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Draft

## COMMISSION DECISION

of [...]

**on DG ECFIN's annual work programme 2009, including procurement and grants, in the field of economic and financial affairs, and constituting a financing decision**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to Council Regulation (EC, Euratom) N° 1605/2002 of 25 June 2002<sup>1</sup> on the Financial Regulation applicable to the general budget of the European Communities, and in particular Article 49 (6) (d) thereof,

Having regard to Commission Regulation (EC, Euratom) N° 2342/2002 of 23 December 2002<sup>2</sup> laying down detailed rules for the implementation of the Financial Regulation,

Having regard to Council Regulation (EC, Euratom) N° 89/2007 of 30 January 2007<sup>3</sup> amending Regulation (EC, Euratom) N° 2728/94<sup>4</sup> establishing a guarantee fund for external actions,

Having regard to Council Decision 2006/1016/EC of 30 December 2006<sup>5</sup>, granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community, and in particular Article 9 thereof,

Having regard to Council Decision 1994/375/EC of 6 June 1994<sup>6</sup> on Community membership of the European Investment Fund, and in particular Article 3 thereof, and to Council Decision 2007/247/EC of 19 April 2007<sup>7</sup> on the Community participation in the capital increase of the European Investment Fund, and in particular Article 1 thereof,

Having regard to Council Decision 1994/179/Euratom of 21 March 1994<sup>8</sup> authorising the Commission to contract Euratom borrowings in order to contribute to the financing required for improving the degree of safety and efficiency of nuclear power stations in certain non-member countries, modifying Council Decision 77/270/Euratom of 29 March 1977<sup>9</sup>

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<sup>1</sup> OJ L248, 16.9.2002, p.1, as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p.1)

<sup>2</sup> OJ L357, 31.12.2002, as amended.

<sup>3</sup> OJ L22, 31.01.2007, p. 1-2.

<sup>4</sup> OJ L293, 12.11.1994, p. 1-4.

<sup>5</sup> OJ L 414, 30.12.2006, p. 95–103.

<sup>6</sup> OJ L173, 7.7.1994, p. 12.

<sup>7</sup> OJ L107, 25.04.2007, p. 5

<sup>8</sup> OJ L84, 29.03.1994, p. 41-43.

<sup>9</sup> OJ L88, 06.04.1977, p. 9

empowering the Commission to issue Euratom loans for the purpose of contributing to the financing of nuclear power stations, and in particular Article 1 thereof,

Whereas:

- (1) Under Article 75 of Regulation (EC, Euratom) N° 1605/2002, the commitment of the expenditure should be preceded by a financing decision adopted by the institution or the authorities to which powers have been delegated by the institution.
- (2) Measures for the implementation of expenditure should be adopted by the authorising officer by delegation on the basis of a financing decision, within the meaning of Article 90 of the Commission Regulation (EC, Euratom) No 2342/2002<sup>10</sup> laying down detailed rules for the implementation of the Financial Regulation. The present decision constitutes a financing decision in accordance with Article 75 of Regulation (EC, Euratom) No 1605/2002 and Article 90(2) of Commission Regulation (EC, Euratom) No 2342/2002.
- (3) Under Article 110 of Regulation (EC, Euratom) No 1605/2002, grants should be subject to an annual work programme, to be published no later than 31 March of the year of the implementation.
- (4) Under Article 166 of Commission Regulation (EC, Euratom) No 2342/2002 the annual work programme for grants should be adopted by the Commission. It should specify the basic act, the objectives, the schedule of calls for proposals with the indicative amount, and the results expected.
- (5) Council Regulation (EC, Euratom) 89/2007 of 30 January 2007 lays down the new provisioning mechanism for the Guarantee Fund for External Actions as applicable from 1 January 2007. The level of provisioning is determined on an ex-post basis, and depends on the outstanding amount of loans and guaranteed loans.
- (6) Article 9 of Council Decision 2006/1016/EC of 30 December 2006, granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community, provides for an external evaluation under the mid-term review of the EIB external mandate. Annex II of this Decision provides that its cost be covered by the budget line dedicated to the provisioning of the Guarantee Fund. By its judgment of 6 November 2008 in Case C-155/07 (*Parliament vs Council*) the Court of Justice of the European Communities, while annulling the Decision, ordered for legal certainty that the effects of the Decision be maintained for European Investment Bank financing arrangements entered into force before the entry into force, within a period of 12 months from the date of delivery of the judgment of a new decision adopted on the appropriate legal basis. The mid-term review of the mandate, necessarily ancillary to the arrangements, should thus be covered by this suspension of the effects.
- (7) The purchase by the Community of new shares of the European Investment Fund (EIF) extends over a four-year period which started in 2007 and ends in 2010. The dividends received in 2009 for the Community's participation in the EIF, estimated at

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<sup>10</sup> OJ L345, 28.12.2005, p.35, as last amended by Commission Regulation (EC, Euratom) N° 478/2007 of 23 April 2007 (OJ L111, 28.04.2007, p.13)

around euro 4.2 million, should be used as assigned revenue to cover part of the cost of the share purchase in 2009, and will be complemented by additional budgetary appropriations so as to cover the total expected cost of around euro 26.9 million.

- (8) Decision 77/270/Euratom was modified by Council Decision 1994/179/Euratom of 21 March 1994 authorising the Commission to contract Euratom borrowings in order to contribute to the financing required for improving the degree of safety and efficiency of nuclear power stations in certain non-member countries,
- (9) The 2009 work programme as regards grants (set out in detail in the annex) relates to the following activities:
- Grant agreements under the Joint Harmonised European Union Programme of Business and Consumer Surveys falling under Coordination and surveillance of economic and monetary union
  - Grant agreements falling under "Prince - Communication on Economic and Monetary Union including the euro"
- (10) The 2009 work programme as regards procurements (set out in detail in the annex) relates to the following activities:
- Economic and Monetary Union
  - International Economic and Financial Affairs
  - Financial Operations and Instruments
- (11) It is appropriate to define the term 'substantial change' within the meaning of Article 90(4) of the Implementing Rules applicable to the general budget to ensure that any substantial change in this decision shall follow the same procedure as the initial decision.

HAS DECIDED AS FOLLOWS:

#### *Article 1*

The 2009 work programme for procurement and grants in the field of economic and financial affairs annexed to the present decision is adopted. The work programme covers an amount of € 135,349,986 in total and concerns budget lines 010202, 010204, 010301, 010302, 01040114, 010409 and 010410.

#### *Article 2*

The amounts mentioned in the 2009 work programme can be adjusted upwards or downwards within a margin of 20% without this constituting a substantial amendment as provided for under Article 90(4) of the Implementing Rules.

Done at Brussels, [...]

*For the Commission*

[...]

*Member of the Commission*

## ANNEX

### 1. INTRODUCTION

The present document forms a 2009 financing decision of DG ECFIN for actions to be carried out under the following ABB activities: "Economic and Monetary Union", "International Economic and Financial Affairs" and "Financial Operations and Instruments" These actions will be realised by means of grants or procurements. Under the activity "Economic and Monetary Union"<sup>11</sup> the "Joint Harmonised European Union Programme of Business and Consumer Surveys" will take the form of grants. This activity will also include studies, analyses, evaluations, publications, purchase of databases and the financing of measures relating to the internal and external aspects of Economic and Monetary Union all of which will take the form of procurement. Also included in the activity "Economic and Monetary Union" are the actions listed under the heading "Prince – Communication on economic and monetary union, including the euro". These are either realised under the form of grants or under the form of procurements.

The actions under the activity "International Economic and Financial Affairs" and "Financial Operations and Instruments" are realised under procurements. Within these ABB activities, planned actions are described and 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.

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 2009: 6,900,000 €
01 02 04	Prince – Communication on economic and monetary union, including the euro Appropriations for commitments 2009: 7,500,000 €

Both budget lines form part of the Commission's institutional prerogatives.

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<sup>11</sup> The activities and budget lines referred to in the present Decision are the following: 0102 ECONOMIC AND MONETARY UNION (010202 *Coordination and surveillance of EMU*; 010204 *PRINCE*); 0103 INTERNATIONAL ECONOMIC AND FINANCIAL AFFAIRS (010301 *European bank for Reconstruction and Development*; 010302 *Macroeconomic assistance*); 0104 FINANCIAL OPERATIONS AND INSTRUMENTS (010409 *European Investment Fund*; 010410 *Nuclear safety*)

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

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 49.6(d) of the Financial Regulation on the institutional prerogatives of the Commission.

An important part of the appropriations (5,100,000 €) under this budget line covers grants intended to carry out the Joint Harmonised European Union Programme of Business and Consumer Surveys (see section 2.1.1). This programme is described in detail in Commission Communication COM(2006)379 of 12 July 2006.

All other actions (see sections 2.1.2 up to 2.1.5) will take the form of procurements, for which a total budget of € 903.000 has been reserved. The programme is described in detail in Commission Communication COM(2006)389 of 14 July 2006.

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

The Programme ensures the harmonisation, coordination, analysis and dissemination of business and consumer surveys in Member States. Harmonisation is essential to allow the comparison of business cycles in the different Member States and the calculation of meaningful business cycle indices 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”.

In 2008, 55 framework partnership agreements were signed with various beneficiaries. Specific grants based on these partnership agreements will be awarded in the first quarter of 2009 and written agreements will be signed. The eligibility period of the actions runs from 1 May 2009 till 30 April 2010. The Commission’s share in the joint financing may not exceed 50% of eligible expenditure incurred.

### **2.1.2. 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.

In order to carry out these actions, separate procedures will be launched so as to cater for specific needs and requirements of each event and some may be based on a prior call for interest. Calls for papers are common in this area (cost per paper: between € 3,000 and €

4,000). Occasionally, an outside room needs to be booked, plus catering. Other expenditure is handled through framework contracts.

Annual Workshop on Recent Developments in BCS in MS and Croatia, Turkey and FYROM. Implementation arrangements: The procurement procedure (booking of an outside meeting room plus catering) will be launched in second quarter 2009.

Economic Seminar Programme. Implementation arrangements: the procurement procedure (low-value contracts well below €5,000) will be based on a call for interest launched at the beginning of 2009, while applications can be submitted throughout the year. Details of the programme are provided on ECFIN's external website.

Visiting Fellows Programme. Implementation arrangements: the procurement procedure (low-value contracts below €5,000 as regards fees, plus reimbursement of expenses) will be based on a call for interest launched at the beginning of 2009, while applications can be submitted throughout the year. Details are provided on ECFIN's external website.

DG ECFIN's 6th Annual Research Conference and first European Research Directors' Meeting (Brussels, 14-16 October 2009). Implementation arrangements: procurement procedures (call for papers, outside room and catering) will be launched in March 2009.

Workshop "External and intra-euro adjustment : lessons from recent advances in theory and empirical research". Implementation arrangements: procurement procedures will be launched in second quarter 2009.

Four country workshops (including France, Slovakia & Czech Republic) Implementation arrangements: the implementation of these workshops will be spread out during the year and the budgetary procedures will be based on existing framework contracts.

Workshop "Fiscal policy, inflation and current account adjustment" Implementation arrangements: procurement procedure (call for papers) to be launched second quarter 2009.

Workshop "Network of public finance economists in public administrations". Implementation arrangements: procurement procedure (call for papers) to be launched first quarter 2009.

EIB membership fee.

Travelling, accommodation and catering for the above workshops will be procured using existing framework contracts.

### **2.1.3. 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. In addition to internal statistical databases available at DG ECFIN, Eurostat or other Commission services, external data sources are needed and the services delivered may also cover the need to put these different data sources together in a common format. Statistical requirements have been coordinated within the DG.

#### Data supply services



Services are based on multi-annual contracts concluded for four years after an open call for tender, except when indicated otherwise. The planned list of services and data providers is the following:

- Annual Accounts (ORBIS) data on financial accounts of companies, in particular European companies. Implementation arrangements: Contract concluded with Bureau van Dijk renewable on a yearly basis until 2010.
- Automated feed of valuation prices and rates for financial market instrument. Implementation arrangements : Procurement procedure to be launched second quarter 2009.
- Financial market data sources and trading platform. Implementation arrangements: Framework contract for 4 years under negotiation with Bloomberg (negotiated procedure Art. 126(1)b).
- Economic forecasts Data - provision of data relating to macroeconomic forecasts for given countries by the leading forecasters. Implementation arrangements: low-value contracts
- Provision of Data Supply Services (Economic and Financial). Implementation arrangements: Four year framework contract awarded to ThomsonReuters in 2008.
- Mergers and Acquisition data. Implementation arrangements: Contract concluded with ThomsonReuters renewable on a yearly basis until 2011.
- Ratings and research services. Implementation arrangements: Procurement procedure Call to be launched second Quarter 2009.
- Provision of specialised Economics Statistics. Implementation arrangements: low-value contracts.
- Economic and financial data, bond issuance, equity market issuance. Implementation arrangements : Procurement procedure to be launched second quarter 2009.

#### Building up and consolidating internal ECFIN databases and/or economic models

Adding banking sector to the QUEST model. Implementation arrangements: procurement procedure to be launched first quarter 2009.

MICREF database. Implementation arrangements: an Administrative Arrangement will be concluded with the JRC in the first quarter 2009.

#### **2.1.4. Studies and evaluations**

EU-wide business survey in the financial services sector.<sup>12</sup> Implementation arrangements: a framework contract has been concluded with IPSOS until 2010.

Estimating price and income elasticities of trade flows for EU countries. Implementation arrangements: the procurement procedure will be launched in the second quarter 2009.

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<sup>12</sup> This Survey forms part of the Business and Consumer Surveys Programme COM(2006)379 12 July 2006

Green-Growth : the impact of energy and environment on GDP growth, structural adjustment and resilience to shocks. Implementation arrangements: the procurement procedure will be launched in the first quarter 2009.

Joint EC-OECD project "Calculating tax wedge and marginal effective tax rates on labour (METRs)" (to be co-financed by DG EMPL and DG TAXUD) under an EC contribution agreement with an international organisation to be concluded during the third quarter 2009.

How to manage Moral hazard in modern integrated financial markets. Implementation arrangements: the procurement procedure will be launched in the first quarter 2009.

Cross-border transport by road. Implementation arrangements: the procurement procedure will be launched in the first quarter 2009.

Adjustment project market reforms in the European Economy. Implementation arrangements: the procurement procedure will be launched in the first quarter 2009.

The procedure for the award of a Framework Contract for economic studies 2010 will be launched in the first quarter 2009.

#### **2.1.5. Publications**

These publications will be produced through several specific contracts (concluded throughout 2009) under Framework Contracts managed by OPOCE.

Extension/adjustment of the ECFIN Publication Framework Software Implementation arrangements: specific contract under an existing Framework contract.

#### **2.1.6. Co-operation and co-ordination with international financial institutions**

The IMF has proposed to the Commission to co-finance under joint management a common project aimed at enhancing the EU co-ordination so as to strengthen IMF governance. The total cost of the Commission's intervention is estimated at €200,000.

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

The Communication priorities for next year are based on the priorities identified in DG ECFIN's contribution to the Annual Policy Strategy for 2009 and the Commission Legislative and Work Programme 2009 as well as on the strategic approach laid down in the Communication on the implementation of an information and communication strategy on the euro and Economic and Monetary Union, which the Commission had adopted on 11 August 2004 and which provides the medium-term framework for the Prince euro/EMU related activities. The total budget envelope under the PRINCE heading corresponds to €7,500,000, of which the amount reserved for the procurements will represent approximately €6,600,000, while the total budget for grants will amount to around €900,000.

Overall it is anticipated to spend around € 1.6 mio under Partnership agreements and twinnings (around €600.000 for Slovakia, €200.000 for Lithuania and the rest for countries which are interested and ready for a structured cooperation), partly as grants (around €900.000) based on written agreements, and partly through procurement for our own

activities under the Strategic Partnership agreement (around €700.000) exclusively based on specific contracts under framework contracts.

Communicating on the **achievements and benefits** of EMU in the euro area and helping to prepare citizens of Member States who intend to introduce the euro, will remain a top priority for DG ECFIN in 2009.

Economic and Monetary Union represents one of the most advanced stages of European integration and for many citizens, the euro is one of the most tangible symbols for the EU. The perceptions of citizens of the single currency is therefore of great importance for their perception of the EU.

The tenth anniversary of the euro, on 1 January 2009, provides a unique opportunity to become more pro-active in the communication on the euro in the euro area. Even though most of the communication efforts will probably be concentrated on specific target groups, like journalists, policy makers, think tanks or academics, the 10th anniversary is also a very good opportunity to explain to a broader public the achievements of EMU and the benefits of the euro. The results of the EMU@10 project provide a fertile basis for such a campaign for which the foundations were laid already in 2008. Particular emphasis will be put on the production of AV-material and on web-based communication.

2009 will also see a further enlargement of the euro area. Slovakia will introduce the single currency at the beginning of the year. Communication activities in Slovakia will continue throughout the dual circulation period and be gradually phased out during the year. DG ECFIN will also closely cooperate with other Member States which prepare for euro introduction. In particular with those, which have a perspective of introducing the euro in the next 2-3 years, like Poland, and those where support rates for the euro introduction are very low and where campaigns should start early on to explain the benefits of EMU participation.

DG ECFIN therefore intends to propose Partnership agreements also to Member States without a concrete target date. The Partnership agreements with Lithuania and Estonia, which were prolonged in February 2008, will continue to be implemented throughout 2009. The absence of official target dates makes the planning of communication activities obviously more challenging but at current forecasts, it could be that two more Member States might aim for euro introduction in 2011/2012, implying that communication activities in these countries will gather speed in 2009.

### **2.2.1. Partnership agreements with the Member States**

The Partnership agreements with Malta and Cyprus will be wound down definitively in early 2009 and implementation reports of the national campaigns will be examined. No new projects and commitments under Partnership agreements in these countries are expected.

The Partnership agreement with **Slovakia** will continue to be implemented. Recent changeovers have shown the importance of continuing communication activities after the day of the cash introduction in particular to address possible fears for and perceptions of price rises in the population. Under the grant agreement concluded in July 2008, the work of inspectors in the Slovak Trade Inspection will be co-financed and an additional 60 inspectors will be hired in 2008 to oversee the correct dual display of prices and the application of the conversion rate. The inspectors are expected to continue their work throughout 2009 and the Slovak authorities intend to seek financial support from the Commission. Some other post

changeover activities, like surveys or studies, partly already be financed from the 2008 budget, should also be supported. Implementation of this action is expected mainly in the first half of 2009.

The existing Partnership agreements with **Lithuania** and **Estonia** will continue to be implemented. The Lithuanian authorities have expressed an interest to cooperate on a number of activities, including the production of a euro related calendar, the organisation of events and the display of our euro exhibition. Also the Estonian authorities have a firm interest in hosting the Commission's euro exhibition. Display of the exhibition is scheduled for the autumn of 2009.

DG ECFIN will also explore the possibility to propose Partnership agreements to other Member States without a concrete target dates. The absence of official target dates makes the planning of communication activities obviously more challenging but at current forecasts, it could be that two more Member States might aim for euro introduction in 2011/2012, implying that communication activities in these countries will gather speed in 2009. Initial cooperation would focus on the development of a communication strategy and action plan and on activities which aim to gather support for EMU by informing citizens in more general terms about EMU, its benefits and its central role for European integration. Partnership agreements could also cover other EMU related communication issues, such as the need for sustainable convergence. In particular, areas for cooperation with the Polish authorities will be explored.

Finally, Partnership Agreements could also be concluded with euro area Member States notably in the context of the 10th anniversary of the euro. National authorities have been consulted in early October on their euro related communication plans and discussions will be pursued further bilaterally in the coming months with those who indicated interest in working together with the Commission.

The **twinning** programmes will continue to be implemented and some new ones may be set up. In particular, the changeover experience and expertise gathered in countries like Malta, Cyprus or Slovakia should be used and safeguarded in order to be made available to countries which still prepare for the euro introduction.

The Partnership Agreements will be implemented by the Commission through:

- *Procurements* for supporting Member States' communication activities as, for example, publications, surveys, promotional material, stands, exhibitions, conferences and seminars for journalists and national euro-related competitions, involving schools.

These procurements will be realised through specific contracts or contracts under Framework Contracts from DG ECFIN or other DGs. For communication products, like publications or stands, made available to the Member States, e.g. under a strategic Partnership agreement, the property of the products will be transferred to the Member State. Such actions will be implemented throughout the year 2009.

- *Grants* for co-financing various activities which form part of national communication plans such as publications, media campaigns, euro hotlines or the recruitment of communication officers. Slovakia has already signalled interest in the conclusion of such an agreement for next year.

Pursuant to Article 110(1) of the financial Regulation and 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 changeover to the euro in the relevant Member States. In accordance with the above provisions, ad hoc grant agreements will be signed with Member States for the co-financing of the above-mentioned communication activities in preparation of the introduction of the euro. Implemented is scheduled throughout the year depending on progress in national communication preparations. The Commission's share in the joint financing may not exceed 50% of eligible expenditure incurred.

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

Overall, it is anticipated to commit around €2 600 000 in this sub-category in 2009.

### 2.2.2.1. Network meetings

As in previous years, several network meetings will be organised: two meetings of the Dir COM network and two Euro Team seminars.

The Directors of Communication network (**Dir COM**) is expected to meet in restricted composition (pre-in countries only) in the first half of the year (usually end of May/early June) and in EU-27 composition in the latter part of 2009 (usually in November). A joint Dir COM/PAN II meeting may also be organised (in March) in order to review the changeover experience in Slovakia. If the Slovak authorities agree, this meeting could take place in Bratislava.

For the **Euro Team**, the network of speakers set up in the new Member States to speak on EMU related matters, two training seminars, one in February, one in November, will be organised in order to share with them the Commission's last findings, analysis and recently produced euro related material.

### 2.2.2.2. Seminar for journalists and other multipliers

As in previous years, a series of **seminars for journalists** will be organised in Brussels and Frankfurt together with the European Journalism Centre and, as far as possible, the ECB. General seminars on EMU and the euro will be organised for journalists from the new Member States, from the euro area and from the forthcoming Presidencies (i.e. in 2009 for journalists from Sweden and Spain). These seminars will be organised throughout the year, usually one per month except for the summerbreak.

Seminars on EMU surveillance for more specialised financial journalists from financial centres will also be organised, in order to present the Commission's forecasts, reports, surveys and data bases. A seminar for journalists from women magazines should take place in the course of the first half 2009.

Finally, building on the experience with a first seminar for financial analysts organised in the autumn of 2008 in London, other seminars might be organised in other financial centres such as Frankfurt, Paris or Madrid.

#### 2.2.2.3. Conferences

On the conference side, the **Brussels Economic Forum** will again be organised (in May 2009), bringing together policy makers, academics and multipliers to discuss EMU related issues. This is the main flagship event of DG ECFIN and systematically attracting a lot of interest throughout Europe. The good experience of the 2008 BEF will form of basis for next year's conference and the communication activities accompanying the BEF (e-mail teasers, newsletter, web-streaming, web presentation of interviews...) will be further developed.

Another **high profile event** meant to discuss euro area related matters with a broader audience is being planned. Addressees of such an event could be officials, academics, think tanks, financial market participants and journalists. This conference could be held once a year and provide a platform for a regular open discussion with various stakeholders of the policy challenges which the euro area faces. It should be organised in cooperation with an external partner and could be similar in format to the ECB Watcher's conference albeit with a broader scope. Implementation is scheduled for the second half of 2009 after the summerbreak.

A number of EMU related **workshops and seminars** are planned. Possible themes could be: inflation performance and inflation perceptions in the euro area; how to address consumer related issues in the euro changeover process or how to prepare public administrations for the changeover. The last two events would be for participants from the pre-in countries in the first instance. Seminars could also cover some more general topics which relate to economic developments and policy issues in EMU.

A high-level **conference** will be organised in one of the pre-in countries jointly with the national authorities and, possibly, the ECB (second half 2009). Initial contacts suggest that there might be interest for such a conference in one of the Baltic States or in Poland.

#### 2.2.2.4. The euro exhibition and stands

The **euro exhibition**, which was developed in 2007, will be travelling to several Member States within and outside the euro area. Firm expressions of interest for next year have been received from Portugal (January and February 2009), Spain (April 2009), (Germany (spring and early summer), Sweden (summer), Estonia and Lithuania (autumn). For the organisation of the exhibition, close cooperation with the national authorities or with EU information relays will be ensured. Particular attention will be paid to choosing the appropriate locations for the exhibition (like airports or public buildings with a high number of visitors) to attract a high number of visitors.

**Stands** with publications on the euro and EMU as well as other publications of the Commission will be taken to all major public events organised by the Commission, mainly within Europe but also in third countries. Stands will be set up at important

meetings of academics or of publishers, such as the annual meetings of the American Economic Association in January, the European Economic Association in August or the Frankfurt book fare in October. The pop-up stands presenting DG ECFIN and our publications may be updated for this purpose in cooperation with external contractors. Implementation is expected throughout the year.

#### 2.2.2.5. A euro bus

Survey results have shown that in particular citizens in rural areas are sceptical vis-à-vis the euro. We therefore would like to explore whether we could send a bus or a truck on a tour through the euro area to distribute information on the euro to the general public. The bus could host a small exhibition, our publications, posters, audio-visual and promotional material. The bus could visit 3-4 Member States per year and start in those big Member States of the euro area where citizens are particularly sceptical, such as Italy, Germany, Greece, Portugal or the Netherlands. The project would have to be implemented with the help of external contractors. Other DGs have implemented similar projects and we need to look closely at their experiences.

#### 2.2.2.6. Competitions

In early 2009, a **poster competition** will be finalised which has been launched together with the EU Schoolnet (<http://www.eurocompetition.net/ww/en/pub/ecfin/homepage.htm>). The competition is targeted at 10-14 year old children in the euro area. After the closing of registration on 31 December 2008, the evaluation process will be carried out and the national and euro area wide winners will be identified. The winning posters will be reproduced and shown at ECFIN events, exhibitions and on ECFIN's website. The winner will be invited for a media event to Brussels.

Another competition will be organised in 2009 which would be targeted either at photographers or alternatively at cartoonists who would be asked to submit contributions related to the 10th anniversary. Such a competition would also allow DG ECFIN to acquire creative material which could be used in its communication work. An alternative might be to launch a competition for journalists which could either be asked for general contributions on EMU or on more specific topics, such as "what are the key long-term challenges facing the euro area?". Implementation: second half of 2009.

#### 2.2.2.7. Information activities in third countries

DG ECFIN will continue to support various information activities next year in third countries, mainly targeting financial markets representatives and multipliers. DG ECFIN will also continue to make available to delegations in third countries publications, promotional material and stands with information on the euro and EMU.

Most of these activities will be carried out by the Delegations under a sub-delegation by DG ECFIN.

**Information activities in Japan:** The Delegation intends to organise the following activities:

- A series of seminars on the euro and the EU economy for the local banking community, business circles and academia;
- Adaptation of games for i-pods, mobile phones to disseminate euro information;
- Production of a short video targeted at young people;
- Distribution of publications on the euro (including the reprint or new edition of the manga);
- Development of euro related promotional items and distribution at various events.

**Information activities in the US:** The delegation intends to further extend the "Euro Challenge", a High School Student Competition, in which high schools are asked to participate in a competition on the euro and EMU (the final will take place on 29 April 2009). The Delegation intends to further develop the competition in cooperation with partner organisations, such as the Federal Reserve Banks and EU Centres of Excellence at selected US Universities. The Delegation will also use euro related promotional material at various events<sup>13</sup>.

**Information activities in China:** The Delegation in Beijing suggests to organise the following activities:

- Organisation of a Euro conference in February 2009. This should be done in close collaboration with either the People's Bank of China or the Ministry of Finance and could take place in Beijing and target policy makers, academics and the Chinese financial community.
- Organization of one or two conference circuits/tours for a speaker from Europe on the Euro in various Chinese universities (economic faculties) and economic think tanks.
- Promotion material and publications (including a didactic presentation of the EMU@10 findings in Mandarin) could be distributed by the delegation in conferences in which members of the delegation participate and which have a link with EMU/Euro.

DG ECFIN might also financially support, upon request, further euro-related events organised by Delegations in other parts of the world. All such activities in third countries will be developed throughout the year.

### **2.2.3. Studies, surveys, publications, website, audio-visual, promotional material and other activities**

Overall, it is anticipated to commit around €3 300 000 in this sub-category in 2009.

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<sup>13</sup> The Washington delegation also intends to organise some events related to EMU@10 and to the US-euro area macroeconomic relations financed from other budget lines.



### 2.2.3.1. Studies and surveys

In January 2009, several surveys will be conducted in Slovakia to monitor the cash changeover and to gauge citizens' perceptions of the euro introduction.

In spring 2009, the regular Eurobarometer survey in the new Member States will be launched. The survey in the euro area should take place in the early autumn (usually September).

Assuming that the new study Framework contract will become available towards the end of 2008, several studies will be launched. The first study should be launched in December 2008 and should be on user profiles, expectations and satisfaction with ECFIN's new website (planning: first quarter 2009). Another study would examine how the euro is taken up currently as a topic in the curricula in schools in the Member States. The study would help us identifying networks through EMU-related educational material could be made available to schools within the euro area (planning: towards the end of 2009). Another potential study subject could be how to better communicate on our surveillance work and on the forecasts (planning: second half of 2009).

Feedback from Member States on our activities will continuously be sought through the Dir COM network.

### 2.2.3.2. Publications

DG ECFIN has over the last years developed a comprehensive series of publications for the general public and for specific target groups. In view of the variety and number of publications, this activity will be ongoing throughout 2009.

It is intended in 2009 to concentrate efforts on the development of a limited number of products to be used in the educational sector and on the up-date of existing general public leaflets, mainly to reflect new data and new developments, like the enlargement of the euro area.

For the educational sector, a publication might be prepared aiming at secondary schools which explains the basic set-up of EMU, the history and the advantages of the single currency. The brochure should be accompanied by a teachers' booklet and possibly a Powerpoint presentation to be downloaded from the Internet. The brochure could also be linked to the video which would be developed (see below). The study would be carried out under the new framework contract and should allow the identification of the most efficient distribution channels.

A new project, to be developed potentially in cooperation with the ECB, would be a small leaflet and/or poster with information on security features or euro banknotes which could be used and distributed in tourist areas outside the euro area where the euro is used as means of payments. Such a publication could be distributed via Delegations or national central banks in the countries concerned.

Finally, a "sound card", a kind of birthday card at the occasion of the 10th anniversary, could be produced, which provides short (2-3 minutes) oral information on the key benefits for the euro<sup>14</sup>.

Relating to ECFIN's **scientific publications**, all flagship reports will continue to be published in the European Economy Main series. Reports will be printed in full color (around 2800 copies) and distributed via OPOCE to subscribers and a number of VIPs. Advance copies of important reports of the main series may be produced with local printers. For other reports like the Economic Papers (and possibly the Occasional Papers) electronic distribution will be used. A number of book projects will be worked on together with commercial publishers. The yearly publication programme (POP) will be decided, as usual, in the autumn of 2008.

The shift from paper-based publications to web and electronic distribution will be accompanied by a more pro-active marketing of ECFIN's reports (short non-technical summaries of reports on the web, e-mail alerts for different products, publication of reports in economic research networks, advertisements, etc.).

The experience with the EP Kit, which facilitates the drafting and compilation of voluminous reports, will be reviewed and possibly developed further with the help of external contractors, as well as possible new products for desktop publishing.

#### 2.2.3.3. External newsletter

Following the external evaluation carried out in 2007, the newsletter is expected to be issued in 2009 with the same layout, format, frequency (4 times per year: January, April, July and October) and distribution channels as in the last years. The editorial policy is overseen by a steering group. Special newsletters may be issued for events like the Brussels Economic Forum or other high level events. Particular emphasis will be put on acquiring new readers through publicity in other Commission publications and websites. The possibility of issuing a high-frequency (possibly bi-weekly) electronic newsletter with teasers of major ECFIN reports or events will be explored.

#### 2.2.3.4. Promotional material

DG ECFIN intends to continue using promotional material with references to the euro, our visual identity or DG ECFIN's internet address at various events and throughout the year. Promotional material will, within certain limits, also be made available to Member States, in particular those with whom we have signed Partnership agreements, to members of the Euro Team and to Commission Representations.

Promotional material like post cards or calendars referring to the tenth anniversary or material with a stronger educational element, like play cards or puzzles for distribution to children, may also be developed and distributed.

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<sup>14</sup> The ECB has developed such a sound card for vulnerable groups in Malta and Cyprus and it seems that the technique is manageable and affordable and that the demand is considerable.

### 2.2.3.5. Advertisements for the tenth anniversary

DG ECFIN intends to use the occasion of the tenth anniversary to start a limited public advertisement campaign. An external study carried out in 2007 provided a lot of useful suggestions in this respect.

Publicity could be made with banners at airports, advertisements in in-flight magazines and on websites. Advertisement would focus on the benefits and achievements of EMU and concentrate on countries like Germany, Italy, Greece, Portugal or the Netherlands where a larger share of the population is still sceptical about the euro. For preparing such a campaign cooperation with DG COMM and their external framework contractors will be sought.

Implementation of this initiative is scheduled for spring and summer 2009.

### 2.2.3.6. Website

The new **ECFIN website** will continue to be further developed in 2009 to provide up-to-date information for stakeholders and the general public. Particular emphasis will be put on making the home page of the website interesting for stakeholders; new focus sections on the website will be further developed. Such focus sections could be linked to key events (high level conferences), main reports (convergence reports or forecasts) or hot topics like the "external value of the euro".

A special emphasis should also be put on further developing the interactivity of ECFIN's website. More animated, user-driven graphics could be used for presenting our economic surveillance work. A particular focus should be put on a better presentation of our economic forecasts, the business and consumer surveys or the surveillance work under the SGP. Also the research section of the website, which is somewhat minimalistic at the moment, could be further enhanced. The homepage could be made more attractive by including features like "the question of the week" or the "statistic of the week" and by featuring some key economic information, like the euro exchange rate or interest rates.

For some parts of our website, the possibility of applying a Wiki format or a blog may be explored, so as to allow external (academic) contributors to upload contributions or to comment on specific themes, publications or events. The possibility of placing contributions pointing to ECFIN research on economic blogs which are shaping public opinion in the area of European economic policies may be explored.

Finally, the possibility to do the live streaming of ECFIN events (as done for the BEF) on DG ECFIN's website may be used more often.

In the general public part, the Kid's corner which provides information and games on the euro in 22 languages could be further developed. Additional educational material could be hosted there (see above). An interactive presentation of the very popular Kids brochure ('United in Diversity) may be developed and, based on the panels and presentations of our travelling euro exhibition, a virtual euro exhibition could be prepared.

Some online consultations could be organised via the corporate tool "Your voice in Europe" [http://ec.europa.eu/yourvoice/index\\_en.htm](http://ec.europa.eu/yourvoice/index_en.htm). Consultations should cover questions which are policy relevant but accessible to a broader public. One example could have been a consultation of citizens on the question if citizens mind if national authorities buy coins from other countries instead of producing them (with their national designs) on their own. Even though the analytical value of the results might be limited, results could nevertheless be used in political discussions and the very fact of consulting citizens would give visitors of the website the feeling that the Commission is open to citizens concerns and views.

A possible change of the platform managing the website will be examined. Whilst the new platform has allowed to develop a more attractive and multilingual website, in 2009 a new version of the Documentum Starter Kit is expected, which is supposed to become the standard web management tool in the Commission. Together with the IT services, an internal study has been launched to determine if changing the platform could facilitate further the management of ECFIN's website.

For technical development and more complicated maintenance work, external contractors will be drawn upon. The different developments and enhancements will be implemented throughout the year.

#### 2.2.3.7. Audio visual material

The work on the documentary on the euro has been finalised in 2008. The documentary will thereafter be distributed via TV networks, EbS, our website and on DVD.

Once this project is finished, the production of a series of EU Tube Videos focusing on the benefits of the euro and of EMU will be launched. Two further projects may be started, which were not tackled in 2008, namely the production of a short video presenting DG ECFIN and its core business, i.e. the euro and EMU (planning: first half of 2009). A more comprehensive video could be prepared, targeted at the public in general and secondary schools in particular to explain the institutional set-up of EMU ("who does what?"), the history and the benefits of the euro. The second video might be accompanied by a brochure and possibly some material for teachers (planning: second half of 2009). Both would need to be developed with the help of external contractors.

Cooperation with DG COMM and EbS or with Euronews will be continued on the production of video stock shots for specific events or important reports.

### 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.

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

01 03 01 European Bank for Reconstruction and Development

Appropriations for commitments 2009: p.m.

01 03 02 Macro-financial assistance (MFA)

Total appropriations for commitments 2009: 89,100,000 € of which 600,000 € is covered by the present work programme (procurements). A further 9,900,000 € has been placed in reserve, to be released subject to fulfilling certain conditions. Other expenditure financed by the MFA budget line relates to financial support to third countries, which is covered by individual ad hoc financing decisions setting out the detailed terms and conditions for the financial contributions to these countries.

### **3.2. Operational assessments**

Several operational assessments of financial circuits and controls in third countries recipient of macro-financial assistance will be carried out in 2009.

Implementation arrangements: These operational assessments will be carried out through specific contracts to be concluded under a framework contract signed in 2008.

The total estimated budget amount for these operational assessments is 150,000 €

### **3.3. Ex-post evaluations**

Two ex-post evaluations of Macro-Financial Assistance operations are planned for 2009 in Moldova and Georgia.

Implementation arrangements: These two evaluations will be carried out using existing Framework Contracts.

The total estimated budget amount for these evaluations is 300,000 €

DG ECFIN plans to launch in early 2009 an open call for tenders to renew the Framework Contract for Ex-Post evaluation on MFA.

### **3.4. Studies**

Public Expenditure Financial Accountability (PEFA), together with the World Bank two studies are planned for 2009 in respect of Algeria and Syria.

Implementation arrangements: These studies will be carried out through specific contracts to be concluded under a framework contract signed in 2008.

The total estimated budget amount for these studies is 150,000 €

#### **4. FINANCIAL OPERATIONS AND INSTRUMENTS**

Other general objectives of DG ECFIN are "to foster EU growth, employment creation and sustainable development" and "Strengthening co-operation with the EIB Group and actively participating in their governing bodies."

This ABB activity "*Financial Operations and Instruments*" implies many interrelated aspects. It embraces institutional and policy relations with the EIB Group, analysis and policy advice on capital markets including risk capital and financing instruments for SMEs and infrastructure, the management and design of investment financing programmes directed in particular at SMEs, TEN-transport and RTD projects, the management of the borrowing and lending activities of the Communities, the treasury management of off-budget resources and the management of a Guarantee Fund covering certain EU financial activities in countries inside and outside the EU.

Specific Objectives for 2009 embrace for example the participation to the capital increase of the EIF as well as to ensure a sound and efficient management of off-budget resources. The latter embraces the Euratom loans and more generally projects in which Euratom loan facility could be involved. Furthermore, with regard to the general objective "to foster EU growth, employment creation and sustainable development", the ABB activity "Financial Operations and Instruments" covers ECFIN's tasks in the framework of the provision of Euratom loans.

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

01 04 01 14 Provisioning of the Guarantee Fund

Appropriations for commitments 2009: €92,460,000.

01 04 09 European Investment Fund

Appropriations for commitments 2009 (initial + re-invested dividends):  
€26,889,986.

01 04 10 Nuclear Safety

Appropriations for commitments 2009: €1,000,000.

##### **4.1. Budget line 01 04 01 14 – Provisioning of the Guarantee Fund**

The Guarantee Fund for External Actions was created in 1994. It provides the financial resources which are used as a smoothing mechanism to avoid a direct call on budget resources when, due to defaults of beneficiaries of loans, the Community must assure the reimbursement of maturing financial obligations (e.g. interest, principal). The Fund is financed from the general budget of the European Communities and its financial management is entrusted to the EIB.

Council Regulation (EC, Euratom) 89/2007 of 30 January 2007 lays down the new provisioning mechanism for the Guarantee Fund for External Actions as applicable from 1

January 2007. The level of provisioning under the new system is determined on an ex-post basis, and depends on the outstanding amount of loans and guaranteed loans. The budgetary resources to be transferred to the Guaranteed Fund in 2009 amount to €91.96 million. The transfer to the Fund takes the form of a single commitment and a single payment early in the budgetary year.

Article 9 of Council Decision 2006/1016/EC of 30 December 2006, granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community, provides for an external evaluation under the mid-term review of the EIB external mandate. Annex II of this Decision specifies that the review will be conducted by 2010 and will provide the basis for a decision by Member States whether and to what extent to release any optional mandate topping-up possible lending in the period following 2010 in a second stage, whether to make other amendments to the mandate, and how to ensure maximum value-added and efficiency in the EIB's operations. The Commission will present the mid-term review to the European Parliament and to the Council by 30 June 2010, as the basis for any proposal for the amendment of the mandate. Annex II furthermore provides that the cost of the mid-term review will be covered by the budget line dedicated to the provisioning of the Guarantee Fund.

Although on 6 November 2008 Council Decision 2006/1016/EC was annulled by the Court of Justice of the European Communities by its judgment in Case C-155/07, the Court ordered for legal certainty that the effects of the Decision be maintained for European Investment Bank financing arrangements entered into force before the entry into force, within a period of 12 months from the date of delivery of the judgment of a new decision adopted on the appropriate legal basis. The mid-term review of the mandate, necessarily ancillary to the arrangements, should thus be covered by this suspension of the effects. The procurement procedure foreseen in Annex II of the Decision was started in October 2008 and is currently underway.

It is a strong political wish of the European Parliament and of the Council that the mid-term review be conducted as foreseen and without delay. In the current proposal for a new legal basis for the EIB external mandate, the mid-term review was maintained as it was originally foreseen.

Implementation arrangements: the mid-term review will be implemented through procurement (open procedure). The total estimated amount corresponds to 500,000 €

#### **4.2. Budget line 01 04 09 – European Investment Fund**

These Tasks are resulting from Article 3 of Council Decision 1994/375/EC of 6 June 1994 on Community membership of the European Investment Fund (OJ L 173, 7.7.1994, p. 12) and from Council Decision 2007/247/EC of 19 April 2007 on the Community participation in the capital increase of the European Investment Fund (OJ L 107, 25.4.2007, p. 5).

Increase of the Community participation in the capital of the EIF: Article 3 of Council Decision 1994/375/EC stipulates that the position of the Community on a possible increase in the capital of the EIF and on its participation in that increase shall be decided unanimously by the Council, acting on a proposal from the Commission and after consulting the European Parliament. The Council Decision on Community participation in the capital increase of the EIF was adopted in April 2007. It approves Community participation in the 50 % increase in the nominal capital of the EIF and proposes to maintain the level of the Community participation at 30 % by 2010.

Community participation in the capital increase will take place in four instalments starting with 2007 and is also foreseen in the financial perspective 2007-2013. Any revenue from dividends paid by the European Investment Fund during 2007-2010, entered in Article 850 of the statement of revenue, may give rise to the provision of additional appropriations to be entered in this item, in accordance with Article 18 of the Financial Regulation. The remainder of these dividends (depending on the unitary price of share decided at the start of 2008) is used in the following year.

The first increase took place in 2007 through a specific financing decision. The second increase in 2008 was covered in ECFIN's second financing decision for 2008 (C(2008) of 26.02.2008). The size of the effective capital increase (fresh appropriations and re-investment of dividends) for 2009 is expected to amount to around 26.900.000 €

#### **4.3. Budget line 01 04 10 – Nuclear Safety**

Council Decision 94/179/Euratom of 21 March 1994 authorising the Commission to contract Euratom borrowings in order to contribute to the financing required for improving the degree of safety and efficiency of nuclear power stations in certain non-member countries (OJ L 84, 29.3.1994, p. 41). This decision amends the Decision 77/270/Euratom of 29 March 1977 empowering the Commission to issue Euratom loans for the purpose of contributing to the financing of nuclear power stations in the Community (OJ L 88, 6.4.1977, p. 9). The subsequent guidelines relating to these two decisions adopted by the Council invite the Commission to carry out assessments of the projects including technical and economic studies, including a recommendation from the EIB. Legal support is also required for the preparation and implementation of the loan contracts.

Projects in the nuclear sector tend to be very complicated and politically sensitive. It is moreover difficult to estimate when a loan application is likely to be received. However, several projects (in member and non-member countries) for which the promoters have indicated their interest to receive Euratom loans are currently coming closer to a final decision, so the Commission should be prepared to evaluate such applications.

Given the complexity of the matter and the substantial amount of money potentially involved in Euratom financing, the assessment of project proposals requires specialised expertise. The Council Decisions on Euratom loans stipulate that the EIB must prepare a recommendation to the Commission on the economic and financial aspects of candidate projects. Available appropriations will notably serve to reimburse the EIB's appraisal costs. It is moreover foreseen that, for projects in EU Member States, the Bank will cover all additional costs linked to acquiring external (legal, technical, ...) expertise and subsequently submit cost claims for the part to be reimbursed by the Community budget. The Commission will ensure the necessary checks. For projects outside the EU, all such costs have traditionally been covered by TACIS.

Both the number of project proposals giving rise to cost payments, and the effective cost per project, remain subject to high uncertainties. A few projects are expected to materialise in the coming years and some of them may give rise to expenditure in the course of 2009.