

Brussels, 6 April 2005

## **New proposals for growth and jobs under the next Financial Framework 2007-13**

*Today the European Commission adopted the last package of detailed proposals, linked to the next Financial Framework 2007-2013. The proposals flesh out the Union's priorities on a range of vital areas such as research - to strengthen the Union's competitiveness - citizenship, freedom, security and justice and health and consumer protection - to make the European Union a safer place to live in - and a reform to achieve sustainable fisheries. The estimated cost of the package is €93billion\* and is already included in the proposal for a new Financial Framework adopted by the Commission last year. The current revenue ceiling is thereby kept intact. The package completes the proposals from July and September 2004 and is the last needed for the Council and the European Parliament to reach an agreement on the next Financial Framework.*

Commission President José Manuel Barroso said: "All the pieces are now in place. The Commission's blueprint for investing in Europe's future is complete. The full budget, which is now on the table, is financially sound, coherent and credible. Our budget choices have been carefully constructed around the political priorities set by EU Governments for our enlarged Union of 25. My message today is that Europe must have the means to match its ambitions. I believe we have got the balance right. These plans should pave the way for agreement on an EU budget deal in June."

Commissioner Dalia Grybauskaitė, responsible for Financial Programming and Budget, added: "Today's proposals clearly reflect a shift towards growth and employment with a focus on knowledge based activities such as research and innovation. The proposals offer a real added value for EU citizens and represent a good use of European taxpayers' money. If the Council and the Parliament comes to an agreement on the next Financial Framework in June, the European Union can start delivering these new policies to its citizens on time."

The proposals adopted today by the Commission are focused on three of the five main groups of activities, the so called headings, in the new Financial Framework; Competitiveness for growth and employment, Citizenship, freedom, security and justice and Preservation and management of natural resources.

### **Competitiveness for growth and employment**

The Union's contribution to competitiveness for growth and employment must become more visible. For that purpose the Commission proposes to complement the programmes proposed last year, including the life long learning programme and the new regime for cohesion, with a new **7<sup>th</sup> Research Framework Programme** and a **Competitiveness and Innovation framework Programme (CIP)**

## New Framework programmes for Research

The proposal for the next Framework Programme for Research and Technological Development has a high degree of continuity with the ongoing programme, at the same time providing new impetus to realise EU goals. The Framework Programme will be composed of four specific programmes:

- The **Co-operation programme** will foster collaboration between industry and academia across Europe to gain leadership in key technology areas.
- The **Ideas programme**, implemented by the European Research Council will support frontier research on the sole basis of scientific excellence.
- The **People programme** will give significant support for mobility and career development of researchers, both within and from outside Europe.
- The **Capacities programme** will help develop the capacities that Europe needs to be a thriving knowledge-based economy, including for the first time support to large-scale research facilities at European level. The programme will also be made more attractive and easier for participants, through a flexible use of funding and a determined simplification of procedures and administration.

The total proposed budget for research for the period 2007-2013 is €67.8billion\*.

## A single instrument for Competitiveness and innovation

To simplify access to adequate support for Small and Medium sized Enterprises,(SMEs), the Commission proposes to establish the **Competitiveness and Innovation Framework Programme** (CIP). The CIP will be a single EU instrument designed as a comprehensive response to the call for bigger, simpler, and more visible and targeted tools in favour of enterprises. Building on the success of existing activities, the CIP will help develop the capacity of enterprise and industry to grow and innovate, augmenting its use of Information and Communication Technologies (ICT), environmental technologies and efficient and renewable energy sources.

The proposed budget for the CIP is €3.7 billion\*.

## New support for Information and Communication Technologies

The new **Information Society Technology priority**, part of the 7<sup>th</sup> Research Framework Programme, will encourage research into emerging fields that are of strategic importance for the future, and will help overcome technological bottlenecks that are impeding the rapid deployment and use of ICT.

The new **ICT Policy Support Programme**, one of the specific programmes of the Competitiveness and Innovation Framework Programme, will assist the wider take-up of promising ICT applications, particularly by support for testing and deploying solutions to problems such as interoperability, identity management and security. These shared problems can be tackled more cost-effectively at European level.

Both these programmes form part of a new co-ordinated strategy initiative called i2010 – European Information Society 2010 – to be announced by the Commission in May. The new i2010 strategy will address the political aims to have a competitive convergent information economy in Europe, a significant rise in European investment in ICT innovation and research and a very high level of accessibility of the Information society.

## Improved co-operation against fraud

The Commission also proposes to renew until 2013 the existing **Customs and Fiscalis Programmes 2007**. These are improving co-operation between customs and tax administrations against fraud and are establishing trans-European computerised networks for customs and taxation control purposes. The programmes must continue in order to safeguard the EU's and Member States' revenues, protect the EU's external borders and ensure the safety and security of citizens and the competitiveness of European trade.

The proposed budget for the programmes, spread over the six years, is €522 million\*.

## Three new programmes to secure European core values

Freedom, security and justice are core values which constitute key components of the European model of society. It is clearly recognized that the challenges posed by immigration, asylum, and the fight against crime and terrorism can no longer be met adequately by measures taken only at national level. Action at European level really makes the difference and can make the daily business and family life of EU citizens easier.

The Commission approach for achieving this goal is based on three framework programmes that will replace the multitude of instruments that the Commission currently manages in this field.

The enlarged EU aims to give real substance to the concept of solidarity for the development of common policies on border checks, asylum and immigration. The framework programme for the **Solidarity and management of migration flows** will support national actions such as:

- Improving control efficiency at the external border of the EU, while ensuring smooth crossing of the external borders by bona fide travellers
- Funding civic orientation courses, intercultural training and handbooks assisting newcomers and (local) governments and facilitating the integration process.
- Providing adequate reception conditions for persons asking for international protection in the EU as well as a fair and efficient examination of their request for asylum.
- Counselling for unsuccessful asylum seekers and illegal immigrants to return with dignity to their country of origin.

Terrorism and organised crime operate increasingly on a trans-national level. Common legislation is an important step towards a common approach, but it is not sufficient. Close cooperation and coordination among law enforcement services of all Member States is indispensable for protecting citizens.

The proposed framework programme on **Security and Safeguarding Liberties** has the following main objectives:

- To promote and develop crime prevention and crime fighting, focusing on organised and other crime, in particular terrorism, trafficking in persons and offences against children, illicit drug and arms trafficking, corruption and fraud.
- To protect citizens, their liberties and society against terrorist attacks, and to safeguard the EU through the promotion and development of prevention, preparedness and consequence management of terrorist attacks.

To fully realise the concept of European citizenship the Commission proposes to establish the **Fundamental Rights and Justice** framework programme. The integration of the Charter of Fundamental Rights into the Constitutional Treaty implies that the Union has a legal obligation not only to ensure that fundamental rights are respected but also actively promoted. The right to physical integrity should also be ensured, through the fight against violence, and the information and prevention of drug use are important actions to ensure public health.

The programme will also enable actions that would be less effective at national level such as judicial cooperation both in civil and criminal matters, which will enable individuals and businesses to pursue their civil and commercial interest in other Member States, and will ensure that there are no safe heavens for crime or criminals.

The proposed budget for justice, security and freedom is €8.3 billion\*.

### **Citizens for Europe**

Bridging the gap between the citizens and the European institutions is yet another important goal. The aim of the programme **Citizens for Europe** is to encourage more participation by citizens in the construction of Europe. It will foster cooperation between citizens and organisations from different countries who will meet to develop their own ideas, and act together in a European environment. Mutual understanding, solidarity and a feeling of belonging to Europe are the building blocks for the involvement of citizens.

The proposed budget for the programme is estimated at €207 million\* and is part of the €2.5 billion\* budget for culture, youth, media and citizenship.

### **Improved Health and Consumer protection**

The new **Health and Consumer Protection programme** aims to improve the quality of life for EU citizens. The programme includes plans for strategic investments to strengthen Europe's defences against epidemics, funds to support cooperation between Member States' health systems and support for strengthening consumer protection across the EU.

The programme could provide funds to:

- strengthen Europe's surveillance and early warning system against infectious diseases,
- help finance centres of excellence on key health system issues,
- support cooperation between Member State consumer protection authorities to keep dangerous products off the EU's internal market
- information campaigns to help address some of the main health problems faced by the EU,
- information activities to inform citizens of their rights under EU consumers law and their healthcare entitlements when visiting another Member State.
- The proposed budget for health and consumer protection is €1.8 billion.

## **Rapid response to emergency situations**

The Commission is also proposing two instruments to provide a rapid reaction to emergency situations in the Union; a new **Solidarity Fund** and a **Rapid Response and Preparedness Instrument**.

The Solidarity Fund is modelled on the current European Union Solidarity Fund while enlarging its scope and improving its operation. It will not only include major crisis situations resulting from natural disasters - as before - but also industrial/technological disasters, public health emergencies and acts of terrorism.

The new Rapid Response and Preparedness Instrument will ensure that a more robust rapid reaction capability will be built up, allowing the European Union to demonstrate its solidarity with disaster victims.

The Solidarity Fund is used as a reserve that is activated when a major disaster has occurred. The proposed budget for the period 2007-2013 is €6.2billion\*. The Rapid Response and Preparedness Instrument is funded up to €155 million\* for the whole period.

## **Reform for sustainable fisheries**

Today's Commission decision also brings together the various Common Fisheries Policy (CFP) components in a single framework. This simplified approach will provide more transparency and show the Union's commitment to the implementation of the CFP reform. EU aid to the fisheries sector and coastal areas will be provided under the European Fisheries Fund, proposed last July.

The reform aims to achieve sustainable fisheries through applying a long-term approach to fisheries management, achieving a better and lasting balance between fishing effort and resources in the sea, involving stakeholders in the CFP process, making enforcement of fisheries rules more effective and uniform and combating illegal fishing activities in EU waters and beyond.

The proposed budget is €2.6 billion, which is part of the €7.6 billion\*, budget for the European fisheries.

For more information: [http://europa.eu.int/comm/financial\\_perspective/](http://europa.eu.int/comm/financial_perspective/)

A range of footage is available from EbS: <http://europa.eu.int/comm/avservices>

## Overview of the Financial Framework 2007-2013 proposal

<b>Competitiveness for growth and employment</b>				<i>Commitments at 2004prices</i>
Activity	Total 2007-2013 in billion €	Share in % of total 2007-2013	Share of this heading in %	Change 2006-2013 in %
Research	67.8*	6.6%	51.1%	166%
Transport and energy	20.7	2%	15.6%	367%
Education and training	12.0	1.2%	9.0%	268%
Social policy (Progress)	0.6	0.05%	0.4%	3%
Competitiveness & Innovation	3.7*	0.4%	2.8%	92%
Customs & FISCALIS	0.5*	0.1%	0.4%	32%
Growth and adjustment Fund	7.0	0.7%	5.3%	new
Other (incl. other actions, administration and margin)	20.4	2.0%	5.4%	131%
<b>Total</b>	<b>132.7</b>	<b>13.0%</b>	<b>100.0%</b>	<b>194%</b>
<b>Cohesion for growth and employment</b>				
Promoting convergence	264.0	25.8%	78.0%	40%
Regional competitiveness	57.9	5.7%	17.1%	6%
Territorial co-operation	14.3	1.4%	4.2%	14%
Other (incl. administration and margin)	2.5	0.2%	0.7%	63%
<b>Total</b>	<b>338.7</b>	<b>33.1%</b>	<b>100.0%</b>	<b>33%</b>
<b>Preservation and management of natural resources</b>				
Agriculture (CAP market measures and direct aids)	301.1	29.4	74.4	-3%
Rural development	88.8	8.7%	21.9%	25%
Protection of environment	2.1	0.2%	0.5%	37%
Fisheries Fund	7.6*	0.7%	1.9%	24%
Other (incl. other actions, administration and margin)	5.1	0.5%	1.3%	46%
<b>Total</b>	<b>404.7</b>	<b>39.5%</b>	<b>100.0%</b>	<b>3%</b>
<b>Citizenship, Freedom, Security and Justice</b>				
Freedom, Security and Justice	8.3*	0.8%	33.7%	228%
Health and Consumer	1.8*	0.2%	7.3%	187%
Culture, Youth, Media and Citizenship	2.5*	0.2%	9.9%	267%
Civil protection and Rapid Response Instrument	0.1*	0.01%	0.6%	123%
Solidarity Fund	6.2*	0.6%	25.2%	-13%
Other (incl. other actions, administration and margin)	5.8	0.6%	23.3%	127%
<b>Total</b>	<b>24.7</b>	<b>2.4%</b>	<b>100.0%</b>	<b>90%</b>
<b>EU as a global partner</b>				
Pre-accession	12.9	1.3%	14.0%	-18%
Neighbourhood policy	13.1	1.3%	14.3%	95%
Development Co-operation	39.0	3.8%	42.3%	261%
Stability	3.9	0.4%	4.3%	257%
Loan guarantee fund	1.2*	0.1%	1.4%	-13%
Other (incl. other actions, administration and margin)	25.3	2.1%	23.8%	70%
<b>Total</b>	<b>95.4</b>	<b>9.0%</b>	<b>100.0%</b>	<b>40%</b>
Other (incl. other EU-institutions, pensions, European schools)	<b>28.7</b>			
<b>TOTAL</b>	<b>1 025</b>			

\* Proposals April 6, 2005