



COMMISSION OF THE EUROPEAN COMMUNITIES

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95/0092 (COD)

Proposal for a

**DECISION OF THE EUROPEAN PARLIAMENT
AND OF THE COUNCIL
ADAPTING DECISION N° 1110/94/EC CONCERNING
THE FOURTH FRAMEWORK PROGRAMME
OF THE EUROPEAN COMMUNITY ACTIVITIES
IN THE FIELD OF RESEARCH AND TECHNOLOGICAL
DEVELOPMENT AND DEMONSTRATION (1994 TO 1998)
FOLLOWING THE ACCESSION TO THE EUROPEAN UNION
OF THE REPUBLIC OF AUSTRIA,
THE REPUBLIC OF FINLAND AND THE KINGDOM OF SWEDEN**

Proposal for a

**COUNCIL DECISION
ADAPTING DECISION 94/268/EURATOM CONCERNING
A FRAMEWORK PROGRAMME OF COMMUNITY ACTIVITIES
IN THE FIELD OF RESEARCH AND TRAINING
FOR THE EUROPEAN ATOMIC ENERGY COMMUNITY (1994 TO 1998)
FOLLOWING THE ACCESSION TO THE EUROPEAN UNION
OF THE REPUBLIC OF AUSTRIA,
THE REPUBLIC OF FINLAND AND THE KINGDOM OF SWEDEN**

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. Introduction

The Community RTD framework programmes make a significant contribution towards improving the competitiveness of Community industry and implementing policies of benefit to European society and its citizens.

In order to guarantee the continuity of these research activities and in order to avoid any interruption between the third and fourth framework programmes, the Council and the Parliament, following proposals from the Commission and the opinions of the Economic and Social Committee, have taken all the legal measures required for the implementation of the fourth framework programme beginning on 1 January 1995.

2. The effect of enlargement on the framework programme

Austria, Finland and Sweden were associated with Community RTD activities covered by the EC Treaty under the agreement on the European Economic Area (EEA). Only Sweden participated in some of the activities covered by the Euratom Treaty relating to research on controlled thermonuclear fusion and radiation protection (under the 1990-1991 programme).

In 1995, if these three countries had still been members of the EEA, the Community research budget headings (subsection B6) to which EEA members contribute would have been allocated a financial contribution of 7% so that they could participate in the fourth RTD framework programme.

Following their accession, these three countries contribute to the Community budget as Member States and their citizens can now take advantage of all the activities in the fourth EC framework programme and the Euratom framework programme (1994 - 1998).

At the budget triologue of 29 November 1994, financial forecasts were adjusted to take account of enlargement. The European Parliament, the Council and the Commission agreed to increase the budget for internal policies including RTD, by 7% ¹⁾ a year. In order to maintain the continuity of, and balance between the Community RTD activities covered by the framework programme, this increase was to apply across the board to the whole framework programme (EC and Euratom) and to its implementation by specific programmes.

The amounts in the decisions on the fourth RTD framework programme and Euratom framework programme should therefore be adjusted accordingly.

1) Excluding the financing of the programme for the modernisation of the Portuguese textile and clothing industry.

3. Type of decision

The purpose of this decision is to address the financial consequences of enlargement; nevertheless, in order to comply with the financial perspectives, an adaptation of the indicative schedule has proved necessary. As the decision is confined to updating the amounts in the framework programme, discussion on the priorities of the fourth framework programme should be avoided.

The decisions concerning the supplementary amount, which are foreseen in the EC and Euratom framework programme decisions, necessitate a separate legislative procedure to be concluded in June 1996 at the latest. The present proposals do not prejudge the decisions on this point; they will, at the appropriate moment, be the subject of Commission proposals.

The purpose of these proposals for decisions is not therefore to increase the overall Community research effort but rather to guarantee the continuity of activities, to maintain their objectives and to preserve the balance between the priorities decided upon when the fourth framework programme was adopted.

Council Decision 93/167/Euratom, EEC of 15 March 1993 allocating an additional ECU 900 million to the third framework programme was implemented through the budgetary procedure without corresponding adaptation of the specific programmes. It is suggested that the same procedure be followed after adoption of these proposals for decisions.

4. Timetable

These financial adjustments of the framework programme are covered by the co-decision procedure specified in Article 189b of the Treaty. Since this is a complex procedure and will require a unanimous decision by the fifteen members of the Council, efforts will have to be made to reach prior agreement on this type of approach between the institutions concerned. The aim is to have these decisions adopted as swiftly as possible in order to adapt the legal bases for the Union's research policy to the enlarged European Community of research.

proposal for a decision of the European Parliament and
of the Council adapting Decision No 1110/94/EC concerning
the fourth framework programme of the European Community
activities in the field of research and technological development
and demonstration (1994 to 1998) following the
accession to the European Union of the Republic of Austria,
the Republic of Finland and the Kingdom of Sweden

95/0092 (COD)

**THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN
UNION,**

Having regard to the Treaty establishing the European Community and in particular
Article 130i(1) and (2) thereof,

Having regard to the proposal from the Commission,¹

Having regard to the opinion of the Economic and Social Committee,²

Acting in accordance with the procedure laid down in Article 189b of the Treaty,

Whereas, by Decision No 1110/94/EC,³ the European Parliament and the Council
adopted a fourth framework programme for 1994 to 1998; whereas Article 1(3) of that
decision states that the maximum overall amount for Community financial participation
in the fourth framework programme shall be ECU 11 046 million, and that, of this,
ECU 5 472 million is for the period 1994 to 1996 and ECU 5 574 million is for the
period 1997 to 1998;

Whereas Article 130i(2) of the Treaty states that the framework programme shall be
adapted or supplemented as the situation changes; whereas the accession to the European
Union of the Republic of Austria, the Republic of Finland and the Kingdom of Sweden
makes financial adjustment necessary because of the resulting increase in both
Community resources devoted to and expenditure on research and development; whereas
the amounts in the framework programme should be increased proportionately;

Whereas, under the agreement on the European Economic Area, these three States were
already participating in Community research, technological development and
demonstration activities in return for a financial contribution to the General Budget of
the Community, where their contributions were classed as "additional appropriations"
for expenditure in respect of research and development activities;

Whereas there are no changes to the technical and scientific objectives, priorities,
activities in the various areas, selection criteria and other provisions specified in the

¹ OJ No

² OJ No

³ OJ No L 126, 18.5.1994.

fourth framework programme; whereas this Decision concerns only the adjustments of financial provisions made necessary by the accession of Austria, Finland and Sweden;

Whereas Decision No 1110/94/EC of the European Parliament and of the Council concerning the fourth framework programme and Council Decision 94/268/Euratom concerning a framework programme of Community activities in the field of research and training were adopted simultaneously and for the same period; whereas the same should apply to the decisions adapting the two framework programmes;

Whereas the Scientific and Technical Research Committee (CREST) has been consulted,

HAVE DECIDED AS FOLLOWS:

Sole article

1. Decision No 1110/94/EC of the European Parliament and of the Council of 26 April 1994 concerning the fourth framework programme of the European Community activities in the field of research and technological development and demonstration (1994 to 1998) is hereby amended as follows:

- in Article 1(3):

"11 046" shall be replaced by "11 819"

"5 472" shall be replaced by "5 447"

"5 574" shall be replaced by "6 372"

and

"11 641" shall be replaced by "12 414"

- Annex I shall be replaced by the Annex to this Decision.

Done at,

By the European Parliament

By the Council

ANNEX 1

FOURTH FRAMEWORK PROGRAMME (1994 to 1998)
AMOUNTS AND BREAKDOWN

	Ecu million (current prices)
First activity (Research, technological development and demonstration programmes)	10 092 ^{1 2}
Second activity (Cooperation with third countries and international organizations)	578
Third activity (Dissemination and optimization of results)	353 ^{3 4}
Fourth activity (Stimulation of the training and mobility of researchers)	796
MAXIMUM OVERALL AMOUNT	11 819 ^{5 6}

Indicative breakdown of the themes and subjects
in the first activity

ECU million
(current prices)

A.	Information and communication technologies	3 643
1.	Telematics	902
2.	Communication technologies	674
3.	Information technologies	2 067
B.	Industrial technologies	2 134
4.	Industrial and material technologies	1 826
5.	Measurements and testing	308
C.	Environment	1 156⁷
6.	Environment and climate	912
7.	Marine sciences and technologies	244

- 1 Of which ECU 642 million for the operational budget of the JRC.
- 2 Of which ECU 97 million for programmed scientific and technical support activities suited to a competitive approach.
- 3 Apart from the funds allocated to the third activity, an average of 1% of the total budget of the fourth framework programme will be allocated to dissemination and optimization of results in the framework of the first activity. Close coordination of dissemination and optimization activities carried out under the specific programmes of the first activity with those carried out under the third activity will be ensured.
- 4 Of which ECU 40 million for *ad hoc* scientific and technical support to other Community policies which will be allocated on a competitive basis.
- 5 The amounts of the framework programme for research and training for the European Atomic Energy Community (1994 to 1998) are adjusted along with this programme and raised to a total of ECU 1 342 million, taking the total for Community RTD activity to ECU 13 161 million.
- 6 With the possibility of an increase to ECU 12 414 million, in accordance with Article 1(3).
- 7 Environment-related research projects will also be conducted within several other lines of the first activity, in particular in the fields of industrial technologies, energy and transport.

D.	Life sciences and technologies		1 682
	8. Biotechnology	590	
	9. Biomedicine and health	360	
	10. Agriculture and fisheries (including agro-industries, food technologies, forestry, aquaculture and rural development)	732	
E.	11. Non-nuclear energy		1 072
F.	12. Transport		257
G.	13. Targeted socio-economic research		148
			<hr/>
			10 092 ^{1 2}

**proposal for a Council Decision adapting
Decision 94/268/Euratom concerning
a framework programme of Community activities
in the field of research and training for the
European Atomic Energy Community (1994 to 1998) following the
accession to the European Union of the Republic of Austria,
the Republic of Finland and the Kingdom of Sweden.**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 7 thereof,

Having regard to the proposal from the Commission,¹

Having regard to the opinion of the European Parliament,²

Having regard to the opinion of the Economic and Social Committee,³

Whereas, by Decision 94/268/Euratom,⁴ the Council adopted a framework programme of Community activities in the field of research and training for 1994 to 1998; whereas Article 1(3) of that Decision states that the amount deemed necessary for Community financial participation in the framework programme shall be ECU 1 254 million, and that, of this, ECU 617 million shall be the indicative amount for the period 1994 to 1996 and ECU 637 million shall be the indicative amount for the period 1997 to 1998;

Whereas Article 4(1) of the Decision states that the framework programme shall be adapted or supplemented as the situation changes; whereas the accession to the European Union of the Republic of Austria, the Republic of Finland and the Kingdom of Sweden makes financial adjustment necessary because of the resulting increase in both Community resources devoted to and expenditure on research and development; whereas the amounts in the framework programme should be increased proportionately;

Whereas, under the scientific and technical cooperation agreements signed with Sweden, it was already participating in some Community research activities relating to controlled thermonuclear fusion and radiation protection in return for a financial contribution classed as "**additional appropriations**" for expenditure in respect of research activities;

Whereas there are no changes to the technical and scientific objectives, priorities, activities in the various areas, selection criteria and other provisions specified in the framework programme; whereas this Decision concerns only the adjustments of financial provisions made necessary by the accession of Austria, Finland and Sweden;

1 OJ No

2 OJ No

3 OJ No

4 OJ No L 115, 6.5.1994.

Whereas Decision No 1110/94/EC of the European Parliament and of the Council concerning the fourth framework programme and Council Decision 94/268/Euratom concerning a framework programme of Community activities in the field of research and training were adopted simultaneously and for the same period; whereas the same should apply to the decisions adapting the two framework programmes;

Whereas the Scientific and Technical Committee has been consulted by the Commission and has delivered its opinion,

HAS DECIDED AS FOLLOWS:

Sole article

1. Decision 94/268/Euratom of the Council of 26 April 1994 concerning a framework programme of Community activities in the field of research and training (1994 to 1998) is hereby amended as follows:

- in Article 1(3):

"1 254" shall be replaced by "1 342"

"617" shall be replaced by "757"

"637" shall be replaced by "585"

and

"1 359" shall be replaced by "1 447"

- Annex I shall be replaced by the Annex to this Decision.

Done at,

**For the Council
The President**

ANNEX I

FRAMEWORK PROGRAMME (1994 to 1998): AMOUNT AND INDICATIVE BREAKDOWN

	Millions of ecu (current prices)
Nuclear fission safety	443
Controlled thermonuclear fusion	899
Amount deemed necessary	1 342 ^{1 2}
¹	Of which ECU 321 million for the operational budget of the JRC allocated as follows: nuclear fission safety ECU 272 million and controlled thermonuclear fusion ECU 49 million.
²	With the possibility of an increase to ECU 1 447 million, in accordance with Article 1(3).

FINANCIAL STATEMENT

Part 1: Financial implications

1. TITLE OF THE OPERATION

Fourth framework programme of the European Community activities in the field of research, technological development and demonstration (RTD) and framework programme of Community activities in the field of research and training for the European Atomic Energy Community (1994 to 1998): Financial adjustments following the accession to the European Union of Austria, Finland and Sweden.

2. BUDGET HEADING CONCERNED

Sub-section B6.

3. LEGAL BASIS

Article 130i(1) and (2) of the EC Treaty and Article 7 of the EAEC Treaty.

4. DESCRIPTION OF THE OPERATION

4.1 Specific objectives

Implementation of research, technological development and demonstration programmes by promoting cooperation with and between undertakings, research centres and universities.

Promotion of cooperation in the field of Community research, technological development and demonstration with third countries and international organizations.

Dissemination and optimization of the results of activities in Community research, technological development and demonstration.

Stimulation of training and mobility of researchers in the Community.

4.2 Duration

1994-98.

4.3 Target population for the operation

Industrial enterprises - including especially SMEs - research centres and universities in their research, technological development and demonstration activities.

5. CLASSIFICATION OF THE EXPENDITURE AND REVENUE

5.1 Non-compulsory expenditure.

5.2 Differentiated appropriations.

5.3 Types of revenue involved

The countries of the European Economic Area (EEA) which are not members of the European Union will contribute, as defined in Article 2 of the Protocol amending the agreement on the EEA, to proportional additional financing.

6. **TYPE OF EXPENDITURE OR REVENUE**

Research, technological development and demonstration projects carried out by external contractors may receive a Community contribution to the cost of research, with a ceiling of 50% of the costs or the equivalent (100% of the additional costs for universities and similar organizations).

Thematic networks, training and mobility of researchers, concerted actions, which consist of the coordination of RTD projects, measures appropriate for certain specific programmes, such as feasibility awards, and preparatory, accompanying and support measures may receive a contribution of up to 100% of the costs of these activities.

Direct action carried out by the JRC consisting of RTD programmes or parts of programmes, as well as scientific and technical support activities of an institutional character (i.e. which are necessary for the implementation of other Community policies and which require the JRC's neutrality) will normally be 100% funded.

Scientific and technical activities in support of other Community policies which are suited to a competitive approach will normally be 100% funded.

7. **FINANCIAL IMPACT**

7.1 Method of calculating the total cost of the operation

The amounts will cover scientific, technical, demonstration and related horizontal support measures as well as personnel costs and administrative, scientific and technical expenses directly linked to the execution of the activities and measures. As far as activities carried out by the JRC are concerned, these amounts will cover the infrastructure for the institutes.

As far as staff costs are concerned, the 1995 budget authorizes a total of 1 372 permanent research posts. Committed expenditure on total staff for the period from 1995 to 1998 will remain within the RTD staff expenditure estimates authorized by the Council, with the opinion of the European Parliament, in the Council Decisions adopting the specific RTD programmes.

7.2 Breakdown

The four activities correspond to the four objectives listed at 4.1 above.

AMOUNTS AND BREAKDOWN

	Ecu million (current prices)
First activity (Research, technological development and demonstration programmes)	11 434 ^{1 2}
Second activity (Cooperation with third countries and international organizations)	578
Third activity (Dissemination and optimization of results)	353 ^{3 4}
Fourth activity (Stimulation of the training and mobility of researchers)	796
OVERALL AMOUNT	13 161 ⁵

Indicative breakdown of themes in the first activity

	Ecu million (current prices)
A. Information and communication technologies	3 643
1. Telematics	902
2. Communication technologies	674
3. Information technologies	2 067
B. Industrial technologies	2 134
4. Industrial and material technologies	1 826
5. Measurements and testing	308
C. Environment	1 156
6. Environment and climate	912
7. Marine sciences and technologies	244
D. Life sciences and technologies	1 682
8. Biotechnology	590
9. Biomedicine and health	360
10. Agriculture and fisheries	732

- 1 Of which ECU 963 million for the operational budget of the JRC.
- 2 Of which ECU 97 million for programmed scientific and technical support activities suited to a competitive approach.
- 3 Apart from the funds allocated to the third activity, an average of 1% of the total budget of the fourth framework programme will be allocated to dissemination and optimization of results in the framework of the first activity. Close coordination of dissemination and optimization activities carried out under the specific programmes of the first activity with those carried out under the third activity will be ensured.
- 4 Of which ECU 40 million for *ad hoc* scientific and technical support to other Community policies which will be allocated on a competitive basis.
- 5 With the possibility of an increase to ECU 13 861 million, in accordance with Article 1(3) of the framework programmes.

E.	Energy		2 414
	11. Non-nuclear energy	1 072	
	12. Nuclear fission safety	443	
	13. Controlled thermonuclear fusion	899	
F.	14. Transport		257
G.	15. Targeted socio-economic research		148
			11 434 ^{1 2}

7.3 Indicative schedule

MECU - current prices

YEARS	Financial perspectives	Amounts fourth FP
1995	5 060	2 990
1996	5 337	3 214
1997	5 724	3 450
1998	6 142	3 507
Total 1995-1998	22 263	13 161

The deflators used are respectively for 92-95: 7.60, for 92-96: 8.60, for 92-97: 11.86 and for 92-98: 15.21.

The definitive annual amounts will be fixed by the budgetary authority.

8. ANTI-FRAUD MEASURES PLANNED UNDER THE OPERATION

Audit programme of the Directorate-General. Supervision by the officials formally responsible for the actions.

Part 2: Basis for cost/effectiveness analysis

1. OBJECTIVES

The framework programme corresponds to the objectives established by the Treaty on European Union and notably its Article 130f(1) which states: "The Community shall have the objective of strengthening the scientific and technological bases of Community industry and encouraging it to become more competitive at international level, while promoting all the research activities deemed necessary by virtue of other Chapters of this Treaty." The four activities selected reflect Article 130g.

2. JUSTIFICATION OF THE OPERATION

The operation is justified by the need for the enlarged Community to help strengthen the scientific and technological bases of Community industry and to encourage it to become more competitive at international level, while contributing

to the definition and implementation of Community policies and to meeting the needs of society.

If in 1995, Austria, Finland and Sweden had still been members of the EEA, the Community research budget headings to which EEA members contribute would have benefited from a financial contribution of 7% enabling them to participate in the fourth EC framework programme. The accession of these three countries to the European Union and their formal integration in the Community budget, makes it necessary to adapt the financial amounts of the framework programmes.

3. MONITORING AND EVALUATION OF THE OPERATION

The form and frequency of the process of evaluation will be such as to enable the Commission to respond to the requirements under Article 4 of the framework programmes decisions and to evaluate Community RTD programmes and policies.

The principal factors of uncertainty which can affect the results of the operation include the ability and readiness of private enterprises to take full advantage of the benefits which these activities will offer them, and the unavoidable difficulty in making a direct link, especially in the short term, between research expenditure on the one hand and industry's competitive success on the other, notably in the light of the fact that innovation is not a linear process from fundamental research, through applied research to commercial application.

The Commission shall continually and systematically, monitor with appropriate assistance from external independent experts, the progress of the framework programmes as regards the criteria set out in Annex II to the framework programmes, which include that of contributing to the economic and social cohesion of the Community, and the scientific and technological objectives set out in Annex III to the framework programmes. It shall examine in particular whether the objectives, priorities and financial resources are still appropriate to the changing situation. If necessary it shall make proposals to adapt or supplement the framework programmes according to the results of this assessment (Article 4(1) in the decisions on the framework programmes).

In addition, the Commission shall have an external assessment conducted by independent qualified experts into the management of and progress with Community activities carried out during the five years preceding this assessment. It shall communicate this assessment and conclusions, accompanied by its comments, to the European Parliament, the Council and the Economic and Social Committee prior to presenting its proposal for the fifth framework programme (Article 4(2) of the decisions on the framework programmes).

Finally, in order to help ensure, *inter alia*, cost-effective implementation of the framework programmes, each specific programme shall provide for systematic monitoring and, on completion of the programme, independent evaluation against the precise objectives referred to in Article 2; the modalities of such evaluation are laid down in each specific programme (Article 4(3) of the decisions on the framework programmes).

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