



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 08.12.1995

COM(95) 573final

95/0336 (SYN)

Proposal for a

COUNCIL DECISION

on a Community action programme
promoting non-governmental organisations primarily active in the field
of environmental protection

(presented by the Commission)

EXPLANATORY MEMORANDUM

The purpose of this proposal is to fulfil the undertaking given in the communication from the Commission to the budgetary authority concerning legal bases and maximum amounts, especially in relation to the activities funded under budget article B4-306 - awareness and subsidies. The undertaking given stemmed from the Joint Declaration of 28 June 1982 by the European Parliament, the Council and the Commission on various measures to improve the budget procedure.

Budget article B4-306, for which the legal base is required, consists of three distinct activities; awareness, subsidies and publications. For first and third activities the existing Commission's powers are sufficient.

	Budget 1995	Preliminary Draft Budget 1996
1. Awareness activities	5,500	5,500
2. Subsidies for the European Environment Organisations	2,500	2,500
3. Publications	<u>400</u>	<u>400</u>
	<u>8,400</u>	<u>8,400</u>

Figures in thousand ECUs.

The subsidies to be accorded to the representative environmental european organisations are normally destined to cover up to 40% of the beneficiaries' operational and administrative budget for a given year. The financial support is necessary, both on environmental and economic grounds.

Environmental justification

The high level of independence and motivation displayed by non-governmental organisations (NGOs) has lead, through innovative analysis, to constructive insights into the environmental problems prevailing. The initiation and co-ordination of projects which have a high multiplier coefficient, together with the ability to cooperate with a very wide group of actors (business, unions, policy makers, international institutions, media and the general public), increases the awareness of degradations to the local, Community and global environment. The awareness of a problem is a precursor to the search for a solution.

The european environmental NGOs, acting as a conduit to national, regional and local environmental organisations, also help the Commission by disseminating information on policy issues in the environmental field.

Economic justification

The communication and information structures put into place by the NGOs operate efficiently and often at lowest costs possible. Working through relays, networks and other multipliers, Commission experience shows that the economic costs of using the existing structures is often much lower than creating and maintaining new structures. The reliance therefore on existing structures is the most cost-effective method attaining Commission objectives in this field.

As the subsidy for any one organisation is for a limited period (except under exceptional circumstances), the Commission can ensure that new NGOs are added to the market for environmental information.

The information and awareness actions to be covered by this programme though often occurring at regional and local level, have a multiplier potential at Community level, thereby assisting the Commission in the development and implementation of the Community environment policy. The Community support will add to and extend the environment protection measures given at the Member State level by enhancing the Community dimension, in areas such as nature protection, transboundary environment activities. The subsidiarity principle will be respected in the selection of actions to be supported.

The four year Community action programme promoting environmental protection measures will consolidate and coordinate the information and awareness activities effected through environmental NGOs. This programme remains within the framework of the Fifth Environment Action Programme on environment and sustainable development, which covers the period 1993 - 2000. The annual funding sought for this awareness programme is maintained at existing levels.

The Commission will continue to show full transparency as to the annual priorities within awareness activities and show the results of the grants awarded through publication in the Official Journal of the European Communities.

Finally, the proposed Council Decision foresees a review of the programme, which will be communicated to the Council and the European Parliament. The review will be accompanied, if appropriate, by a proposal to amend the proposed Council Decision, with a view to extending the programme for a further period.

**Proposal for a Council Decision on a Community action programme
promoting non-governmental organisations primarily active in the field
of environmental protection**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular, Article 130s thereof,

Having regard to the proposal from the European Commission ⁽¹⁾,

Having regard to the opinion of the Economic and Social Committee ⁽²⁾,

In cooperation with the European Parliament ⁽³⁾,

Whereas the Treaty establishing the European Community provides for the development and the implementation of a Community environment policy and sets out the objectives and principles which should guide that policy;

Whereas the resolution of the Council and the Representatives of the Member States of 1 February 1993 established a Community programme of policy and activities in relation to the environment and sustainable development - Fifth Action Programme for the Environment ⁽⁴⁾;

Whereas, according to the joint declaration by the European Parliament, the Council and the Commission of 30 June 1982 on various measures to improve the budget procedure⁽⁵⁾, a legal instrument has to be adopted before appropriations entered in the budget for any new significant Community action can be implemented;

Whereas the Commission, in its Communication to the Budgetary Authority concerning legal bases and maximum amounts, undertook to propose a legal base to cover the subsidies accorded under budget article B4-306 - awareness and subsidies⁽⁶⁾;

Whereas the participation of representative european environmental organisations is required

1

2

3

⁴ OJ n° C138, 17/5/1993, p.1

⁵ OJ n° C194, 28/7/1982, p. 1

⁶ SEC(94) 1106 final of 6/7/1994

for the implementation of the Council Regulation on a Community ecolabel award scheme⁽⁷⁾ and the Commission Decision on the setting up of a Consultative Forum on the environment⁽⁸⁾;

Whereas the non-governmental organisations, active in the field of environment protection, can contribute to the environment policy of the Community, as laid down in article 130r of the Treaty;

Whereas their activities of concrete environment protection measures and of increasing the general awareness of the need for the protection of the environment should be encouraged;

Whereas the capacity of the national, regional and local non-governmental organisation to exchange perspectives, problems and possible solutions relating to environmental problems having a Community dimension, should be enhanced;

Whereas the Fifth Action Programme recognises that all relevant actors, the Commission and environment organisations included, working in partnership should undertake concerted actions and share responsibility for achieving the goal of sustainable development;

Whereas the European environmental organisations are essential to co-ordinate and channel to the Commission, information and views on the new and emerging perspectives such as on nature protection and transboundary environmental problems; which cannot be or are not being fully dealt with at the Member State or subordinate level;

Whereas, therefore, in conformity with the principle of subsidiarity, an action programme encouraging the activities of European environmental organisations should be established;

Whereas it is important to define the priority areas of action which the Community programme might support, while complying with polluter pays and the subsidiarity principles;

Whereas the priority actions for implementations should be identified at the latest by 30 September of each year for the following year;

Whereas it is necessary to specify the detailed rules for Community support under the programme;

Whereas provision should be made for the continuation of the Programme, the first phase of which will end on 31 December 1999;

Whereas a mechanism should be established so that Community assistance may be adapted to the particular features of the measures to be supported;

Whereas it is necessary to establish effective methods of monitoring, assessment and

⁷ OJ n° L99, 11/4/1992, p. 1

⁸ OJ n° L328, 29/12/1993, p. 53

evaluation as well as to ensure adequate information for potential beneficiaries and for the public;

Whereas, in the light of the experience gained in the first three years of implementation, an assessment of the operation of the programme should be undertaken in order to decide on its continuation.

Decides

Article 1

A Community action programme promoting non-governmental organisations to protect the environment is hereby established. The general objective of this programme shall be the development and implementation of Community environmental policy and legislation by promoting the environment protection activities undertaken by non-governmental organisations operating at a European level.

Article 2

1. The fields of action eligible for Community financial assistance are defined in the Annex.
2. Community financial assistance may be provided for actions which are of Community interest, contribute significantly to the implementation of Community environmental policy and meeting the principles underlying the Fifth Action Programme (9).

This assistance shall cover, in particular, the awareness campaigns and actions, information and documentation infrastructure, demonstration projects and co-ordination activities of non-governmental organisations.

Article 3

1. The Commission shall establish the priority activities to be implemented within the fields of action defined in the Annex.
2. The Commission shall specify the additional criteria to be used for selecting the actions to be financed.

Article 4

Financial assistance shall consist of the co-financing of actions and/or subsidies to non-governmental organisations.

Article 5

The Commission shall ensure the coherence, consistency and complementarity between the Community activities and projects implementing this programme and other Community programmes and initiatives.

Article 6

1. The rate of Community assistance shall, in principle, not exceed 40% of the budgeted operational and administrative expenditures.
2. The subsidy to cover administrative support shall last, in principle, for not more than three years.
3. The Community assistance will be for activities which are to take place in the current or a subsequent year of the grant.

Article 7

1. The Commission shall publish a notice in the *Official Journal of the European Communities*, outlining the priority activities to be financed and detailing the selection and award criteria and the application and approval procedure. The notice shall be published by 30 September of the preceding year in which the grants are to be awarded.
2. Proposals for activities to be financed shall be submitted to the Commission by non-governmental organisations operating at European level and promoting environmental protection measures of particular interest to the Community.
3. Actions under this programme shall be approved following an assessment of the proposals by 30 April of each year and shall give rise to an agreement, governing the rights and obligations of partners, concluded with the beneficiaries responsible for implementation.
4. The amount of financial assistance, financial procedures and controls, as well as all technical conditions necessary for granting the assistance shall be determined on the basis of the nature and form of the approved activity and shall be laid down in the agreement concluded with the beneficiaries.

Article 8

1. In order to ensure the success of activity carried out by those receiving Community financial assistance, the Commission shall take the necessary measures to :
 - verify that activities proposed by the Community have been carried out properly;
 - prevent and take action against irregularities;
 - recover sums improperly received, owing to abuse or negligence.
2. Without prejudice to the audits carried out by the Court of Auditors, pursuant to Article 188c of the Treaty or any inspection carried out pursuant to Article 209 (c) of the Treaty, officials and other staff of the Commission may carry out on-the-spot checks,

including sample checks, on activities financed under this programme.

The Commission shall inform the beneficiary in advance of any on-the-spot check, unless there are good reasons to suspect fraud and/or improper use.

3. The beneficiary of financial assistance shall keep available for the Commission all the supporting documents regarding expenditure on the action for a period of five years following the last payment in respect of an action.

Article 9

1. The Commission may reduce, suspend or recover the amount of financial assistance granted for an activity if it finds irregularities or if it transpires that, without Commission approval having been sought, the action has been subject to a major change which conflicts with the objective of the implementing conditions of the action.
2. If the deadlines have not been observed or if only part of the allocated financial assistance is justified by the progress in implementation of an activity, the Commission shall request the beneficiary to submit its observations within a specified period. If the beneficiary does not provide a satisfactory answer, the Commission may cancel the remaining financial assistance and demand prompt repayment of sums already paid.
3. Any undue payment must be repaid to the Commission. Interest may be added to sums not repaid in good time. The Commission shall lay down detailed rules for the implementation of this paragraph.

Article 10

1. The Commission shall ensure effective monitoring of the implementation of Community financed activities. This monitoring shall take place on the basis of reports using the procedures agreed by the Commission and the beneficiary and shall also involve sample checks.
2. For each activity, the beneficiary shall submit a report to the Commission within three months of completion of the action. The Commission shall determine the form and content of this report.

Article 11

A list of activities financed under this programme shall be published each year in the Official Journal of the European Communities.

Article 12

No later than 30 June 1999, the Commission shall submit a report to the European Parliament and the Council on the implementation of this programme covering the first three years and shall make proposals for any adjustment to be made with a view to continuing the action beyond the current phase.

The Council, acting by qualified majority on a proposal, from the Commission, shall decide on the implementation of the subsequent phase as from 1 January 2000.

Article 13

This Decision shall apply with effect from 1 January 1996 and cover a four year period.

Done at Brussels

For the Council

The President

ANNEX

Action programme for encouraging non-governmental organisations to protect the environment

	indicative allocation of resources
Operational activities	100%
<i>(breakdown of the above)</i>	
A. Information on the environment	40%
<ul style="list-style-type: none"> - Facilitate a dialogue and an exchange of information between environment organisations operating at a European level and Community institutions, - Develop information and documentation infrastructures on environment protection for use by professionals and policy makers and for diffusion of information to pre-identified target groups. 	
B. Analysis of environment activities	40%
<ul style="list-style-type: none"> - Support and coordinate environmental projects increasing the multiplier effect of the project results, - Reports on the level, extent and nature of environmental problems which could be treated at Community level and about which the Community could be more active. - Undertake analytical reviews on the penetration of the environmental dimension in other areas covered by Community policies. 	
C. Cooperation between actors in the environment and non-government organisations active at European level	20%
<ul style="list-style-type: none"> - Promote co-operation between partners identified by the Fifth Action Programme for the environment, - Encourage multisectoral approach to environment protection, - In the framework of the principle of subsidiarity, complement the Community programmes with the national, regional and local environmental activities operating in the not-for-profit sector. 	
Operational activities	70%
Administrative support	30%
	<u>100%</u>

FINANCIAL STATEMENT

SECTION 1 - Financial consequences (part B of the budget)

1. Activity Title

Proposal for a Council Decision encouraging non-governmental organisations (NGOs) to protect the environment.

2. Budget line concerned

B4-3060 - awareness and subsidies

3. Legal Base

- Article 130s of the EC Treaty
- Proposal for a Council Decision encouraging NGOs to protect the environment (present proposal).

4. Description of the activity

4.1 General Objectives

The promotion through co-financing the administrative activities of notably, the representative European organisations active in the domain of environment whose activities cover the totality or part of the Member States and the countries of Central and Eastern Europe or that of the Mediterranean Region.

4.2 Period covered and arrangements for renewal

The co-financing of the activities carried out by NGOs covers an annual cycle, and may only, in exceptional circumstances exceed 40% of the annual budget and eventually the real costs of the legal entity. The whole action covers a four year period. In the third year the Commission will review the programme and propose, if necessary, any extension.

5. Classification of the expenditure / receipt

- 5.1 Non-compulsory expenditure (NOE)
- 5.2 Differentiated Appropriations (DA)

6. Type of expenditure / receipt

Subsidies for covering the activities undertaken by NGOs. Parallel finance originates from public and private sectors.

7. Financial incidence

7.1 Method of calculating the total cost of the activity

In general, the level of financial support is restricted to 40% of the lower of the budgeted or real costs of the organisation. Further to this, the NGO must meet the eligibility criteria published in the Official Journal of the European Communities. These criteria require activities of the organisation to complement the policy objectives outlined by the Fifth Action Programme for the environment, as well as other criteria such as to require evidence of the financial viability of the potential beneficiary.

The costs may be broken down into the following categories.

- Information activities
- Management activities
- Cooperative activities

7.2 Indicative elaboration per element of the cost of activities.

<u>Detail</u>	<u>Budget</u> <u>1996</u>	<u>Budget</u> <u>1997</u>	<u>Budget</u> <u>1998</u>	<u>Budget</u> <u>1999</u>	<u>TOTAL</u>
Administrative Expenditures (30%)	750	780	810	840	3,180
Operational Expenditure (70%) see below	1,750	1,820	1,890	1,960	7,420
TOTAL (100%)	2,500	2,600	2,700	2,800	10,600

Amounts in 1000 ECUs at current prices.

Operational expenditure details

Information (40%)	700	728	756	784	2,968
Management (40%)	700	728	756	784	2,968
Cooperation and others (20%)	350	364	378	392	1,484
(100%)	<u>1,750</u>	<u>1,820</u>	<u>1,890</u>	<u>1,960</u>	<u>7,420</u>

7.3 Indicative timetable of the use of appropriations

	n	n + 1	n + 2	n + 3	n + 4	total
Commitment appropriations	<u>2,500</u>	<u>2,600</u>	<u>2,700</u>	<u>2,800</u>	<u>0</u>	<u>10,600</u>
Payment appropriations						
n	2,000	500				
n + 1		2,080	520			
n + 2			2,160	540		2,700
n + 3				2,240		2,240
n + 4					540	540
	<u>2,000</u>	<u>2,580</u>	<u>2,680</u>	<u>2,780</u>	<u>540</u>	<u>10,600</u>

Amounts in 1,000 ECUs at current prices.

8. Anti-fraud measures foreseen

For commitment proposals relating to new contracts, the financial history and the legal document creating the organisation are examined. The history of financial relations with the previous beneficiaries is examined prior to an agreement being concluded with the proposed beneficiary.

The Commission's Secretariat General co-ordinates all support for subsidies, thereby reducing the incidence of multiple funding of a given activity.

The requests for final payment are preceded by technical and financial evaluations prior to payment. On a systematic basis through the use of statistical samples, or where the file is particularly problematic, on-site audits are conducted on the beneficiaries' records.

In cases of suspected fraud, the advice of the Commission's Anti-Fraud Service, the Legal Service and the Financial Control Service is sought.

SECTION II - Elements of cost-effectiveness analysis

9.1 Specific and quantifiable objectives

Information on the environment (80 % coverage of target groups)

- dialogue and information exchange
- develop information and documentation infrastructure groups,

(target groups; local / regional organisations, policy makers, journalists and other

environment specialists)

Management of environment activities (support to 70 % of the environmental NGOs operating at European level)

- support environment projects having a multiplier effect;
- own initiative reports and proposals originating from NGOs;
- analytical reviews on environmental integration;

Cooperation between actions in the environment (annual meetings of the consultative forum and other dependent meetings - at the national and regional levels).

- promote cooperation between partners;
- encourage multisectoral approach
- coordinations of national / regional environmental activities.

- *Target population*

The target population is the non-governmental sector having an extensive and efficient communications network covering the European Union and in particular in the environment field. The subsidies to be accorded will be given directly - without passing through intermediaries - to the ultimate beneficiaries.

9.2 *Justification for the activity*

- *Specific and quantifiable objectives.*

Given the relative poverty of the appropriations available in relation to the general task of increasing environmental awareness and, more specifically, changing the behaviour of the economic, institutional and social actors identified by the Fifth Action Programme, the operations of potential beneficiaries must be able to demonstrate a strong multiplier effect as well as a wide geographic coverage of the Community population. The organisations to be supported must show evidence of targeting their activities, therefore general public information campaigns are excluded.

Given that the Fifth Action Programme identifies the necessity for developing the information instruments for ensuring the achievement of environment objectives and as the resources available for this activity are limited, it is judged to be cost-effective to target and channel the Commission support through existing administrative structures, notably in the not-for-profit sector. This sector has been chosen as it is already highly motivated and oriented toward the environmental protection activities in its myriad forms. Furthermore, these non-governmental organisations being grass-root organisations, are natural focal points for the general public.

The proposed target group is usually well diversified in both its activity and the sources of finance, it is normal for organisations within this group to retain their independence and, therefore, their faculties for critical analysis.

The **subsidies** to be accorded to the representative environmental european organisations are destined to cover up to 40% of the beneficiaries' budgeted expenditure for a given year. The financial support is necessary, both on environmental and economic grounds.

Environmental justification

The high level of independence and motivation displayed by non-governmental organisations (NGOs) has lead through innovative analysis to constructive insights into the environmental problems prevailing. The initiation and co-ordination of projects which have a high multiplier coefficient together with the ability to cooperate with a very wide group of actors (business, unions, policy makers, international institutions, media and the general public), increases the awareness of degradations to the local, Community and global environment. The awareness of a problem is a precursor to the search for a solution.

The european environmental NGOs acting as a conduit to regional and local environmental organisations, also help the Commission disseminating information on policy issues in the environmental field.

Economic justification

The communication and information structures put into place by the NGOs operate efficiently and often at lowest costs possible. Working through relays, networks and other multipliers, Commission experience shows that the economic costs of using the existing structures is often much lower than creating and maintaining new structures. The reliance therefore on existing structures is the most cost-effective method attaining Commission objectives in this field.

As the subsidy for any one organisation is for a limited period (except under exceptional circumstances), the Commission can ensure that new NGOs are added to the market for environmental information.

9.3 *Follow-up and evaluation of the activity*

Selection of beneficiaries will be carried out following the establishment of detailed criteria and procedure published in the Official Journal of the European Communities. The selection will be made following an evaluation by a working group. This group will assess the individual proposals selected and ensure their concordance with the policy objectives.

The financial and technical evaluation of each individual activity in progress and carried out will be done as and when necessary. The evaluation will ensure that the activity objectives have been achieved as foreseen by the project proposals.

As indicated by the proposed Council Decision, a progress report will be made available to the budgetary authority. This will base itself on the financial and

technical evaluation of individual activities, projects and surveys.

SECTION III - Administrative expenses (part A of the budget)

10. Budget lines concerned

A-2550: Conferences, congresses and meetings organised by the institution.

10.1. Personnel:

No increase in personnel.

10.2. Costs

The expenditures are evaluated in ECUs at current values

- *Conferences (A-2550)*

Following the mid-term review and prior to the proposal for revision of proposed decision under consideration, a conference of the major NGO 's may be necessary.

This conference could provide, on the basis of experience gained, the input from target groups to effect changes to improve the cost-effectiveness of the future activities. The estimate on the cost of the conference is based on past experience and is indicative.

Total : 100.000 ECUs (one off).

The actual allocation of the necessary administrative resources will follow from the relevant Commission decision on this question, taking into account the staff posts and supplementary amounts which will have been approved by the Budgetary Authority.

ISSN 0254-1475

COM(95) 573 final

DOCUMENTS

EN

14 11

Catalogue number : CB-CO-95-681-EN-C

ISBN 92-77-97413-3

Office for Official Publications of the European Communities

L-2985 Luxembourg