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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels,

COM(2005) 441 final/2

2005/0186 (CNS)

Amended proposal for a

COUNCIL DECISION

concerning the specific programme: “Ideas” implementing the 7th 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)

2005/0186 (CNS)

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COUNCIL DECISION

Concerning the specific programme: “Ideas” implementing the 7th Framework Programme (2007-2013) of the European Community for research, technological development and demonstration activities

(Text with EEA relevance)

Article 2 is replaced as follows:

Article 2

In accordance with Annex II of the Framework Programme, the amount deemed necessary for the execution of the Specific Programme shall be EUR 7 460* million, of which less than 6% shall be for the Commission’s administrative expenditure.

EUR 6 508 million in 2004 prices

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

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

2. ABM / ABB FRAMEWORK

RESEARCH

3. BUDGET LINES

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

08 10 01 Ideas

3.2. Duration of the action and of the financial impact:

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

3.3. Budgetary characteristics (*add rows if necessary*):

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
08	Non-comp	Diff ¹ /	YES	YES	YES	No [1a]
XX.01	Non-comp	Non-diff ²	YES	NO	NO	No [1a...]
XX.01.04	Non-comp	Non-diff	YES	YES	YES	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	Section no.	2007	2008	2009	2010	2011	2012	2013	Total
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Operational expenditure³

Commitment Appropriations (CA)	8.1	a	260,843	524,549	781,761	1.102,860	1.295,879	1.577,506	1.653,137	7.196,535
Payment Appropriations (PA)		b	2,000	288,073	548,322	856,835	1.084,101	1.318,514	3.098,690	7.196,535

Administrative expenditure within reference amount⁴

Technical & administrative assistance (NDA)	8.2.4	C	39,479	25,327	28,634	34,003	39,169	46,465	50,470	263,547
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TOTAL REFERENCE AMOUNT

Commitment Appropriations		a + c	300,322	549,876	810,395	1.136,863	1.335,048	1.623,971	1.703,607	7.460,082
Payment Appropriations		b + c	41,479	313,400	576,956	890,838	1.123,270	1.364,979	3.149,160	7.460,082

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									

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 indicative financial cost of intervention

TOTAL CA including cost of Human Resources	a+c +d +e	300,322	549,876	810,395	1.136,863	1.335,048	1.623,971	1.703,607	7.460,082
TOTAL PA including cost of Human Resources	b+c +d +e	41,479	313,400	576,956	890,838	1.123,270	1.364,979	3.149,160	7.460,082

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.

⁶ See points 19 and 24 of the Interinstitutional agreement.

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

NB: All details and observations relating to the method of calculating the effect on revenue should be shown in a separate annex.

EUR million (to one decimal place)

Budget line	Revenue	Prior to action [Year n-1]	Situation following action						
			[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							

(Please specify each revenue budget line involved, adding the appropriate number of rows to the table if there is an effect on more than one budget line.)

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	135	227	257	305	345	403	429

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

This Specific Programme addresses the need to face a number of acute challenges that make the proposal to create a European Research Council (ERC) both timely and necessary. This concerns in particular, reinforcing excellence, especially in new, fast-growing research areas; staying ahead in a world of growing scientific and technological competition; linking science to technological innovation; competing for talent and encouraging greater investment.

Responding to these challenges, the ERC will provide the pan-European mechanism needed to selectively encourage and support the truly creative scientists, engineers and scholars who are most likely to make the unpredictable and spectacular discoveries that can change the course of human understanding.

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

This Specific Programme is designed to create the ERC, which is both a significant new development in Community research, and at the same time a logical progression of European research policy, fully coherent with the aims of the European Research Area. It will provide added value above and beyond what can be achieved at the national level by:

- encouraging and supporting the finest talent and the best ideas at pan-European level, and focusing resources selectively on excellent research by highly competitive funding;
- conferring status and visibility on European “frontier research”, attracting talent and creativity to Europe;
- catalysing the adaptation of national research structures to the evolving European Research Area, thereby creating a European research system capable of matching the best in the world;
- helping to nurture science-based industry, attract and retain more R&D-intensive firms in Europe, and create a greater impetus for the establishment of research-based spin-offs;
- addressing the complex societal challenges faced by Europe, by providing the opportunity to invest quickly in the knowledge base necessary to tackle the new and emerging issues confronting society.

The ERC will be implemented in a way that reflects its independence from the strategic orientations of other parts of the Framework Programme. Complementarities with the other parts of the Framework Programme will be assured by the specific objectives of this programme (support to investigator-driven research) and its instrument (“frontier research” grants for individual projects).

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

The objective of the Specific Programme “Ideas” is to reinforce excellence, dynamism and creativity in European research and improve the attractiveness of Europe for the best researchers from both European and third countries, as well as for industrial research investment.

By promoting “frontier research” from across the EU, the Specific Programme will aim to put European research in a leading position, opening the way to creating new scientific and technological results and probably unexpected results. It will stimulate the flow of ideas and allow Europe better to exploit its research assets in the drive towards a dynamic knowledge-based society, with long-term benefits for the competitiveness of European economies and well being.

Performance indicators will be developed and may operate at three levels:

- Quantitative and qualitative indicators to show the path or direction of scientific and technical progress. These could include in the longer term, publications, citation indexes, patents, others.
- 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.

5.4. Method of Implementation (indicative)

Show below the method(s)⁷ 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)

Remarks:

The Commission proposes indirect centralised management of this programme by delegation to an Executive Agency.

The tasks required to implement the programme will be entrusted to an executive agency which will manage the calls and the reception of proposals, adopt the instruments of budget implementation, award contracts and grants, deal with individual project-level management and payments and gather, analyse and transmit to the Commission all the information needed to guide the implementation of the programme.

⁷ If more than one method is indicated please provide additional details in the "Relevant comments" section of this point.

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.

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 Communities⁸, Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation 1605/2002⁹, Council Regulations (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests¹⁰, (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 irregularities¹¹ and Regulation (EC) No 1073/1999 of the European Parliament and of the Council concerning investigations conducted by the European Anti-Fraud Office (OLAF)¹².

⁸ OJ L 248, 16.9.2002, p. 1.

⁹ OJ L 357, 31.12.2002, p. 1.

¹⁰ OJ L 312, 23.12.1995, p. 1.

¹¹ OJ L 292, 15.11.1996, p. 2.

¹² 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 ¹³		300,32 2		549,87 6		810,39 5		1.136,86 3		1.335,04 8		1.623,97 1		1.703,60 7		7.460,082
TOTAL COST		300,32 2		549,87 6		810,39 5		1.136,86 3		1.335,04 8		1.623,97 1		1.703,60 7		7.460,082

¹³ 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 ¹⁴ (XX 01 01)	A*/AD							
	B*, C*/AST							
Staff financed ¹⁵ by art. XX 01 02								
Other staff ¹⁶ financed by art. XX 01 05	A*/AD	40	44	46	49	55	63	67
	B*, C*/AST	26	30	30	33	37	42	45
External staff		69	153	181	223	253	298	317
TOTAL		135	227	257	305	345	403	429

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

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

¹⁵ Cost of which is NOT covered by the reference amount.

¹⁶ Cost of which is included within the reference amount.

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	18,172	8,651	9,062	9,973	11,413	13,287	14,456	85,014
External staff xx.01 05 02	10,028	9,440	11,391	14,315	16,565	19,902	21,594	103,235
Other administrative expenses xx.01 05 03	11,279	7,236	8,181	9,715	11,191	13,276	14,420	75,298
Total Technical and administrative assistance	39,479	25,327	28,634	34,003	39,169	46,465	50,470	263,547

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 : 57 000 €/year

. cost of other administrative expenses : 40 % 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 financial perspectives.