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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing "ERASMUS FOR ALL"

The Union Programme for Education, Training, Youth and Sport

(Text with EEA relevance)

{SEC(2011) 1402}

{SEC(2011) 1403}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

In June 2010 the European Council endorsed Europe 2020, the reform agenda aiming to help Europe to recover from the crisis and come out stronger through a coordinated, comprehensive strategy for a smart, inclusive and sustainable growth.

Education and training are at the core of Europe 2020 Strategy for smart, sustainable and inclusive growth, and of the Integrated guidelines for the economic and employment policies of the Member States¹. Arguably none of the Europe 2020 objectives and headline targets will be reached without a strong investment in human capital. Five of the Europe 2020 flagships depend on the modernization of education and training: Youth on the Move, Agenda for New Skills and Jobs, as well as the Digital Agenda, Innovation Union and the Platform Against Poverty.

In its Communication "A Budget for Europe"², the Commission points out that there is scope to increase Union support to education and training in order to raise citizens' skills and help tackle the high levels of youth unemployment in many Member States. The Commission also stresses that in its external actions, it will concentrate on promoting and defending Union values abroad, promote assistance to transitional and democratic processes and project the external dimension of internal policies.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

Consultations

Wide-scale public and stakeholder consultations took place from early 2010 to mid-2011 in education, training, youth and sport fields.

As regards **education, training and youth**, a strong convergence of viewpoints could be noticed among the different groups of stakeholders consulted and the common elements of the contributions can be summarised as follows:

- A very positive assessment of the results achieved by the Lifelong Learning, Youth in Action and Erasmus Mundus programmes;
- The need to develop a more integrated approach, being between education sectors, with other youth-related programmes and between the various existing Union higher education programmes, whether they are intra-European (Erasmus), worldwide (Erasmus Mundus), regional (Tempus, Alfa, Edulink) or bilateral (with the US and Canada for instance);

¹ COM(2010)2020 Final, 3.3.2010

² COM(2011)500 Final, 29.6.2011

- The need to establish stronger links between policy developments and the programme's supported activities;
- The importance of continuing to focus on quality, especially in higher education in the Union and beyond;
- The importance of maintaining Union instruments to support both formal and non-formal learning for young people, and the need to improve the recognition of learning outcomes;
- A need for administrative simplification and for streamlining of actions and priorities;
- A need to improve the visibility of the Programme.

As regards **sport**, the main points stressed by the stakeholders can be summarised as follows:

- Insufficient availability of sport and physical activity at all levels of education;
- Insufficient recognition of voluntary activity in sport;
- Doping as a major threat to fairness in sporting competitions;
- Lack of attention for the societal value of sport as compared to its commercial aspects;
- Commercial pressure endangering the original spirit of sport based on fair play.

Impact assessments results

Four impact assessments examined the operation of three existing programmes in education, training and youth field (namely Lifelong Learning Programme, Youth in Action and Erasmus Mundus) and, in the case of sport, preparatory actions voted by the Budgetary Authority.

Given the similarity of objectives, legal base and Union competencies in these fields, each impact assessment considers similar options: discontinuing the existing actions or programmes; continuing them in their current form; substantially strengthening their policy focus; and bringing together the Lifelong Learning, Youth in Action and Erasmus Mundus programmes into a single, streamlined Programme.

The preferred option identified in each of the four Impact Assessments is the merger into a single programme, which is in line with the Communication of the Commission on the Multiannual Financial Framework adopted on 29 June 2011. This option would be the most coherent and cost-effective, for the main following reasons:

- It responds to the need for increased Union investment in Education and Training in these times of financial and economic crises, as a growing

economy depends on the supply of highly skilled workers and on the mobilisation of the skills and competences of the unemployed;

- It focuses on and develops those actions identified in the current programmes as having the highest European added value and the strongest multiplier effects, leading to tangible impact on European education and training systems and thus considerably improved returns on investment;
- The concentration of efforts within the new streamlined programme architecture will allow for greater synergies among existing programmes and across different educational sectors, thus bolstering the lifelong learning approach to education, increasing coherence and improving access to potential beneficiaries through a streamlined set of key transversal actions;
- Beyond cooperation between education institutions themselves, it puts a stronger focus on the crucial role of education and human capital for innovation by promoting education-business partnerships, targeting excellence in teaching and learning, employability and entrepreneurship;
- Finally, it entails a rationalisation and simplification of delivery and management procedures, offering considerable potential for reducing implementation costs as compared to the sum of the implementation costs of the current programmes (i.e. Lifelong Learning, Youth in Action and the cooperation programmes in Higher Education with third countries).

Simplification

Within the context of the Multiannual Financial Framework (MFF), one of the priority of this Programme is to emphasise streamlining, simplification and a performance-based allocation of funds. This approach is applied in the Programme "Erasmus for All" by basing it on the rules of the Financial Regulation.

The Programme will reduce the number of activities supported. It will use more flat rate grants to increase efficiency; successful examples such as the lump sum grants for Erasmus student mobility will be widely used for mobility actions. National Agencies will no longer manage individual mobility and thereby reducing the administrative workload.

The National Agencies will become the main entry point for learning mobility activities, open to young people whether they participate as student, trainee or volunteer. The user-friendliness will also be enhanced for participating higher education institutions at international level, by the integration of disparate international cooperation programmes.

3. LEGAL ELEMENTS OF THE PROPOSAL

"Erasmus for All", the Single Programme in the field of Education, Training, Youth and Sport is justified on the grounds of the objectives laid down in Articles 165 and 166 of the Treaty on the Functioning of the European Union (TFEU) and on the subsidiarity principle.

Article 165 of TFEU calls for an action by the European Union in order to "contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and their cultural and linguistic diversity."

Article 166 states that the "Union shall implement a vocational training policy which shall support and supplement the action of the Member States, while fully respecting the responsibility of the Member States for the content and organisation of vocational training.

Both articles state that the Union and the Member States shall foster cooperation with third countries and the competent international organisations respectively in the sphere of education and sport (Article 165 (3)) and vocational training (Article 166 (3)).

As stressed in the interim evaluations of the Lifelong Learning, Youth in Action and Erasmus Mundus programmes, the European added value of the programme is derived from the innovative and transnational character of the activities undertaken and of the products and partnerships it helps to develop across Europe. Encouraging successful cooperation between Member States' education and training systems as well as in the youth and sport fields would help to identify and implement policies and practices that work and encourage learning from each other.

While adopting implementing measures, in particular that referring to the allocation of funds, the Regulation foresees the application of the examination procedure according to provisions set out in Article 5 of Regulation (EU) No 182/2011. Selection decisions will still be sent to European Parliament and Committee for information.

The Regulation also introduces the delegating powers based on Article 290 of the TFEU. The use of this new legal instrument is limited to the amendment of the provisions relating to the performance criteria and on the actions managed by the National Agencies.

Experience of past programmes indicates that the provisions in Articles 13(7) and 22(2) relating respectively to the performance criteria and the provisions on the actions managed by the National Agencies might need to be revised during the duration of the programme. The lack of flexibility of the Lifelong Learning, Youth in Action and Erasmus Mundus programmes and the lack of tools to adapt the programme to the changing needs of our society have been criticised by the main stakeholders of the fields concerned.

The opinion of Member States is taken into due account through the systematic consultation of experts. The consultation will be extended to experts appointed by the European Parliament as to ensure a large level of representativeness. The Commission will also consult, whether appropriate, relevant stakeholders in the fields concerned.

4. BUDGETARY IMPLICATION

The Commission's proposal for a Multi-Annual Financial Framework for the period 2014-2020 foresees EUR 17 299 000 000 (current prices) for a Single programme on Education, Training, Youth and Sport and an additional amount coming from heading 4 instruments, corresponding to EUR 1 812 100 000 (current prices).

Minimum allocation of funds per sector

In order to ensure that the funding levels allocated to the main categories of stakeholders and beneficiaries will not be reduced below the levels guaranteed by the Lifelong Learning, Youth in Action and Erasmus Mundus programmes for the 2007-2013 period, the implementation of the Programme shall not result in an allocation to main education sectors less than:

- Higher education: 25%
- Vocational education and training and adult learning: 17%, of which adult learning: 2%
- School education: 7%
- Youth: 7%

5. SUMMARY OF THE REGULATION

The Regulation sets out the provisions for a new single programme covering Education, Training, Youth and Sport, called "Erasmus for all". Building on the broad recognition of the Erasmus sectoral programme, the programme aims at supporting all education sectors (namely Higher education, Vocational education and training and adult learning, schools education and Youth), in a lifelong learning perspective.

The "Erasmus for all" programme focuses on three types of key actions, namely the transnational and international learning mobility of students, young people, teachers and staff; the cooperation for innovation and good practices between education institutions, as well as through cooperation with bodies active in the youth field and the support to the policy agendas, as well as the support to capacity building in third countries, including enlargement countries, with a particular focus on neighbouring countries and the international policy dialogue.

In line with the Communication on a Budget for Europe 2020, Erasmus for all will integrate existing international programmes (Erasmus Mundus, Tempus, Edulink and Alfa) and cooperation programmes with industrialised countries. To this end, the budget of the Programme will be complemented by financial allocations coming from the different external cooperation instruments. Funds will be made available on the basis of two multi-annual allocations covering 4 and 3 years respectively to ensure stability and predictability. These allocations should reflect the EU external action priorities, including development objectives as appropriate. They can be adjusted in case of major unforeseen circumstances or important political changes to reflect major shifts in policy priorities.

Excellence in teaching and research in European studies is covered through a specific article on "Jean Monnet". A chapter is dedicated to sport focusing on the fight against doping, violence and racism and fostering transnational activities to promote good governance of sport organisations.

A new financial instrument – a loan guarantee facility - is introduced to enable students to take their Masters degree in another European country. Finance for such studies is currently difficult to obtain because national grants and loans are frequently not portable across national boundaries, or are not available for studies at Masters level, and loans from private banks are prohibitively expensive. To overcome these problems, the EU will provide a partial guarantee to financial institutions (banks or student loan agencies) which agree to offer loans for Masters' studies in other participating countries on favourable terms for the students.

In management terms, the programme will be managed in accordance with the principle of the indirect management. Responsibilities will be shared between Member States and the Commission. National Agencies will be in charge of the main part of the funds, most of those allocated to mobility actions and cooperation. The Commission will delegate to an Executive Agency the management of larger cooperation projects, policy support, the Eurydice network, as well as Jean Monnet activities and Sport. The Commission may therefore use, on the basis of a cost-benefit analysis, the existing executive agency for the implementation of "Erasmus for All" programme for the period 2014-2020, as provided for in Council Regulation (EC) No 58/2003³ of 19 December 2002 laying down the statute for the Executive Agencies to be entrusted with certain tasks in the management of Community programmes.

³ OJ L 11, 16.1.2003, p.1.

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 165(4) and 166(4) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee⁴,

Having regard to the opinion of the Committee of the Regions⁵,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The Communication from the Commission of 29 June 2011 "A Budget for Europe"⁶ calls for a single programme in the field of Education, Training, Youth and Sport, including the international aspects of higher education, bringing together the Lifelong Learning action programme established by Decision No 1720/2006/EC of the European Parliament and of the Council of 15 November 2006⁷, and Youth in Action programme established by Decision No 1719/2006/EC of the European parliament and of the Council of 15 November 2006⁸, Erasmus Mundus action programme established by Decision No 1298/2008/EC of the European Parliament and of the Council of 16 December 2008⁹, ALFA III programme established by Regulation No 1905/2006/EC of 18 December 2006¹⁰, TEMPUS and EDULINK programmes in order to ensure

⁴ OJ C , , p. .

⁵ OJ C , , p. .

⁶ COM(2011)500 Final, 29.6.2011.

⁷ OJ L 327, 24.11.2006, p.45.

⁸ OJ L 327, 24.11.2006, p.30.

⁹ OJ L 340, 19.1.2008, p.83.

¹⁰ OJ L 378, 27.12.2006, p. 41.

greater efficiency, a stronger strategic focus and synergies to be exploited between the various aspects of the single programme. In addition Sport is proposed as part of this single Programme.

- (2) The interim evaluation reports of the existing Lifelong Learning, Youth in Action and Erasmus Mundus Programmes and the public consultation on the future of Union action in education, training and youth as well as in higher education revealed a strong and in some respects growing need for continuing cooperation and mobility in these fields at European level. The evaluation reports emphasised the importance of creating closer links between Union Programmes and policy developments in education, training and youth, expressed the wish that Union action should be structured so as to respond better to the lifelong learning paradigm, and pressed for a simpler, more user-friendly and more flexible approach to implementing such action and the end of the fragmentation of international higher education cooperation programmes.
- (3) The widespread recognition among the general public in Member States and participating third countries of the "Erasmus" brand name as a synonym of Union learner mobility pleads for a more extensive use of this brand by the main education sectors covered by the Programme.
- (4) The public consultation on the Union's strategic choices for the implementation of the new EU competence in the field of sport and the evaluation report of Preparatory Actions in the field of sport provided useful indications regarding priority areas for Union action and illustrated the added value that the Union can bring in supporting activities aimed at generating, sharing and spreading experiences and knowledge about different issues affecting sport at the European level.
- (5) The European Strategy for smart, sustainable and inclusive growth (Europe 2020) is defining the Union's growth strategy for the coming decade to support smart, sustainable and inclusive growth setting five ambitious objectives to be reached by 2020, particularly in the field of education to reduce early school leaving rates below 10% and to enable at least 40% of 30-34 years old to have completed higher education¹¹. This also includes its flagships initiatives, in particular "Youth on the Move"¹² and the Agenda for New Skills and Jobs¹³.
- (6) The Council of the European Union called on 12 May 2009 for a strategic framework for European cooperation in education and training (ET 2020) setting up four strategic objectives with a view to responding to the challenges that remain in creating a knowledge-based Europe and making lifelong learning a reality for all.
- (7) Pursuant to Articles 8 and 10 of the Treaty on the Functioning of the European Union, as well as the articles 21 and 23 of the Charter of Fundamental Rights, the Programme shall promote equality between women and men and to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.
- (8) The programme should include a strong international dimension particularly as regards higher education, not only to enhance the quality of European higher education in

¹¹ COM(2010)2020, 3.3.2010.

¹² COM (2010)477 Final, 15.9.2010.

¹³ COM(2010)682 Final, 26.11.2010.

pursuit of the broader ET2020 objectives **and the attractiveness of the Union as a study destination**, but also to promote understanding between people and contribution to the sustainable development of higher education in the third countries.

- (9) The renewed framework of cooperation in the youth field (2010-2018)¹⁴ should consider all young people as a resource in society and upholds their right to participate in the development of policies affecting them by means of a continuous structured dialogue between decision-makers and young people and youth organisations at all levels.
- (10) To support mobility, equity and study excellence, the Union should establish a European loan guarantee facility to enable students, regardless of their social background, to take their Masters degree in another participating country. This facility should be available to financial institutions which agree to offer loans for Masters' studies in other participating countries on favourable terms for the students.
- (11) Member States should endeavour to adopt all appropriate measures to remove legal and administrative obstacles to the proper functioning of the Programme. This also implies that visas for participants should be handed out without delays, in order to ensure that no participant misses out on either a part of or the entire study, training programme or exchange, and to avoid cancellations of mobility actions and projects. In line with Article 19 of the Council Directive 2004/114/EC of 13 December 2004 on the conditions of admission of third country nationals for the purposes of studies, pupils exchange, unremunerated training or voluntary service¹⁵, Member States are encouraged to establish fast-track admission procedures.
- (12) The Communication 'Supporting growth and jobs – an agenda for the modernisation of Europe's higher education systems' sets out a framework within which the European Union, Member States and higher education institutions can cooperate to boost the number of graduates, improve the quality of education and maximise the contribution that higher education and research can make to helping our economies and societies emerge stronger from the crisis.
- (13) The Bologna Declaration, signed by the Ministers for Education of 29 European countries on 19 June 1999, established an intergovernmental process aimed at creating a "European Area of Higher Education", which requires support at Union level.
- (14) The renewed Copenhagen Process (2011-2020) defined an ambitious and global vision for Vocational Education and Training policy in Europe, and requested support from Union Educational Programmes to the agreed priorities, including international mobility and reforms implemented by the Member States.
- (15) It is necessary to strengthen the intensity and volume of European cooperation between schools, and of the mobility of school staff and learners in order to address the priorities set out in the Agenda for European cooperation on schools for the 21st century¹⁶, namely to improve the quality of school education in the Union in the fields

¹⁴ OJ C 311, 19.12.2009, p. 1. Council Resolution of 27 November 2009 on a renewed framework for European cooperation in the youth field (2010-2018)

¹⁵ OJ L 375, 23.12.2004, p. 12.

¹⁶ COM(2008)425 Final, 3.7.2008.

of competence development and in order to improve equity and inclusion within school systems and institutions, as well as to reinforce the teaching profession and school leadership¹⁷. In this context, particular importance should be given to the strategic targets on reducing early school leaving, improving performance in basic skills, improving participation and quality in early childhood education and care¹⁸, as well as to targets on reinforcing the professional competences of school teachers and school leaders¹⁹, and improving the educational chances of children with a migrant background and those at socio economic disadvantage²⁰.

- (16) The renewed European Agenda for Adult Learning included in Council Resolution of [...] ²¹ aims at enabling all adults to develop and enhance their skills and competences throughout their lives, giving particular attention to improving provision for the high number of low-skilled Europeans targeted in Europe 2020.
- (17) The action of the European Youth Forum, the National Academic Recognition Centres (NARIC), the Eurydice, Euroguidance and Eurodesk networks, as well as of the eTwinning National Support Services, the Europass National Centres, and the National Information Offices in the neighbourhood countries is essential in order to achieve the objectives of the programme, notably by providing the Commission with regular and updated information regarding the various fields of their activity and through the dissemination of the Programme results in the Union and in the third participating countries.
- (18) Cooperation between the Programme and international organisations in the field of education, training, youth and sport, in particular with the Council of Europe, needs to be strengthened.
- (19) The programme should contribute to develop excellence in European integration studies world-wide, it should [in particular support institutions that have a European governance structure, cover the whole spectrum of policy fields that are of interest for the Union, are non profit organisations and provide recognised academic degrees.](#)
- (20) The Communication from the Commission on "Developing the European Dimension in Sport"²² of 18 January 2011 sets out the Commission's ideas for Union-level action in the field of sport after the entry into force of the Lisbon Treaty and proposes a list of concrete actions for the Commission and Member States in three broad chapters: the societal role of sport, the economic dimension of sport and the organisation of sport.
- (21) Improved transparency of qualifications and competences and extended acceptance of Union tools should facilitate mobility throughout Europe for lifelong learning purposes, therefore contributing to the development of quality education and training, and will facilitate mobility for occupational purposes, between countries as well as

¹⁷ OJ C 319, 13.12.2008, p. 20. Council Conclusions on schools for the 21st century.

¹⁸ OJ C 119, 28.5.2009, p. 2. Council Conclusions on ET2020.

¹⁹ OJ C 300, 12.12.2007, p. 6. Council conclusions on improving the quality of teacher education
OJ C 302, 12.12.2009, p. 6. Council conclusions on the professional development of teachers and schools leaders.

²⁰ OJ C 301, 11.12.2009, p. 5. Council conclusions on the education of children with migrant background
OJ C 135, 26.5.2010, p. 2. Council conclusions on the social dimension of education and training.

²¹ OJ C , , p. .

²² COM(2011)12 Final, 18.11.2011.

across sectors. Opening up access for young students (including vocational and education training students) to methods, practices and technologies used in other countries will help to improve their employability in a global economy; it can also help making jobs with an international profile more attractive.

- (22) For this purpose, it is recommended to extend the use of the single framework for the transparency of qualifications and competences (Europass) under Decision No2241/2004/EC of the European Parliament and of the Council of 15 December 2004²³, the European Qualifications Framework (EQF) under Recommendation of the European Parliament and of the Council of 23 April 2008²⁴, the European Credit system for Vocational Education and Training (ECVET) under Recommendation of the European Parliament and of the Council of 18 June 2009²⁵ and the European Credit Transfer and Accumulation System (ECTS).
- (23) In order to ensure greater efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication under this Regulation shall also contribute to covering the corporate communication of the political priorities of the European Union provided that these are related to the general objectives of this Regulation.
- (24) It is necessary to ensure the European added value of all actions carried out within in the framework of the Programme, and complementarity to activities of Member States in compliance with Article 167(4) of the Treaty on the functioning of the European Union and other activities, in particular in the field of culture, research, industrial and cohesion policy, enlargement policy and external relations.
- (25) Effective performance management, including evaluation and monitoring, requires development of specific performance indicators which can be measured over time, which are both realistic and reflect the logic of the intervention and are relevant to the appropriate hierarchy of objectives and activities.
- (26) This Regulation lays down, for the entire duration of the Programme, a financial envelope representing the prime reference, within the meaning of point (17) of the Interinstitutional Agreement of XX/YY/201Z between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management, for the budgetary authority during the annual budgetary procedure.
- (27) The need of establishing criteria of performance on which the allocation of budget between Member States for the actions managed by the National Agencies should be based. .
- (28) The candidate countries for accession to the Union and the EFTA countries which are members of the EEA may participate in the Union Programmes on the basis of Framework Agreements, Association Council Decisions or similar agreements.

²³ OJ L 390, 31.12.2004, p. 6.

²⁴ OJ C 111, 6.5.2008, p. 1.

²⁵ OJ C 155, 8.7.2009, p. 11.

- (29) The Swiss Confederation may participate in the Union Programmes in accordance with the agreement to be signed between the Union and that country.
- (30) The European Commission and the High Representative of the European Union for Foreign Affairs and Security policy, in their joint Communication on a new response to a changing Neighbourhood²⁶ outlined, inter alia, the aim to further facilitate Neighbourhood countries' participation in Union mobility and capacity building actions in higher education and the opening of the future education programme to Neighbouring countries.
- (31) The financial interests of the European Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties. While Union external assistance has increasing financing need, the economic and budgetary situation of the Union limits the resources available for such assistance. The Commission should therefore seek for the most efficient use of available resources in particular through the use of financial instruments with leverage effect.
- (32) In its Communication "A Budget for Europe 2020" of 29 June 2011 the Commission has underlined its commitment to simplifying Union funding. The creation of a single programme on Education, Training, Youth and Sport should provide for significant simplification, rationalisation and synergies in the management of the programme. The implementation should be further simplified by the use of lump sum, unit cost or flat rate funding, as well as reducing formal requirements for beneficiaries and Member States.
- (33) In order to ensure quick response to changed needs during the whole duration of the Programme, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of provisions relating to the performance criteria and on the actions managed by the National Agencies. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.
- (34) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission.
- (35) The implementing powers relating to work programme should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers²⁷.
- (36) It is appropriate to ensure a correct closure of the Programme, in particular regarding the continuation of multi-annual arrangements for its management, such as the

²⁶ COM(2011)303 final, 25.5.2011.

²⁷ OJ L 55, 28.2.2011, p.13.

financing of technical and administrative assistance. As from 1 January 2014, the technical and administrative assistance should ensure, if necessary, the management of actions not yet finalised under the predecessor programmes by end of 2013.

HAVE ADOPTED THIS REGULATION:

CHAPTER I

General provisions

Article 1

Scope of the Programme

1. This Regulation establishes a Programme for Union action in the field of Education, Training, Youth and Sport called "Erasmus for All" (hereinafter referred to as "the Programme").
2. The Programme shall be implemented for the period from 1 January 2014 to 31 December 2020.
3. The Programme covers education at all levels, in a lifelong learning perspective, in particular Higher education, Vocational Education and Training and Adult learning, School Education and Youth.
4. It includes an international dimension **in accordance with Article 21 of the Treaty of the European Union** and will also support activities in the field of sport.

Article 2

Definitions

For the purpose of this Regulation, the following definitions shall apply:

1. "lifelong learning" means all general education, vocational education and training, non-formal education and informal learning undertaken throughout life, resulting in an improvement in knowledge, skills and competences within a personal, civic, social and/or employment-related perspective, including the provision of counselling and guidance services;
2. "non formal setting" means a learning context that is often planned and organised, but not part of the formal education and training system.
3. "learning mobility" means moving physically to a country other than the country of residence, in order to undertake study, training or other learning, including traineeships and non-formal learning, or teaching or participating in a transnational

professional development activity. It may include preparatory training in the host language. Learning mobility also covers youth exchanges and transnational professional development activities involving youth workers;

4. "Cooperation for innovation and good practices" means transnational cooperation projects involving organisations active in the fields of education, training and/or youth and may include other organisations.
5. "Support for policy reform" means any type of activity aimed at supporting and facilitating the modernization of education and training systems through the process of policy cooperation between Member States, in particular the Open methods of Coordination;
6. "virtual mobility" stands for a set of information and communications technology supported activities, organized at institutional level, that realize or facilitate international, collaborative experiences in a context of teaching and/or learning;
7. "staff" means persons who, either on a professional or voluntary basis, are involved in education, training or youth non-formal learning. It may include teachers, trainers, school leaders, youth workers and non-educational staff;
8. "youth worker" means a professional or a volunteer involved in non-formal learning;
9. "young people" means individuals aged between thirteen and thirty;
10. "higher education institution" means:
 - (a) any type of higher education institution, in accordance with national legislation or practice, which offers recognised degrees or other recognised tertiary level qualifications, whatever such establishments may be called;
 - (b) any institution, in accordance with national legislation or practice, which offers vocational education or training at tertiary level;
11. "school" means all types of institutions providing general (pre-school, primary or secondary), vocational and technical education;
12. "academic institution" means any educational institution dedicated to education and research;
13. "vocational training" means any form of initial vocational education or training, including technical and vocational teaching and apprenticeships, which contributes to the achievement of a vocational qualification recognised by the competent authorities in the Member State in which it is obtained, as well as continuing vocational education or training undertaken by a person during his or her working life;
14. "adult learning" means all forms of non-vocational adult learning, whether of a formal, non-formal or informal nature;
15. "joint degrees" means an integrated study programme offered by at least two higher education institutions resulting in a single degree certificate issued and signed by all

the participating institutions jointly and recognised officially in the countries where the participating institutions are located;

16. "double degree/multiple degree" means a study programme offered by at least two (double) or more (multiple) higher education institutions whereby the student receives upon completion a separate degree certificate from each of the participating institution;
17. "youth activity" means an out-of-school activity (such as youth exchange, volunteering) carried out by a young person, either individually or in group, characterized by a non-formal learning approach;
18. "partnership" means an agreement between a group of institutions or organisations in different Member States to carry out joint European activities in the field of education, training and youth or establishing a formal or informal network in a relevant field. As regards sport, it means an agreement with one or more third parties such as professional sport organisations or sponsors in different Member States in order to attract additional sources of support for achieving the desired outcomes of the Programme.
19. "enterprise" means all undertakings engaged in economic activity in the public or private sector whatever their size, legal status or the economic sector in which they operate, including the social economy;
20. "skills" means the ability to apply knowledge and use know-how to complete tasks and solve problems;
21. "competence" means the proven ability to use knowledge, skills and attitudes with responsibility and autonomy in learning, social and professional contexts.
22. "key competences" means the basic set of knowledge, skills and attitudes which all individuals need for personal fulfilment and development, active citizenship, social inclusion and employment;
23. "results" means any data, knowledge and information whatever their form or nature, whether or not they can be protected, which are generated in the action as well as any attached rights, including intellectual property rights;
24. "dissemination of results" means the public disclosure of the results of the Programme and its predecessors by any appropriate means designed to ensure that the results are appropriately recognised, demonstrated and implemented on a wide scale;
25. "Open Method of Coordination" means intergovernmental method providing a framework for cooperation between the Member States, whose national policies can thus be directed towards certain common objectives. Within the scope of this programme, the OMC applies to education, training and youth;
26. "EU transparency tools" means instruments that help stakeholders to understand, appreciate and as appropriate recognise learning outcomes and qualifications throughout the Union;

27. "neighbourhood countries" means the countries and territories listed in the Annex to the Regulation XX/2012 of the European Parliament and of the Council of X YY 2012²⁸ establishing a European Neighbourhood Instrument: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Occupied Palestinian Territory, Syria, Tunisia and Ukraine. In addition, as for the activities supported in the youth field, Russia is also considered a neighbourhood country;
28. "dual career" means the combination of high-level sports training with general education or work.

Article 3

European added value

1. The Programme shall only support those actions and activities presenting a potential European added value and contributing to the achievement of the general objective as referred to in Article 4.
2. The European added value of the actions and activities of the Programme shall be ensured in particular through:
 - (a) Their transnational character, in particular transnational mobility and cooperation aiming at long-term systemic impact;
 - (b) Their complementarity and synergy with other national, international and other Union programmes and policies, allowing for economies of scale and critical mass;
 - (c) Their contribution to the effective use of Union tools for recognition of qualifications and transparency.

Article 4

General objective of the Programme

1. The Programme aims to contribute to the objectives of the Europe 2020 strategy and of the Education and Training strategic framework 2020 (ET2020), including the corresponding benchmarks established in those instruments, to renewed framework for European Cooperation in the Youth field (2010-2018), to the sustainable development of third countries in the field of higher education and to developing the European dimension in sport.
2. It particularly aims to contribute to reach the following Europe 2020 headline targets:
 - (a) Reduction of early school leaving rates;

²⁸ OJ L, , p.

- (b) Increase of 30-34 years old students having completed third level of education.

CHAPTER II

Education, Training and Youth

Article 5

Specific objectives

The Programme shall pursue the following specific objectives in the areas of education, training and youth:

- (a) To improve the level of key competences and skills regarding in particular their relevance for the labour market and society, as well as the participation of young people in democratic life in Europe, notably through increased learning mobility opportunities for young people, learners, staff and youth workers, and through strengthened cooperation between education youth and the world of labour market;
- Related indicators:
 - % of participants who have increased their key competences and/or their skills relevant for their employability;
 - % of young participants declaring being better prepared to participate in social and political life
- (b) To foster quality improvements, innovation excellence and internationalisation at the level of educational institutions, as well as in youth work, notably through enhanced transnational cooperation between education and training providers/youth organisations and other stakeholders;
- Related indicator: % of organisations that have participated in the Programme and that have developed/adopted innovative methods
- (c) To promote the emergence of a European lifelong learning area, trigger policy reforms at national level, support the modernisation of education and training systems, including non-formal learning, and support European cooperation in the youth field, notably through enhanced policy cooperation, better use of recognition and transparency tools and the dissemination of good practices;
- Related indicator: Number of Member States making use of the results of the Open Methods of Coordination in their national policy developments
- (d) To enhance the international dimension of education, training and youth notably in higher education by increasing the attractiveness of the Union higher education institutions and supporting the Union **external action, including its** development objectives through the promotion of mobility and cooperation between EU and third

country higher education institutions and targeted capacity building in third countries.

- Related indicator: Number of non EU higher education institutions involved in the mobility and cooperation actions
- (e) To improve the teaching and learning of languages and promote linguistic diversity;
- Related indicator: % of participants who have increased their language skills
- (f) To promote excellence in teaching and research activities in European integration through the Jean Monnet activities worldwide as referred to in Article 10.
- Related indicator: Number of students receiving training through Jean Monnet activities

Article 6

Actions of the Programme

1. In the field of education, training and youth, the Programme shall pursue its objectives through the three following types of actions:
 - (a) Learning mobility of individuals,
 - (b) Cooperation for innovation and good practices,
 - (c) Support for policy reform.
2. The specific Jean Monnet activities are described in Article 10.

Article 7

Learning mobility of individuals

1. Learning mobility of individuals action shall support:
 - (a) transnational mobility of higher education and vocational training students as well as of young people involved in non-formal activities between the participating countries as referred in Article 18. This mobility may take the form of studying at a partner institution, traineeships abroad or participating in youth activities, notably volunteering. Degree mobility at Masters level shall be supported through the student loan guarantee facility as referred to in Article 14 (3).
 - (b) Transnational mobility of staff, within the participating countries as referred in Article 18. This mobility may take the form of teaching or taking part in professional development activities abroad.

2. This action will also support the transnational mobility of students, young people and staff to and from third countries as regards higher education including mobility organized on the basis of joint, double or multiple degrees of high quality or joint calls, as well as non-formal learning.

Article 8

Cooperation for innovation and good practices

1. Cooperation for innovation and good practices action shall support:
 - (a) transnational strategic partnerships between organisations involved in education, training and/or youth activities or other relevant sectors developing and implementing joint initiatives and promoting exchanges of experience and know-how;
 - (b) transnational partnerships between enterprises and education institutions in the form of:
 - Knowledge Alliances between higher education institutions and enterprises promoting creativity, innovation and entrepreneurship by offering relevant learning opportunities, including developing new curricula;
 - Sector Skills Alliances between education and training providers and enterprises promoting employability, creating new sector-specific curricula, developing innovative ways of vocational teaching and training and putting the Union wide recognition tools in practice.
 - (c) IT support platforms, including e-Twinning, covering educational sectors and youth allowing peer learning, virtual mobility and exchanges of best practices and opening access for participants from neighbourhood countries.
2. This action shall also support development, capacity building, regional integration, knowledge exchanges and modernisation processes through partnerships between Union and third countries' higher education institutions as well as in the youth sector, notably for peer learning and joint educational projects, promoting regional cooperation, in particular with neighbourhood countries.

Article 9

Support for policy reform

1. Support for policy reform action shall include the activities initiated at Union level related to:
 - (a) the activities related to the implementation of the Union policy agenda on education, training and youth (Open Methods of Coordination), as well as the

Bologna and Copenhagen processes and the structured dialogue with young people;

- (b) the implementation in participating countries of Union transparency tools, in particular Europass, the European Qualifications Framework (EQF), European Credit Transfer and Accumulation System (ECTS), European Credit system for Vocational Education and Training (ECVET) and the support to EU-wide networks;
 - (c) the policy dialogue with relevant European stakeholders in the area of education, training and youth;
 - (d) the European Youth Forum, the National Academic Recognition Centres (NARIC), the Eurydice, Euroguidance and Eurodesk networks, as well as the eTwinning National Support Centres, the Europass National Centres, and the National Information Offices in the neighbourhood countries and acceding countries, candidate countries and potential candidates not fully participating in the programme.
2. This action shall also support policy dialogue with third countries and international organizations.

Article 10

Jean Monnet activities

The Jean Monnet activities shall aim to:

- (a) promote teaching and research on European integration world-wide among specialist academics, learners and citizens, notably through the creation of Jean Monnet Chairs and other academic activities, as well as by providing aid for other knowledge-building activities at higher education institutions;
- (b) support the activities of academic institutions or associations active in the field of European integration studies and support a Jean Monnet label for excellence.
- (c) support the following European academic institutions pursuing an aim of European interest;
 - (i) the European University Institute of Florence;
 - (ii) the College of Europe (Bruges and Natolin campuses);
- (d) promote policy debate and exchanges between the academic world and policy-makers on Union policy priorities.

CHAPTER III

Sport

Article 11

Specific objectives

In line with the general objective, the Programme shall pursue the following specific objectives in the area of sport:

- (a) to tackle transnational threats to sport such as doping, match fixing, violence, racism and intolerance;
 - Related indicator: % of participants who use the results of cross-border projects to fight against threats to sport.
- (b) to support good governance in sport and dual careers of athletes;
 - Related indicator: % of participants who use the results of cross-border projects to improve good governance and dual careers.
- (c) to promote social inclusion, equal opportunities and health-enhancing physical activity through increased participation in sport.
 - Related indicator: % of participants who use the results of cross-border projects to enhance social inclusion, equal opportunities and participation rates.

Article 12

Activities

1. The objectives of cooperation in Sport shall be pursued through the following transnational activities:
 - (a) support to transnational collaborative projects;
 - (b) support to non-commercial European sport events involving several European countries;
 - (c) support the strengthening of the evidence base for policy making ;
 - (d) support to capacity building of sport organisations;
 - (e) dialogue with relevant European stakeholders.

2. The sport activities supported shall, where appropriate, leverage supplementary funding through partnership with third parties such as private undertakings.

CHAPTER IV

Financial Provisions

Article 13

Budget

1. The financial envelope for the implementation of this Programme as from 1 January 2014 is set at EUR 17 299 000 000.

The following amounts shall be allocated to the Actions of the Programme

- a) EUR 16 741 738 000 for actions in the field of education, training and youth, as referred to under Article 6(1);
 - b) EUR 318 435 000 for the Jean Monnet activities, as referred to under Article 10;
 - c) EUR 238 827 000 for actions relating to Sport, as referred to in Chapter III.
2. In addition to the financial envelope as indicated in paragraph 1, and in order to promote the international dimension of higher education, an indicative amount of EUR 1 812 100 000²⁹ from the different external instruments (Development Cooperation Instrument, European Neighbourhood Instrument, Instrument for Pre-accession Assistance, Partnership Instrument and the European development Fund),, will be allocated to actions of learning mobility to or from countries other than those as referred to in Article 18(1) and to cooperation and policy dialogue with authorities/institutions/organisations from these countries. The provisions of this Regulation will apply to the use of those funds.

The funding will be made available through 2 multi annual allocations only covering the first 4 years and the remaining 3 years respectively. This funding will be reflected in the multiannual indicative programming of these instruments, in line with the identified needs and priorities of the countries concerned. The allocations can be revised in case of major unforeseen circumstances or important political changes in line with the EU external priorities. Cooperation with non participating countries may be based, where relevant, on additional appropriations from partner countries to be made available in accordance with procedures to be agreed with these countries.

²⁹ This amount comes from the spending level of the period 2007-2013 increased by a rating factor reflecting the increase rate of Heading 4 instruments.

3. In accordance with the expected value added of the three types of actions as referred to in Article 6(1), and with the principles of critical mass, concentration, efficiency and performance, the amount indicated in Article 13(1.a) will be indicatively allocated as follows:
 - [65%] of this amount is allocated to learning mobility of individuals;
 - [26%] of this amount is allocated to cooperation for innovation and good practices;
 - [4%] of this amount is allocated to support for policy reform.
 - [3%] of this amount will cover operating grants to National Agencies
 - [2%] of this amount will cover administrative expenditures.
4. The financial allocation for the Programme may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required for the management of the programme and the achievement of its objectives; in particular, studies, meetings of experts, information and communication actions, including corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation, expenses linked to IT focusing on information processing and exchange, together with all other technical and administrative assistance expenses incurred by the Commission for the management of the Programme.
5. The financial allocation may also cover the technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under Decision No 1720/2006/EC establishing the Lifelong Learning Programme, Decision No 1719/2006/EC establishing the Youth in Action programme and Decision No 1298/2008/EC establishing the Erasmus Mundus Programme. If necessary, appropriations could be entered in the budget beyond 2020 to cover similar expenses, in order to enable the management of actions not yet completed by 31 December 2020.
6. The funds for the learning mobility of individuals referred to in Article 6(1.a) that are to be managed by a National Agency shall be allocated on the basis of population and cost of living in the Member State, distance between capitals of Member States and performance. The parameter of performance accounts for 25% of the total funds according to the criteria as referred to in paragraphs 7 and 8.
7. Allocation of funds based on performance applies in order to promote an efficient and effective use of resources. The criteria used to measure performance shall be based on the most recent data available. Those criteria are:
 - (a) the level of annual realised outputs that relate to the agreed outcomes and results;
 - (b) the level of annual payments realised.

These criteria may be subjected to revision during the duration of the Programme in accordance with the procedure as referred to in Article 28 relating to delegated acts.

8. The allocation of funds for the year 2014 shall be based on latest available data of outputs and budget take-up of the Lifelong Learning Programme, Youth in Action and Erasmus Mundus programmes implemented until 1 January 2014.
9. The Programme may provide support through specific innovative funding modalities, in particular those set out in Article 14(3).

Article 14

Specific funding modalities

1. The Commission shall implement the Union financial support in accordance with Regulation XX/2012 [the Financial Regulation].
2. The Commission may launch joint calls with third countries or their organisations and agencies to jointly fund projects. Projects may be evaluated and selected through joint evaluation and selection procedures to be agreed upon by the funding agencies involved, in compliance with the principles set out in Regulation XX/2012³⁰ [Financial Regulation].
3. The Commission shall provide the funding for guarantees for loans to students resident in a participating country as defined in Article 18(1) undertaking a full Masters degree in another participating country, to be delivered through a trustee with a mandate to implement it on the basis of fiduciary agreements setting out the detailed rules and requirements governing the implementation of the financial instrument as well as the respective obligations of the parties. The financial instrument shall comply with the provisions regarding financial instruments in the Financial Regulation and in the Delegated Act replacing the Implementing Rules. In accordance with Article 18(2) of the Regulation (EC, Euratom) No 1605/2002, revenues and repayments generated by the guarantees should be assigned to the financial instrument. This financial instrument, including market needs and take-up, will be subject to the monitoring and evaluation as referred to in Article 15(2).
4. Public bodies, as well as schools, higher education institutions and organisations in the fields of education, training, youth and sport that have received over 50% of their annual revenue from public sources over the last two years shall be considered as having the necessary financial, professional and administrative capacity to carry out activities under the Programme. They shall not be required to present further documentation to demonstrate this.
5. Grants for learning mobility awarded to individuals shall be exempted from any taxes and social levies. The same exemption shall apply to intermediary bodies awarding such financial support to the individuals concerned.
6. The amount referred to in Article [127(1)] of the Financial Regulation shall not apply to financial support for learning mobility awarded to individuals.

³⁰ OJ L, ,p.

CHAPTER V

Performance results and dissemination

Article 15

Monitoring and evaluation of performance and results

1. The Commission, in cooperation with the Member States, shall regularly monitor the performance and results of the Programme against its objectives, particularly regarding:
 - (a) The European added value as referred to in Article 3;
 - (b) The distribution of funds associated with the main educational sectors, aiming to ensure, by the end of the Programme, an allocation of funding which guarantees significant systemic impact.
2. In addition to the continuing monitoring, the Commission shall establish an evaluation report no later than end 2017 in order to assess the effectiveness in achieving the objectives, the efficiency of the Programme and its European added value, in view of a decision on the renewal, modification or suspension of the Programme. The evaluation shall address the scope for simplification, its internal and external coherence, the continued relevance of all objectives, as well as the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. It shall also take into account evaluation results on the long-term impact of the predecessor programmes (Lifelong Learning, Youth in Action, Erasmus Mundus and other international higher education programmes).
3. Without prejudice to the requirements set out in Chapter VII and the obligations of National Agencies as referred to in Article 22, Member States shall submit to the Commission, by 31 March 2017 and 30 June 2019 respectively, reports on the implementation and the impact of the Programme.

Article 16

Communication and dissemination

1. The Commission in cooperation with Member States shall ensure the dissemination of information, publicity and follow-up with regard to actions supported under the Programme, as well as the dissemination of the results of the previous Lifelong Learning, Erasmus Mundus and Youth in Action Programmes.
2. Beneficiaries of the supported projects through actions and activities as referred to in Articles 6, 10 and 12 should ensure a proper communication and dissemination of the results and impacts obtained.

3. The National Agencies as referred to in Article 22 shall develop a consistent policy in view of an effective dissemination and exploitation of results of activities supported under the actions they manage within the programme and assist the Commission in the general task of disseminating information on the Programme and its results.
4. The public and private bodies within the main education sectors covered by the Programme shall use the brand name "Erasmus" for the purpose of communication and dissemination of information relating to the programme; the brand name shall be associated with the main education sectors as follows:
 - "Erasmus Higher Education", associated with all types of higher education, in Europe and internationally
 - "Erasmus Training", associated with vocational education and training and adult learning
 - "Erasmus Schools", associated with school education
 - "Erasmus Youth Participation", associated with youth non formal learning.
5. Communication activities shall also contribute to the corporate communication of the political priorities of the Union provided that they are related to the general objectives of this Regulation.

CHAPTER VI

Access to the Programme

Article 17

Access

1. Any public and private body active in the areas of education, training, youth and grassroots sport may apply within this Programme.
2. When implementing the Programme, the Commission and the Member States shall ensure particular efforts to facilitate the participation of people with difficulties for educational, social, gender, physical, psychological, geographical, economic and cultural reasons.

Article 18

Country participation

1. The Programme is open to the participation of the following countries (hereinafter referred to as the ‘participating countries’):
 - (a) the Member States;
 - (b) the acceding countries, candidate countries and potential candidates benefiting from a pre-accession strategy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective Framework Agreements, Association Council Decisions or similar agreements;
 - (c) the EFTA States that are party to the EEA Agreement, in accordance with the provisions of that Agreement;
 - (d) the Swiss Confederation, provided that a bilateral agreement foreseeing its participation is concluded with that country;
2. The participating countries listed in paragraph 1 shall be subject to all the obligations and shall fulfil all the tasks set out in this Regulation in relation to Member States.
3. The Programme shall support the cooperation with partners from third countries, notably partners from neighbourhood countries, in actions and activities as referred to in Articles 6 and 10.

CHAPTER VII

Management and audit system

Article 19

Complementarity

The Commission, in cooperation with Member States, shall ensure overall consistency and complementarity with:

- (a) the relevant Union policies, in particular those in the fields of culture and the media, employment, health, research and innovation, enterprise, justice, consumer, development and cohesion policy;
- (b) the other Union relevant funding sources in the field of education, training and youth policies, in particular the European Social Fund and the other financial instruments relating to employment and social inclusion, the European Regional Development Fund, the Research and Innovation Programmes, as

well as the financial instruments relating to justice and citizenship, health, external cooperation Programmes and the pre-accession instruments.

Article 20

Implementing bodies

The Programme shall be implemented by the following bodies:

- (a) The Commission at Union level;
- (b) The National Agencies at national level to be implemented in the participating countries as referred to in Article 18(1).

Article 21

National Authority

1. Within one month of the entry into force of this Regulation, the Member States shall notify the Commission by way of a formal notification transmitted by their Permanent Representation of the person(s) legally authorized to act on their behalf as the “National Authority” for the purpose of this Regulation. In case of replacement of the National Authority in the course of the Programme lifetime, the Member State shall notify the Commission thereof immediately according to the same procedure.
2. The Member States shall take all appropriate measures to remove legal and administrative obstacles to the proper functioning of the Programme, including the administration of visas..
3. Within three months of the entry into force of this Regulation, the National Authority shall designate a single coordinating body called hereafter "National Agency". The National Authority shall provide the Commission with an appropriate ex ante Compliance Assessment that the National Agency complies with the provisions of Article 55(1)(b)(vi) and Article 57(1), (2) and (3) of the Regulation No XX/2012, , and Article X of its Delegated Regulation NoXX/2012, as well as with the Union requirements for internal control standards for National Agencies and rules for their management of Programme funds for grant support.
4. The National Authority shall designate an independent audit body as referred to in Article 24.
5. The National Authority shall monitor and supervise the management of the Programme at national level. It shall inform and consult the Commission in due time prior to taking any decision that may have an impact on the management of the Programme, in particular regarding its National Agency.

6. The National Authority shall base its ex-ante Compliance Assessment on its own controls and audits, and/or on controls and audits undertaken by the independent audit body referred to in Article 24.
7. In the case that the National Agency designated for the Programme is the same as the National Agency designated for the predecessor Lifelong Learning or Youth in Action Programme, the scope of the controls and audits for the ex-ante Compliance Assessment may be limited to the requirements that are new and specific for the Programme.
8. In case the Commission rejects the designation of the National Agency based on its evaluation of the ex-ante Compliance Assessment, the National Authority shall ensure that the necessary remedial actions are taken for the body designated as National Agency to comply with the minimum requirements set by the Commission or designate another body as National Agency.
9. The National Authority shall provide adequate co-financing for the operations of their National Agency to ensure that the Programme is managed in respect of the applicable Union rules.
10. Based on the yearly management declaration of assurance of the National Agency, the independent audit opinion thereon and the Commission's analysis of the National Agency's compliance and performance, the National Authority shall inform the Commission by 30 October of each year on its monitoring and supervision activities on the Programme.
11. The National authority shall take responsibility for the proper management of the Union funds transferred by the Commission to the National Agency for grant support to be awarded under the Programme.
12. In the event of any irregularity, negligence or fraud attributable to the National Agency, as well as in the case of serious shortcomings or underperformance of the National Agency, and where this gives rise to claims by the Commission on the National Agency, the National Authority shall be liable towards the Commission for the funds not recovered.
13. In the events and cases referred to paragraph 12, the National Authority may revoke the National Agency either on its own initiative or upon request from the Commission. In case the National authority wishes to revoke the National Agency for other justified reasons, it shall notify the Commission of the revocation at least six months before the envisaged date of termination of the mandate of the National Agency. In such case, the National Authority and the Commission shall formally agree on specific and timed transition measures.
14. In case of revocation, the National Authority shall implement the necessary controls regarding the Union funds entrusted to the revoked National Agency and ensure an uninhibited transfer of these funds as well as of all documents and management tools required for the Programme management to the new National Agency. The National Authority shall provide the revoked National Agency with the necessary financial support to continue implementing its contractual obligations vis-à-vis the Programme

beneficiaries and the Commission until the transfer of these obligations to a new National Agency.

Article 22

National Agency

1. The National Agency shall:
 - (a) have legal personality or be part of an entity having legal personality, and be governed by the law of the Member State concerned. A ministry may not be designated as National Agency;
 - (b) have the adequate management capacity, staff and infrastructure to fulfil its tasks satisfactorily, ensuring an efficient and effective management of the Programme and sound financial management of Union funds;
 - (c) have the operational and legal means to apply the administrative, contractual and financial management rules laid down at Union level;
 - (d) offer adequate financial guarantees, issued preferably by a public authority, corresponding to the level of Union funds it will be called upon to manage;
 - (e) be designated for the duration of the Programme.

2. The National Agency shall be responsible of certain Programme actions managed at national level, in conformity with the Articles 55(1)(b)(vi) of Regulation N°XXX/2012 [future Financial Regulation] and of Article X of its Delegated Regulation N°XXX/2012 [future Implementing Rules]. Those actions are:
 - (a) all Programme actions within the key action "Learning Mobility of Individuals", with the exception of the mobility organized on the basis of joint or double/multiple degrees and the Union loan guarantee scheme;
 - (b) the Programme action "Strategic Partnerships" within the key action "Cooperation for innovation and good practice";
 - (c) the management of grassroots activities in the key action "Support to Policy Reform".

3. The National Agency shall be in charge of managing all stages of the project lifecycle of the Programme actions referred to in paragraph 2, with the possible exception of the selection and award decision for the Strategic Partnerships referred to in the same paragraph.

4. The National Agency shall issue grant support to beneficiaries either by way of a grant agreement or a grant decision, as specified by the Commission for the Programme action concerned.
5. The National Agency shall report to the Commission and to its National Authority on a yearly basis in accordance with the provisions set in Article 57(5) of the Financial Regulation N°XX/2012. The National Agency shall be in charge of implementing the observations issued by the Commission following its analysis of the National Agency's management declaration of assurance, as well as of the independent audit opinion thereon.
6. The National Agency may not delegate to a third party any task of Programme or budget implementation conferred on it without prior written authorization from the National Authority and the Commission. The National Agency shall retain sole responsibility for the tasks delegated to a third party.
7. In case of replacement of a National Agency, the revoked National Agency remains legally responsible for implementing its contractual obligations vis-à-vis the Programme beneficiaries and the Commission until the transfer of these obligations to a new National Agency.
8. The National Agency shall be in charge of managing and winding up the financial agreements relating to the predecessor Lifelong Learning and Youth in Action Programmes (2007-2013) that will be still open at the beginning of the Programme.

Article 23

European Commission

1. Within two months of receipt of the ex-ante Compliance Assessment as referred to in Article 21(3) from the National Authority, the Commission shall accept, conditionally accept or reject the designation of the National Agency. The Commission shall not enter into a contractual relationship with the National Agency until the acceptance of the ex-ante Compliance Assessment. In case of a conditional acceptance, the Commission may apply proportionate precautionary measures to its contractual relationship with the National Agency.
2. The Commission shall formalise the legal responsibilities with regard to financial agreements relating to the predecessor Lifelong Learning and Youth in Action Programmes (2007-2013) and still open at the start of the Programme upon its acceptance of the ex-ante Compliance Assessment on the National Agency designated for the Programme.
3. The document governing the contractual relationship between the Commission and the National Agency shall:
 - (a) stipulate the internal control standards for National Agencies and the rules for the management of the Union funds for grant support by the National Agencies;

- (b) include the National Agency work programme comprising the management tasks of the National Agency to which EU support is provided;
 - (c) specify the reporting requirements for the National Agency.
- 4. The Commission shall make the following Programme funds available to the National Agency on a yearly basis:
 - (a) funds for grant support in the Member State to the actions of the Programme the management of which is entrusted to the National Agency;
 - (b) a financial contribution in support of the Programme management tasks of the National Agency. This will be provided in the form of a flat-rate contribution to the operational costs of the National Agency. It will be established on the basis of the amount of Union funds for grant support entrusted to the National Agency.

5. The Commission shall set the requirements for the National Agency work programme. The Commission shall not make Programme funds available to the National Agency until after formal approval of the relevant National Agency work programme by the Commission.
6. On the basis of the compliance requirements for National Agencies referred to in Article 21(3), the Commission shall review the national management and control system, in particular through the assessment of the ex-ante Compliance Assessment of the National Authority, of the yearly management declaration of assurance of the National Agency and of the opinion of the independent audit body thereon, taking due account of the yearly information from the National Authority on its monitoring and supervision activities on the Programme.
7. Upon its assessment of the yearly management declaration of assurance and of the opinion of the independent audit body thereon, the Commission shall address its opinion and observations thereon to the National Agency and the National Authority.
8. In the event that the Commission cannot accept the National Agency's management declaration of assurance or the independent audit opinion thereon, or in the case of an unsatisfactory implementation of the Commission's observations by the National Agency, the Commission may implement any precautionary and corrective measures necessary to safeguard the Union financial interests in accordance with Article 57 (4) of the Financial Regulation N°XX/2012
9. The Commission shall organize regular meetings with the network of National Agencies in order to ensure a coherent implementation of the Programme across all participating countries.
10. The Commission may request from the National Authorities to designate the institutions or organizations, or the types of such institutions and organizations, to be considered eligible to participate in specific Programme actions in their respective territories.

Article 24

Audit body

1. The independent audit shall issue an audit opinion on the yearly management declaration of assurance referred to in Article 57(5)(d) and (e) of the Financial Regulation N°XX/2012.
2. The independent audit body shall:
 - (a) Have the necessary professional competences for undertaking public sector audits;
 - (b) Ensure that audit activity takes account of internationally accepted audit standards;

- (c) Not be in a position of conflict of interest with regard to the legal entity of which the National Agency is part. It shall notably be functionally independent with regard to the legal entity of which the National Agency is part and shall not execute any other controls or audits on or for the legal entity.
3. The independent audit body shall provide the Commission and its representatives as well as the Court of Auditors full access to all documents and reports in support of the audit opinion that it issues on the yearly management declaration of assurance of the National Agency.

CHAPTER VIII

Control system

Article 25

Principles of the control system

1. The Commission shall take appropriate measures ensuring that, when actions financed under this Regulation are implemented, the financial interests of the European Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective controls and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and deterrent penalties.
2. The Commission shall be responsible for the supervisory controls with regard to the Programme actions managed by the National Agencies. It shall set the minimum requirements for the controls by the National Agency and the independent audit body.
3. The National Agency shall be responsible for the primary controls of grant beneficiaries for the Programme actions as referred to in Article 22(2). These controls shall give reasonable assurance that the grants awarded are used as intended and in compliance with the applicable Union rules.
4. With regard to the Programme funds transferred to the National Agencies, the Commission will ensure proper coordination of its controls with the National Authorities and the National Agencies, on the basis of the single audit principle and following a risk-based analysis. This provision does not apply to OLAF investigations.

Article 26

Protection of the financial interests of the European Union

1. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot, over all grant beneficiaries, contractors, subcontractors and other third parties who have received Union funds. They may also conduct audits and controls of the National Agencies.
2. The European Anti-fraud Office (OLAF) may carry out on-the-spot controls and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedure laid down in Regulation (Euratom, EC) No 2185/96 with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the European Union in connection with a grant agreement or grant decision or a contract concerning Union funding.
3. Without prejudice to the paragraphs 1 and 2, cooperation agreements with third countries and international organisations and grant agreements and grant decisions and contracts resulting from the implementation of this Regulation shall expressly empower the Commission, the Court of Auditors and OLAF to conduct such audits, on-the-spot controls and inspections.

CHAPTER IX

Delegations of power and implementing provisions

Article 27

Delegation of powers to the Commission

The Commission shall be empowered to adopt delegated acts in accordance with Article 28 concerning the amendment of Article 13(7) and Article 22(2) relating respectively to the performance criteria and the provisions on the actions managed by the National Agencies.

Article 28

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The delegation of power referred to in Article 27 shall be conferred on the Commission for a period of 7 years from the date of entry into force of this Regulation and for the duration of the Programme.

3. The delegation of power referred to in Article 27 may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Article 27 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 2 months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by 2 months at the initiative of the European Parliament or the Council.

Article 29

Implementation of the Programme

In order to implement the programme, the Commission shall adopt annual work programmes by way of implementing acts in accordance with the examination procedure referred to in Article 30(2). They shall set out the objectives pursued, the expected results, the method of implementation and their total amount. They shall also contain a description of the actions to be financed, an indication of the amount allocated to each action, as well as the distribution of funds between the Member States for the actions managed through the National Agencies, and an indicative implementation timetable. They shall include for grants the priorities, the essential evaluation criteria and the maximum rate of co-financing.

Article 30

Committee procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

CHAPTER X

Final Provisions

Article 31

Repeal - Transitional provisions

1. Decision No 1720/2006/EC establishing the Lifelong Learning Programme, Decision No 1719/2006/EC establishing the Youth in Action Programme and Decision No 1298/2008/EC establishing the Erasmus Mundus Programme shall be repealed from 1 January 2014.
2. Actions which are initiated on or before 31 December 2013 on the basis of Decision No 1720/2006/EC, Decision No 1719/2006/EC and Decision No 1298/2008/EC shall be administered, whether relevant, in conformity with the provisions of this Regulation.
3. Member States shall ensure at national level the uninhibited transition between the actions carried out in the context of the previous Programmes in the fields of lifelong learning, youth and international cooperation in higher education and those to be implemented in the Programme.

Article 32

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament

For the Council

The President

The

President

ANNEX
LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

[to be used for any proposal or initiative submitted to the legislative authority
(Articles 28 of the Financial Regulation and 22 of the implementing rules)]

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management method(s) envisaged

2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
 - 3.2.1. Summary of estimated impact on expenditure
 - 3.2.2. Estimated impact on operational appropriations
 - 3.2.3. Estimated impact on appropriations of an administrative nature
 - 3.2.4. Compatibility with the current multiannual financial framework
 - 3.2.5. Third-party participation in financing
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing Erasmus For All action, the Union Programme for Education, Training, Youth and Sport.

1.2. Policy area(s) concerned in the ABM/ABB structure³¹

Title 15 Education and Culture

1.3. Nature of the proposal/initiative

- The proposal/initiative relates to **a new action**
- The proposal/initiative relates to **a new action following a pilot project/preparatory action**³²
- The proposal/initiative relates to **the extension of an existing action**
- The proposal/initiative relates to **an action redirected towards a new action**

1.4. Objectives

1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

Europe 2020 strategy

Priority: Smart and inclusive growth, Single programme for education, Training, Youth and Sport

Targets: Education/Skills

Flagship initiatives: Agenda for new skills and jobs, Youth on the move

1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

SPECIFIC OBJECTIVE No 1:

To improve the level of key competences and skills regarding in particular their relevance for the labour market and society, as well as the participation of young people in democratic life in Europe, notably through increased learning mobility opportunities for young people, learners, staff and youth workers, and through strengthened cooperation between education youth and the world of labour market.

SPECIFIC OBJECTIVE No 2:

³¹ ABM: Activity-Based Management – ABB: Activity-Based Budgeting.
³² As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

To foster quality improvements, innovation excellence and internationalisation at the level of educational institutions, as well as in youth work, notably through enhanced transnational cooperation between education and training providers/youth organisations and other stakeholders.

SPECIFIC OBJECTIVE No 3:

To promote the emergence of a European lifelong learning area, trigger policy reforms at national level, support the modernisation of education and training systems, including non-formal learning, and support European cooperation in the youth field, notably through enhanced policy cooperation, better use of recognition and transparency tools and the dissemination of good practices

SPECIFIC OBJECTIVE No 4:

To enhance the international dimension of education, training and youth notably in higher education by increasing the attractiveness of the Union higher education institutions and supporting the Union development objectives through the promotion of mobility and cooperation between EU and third country higher education institutions and targeted capacity building in third countries

SPECIFIC OBJECTIVE No 5:

To improve the teaching and learning of languages and promote linguistic diversity

SPECIFIC OBJECTIVE No 6:

To promote excellence in teaching and research activities in European integration through the Jean Monnet activities worldwide.

SPECIFIC OBJECTIVE No 7:

To tackle transnational threats to sport such as doping, match fixing, violence, racism and intolerance.

SPECIFIC OBJECTIVE No 8:

To support good governance in sport and dual careers of athletes

SPECIFIC OBJECTIVE No 9:

To promote social inclusion, equal opportunities and health-enhancing physical activity through increased participation in sport.

ABM/ABB activity(ies) concerned

Proposed new ABM/ABB activity:

15.02 Education, Training, Youth and Sport

1.4.3. *Expected result(s) and impact*

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

Through the promotion of transnational formal and non-formal learning mobility and cooperation, both within the Union and internationally, Erasmus for all will help member states achieving significant systemic impact on their education, training and youth systems. The expected benefits will go well beyond the individuals concerned; they will help young people acquire the new skills and increase their employability; they will make education institutions more efficient, open and international, and provide quality tools, analysis and research.

In the area of non-formal learning and youth work, strongest impacts are expected on individuals' educational and professional development, including the promotion of youth participation in society as well as sport. The programme will also shape policy initiatives such as the European Voluntary Service, enhancing cooperation in the area of voluntary activities for young people.

For candidate and third countries the proposal will increase their potential for partnerships aiming at closer cooperation notably in mobility activities. Reinforced cooperation will support the capacity building and modernisation of higher education in partner countries, and contribute to the attractiveness of Europe.

1.4.4. *Indicators of results and impact*

Specify the indicators for monitoring implementation of the proposal/initiative.

Indicators	Sources of data	Target
<ul style="list-style-type: none"> – Tertiary level attainment – Early school leavers 	Europe 2020 ET2020 reports Eurostat	By 2020, at least 40% of 30-34 year olds should be higher education graduates. By 2020, not more than 10% of 18-24-year-olds have only lower-secondary education and are not enrolled in education or training.
% of participants who have increased their key competences and/or their skills relevant for their employability	Eurostat Final report of beneficiary Surveys/Eurobarometer	By 2020, 95% of people who state having gained or improved key-competences through their participation in a programme project
% of young participants declaring being better prepared to participate in social and political life	Final report of beneficiary Surveys/Eurobarometer	By 2020, 70% of young people who state being better prepared to participated in social and political life through their participation in a programme project
% of organisations that have participated in the Programme and that have developed/adopted	Surveys/Eurobarometer	

innovative methods	Final report	Yearly increase
Number of member states making use of the results of the Open method of coordination in their national policy development	ET 2020	All Member states take the relevant information/results available from the education and training OMC systematically into consideration by 2020
Number of non Union higher education institutions involved in the mobility and cooperation actions	Final report IT monitoring tool Surveys/Eurobarometer	Yearly increase
% of participants who have increased their language skills		By 2020, at least 80% of lower secondary pupils are taught two foreign languages or more
% of the increase in the number of Jean Monnet project worldwide	Final report IT monitoring tool Surveys/Eurobarometer	Yearly increase
<ul style="list-style-type: none"> - % of participants who use the results of cross-border projects to fight against threats to sport. - % of participants who use the results of cross-border projects to improve good governance and dual careers - % of participants who use the results of cross-border projects to enhance social inclusion, equal opportunities and participation rates 	Final report IT monitoring tool Surveys/Eurobarometer	Yearly increase

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term

- Offer increased number of learning mobility opportunities both for students, young people, teachers, trainers and youth workers.
- Boost transnational cooperation between education, training and youth organisations in order to promote innovative methods of teaching and exchange of good practices.

- Strengthen the international dimension of education through a reinforced cooperation with certain regions of the world, in particular the Union's neighbours.
- Support policy reform in Member States
- Support sport activities focusing on the fight against doping, violence and racism and fostering transnational activities.

1.5.2. *Added value of Union involvement*

As the Union Budget Review has highlighted, the "Union budget should be used to finance Union public goods, actions that Member States and regions cannot finance themselves, or where it can secure better results". Interim evaluations of current programmes dealing with education, training and youth (mainly Lifelong Learning programme and Youth in Action), have demonstrated that the main European added value of the programme is derived from the transnational as well as the innovative character of the activities undertaken and of the products and partnerships it helps to develop. Encouraging successful cooperation between Member States' education, training and youth systems would help to identify and implement policies and practices that work and encourage learning from each other.

The legal proposal respects the principle of subsidiarity as the tasks for adopting incentive measure in the field concerned are set out in the Treaty (articles 165 and 166 of TUE). The policies are implemented by fully respecting the responsibility of the Member States in particular regarding the content of teaching and the organisation of national education systems as well as cultural and linguistic diversity, and in accordance with the principle of the indirect centralised management.

The Union instrument will be focused on the mobility of students and teachers, the development of exchanges of information and best practices, adaptation to the industrial changes through vocational training and retraining and facilitation of access to it.

1.5.3. *Lessons learned from similar experiences in the past*

In the field of education and culture, the existing Lifelong Learning programme has been the result of the integration of three previous programmes³³ into a single one. As stated in the LLP interim evaluation, this integration has been successful mainly in relation to the overall management thanks to considerable administrative simplification, as well as the dissemination of information to the target groups.

A further simplification is now expected from the integration of the LLP, with Youth in Action and various international cooperation programmes. Indeed, they already share similar management structures (national Agencies, Executive agency) and they cover very similar types of actions (mainly mobility and cooperation projects).

Regarding the policy content, the evaluations show that the current Community programmes to promote transnational formal and non-formal learning mobility and cooperation, both within the Union and internationally, have already achieved significant systemic impact, well beyond the benefits to the individuals concerned.

³³ Socrates, Leonardo da Vinci and eLearning

Evaluations consistently show that the inherent complexity of the remaining fragmentation of the current Lifelong Learning Programme (LLP) into 6 sub-programmes, more than 50 objectives and over 60 actions, is too complex; it entails the risk of overlaps, hampers the development of a coherent lifelong learning approach, and limits the scope for efficiency gains and cost-effectiveness. Some current actions lack the critical mass required for long-lasting impact. In addition, the similarities between the general objectives and delivery mechanisms of the Life Long Learning sub-programmes and of Youth in Action, both focused on mobility, cooperation and human capital, must be fully exploited particularly as concerns the management and implementation of the Programme.

The LLP mid-term evaluation suggests that a single Programme would have the potential to increase coherence between the various funding possibilities offered to the beneficiaries and strengthen the lifelong learning approach by linking up all Programmes dealing with formal and non-formal learning at all stages of the education and training spectrum. It will broaden the scope for structured partnerships, both between different sectors of education and with the world of work and other relevant actors. At management level, economies of scale can be significant if actions of a similar nature have similar implementing rules and procedures, simplifying both for beneficiaries and for management bodies at Union and national levels. The Programme will also provide flexibility and incentives, so that budget allocation between actions, beneficiaries and countries better reflects performance and potential impact.

The same applies to international cooperation in higher education, also marked by the fragmentation of Union instruments, making it difficult for students and institutions to access the different opportunities and for the Union to be visible internationally. Similar programmes have different objectives, scope, operational modalities, and calendar, and do not easily interact with each other; the lack of predictability and the stop-go annual funding cycle of certain actions makes it difficult for higher education institutions to engage in long-term cooperation.

1.5.4. Coherence and possible synergy with other relevant instruments

Erasmus for all is not the only Union programme involved in education and youth fields. Structural Funds and the future Horizon 2020 Research and Innovation Programme are also strongly committed to Union 2020 strategy and its related headlines targets on higher education and early school leaving in particular. The synergy between the instruments will be ensured through a clear distinction in the types of investments/ target groups supported: education infrastructure will be supported by ERDF, people on labour market training and adult learners' mobility by ESF, researchers' mobility by Horizon 2020. Furthermore, Erasmus for all supports only transnational projects, whereas focus of structural funds is within a national or regional dimension.

The ambition is to allow members States to test and experiment tools and methods resulting from transnational cooperation through Erasmus for all and then to implement them on their territory through structural funds.

Complementarity with Horizon 2020 will be of high relevance for Higher Education, including its international dimension where excellence and research in universities will be reinforced.

1.6. Duration and financial impact

Proposal/initiative of **limited duration**

– Proposal/initiative in effect from 01/01/2014 to 31/12/2020

– Financial impact from 2014 to 2025

Proposal/initiative of **unlimited duration**

– Implementation with a start-up period from YYYY to YYYY,

– followed by full-scale operation.

1.7. Management mode(s) envisaged³⁴

Centralised direct management by the Commission

Centralised indirect management with the delegation of implementation tasks to:

– executive agencies

– bodies set up by the Communities³⁵

– national public-sector bodies/bodies with public-service mission

– persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation

Shared management with the Member States

Decentralised management with third countries

Joint management with international organisations (*as specified below*)

If more than one management mode is indicated, please provide details in the "Comments" section.

Comments

As concerns the Erasmus Masters Degree Mobility initiative referred to in Article 14(3), the Commission envisages applying the system of joint management with international organisations. Subject to the detailed negotiations on the contractual terms, it is likely that the European Investment Bank Group would be selected to act as the trustee for the implementation of the guarantee.

³⁴ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

³⁵ As referred to in Article 185 of the Financial Regulation.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

Rules for monitoring and reporting will be established in view of efficiency and cost-effectiveness, based on the experience gained in the current programmes.

In order to reach this objective, a number of simplifications will be implemented in the grant management process, which will have as major goals to reduce the administrative workload and related costs for programme participants, to decrease the costs of monitoring and control for the managing bodies, to increase the quality of data gathered and to reduce the error rate.

To reach this simplification, the following measures will be implemented:

- Rationalisation of the programme structure and actions: drastic reduction of the number of different actions with different management rules; the back office should be unified and streamlined across actions;
- The use of lump sum and flat rate grants/grants based on unit costs will be generalized to a maximum extent. Grants to individuals for learning mobility actions will take the form of lump sum grants without exception. Reporting and control will thus focus on the realization of the supported activity and the achieved results rather than on the eligibility of costs incurred, reducing the workload and scope for error of both programme participants and managing bodies.
- For cooperation projects and support to policy reform, a stronger focus will be put on outputs, allowing increasing lump sum grants. Where grants will be based on real costs, the grant contribution will be essentially to direct costs.
- Programme beneficiaries will supply the necessary management information in their grant application and their reports. Reporting requirements will be proportional to the size of the grant, the duration and complexity of the supported action. Indicators are set in the legal basis in order to provide a stable basis for the collection and exploitation of data in view of monitoring and reporting.
- The reduced number of actions will be supported with electronic forms for application and reporting by beneficiaries. This will facilitate the collection and exploitation of data for monitoring and reporting, both at national and Union level.

2.2. Management and control system

2.2.1. Risk(s) identified

The risks identified in the implementation of the current programmes fall mainly into the following categories:

- Errors derived from the complexity of rules: the current programmes show that error rates and financial adjustments are higher in the case of actions with more complex financial management rules, in particular when the grant is based on real costs;

- Reliability of the control chain and maintenance of the audit trail: the current programmes are managed by a large number of intermediaries, the National Agencies, the audit bodies and the Member States;
- Inefficient use of administrative resources: a study on the cost of controls for the actions managed by the National Agencies in the current programmes has shown that in many countries National Agencies currently implement substantially heavier and more controls than required by the Commission. Furthermore, the large number of in particular very small size mobility grants for individuals put a heavy burden on participants and National Agencies alike. Also, National Agencies managing relatively small amounts of Union funds have a much higher management cost than Agencies managing larger sums;
- Specific target publics: in particular in the youth sector but also to some extent in the adult learning sphere, participants may not have the necessary financial solidity or sophisticated management structures, e.g. groups of young people who are created solely for the purpose of managing a youth exchange project. This lack of formal structure can have an impact on their financial and operational capacity for managing Union funds;
- Potential overlap of funding across actions due to their wide scope: the current programme actions are managed by a network of National Agencies, an executive Agency and the Commission. Different IT management systems are used by these actors. At the same time the current definition of programme actions is rather wide, allowing in principle for certain overlaps of funding.

2.2.2. *Control method(s) envisaged*

The control system for the new programme will be set up in a manner so as to ensure efficiency and cost-effectiveness of the controls.

1. Reduce errors resulting from complex rules

As set out in 2.1 above, the main simplification to reduce error rates resulting from the complexity of financial rules will be the wide use of grants in the form of lump sums, flat rates and scales of unit costs.

This is in line with the study on the costs of controls that analysed the cost of controls of 4 different types of LLP actions managed by the National Agencies:

- Erasmus mobility: large grants to individual universities based on lump sums and flat rates to recurrent beneficiaries; the grants amount to 50% of the programme budget
- Leonardo mobility and transfer of innovation projects: medium and large grants respectively to multilateral partnerships based on flat rates and real costs respectively
- Partnerships: small grants to schools, VET and adult learning organisations based on lump sum grants;
- Individual mobility: very small grants to individual teaching staff in school and adult education.

The study gives the following results for the Lifelong Learning Programme:

Type of measure	Routine control	Desk control	Ex-post
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Erasmus mobility	0,16 %	0,32 %	0,17 %
Leonardo projects	2,55 %	1,67 %	1,77 %
Partnerships	0,25 %	0,36 %	n/a
Individual Mobility	0,66 %	0,93 %	n/a
Average LLP	0,81 %	1,05 %	0,40 %

While the average financial adjustments following routine controls of final reports (100% of grant agreements checked) is 0,81%, this rate varies from 0,16% for Erasmus mobility to 2,55% for Leonardo projects. Similarly, in the case of desk controls on the basis of supporting documents of a sample of grant agreements (between 10 and 25% of the population is to be checked), the average rate is 1,05%, ranging from 0,32% for Erasmus mobility to 1,67% for Leonardo projects. The same pattern is confirmed for ex-post on the spot controls.

As the above shows, the real error margin is around 0,50%. This low error rate is confirmed also by independent financial audits of the Commission-NA agreements (0,07% in 2010).

For the Youth in Action programme, the error rates are more difficult to establish. Based on the financial audits of the Commission-NA agreements made in 2010, the error rate was 1,71%, but it is greatly affected by systematic errors in a single major country for the COM-NA agreements of 2005 and 2007.

The average error rate for the two programmes combined was 0,3%.

Considering that under the new programme about 80% of the budget will be allocated to learning mobility actions and that for these actions the grants will take the form of lump sums and scales of unit costs, it can be anticipated that this will allow to keep or even further reduce the already low error rate for the programme overall.

Furthermore, the transformation of individual mobility grant agreements into agreements managed by organisations is expected to improve the error rate towards the one for Erasmus type mobility.

For the actions included under the Cooperation for innovation and good practice as well as Support to policy reform, the Commission will establish lump sum, scale of unit cost and flat rate grants in relation to expected results and deliverables whenever possible and notably for Strategic Partnerships (cf. funding mechanism comparable to that of partnerships in the above table).

For the minority of actions for which grants may remain based (in part) on real costs, simplification of grant management should come in particular from redefining eligible costs and limiting the Union contribution to specific types of direct costs, in line with the recommendations of a DG EAC internal audit of error rate in direct management. The following funding models and simplification measures for grants are envisaged:

- Simplified reimbursement of real direct costs;
- Clear definition of direct personnel costs, for providing legal certainty to beneficiaries and for reducing errors;

- Legal certainty with regard to time-recording by providing a clear and simple set of minimum conditions in the rules for participation;
- Abolition of time-recording obligations for staff working to 100% on the Union project;
- The possibility of using unit personnel costs (average personnel costs) for beneficiaries for which this is their usual accounting method;
- One single flat rate covering indirect costs, applied to the direct personnel costs only.
- For actions managed by the executive agency, use of audit certificates for grants above a threshold, by which auditors will certify the legality and conformity of the financial reports;

These measures should result in lower error rates for types of projects which currently have relatively high error rates, e.g. Leonardo transfer of innovation and in particular the actions managed directly by the Commission and the executive agency.

Expected results/internal control objective

Already under the current programmes, very detailed control requirements are set per type of action based on a risk analysis considering the grant level, the complexity of the action, the number of partners and the recurrence of the beneficiary. A similar approach will be adopted for the new programme; however, it will also take into consideration the reduced risk resulting from the simplification that is envisaged. Such reduction is furthermore justified by the consistent low error rates in a large part of the current programmes.. A good knowledge of the control systems and their results will enable to fix control objectives based on the risk run.

Based on the above, the following indicative control objectives are envisaged for the actions to be managed by National Agencies:

	Learning mobility	Cooperation projects
On-the-spot systems' controls of recurrent beneficiaries and beneficiaries of multiple grants (including financial on-the-spot control of last closed agreement if applicable)	For new beneficiaries: 1 control during programme period/recurrent beneficiary receiving yearly grant >250.000€	1 control during programme period /multiple beneficiary receiving yearly amount of grants >1.000.000€
	For beneficiaries who have been checked for similar actions under the preceding programmes, systems controls will depend on previous controls' results.	
On-the-spot controls during action of non recurrent beneficiaries	1% depending on grant level and type of beneficiary	
Routine controls of final	100%	

reports		
Desk controls of supporting documents	2-5% depending on grant level and type of beneficiary	2-10% depending on grant level, type of grant and type of beneficiary
Ex post on-the-spot financial controls	0,25-1% depending on grant level, type of grant, type of beneficiary and on results of earlier controls.	

Specific control objectives may be adopted for particularly small countries with very limited numbers of participants under a given action, to avoid that the same beneficiaries have to undergo in depth controls on a yearly basis because of the quantitative minimum requirements.

On-the-spot controls during action will be carefully selected as they normally do not lead to financial adjustments but represent a very high cost for the National Agencies. They may be limited to specific areas, for example with high involvement of enterprises, bodies with more limited financial capacity or informal groups (youth sector notably), and based on risks detected following data mining.

In case of serious problems found at a given beneficiary, the frequency of on-the-spot systems' controls of recurrent beneficiaries may be increased over the programme period.

2. Reliability of the control chain and audit trail

For the current LLP and Youth in Action programmes, a solid control system has been put in place to control the use of Union funds for the actions managed by National Agencies - which represent $\frac{3}{4}$ of the programme budget – in the Member States. The system has been set up in 2007 and matured considerably over the past years, resulting in recognition of its solidity by the Court of Auditors (DAS 2008, 2009 and 2010) and the Internal Audit Service (2009-10 audit of the LLP NA management and control system).

The new Financial Regulation proposed by the Commission introduces a new element that will have to be considered for the control chain. Article 57.5(d) indeed requires bodies such as National Agencies to produce a yearly "management declaration of assurance as to the completeness, accuracy and veracity of the accounts, the proper functioning of the internal control systems as well as to the legality and regularity of the underlying transactions and the respect of the principle of sound financial management". Article 57.5(e) furthermore requires the "opinion of an independent audit body on the management declaration mentioned in point (d), covering all its elements". The new Financial Regulation provides for the management declaration to be submitted by the National Agencies to the Commission by 1 February and the independent audit opinion by 15 March of the year following the year reported on.

As a consequence of this change in the Financial Regulation, the control chain for Programme actions managed by National Agencies will be adopted, while continue building on existing good practice to ensure sound use of Union funds.

The following set-up is envisaged for the actions implemented by National Agencies:

- Controls will be organized at three levels: by National Agencies, by independent audit bodies designated by the Member States and by the Commission, whereby the Commission will take account of the controls performed by other bodies to ensure cost-

efficiency. To this effect, the Commission will organise a regular exchange of control and audit plans between the actors concerned in a multiannual audit perspective.

- While National Agencies will be in charge of primary controls of beneficiaries, their system of internal control and compliance will be monitored and supervised by the Member States and audited by an independent audit body. The Commission will set the requirements for the controls at national level to ensure coherence and reliability and supervise the implementation of controls at MS level. This practice is already well established by the Commission that issues yearly a so-called Guide for National Agencies setting minimum requirements, control objectives and technical guidelines for National Agencies with regard to primary controls of programme beneficiaries. The same applies to the Guidelines for National Authorities, determining the minimum scope of secondary controls and providing methodological guidance, to provide an acceptable assurance as well as ensure coherence and comparability of controls. However, following the introduction of new requirements for National Agencies in the Financial Regulation (cf. Art. 57.5 (d) and (e) in particular), the guidelines for national authorities will be replaced by 'agreed upon procedures' for the independent audit bodies in the new programme.

- The current heavy system of yearly declarations of assurance by the Member States will be replaced by a more efficient setup:

- Member States will designate their National Agency and provide an ex-ante Compliance Assessment to assure compliance of the National Agency with the minimum requirements set by the Commission regarding internal control standards and Union rules for the management of the project lifecycle of the decentralized actions.

- National Agencies will present to the Commission a yearly management declaration of assurance accompanying its yearly report on the management and implementation of the programme, including financial reporting and reporting on controls of beneficiaries.

- The National Agency's management declaration of assurance will be subject to the opinion of an independent audit body, having the necessary professional competence for public body audits. The Member State will designate the independent audit body and assure that it complies with the minimum requirements set by the Commission.

- While the independent audit body will be in charge of undertaking controls and audits of the National Agency in line with the new Financial Regulation requirements, Member States will monitor and supervise the National Agency's compliance with the Commission requirements and inform the Commission yearly on its monitoring and supervision activities.

- The Commission will itself supervise the whole control system, by undertaking controls and audits (both systems and financial audits) at national level, duly taking into account the controls and audits performed by other bodies. Commission controls will thus be proportional to the strength of the national control systems. A regular exchange of information on national and European controls and audits will take place to avoid gaps and overlaps.

Contrary to the present programmes, Member States would no longer be required to provide a yearly declaration of assurance for reasons of efficiency and cost-effectiveness, given the new Financial Regulation requirements for National Agencies (cf. Article 57.5).

However, they remain in charge of monitoring and supervising programme implementation at national level and will inform the Commission thereon on a yearly basis.

In order to provide a high quality basis for the annual declaration of assurance by the Director General, a permanent control system will be set up consisting of the following elements:

- the management declaration of assurance from the National Agency due by 1 February N+1,
- the independent audit opinion due by 15 March N+1,
- the Commission's analysis of the management declaration of assurance and independent audit opinion and feedback thereon to the National Agency and Member State, including formal observations and recommendations in case of non compliance or underperformance by the National Agency,
- the information from the Member States by 30 October of each year, covering their monitoring and supervision activities on the programme at national level.

In combination with the systems controls and financial audits by the Commission, it is expected that the cost of controls will decrease further in the direction of the proportionally less expensive control costs of the LLP (these costs represent currently just below 2% of the yearly UNION budget of the actions managed by the National Agencies, split into 0,23% for the EC, 0,16% for Member States and 1,59% for National Agencies; against a total cost of about 5,75% for Youth in Action comprising 1,00% for the EC, 0,82% for Members States and 3,93% for National Agencies).

The costs of controls should diminish in particular at two levels: at the EC, because the same number of officials will manage a substantially larger budget with a lower number of National Agencies; at Member States, because their supervision will require less direct controls given the role of the independent audit body. The cost of controls at National Agencies is expected to decrease as well, but less: while on the one hand the minimum percentages of beneficiaries to be checked are reduced, they will manage larger budgets and therefore more beneficiaries.

Depending on the results of the Commission controls and audits, it may impose precautionary measures on National Agencies (such as suspension of commitments or payments) as well as corrective measures (notably financial corrections). Both types of measures are already in use and have proved efficient in addressing serious problems of non compliance and underperformance.

Actions managed by an executive agency

The Commission will apply the control measures required for executive agencies in accordance with Art. 59 of the Financial Regulation [in accordance with Council Regulation (EC) N° 58/2003 Regulation on executive agencies].

In addition, the Commission will monitor and control that the executive agency realises appropriate control objectives for the actions that it will be entrusted to manage. This supervision will be integrated in the terms of cooperation between the parent DG and the executive agency and in the semestrial reporting of the agency.

In 2010, the executive agency put a reservation on the management of the current (2007-2013) Youth in Action programme. For this programme, the materiality of the 2010 value at risk was 7,38%, representing however less than 0,5% of the 2010 total payment budget of the executive agency. Considering this very low figure, the overall assurance for the Agency's declaration was maintained. The analysis of the errors showed that they concerned mainly the difficulty for some beneficiaries to produce adequate justifying documents and the non respect of some eligibility rules.

An action plan has been drafted and implemented in 2011 aiming, for all programmes managed by the Agency, at improving the information provided to beneficiaries on financial obligations, audits and ex-post controls (by drafting an information kit or improving the efficiency and effectiveness of monitoring visits), improving the desk control strategies and consolidating the agency's audit strategy.

It is expected that the implementation of the action plan by the agency will reduce the error rates by the end of the current MFF. As far as 2011 is concerned, it can already be concluded that the estimated error rate for the Youth in Action programme should be around 1%. Based on the mid-term trend, the level of non-compliance for the actions foreseen under the new programme should therefore be well under the 2% threshold.

In addition, the simplification measures that are foreseen in the proposed programme should further reduce the risks for errors.

Actions managed directly by the Commission

The Commission intends to manage only a minimum of grants and service contracts directly.

In 2009 and 2010, DG EAC issued a reservation on the implementation of centralised direct actions. As is the case for the executive agency, the analysis of the observed errors shows that they predominantly concern the inability of beneficiaries to produce justifying documents or that these documents are of insufficient quality.

Corrective actions which have been taken should reduce observed errors before the end of the current MFF. Actions include information actions with beneficiaries to make them aware of their obligations, moving more to result-based closure of projects or a lump-sum approach, the introduction early 2010 of 'agreed upon procedures' for the certification audits of declared expenditure, and sample based controls of justifying documents. Moreover, a more centralised financial circuit is being put in place to pool the financial expertise for the treatment of the reduced number of transactions.

Also in the case of centralised direct transactions, the foreseen simplifications will help reducing the risk for errors.

3. Inefficient use of administrative resources

The study on the cost of controls has shown that a substantial number of National Agencies undertake more and heavier controls than required by the EC, without necessarily resulting in convincing added value. The Commission estimates the costs of these additional controls to nearly 20% of the total costs of controls of the National Agencies.

In the context of cuts in public expenditure, such additional controls should be limited in the new programme to risks or identified problem cases.. The Commission will therefore

further specify the control requirements and provide control tools such as checklists to National Agencies to ensure that the same control rules apply in all countries for the same actions.

There will be a further gain in the use of administrative resources by the abolishment of individual mobility grant agreements. I.e. all learning mobility grants to individuals will be transferred by the National Agency to the body organising the mobility (e.g. universities, schools, training providers) rather than to individual students and teachers. This should reduce the number of agreements substantially, with the inherent workload reduction at all stages of the project lifecycle for the participants and the managing bodies.

The study on the cost of controls has shown that the cost of controls depends in part on the size of the budget share managed by the National Agencies. For LLP, this cost ranges from 1,26% for the 6 largest countries to 3,35% of the 6 smallest countries. The range is even wider for Youth in Action (that manages around 1/6 of the budget for LLP): from 3,66% to 12,62%. Considering these discrepancies the Commission advocates in its proposal that a single National Agency per country should be designated to increase critical mass and cut down on management costs.

4. Addressing weaknesses of specific target groups

Thanks to the simplifications proposed for the grant management such as in particular the wider use of lump sum and flat rate grants, the error rate should reduce also for participants with a less solid organisational structure and lower financial capacity, notably in the youth sector, but also in the adult learning community.

Following these simplification measures, the Commission accepts that there will be a residual risk to accept, which is inherent to the political choice to provide UNION support to these types of participants in view of the programme objectives.

5. Prevention of potential double funding

See point 2.3 below.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

It is important to note that overall, only a very limited number of fraud cases have occurred under the current programmes. That, in combination with very low error rates, justifies that measures to prevent fraud and irregularities in the new programme will have to be proportional and cost effective.

Following an internal audit recommendation, the Commission has analysed potential areas of overlap/double funding in the LLP and Youth in Action programmes. While theoretically possible, double funding is prevented already effectively by preventive controls at selection stage, both by National Agencies and the executive agency.

Based on the above, in order to further mitigate potential frauds and irregularities, the following measures are envisaged for the new programme:

- The prevention of potential fraud and irregularities is considered already at the programme setup. While in the current programmes, the wide variety of actions allows for

a certain overlap of activities and participants, this should be prevented in future by a setup which draws clear dividing lines between actions and avoids that similar activities can be undertaken under different actions by the same participants.

- Registration of participants in a single central register (possibly an existing EC participant portal) will be introduced, which will allow crosschecking of organizations' involvement in different programme actions and participating countries ex-ante. This will prevent potential grant shopping across participating countries.

- A data warehouse will be set up for all programme actions (centralized and decentralized) in so far as different IT management tools will continue to be used.

- Control of participants in learning mobility will be possible via the so-called Mobility Tool IT application that currently already provides for registration of all mobility participants in the Leonardo da Vinci mobility projects of the Lifelong Learning Programme.

- Both the National Agencies and executive agency will have to report potential fraud and irregularities to the Commission ad hoc as well as including in their regular reporting. They will also have to bring prosecutions to recover programme funds lost, wrongly paid or incorrectly used by beneficiaries.

- With regard to cases of fraud, irregularity or negligence imputable to a National Agency resulting in the loss of UNION funds that cannot be recovered, the legal basis provides – as currently – that the Member State is liable for such losses to the Commission.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing expenditure budget lines³⁶

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Description.....]	Diff./non-diff (37)	from EFTA ³⁸ countries	from candidate countries ³⁹	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
5	15.01 Administrative expenditure of the Education and Culture policy area, articles 1-3	Non diff	YES	YES	YES/NO	NO

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Heading.....]	Diff./non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
1	15.01.04.01 "Erasmus for all" – Expenditure on administrative management	Non diff	YES	YES	YES/NO	NO
4	15.01.04.02 "Erasmus for all" - international – Expenditure on administrative management	Non diff	YES	YES	YES/NO	NO
1	15.02.01 "Erasmus for all"	Diff	YES	YES	YES/NO	NO
4	15.02.02 "Erasmus for all" – international	Diff	YES	YES	YES/NO	NO

³⁶ Budget line(s) for the Executive Agency to be defined once the expenditure figures are stabilised

³⁷ Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations

³⁸ EFTA: European Free Trade Association.

³⁹ Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to 3 decimal places) - Current prices

Heading of multiannual financial framework:	1	Single Education Training, Youth and Sport "Erasmus for all"
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DG: EAC			2014	2015	2016	2017	2018	2019	2020	Post - 2020	TOTAL
• Operational appropriations											
15.02.01 "Erasmus for all"	Commitments	(1)	1.467	1.763	2.072	2.390	2.722	3.065	3.421	0	16.899
	Payments	(2)	1.174	1.692	1.989	2.294	2.613	2.942	3.285	911	16.899
Appropriations of an administrative nature financed from the envelope for specific programmes ⁴⁰											
15.01.04 "Erasmus for all" – Expenditure on administrative management ⁴¹		(3)	43,118	48,218	51,247	56,904	61,481	67,313	71,595	0	400
TOTAL appropriations	Commitments	=1+1 a+3	1.510	1.811	2.123	2.447	2.783	3.132	3.493	0	17.299

⁴⁰ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

⁴¹ The Commission could envisage (partially) externalising the implementation of the Erasmus for All programme to an executive agency. Amounts and breakdown of estimated costs may have to be adjusted according to the degree of externalisation retained. It includes the administrative expenditure of the Executive Agency that may be entrusted with the implementation of part of the Programme according to a heavy backload profile. Administrative expenditures would be constant overtime.

for DG EAC	Payments	=2+2 a +3	1.217	1.740	2.040	2.351	2.674	3.009	3.356	911	17.299
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DG: EAC			2014	2015	2016	2017	2018	2019	2020	Post - 2020	TOTAL
• TOTAL operational appropriations H1	Commitments	(4)	1.467	1.763	2.072	2.390	2.722	3.065	3.421	0	16.899
	Payments	(5)	1.174	1.692	1.989	2.294	2.613	2.942	3.285	911	16.899
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	43,118	48,218	51,247	56,904	61,481	67,313	71,595	0	400
TOTAL appropriations under HEADING 1 of the multiannual financial framework	Commitments	(7) =4+ 6	1.510	1.811	2.123	2.447	2.783	3.132	3.493	0	17.299
	Payments	(8) =5+ 6	1.217	1.740	2.040	2.351	2.674	3.009	3.356	911	17.299

If more than one heading is affected by the proposal / initiative:

<u>Heading 4</u>			2014	2015	2016	2017	2018	2019	2020	Post - 2020	TOTAL
• 15.02.02 "Erasmus for all" – international TOTAL operational appropriations	Commitments	(1)	215	227	236	247	257	272	285	0	1.739
	Payments	(2)	172	218	227	237	247	261	274	104	1.739
• 15.01.04.02 - TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(3)	9	10	10	10	11	11	12	0	73
TOTAL appropriations under HEADING 4 of the multiannual financial framework	Commitments	(7) =4+ 6	224	237	246	257	268	283	297	0	1.812
	Payments	(8) =5+ 6	181	228	237	247	258	272	286	104	1.812

			2014	2015	2016	2017	2018	2019	2020	Post 2020	TOTAL
TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)	Commitments	=7+9+11	1.734	2.048	2.369	2.704	3.051	3.415	3.790	0	19.111
	Payments	=8+10+11	1.398	1.969	2.277	2.599	2.932	3.281	3.642	1.015	19.111

Heading of multiannual financial framework:	5	" Administrative expenditure "
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EUR million (to 3 decimal places) – 2011 prices

		Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL
DG: EAC									
• Human resources ⁴²		170 * 0.127 +0.064 * 16 + 0.073 * 18 =23.928	170 * 0.127 +0.064 * 16 + 0.073 * 18 =23.928	170 * 0.127 +0.064 * 16 + 0.073 * 18 =23.928	170 * 0.127 +0.064 * 16 + 0.073 * 18 =23.928	170 * 0.127 +0.064 * 16 + 0.073 * 18 =23.928	170 * 0.127 +0.064 * 16 + 0.073 * 18 =23.928	170 * 0.127 +0.064 * 16 + 0.073 * 18 =23.928	167,496
• Other administrative expenditure		0,3834	0,3834	0,3834	0,3834	0,3834	0,3834	0,3834	2,684
TOTAL DG EAC	Appropriations	24,311	24,311	24,311	24,311	24,311	24,311	24,311	170,180

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	24,311	24,311	24,311	24,311	24,311	24,311	24,311	170,180
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⁴² The total of 204 FTE includes: management of National Agencies, direct management by the Commission, supervision and coordination with the Executive Agency as well as all the staff for support and coordination related to the Programme.

EUR million (to 3 decimal places) – Current prices

		Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Post - 2020	TOTAL
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	1.758	2.072	2.393	2.729	3.076	3.439	3.814	0	19.281
	Payments	1.407	1.990	2.298	2.619	2.952	3.301	3.662	1.053	19.281

3.2.2. Estimated impact on operational appropriations

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to 3 decimal places) - Current prices

Indicate objectives and outputs ↓	Year ⇒		Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL								
	OUTPUTS																	
Learning mobility of individuals	Type of output ⁴³	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs	Total cost
Staff (HE-VET - Schools -Adult - Youth)	Individual Mobility	0,00157	80.000	117,073	103.847	155,029	125.229	190,665	146.498	227,510	170.723	270,426	194.152	313,734	221.851	365,617	1.042.300	1.640
Students (HE)	Individual Mobility	0,00238	230.000	512,530	250.767	570,048	269.387	624,549	287.908	680,843	309.004	745,321	329.407	810,541	353.527	887,181	2.030.000	4.831
Students (VET)	Individual Mobility	0,00216	70.000	141,131	82.114	168,886	92.976	195,026	103.780	222,044	116.086	253,333	127.987	284,934	142.058	322,543	735.000	1.588
Youth learners	Individual Mobility	0,00155	75.000	109,032	75.865	112,509	76.641	115,919	77.413	119,428	78.292	123,196	79.142	127,043	80.147	131,213	542.500	838

⁴³ Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

Indicate objectives and outputs ↓	Year ⇨		Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL								
	OUTPUTS																	
International Student and Staff Mobility H4 ⁴⁴	Individual Mobility	0,00733	16.717	122,550	17.657	129,447	18.349	134,520	19.220	140,904	19.998	146,604	21.125	154,869	22.152	162,393	135.219	991,287
Joint degrees ⁴⁵	Individual Mobility	0,03411	2.198	98,686	2.937	120,416	3.752	140,865	4.732	162,002	6.031	186,520	6.759	211,275	7.619	240,791	34.028	1.161
Masters (Loan guarantees)	Individual Mobility	0,00266	11.966	31,834	24.413	64,949	41.497	110,400	55.026	146,392	64.759	172,286	66.064	175,758	67.377	179,251	331.100	881
Sub-total for Learning mobility of individuals			485.880	1.133	557.600	1.321	627.831	1.512	694.576	1.699	764.892	1.898	824.637	2.078	894.730	2.289	4.850.147	11.930
Cooperation for innovation and good practices	Type of output	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs	Total cost
Strategic partnerships (small)	Transnational Projects	0,11389	1.550	164,476	1.838	198,958	2.141	236,369	2.442	275,043	2.786	319,970	3.228	378,213	3.510	419,447	17.495	1.992,476
Strategic partnerships (medium)	Transnational Projects	0,30928	325	93,115	500	146,085	657	195,714	813	247,037	990	307,046	1.193	377,379	1.365	440,419	5.842	1.806,795
Knowledge alliances/Sectoral Skills Alliances	Transnational Projects	0,86238	14	11,142	29	23,632	43	35,319	56	47,407	71	61,575	86	75,861	104	93,097	404	348,033
Web Platforms	Web Platforms	7,27300	3	22,284	3	22,732	3	23,184	3	23,648	3	24,120	3	24,606	3	26,604	3	167,179

⁴⁴ Including organisation of mobility fees.

⁴⁵ Joint Master and Doctoral degrees selected for five editions under action 1 of the Erasmus Mundus programme in 2009-13 will continue to be funded under “Erasmus for All” for the remaining editions subject to an annual renewal procedure based on progress reporting and budget availability.

Indicate objectives and outputs ↓	Year ⇒		Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL								
	OUTPUTS																	
International HE capacity building	Transnational Projects	0,733	126	92,450	133	97,653	138	101,480	145	106,296	151	110,596	159	116,831	167	122,507	1.020	747,813
Sub-total for Cooperation for innovation and good practices			2.015	383,467	2.500	489,061	2.978	592,067	3.456	699,431	3.998	823,307	4.666	972,889	5.146	1.102	24.760	5.062,295
Support for Policy reform	Type of output	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs	Total cost
- Support for policy reform	Multiple	102,332	N/A	74,014	N/A	78,537	N/A	84,405	N/A	104,727	N/A	110,818	N/A	123,212	N/A	140,610	N/A	716,323
Jean Monnet activities	Type of output	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs	Total cost
- Jean Monnet activities	Multiple	45,491	N/A	36,834	N/A	38,475	N/A	42,120	N/A	46,044	N/A	48,943	N/A	51,444	N/A	54,575	N/A	318,435
Sport activities	Type of output	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs	Total cost
- Sport activities	Transnational Projects	34,118	N/A	16,978	N/A	23,815	N/A	32,016	N/A	36,035	N/A	39,052	N/A	44,525	N/A	46,406	N/A	238,827
Operating grant	Type of output	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs	Total cost

Indicate objectives and outputs ↓	Year ⇒	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL									
	OUTPUTS																	
- Operating grant	Programme Management	63,189	N/A	47,751	N/A	48,712	N/A	55,200	N/A	61,935	N/A	68,915	N/A	76,162	N/A	83,650	N/A	442,325
TOTAL COST Heading 1 and Heading 4			1.682		1.990		2.308		2.637		2.979		3.336		3.706.		18.638	

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

- The proposal/initiative does not require the use of administrative appropriations
- The proposal/initiative requires the use of administrative appropriations, as explained below:

EUR million (to 3 decimal places) – 2011 prices

	2014	2015	2016	2017	2018	2019	2020	TOTAL
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HEADING 5 of the multiannual financial framework								
Human resources	23,928	23,928	23,928	23,928	23,928	23,928	23,928	167,496
Other administrative expenditure	0,3834	0,3834	0,3834	0,3834	0,3834	0,3834	0,3834	2,684
Subtotal HEADING 5 of the multiannual financial framework	24,311	24,311	24,311	24,311	24,311	24,311	24,311	170,180

Outside HEADING 5⁴⁶ of the multiannual financial framework								
Human resources								
Other expenditure of an administrative nature ⁴⁷	52,118	58,218	61,247	66,904	72,481	78,313	83,595	472,877
Subtotal outside HEADING 5 of the multiannual financial framework	52,118	58,218	61,247	66,904	72,481	78,313	83,595	472,877

TOTAL	76,430	82,530	85,559	91,216	96,792	102,625	107,906	643,057
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⁴⁶ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

⁴⁷ It includes H1 and H4. DG EAC envisages to (partially) externalise the implementation of the programme to the EACEA executive agency and to National Agencies. The above figures and budget lines will be adjusted if necessary in accordance with the externalisation process envisaged.

3.2.3.2. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources
- The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

	2014	2015	2016	2017	2018	2019	2020
• Establishment plan posts (officials and temporary agents)							
15 01 01 01 (Headquarters and Commission's Representation Offices)	170	170	170	170	170	170	170
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
• External personnel (in Full Time Equivalent unit: FTE)⁴⁸							
15 01 02 01 (CA, INT, SNE from the "global envelope")	34	34	34	34	34	34	34
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)							
XX 01 04 yy⁴⁹	- at Headquarters ⁵⁰						
	- in delegations						
XX 01 05 02 (CA, INT, SNE - Indirect research)							
10 01 05 02 (CA, INT, SNE - Direct research)							
Other budget lines (specify)							
TOTAL	204	204	204	204	204	204	204

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints. . Amounts and imputations will be adjusted depending on the results of the envisaged externalisation process.

Description of tasks to be carried out:

Officials and temporary agents	Programme management
External personnel	Programme management

⁴⁸ CA= Contract Agent; INT= agency staff ("*Intérimaire*"); JED= "*Jeune Expert en Délégation*" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

⁴⁹ Under the ceiling for external personnel from operational appropriations (former "BA" lines).

⁵⁰ Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

3.2.4. *Compatibility with the current multiannual financial framework*

- Proposal/initiative is compatible the 2014-2020 multiannual financial framework as proposed by the Commission in its Communication COM(2011)500.
- Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

[...]

- Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework⁵¹.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

[...]

3.2.5. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties
- The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to 3 decimal places)

	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Total
Specify the co-financing body								

The proposal provides for third-party contributions from the EFTA countries, Switzerland, Turkey, as well as the acceding countries, candidate countries and potential candidates benefiting from a pre-accession strategy.

⁵¹ See points 19 and 24 of the Interinstitutional Agreement.

3.3. Estimated impact on revenue

- Proposal/initiative has no financial impact on revenue.
- Proposal/initiative has the following financial impact:
 - on own resources
 - on miscellaneous revenue

EUR million (to 3 decimal places)

Budget revenue line:	Appropriations available for the ongoing budget year	Impact of the proposal/initiative ⁵²						
		2014	2015	2016	2017	2018	2019	2020
Article								

For miscellaneous assigned revenue, specify the budget expenditure line(s) affected.

[...]

Specify the method for calculating the impact on revenue.

[...]

⁵² As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% for collection costs.