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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels,
COM(2005) 440 final/2

2005/0185 (CNS)

Amended proposal for a

COUNCIL DECISION

concerning the Specific Programme “Cooperation” implementing the Seventh Framework Programme (2007-2013) of the European Community for research, technological development and demonstration activities

«Adaptation following the agreement, 17 May 2006, on the Financial Perspectives»

(presented by the Commission)

2005/0185 (CNS)

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concerning the Specific Programme “Cooperation” implementing the Seventh Framework Programme (2007-2013) of the European Community for research, technological development and demonstration activities

(Text with EEA relevance)

Article 4 is replaced with the following text:

Article 3

In accordance with Annex II of the Framework Programme, the amount deemed necessary for the execution of the Specific Programme shall be EUR 32 292* million, of which less than 6% shall be for the Commission’s administrative expenditure. An indicative breakdown of this amount is given in Annex II.

* EUR 28 480 million in 2004 prices

Annex II is replaced with the following text:

ANNEX II

INDICATIVE BREAKDOWN OF THE AMOUNT

The indicative breakdown is as follows (in EUR million):

Health	5 984
Food, Agriculture and Biotechnology	1 935
Information and Communication Technologies	9 110
Nanosciences, Nanotechnologies, Materials and new Production Technologies	3 467
Energy	2 265
Environment (including Climate Change)	1 886
Transport (including Aeronautics)	4 180
Socio-economic Sciences and the Humanities	607
Security and Space	2 858
TOTAL*	32 292 ^{53 54}

* Including a Community contribution of an amount of 800 EUR million to the European Investment Bank for the establishment of a Risk Sharing Finance Facility, as referred to in Annex III. The amount is indicative and will be made available progressively to the EIB taking account of the level of demand. Interest and income on this contribution shall be added to the contribution to the EIB. The themes will contribute on a fixed percentage basis, except the Socio-economic Sciences and Humanities theme which does not contribute to this amount.

⁵ ³ Including amounts for Joint Technology Initiatives (cf. Annex III) and the co-ordination of non-community research programmes (cf. Annex IV) to be decided on the basis of separate proposals (e.g. on the basis of Article 171 of the Treaty).

⁵ ⁴ Including an amount to finance the participation of third country organisations in the Themes, including «opening up» and «specific cooperation actions».

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

Proposal for a COUNCIL DECISION adopting a specific programme for research, technological development and demonstration activities: "Cooperation" (2007 to 2013)

2. ABM / ABB FRAMEWORK

RESEARCH, ENTREPRISE, ENERGY AND TRANSPORT. INFORMATION SOCIETY. and FISHERIES

3. BUDGET LINES

3.1. Budget lines (operational lines and related technical and administrative assistance lines) including headings :

02 04 01 Security and Space Research; 06 06 01 Research related to energy; 06 06 02 Research related to transport (including aeronautics); 08 02 01 Cooperation — Health; 08 03 01 Cooperation — Food, Agriculture and Biotechnology; 08 04 01 Cooperation — Nanosciences, Nanotechnologies, Materials and new Production Technologies; 08 05 01 Cooperation — Energy; 08 06 01 Cooperation — Environment (including Climate Change); 08 07 01 Cooperation — Transport (including Aeronautics); 08 08 01 Cooperation — Socio-economic sciences and the humanities; 08 09 01 Cooperation – RSFF; 09 04 01 Support to Research Cooperation in the area of Information and Communication Technologies (ICT - Cooperation)

Duration of the action and of the financial impact:

2007-2013 subject to the approval of new financial perspectives framework

3.2. Budgetary characteristics :

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
02, 06, 08, and 09	Non-comp	Diff ¹ /	YES	YES	YES	No [1a]
XX.01	Non-comp	Non-diff ²	YES	NO	NO	No [1a...]
XX.01.05	Non-comp	Non-diff	YES	YES	YES	No [1a...]

¹ Differentiated appropriations.

² Non-differentiated appropriations here after referred to as NDA.

4. SUMMARY OF RESOURCES

4.1. Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Secti on no.		2007	2008	2009	2010	2011	2012	2013	Total
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Operational expenditure³

Commitment Appropriations (CA)	8.1	a	3.468,506	3.515,510	3.651,714	4.017,613	4.552,866	5.212,683	5.992,132	30.411,024
Payment Appropriations (PA)		b	474,631	2.446,756	3.555,890	3.971,582	4.455,175	4.619,627	10.887,363	30.411,024

Administrative expenditure within reference amount⁴

Technical & administrative assistance (NDA)	8.2.4	C	202,139	246,021	250,942	273,822	283,671	300,810	323,456	1.880,861
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TOTAL REFERENCE AMOUNT

Commitment Appropriations		a + c	3.670,645	3.761,531	3.902,656	4.291,435	4.836,537	5.513,493	6.315,588	32.291,885
Payment Appropriations		b + c	676,770	2.692,777	3.806,832	4.245,404	4.738,846	4.920,437	11.210,819	32.291,885

Administrative expenditure not included in reference amount⁵

Human resources and associated expenditure (NDA)	8.2.5 d									
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6 e									

Total indicative financial cost of intervention

TOTAL CA including cost of Human Resources	a+c +d +e	3.670,645	3.761,531	3.902,656	4.291,435	4.836,537	5.513,493	6.315,588	32.291,885
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³ Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

⁴ Expenditure within article xx 01 05 of Title xx.

⁵ Expenditure within chapter xx 01 other than articles xx 01 05.

TOTAL PA including cost of Human Resources	b+c +d +e	676,770	2.692,777	3.806,832	4.245,404	4.738,846	4.920,437	11.210,819	32.291,885
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Co-financing details

If the proposal involves co-financing by Member States, or other bodies (please specify which), an estimate of the level of this co-financing should be indicated in the table below (additional lines may be added if different bodies are foreseen for the provision of the co-financing):

EUR million (to 3 decimal places)

Co-financing body		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
.....	f							
TOTAL CA including co-financing	a+c +d+ e+f							

4.1.2. Compatibility with Financial Programming

- Proposal is compatible with next financial programming (Interinstitutional agreement on the financial perspectives 2007-2013).
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- Proposal may require application of the provisions of the Interinstitutional Agreement⁶ (i.e. flexibility instrument or revision of the financial perspective).

4.1.3. Financial impact on Revenue

- Proposal has no financial implications on revenue
- Proposal has financial impact – the effect on revenue is as follows:

Certain Associated States may contribute to the funding of the framework programmes.

In accordance with Article 161 of the Financial Regulation, the Joint Research Centre may benefit from revenue from various types of competitive activities and from other services provided for outside bodies.

In accordance with Article 18 of the Financial Regulation, certain revenue may be used to finance specific items.

⁶ See points 19 and 24 of the Interinstitutional agreement.

EUR million (to one decimal place)

		Prior to action [Year n-1]	Situation following action					
Budget line	Revenue		[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5]
	<i>a) Revenue in absolute terms</i>							
	<i>b) Change in revenue</i>	Δ						

4.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

Annual requirements	2007	2008	2009	2010	2011	2012	2013
Total number of human resources	1.877	1.955	1.955	2.146	2.196	2.347	2.528

It will be necessary to consider year by year the consequences for human resources of the phasing out of the 6th Framework Programme and the phasing in of the 7th Framework Programme.

5. CHARACTERISTICS AND OBJECTIVES

5.1. Need to be met in the short or long term

The Specific Programme “Cooperation” addresses the need to strengthen competitiveness and underpin EU policies through gaining leadership in key scientific and technological areas. This need will be met by supporting research cooperation of the highest level of excellence between universities, industry, research centres and public authorities across the European Union as well as the rest of the world.

5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

The value added of the support to be provided in this Specific Programme “ will be to bring together resources, disciplines, scientific excellence, thus achieving critical mass, learning and synergies which could not be attained at national level. The better integration of European R&D will be achieved through, improved coordination of national policies, EU-wide dissemination of results, creation of pan-European research teams and networks , and addressing pan-European policy challenges,

5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

The overarching aim is to contribute to sustainable development within the context of promoting research at the highest level of excellence. The objective is to support trans-national co-operation in a number of thematic areas corresponding to major fields of the progress of knowledge and technology, where research must be supported and strengthened to address European social, economic, environmental and industrial challenges.

The nine themes determined for EU action are the following:

- (1) Health;
- (2) Food, Agriculture and Biotechnology;
- (3) Information and Communication Technologies;
- (4) Nanosciences, Nanotechnologies, Materials and new Production Technologies;
- (5) Energy;
- (6) Environment (including Climate Change);
- (7) Transport (including Aeronautics);
- (8) Socio-economic Sciences and the Humanities;
- (9) Security and Space.

The more detailed objectives of each of these themes are set out in Annex I to the legislative proposal.

Performance indicators will be developed at three levels:

- Quantitative and qualitative indicators to show the path or direction of scientific and technical progress, such as new standards and tools, scientific techniques, patent applications and licence agreements, new products, processes and services.
- Management indicators to monitor performance internally and support senior management decision making. These could include level of budget execution, time to contract and time to payment.
- Outcome (impact) indicators to assess the overall effectiveness of the research against high level objectives. These could include assessment at the aggregate Framework Programme level (e.g. impact on the achievement of the Lisbon, Goeteborg, Barcelona and other objectives) and assessment at the SP level (e.g. contribution made to the EU S&T and economic performance).

5.4. Method of Implementation (indicative)

Show below the method(s) chosen for the implementation of the action.

Centralised Management

- Directly by the Commission
- Indirectly by delegation to:
 - Executive Agencies
 - Bodies set up by the Communities as referred to in art. 185 of the Financial Regulation
 - National public-sector bodies/bodies with public-service mission

Shared or decentralised management

- With Member states
- With Third countries

Joint management with international organisations (please specify)

Relevant comments:

The Commission proposes a centralised management of this programme, both directly by the Commission and indirectly by delegation to an Executive Agency or to structures created for the execution of research and development programmes undertaken by several Member States (Article 169 of the Treaty) or joint undertakings or other structures (Article 171 of the Treaty).

For actions deriving from Article 169 and Article 171, the management structures will be decided on a case-by-case basis according to the specific characteristics of the action concerned. These actions will involve management outside the Commission services.

Externalisation is an important part of the management of this framework programme. It is, in addition, a progressive exercise. Within this context, certain administrative parts of the Cooperation programme will progressively be given to an existing or new agency. The scope of work undertaken by the agencies involved will be determined on the basis of on-going analyses. The continued possibility to sub-contract specific tasks to private companies (e.g. for the development, operation and support of IT tools) will not be ruled out.

6. MONITORING AND EVALUATION

Monitoring and evaluation aspects are set out in the Legislative Financial Statement of the proposal of the 7th framework programme, COM(2005) 119 final.

7. ANTI-FRAUD MEASURES

Appropriate measures should also be taken to prevent irregularities and fraud and the necessary steps should be taken to recover funds lost, wrongly paid or incorrectly used in accordance with Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁷, Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation 1605/2002⁸, Council Regulations (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests⁹, (EC, Euratom) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities¹⁰ and Regulation (EC) No 1073/1999 of the European Parliament and of the Council concerning investigations conducted by the European Anti-Fraud Office (OLAF)¹¹.

⁷ OJ L 248, 16.9.2002, p. 1.

⁸ OJ L 357, 31.12.2002, p. 1.

⁹ OJ L 312, 23.12.1995, p. 1.

¹⁰ OJ L 292, 15.11.1996, p. 2.

¹¹ OJ L 136, 31.5.1999, p. 1.

8. DETAILS OF RESOURCES

8.1. Objectives of the proposal in terms of their financial cost

Commitment appropriations in EUR million (to 3 decimal places)

(Headings of Objectives, actions and outputs should be provided)	Year 2007		Year 2008		Year 2009		Year 2010		Year 2011		Year 2012		Year 2013		TOTAL	
	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
OPERATIONAL OBJECTIVE No.1 ¹² HEALTH		720,226		734,630		750,775		790,641		864,232		986,736		1.136,509		5.983,749
OPERATIONAL OBJECTIVE No.2 ¹⁵ BIOTECHNOLOGIE, FOOD AND AGRICULTURE		214,930		219,336		223,723		235,433		297,417		345,991		398,665		1.935,495
OPERATIONAL OBJECTIVE No.3 ¹⁵ INFORMATION SOCIETY		1.107,357		1.113,580		1.142,013		1.202,263		1.322,950		1.512,164		1.709,670		9.109,997
OPERATIONAL OBJECTIVE No.4 ¹⁵ NANO, MATERIALS AND PRODUCTION		408,938		417,116		427,279		449,859		509,446		582,871		670,994		3.466,503
OPERATIONAL OBJECTIVE No.5 ¹⁵ ENERGY		254,025		264,936		270,279		284,379		344,881		395,248		451,745		2.265,493
OPERATIONAL OBJECTIVE No.6 ¹⁵ ENVIRONMENT		224,284		228,770		233,345		245,546		280,516		317,815		355,541		1.885,817
OPERATIONAL OBJECTIVE No.7 ¹⁵ TRANSPORT		478,001		493,373		504,848		531,649		621,771		720,023		830,589		4.180,254
OPERATIONAL OBJECTIVE No.8 ¹⁵ SOCIO-ECONOMIC RESEARCH		71,867		73,304		74,771		78,677		89,776		101,672		116,525		606,592
OPERATIONAL OBJECTIVE No.9 ¹⁵ SPACE AND SECURITY		191,017		216,486		275,623		472,988		505,548		550,973		645,350		2.857,985
TOTAL COST		3.670,645		3.761,531		3.902,656		4.291,435		4.836,537		5.513,493		6.315,588		32.291,885

¹² As described under Section 5.3.

8.2. Administrative Expenditure

8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs)						
		Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012	Year 2013
Officials or temporary staff ¹³ (XX 01 01)	A*/AD							
	B*, C*/AST							
Staff financed ¹⁴ by art. XX 01 02								
Other staff ¹⁵ financed by art. XX 01 05	A*/AD	727	745	745	771	775	775	791
	B*, C*/AST	485	497	497	514	517	517	528
External staff		665	713	713	861	904	1.055	1.209
TOTAL¹⁶		1.877	1.955	1.955	2.146	2.196	2.347	2.528

8.2.2. Description of tasks deriving from the action

Implementation of the Framework Programme

8.2.3. Sources of human resources (statutory)

(When more than one source is stated, please indicate the number of posts originating from each of the sources)

- Posts currently allocated to the management of the programme to be replaced or extended
- Posts pre-allocated within the APS/PDB exercise for year 2007
- Posts to be requested in the next APS/PDB procedure

¹³ Cost of which is NOT covered by the reference amount.

¹⁴ Cost of which is NOT covered by the reference amount.

¹⁵ Cost of which is included within the reference amount.

¹⁶ Figures indicated in the table refer only to the staff financed by the establishment plan for all indirect actions under the responsibility of DGs RTD, INFSO, TREN, ENTR and FISH. Therefore these figures do not comprise the posts of the establishment plan from the operating budget and the posts from the JRC's establishment plan - see documents COM(2005) 439 & 445.

Posts to be redeployed using existing resources within the managing service (internal redeployment)

Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

8.2.4. *Other Administrative expenditure included in reference amount (XX 01 05 – Expenditure on administrative management)*

EUR million (to 3 decimal places)

Budget line (number and heading)	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012	Year 2013	TOTAL
Statutory staff xx.01 05 01	120,377	145,193	148,097	156,289	160,283	163,489	170,243	1.063,971
External staff xx.01 05 02	29,355	37,045	37,786	46,542	49,844	59,333	69,354	329,259
Other administrative expenses xx.01 05 03	52,407	63,783	65,059	70,991	73,544	77,988	83,859	487,631
Total Technical and administrative assistance	202,139	246,021	250,942	273,822	283,671	300,810	323,456	1.880,861

8.2.5. *Financial cost of human resources and associated costs not included in the reference amount*

EUR million (to 3 decimal places)

Type of human resources	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012	Year 2013	TOTAL
Officials and temporary staff (08 0101 and)								
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.)								
Total cost of Human Resources and associated costs (NOT in reference amount)								

Calculation– *Administrative expenditures*

Have been calculated taking into account the following hypothesis :

- *includes all administrative expenditures (including executive agencies)*
- *the following assumptions in 2004 prices (with 2% inflation) :*
 - . *cost of official permanent staff and temporary agent : 108 000 €/year*
 - . *cost of external staff : 48 000 €/year*
 - . *cost of other administrative expenses : 35 % of staff cost*

- *figures for 2007 correspond to PDB 2007*

Calculation– **Staff financed under art. XX 01 02**

Reference should be made to Point 8.2.1, if applicable

8.2.6 Other administrative expenditure not included in reference amount

EUR million (to 3 decimal places)

	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012 and 2013	TOTAL
XX 01 02 11 01 – Missions							
XX 01 02 11 02 – Meetings & Conferences							
XX 01 02 11 03 – Committees							
XX 01 02 11 04 – Studies & consultations							
XX 01 02 11 05 - Information systems							
2 Total Other Management Expenditure (XX 01 02 11)							
3 Other expenditure of an administrative nature (specify including reference to budget line)							
Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)							

Calculation - **Other administrative expenditure not included in reference amount**

The needs for human and administrative resources shall be covered within the allocation granted to the managing DG in the framework of the annual allocation procedure. . The allocation of posts should take into account an eventual reallocation of posts between departments on the basis of the new financial perspectives.