COMMISSION OF THE EUROPEAN COMMUNITIES



Brussels, 31.10.1997 COM(97) 543 final

95/0336 (SYN)

Re-examined 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 pursuant to Article 189 c (d) of the EC Treaty)

с. С.,

EXPLANATORY MEMORANDUM

On 8 December 1995 the Commission adopted a proposal for a Council Decision on a Community Action Programme promoting non-governmental organisations primarily active in the field of environmental protection (COM (95) 573 final - SYN 336, OJ C 104 of 3.4.97) and it was forwarded to the Council on 11 December 1995.

The Economic and Social Committee adopted its Opinion on 24 April 1996 (OJ C 204 of 15.7.96).

The European Parliament delivered its first reading opinion on 13 November 1996 (OJ C 362 of 2.12.96).

The Commission put forward an amended proposal (COM (97) 28 of 5.2.97, OJ C 104 of 3.4.97).

On 3 March 1997 the Council reached agreement on the draft proposal. The Council formally adopted its common position on 24 April 1997. (OJ C188 of 19.6.97)

The European Parliament examined the Council's common position at second reading on 18 September 1997 and approved it subject to 5 proposed amendments.

The Commission has examined the amendments proposed by the European Parliament at second reading, incorporating a number of them into the present reexamined proposal.

The Commission's position on each of the amendments approved by Parliament at second reading is as follows.

Amendments accepted by the Commission

Amendments 1, 3 and 4 have been accepted fully. Amendments 1 and 3 propose the deletion of the financial reference amount. The inclusion of this reference amount is inconsistent with the terms of the joint EP, Council and Commission Declaration of 6 March 1995, which provided that legislative acts concerning pluriannual programmes which were not subject to codecision procedure would not include a financial reference amount. Amendment 4 provides for up to 60% funding of an NGO's budget by the Commission. The Commission's original proposal was 40% but it accepted the change to 60% in the first reading. The Council reduced this to 50% but the Commission can support the reinstatement of the figure of 60%.

<u>Amendment 5 has been accepted in principle.</u> It proposes that, to apply for more than 100,000 ECU, an NGO's accounts for the last 2 years must be certified by a registered auditor, or kept in an officially recognised form. In line with its current orientation on

the granting of subsidies, the Commission proposes an audit requirement in all cases where a contribution of over 150,000 ECU is applied for and that all other applications submit accounts in a form recognised by the Commission.

<u>Amendment 2 can be partly accepted in principle</u>. The Commission can agree to the substitution of a reference to cross-border cooperation for the reference to a "multinational approach" in the common position. However a general reference to "countries bordering the Union" is probably more useful than a specific reference to Central and Eastern Europe. Furthermore it is important to provide for cross-border cooperation within as well as outside the E.U. The inclusion of any other criteria would not be useful. In any case the call for proposals for activity funding, issued annually in the Official Journal, sets out funding criteria for each year.

3

RE-EXAMINED PROPOSAL FOR A COUNCIL DECISION ON A COMMUNITY ACTION PROGRAMME PROMOTING NON-GOVERNMENTAL ORGANISATIONS PRIMARILY ACTIVE IN THE FIELD OF ENVIRONMENTAL PROTECTION

ORIGINAL TEXT

AMENDED TEXT

Recital 19

Deleted

Whereas a financial reference amount within the meaning of point 2 of the Declaration by the European Parlaiment, the Council and the Commission of 6 March 1995 is included in this decision for the entire duration of this programme, without thereby affecting the powers of the budgetary authority as they are defined by the Treaty;

Article 3(2)

4

The activities referred to in paragraph 1 shall be selected on the basis of general criteria, such as:

- a sound cost-benefit ratio,
- a lasting multiplier effect at European level,
- an effective and balanced cooperation among any partners with regard to:planning of activities, carrying out of activities and financial participation,
 - <u>a contribution to a multinational approach.</u>

The activities referred to in paragraph 1 shall be selected on the basis of general criteria, such as:

- a sound cost-benefit ratio,
- a lasting multiplier effect at European level,
- an effective and balanced cooperation among any partners with regard to:planning of activities, carrying out of activities and financial participation,
- cross border cooperation within the Union, and, where appropriate, extending beyond its frontiers to other countries bordering the. Union.

This programme shall start on 1 January 1998 and shall end on 31 December 2001.

The financial reference amount for the implementation of this programme for the period 1998 to 2001 shall be ECU 10.6 million.

The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective. This programme shall start on 1 January 1998 and shall end on 31 December 2001.

Article 6(2)

The rate of overall Community assistance shall, in principle, not exceed 50% of the budgeted activities and administrative costs as mentioned in Article 4. The rate of overall Community assistance shall, in principle, not exceed <u>60%</u> of the budgeted activities and administrative costs as mentioned in Article 4.

Article 6(3a)(new)

5

In order to be able to apply for a grant in excess of ECU 150 000, a nongovernmental organisation's accounts for the preceding two years must be certified by a registered auditor, and the accounts for the period in which the grant is used must also be certified by a registered auditor. To apply for a grant of less than ECU 150,000, a nongovernmental organisation's accounts must be available in a form recognised by the Commission for the preceding two years and maintained in this form for the period in which the grant is used.

Article 6(1)

ISSN 0254-1475

COM(97) 543 final

DOCUMENTS

14 15 01

Catalogue number : CB-CO-97-571-EN-C

ISBN 92-78-26297-8

Office for Official Publications of the European Communities L-2985 Luxembourg

EN