



**COUNCIL OF
THE EUROPEAN UNION**

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STATEMENT OF THE COUNCIL'S REASONS

Subject: Position of the Council at first reading in view of the adoption of a Decision of the European Parliament and of the Council establishing a Union action for the European Capitals of Culture for the years 2020 to 2033 and repealing Decision No 1622/2006/EC

- Statement of the Council's reasons
- Adopted by the Council on 24 March 2014

I. INTRODUCTION

1. The Commission adopted its proposal on 20 July 2012.
2. The Committee of the Regions delivered its opinions on 15 February and 30 November 2012.
3. The European Parliament adopted its position at first reading at its plenary session on 12 December 2013.
4. On 24 March 2014 the Council adopted its position at first reading in accordance with Article 294(5) of the Treaty on the Functioning of the European Union.

II. OBJECTIVE

5. The main objective of the European Capitals of Culture action has been to bring European citizens closer together by highlighting the richness and diversity of European cultures, while raising awareness of their common history and values. Initially an intergovernmental initiative, it was transformed in 1999 into a Community action to improve its effectiveness through the establishment of uniform criteria and common selection procedure for the cities interested in obtaining the title of the European Capital of Culture.
6. The current legal framework governing the selection and monitoring of the European Capitals of Culture is laid down in Decision No 1622/2006/EC¹ which covers the period until 2019. Since the process which consists of several stages (pre-selection, selection, designation and monitoring) lasts for about six years, it was necessary to establish new rules by the end of 2013 to ensure a smooth transition from the current to the new system.

¹ Decision No 1622/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Community action for the European Capital of Culture event for the years 2007 to 2019 (OJ L 304, 3.11.2006, p. 1).

7. In addition to the objective of safeguarding and promoting cultural diversity and increasing citizens' belonging to a common cultural area, the proposed decision for the period 2020-2033 aims to highlight and foster the contribution of culture to the long-term development of cities.

III. ANALYSIS OF THE COUNCIL'S POSITION AT FIRST READING

8. The Council's first reading position is the result of informal contacts between the European Parliament, the Commission and the Council as foreseen by points 16 to 18 of the Joint declaration on practical arrangements for the co-decision procedure².
9. The Council endorsed the majority of the changes proposed in the Commission's initial proposal. It agreed with a partial opening of the action to candidate countries and potential candidates and with making selection criteria as well as criteria for paying the pecuniary "Melina Mercouri" prize more stringent and specific. The Council supported the emphasis to be given to the long-term culture-led development strategies and to a cultural programme with a strong European dimension, when applications for the title are assessed. The Council also agreed to postpone the payment of the prize after the start of the year of the title, albeit only by three months and not six months as proposed by the Commission.
10. On the other hand, the Council was unable to support the Commission's change aiming at establishing a selection and monitoring panel composed solely of European experts, as opposed to national experts. Similarly the Council rejected the Commission's proposal for designation to be carried out by the Commission rather than by the Council as it has been the case until now.

The main changes to the Commission's proposal are set out in Sections A and B.

² OJ C 145, 30.6.2007, p. 5.

A. Structural change

11. The Council made a structural change to the Commission proposal, namely to Article 3. Provisions scattered in other articles which dealt with access to the action in general and specifically with the access by candidate countries and potential candidates have been placed in a single article, Article 3. That article was further restructured in order to clearly distinguish between three categories of eligible cities, i.e. cities from Member States, those from candidate countries and potential candidates and those from countries acceding to the Union after the entry into force of the proposed decision.

B. Substantive changes

12. Among the main substantive changes introduced by the Council are the following:

- a) Expert panel (Article 6)*

The Council in its first reading position enabled the Member States which are entitled to host the title in a given year - according to the calendar annexed to the decision - to appoint a maximum of two experts to the panel responsible for selection and monitoring procedures. Thus the panel will be composed of 10 experts appointed by the Union institutions and bodies (the European Parliament, the Commission, the Council and the Committee of the Regions), as proposed by the Commission, and up to two experts appointed by a Member State whose city is to be selected or monitored by the panel. The role of national experts is to offer the local expertise and knowledge to the panel. In addition, the first reading position makes the provisions on conflict of interests stricter: any expert who has a conflict of interest with a specific candidate city must resign (paragraph 8).

b) *Designation (Article 11)*

The first reading position gives the designation power to the Member State which is entitled to host the title in a given year. This is a change to the Commission's proposal in which the designation was proposed to be done by the Commission as well as to the current rules set out in Decision No 1622/2006/EC according to which the Council has been a designating body. The Commission will, however, be in charge of the designation of cities from candidate countries and potential candidates since the open competition in which those cities will be selected is entirely managed by the Commission, without the involvement of those countries. Within two months after the Member State concerned has designated a city, the Commission will publish the name of the city in the Official Journal of the EU.

c) *Derogation measures for European Capitals of Culture in 2020 (Article 7(2), second subparagraph, Article 8(1) second subparagraph, Article 11(1) second subparagraph)*

Due to the delay in the legislative procedures, the Council has introduced in its first reading position several derogation measures that provide 2020 European Capitals of Culture with more time. The deadlines were extended at the key stages of the selection procedure, in particular for the publication of a call for submission of applications in Member States (Article 7(2)), for convening of the panel for a pre-selection meeting (Article 8(1)) and for designation (Article 11(1)).

d) Postponing the competition for candidate countries and potential candidates by one year (annex)

In its first reading position the Council has postponed by one year the possibility for candidate countries and potential candidates to compete for the title (from 2020 to 2021). In this way, those countries will have sufficient time to sign the Memorandum of Understanding which is required for their participation in the Creative Europe Programme, from which the European Capitals of Culture action receives its support.

IV. CONCLUSION

The first reading position which is the result of informal negotiations between the European Parliament, the Council and the Commission builds upon the strong points of the previous European Capitals of Culture decision, such as the chronological order of the Member States entitled to host the action, a selection based on a one-year long cultural programme specifically created for the action, the possibility for cities to involve their surrounding regions and a two-stage selection process (consisting of pre-selection and selection). It also addresses the main weak points of the current action on aspects such as stability of governance structure and budget, the need for better understanding of the European dimension and for greater embedding of the action in the long-term strategy for the development of cities.

Important changes have also been made to the composition of the expert panel which selects and monitors cities and to the designation process. A number of important clarifications, including on access to the action, management criteria, criteria for obtaining the prize and the evaluation procedure, have also been made.