

MEMORANDUM TO THE COMMISSION
ON A FINANCING DECISION RELATING TO A 2006 WORK PROGRAMME IN
THE FIELD OF ECONOMIC AND FINANCIAL AFFAIRS

The Commission decision on a 2006 work programme in the field of economic and financial affairs has been prepared in accordance with article 75 of the Financial Regulation and article 15 of the Internal Rules 2005 for the procurement and in accordance with article 110 of the Financial Regulation and article 166 of the Implementing Rules for the grants.

The proposals can be split into grants and procurements.

The first group contains the grant actions to be financed for the Joint Harmonised European Union Programme of Business and Consumer Surveys, for the European Forecasting Network and for the co-financing of actions managed by Member States in the field of information and communication on economic and monetary union, including the euro. The first two actions result from calls for proposals, while the third one will be awarded without a call for proposals to bodies with a *de jure* or *de facto* monopoly in this area.

In accordance with Articles 49(2) and 75(2) of the Financial Regulation, the work programme for general grants awarded within the framework of a call for proposals also contains the information required for adopting a financing decision.

The second group contains the procurements related to the financing of actions to be carried out under the following general activities of Directorate-General for Economic and Financial Affairs: "Economic and Monetary Union", "International Economic and Financial Affairs" and "Financial Operations and Instruments".

The Commission will now adopt a decision on a 2006 work programme in the field of economic and financial affairs. On this basis, it is requested to adopt the attached Decision.

In view of the above, the Commission is invited:

- To approve the annexed 2006 work programme of the Directorate-General for Economic and Financial Affairs;
- To authorise publication of this work programme on the Commission's website;
- To confirm that the work programme of the Directorate-General for Economic and Financial Affairs ranks as a financing decision within the meaning of Article 75 of the Financial Regulation and Article 90 of the Implementing Rules for the Financial Regulation and constitutes a budgetary implementation framework for the purposes of Article 15 of the Internal Rules.

FINANCIAL STATEMENT

(cf. Article 16 of the Internal Rules)

**FORM TO BE USED WHERE THE WORK PROGRAMME CONSTITUTES A FINANCING DECISION
(OR FOR REVISION PURPOSES)**

POLICY AREA(S): ECONOMIC AND FINANCIAL AFFAIRS

ACTIVITY (-IES): ECONOMIC AND MONETARY UNION

INTERNATIONAL ECONOMIC AND FINANCIAL AFFAIRS

WORK PROGRAMME FOR: 2006

TITLE OF THE ACTIONS:

1. COORDINATION AND SURVEILLANCE OF EMU THROUGH CONFERENCES, WORKSHOPS, SEMINARS, DATABASES, STUDIES, TECHNICAL ASSISTANCE AND GENERAL PUBLICATIONS
2. PRINCE — COMMUNICATION ON ECONOMIC AND MONETARY UNION INCLUDING THE EURO THROUGH CONFERENCES, MEETINGS WITH DIRECTORS OF COMMUNICATION, EXHIBITIONS, STANDS, STUDIES, SURVEYS, PUBLICATIONS, PUBLIC RELATIONS MATERIAL, SPECIALISED SPEAKERS AND TWINNING PROGRAMME
3. MACROECONOMIC ASSISTANCE

1. BUDGET HEADING(S) CONCERNED AND TITLE(S)

CHAPTER 01 02 ECONOMIC AND MONETARY UNION

01 02 02 Coordination and surveillance of economic and monetary union

01 02 04 PRINCE Communication on economic and monetary union including the euro

CHAPTER 01 03 INTERNATIONAL ECONOMIC AND FINANCIAL AFFAIRS

01 03 02 Macroeconomic assistance

2. LEGAL BASIS

01 02 02 and 01 02 04 - Tasks resulting from the Commission's prerogatives at institutional level, as provided for by Article 49(2) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p. 1).

01 03 02 - Individual Council decisions granting macroeconomic assistance and ad hoc Commission Financing decisions

3. OVERALL FIGURES FOR THE FINANCIAL YEAR (IN EUROS)

3.a. - Current year

01 02 02 - Coordination and surveillance of economic and monetary union

	<i>Date</i>	<i>CA</i>
<u>TOTAL appropriation</u>		<u>6 400 000</u>
<u>Initial appropriation for the financial year (budget)</u>		<u>6 400 000</u>
<u>Transfers</u>		
<u>Appropriations carried over from 2005 to 2006</u>		
<u>Appropriations already set aside by the work programme for grants (B&C surveys, EFN)</u>		<u>5 000 000</u>
<u>Balance available</u>		<u>1 400 000</u>
<u>Conferences, workshops and seminars:</u>		<u>235 000</u>
- <u>Third Annual Economic Research Conference</u>		
- <u>Seminars - Economic Seminar Programme</u>		
- <u>Seminars - Visiting Fellows Programme</u>		
- <u>Workshop – The role of national budgetary institutions in EU fiscal surveillance</u>		
<u>Access to databases</u>		<u>450 000</u>
<u>Studies and evaluations:</u>		<u>525 000</u>
- <u>Studies – European-wide monthly business survey in the financial service sector</u>		
- <u>Evaluation of DG ECFIN’s forecasting services</u>		
- <u>Evaluation of DG ECFIN’s analyses and economic evaluation activities</u>		
<u>General Publications</u>		<u>190 000</u>
<u>TOTAL for the measures proposed</u>		<u>1 400 000</u>

01 02 04 PRINCE - Communication on Economic and Monetary Union including the euro

	<u>Date</u>	<u>CA</u>
<u>TOTAL appropriation for whole budget heading</u>		<u>5 000 000</u>
<u>Initial appropriation for the financial year (budget)</u>		<u>5 000 000</u>
<u>Transfers</u>		
<u>Appropriations for co-financing or financing of actions through strategic partnership agreements</u>		<u>2 325 000</u>
<u>Balance available</u>		<u>2 675 000</u>
<u>Twinning programme</u>		<u>50 000</u>
<u>Conferences, seminars and special events on the euro and EMU</u>		<u>710000</u>
<u>Activities in third countries</u>		<u>320 000</u>
<u>Studies, surveys, publications and promotional material</u>		<u>1 495 000</u>
<u>Specialised Speakers Service</u>		<u>100 000</u>
<u>TOTAL proposed</u>		<u>2 675 000</u>

01 03 02 - Macroeconomic assistance

		<u>CA</u>
<u>TOTAL appropriation for whole budget heading</u>		<u>71 136 000</u>
<u>Initial appropriation for the financial year (budget)</u>		<u>71 136 000</u>
<u>Transfers</u>		
<u>Appropriations set aside for macroeconomic assistance</u>		<u>70 669 000</u>
<u>Amounts for the measures proposed</u>		
- <u>Studies-Operational Assessments</u>		<u>167 000</u>
- <u>Studies – Ex-post Evaluations</u>		<u>300 000</u>
<u>TOTAL proposed</u>		<u>467 000</u>

4. DESCRIPTION OF THE ACTION

See Annexe 1 to the Decision.

5. METHOD OF CALCULATION ADOPTED

Not applicable to the 2006 work programme.

6. PAYMENT SCHEDULE (IN EUROS)

Headings		Commitment 2006	Payment			
			2006	2007	2008	2009
01 02 02						
	TOTAL 01 02 02	6.400.000	4.000.000	2.400.000		
01 02 04						
	TOTAL 01 02 04	5.000.000	4.000.000	1.000.000		
01 03 02						
	TOTAL 01 03 02	467.000	317.000	150.000		

Draft

COMMISSION DECISION

of [...]

on adopting a 2006 work programme for grants and procurements in the field of economic and financial affairs

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, and in particular Article 166 thereof,

Having regard to the fact that expenditure falling under the activity "Economic and Monetary Union" (01 02 02 – Coordination and surveillance of economic and monetary union – and 01 02 04 – Prince Communication on economic and monetary union, including the euro) result from the Commission's prerogatives at institutional level, as provided for by Article 49(2)(c) of the Financial Regulation.

Whereas:

- (1) Under Article 75 of Council Regulation (EC, Euratom) N° 1605/2002 (the "Financial Regulation"), the commitment of every item of expenditure shall be preceded by a financing decision adopted by the institution or the authorities to which powers have been delegated by the institution.
- (2) Under Article 15 of the Internal Rules on the implementation of the general budget of the European Communities (2005), items of expenditure related to appropriations which can be implemented without a basic act in accordance with Article 49(2) of the Financial Regulation have to be authorised through a financing decision taken by the Commission offering an equivalent framework.
- (3) The 2006 work programme for procurements of Directorate-General for Economic and Financial Affairs (set out in detail in the annex) relates to the following activities:
 - Economic and Monetary Union;
 - International Economic and Financial Affairs.
- (4) Under Article 110 of Council Regulation (EC, Euratom) No 1605/2002 (the "Financial Regulation"), grants are subject to an annual programme, to be published at the start of the financial year.

- (5) Under Article 166 of Commission Regulation (EC, Euratom) No 2342/2002 (the "Implementing Rules"), the work programme for grants is adopted by the Commission. It specifies the basic act, the objectives, the schedule of calls for proposals with the indicative amount, and the results expected.
- (6) The 2006 annual work programme for grants of the Directorate-General for Economic and Financial Affairs comprises three parts, set out in detail in the annex as follows:
- Joint Harmonised European Union Programme of Business and Consumer Surveys;
 - European Forecasting Network;
 - Grant agreements under the Prince Programme.

The first two categories of actions fall under the Coordination and Surveillance of economic and monetary union and the third one falls under the Communication on economic and monetary union including the euro (Prince Programme).

HAS DECIDED AS FOLLOWS:

Sole Article

The 2006 work programme for grants and procurements annexed to the present decision is adopted and ranks as a financing decision.

Done at Brussels, [...]

For the Commission

[...]

Member of the Commission

ANNEX

Relating to the Financing of actions to be carried out in 2006 under the following general activities of Directorate-General for Economic and Financial Affairs: “*Economic and Monetary Union*” and “*International Economic and Financial Affairs*”

1. INTRODUCTION

In accordance with article 75 of the Financial Regulation and article 15 of the Internal Rules 2004 for the procurement and in accordance with article 110 of the Financial Regulation and article 166 of the Implementing Rules for the grants, the commitment of every item of expenditure by the authorising officer by delegation shall be preceded by a financing decision adopted by the institution or the authorities to which powers have been delegated by the institution. According to article 90 of the Implementing Rules, the financing decision shall determine the essential elements of an action involving expenditure from the budget.

Directorate-General Economic and Financial Affairs (DG ECFIN) organises its activities around the following five ABB (activity based budgeting) activities:

- **Economic and Monetary Union**
- **International Economic and Financial Affairs**
- **Financial Operations and Instruments**
- **Policy Strategy and Coordination for DG Economic and Financial Affairs**
- **Administrative Support for DG Economic and Financial Affairs**

The present document forms a draft financing decision 2006 of DG ECFIN for actions to be carried out under the above-mentioned first two ABB activities. These actions will be realised by means of grants or procurements. Under the activity “Economic and Monetary Union”, the “Joint Harmonised European Union Programme of Business and Consumer Surveys” and the “European Forecasting Network” will take the forms of grants. This activity will also include studies, analyses, evaluations, publications, technical assistance, purchase of databases and software and financing of measures relating to the internal and external aspects of Economic and Monetary Union under the form of procurement. Also included in the activity “Economic and Monetary Union”, the actions listed under the heading “Prince – Communication on economic and monetary union, including the euro” are either realised under the form of grants or under the form of procurements.

Finally, the actions under the activity “International Economic and Financial Affairs” will be realised by means of procurements.

Within these ABB activities, planned actions are classified by budget line involved.

2. ECONOMIC AND MONETARY UNION

One of the general objectives of DG ECFIN is “to foster EU growth, employment creation and sustainable development”. Within this framework, the ABB activity “Economic and Monetary Union” (EMU) embodies the core activity of DG ECFIN. EMU is multifaceted and implies notably the realisation of objectives covering public finance issues, monetary policy issues, exchange rate issues, the coordination of national economic policies, structural reform as well as legal and practical questions. More generally, the EMU activity gives rise to a constant production of analytical and policy notes on a variety of subjects, both within the Commission and to outside bodies (Ecofin, Eurogroup, Economic and Financial Committee, Economic Policy Committee, etc.).

The budget lines related to the above activity are the following:

01 02 02 Coordination and surveillance of economic and monetary union

Appropriations for commitments 2006: 6,400,000 €

01 02 04 Prince – Communication on economic and monetary union, including the euro

Appropriations for commitments 2006: 5,000,000 €

2.1. Budget line 01 02 02 – Coordination and surveillance of economic and monetary union

An important part of the appropriations under this budget line covers grants intended to carry out or continue the Joint Harmonised European Union Programme of Business and Consumer Surveys and the European Forecasting Network.

The remaining appropriations on the budget line 01 02 02 are intended to cover the cost of studies, analyses, evaluations, conferences, seminars, workshops, publications, technical assistance, the purchase of databases and software and the financing of measures relating to the internal and external aspects of Economic and Monetary Union (in the broadest sense of the term).

DG ECFIN expenditures for the line 01 02 02 (Coordination and surveillance of economic and monetary union) do not require a basic act as they are covered by article 49.2(c) of the Financial Regulation on the institutional prerogatives of the Commission.

However, a new Commission Communication on Joint Harmonised Business and Consumer Surveys is being prepared which will incorporate all the implementing rules and changes since 1997 and a second Commission Communication is being prepared for the remaining activities under the Coordination and surveillance of economic and monetary union.

On the basis of these prerogatives, the following actions are planned:

2.1.1. Joint Harmonised European Union Programme of Business and Consumer Surveys (BCS)

2.1.1.1. Introduction

One of the actions undertaken under the objective to support the Commission's internal capacity to conduct economic studies is the harmonisation, coordination, analysis and dissemination of business surveys in Member States.

Harmonisation is essential to allow the comparison of business cycles in the different Member States and the calculation of a meaningful business cycle index for the euro area and for the EU as a whole, in order to inform the EU authorities, the Member States and the various economic agents about the present economic situation. Business and consumer surveys summarise attitudes and judgements of a large number of managers and consumers for different sectors of the economy in the European Union. Results are published on a monthly basis.

In view of the time lag involved before results become available for countries applying for EU membership, work needs to be set in motion before the actual accession date (selection of suitable national institutes, technical assistance, etc.), which implies that business and consumer surveys are also conducted in these countries. As a result, these activities also contribute to the realisation of another objective of DG ECFIN ("to prepare for further enlargement"), which falls under the ABB activity "International Economic and Financial Affairs".

2.1.1.2. Basic decision

The Joint Harmonized European Union Programme of Business and Consumer Surveys is adopted by the Commission by virtue of its institutional prerogatives in accordance with Article 49(2)(c) of the Financial Regulation¹.

To date, this programme has been governed by:

- Commission Decision C(97)2241 of 15 July 1997 approving the programme and its funding, together with the part-financing of business and consumer surveys;
- and document COM(2000)770 of 29 November 2000 approving Mr Solbes's draft memorandum to the Commission on the programme, which includes the new Member States, as well as Bulgaria and Romania.

A new Commission Communication on the programme, which will incorporate all the implementing rules and changes since 1997, is being prepared for adoption early in 2006.

2.1.1.3. Work programme 2006

The budget line is 01.02.02 Coordination and surveillance of Economic and Monetary Union. The Commission's share in the joint financing may not exceed 50% of the expenditure incurred.

¹ Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities.

Contractual method	Annual indicative amount for 2006	Objectives / expected results
Call for Proposals	3 380 000	<p>Objectives: To collect data on the opinions of business managers and consumers in all Member States on the state of their economies. To this effect, surveys are carried out in various economic sectors (industry, construction, retail trade, investment, services sector, households and international) in accordance with a harmonised methodology.</p> <p>Results: As a result, timely and comparable information on the state of the individual countries' business cycle should become available, which can be aggregated meaningfully into EU and euro area aggregates. Such information has become an essential tool for policy making in the economic and monetary union.</p>
Call for Proposals	690 000	<p>Objectives: To collect data on the opinions of business managers and consumers in all recently acceded Member States, and in Bulgaria and Romania, on the state of their economies. To this effect, surveys are carried out in various economic sectors (industry and households) in accordance with a harmonised methodology.</p> <p>Results: As a result, timely and comparable information on the individual countries' business cycle should become available, which can be aggregated meaningfully into EU aggregates. Such information has become an essential tool for policy making in the economic and monetary union.</p>
Call for Proposals (Framework Partnership Agreement)	630 000	<p>Objectives: To collect data on the opinions of business managers in all recently acceded Member States, and in Bulgaria, Romania and Croatia, on the state of their economies. To this effect, surveys are carried out in various economic sectors (construction, retail trade, investment, services sector and retail trade) in accordance with a harmonised methodology.</p> <p>Results: As a result, timely and comparable information on the individual countries' business cycle should become available, which can be aggregated meaningfully into EU aggregates. Such information has become an essential tool for policy making in the economic and monetary union.</p>

2.1.2. European Forecasting Network

2.1.2.1. Introduction

The European Forecasting Network (EFN) aims at improving the analysis of euro-area economic conditions and policy options. This should be furthered, inter alia, through the production of regular independent and authoritative joint assessments of the economic outlook and policy challenges by a network of leading EU research institutes.

In addition to a regular conjunctural analysis and a macro-economic forecast for the euro-area, the EFN publishes reports covering a wide variety of EMU relevant topics. In particular, topics include the development of labour cost and productivity in the euro-area, macro-economic shock absorption in the euro-area, cyclical convergence in EMU, the economic effects of enlargement on EMU or an economic evaluation of the Lisbon targets. Reports are published twice a year.

As the European Forecasting Network focuses on euro-area and EMU-related issues, it serves the ABB activity "Economic and Monetary Union", which is a core activity of DG ECFIN falling under its general objective "to foster EU growth, employment creation and sustainable development".

2.1.2.2. Basic decision

The programme for the coordination and surveillance of economic and monetary union is adopted by the Commission by virtue of its institutional prerogatives in accordance with Article 49(2)(c) of the Financial Regulation.

Grants for the coordination and surveillance of economic and monetary union are awarded pursuant to Article 110 of the Financial Regulation following publication of a call for proposals.

2.1.2.3. Work programme 2006

The budget line is 01.02.02 Coordination and surveillance of Economic and Monetary Union. The Commission's share in the joint financing may not exceed 50% of the expenditure incurred.

Contractual method	Annual indicative amount for 2006	Objectives/expected results
Call for Proposals (Framework Partnership Agreement)	300 000	<p>Objectives: To ensure cooperation with a European Forecasting Network for 2004-07. This should lead to a better understanding of the economic conditions and developments in the euro area and enable the Commission to improve the bases for the policy debates and decisions of the Eurogroup.</p> <p>Results: The purpose of the network is to produce, on a bi-annual basis, a macro-economic forecast for the euro area and to analyse economic policy issues pertinent for the euro area.</p>

2.1.3. Conferences, Workshops and Seminars

Within the activity of coordination and surveillance of economic and monetary union, DG ECFIN will hold a series of conferences, workshops and seminars. The aim is to examine topics of particular importance for the economic and monetary union and to strengthen in-house know-how through improved connections with the economic research community.

The expenses foreseen for conferences, workshops and seminars will amount to 235,000 € and will include the following actions:

Third Annual Economic Research Conference

The aim of the conference is to examine challenges facing the Member States in achieving economic adjustment under monetary union. It will explore how the economic adjustment process changes under EMU ; what is the role of financial markets in promoting and financing adjustment under EMU ; whether converging and steady-state economies face different challenges under EMU ; and how the roles of fiscal, supervisory and structural policies change under EMU.

The conference will gather a set of prominent researchers from Europe and the US for a two day meeting in Brussels in the early fall of 2006. The conference speakers will be selected to represent a wide range of views on these subjects.

Several calls for tenders will be launched in the second quarter of 2006.

Justification: The conference will aim to improve our understanding of challenges to policy-makers under EMU. It will contribute to ongoing research in DG ECFIN on this topic and should provide background material for future papers for the EFC and other outlets. Several calls for tenders will be launched in the first quarter of 2006.

Seminars – “Economic Seminar Programme 2006”

During their one-day visit at DG ECFIN, the seminar speakers will be expected to present their research in the form of a general lecture organised by DG ECFIN, based on a paper.

Negotiated procedures for low-value contracts will be launched (based on a call for interest).

Justification: The general aim of the Programme is to enhance the overall quality of work done by DG ECFIN, strengthening in-house know-how by improving its connections with the economic research community.

Seminars – “Visiting Fellows Programme “

During their stay, Visiting Fellows will be expected to either (a) present their research work in the form of a Seminar to staff members, and prepare an accompanying Seminar Paper for eventual publication in the “*Economic Papers*” series of DG ECFIN, or (b) give a series of presentations (approx. 5 per week) on a somewhat broader economic research agenda related to the functioning of EMU.

Negotiated procedures for low-value contracts will be launched (based on a call for interest).

Justification: The general aim of the Programme is to strengthen in-house know-how through improved connections with the economic research community.

Workshop – “The role of national budgetary institutions in EU fiscal surveillance“

The aim of this Workshop would be to lay the analytical foundations for a more prominent role of national budgetary institutions in EU fiscal surveillance. It would combine the key theoretical and empirical insights from the academic perspective as well as work done in policy institutions including IMF, OECD, and the Commission (recent work conducted across directorates in DG ECFIN). Policy-oriented contributions would discuss alternative ways to enhance the effectiveness of national budgetary institutions in fiscal surveillance in practice (e.g. recent proposals on “national fiscal councils”, as advocated in academic circles and policy institutions such as the IMF). Appropriate publication of the workshop proceedings could be foreseen.

Negotiated procedures for low-value contracts will be launched.

Justification: Fiscal surveillance is among the core activities of DG ECFIN. The 2005 reform of the SGP has mentioned the need to strengthen national budgetary institutions. Work on the role of national budgetary institutions is under way by ECFIN, including in the framework of its participation in the EPC Working Group on the Quality of Public Finances. External competences would be useful to enhance

ECFIN know-how on the subject and to enrich the debate within the EPC Quality Working Group.

2.1.4. Access to Databases

External commercial data supply services for DG ECFIN

The aim of this action is to provide DG ECFIN users with a comprehensive array of relevant, reliable and timely macro-economic statistical information that they require. In addition to internal statistical databases, external data sources are needed. Statistical requirements have been coordinated within the DG.

Several existing contracts will be renewed in 2006. New calls for tenders have been launched at the end of 2005 or will be launched in the first and second quarter of 2006, for a total estimated amount of 450,000 €.

The external commercial data supply is listed hereafter:

- Ratings and research services: this service includes credit ratings and relevant analyses on banks, financial institutions and corporates in the OECD, the EU and its neighbouring regions and on sovereigns, regional or local governments and supranational entities of this area. The contractor's selection will result from a call for tenders
- Annual Accounts: provision of financial details of the top 200,000 public and private European companies. This service is provided by Amadeus until end of 2006. A call for tenders will be launched in 2006 to renew the service.
- Consensus Economics EU: provision of data relating to GDP forecasts for given countries by the leading forecasters by Consensus Economics. A tendering procedure will be launched in 2006 to renew the service.
- Consensus Economics Eastern EU): provision of data relating to GDP forecasts for given countries by the leading forecasters by Consensus Economics. A tendering procedure will be launched in 2006 to renew the service.
- Mergers and Acquisition: provision of mergers and acquisitions data in order to carry out research into levels and changes in mergers and acquisitions activity over time to inform policy decisions and to produce the twice year DG ECFIN Mergers and Acquisitions Note. Service provided by Thomson Financial. A call for tenders will be launched in 2006 to renew the service.
- Reuters – Trader: provision of data relating to currencies and short-term interest rates by Reuters.
- Ecwin: provision of macroeconomic data by Ecwin.
- Bankscope: provision of data for Financial risk management by Bureau Van Dijk.
- Bloomberg: provision of financial data by Bloomberg.

- Moneyline Telerate – Market XS: provision of real time rates for deposits and real time prices for bonds, stocks, currencies, futures and options, swaps and derivatives, as well as related news by Moneyline Telerate. A new call for tenders will be launched in 2006 to renew the service.
- Reuters Xtra: provision of real-time financial data for Directorate L's Treasury operations. A new call for tenders will be launched in 2006 to renew the service.

Justification: In order to be able to provide accurate economic analysis and evaluation, implement EU financial programmes on behalf of other Commission departments, and undertake financial market operations (borrowing and lending, treasury management) in close cooperation with the EIB, EIF and EBRD, on-line access to specialised macro-economic and financial data is required.

2.1.5. Studies and evaluations

Within the activity of coordination and surveillance of economic and monetary union, DG ECFIN has planned one study and two evaluations.

Several calls for tenders for studies and evaluations will be launched in 2006. The expenses foreseen will amount to 525,000 € and will include the following actions:

European-wide monthly business survey in the financial service sector

Over the past, the Commission has successively broadened the sectoral scope of the Joint Harmonised EU Programme of Business and Consumer Surveys in the Member States. However, the financial service sector has not yet been included in the survey programme. A recent study demonstrates the feasibility of a financial service sector survey. In order to overcome problems related to the sectoral idiosyncrasies, such as confidentiality issues and the transnational character of the sector, the study recommends to organise such a survey on an EU-wide scale rather than on a national scale. The project thus intends to fill an important gap in the Commission's business survey programme by carrying out a financial sector survey on an EU-wide scale.

Justification: As revealed by a recent evaluation of the Joint Harmonised EU Programme of Business and Consumer Surveys, there is a strong need for a business survey in the financial services sector. A feasibility study submitted at the end of 2004 suggested that such a survey is best carried out on a European-wide scale separately from the general services sector survey. As such an organisational set-up requires that the Commission covers the entire cost of the survey, a procurement procedure as opposed to an extension to the grant programme is required.

Evaluation of DG ECFIN's forecasting services

Consultations with the concerned directorate on the possible focus of this evaluation at the time of the elaboration of the DG's multiannual evaluation programme highlighted the interest of examining the needs of users and the extent to which these are being met, and a comparative review of the DG's forecasting activities with those of the OECD and the IMF. The focus of the exercise will be further defined and refined during the preparation of the terms of reference. A call for tenders will be launched for this purpose.

Justification: In accordance with the Financial Regulation, ECFIN's ongoing activities are required to be evaluated once every six years. In this context the evaluation aims to support organisational learning and to enable the DG to discharge its obligations in terms of transparency and accountability. Recourse to an external evaluator ensures that the evaluation is seen by stakeholders as allowing an independent assessment of the functioning of the activities.

Evaluation of DG ECFIN's analyses and economic evaluation activities

Consultations with the concerned directorate on the possible focus of this evaluation at the time of the elaboration of the DG's multiannual evaluation programme highlighted the interest of examining the influence of these activities on the policies and programmes of other DGs, including in the context of the introduction of Impact Assessment. The focus of the exercise will be further defined and refined during the preparation of the terms of reference. A call for tenders will be launched for this purpose.

Justification: In accordance with the Financial Regulation, ECFIN's ongoing activities are required to be evaluated once every six years. In this context the evaluation aims to support organisational learning and to enable the DG to discharge its obligations in terms of transparency and accountability. Recourse to an external evaluator ensures that the evaluation is seen by stakeholders as allowing an independent assessment of the functioning of the activities.

2.1.6. General Publications

The annual publication programme of DG ECFIN is devoted to economic issues of EU relevance, and is divided between several specific publication series. The generic "European Economy" series covers the reports on important recurrent Commission exercises (e.g. Broad Economic Policy Guidelines, economic forecasts, public finances in EMU). Other series cover special reports on issues dealt with either at Commission or DG ECFIN level, analytical papers on economic issues, and reports on the enlargement process of the EU.

The publication programme will also include marketing and promotion actions in the new Member States and in the United States.

These publications are produced through specific contracts under a Framework Contract managed by OPOCE and their estimated cost (production, stocking, diffusion and marketing) is 190,000 €.

Justification: This publication programme aims at informing a more specialised public on the results of the works of economic nature carried out within DG ECFIN, which are relevant for the Economic and Monetary Union.

2.2. Budget line 01 02 04 – Prince – Communication on economic and monetary union, including the euro

The appropriations under this budget line are intended to cover the funding of priority information measures on Community policies on all aspects of the rules and functioning of the Economic and Monetary Union; of the benefits of closer policy coordination and

structural reforms and to address the residual information needs of citizens, local authorities and enterprises in relation to the euro.

This measure is designed to be an effective channel of communication and dialogue between the people of the European Union and the Community institutions and take account of specific national and regional characteristics, in close cooperation with the Member States' authorities.

These information activities fall under the institutional prerogatives of the Commission in accordance with Article 49(2)(c) of the Financial Regulation.

On the basis of these prerogatives, the following actions are planned:

2.2.1. Decentralised activities carried out in cooperation with the Member States

Specific contracts under framework contracts or specific ad-hoc conventions with the Member States for a total budget amount of 2.375,000 €.

2.2.1.1. Co-financing or financing of actions through partnership agreements

Partnership agreements (PA) have been signed in 2005 with Estonia, Lithuania and Slovenia, who intend to introduce the euro in 2007. They should be implemented either through grants or procurements from end of 2005 to mid 2007. Malta, Cyprus and Latvia are also expected to ask for the signing of partnership agreements in 2006.

In the framework of these PAs, the Commission may support the following activities of national authorities (Central Banks, Ministries of Finance, Changeover Board or Governments Media or Public Relations Offices):

- Publications in print or in electronic form as well as audiovisual material, and their distribution, in the national languages on the euro and EMU, the changeover process and other matters related to the adoption of the euro. Promotional material such as stickers, key-rings and other gadgets bearing symbols of the euro or campaign slogans. These products would be addressed either at the general public or at specific target groups.
- Conferences, events, seminars including portable promotion and exhibition material. Model conferences will be organised in Estonia, Lithuania and Slovenia in close cooperation with national governments (for details see below) and might be organised in Malta, Cyprus and Latvia or any of the other new Member States. The Commission also intends to organise special training seminars for journalists in these Member States in the national language.
- Surveys and studies among the general public as well as specialised target groups.

For the co-financing of actions managed by Member States, one-off agreements may be signed with the relevant authorities in the Member States which are in a position to take part in the programme of information and communication activities on economic and monetary union including the euro.

Pursuant to Article 168(1)(c) of the Implementing Rules, grants may be awarded without a call for proposals to bodies with a *de jure* or *de facto* monopoly duly substantiated in the Commission's relevant award decision. The authorities designated in the Member States for the implementation of these communication activities (e.g. Central bank, Ministry of Finance) are the only national bodies with the necessary financial and monetary expertise to conduct, with the assistance of a Community grant, a successful communication policy on economic and monetary union, in particular on the introduction of the euro in the relevant Member States.

Justification: To be credible and effective, information and communication activities must reflect citizen's culture, language and concerns. The best source of information are those closest to the public and those considered authoritative and reliable. The Member States are therefore best placed to create information tools and products and to encourage the regional and local authorities, public interest services and networks of civil society organisations to act as information relays. Depending on the willingness of the Member States and availability of framework contracts, activities will be financed with grants or procurements or both.

2.2.1.2. Twinning Programme

The purpose of the twinning programme is to foster the exchange of know-how and transfer of technical expertise on the changeover preparations between countries in the euro area and the new Member States, involving the Ministries of Finance, the Central Banks and other public authorities.

A whole series of twinning projects was launched in 2004 and implemented in 2005. At the moment, there are seven twinning projects in place. The European Commission's financial support in this project is limited to the reimbursement of travel, accommodation and per diems of a limited number of participants and room rental for the meetings if needed. The programme is expected to continue in 2006 even though it is expected that fewer new programmes will be launched.

Justification: The twinning programme aims at supporting the preparatory works for a smooth changeover process to the euro in the new Member States. It is based on the experience of Member States in the Euro area during the preparation stage before the introduction of the single currency.

2.2.2. Conferences, seminars and special events on the euro and EMU within the EU, information activities in third countries and exhibitions and public stands

The aim of these conferences is to disseminate information on issues relating to the euro and EMU with a strong emphasis on citizens.

Several calls for tenders will be launched for these conferences. Specific contracts under DG ECFIN framework contracts will be signed and existing framework contracts from other DGs or SCIC will also be used. For the activities in third countries, a sub-delegation will be given. The total amount is 1.030.000 €.

Justification: These activities will contribute to the dissemination of information on the euro and EMU within the EU and in third countries.

The following actions have been planned:

Conference – “Brussels Economic Forum 2006”

This annual conference gathers together high ranking policy-makers and academics as speakers. The audience is constituted of private and public senior economists from private firms and public policy bodies.

Several calls for tenders will be launched for the 2006 conference.

Conference on “Experience with, Preparation for the euro”

The Austrian Presidency will organise on 10-12 May a conference in Linz on “Experience with, Preparation for the euro”. The Commission will support this event financially and through its participation.

Conference on matters related to consumers and the euro

A conference, possibly more focused on matters related to consumers and the euro, could be organised in the second half of the year possibly in cooperation with the Finnish Presidency.

Events “Euro celebration”

At the occasion of the enlargement of the euro area, various events could be foreseen in Brussels and/or in the Member States concerned to celebrate the arrival of new members of the euro area.

Meeting with the Directors of Communication of the Ministries of Finance and Central banks from the Member States

In order to ensure co-ordination of communication activities, the Commission will continue to work closely with the directors of communication of Member States’ Ministries of Finance and Central Banks and with the European Central Bank, within the “Directors of communication network”. It is suggested to organise in Brussels two conferences with the pre-ins and one conference with representatives of the EU-25.

The above meetings will be organised either through a new framework contract launched at the end of 2005 and to be signed in 2006, or with SCIC.

Exhibitions and publications stands at public events

The exhibition “Euro Coins Genesis” will be hosted by Lithuania, Austria and, possibly, Slovenia, Cyprus or other Member States in 2006. A stand with publications on the euro and EMU is taken to all public events organised by the Commission, mainly within Europe but also in third countries.

Stands on the euro and EMU delivered in 2004/2005 to the representations will have to be updated towards the end of the year.

The above exhibitions and publications stands at public events will be organised either through specific contracts under a new DG ECFIN framework contract to be signed early in 2006, or with SCIC.

Seminars for journalists

Seminars for journalists on the euro and Economic and Monetary Union might be organised either in Brussels or in capitals.

Information activities in Japan

The Delegation intends to organise a series of events and to prepare publications on the euro:

- A Euro conference in Osaka in cooperation with the Osaka University and the Council of Easy Asian Community.
- Reproduction of a euro leaflet which was produced and successfully distributed in 2005
- A new edition of a euro manga, a cartoon type publication which was very popular in Japan.
- Re-production of euro Kitties.

Information activities in the US

The Delegation intends to organise a series of events on the euro:

- "Euro Challenge", a High School Student Competition, modelled after the US Federal Reserve's annual "Fed Challenge", in which a number of high schools would be asked to form teams to participate in a competition on the euro and EMU.
- A series of conferences or sets of seminars by universities in the Western, Mid-Westerns, and North Eastern United States, focusing on different themes related to the euro.

2.2.3. Studies, surveys, publications and promotional material

The total budget amount is 1,495,000 € and will be carried out with specific contracts under DG PRESS framework contract with Gallup Europe or DG ECFIN framework contract with Media Consulta, ESN and Segno Associati or with specific calls for tenders.

Justification: the surveys will be carried out in order to set communication objectives and measure progress in achieving them, and to allow the Commission and Member States to adjust their objectives and strategies in line with the evolving situation. The publications and the website will provide information for the general public and for specific target groups in order to raise awareness on issues related to the euro and EMU. The promotional materials, to be used at conferences and other events, should strengthen the identification with the euro and enhance acceptance.

The following actions have been planned:

Studies

Preparatory studies will continue to be made to further develop the Communication strategy for the euro in 2006 in particular with a view to enlargement. We will also carry out a study to examine how we could communicate more effectively on other EMU related matters, e.g. fiscal surveillance.

Surveys

Following similar surveys in 2005, several surveys will be conducted to help defining and adjusting the euro information campaign: quantitative public opinion surveys in the new Member States showing the attitude of the general public in the New Member States towards the euro, the level of support and other issues related to EMU ; quantitative Survey in the euro area showing the attitude of the general public of the euro area towards the euro, the level of support and other issues related to EMU and possibly qualitative surveys which could help to better understand quantitative survey results.

In 2006, the following surveys will be conducted:

- quantitative Surveys in the new Member States
- quantitative Survey in the euro area
- qualitative Survey in the new Member States (this will depend on the results of further quantitative surveys in the new Member States.

Publications for the general public

It is intended to produce a number of new leaflets/brochures which are related to the euro and which target the general public. Inter alia, the following brochures should be made available in the course of 2006 and 2007: Everything you need to know on the euro and EMU; Advantages and benefits of the euro and EMU; How EMU works; Economic governance and the Stability and Growth Pact; The euro and my financial operations; The banknotes and coins in euro; The history of the euro and EMU. It is also intended to produce and distribute check lists for enterprises and kits for schools.

The Commission services will also continue to print, distribute and, if necessary up-date, leaflets which have been prepared in 2005: Did the euro cause prices to rise?; The EU – a major economic player on the world stage; The euro in an enlarged EU, a brochure for children "united in diversity" and a poster on the history of the euro.

It is also intended to prepare information packages for the press or other target groups.

External newsletter

DG ECFIN will launch beginning of 2006 an external newsletter which is supposed to report on the euro and Economic and Monetary Union and the activities of DG ECFIN and the Commission as a whole in those fields. The newsletter is targeted to a broader public than merely the specialist audience which generally reads DG ECFIN's publications. This should help making the European Commission's work on economic and financial policy more widely known and its decisions better understood. It should be issued on a quarterly basis and be available on paper and as a web version as well. We will have to review in the course of the year if format,

frequency and content need to be adjusted and reflect on the introduction of a higher-frequency electronic edition.

Website

DG ECFIN will continue to further develop its Internet website, in particular those parts which are related to EMU and to the euro. It is important to make basic information on the euro introduction available not only in English but also in other languages, in particular in those of the countries which intend to introduce the euro in 2007/2008.

Promotional material

The Commission services intend to purchase different PR products bearing the euro symbol or DG ECFIN's website link or other information related to EMU as replenishment of the existing stock for use at the various conferences and events described above. The Commission might also make promotional material available to the new Member States in the framework of the Partnership agreements.

A call for tenders will be launched at the end of 2005.

2.2.4. *Specialised Speakers Service ("Team Europe")*

It is intended, together with DG PRESS and the Representations, to set up a dedicated network of speakers coming from the EU countries outside the euro area. It should focus on issues related to the euro and EMU within the framework of the existing Team Europe network. The members of this Team "Euro" network should receive specific training in Brussels. The team would be managed by the Representations but would receive training and support from DG ECFIN. In this way we could have a group of readily available, highly qualified speakers who can intervene on a broad range of policy issues concerning EMU and the euro.

Specific contracts under framework contracts for a total budget amount of 100,000 €.

Justification: to contribute to providing information on the euro and EMU to the general public through speakers in the national languages.

3. INTERNATIONAL ECONOMIC AND FINANCIAL AFFAIRS

Other general objectives of DG ECFIN are *"to work towards further enlargement"* and *"to contribute to the implementation of EU external relations policies, notably towards the neighbours of the enlarged Union, by providing support on international economic and financial affairs"*.

Within this framework, the ABB activity *"International Economic and Financial Affairs"* implies contributions to the economic aspects of the enlargement process, the Stabilisation and Association Process in the Western Balkans, and the European Neighbourhood Policy (in complement with, respectively, the Barcelona Process with Mediterranean Partner countries and the Partnership and Cooperation Agreements signed with the New Independent States). Furthermore, this activity comprises the analysis of the economies of other non-EU countries, the coordination of the Commission's relations with international financial organisations, and the management of macro-financial assistance to third countries and its coordination with other Community assistance programmes.

The budget lines related to the above activity are the following:

01 03 01 European Bank for Reconstruction and Development
Appropriations for commitments 2005: p.m.

01 03 02 Macroeconomic assistance
Appropriations for commitments 2005: 71,136,000 €

Usually, most expenditure financed by the above budget lines is covered by ad hoc financing decisions of the Commission throughout the budgetary year.

3.1. Budget line 01 03 02 01 – Macroeconomic assistance for the partner countries of Eastern Europe and Central Asia

3.1.1. Operational assessments and ex-post evaluations

Several Operational Assessments in partner countries of Eastern Europe and Central Asia

The objective of these operational assessments is to assess the soundness of the fiduciary system of the countries benefiting from macro-economic assistance. The studies to be carried out in 2006 will focus on the follow up of previous missions in the countries involved; so as to provide further analysis of the changes that have been implemented in the accounting system, internal and external control bodies, and procedures for budgetary data processing in the Central bank and in the ministries involved in the management of Community funds.

These operational assessments will be carried out through specific contracts to be concluded under the DG ECFIN framework contract with Deloitte or with a new contractor after a call for tenders. The total estimated budget amount for these operational assessments is 83,500 €.

Justification: These operational assessments are carried out on the basis of the specific Council Decisions for providing macro-economic assistance and the provisions of the Financial Regulation (articles 27, 28, 33, 164, and 165). Furthermore, the special report of the ECA on these activities (March 2002) points out that the Commission should considerably improve the monitoring of the financial management of macro-economic assistance and the transparency of decision making.

Ex post Evaluation of the Macro-Economic Assistance in favour of Tajikistan

The study aims at evaluating whether the allocation of human and financial resources for the macro-financial assistance in favour of Tajikistan was efficient as well as the consistency between the objectives set for this assistance and the results obtained.

This ex post evaluation will be carried out through a specific contract to be concluded under the DG ECFIN framework contracts signed with Ecorys and TEP-MFA. The total estimated budget amount for the ex post evaluation is 150,000 €.

Justification: Such an ex post evaluation is provided for by article 27 of the Financial Regulation and article 21 of the Implementing Rules. It is also foreseen in DG ECFIN Multi-annual Evaluation Programme.

3.2. Budget line 01 03 02 02 – Macroeconomic assistance for the countries of the Western Balkans not concerned by a pre-accession strategy

3.2.1. Operational assessments and ex-post evaluations

Several Operational Assessments in partner countries of the Western Balkans

The objective of these operational assessments is to assess the soundness of the fiduciary system of the countries benefiting from macro-economic assistance. The studies to be carried out in 2006 will focus on the follow up of previous missions in the countries involved; so as to provide further analysis of the changes that have been implemented in the accounting system, internal and external control bodies, and procedures for budgetary data processing in the Central bank and in the ministries involved in the management of Community funds.

These operational assessments will be carried out through specific contracts to be concluded under the DG ECFIN framework contract with Deloitte or with a new contractor after a call for tenders. The total estimated budget amount for these three operational assessments is 83,500 €.

Justification: These operational assessments are carried out on the basis of the specific Council Decisions for providing macro-economic assistance and the provisions of the Financial Regulation (articles 27, 28, 33, 164, and 165). Furthermore, the special report of the ECA on these activities (March 2002) points out that the Commission should considerably improve the monitoring of the financial management of macro-economic assistance and the transparency of decision making.

Ex post Evaluation of the Macro-Economic Assistance in favour of Bosnia & Herzegovina

The study aims at evaluating whether the allocation of human and financial resources for the macro-financial assistance in favour of Bosnia & Herzegovina was efficient as well as the consistency between the objectives set for this assistance and the results obtained.

This ex post evaluation will be carried out through a specific contract to be concluded under the DG ECFIN framework contracts signed with Ecorys and TEP-MFA. The total estimated budget amount for the ex post evaluation is 150,000 €.

Justification: Such an ex post evaluation is provided for by article 27 of the Financial Regulation and article 21 of the Implementing Rules. It is also foreseen in DG ECFIN Multi-annual Evaluation Programme.

