culture 2000	220 713	220 713	220 713	220 713	882 852
Origin: National budget	42 477	60 301	87 036	131 595	321 409
of which administrative costs Part B (see point 7.3)	8 000	8 000	8 000	8 000	32 000
of which administration costs Part A (see point 10)	4 000	4 000	4 000	4 000	16 000
Origin: PHARE funds	178 236	160 412	133 677	89 118	561 443

7.3 Operational expenditure for studies, experts' etc. included in part B of the budget

p.m.: in proportion to the appropriations of that kind in the EUR 15 allocations for the "Culture 2000" programme, but within the limits allowed by the part of the contribution which comes from the country's national budget.

7.4 Schedule of commitment and payment appropriations

Amounts to be charged to item B7-030

	2000	2001	2002	2003	2004	TOTAL
Comm. app.	178 236	160 412	133 677	89 118		561 443
Pay. app.		178 236	160 412	133 677	89 118	561 443

The foreseeable annual receipts are as follows:

Item 6091	2001	2002	2003	2004	TOTAL
Operational part	216 713	216 713	216 713	216 713	866 852
Administrative part	4000	4 000	4 000	4 000	16 000

8. FRAUD PREVENTION MEASURES

All the Commission's contracts, agreements and other legal commitments provide for on-the-spot checks by the Commission and Court of Auditors. Among other things, the beneficiaries of the operations are obliged to file reports and financial statements. These are analysed from the point of view of their content and the eligibility of the expenditure in line with the objective of Community financing.

The anti-fraud provisions of the basic budget headings apply to this heading too when adapted to the case of the countries of Central Europe.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1 Specific and quantified objectives; target population

The aim of opening up the "Culture 2000" programme to Bulgaria is to bring about similar benefits as for Member States of the Community. The Culture 2000 programme contributes to the promotion of a cultural area common to the peoples of Europe. In this context, it encourages co-operation between artists and others involved in culture, private and public promoters, cultural networks, and other partners in addition to cultural institutions from Member States and other participating countries to meet the following objectives:

- promotion of cultural dialogue and of mutual knowledge of the culture and history of the European peoples ;
- promotion of creativity and the transnational dissemination of culture and the movement of artists, creators and other cultural operators and professionals and their works, with a strong emphasis on young and socially disadvantaged people and on cultural diversity;
- the highlighting of cultural diversity and the development of new forms of cultural expression;
- sharing and highlighting, at the European level, the common cultural heritage of European significance; disseminating know-how and promoting good practices concerning its conservation and safeguarding;
- taking into account the role of culture in socio-economic development;

- the fostering of intercultural dialogue and mutual exchange between European and non-European cultures;
- explicit recognition of culture as an economic factor and as a factor in social integration and citizenship;
- improved access to and participation in culture in the European Union for as many citizens as possible.

9.2 Grounds for the operation

- Need for Community financial aid

In view of the high cost of participation in the programme and Bulgaria's precarious budgetary situation, assistance from PHARE is essential.

- Choice of ways and means

With a contribution from the national budget, supplemented by one from PHARE, Bulgaria's integration in the programme will allow its citizens to cooperate with their counterparts in the current EU Member States. The integration of Bulgarian nationals in Community networks will make a definite contribution to preparing Bulgaria for future membership.

- Main factors of uncertainty which could affect the specific results of the operation

Since projects will be selected according to qualitative criteria, it will only be possible to measure the real impact on the basis of Bulgarian organisations' capacity to respond to the calls for proposal launched by the Commission under the programme.

9.3 Monitoring and evaluation of the operation

The monitoring and evaluation procedures included in the "Culture 2000" programme (notably in respect of evaluation, as included in the decisions establishing the programme) will also cover operations financed for Bulgarian beneficiaries.

10. ADMINISTRATIVE EXPENDITURE (SECTION III, PART A OF THE BUDGET)

Actual mobilisation of the necessary administrative resources will depend on the Commission's annual decision on the allocation of resources, taking into account the number of staff and additional amounts authorised by the budgetary authority.

10.1 Effect on the number of posts

Type of post		Staff to be assigned to managing the operation		Source		Duration
		Permanent posts	Temporary posts	Existing resources in the DG or department concerned	Additional resources	2001-2004
Officials or temporary staff	A B C	1		1		
Other resources						
Total		1		1		

10.2 Overall financial impact of the human resources

EUR

	Amounts	Method of calculation (total cost for the period 2001-2004)
Officials (*)	432 000	1 official x 4 years x 108 000
Temporary staff		
Other resources		
Total	432 000	

(*) By using existing resources required to manage the operation (Calculation based on titles A1, A2, A4, A5 and A7)

10.3 Increase in other administrative expenditure as a result of the operation

EUR

Budget heading	Amounts	Method of calculation (total for the period 2001-2004)
A 7010 -missions	4 000	Travel allowance and subsistence allowance for 1 yearly mission on average
A 7031 -committees	6 000	Travel allowance and subsistence allowance for one participant to attend two yearly meetings of one day on average
A 7030 - other meetings	6 000	Travel allowance and subsistence allowance for 1 Bulgarian expert to attend 2 yearly meetings of one day on average
Total	16 000	

The above expenditure will be met from the receipts (article 4 par.2, third indent of the financial regulation) received from Bulgaria (see point 5.3 and 7.4 of the financial statement).