



COMMISSION OF THE EUROPEAN COMMUNITIES

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2005/0188 (CNS)

Amended proposal for a

COUNCIL DECISION

on the Specific Programme: "Capacities" implementing the 7th Framework Programme (2007-2013) of the European Community for research, technological development and demonstration activities

**Adaptation following the agreement of 17 May 2006
on the Financial Framework 2007-2013**

(presented by the Commission pursuant to Article 250(2) of the EC Treaty)

Amended proposal for a

COUNCIL DECISION

on the Specific Programme: "Capacities" implementing the 7th Framework Programme (2007-2013) of the European Community for research, technological development and demonstration activities

(Text with EEA relevance)

Article 3 is replaced as follows:

"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 4 291 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 3 798 million in 2004 prices.

Annex II is replaced with the following text:

“ANNEX II

INDICATIVE BREAKDOWN OF THE AMOUNT

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

Capacities

Research Infrastructures*	2 008
Research for the benefit of SMEs**	1 266
Regions of Knowledge	126
Research Potential	350
Science in Society***	359
Activities of International Cooperation	182

TOTAL **4 291”**

* Including a Community contribution of an amount of 200 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 into account the level of demand. Interest and income on this contribution shall be added to the contribution to the European Investment Bank.

** Including an amount for Article 169 initiative in the field of Research Performing SMEs to be decided on the basis of a separate proposal.

*** Including an amount for Support to coherent development of policies.

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

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

2. ABM / ABB FRAMEWORK

RESEARCH AND INFORMATION SOCIETY

3. BUDGET LINES

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

08 12 01 Capacities — Research Infrastructures; 08 13 01 Capacities — Research for the benefit of SMEs; 08 14 01 Capacities — Regions of Knowledge; 08 15 01 Capacities — Research Potential; 08 16 01 Capacities — Science in Society; 08 17 01 Capacities — Activities of International Co-operation; 08 18 01 Capacities - Risk Sharing Finance Facility (EIB); 09 05 01 Capacities - Research Infrastructures

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

2007-2013

3.3. Budgetary characteristics:

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
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	407,730	507,608	605,490	657,607	723,058	548,358	596,811	4.046,662
Payment Appropriations (PA)		b	76,137	325,362	516,797	592,393	699,137	628,331	1.208,505	4.046,662

Administrative expenditure within reference amount⁴

Technical & administrative assistance (NDA)	8.2.4	C	23,884	32,704	33,359	35,903	37,068	39,330	42,090	244,338
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TOTAL REFERENCE AMOUNT

Commitment Appropriations		a + c	431,614	540,312	638,849	693,510	760,126	587,688	638,901	4.291,000
Payment Appropriations		b + c	100,021	358,066	550,156	628,296	736,205	667,661	1.250,595	4.291,000

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	431,614	540,312	638,849	693,510	760,126	587,688	638,901	4.291,000
TOTAL PA including cost of Human Resources	b+c +d +e	100,021	358,066	550,156	628,296	736,205	667,661	1.250,595	4.291,000

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 framework 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.

⁶ See points 19 and 24 of the Interinstitutional agreement.

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.

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]	
		a) Revenue in absolute terms								
		b) Change in revenue	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	249	260	260	282	288	308	331

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 enhance the excellence of research and innovation capacities throughout Europe. These needs will be met by supporting modern and effective research infrastructure, strengthening the innovation capacity of SMEs, strengthening the research potential of European regions, realisation of the full research potential of the enlarge Union, building an effective and democratic European knowledge society and to play a leading role at world level.

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 maximise the leverage and impact of European level research spending within the available budget with a strong element of continuity and with major new approaches creating capacity for

tomorrow's research excellence. Whenever appropriate synergies and complementarity will be sought with other community policies and programmes.

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

This specific programme will enhance research and innovation capacities throughout Europe and ensure their optimal use. The objectives will be achieved through initiatives in six areas listed below and for which objectives are further detailed in annex I.

- Optimising the use and development of research infrastructures;
- Strengthening innovative capacities of SMEs and their ability to benefit from research;
- Supporting the development of regional research-driven clusters;
- Unlocking the research potential in the EU's convergence and outermost regions;
- Bringing science and society closer together for the harmonious integration of science and technology in European society; and
- Horizontal actions and measures in support of international co-operation.

This specific programme will also support the coherent development of research policies.

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, Gothenburg, 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 through Article 169 or 171 of the Treaty.

For actions deriving from Article 169 or Article 171 of the Treaty – notably concerning multi-financed large-scale initiatives and including the development of new infrastructures of European interest - the management structures will be decided on a case-by-case basis according to the specific characteristics of the action concerned, will be created by the decisions establishing the actions and 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, parts of the framework programme will progressively be given to an existing or new agency. These parts are expected to concern the SME specific measures in addition to the certain administrative parts Capacities programme. 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.

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 (EC, Euratom) No 1605/2002⁸, Council Regulations (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests⁹, (Euratom, EC) 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 RESEARCH INFRASTRUCTURE		210,268		295,764		383,276		425,126		373,860		159,965		159,741		2.008,000
OPERATIONAL OBJECTIVE No.2 ¹⁵ RESEARCH FOR AND BY SMEs		127,066		136,859		139,691		146,803		213,968		238,522		263,091		1.266,000
OPERATIONAL OBJECTIVE No.3 ¹⁵ REGIONS OF KNOWLEDGE		10,612		10,824		17,006		17,905		19,906		21,741		28,006		126,000
OPERATIONAL OBJECTIVE No.4 ¹⁵ RESEARCH POTENTIAL		26,530		32,786		33,516		35,075		68,964		73,483		79,646		350,000
OPERATIONAL OBJECTIVE No.5 ¹⁵ SCIENCE AND SOCIETY		39,097		45,678		46,591		48,840		53,299		59,193		66,302		359,000
OPERATIONAL OBJECTIVE No.6 ¹⁵ INTERNATIONAL COOPERATION		18,041		18,401		18,769		19,761		30,129		34,784		42,115		182,000
TOTAL COST		431,614		540,312		638,849		693,510		760,126		587,688		638,901		4.291,000

¹² As described under Section 5.3.

The amount of up to 200 million euro for the RSFF is to be matched by an equivalent amount from the EIB. The amount is indicative and will be made available progressively to the EIB taking account of the level of demand.

8.2. Administrative Expenditure

8.2.1. Number and type of human resources¹³

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	97	99	99	101	101	101	102
	B*, C*/AST	64	66	66	67	67	67	68
External staff		88	95	95	114	120	140	161
TOTAL		249	260	260	282	288	308	331

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 A total number of 209 statutory posts (157 supplementary and 52 frozen) for the Framework Programme over the period 2007-2013 corresponds to staff that will be allocated to executive agencies. The indicative breakdown for this specific programme, based strictly on a pro-rata budgetary estimate, is 17.

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 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	14,234	19,289	19,675	20,433	20,842	21,259	21,942	137,674
External staff xx.01 05 02	3,458	4,936	5,035	6,162	6,616	7,874	9,236	43,317
Other administrative expenses xx.01 05 03	6,192	8,479	8,649	9,308	9,610	10,197	10,912	63,347
Total Technical and administrative assistance	23,884	32,704	33,359	35,903	37,068	39,330	42,090	244,338

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.