



COMMISSION OF THE EUROPEAN COMMUNITIES

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98/ 0160 (CNS)

Proposal for a

COUNCIL DECISION

**concerning the Community position within the Association Council
on the participation of Bulgaria in the Community programme in the field of youth**

(presented by the Commission)

Explanatory Memorandum

The importance of the participation of applicant countries in Community programmes as part of the enhanced preaccession strategy which was stressed by the Commission in its "Agenda 2000" Communication of 14 July 1997, was reiterated by the European Council at its meeting of 12 and 13 December in Luxembourg. This participation will indeed help representatives from these countries to familiarise themselves with the Union's policies and working methods and with adopting the Acquis, in view of future accession.

The Europe Agreements or their Additional Protocols concerning the participation in Community programmes explicitly mention the field of Youth as an eligible area. Moreover, they convey the task to define terms and conditions for participation to the Association Council.

So far, the CEC's confirmed to the Commission in writing their willingness to participate in the Youth for Europe programme. For some countries Association Council decisions were taken to this effect. Bulgaria recently also provided required information on the way it intends to finance its participation throughout the remaining life time of the Youth for Europe programme, i.e. in 1998 and 1999.

In view of this participation, a number of preparatory actions have been undertaken, such as the establishment of a Youth office in Sofia, which should help making this participation a success.

The main issues addressed in the annexed draft Decision of the EC-Bulgaria Association Council adopting the terms and conditions for the participation of Bulgaria in the Community programme in the field of youth, are the following :

- Bulgaria shall participate in all actions of the Youth for Europe programme in conformity with the objectives, criteria and procedures of the programme (Annex I, paragraph 1).
- terms and conditions for the submission, assessment and selection of applications shall be the same as for Member States (Annex I, paragraph 2).
- a minimum number of partners from EC Member States shall be required for all transnational projects proposed by Bulgaria (Annex I, paragraph 3).
- Bulgaria shall set up or make available national structures and mechanisms in order to implement the programme (Annex I, paragraph 4)

- the financial contribution of Bulgaria is defined in Annex I, paragraph 5 and in the Annex II; bearing in mind that Bulgaria, according to article 3 of the additional protocol, shall pay the cost of its participation and that the Community may decide a financial support, the breakdown between the contribution from Bulgaria's own budget and from Phare has been indicated
- best efforts shall be made to facilitate the free movement and residence of youth (Annex I, paragraph 6)
- Bulgaria shall participate in the monitoring of its participation in the Programme (Annex I, paragraph 7)
- Bulgaria shall be invited to coordination meetings prior to meetings of the Youth for Europe Committee; it shall also be invited about its results (Annex I, paragraph 8)
- the language to be used in all administrative arrangements for the programme shall be one of the official languages of the Community (Annex I, paragraph 9)
- the Decision shall apply for the duration of the Programme (Article 2 of the Decision)

The adoption of Association Council decision to allow Bulgaria to participate for the first time in a Community programme namely in Youth for Europe from 1998 will offer the country the opportunity to participate actively in this internal Community instrument, as part of the re-inforced pre-accession strategy. It is, therefore, of considerable political importance.

Subject to its capacity to fulfil in time relevant administrative and budgetary requirements, Bulgaria should also be able to join other programmes in 1998.

In order to allow Bulgaria to join the Youth for Europe programme in the near future, the Council is requested to adopt the annexed proposal for a decision.

**Proposal for a
COUNCIL DECISION
of**

**concerning the Community position within the Association Council
on the participation of Bulgaria in the Community programme in the field of youth**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 126, in conjunction with Article 228(3) first paragraph thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas the Additional Protocol to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and Bulgaria, of the other part, has been concluded by decision of the Council and the Commission of 4 December 1995.

Whereas, 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 youth and pursuant to Article 2, the terms and conditions for the participation of Bulgaria in the activities referred to in Article 1 shall be decided by the Association Council,

Whereas, Decision (818/95/EC) of 14 March 1995 of the European Parliament and of the Council adopting the third phase of the "The Youth for Europe programme"¹ programme and in particular Article 7 (4) thereof, provides that this programme shall be open to the participation of associated Central European countries in accordance with the conditions set out in the Additional Protocols to the Association Agreements on participation in Community programmes,

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 Bulgaria, of the other part, concerning the participation of Bulgaria in the Community programme in the field of youth, is the attached draft decision of the Association Council.

Done at Brussels

For the Council

¹ O.J. n° L 87 of 20.4.1995

**Draft Decision n°..../98 of the EC-Bulgaria Association Council of1998
adopting the terms and conditions for the participation of Bulgaria in
the Community programme in the field of youth**

The ASSOCIATION COUNCIL

Having regard to the Europe Agreement between the European Communities and their Member States, of the one part, and Bulgaria, of the other part,²

Having regard to the Additional Protocol to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and Bulgaria, of the other part concerning Bulgaria's participation in Community programmes³, and in particular Article 1 and 2 thereof;

Whereas according to Article 1 of the said Additional Protocol, Bulgaria may participate in Community framework programmes, specific programmes, projects or other actions notably in the field youth;

Whereas pursuant to Article 2 of the said Additional Protocol the terms and conditions for the participation of Bulgaria in the activities referred to in Article 1 are to be decided by the Association Council;

HAS DECIDED AS FOLLOWS:

Article 1

Bulgaria shall participate in the European Community programme Youth for Europe 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 Youth for Europe programme.

Article 3

This Decision shall enter into force the first day of the month following its adoption.

Done at

For the Association Council

The Chairman

² O.J. N° L 358 of 31.12.1994

³ O.J. N° L 317 of 30.12.1995

Annex I

Terms and conditions for the participation of Bulgaria in the Youth for Europe programme

1. Bulgaria will participate in all actions of the Youth for Europe programme (hereinafter called "the Programme") in conformity, unless otherwise provided in this Decision, with the objectives, criteria, procedures and time limits laid down in Decision 818/95/EC of the European Parliament and of the Council adopting the third phase of the Youth for Europe programme.

2. -The terms and conditions for the submission, assessment and selection of applications by eligible institutions, organisations and individuals of Bulgaria shall be the same as those applicable to eligible institutions, organisations and individuals of the Community.

-Language preparation and training activities concern the official languages of the Community. In exceptional circumstances, other languages could be accepted if the implementation of the programme so requires.

3. To ensure the Community dimension of the Programme, transnational projects and activities proposed by Bulgaria will be required to include a minimum number of partners from the Member States of the Community. This minimum number will be decided in the framework of the implementation of the Programme, taking into account the nature of the various activities, the number of partners in a given project, and the number of countries participating in the Programme. Projects and activities carried out solely between Bulgaria and EFTA States which are parties to the EEA agreement or any other third countries, including those with an association agreement with the Community, to which participation in the programme is open, are not eligible for Community financial support.

4. In conformity with the terms of the relevant provisions of the Decision on the Youth for Europe programme, Bulgaria will lay down the appropriate structures and mechanisms at national level and will take all other necessary steps to ensure national co-ordination and organisation of the implementation of the Programme.

5. Bulgaria will pay each year a contribution to the general budget of the European Union to cover the costs resulting from its participation in the Programme. (see Annex II)

The Association Committee is entitled to adapt this contribution whenever necessary.

6. The Member States of the Community and Bulgaria will make every effort within the framework of the existing provisions, to facilitate the free movement and residence of young people and other eligible persons moving between Bulgaria and the Community for the purpose of participating in activities covered by this Decision.

7. Without prejudice to the responsibilities of the Commission and the Court of Auditors of the European Communities in relation to the monitoring and evaluation of the programme pursuant to the Decision concerning the Youth for Europe programme (Article 9), the participation of Bulgaria in the programme will be continuously monitored on a partnership basis involving Bulgaria and the Commission of the European Communities. Bulgaria will submit the necessary reports to the Commission and take part in other specific activities undertaken by the Community in that context.

8. Without prejudice to the procedures referred to in Article 6 of the Decision on Youth for Europe, Bulgaria will be invited to co-ordination meetings on any question concerning the implementation of this Decision prior to the regular meetings of the Committee. The Commission will inform Bulgaria about the results of such regular meetings.

9. The language to be used 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.

Annex II

FINANCIAL CONTRIBUTION OF BULGARIA TO THE YOUTH FOR EUROPE PROGRAMME

1. The financial contribution of Bulgaria will cover:
 - subsidies or any other financial support from the programme to Bulgarian participants,
 - the financial support from the programme to the functioning of the national agency,
 - supplementary administrative costs related to the management of the programme by the European Commission stemming from Bulgaria's participation.
2. For every financial year, the aggregated amount of subsidies or any other financial support received from the programme by Bulgarian beneficiaries and by the national agency of Bulgaria will not exceed the contribution paid by Bulgaria, after deduction of the supplementary administrative costs.

Should the contribution paid by Bulgaria to the general budget of the European Union, after deduction of the supplementary administrative costs, be higher than the aggregated amount of the subsidies or other financial support received by the Bulgarian beneficiaries and by the national agency from the programme, the Commission will transfer the balance to the next budgetary exercise, and it will be deducted from the following year's contribution. Should such a balance be left when the programme comes to an end, the corresponding amount will be reimbursed to Bulgaria.

3. Bulgaria's annual contribution will be :
 - ECU 273 000 in 1998 for participating in actions AI, BI, C and E. From this sum an amount of ECU 18 000 will cover supplementary administrative costs related to the management of the programme by the Commission stemming from Bulgaria's participation,
 - ECU 385 000 in 1999 for participating in all the actions of the programme except Action D. From this sum, an annual amount of ECU 25 000 will cover supplementary administrative costs related to the management of the programme by the Commission stemming from Bulgaria's participation.
4. The financial regulation applicable to the general budget of the European Communities will apply, notably to the management of the contribution of Bulgaria.

Upon the entry into force of this Decision and at the beginning of 1999, the Commission will send to Bulgaria a call for funds corresponding to its contribution to the costs under this Decision.

This contribution will be expressed in ECU's and paid into an ECU bank account of the Commission.

The calculation of the annual contribution is based on a participation during a full financial year. Should the Association Council decision enter into force in the course of the year, the contribution for that year will be adapted taking into account the state of implementation of the programmes for that particular year.

Bulgaria will pay its contribution to the annual costs under this Decision according to the call for funds and at the latest three months after the call for funds is sent. Any delay in the payment of the contribution will 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 Monetary Co-operation Fund, for the month of the due date, for its operations in ECU⁴, increased by 1,5 percentage points.

5. Bulgaria will pay the supplementary administrative costs referred to in paragraph 3 from its national budget.
6. Bulgaria will also pay from its national budget for 1998 and 1999 respectively, ECU 5 100 and ECU 108 000 of the remainder of its annual contribution referred to in paragraph 3.

Subject to regular PHARE programming procedures, the remaining ECU 249 900 and ECU 252 000 will be paid from Bulgaria's annual PHARE National Indicative Programmes of 1998 and 1999, respectively.

⁴ Rate published monthly in the *Official Journal of the European Communities* - C series.

FINANCIAL STATEMENT

Article B7-503: Opening of Community Programmes to the associated countries of Central and Eastern Europe

1. TITLE OF OPERATION

B7-50 -Co-operation with countries of Central and Eastern Europe

2. BUDGET HEADING INVOLVED

B7-503 - Opening of Community Programmes to the associated countries of Central and Eastern Europe

3. LEGAL BASIS

Treaty establishing the European Community, and in particular Article 126, in conjunction with Article 228(3) thereof.

Additional Protocol to the Europe Agreement with Bulgaria of 4 December 1995, providing for the opening-up of Community programmes (OJ No L 317/24)

Decision of the European Parliament and of the Council (818/95/EC) of 14 March 1995 establishing the Youth for Europe programme, and in particular Article 7(4) thereof,

4. DESCRIPTION OF OPERATION:

4.1 General objective

Bulgaria's participation in the Youth for Europe III programme on an equal footing with the Member States will assist in its future accession to the Union, which was the aim set by the Copenhagen European Council of June 1993 and confirmed by subsequent European Councils. Its participation will not only contribute towards the implementation of the provisions relating to economic and cultural co-operation in the Europe Agreements but will also enable Bulgaria to familiarise itself with the procedures and methods used in Community programmes.

The decision-making process for the opening-up of programmes involves a decision by the Association Council between the Union and the associated country. This decision also lays down the practical arrangements for the opening up of the programme.

The Additional Protocol with Bulgaria entered into force on 1 August 1996 and provides for Bulgaria's participation in the programme concerned from 1997.

The above-mentioned programme is not intended to form an exhaustive list as the process for opening them up has only recently begun. Other Community programmes,

notably in the fields of culture, health and social policy, energy, the environment, etc., have been opened up to the countries of Central and Eastern Europe.

4.2 Period covered and arrangements for renewal

Until the end of the Community programme concerned, i.e. 31.12.1999.

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1 Non-compulsory expenditure

5.2 Differentiated appropriations

5.3 Type of revenue involved:

Since the first paragraph of Article 3 of the Additional Protocol stipulates that Bulgaria itself will meet the costs resulting from its participation, it will be invited to transfer its contribution to item 6091 of the EU's budget receipts. However, as the second paragraph of Article 3 states that the Community may supplement Bulgaria's contribution (by up to 10% of the National Indicative Programme), Bulgaria will contribute only part from its national budget, with the remainder being charged to heading B7-503 following a transfer from heading B7-500.

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 for 1998 and 1999 financial years (link between individual costs and total cost)

The calculation is based on the following preconditions:

- each partner country's contribution to the financing of the activities referred to in the Protocol is calculated according to the principle that the country bears the cost of participation itself. Heading 6091 has been created in the statement of budget revenue for that purpose;

- the Community may decide on a case-by-case basis to pay a supplement to the partner country's contribution. The supplement may be in the form of a contribution under the PHARE programme, but the amount cannot exceed 10% of its National Indicative Programme.

Based on the Additional Protocol with Bulgaria, the financial and budgetary arrangements for the programme concerned are as follows : the costs have been calculated on the basis of various parameters inherent in the programme, i.e. GDP, young population, distances involved.

The cost of Bulgaria's participation in the Youth for Europe programme will amount to ECU 273 000 in 1998 and ECU 385 000 in 1999.

The above-mentioned figures, from which the supplementary administrative costs - to be borne exclusively by Bulgaria - have to be deducted, are divided per year as follows : Bulgaria will pay ECU 5 100 and ECU 108 000 of the operational costs of its participation in the programmes from its national budget of 1998 and 1999 respectively; subject to regular PHARE programming procedures, the remaining ECU 249 900 and ECU 252 000 will be paid from Bulgaria's annual PHARE National Indicative Programmes of 1998 and 1999, respectively.

7.2 Itemised breakdown of cost

| Programme | in ecu | | | | |
|------------------------------------|-----------|-----------|------------|---------------------------|------------------------|
| | 1 1998 | 2 1999 | 3 Total | 4 of which Bulgaria | 5 of which Phare |
| The Youth for Europe programme III | 255 000 | 360 000 | 615 000 | 113 100 | 501 900 |

7.3 Operational expenditure on studies, expert meetings, etc., included in Part B: None

7.4 Schedule for multiannual operations

Amounts to be charged to item B7-503

| | 1998 | 1999 | subsequent years | TOTAL |
|---------------------------|---------|---------|------------------|---------|
| Commitment appropriations | 249 900 | 252 000 | 0 | 501 900 |
| payment appropriations | | | | |
| | | | | |
| 1998 | 187 400 | | | 187 400 |
| 1999 | 62 500 | 189 000 | | 251 500 |
| subsequent years | | 63 000 | | 63 000 |
| Total | 249 900 | 252 000 | 0 | 501 900 |

(*) Schedule based on the method of payment currently applying to the Youth for Europe programme

The foreseeable annual receipts are as follows:

| Item 6091 | 1998 | 1999 | subsequent years | TOTAL |
|---------------------|--------|---------|------------------|---------|
| operational part | 5 100 | 108 000 | | 113 100 |
| administrative part | 18 000 | 25 000 | | 43 000 |
| Total | 23 100 | 133 000 | | 156 100 |

8. FRAUD PREVENTION MEASURES; RESULTS OF MEASURES TAKEN

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 and Eastern Europe.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1. Specific and quantified objectives; target population

The aim of opening up the Youth for Europe programme to Bulgaria is to bring it the same benefits as the Member States of the Community already enjoy from this programme. The essential aim of Community action on education and training should be to enable all European citizens to achieve their full potential and display initiative and creativity so that they can participate fully in society and in the building of Europe. This

objective is based on the gradual establishment of an open European area for education and training.

In the area of youth policy, the overall objective of the Youth for Europe programme is to contribute to the educational process of all young people through activities which complement those taking place in the Member States or provided at Community level in the fields of education and training. The specific objectives of the programme are to:

Promote youth exchanges for young people aged 15 to 25 living in one or several Member States;

Support initiatives and innovative projects of Community interest or of a transnational nature set up by young people for young people, which allow them to play an active and acknowledged role in society and to develop their personal abilities, creativity, sense of solidarity and independence;

Create favourable conditions for meetings of a high standard and ensure the high quality of all measures taken under the programme;

Support the training of youth leaders to enable young people to benefit from high-quality common measures related to the general objectives of the programme;

Step up co-operation among Member States and between them and the Commission through exchanges of experience and joint initiatives at Community level, and thus to support Member States in their endeavours to improve the quality of services and measures for young people, in particular through activities aimed at providing young people with information about the objectives of the programme;

Promote exchanges with young people from non-member countries with which the Community has concluded in particular co-operation agreements.

9.2. Grounds for the operation

- *Need for Community financial aid*

In view of the high cost of participation in the programmes and Bulgaria's precarious budgetary situation, assistance from PHARE as provided for in Article 3(2) of the Additional Protocol is essential.

- *Choice of ways and means*

With a contribution from PHARE, supplemented by one from the national budget, Bulgaria's integration in the programmes concerned will put it on an equal footing with 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 firms' capacity to respond to the calls for proposal to be launched by the Commission under the programme.

9.3 Monitoring and evaluation of the operation

The monitoring and evaluation procedures included in the Youth for Europe programme (notably in respect of evaluation, as included in the decision establishing the programme) will also cover operations financed for Bulgarian beneficiaries.

10. ADMINISTRATIVE EXPENDITURE

The administrative resources required will actually be mobilised following the annual Commission Decision on the allocation of resources, taking account in particular of manpower and additional amounts granted by the budgetary authority. The supplementary needs can not, in any case, prejudice the decision that the Commission will need to take concerning :

- a) the request of new posts in the framework of APB,
- b) the resources allocation.

10.1 Impact on the number of posts

| Type of post | Staff required to manage the operation | | including | | duration |
|------------------------------|--|-----------------|---|----------------------------|-----------|
| | Permanent posts | Temporary posts | using existing resources of the departments concerned | using additional resources | |
| Officials or temporary staff | | | | | 1998-1999 |
| A | | | | | |
| B | 1 | | 1 | | |
| C | | | | | |
| Other resources (A-7002) | 0,085 | | | 0,085 man/year | |
| TOTAL | 1,085 | 0 | 1 | 0,085 man/year | |

10.2 Overall financial impact of the human resources

(in ecu)

| | Total | Method of calculation |
|--|----------|--|
| Officials | | 1 man/year* 108 000 ECU* 2 years = 216 000 ECU |
| Temporary staff Other resources (A-7002) | | 0,085 man/year* 100 000 ECU* 2 years = 17 000 ECU |
| TOTAL | 0 | |

For item A-7002 the additional expenditure will be met from the receipts (article 4 par. 2, third indent of the financial regulation) received from Bulgaria's participation in Community programmes (see point 5.3 of the financial statement)

The expenses concerning the human resources needed to carry out this task that will be met through the allocation of the existing resources are estimated to : 216.000 ECU (1 B post in 1998 and 1999)

10.3 Increase in other operating expenses as a result of the operation

(in ecu)

| Budget heading (No and title) | Total | Method of calculation (total cost of the operation in 1998 and 1999) |
|-------------------------------|--------|--|
| A7010 -missions | 7 000 | 3 missions per year (1 166 ECU* 3 missions* 2 years = 6 996 ECU (roundup to 7 000 ECU) |
| A7030 - meetings | 19 000 | 1 Bulgarian representative* 1 166 ECU*, 8 meetings* 2 years = 18 656 ECU (roundup to 19 000 ECU) |
| Total | 26 000 | |

The above expenditure will be met from the receipts (article 4 par. 2, third indent of the financial regulation) received from Bulgaria's participation in Community programmes (see point 5.3 of the financial statement).

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