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COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

COUNCIL REGULATION

**on the establishment of the "ARTEMIS Joint Undertaking" to implement a Joint
Technology Initiative in Embedded Computing Systems**

(presented by the Commission)

{SEC(2007) yyy}
{SEC(2007) zzz}

EXPLANATORY MEMORANDUM

1) CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

Europe's capability to engineer domain-specific solutions for embedded electronic systems has given the EU a large share of the market in key areas such as the automotive, industrial and energy sectors, telecoms, or aerospace. This leadership position needs to be strengthened by harnessing the next generation of information technology systems that are already transforming our economy and society: the "embedding of intelligence" provides new functionality and adds value to everyday products, from cars and planes to mobile phones and pacemakers, and increases productivity in manufacturing and the distribution of goods and services. Embedded systems are crucial not only for the innovation potential and competitiveness of existing European industrial sectors, but also for opening the way to the creation of entirely new markets and societal applications - from personal health systems to environmental monitoring.

The Specific Programme "Cooperation"¹ of the European Community Seventh Framework Programme (2007-2013) for research, technological development and demonstration activities introduces the Joint Technology Initiatives (JTIs) as a new way of realising public-private partnerships in research at European level. JTIs are an expression of the EU's strong commitment to coordinating research efforts. The aims are to achieve greater strategic focus by supporting common ambitious research agendas in areas that are crucial for competitiveness and growth, to assemble and coordinate at EU level a critical mass of research drawing on all sources of R&D investment, whether public or private, and to provide a tighter coupling between research and innovation, contributing so to the realisation of the European Research Area and Europe's competitiveness goals. The Specific Programme "Cooperation" identifies embedded computing systems as one of the areas where a JTI could have a particular relevance.

JTIs arise primarily from the work of European Technology Platforms (ETPs). A limited number of ETPs have achieved such an ambitious scale and scope that they will require the substantial mobilisation of public and private resources to implement important elements of their Strategic Research Agendas. JTIs are proposed as an effective means of meeting the needs of these ETPs. The objective of this proposal is to set up a Joint Undertaking to implement a JTI in embedded computing systems (ARTEMIS JTI). The ARTEMIS JTI aims to create a single, Europe-wide R&D programme that will help EU industry to achieve world leadership in embedded computing technologies. This JTI will combine, for the first time, a critical mass of national, EU and private resources within one coherent, flexible and efficient legal framework; it will also ramp up R&D investment in Europe by providing incentives for industry and Member States to increase their R&D expenditure.

¹ OJ L 412, 30.12.2006, p.1

- **General context**

Embedded systems are the computers used in larger systems to control equipment such as automobiles, home appliances, communication devices, control systems and office machines. They are becoming an integral and often invisible component of the world around us and today they are just about everywhere. . More than 90% of computing devices are embedded, and forecasts predict more than 16 billion embedded devices by 2010 and over 40 billion by 2020. Within the next five years, the share of embedded systems in the value of the final product is expected to reach unprecedented levels in key industrial sectors (e.g. 36% in automotive, 37% in telecommunications or 41% in consumer electronics)

However, the current structure of the EU industry does not provide the necessary framework in which to develop the enabling technologies and standards needed to cope with the huge challenges posed by the increasing number and complexity of embedded systems and their applications. The competitiveness and ability to innovate of the EU is at risk : the EU economy should be able to reap the benefits from the new markets that will be created from the "embedding of intelligence", avoiding a repetition of what happened with the desktop computing and internet, where all the major beneficiaries are outside the EU. In addition, unless it is able to nurture and retain talent, Europe will not attract and keep the best researchers. Finally, there is a "cultural" risk: the new systems will intimately touch upon the lives of EU citizens; European industry must be able to respond to home-grown demand in a way that recognises our unique preferences and values.

In the face of this major challenge and despite its economic importance, EU's research investment in embedded systems is lagging well behind the US and Japan. Furthermore, the EU funding landscape is fragmented and unable to provide a convincing response. The Community Framework Programmes have made major investments in the past but their budget is severely limited compared to the overall public R&D budget in Europe; the intergovernmental Eureka scheme is a valuable mechanism and some national programmes are active in this area; however, all these efforts are scattered and not focused on common objectives.

- **Existing provisions in the area of the proposal**

There are no existing provisions in the area of the proposal.

- **Consistency with the other policies and objectives of the Union**

The Seventh Framework Programme (FP7) is an important point of departure for Europe, reflecting a consensus that Europe must redouble its efforts to increase and get better returns from its R&D investments in order to equip itself as a competitive and dynamic knowledge-based economy. JTIs are a major innovation in FP7 to achieve greater strategic focus and coordination, by assembling a critical mass of research in key areas, and for tighter coupling between research and innovation.

The implementation of this JTI will contribute directly to the Lisbon competitiveness objective and the Barcelona targets for research spending. The results of the ARTEMIS JTI in key application areas will also indirectly contribute to other EU policies such as the environment (monitoring and management), transport (safety), energy

(management and control), and the internal market (standards for embedded products and services).

The proposed initiative is part of a broad ambitious Community strategy to tackle the innovation gap which includes, inter alia, the proposal to establish a European Institute of Technology (EIT).

2) CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

Consultation methods, main sectors targeted and general profile of respondents

The creation of the ARTEMIS Technology Platform in January 2004 was followed by extensive consultations of the Commission with R&D stakeholders in embedded systems. Consultations were held with national public authorities in the Platform's "Mirror Group" gathering representatives from 24 Member States and countries associated with the Framework Programme. The Strategic Research Agenda and the governance and operational aspects of the Joint Undertaking were presented and discussed at major public events such as the ARTEMIS annual conferences (Rome 2004, Paris 2005, Graz 2006), the Information Society Technologies Conference IST 2006 (Helsinki) and the public presentation of the ARTEMIS SRA in March 2006 (Brussels).

As the final step in this process, several meetings (helped by independent consultant expertise) gave rise to wide-ranging discussions collating and reviewing previous findings, and provided further input for assessment of the governance structure and the impact of this initiative.

For economic impacts the consultation drew primarily on public domain market data, in particular two studies published in 2005 (one of them resulting from an open call for tenders by the Commission) providing a detailed picture of the embedded systems domain as a whole, taking into account technological, sectoral market and funding aspects, and a quantitative evaluation of the impact of software activities on the world economy, focusing on internal development of embedded and software-intensive systems in both the ICT and non-ICT sectors.

Summary of responses and how they have been taken into account

The broad and continuous involvement of public and private stakeholders in the consultation process generated timely and pertinent inputs that were taken into account in the elaboration of the proposal.

- **Collection and use of expertise**

Scientific/expertise domains concerned

Industrial and academic expertise in embedded systems R&D was involved in developing the Strategic Research Agenda (SRA) that will be implemented through the proposed JTI, as well as the expertise of the national Mirror Group representatives for

the governance and public administration aspects.

Methodology used

Experts met in numerous dedicated workshops and discussed objectives and priorities, taking into account the main existing EU roadmaps, reports and studies, and inputs from Eureka (ITEA and Medea+ clusters). The SRA was then drafted by smaller groups of experts and iterated upon with the broader community.

Main organisations/experts consulted

The main European embedded systems companies and their suppliers and users were consulted, as well as the leading-edge research organisations in Europe².

Summary of advice received and used

The existence of potentially serious risks with irreversible consequences has not been mentioned.

The ARTEMIS JTI can mobilise the necessary critical mass of R&D resources to implement the SRA and provides a flexible basis for common public-private actions to create a fertile ecosystem in Europe for open innovation in embedded systems.

Means used to make the expert advice publicly available

Information on the SRA and the development of a JTI has been made available through the above public events, through the publication of the "Building ARTEMIS" report and the "ARTEMIS Strategic Research Agenda" by the ARTEMIS Technology Platform, as well as through the Commission and ARTEMIS web sites.

• **Impact assessment**

The proposed Regulation has been subject to a Commission Impact Assessment (attached to the proposal).

Its main findings are that the ARTEMIS JTI will achieve substantial gains in system design and development lifecycle costs with respect to the baseline option ("Business-as-usual"). It also increases the leverage effect of the Community's contribution on R&D effort (national and private) and provides a more efficient and reliable R&D and innovation framework that removes the budget uncertainty, streamlines procedures and shortens time-to-contract with respect to the baseline option. This will in turn broaden the participation and increase the number of new partners in the R&D activities.

A further benefit is that national money spent through the ARTEMIS JTI will be allocated through common European procedures and workplans, achieving a similar impact to EU-level disbursements and one that is much higher than in the baseline option.

3) LEGAL ELEMENTS OF THE PROPOSAL

² ARTEMIS web site <http://www.artemis-office.org/>

- **Summary of the proposed action**

The proposal consists of a Council Regulation for the establishment of the ARTEMIS Joint Undertaking with its accompanying Statutes.

- **Legal basis**

Article 171 of the Treaty establishing the European Community. The Joint Undertaking will be a Community body and the implementation of its budget is therefore subject to discharge by the European Parliament³, taking however into account the specificities resulting from the nature of JTIs as public-private partnerships and in particular from the private sector contribution.

- **Subsidiarity principle**

The objectives of the proposal cannot be sufficiently achieved by the Member States for the following reasons:

Member States cannot overcome these challenges on their own because the appropriate legal and organisational framework is lacking at EU level. Current EU R&D funding is fragmented: at national level relevant R&D activities are spread over several, sometimes disconnected, programmes. Several Member States participate in the Eureka scheme but this is a bottom-up approach that has well-recognised shortcomings in terms of long delays, duplication of procedures and unpredictable availability of public funding.

Community action will better achieve the objectives of the proposal for the following reasons:

Only Community action can establish a legal framework that allows the effective pooling of resources from R&D performers, the Commission and national governments. The alignment of Community and national funding will strongly contribute to the development of the European Research Area.

The expected benefits of the initiative are the following:

- o Integration of national efforts by pursuing common objectives identified at European level within the Strategic Research Agenda and by selecting R&D projects through a common, single European process. Such integration will help to build a European Research Area in embedded computing systems.
- o Greater flexibility in mobilising resources of Member States that are ready to work towards common goals.
- o Leveraging effect of the Community's financial contribution that will provide incentives for industry and Member States to increase their funding, thereby directly

³ Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the budget of the European Communities, OJ L 357, 31.12.2002 p. 72; corrigendum in OJ L 2, 7.1.2003, p. 39.

contributing to the Barcelona objectives.

- o Programme efficiency by combining the strengths of Eureka and European programmes while overcoming their weaknesses; compared to Eureka, it will avoid uncertainty in national budgets and duplication of evaluation and monitoring procedures.
- o Economic efficiency by reducing the time-to-project, allowing industry to carry out projects more quickly and hence shorten the time-to-market for research results.
- o Economic impacts by achieving the technological objectives in terms of boosting the competitiveness of EU industry.

The ARTEMIS JTI is a pioneering approach that combines the benefits of European integration with rapid adaptability of industrial goals and policies, and allows flexibility in participation and national commitments by Member States in a way that is not possible under current instruments.

The proposal therefore complies with the subsidiarity principle.

- **Proportionality principle**

The proposal complies with the proportionality principle for the following reasons:

The proposed Joint Undertaking is the only simple option that satisfies the constraints and requirements for achieving the objectives of the action. It is a structure that is durable over time, has legal personality and provides a clear legal framework for the collaboration and participation of R&D actors, national authorities and the Community in a public-private partnership.

The participation of all stakeholders is of paramount importance. As the initiative focuses on industrial objectives of key relevance for economic competitiveness, industrial participation is necessary to guide the elaboration of the research priorities and innovation policies. Member States' involvement is needed to mobilise the national funding that constitutes the bulk of the public R&D effort in the area. Finally, the Community has a key role to play in driving the integration process, balancing the different interests of the partners, and adequately monitoring the use of the Community financial contribution.

The proposed action will achieve the necessary integration at EU level while providing flexibility for participation by Member States. It will keep at national level a maximum of decisions such as financial commitments for the Calls for proposals and using, wherever possible, national procedures for concluding grant agreements, processing cost claims, payments and audits.

The Joint Undertaking will establish a lean structure for decision-making and financial and administrative operations, thanks to the use of existing procedures at national level. Such implementation is not disruptive for national administrations, uses contractual models that are familiar to the R&D actors and is particularly cost-effective: the running costs are expected to be below 1.5% of the overall costs of the R&D activities launched by the Joint Undertaking.

- **Choice of instruments**

Proposed instruments: regulation.

Other means would not be adequate for the following reason(s).

The creation of a legal framework that allows to effectively combine private, national and Community resources with the Community participation in the undertaking requires a Council regulation.

4) BUDGETARY IMPLICATION

The budgetary assessment indicates maximum Community expenditure of 420 m€ over the initial period of the ARTEMIS Joint Undertaking (up to 2017), which would need to be committed before 31 December 2013 when the FP7 budget comes to an end. An initial 42.5 m€ is to be committed in 2008.

5) ADDITIONAL INFORMATION

- **Simplification**

The proposal simplifies administrative procedures for public authorities (EU or national) and for private parties.

Compared to the current Eureka's funding arrangements, the Joint Undertaking will result in significant simplification:

- o Removing the budgetary uncertainty, through formal financial commitments by national authorities to the Calls for proposals launched by the Joint Undertaking.
- o Avoiding the duplication of evaluation procedures that are currently applied at both national and intergovernmental levels.
- o Reducing the time and costs involved in preparing R&D proposals.
- o Streamlining reporting procedures during project execution. Projects will report only once to the Joint Undertaking instead of reporting to Eureka and to all States providing financing.

Proposal for a

COUNCIL REGULATION

on the establishment of the "ARTEMIS Joint Undertaking" to implement a Joint Technology Initiative in Embedded Computing Systems

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 171 and 172 thereof,

Having regard to the proposal from the Commission⁴,

Having regard to the opinion of the European Parliament⁵,

Having regard to the opinion of the Economic and Social Committee⁶,

Whereas:

- (1) Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006⁷ concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013), hereinafter referred to as the "Seventh Framework Programme", provides for a Community contribution for the establishment of long term public private partnerships in the form of Joint Technology Initiatives (JTIs) to be implemented through Joint Undertakings within the meaning of Article 171 of the Treaty. These JTIs stem from the work of European Technology Platforms, already set up under the Sixth Framework Programme, and cover selected aspects of research in their field. They should combine private-sector investment and European public funding, including funding from the Seventh Framework Programme.
- (2) Council Decision No 971/2006/EC of 19 December 2006⁸ concerning the specific programme "Cooperation" implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) (hereinafter referred as the "Specific Programme Cooperation"), underlines the need for ambitious pan-European public private partnerships to speed up the development of major technologies by large research actions at Community level including, in particular, JTIs.

⁴ OJ [...],[...], [...],

⁵ OJ [...],[...], [...],

⁶ OJ [...],[...], [...],

⁷ OJ L 412, 30.12.2006, p.1.

⁸ OJ L 400, 30.12.2006, p.86

- (3) The Lisbon Growth and Jobs Agenda underscores the need to develop favourable conditions for investment in knowledge and innovation in the Community to boost competitiveness, growth and jobs.
- (4) In its conclusions of 25-26 November 2004, the Council encouraged the Commission to further elaborate the concepts of Technology Platforms and JTIs. It underlined that such initiatives could contribute to coordinating overall Community research efforts with a view to achieving synergies with the activities of existing schemes such as EUREKA and COST taking into account their important contribution to Research and Development (R&D).
- (5) European companies and other research and development organisations active in the field of Embedded Computing Systems took the lead in establishing the European Technology Platform on Embedded Computing Systems (hereinafter referred as the ARTEMIS Technology Platform) under the Sixth Framework Programme. The ARTEMIS Technology Platform developed a Strategic Research Agenda based on an extensive consultation with public and private stakeholders. The Strategic Research Agenda identified the priorities in the Embedded Computing Systems domain and recommended directions for a JTI in this field.
- (6) The JTI on Embedded Computing Systems responds to the Commission Communications of 6 April 2005⁹ on “Building the ERA of knowledge for growth” and of 20 July 2005¹⁰ on “Common Actions for Growth and Employment: The Community Lisbon Programme”, which call for a new and more ambitious approach to large-scale public-private partnerships in fields of major interest for European competitiveness identified through dialogue with industry.
- (7) The JTI on Embedded Computing Systems responds to the need for support for pervasive Information and Communication Technologies as identified in the Report *"Creating an Innovative Europe"* of January 2006. This report also commends the ARTEMIS Joint Technology model for combining national and Community funding within a clear legal structure and in a harmonised and synchronous manner.
- (8) The JTI on Embedded Computing Systems should create a sustainable public-private partnership and increase and leverage private and public investment in the sector of embedded systems in Europe, which for the purpose of this Regulation include the Members States and Countries associated to the Seventh Framework Programme. The JTI on "Embedded Computing Systems" should also achieve effective coordination and synergy of resources and funding from the Framework Programme, industry, national R&D programmes and intergovernmental R&D schemes (EUREKA), thus contributing to strengthen Europe's future growth, competitiveness and sustainable development. Finally, its objective should be to foster collaboration between all stakeholders such as industry, national authorities, academic and research centres pulling together and focusing the research effort.
- (9) The JTI on "Embedded Computing Systems" should define a commonly agreed research agenda, hereinafter referred to as the "Research Agenda", closely following the recommendations of the Strategic Research Agenda developed by the ARTEMIS Technology Platform. This Research Agenda should identify and regularly review

⁹ COM(2005) 118 final

¹⁰ COM(2005) 330 final

research priorities for the development and adoption of key technologies for Embedded Computing Systems across different application areas in order to strengthen European competitiveness and allow the emergence of new markets and societal applications.

- (10) The JTI on Embedded Computing Systems should address the design, development and deployment of ubiquitous, interoperable and cost-effective, powerful, safe and secure electronic and software systems. It should deliver reference designs and architectures that offer common architectural approaches for given ranges of applications, middleware that allows seamless connectivity and interoperability and integrated system design methods and tools for rapid development and prototyping.
- (11) The ambition and scope of the stated objectives of the JTI on Embedded Computing Systems, the scale of the financial and technical resources that need to be mobilised, and the need to achieve effective coordination and synergy of resources and funding, call for action to be taken by the Community. Therefore, it is necessary to set up a Joint Undertaking (hereinafter referred to as the “ARTEMIS Joint Undertaking”) under Article 171 of the Treaty as a legal entity responsible for the implementation of the JTI on "Embedded Computing Systems". To ensure the appropriate management of R&D activities initiated under the Seventh Framework Programme (2007-2013), the ARTEMIS Joint Undertaking should be set up for a period ending on 31 December 2017, which may be extended.
- (12) The ARTEMIS Joint Undertaking should be a body set up by the Communities and discharge for the implementation of its budget should be given by the European Parliament¹¹, on the recommendation of the Council, taking however into account the specificities resulting from the nature of JTIs as public-private partnerships and in particular from the private sector contribution to the budget.
- (13) The ARTEMIS Joint Undertaking should discharge commitments pursuant to international agreements. To this end, it should be considered as an international organisation within the meaning of Article 22 of Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal service sectors¹², and of Article 15 of Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts¹³.
- (14) The objectives of the ARTEMIS Joint Undertaking should be pursued by pooling resources from the public and private sectors to support R&D Activities in the form of Projects¹⁴. To that end, the ARTEMIS Joint Undertaking should be able to organise competitive calls for proposals for Projects to implement parts of the Research

¹¹ Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the budget of the European Communities, OJ L 357, 31.12.2002 p. 72; corrigendum in OJ L 2, 7.1.2003, p. 39.

¹² OJ L 134, 30.4.2004, p. 1. Directive as last amended by Directive 2006/97/EC (OJ L 363, 20.12.2006, p. 107).

¹³ OJ L 134, 30.4.2004, p. 114. Directive as last amended by Directive 2006/97/EC (OJ L 363, 20.12.2006, p. 107).

¹⁴ "Project" shall mean a research and/or development project that is selected by the ARTEMIS Joint Undertaking following competitive calls for proposals and thereafter partly funded by the ARTEMIS Joint Undertaking

Agenda. The R&D Activities should respect fundamental ethical principles applicable in the Seventh Framework Programme.

- (15) Founding Members of the ARTEMIS Joint Undertaking should be the European Community, [...], and ARTEMISIA, an association representing companies and other R&D organisations active in the field of Embedded Computing Systems in Europe. The ARTEMIS Joint Undertaking should be open to new members;
- (16) The rules for the organisation and operation of the ARTEMIS Joint Undertaking should be laid down in the Statutes of the ARTEMIS Joint Undertaking.
- (17) A letter of commitment to contribute to the establishment and implementation of the ARTEMIS Joint Undertaking as defined in its Statutes has been signed by ARTEMISIA.
- (18) The R&D Activities should be partially supported by the European Community's contribution to the ARTEMIS Joint Undertaking.
- (19) Public funding for the R&D Activities following competitive calls for proposals published by the ARTEMIS Joint Undertaking should consist of national financial contributions from the ARTEMIS Member States and a financial contribution from the ARTEMIS Joint Undertaking. The financial contribution of the ARTEMIS Joint Undertaking should be provided at a percentage of the R&D costs incurred by participants in Projects. This percentage should be equal for all participants in Projects in any given call for proposals.
- (20) Over the duration of the ARTEMIS Joint Undertaking the R&D organisations participating in Projects should provide resources that equal or exceed the total public funding for the R&D Activities.
- (21) The need to ensure stable employment conditions and equal treatment of staff, and in order to attract specialised scientific and technical staff of the highest calibre, requires the application of the Staff Regulations of Officials of the European Communities and the Conditions of Employment of Other Servants of the European Communities, ("the Staff Regulation") to all staff recruited by the ARTEMIS Joint Undertaking.
- (22) In view of the fact that the ARTEMIS Joint Undertaking is not designed to fulfil an economic purpose, it is necessary for the performance of its tasks that the Protocol on the Privileges and Immunities of the European Communities applies to the ARTEMIS Joint Undertaking and its staff.
- (23) As a body endowed with legal personality, the ARTEMIS Joint Undertaking should be accountable for its actions. Where relevant, the Court of Justice of the European Communities should be competent to resolve any disputes arising from the activities of the Joint Undertaking.
- (24) The Commission and the ARTEMIS Joint Undertaking should regularly report on its progress to the Council and to the European Parliament.
- (25) The ARTEMIS Joint Undertaking should have, subject to prior consultation with the Commission, a distinct financial regulation based on the principles of the framework

financial regulation¹⁵ which takes into account its specific operating needs arising, in particular, from the need to combine Community and national funding to support R&D Activities in an efficient and timely manner.

- (26) Appropriate measures should 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 2988/95 of 18 December 1995 on the protection of the European Communities financial interests¹⁶, Council Regulation (EC, Euratom) N° 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 irregularities¹⁷, and Regulation (EC) N°1073/1999 of the European Parliament and of the Council concerning investigations concluded by the European Anti-Fraud Office¹⁸.
- (27) The intellectual property policy should promote knowledge creation and exploitation.
- (28) The Commission and ARTEMISIA should take all necessary preparatory measures for the setting-up of the ARTEMIS Joint Undertaking.
- (29) Since the objective of the proposed action, namely the establishment of the ARTEMIS Joint Undertaking, cannot be sufficiently achieved by the Member States due to the lack of the appropriate legal and organisational framework at European level and can therefore be better achieved at Community level as only the Community action can establish a legal and organisational R&D framework that allows the effective pooling of resources from R&D undertakers, the Commission and national governments, the Community may adopt measures, in accordance with the principle of subsidiary as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

HAS ADOPTED THIS REGULATION:

Article 1
Establishment of a Joint Undertaking

1. For the implementation of the Joint Technology Initiative (JTI) on Embedded Computing Systems, a Joint Undertaking within the meaning of Article 171 of the Treaty hereinafter referred to as the "ARTEMIS Joint Undertaking" is hereby set up for a period ending on 31 December 2017. This period may be extended by a revision of this Regulation.
2. The ARTEMIS Joint Undertaking shall have legal personality. In the Member States, it shall enjoy the most extensive legal capacity accorded to legal persons under the laws of those States. It may, in particular, acquire or dispose of movable and immovable property and be a party to legal proceedings.

¹⁵ Commission Regulation (EC, Euratom) No2343/2002 of 23 December 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the budget of the European Communities, OJ L 357, 31.12.2002 p. 72; corrigendum in OJ L 2, 7.1.2003, p. 39

¹⁶ OJ L 312,23.12.1995, p.1

¹⁷ OJ L 295,15.11.1996, p.2

¹⁸ OJ L 136,31.05.1999, p.1

It shall be considered as an international organisation within the meaning of Article 22(c) of Directive 2004/17/EC¹⁹ and of Article 15 (c) of Directive 2004/18/EC²⁰.

3. The seat of the Joint Undertaking shall be located in Brussels, Belgium.
4. The Statutes of the ARTEMIS Joint Undertaking are set out in the Annex.

Article 2 *Objectives*

The ARTEMIS Joint Undertaking shall contribute to the implementation of the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) and the Theme "Information and Communication Technologies" of the Specific Programme "Cooperation" implementing the Seventh Framework Programme (2007-2013) of the European Community for research, technological development and demonstration activities. It shall, in particular:

- (a) define and implement a Research Agenda for the development of key technologies for Embedded Computing Systems across different application areas in order to strengthen European competitiveness and sustainability and allow the emergence of new markets and societal applications. Activities for the implementation of the Research Agenda are hereinafter referred to as "R&D Activities";
- (b) support the implementation of the R&D Activities notably by awarding funding to participants in selected Projects²¹ following competitive calls for proposals;
- (c) promote a public-private partnership aiming at mobilising and pooling Community, national and private efforts, increasing overall R&D investments in the field of Embedded Computing Systems, and fostering collaboration between the public and private sectors;
- (d) ensure the efficiency and durability of the JTI on Embedded Computing Systems;
- (e) achieve synergy and co-ordination of European R&D efforts in the field of Embedded Computing Systems including the progressive integration into the ARTEMIS Joint Undertaking of the related activities in this field currently implemented through intergovernmental R&D schemes (Eureka).

Article 3 *Members*

1. The founding members of the ARTEMIS Joint Undertaking (hereinafter referred to as "Founding Members") shall be:

¹⁹ OJ L 134, 30.4.2004, p. 1. Directive as last amended by Directive 2006/97/EC (OJ L 363, 20.12.2006, p. 107).

²⁰ OJ L 134, 30.4.2004, p. 114. Directive as last amended by Directive 2006/97/EC (OJ L 363, 20.12.2006, p. 107).

²¹ "Project" shall mean a research and/or development project that is selected by the ARTEMIS Joint Undertaking following competitive calls for proposals and thereafter partly funded by the ARTEMIS Joint Undertaking

- (a) the European Community, represented by the Commission
 - (b) [.....]
 - (c) the ARTEMISIA association (hereinafter referred as “ARTEMISIA”).
2. Provided that they subscribe to the objectives described in Article 2, the following entities may become members of the ARTEMIS Joint Undertaking:
- (a) other Member States and Associated Countries to the Seventh Framework Programme;
 - (b) any non-EU, non-candidate and non-associated country (hereinafter referred to as "Third Country") pursuing R&D policies or programmes in the area of Embedded Computing Systems;
 - (c) any legal entity capable of making a substantial financial contribution to the achievement of the objectives of the ARTEMIS Joint Undertaking.
3. The Founding Members and new members as referred to in paragraph 2 shall be hereinafter referred to as "Members".
4. Member States and Associated Countries which are members of the ARTEMIS Joint Undertaking shall be hereinafter referred to as "ARTEMIS Member States".

Article 4
Sources of financing

1. The activities of the ARTEMIS Joint Undertaking shall be jointly funded through financial contributions paid in partial instalments and in-kind contributions from its Members to support the running costs²² and the R&D Activities.
2. The running costs of the ARTEMIS Joint Undertaking for the period ending on 31 December 2017 shall be supported by the following contributions:
- (a) a financial contribution from ARTEMISIA of up to EUR 20 million or up to 1% of the overall costs of Projects²³, whichever figure is higher, but not exceeding EUR [30] million;
 - (b) a financial contribution from the Community of up to EUR 10 million;
 - (c) in-kind contributions from ARTEMIS Member States.
3. The R&D Activities of the ARTEMIS Joint Undertaking for the period ending on 31 December 2017 shall be supported by the following contributions:

²² Running costs are the costs necessary for the functioning of the ARTEMIS Joint Undertaking excluding the funding of R&D Activities

²³ "Project" shall mean a research and/or development project that is selected by the ARTEMIS Joint Undertaking following competitive calls for proposals and thereafter partly funded by the ARTEMIS Joint Undertaking

- (a) a financial contribution from the Community of up to EUR 410 million to finance Projects;
 - (b) financial contributions from ARTEMIS Member States made in the form of annual commitments to be disbursed directly to research and development organisations participating in the R&D Projects;
 - (c) in-kind contributions by research and development organisations to bear their share of the necessary cost of carrying out the Projects.
4. The maximum Community contribution to the ARTEMIS Joint Undertaking shall be EUR 420 million paid from the budget appropriations allocated to the Theme "Information and Communication Technologies" of the Specific Programme "Cooperation" implementing the Seventh Framework Programme for research, technological development and demonstration (2007-2013), according to the provisions of Article 54(2)(b) of the Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.
5. The arrangements for the Community financial contribution shall be established by means of a general agreement and annual financial agreements to be concluded between the Commission, on behalf of the Community, and the ARTEMIS Joint Undertaking.
6. The financial contributions of the Members to the ARTEMIS Joint Undertaking shall be paid through partial instalments.
7. Any new Member of the ARTEMIS Joint Undertaking other than Member States or Associated Countries shall make a financial contribution to the ARTEMIS Joint Undertaking.

Article 5 Bodies

The Bodies of the ARTEMIS Joint Undertaking shall be:

- the Governing Board;
- the Public Authorities Board;
- the Industry and Research Committee;
- the Executive Director.

Article 6 Financial Regulation

1. The ARTEMIS Joint Undertaking Financial Regulation shall be based on the principles of the Framework Financial Regulation²⁴. It may depart from the

²⁴ Commission Regulation (EC, Euratom) No2343/2002 of 23 December 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No

Framework Financial Regulation where the specific operating needs of the ARTEMIS Joint Undertaking so require and subject to prior consultation with the Commission.

2. The ARTEMIS Joint Undertaking shall have its own internal audit capability.

Article 7
Funding of R&D Activities

1. Public funding for Projects selected following calls for proposals published by the ARTEMIS Joint Undertaking shall consist of the national financial contributions from the ARTEMIS Member States and/or the financial contribution from the ARTEMIS Joint Undertaking.
2. The Community contribution to the ARTEMIS Joint Undertaking shall be used for funding Projects following competitive calls for proposals. The following legal entities shall be eligible for receiving such funding:
 - (a) legal entities established in the ARTEMIS Member States having concluded a grant agreement for such Project with the corresponding national authority following the award procedures of the ARTEMIS Joint Undertaking;
 - (b) legal entities established in Member States or Associated Countries that are not Members of the ARTEMIS Joint Undertaking. In this case, such States may establish administrative arrangements with the ARTEMIS Joint Undertaking to enable the participation of the companies and research and development organisations located in their State.
3. The calls for proposals launched and published by the ARTEMIS Joint Undertaking shall specify the overall budget available for each Call. This budget shall indicate the amounts committed at national level by each ARTEMIS Member State and the estimated amount of the ARTEMIS Joint Undertaking financial contribution. The Calls shall state the evaluation criteria in relation to the objectives of the Call.
4. The ARTEMIS Joint Undertaking financial contribution to the budget of each Call shall be equivalent to 55% of the total amount committed by the ARTEMIS Member States, unless the Public Authorities Board decides otherwise at the proposal of the representative of the Community.
5. Calls, evaluation and selection of proposals shall respect the following rules:
 - (a) Calls for proposals launched by the ARTEMIS Joint Undertaking shall be open to participants established in ARTEMIS Member States and in any other Member State of the European Union or Associated Country.

1605/2002 on the Financial Regulation applicable to the budget of the European Communities, OJ L 357, 31.12.2002 p. 72; corrigendum in OJ L 2, 7.1.2003, p. 39

- (b) Consortia of participants in project proposals submitted in response to these Calls shall include at least three non-affiliated entities²⁵ established in at least three ARTEMIS Member States.
 - (c) The evaluation and selection process shall ensure that allocation of the ARTEMIS Joint Undertaking public funding follows the principles of excellence and competition.
 - (d) Following the evaluation of proposals, the Public Authorities Board shall establish a ranked list of proposals on the basis of clear evaluation criteria and their collective contribution towards achieving the objectives of the Call.
 - (e) The Public Authorities Board shall decide on the selection of proposals and the allocation of public funding to selected proposals up to the limit of the budgets available, taking into account any national eligibility criteria. This decision shall be binding for ARTEMIS Member States without any further evaluation or selection processes.
6. Funding of Projects shall respect the following rules:
- (a) The financial contribution of the ARTEMIS Joint Undertaking to participants in Projects shall be provided at a percentage of the total costs, defined when appropriate by the funding authorities issuing the grant agreements, incurred for implementing the Project. This percentage shall be determined on a yearly basis by the ARTEMIS Joint Undertaking and be up to 16.7%. This percentage shall be equal for all participants in Projects arising from any given call for proposals.
 - (b) ARTEMIS Member States shall establish grant agreements with participants in Projects in accordance with their national rules, in particular as regards eligibility criteria and other necessary financial and legal requirements. When applicable, national financial contributions from ARTEMIS Member States shall be disbursed directly to participants in Projects according to the national grant agreements. ARTEMIS Member States shall undertake best efforts to synchronise the establishment of grant agreements and to disburse their financial contributions in a timely manner.

Article 8
Staff Regulation

1. The Staff Regulations of Officials of the European Communities, the Conditions of Employment of Other Servants of the European Communities and the rules adopted jointly by the European Community institutions for the purpose of applying these Staff Regulations and Conditions of Employment shall apply to the staff of the ARTEMIS Joint Undertaking and its Executive Director.
2. In respect of its staff, the ARTEMIS Joint Undertaking shall exercise the powers conferred on the appointing authority by the Staff Regulations of Officials of the

²⁵ "affiliated entity" as defined in the Rules of Participation of the Seventh Framework Programme 1906/2006 18 December 2006

European Communities and on the authority empowered to conclude contracts by the Conditions of Employment of Other Servants of the European Communities.

3. The Governing Board shall, in agreement with the Commission, adopt the necessary implementing measures, in accordance with arrangements provided for in article 110 of the Staff Regulations of Officials of the European Communities, and the Conditions of Employment of Other Servants of the European Communities.
4. The Governing Board may adopt provisions to allow experts from Members to be seconded to the ARTEMIS Joint Undertaking.

Article 9
Privileges and Immunities

The Protocol on the Privileges and Immunities of the European Communities shall apply to the ARTEMIS Joint Undertaking and its staff.

Article 10
Liability

1. The contractual liability of the ARTEMIS Joint Undertaking shall be governed by law applicable to the relevant contractual provisions.
2. In the case of non-contractual liability, the ARTEMIS Joint Undertaking shall, in accordance with the general principles common to the laws of the Member States, make good any damage caused by its staff in the performance of their duties.
3. Any payment by the ARTEMIS Joint Undertaking in respect of the liability referred to in paragraphs 1 and 2 and the costs and expenses incurred in connection therewith shall be considered as expenditure of the ARTEMIS Joint Undertaking and shall be covered by the resources of the ARTEMIS Joint Undertaking.

Article 11
Jurisdiction of the Court of Justice and applicable law

1. The Court of Justice shall have jurisdiction concerning:
 - (a) in any dispute between the Members which relates to the subject matter of this Regulation and/or the Statutes referred to in Article 1;
 - (b) any arbitration clause contained in agreements and contracts concluded by the ARTEMIS Joint Undertaking;
 - (c) actions brought against the ARTEMIS Joint Undertaking, including decisions of its Bodies, under the conditions provided for in Articles 230 and 232 of the Treaty;
 - (d) disputes related to compensation for damage caused by the staff of the ARTEMIS Joint Undertaking in the performance of their duties.
2. For any matter not covered by this Regulation or by other acts of Community law, the law of the State where the seat of the ARTEMIS Joint Undertaking is located shall apply.

Article 12
Report, evaluation and discharge

1. The Commission shall present to the European Parliament and the Council an annual report on the progress achieved by the ARTEMIS Joint Undertaking.
2. No later than 31 December 2010 and 31 December 2015, the Commission shall conduct interim evaluations of the ARTEMIS Joint Undertaking with the assistance of independent experts. This evaluation shall cover the quality and efficiency of the ARTEMIS Joint Undertaking and progress towards the objectives set. The Commission shall communicate the conclusions thereof, accompanied by its observations to the European Parliament and the Council.
3. By 31 March 2018, the Commission shall conduct a final evaluation of the ARTEMIS Joint Undertaking with the assistance of independent experts. The results of the final evaluation shall be presented to the European Parliament and the Council.
4. Discharge for the implementation of the budget of the ARTEMIS Joint Undertaking shall be given by the European Parliament, upon recommendation of the Council, in accordance with a procedure provided for by the Financial Regulation of the ARTEMIS Joint Undertaking.

Article 13
Protection of the financial interests of the members and anti-fraud measures

1. The ARTEMIS Joint Undertaking shall ensure that the financial interests of its Members are adequately protected by carrying out or commissioning appropriate internal and external controls.
2. In case of irregularities, the Members shall reserve the right to recover amounts unduly spent, including by a reduction or a suspension of subsequent contributions to the ARTEMIS Joint Undertaking.
3. For the purposes of combating fraud, corruption and other illegal acts, Regulation (EC) No1073/1999 shall apply.
4. The Commission or the Court of Auditors may, as necessary, carry out on-the-spot checks among the recipients of the ARTEMIS Joint Undertaking's funding and the agents responsible for its allocation. To that end, the ARTEMIS Joint Undertaking shall ensure that grant agreements and contracts provide for the right of the Commission and of the Court of Auditors to carry out the appropriate controls and, in the event of the detection of irregularities, to impose dissuasive and proportionate penalties.
5. The European Anti-Fraud Office (OLAF) set up by Commission Decision 1999/352/EC, ECSC, Euratom shall enjoy the same powers in respect of the Joint Undertaking and its staff as it enjoys in respect of Commission departments. As soon as the Joint Undertaking is established, it shall accede to the Interinstitutional Agreement of 25 May 1999 between the European Parliament, the Council and the Commission concerning internal investigations by OLAF. The Governing Board shall approve that accession and adopt the necessary measures needed to facilitate internal investigations conducted by OLAF.

Article 14
Confidentiality

The ARTEMIS Joint Undertaking shall ensure the protection of sensitive information, whose disclosure could damage the interests of its Members.

Article 15
Intellectual Property

The ARTEMIS Joint Undertaking shall adopt rules governing the dissemination of research results which ensure that, where appropriate, intellectual property generated in R&D Activities under this Regulation is protected, and that research results are used and disseminated.

Article 16
Preparatory actions

The Commission and ARTEMISIA shall take all necessary preparatory actions for the setting up of the ARTEMIS Joint Undertaking until its bodies are fully operational.

Article 17
Support from the host State

A host agreement shall be concluded between the ARTEMIS Joint Undertaking and the host State concerning office accommodation, privileges and immunities and other support to be provided by Belgium to the ARTEMIS Joint Undertaking.

Article 18

This Regulation shall enter into force on the [...] day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Council
The President*

ANNEX
STATUTES
OF THE
ARTEMIS JOINT UNDERTAKING

Article 1

Name, location, duration, legal personality

1. The name of the Joint Undertaking shall be: "ARTEMIS Joint Undertaking".
2. Its seat shall be located in Brussels, Belgium.
3. The ARTEMIS Joint Undertaking shall be established as from the publication of these Statutes in the Official Journal of the European Communities for a period ending on 31 December 2017.
4. This period may be extended by amending these Statutes in accordance with the provisions of Article 23, taking into account the progress made towards achieving the objectives of the ARTEMIS Joint Undertaking and provided that financial sustainability is ensured.
5. The ARTEMIS Joint Undertaking shall have legal personality. In all the Member States of the European Community it shall enjoy the most extensive legal capacity accorded to legal persons under the laws of those States. It may, in particular, acquire or dispose of movable and immovable property and be a party to legal proceedings.

Article 2

Objectives and tasks

1. The objective of the ARTEMIS Joint Undertaking shall be to contribute to the implementation of the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) and the Theme "Information and Communication Technologies" of the Specific Programme "Cooperation" implementing the Seventh Framework Programme (2007-2013) of the European Community for research, technological development and demonstration activities. It shall, in particular:
 - (a) define and implement a "Research Agenda" for the development of key technologies for Embedded Computing Systems across different application areas in order to strengthen European competitiveness and sustainability, and allow the emergence of new markets and societal applications. Activities for the implementation of the Research Agenda are hereinafter referred to as "R&D Activities";

- (b) support the implementation of the R&D Activities notably by awarding funding to participants in selected Projects²⁶ following competitive calls for proposals;
- (c) promote a public-private partnership aimed at mobilising and pooling Community, national and private efforts, increasing overall R&D investments in the field of Embedded Computing Systems, and fostering collaboration between the public and private sectors;
- (d) ensure the efficiency and durability of the JTI on Embedded Computing Systems;
- (e) achieve synergy and coordination of European R&D efforts into the field of Embedded Computing Systems including the progressive integration in the ARTEMIS Joint Undertaking of the related activities in this field currently implemented through intergovernmental R&D schemes (Eureka).

2. The main tasks of the ARTEMIS Joint Undertaking shall be the following:

- (a) to ensure the establishment and sustainable management of the JTI on Embedded Computing Systems;
- (b) to define and make any necessary adjustment to the Multiannual Strategic Plan including the Research Agenda as referred to in Article 14;
- (c) to define and carry out Annual Implementation Plans for executing the Multiannual Strategic Plan as referred to in Article 14;
- (d) to initiate calls for proposals, to evaluate proposals, and award funding to Projects selected through open, transparent and effective procedures, within the limits of available funds;
- (e) to develop close cooperation and ensure coordination with European, national and transnational activities, bodies and stakeholders, aiming at fostering a fertile innovation environment in Europe and better synergies and exploitation of research and development results in the area of Embedded Computing Systems;
- (f) to monitor progress towards the objectives of the ARTEMIS Joint Undertaking, and make any necessary adjustments in the light of developments occurring during its implementation;
- (g) to manage communication and dissemination of the activities of the ARTEMIS Joint Undertaking subject to confidentiality obligations;
- (h) to publish information on the Projects, including the name of the participants and the amount of the financial contribution of the ARTEMIS Joint Undertaking;

²⁶ "Project" shall mean a research and/or development project that is selected by the ARTEMIS Joint Undertaking following competitive calls for proposals and thereafter partly funded by the ARTEMIS Joint Undertaking

- (i) to carry out any other activity needed to achieve the objectives referred to in paragraph 1.

Article 3
Members

1. The founding members of the ARTEMIS Joint Undertaking (hereinafter referred to as "Founding Members") shall be:
 - (a) the European Community, represented by the Commission;
 - (b) [.....];
 - (c) the ARTEMISIA association (hereinafter referred as "ARTEMISIA"), an association registered under Dutch law (registration No 17201341) with its registered office in Eindhoven (the Netherlands), acting as a representative of companies and other R&D actors operating in the field of Embedded Computing Systems in Europe.
2. Provided that they subscribe to the objectives as described in Article 2(1), the following entities may become members of the ARTEMIS Joint Undertaking:
 - (a) other Member States and Associated Countries to the Seventh Framework Programme;
 - (b) any non-EU, non-candidate and non-associated country (hereinafter referred to as "Third Country") pursuing R&D policies or programmes in the area of Embedded Computing Systems;
 - (c) any other legal entity capable of making a substantial financial contribution to the achievement of the objectives of the ARTEMIS Joint Undertaking.
3. The Founding Members and new members as referred to in paragraph 2 shall hereinafter be referred to as "Members".
4. Member States and Associated Countries members of the ARTEMIS Joint Undertaking shall hereinafter be referred to as "ARTEMIS Member States". Each ARTEMIS Member State shall appoint its representative in the bodies of the ARTEMIS Joint Undertaking and designate the national entity or entities responsible for fulfilling its obligations with respect to implementation of the activities of the ARTEMIS Joint Undertaking.
5. The ARTEMIS Member States and the Commission shall hereinafter be referred to as the "public authorities" of the ARTEMIS Joint Undertaking.

Article 4
Accession and changes to membership

1. Any new membership application to the ARTEMIS Joint Undertaking shall be addressed to the Governing Board in accordance with Article 6 (2)(a).
2. Member States of the European Union or Associated Countries that are not Founding Members of the ARTEMIS Joint Undertaking shall become Members upon

notification to the Governing Board of their written acceptance of these Statutes and of any other provisions governing the functioning of the ARTEMIS Joint Undertaking.

3. Any application for membership of the ARTEMIS Joint Undertaking by Third Countries shall be considered by the Governing Board, which shall make a recommendation to the Commission. The Commission may make a proposal to amend this Regulation on the accession of the Third Country, subject to the successful completion of negotiations with the ARTEMIS Joint Undertaking.
4. Decisions of the Governing Board on accession of any other legal entity or recommendations of the Governing Board on the accession of Third Countries shall be made taking into account the relevance and potential added value of the applicant for the achievement of the objectives of the ARTEMIS Joint Undertaking.
5. Any Member may withdraw from the ARTEMIS Joint Undertaking. Withdrawal shall become effective and irrevocable six months after notification to the other Members following which the former Member shall be discharged from any obligations other than those already existing previous to its withdrawal.

Article 5

Bodies of the ARTEMIS Joint Undertaking

The Bodies of the ARTEMIS Joint Undertaking shall be:

- the Governing Board;
- the Public Authorities Board;
- the Industry and Research Committee;
- the Executive Director.

Article 6

Governing Board

1. Composition and decision-making process
 - (a) The Governing Board shall consist of representatives of the Members of the ARTEMIS Joint Undertaking and the Chairperson of the Industry and Research Committee.
 - (b) Each Member of the ARTEMIS Joint Undertaking shall appoint its representatives and a lead delegate who shall hold the voting rights of the Member in the Governing Board. The Chairperson of the Industry and Research Committee shall have no voting rights.
 - (c) Voting rights for ARTEMISIA and the public authorities shall be equal and shall amount in total to at least 90% of the total votes. The initial distribution of the voting rights shall be 50% for ARTEMISIA and 50% for public authorities.

- (d) The distribution of the votes for the public authorities shall be established annually in proportion to the funds they have committed to Projects²⁷ in the past two financial years. The Commission shall hold a minimum of 10% of the votes.
- (e) For the first financial year, and any subsequent financial years in which two or fewer ARTEMIS Member States have committed public funds to Projects in the previous financial years, the Commission shall hold one third of the votes corresponding to public authorities. The remaining two thirds shall be distributed equally amongst the ARTEMIS Member States.
- (f) Voting rights for any new Member that is not a Member State of the European Union or an Associated Country shall be determined by the Governing Board before accession of this Member to the ARTEMIS Joint Undertaking.
- (g) Decisions shall be adopted by a majority of at least 75% of votes unless otherwise explicitly stated in these Statutes. The Community shall hold a veto right on all decisions taken by this Board relating to the use of its financial contribution, any amendments to these Statutes and the Financial Regulation of the ARTEMIS Joint Undertaking.
- (h) The representatives shall not be personally liable for actions undertaken in their capacity as representatives in the Governing Board.

2. Role and tasks

The Governing Board shall have overall responsibility for the operations of the ARTEMIS Joint Undertaking and shall oversee the implementation of its activities.

The Governing Board shall in particular:

- (a) assess applications and decide or recommend changes in membership in accordance with Article 4;
- (b) decide on the termination of the membership of any Member that is in default of its obligations and has not remedied within a reasonable period set by the Executive Director, notwithstanding the provisions of the Treaty ensuring compliance with Community law;
- (c) approve the Financial Regulation of the ARTEMIS Joint Undertaking according to Article 13 of these Statutes;
- (d) adopt proposed amendments to the Statutes in accordance with Article 23;
- (e) approve the Multiannual Strategic Plan including the Research Agenda;
- (f) supervise the overall activities of the ARTEMIS Joint Undertaking;

²⁷ "Project" shall mean a research and/or development project that is selected by the ARTEMIS Joint Undertaking following competitive calls for proposals and thereafter partly funded by the ARTEMIS Joint Undertaking.

- (g) supervise progress in implementing the Multiannual Strategic Plan;
- (h) approve the Annual Implementation Plan and the Annual Budget Plan, including the staff establishment plan;
- (i) approve the Annual Activity Report and the Annual Accounts and balance sheet;
- (j) appoint, dismiss or replace the Executive Director, provide guidance to the Executive Director, and monitor the Executive Director's performance;
- (k) supervise the internal audit capabilities of the ARTEMIS Joint Undertaking;
- (l) approve the Staff Regulation of the ARTEMIS Joint Undertaking in accordance with Article 18;
- (m) establish committees or working groups to carry out specific tasks as necessary;
- (n) adopt its rules of procedure in accordance with paragraph 3 of this Article;
- (o) assign any task not specifically allocated to one of the other Bodies of the ARTEMIS Joint Undertaking.

3. Rules of procedure

- (a) The Governing Board shall meet at least twice a year, normally at the seat of the ARTEMIS Joint Undertaking.
- (b) The meetings of the Governing Board shall be chaired by the Chairperson of the Industry and Research Committee.
- (c) Unless otherwise decided by the Governing Board, the Executive Director shall participate in the meetings.
- (d) Until the Governing Board has adopted its own rules of procedure the meetings shall be convened by the Commission.
- (e) The quorum of the Governing Board shall be constituted by the Commission, ARTEMISIA and at least three ARTEMIS Member States.

Article 7 *Public Authorities Board*

1. Composition and decision-making process

- (a) The Public Authorities Board shall consist of the public authorities of the ARTEMIS Joint Undertaking.
- (b) Each public authority shall appoint its representatives and a lead delegate who shall hold the voting rights in the Public Authorities Board.

- (c) One third of the voting rights in the Public Authorities Board shall be assigned to the Community; the remaining two thirds shall be allocated to the other members of the Public Authorities Board on an annual basis in proportion to their financial contribution to the activities of the ARTEMIS Joint Undertaking for that year in accordance with Article 10(5) and with an upper limit for any given member of 50% of the total voting rights in this Board.
- (d) If less than three ARTEMIS Member States have communicated to the Executive Director their financial contribution according to Article 10 (5), the Community shall hold one third of the votes and the remaining two thirds shall be distributed equally amongst the ARTEMIS Member States.
- (e) Decisions shall be taken by at least 60% of total votes.
- (f) The representative of the Community shall have a veto right on all issues concerning the use of its own contribution to the ARTEMIS Joint Undertaking.

2. Role and tasks

The Public Authorities Board shall:

- (a) ensure that the principles of fairness and transparency are properly applied in the allocation of public funding to participants in Projects;
- (b) approve the Annual Work Programme upon proposals from the Industry and Research Committee, including the budgets available for calls for proposals;
- (c) approve the rules of procedure for calls for proposals, for the evaluation and selection of proposals and for monitoring of Projects;
- (d) upon proposal of the representative of the Community, decide on the ARTEMIS Joint Undertaking financial contribution to the budget of the calls for proposals;
- (e) approve the launch of calls for proposals;
- (f) approve the selection of project proposals to receive public funding following calls for proposals;
- (g) upon proposal of the representative of the Community, decide on the percentage of the ARTEMIS Joint Undertaking's financial contribution referred to in Article 16(5)(a) to participants in Projects arising from calls for proposals in any given year.;
- (h) adopt its rules of procedure in accordance with paragraph 3 of this Article.

3. Rules of procedure

- (a) The Public Authorities Board shall meet at least twice a year, normally at the seat of the ARTEMIS Joint Undertaking.
- (b) The Public Authorities Board shall elect its Chairperson.

- (c) Until the Public Authorities Board has adopted its rules of procedure, the meetings shall be convened by the Commission.
- (d) The quorum of the Public Authorities Board shall be constituted by the Commission and at least three ARTEMIS Member States.

Article 8 – Industry and Research Committee

1. Composition

- (a) ARTEMISIA shall appoint the members of the Industry and Research Committee.
- (b) The Industry and Research Committee shall consist of no more than 25 members.

2. Role and tasks

The Industry and Research Committee shall:

- (a) elaborate the draft Multiannual Strategic Plan, including the content and update of the Research Agenda, and submit it to the Governing Board for approval;
- (b) prepare the draft Annual Work Programme, including proposals for the content of calls for proposals to be launched by the ARTEMIS Joint Undertaking;
- (c) elaborate proposals regarding the technological, research and innovation strategy of the ARTEMIS Joint Undertaking;
- (d) elaborate proposals for activities regarding the creation of open innovation environments, promoting the participation of SMEs, developing standards transparently and with openness to participation, international cooperation, dissemination and public relations;
- (e) advise the other Bodies on any issue related to planning and operating research and development programmes, fostering partnerships and leveraging resources in Europe in order to achieve the objectives of the ARTEMIS Joint Undertaking;
- (f) appoint working groups where necessary under the overall coordination of one or more members of this Committee in order to achieve the above tasks;
- (g) adopt its rules of procedure in accordance with paragraph 3 of this Article.

3. Rules of procedure

- (a) The Industry and Research Committee shall meet at least twice a year.
- (b) The Industry and Research Committee shall elect its Chairperson.
- (c) Until the Industry and Research Committee has adopted its own rules of procedure, the meetings shall be convened by ARTEMISIA.

Article 9 – Executive Director

1. The Executive Director shall be the chief executive responsible for the day-to-day management of the ARTEMIS Joint Undertaking and be its legal representative. He/she shall perform his/her tasks with independence and shall be accountable to the Governing Board.
2. The Executive Director shall be appointed by the Governing Board from a list of candidates proposed by the Commission, for a period of up to three years. After an evaluation of the Executive Director's performance, the Board may extend the term of office once for a further period of not more than four years.
3. The role and tasks of the Executive Director shall be:
 - (a) to prepare the Annual Implementation Plan and the Annual Budget Plan, in collaboration with the Industry and Research Committee, and submit them to the Governing Board for approval;
 - (b) to oversee the organisation and execution of all activities needed to carry out the Annual Implementation Plan within the framework and the rules laid down by these Statutes and subsequent decisions adopted by the Governing Board and the Public Authorities Board;
 - (c) to prepare the Annual Activity Report and the Annual Accounts and balance sheets and submit them to the Governing Board for approval;
 - (d) to present proposals on the internal functioning of the ARTEMIS Joint Undertaking to the Governing Board for approval;
 - (e) to present proposals on the rules of procedure for calls for proposals launched by the ARTEMIS Joint Undertaking, including the associated project proposal evaluation and selection process to the Public Authorities Board for approval;
 - (f) to manage the launch of calls for proposals, the process of evaluating and selecting project proposals and negotiating grant agreements for selected proposals, and the subsequent periodic monitoring and follow-up of Projects within the mandate given by the Public Authorities Board;
 - (g) to conclude grant agreements for the implementation of the R&D Activities as referred to in Article 15 and 16, and service and supply contracts necessary for the operations of the ARTEMIS Joint Undertaking as referred to in Article 17;
 - (h) to authorise all payments due by the ARTEMIS Joint Undertaking;
 - (i) to establish and implement the necessary measures and actions for assessing the progress of the ARTEMIS Joint Undertaking towards achieving its objectives, including independent monitoring and auditing to assess the effectiveness and performance of the ARTEMIS Joint Undertaking;
 - (j) to organise Project reviews and technical audits for the assessment of research and development results, and to report to the Governing Board on the overall results;

- (k) to carry out financial audits, directly or through the national public authorities, on Project participants as necessary, in compliance with the Financial Regulation of the ARTEMIS Joint Undertaking;
 - (l) to negotiate the conditions for accession of new members of the ARTEMIS Joint Undertaking, on behalf of and within the mandate of the Governing Board;
 - (m) to carry out any other necessary action for the successful achievement of the ARTEMIS Joint Undertaking's objectives not provided for in the Annual Implementation Plan, within any limits and conditions established by the Governing Board;
 - (n) to convene meetings of the Governing Board and of the Public Authorities Board and to attend where appropriate these meetings as an observer;
 - (o) to provide the Governing Board with any information requested by it;
 - (p) to submit to the Governing Board his/her proposal(s) concerning the organisation structure of the Secretariat;
 - (q) to be fully responsible for decisions on personnel management regarding the staff of the ARTEMIS Joint Undertaking;
 - (r) to perform risk assessment and risk management analysis and to propose to the Governing Board any insurance that it may be necessary for the ARTEMIS Joint Undertaking to take out in order to meet its obligations.
4. A Secretariat under the responsibility of the Executive Director shall be established to provide support in all his/her tasks, including:
- (a) secretarial support for the Bodies of the ARTEMIS Joint Undertaking;
 - (b) operational support for evaluating proposals and monitoring Projects, including support in organising calls for proposals and arranging for Project reviews and technical audits;
 - (c) establishment and management of an appropriate internal audit and accounting system;
 - (d) financial tasks, including payments of financial contributions from the ARTEMIS Joint Undertaking to participants in Projects;
 - (e) support for communication activities such as public relations, publication and dissemination activities and organisation of events;
 - (f) managing invitations to tender for ARTEMIS Joint Undertaking goods/services requirements according to the Financial Regulation of the ARTEMIS Joint Undertaking.
5. Non-financial tasks of the Secretariat may be contracted by the ARTEMIS Joint Undertaking to external service providers. Such contracts shall be established in

accordance with the provisions of the Financial Regulation of the ARTEMIS Joint Undertaking.

Article 10 – Sources of financing

1. All resources of the ARTEMIS Joint Undertaking shall be devoted to achieving the objectives laid down in Article 2 of these Statutes.
2. The resources of the ARTEMIS Joint Undertaking entered to its budget shall be composed of:
 - (a) Members' contributions to the running costs, except for the ones referred to in paragraph 4(c);
 - (b) a Community contribution to fund the R&D Activities;
 - (c) any revenue generated by the ARTEMIS Joint Undertaking;
 - (d) any other contributions and revenues.

Any interest yielded by the contributions paid by Members shall be considered to be revenue of the ARTEMIS Joint Undertaking.

3. Any legal entity that is not a Member may make in-kind or cash contributions to the resources of the ARTEMIS Joint Undertaking under the terms and conditions negotiated by the Executive Director on behalf of and within the mandate granted by the Governing Board.
4. The running costs²⁸ of the ARTEMIS Joint Undertaking for the period ending on 31 December 2017 shall be borne by its members:
 - (a) ARTEMISIA shall make a contribution of up to EUR 20 million or up to 1% of the overall costs of Projects, whichever figure is higher, but not exceeding EUR 30 million;
 - (b) the Community shall make a contribution of up to EUR 10 million;
 - (c) ARTEMIS Member States shall make in-kind contributions to the running costs by facilitating the implementation of Projects and the granting of public funds as referred to in Articles 15 and 16;
 - (d) the contributions of the Community and ARTEMISIA shall be made available in accordance with the provisions of the relevant Annual Budget Plan. Partial instalments shall be provided on the basis of the Joint Undertaking's financial needs.
5. The R&D Activities of the ARTEMIS Joint Undertaking for the period ending on 31 December 2017 shall be supported through:

²⁸ Running costs are the costs necessary for the functioning of the ARTEMIS Joint Undertaking excluding the funding of R&D Activities

- (a) a financial contribution from the Community of up to EUR 410 million to finance Projects;
 - (b) financial contributions from ARTEMIS Member States that shall amount in total to at least 1.8 times the Community's financial contribution. These financial contributions shall be paid to Project participants according to the provisions of Articles 15 and 16. Every year, ARTEMIS Member States shall communicate to the Executive Director by a date determined by the Governing Board their national financial commitments reserved for calls for proposals to be launched by the ARTEMIS Joint Undertaking taking into account the scope of the supported R&D Activities addressed in the Calls;
 - (c) in-kind contributions by research and development organisations participating in Projects which shall bear their share of the necessary cost of carrying out the Projects. Their overall contribution over the duration of the ARTEMIS Joint Undertaking shall be equal to or greater than the contribution of public authorities.
6. The financial contributions of the Members to the ARTEMIS Joint Undertaking shall be paid through partial instalments in accordance with the provisions of the Annual Budget Plan.
7. Should any Member of the ARTEMIS Joint Undertaking be in default of its commitments concerning its agreed financial contribution to the ARTEMIS Joint Undertaking, the Executive Director shall convene a meeting of the Governing Board to decide whether the remaining Members should revoke the defaulting Member's membership or if any other measures should be taken until its obligations have been met.
8. The ARTEMIS Joint Undertaking shall own all assets generated by or transferred to it for the fulfilment of its objectives as described in Article 2, unless otherwise specified.

Article 11 - Financial revenues

Except when the ARTEMIS Joint Undertaking is wound up pursuant to Article 22, any excess revenue over expenditure shall not be paid to the Members of the ARTEMIS Joint Undertaking.

Article 12 – Financial year

The financial year shall correspond to the calendar year.

Article 13 – Financial Regulation

1. The Financial Regulation of the ARTEMIS Joint Undertaking shall be adopted by the Governing Board.
2. The purpose of the Financial Regulation is to ensure the sound financial management of the ARTEMIS Joint Undertaking.

3. The Financial Regulation shall be based on the principles of the Framework Financial Regulation²⁹ and shall include provisions for the planning and implementation of the budget of the ARTEMIS Joint Undertaking. The Financial Regulation may depart from the Framework Financial Regulation where the specific operating needs of the ARTEMIS Joint Undertaking so require and subject to prior consultation with the Commission.
4. Discharge for the implementation of the budget of the ARTEMIS Joint Undertaking shall be given by the European Parliament, upon recommendation of the Council, in accordance with a procedure that shall be provided for by the Financial Regulation of the ARTEMIS Joint Undertaking.

Article 14 – Planning and reporting

1. The Multiannual Strategic Plan shall specify the strategy and plans for achieving the objectives of the ARTEMIS Joint Undertaking, including the Research Agenda.
2. The Annual Work Programme shall describe the scope and budget of calls for proposals needed to implement the Research Agenda for a particular year.
3. The Annual Implementation Plan shall specify the plan for the execution of all the activities of the ARTEMIS Joint Undertaking for a particular year, including planned calls for proposals and actions needing to be implemented through Calls for tenders. The Annual Implementation Plan shall be presented by the Executive Director to the Governing Board together with the Annual Budget Plan.
4. Annual Budget Plan: every year, the Executive Director shall present to the Governing Board a preliminary draft Annual Budget Plan containing a forecast of annual expenditure for the following two years and including the staff establishment plan. Within this forecast, the estimates of revenue and expenditure for the first of those two years shall be drawn up in such detail as is necessary for the internal budgetary procedure of each Member regarding its financial contributions to the ARTEMIS Joint Undertaking. The Executive Director shall supply the Governing Board with all supplementary information needed for this purpose.

The members of the Governing Board shall communicate to the Executive Director its comments on the preliminary draft Annual Budget Plan and in particular on the estimates of resources and expenditure for the following year. Taking into account the comments received from the members of the Governing Board, the Executive Director shall prepare the draft Annual Budget Plan for the following year in collaboration with the Industry and Research Committee. Before 1 September of each year, the Executive Director shall submit the Annual Budget Plan to the Governing Board for approval.

The Annual Budget Plan and the Annual Implementation Plan for a particular year

²⁹ Commission Regulation (EC, Euratom) No2343/2002 of 23 December 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the budget of the European Communities, OJ L 357, 31.12.2002 p. 72; corrigendum in OJ L 2, 7.1.2003, p. 39

shall be adopted by the Governing Board of the ARTEMIS Joint Undertaking by 31 October of the previous year.

5. The Annual Activity Report shall present progress made by the ARTEMIS Joint Undertaking in each calendar year, in particular in relation to the Multiannual Strategic Plan and the Annual Implementation Plan for that year.

The Annual Activity Report shall be presented by the Executive Director together with the Annual Accounts and balance sheets.

6. Annual Accounts and balance sheets: within two months of the closure of each financial year, the Annual Accounts and balance sheets for the preceding year shall be submitted by the Executive Director to the Governing Board for approval. The Annual Accounts and balance sheets for the preceding year shall be submitted to the European Court of Auditors.

Article 15 - Implementation of R&D Activities

1. The ARTEMIS Joint Undertaking shall support R&D Activities through competitive calls for proposals, independent evaluation and selection of proposals, allocation of public funding to selected proposals, and the funding of Projects.
2. The ARTEMIS Joint Undertaking shall conclude grant agreements with Project participants for the implementation of the Projects. These grant agreements shall refer to and, where appropriate, rely on corresponding national grant agreements as referred to in Article 16(5)(b).
3. In order to enable the implementation of Projects and the granting of public funds, the ARTEMIS Joint Undertaking shall establish administrative arrangements with the national entities designated by the ARTEMIS Member States for that purpose, in line with the Financial Regulation of the ARTEMIS Joint Undertaking.
4. Member States of the European Union or Associated Countries that are not Members of the ARTEMIS Joint Undertaking may conclude similar arrangements with the ARTEMIS Joint Undertaking.
5. The ARTEMIS Joint Undertaking shall set up the procedures for the supervision and control of the R&D Activities, including provisions for monitoring and technical auditing of Projects. The ARTEMIS Member States shall not require additional monitoring and technical audit reports other than those required by the ARTEMIS Joint Undertaking.

Article 16 – Funding of Projects

1. Public funding to Project participants shall consist of the national financial contributions of the ARTEMIS Member States, and/or of the financial contribution of the ARTEMIS Joint Undertaking. Any public support under this initiative is without prejudice to the procedural and material State aid rules when applicable.
2. The calls for proposals launched and published by the ARTEMIS Joint Undertaking shall specify the overall budget available for each Call. This budget shall indicate the amounts committed at national level by each ARTEMIS Member State and the

amount of the ARTEMIS Joint Undertaking's financial contribution. The Calls shall state the evaluation criteria in relation to the objectives of the Call.

3. The ARTEMIS Joint Undertaking's financial contribution to the budget for each Call shall be equivalent to 55% of the total amount committed by the ARTEMIS Member States, unless the Public Authorities Board decides otherwise on a proposal from the representative of the Community.
4. Calls, evaluation and selection of proposals
 - (a) Calls for proposals launched by the ARTEMIS Joint Undertaking shall be open to participants established in ARTEMIS Member States and in any other Member State of the European Union or Associated Country.
 - (b) Consortia of participants in project proposals submitted in response to these Calls shall include at least three non-affiliated entities³⁰ established in at least three ARTEMIS Member States.
 - (c) The evaluation and selection process shall ensure that allocation of the ARTEMIS Joint Undertaking's public funding follows the principles of excellence and competition³¹.
 - (d) Following the evaluation of proposals, the Public Authorities Board shall establish a ranked list of proposals on the basis of clear evaluation criteria and their collective contribution towards achieving the objectives of the Call.
 - (e) The Public Authorities Board shall decide on the selection of proposals and the allocation of public funding to selected proposals up to the limit of the budgets available, taking into account any national eligibility criteria. This decision shall be binding for ARTEMIS Member States without any further evaluation or selection processes.

³⁰ "affiliated entity" as defined in the Rules for Participation in the Seventh Framework Programme 1906/2006 18 December 2006

³¹ In particular, the evaluation and selection of projects should be consistent with the criteria spelled out in the Community Framework for State aid for Research and Development and Innovation (OJ C 323 of 30.12.2006, p. 1) and the Guidelines on the applicability of Article 81 of the EC Treaty to horizontal cooperation agreements, Official Journal C 003 , 06/01/2001 P. 0002 – 0030)

5. Funding of Projects

- (a) The financial contribution of the ARTEMIS Joint Undertaking to participants in Projects shall be provided at a percentage of the total costs³² incurred for implementing the Project. This percentage shall be determined on a yearly basis by the Public Authorities Board and be up to 16.7%. This percentage shall be equal for all participants in Projects arising from any given call for proposals.
- (b) ARTEMIS Member States shall establish grant agreements with participants in Projects in accordance to their national rules, in particular as regards eligibility criteria and other necessary financial and legal requirements. When applicable, national financial contributions from ARTEMIS Member States shall be disbursed directly to participants in Projects according to the national grant agreements. ARTEMIS Member States shall undertake best efforts to synchronise the establishment of grant agreements and to disburse their financial contributions in a timely manner.

Article 17 – Service and supply contracts

The ARTEMIS Joint Undertaking shall set up all the appropriate procedures and mechanisms for the implementation, supervision and control of service and supply contracts concluded where necessary for the operations of the ARTEMIS Joint Undertaking.

Article 18 – Staff resources

1. The staff resources shall be determined in an establishment plan to be set out in the Annual Budget Plan.
2. The members of the staff of the ARTEMIS Joint Undertaking shall be temporary agents and contract agents and shall have fixed-term contracts extendable once up to a maximum total period of seven years.
3. The staff expenditure shall be borne by the ARTEMIS Joint Undertaking.
4. Any Member of the ARTEMIS Joint Undertaking or the host State may propose to the Executive Director that it second members of its staff to the Secretariat of the ARTEMIS Joint Undertaking.

Article 19 – Liability, insurance

1. The contractual liability of the ARTEMIS Joint Undertaking shall be governed by the relevant contractual provisions and by the law applicable to the agreement or contract in question.
2. In the case of non-contractual liability, the ARTEMIS Joint Undertaking shall, in accordance with the general principles common to the laws of the Member States, make good any damage caused by its staff in the performance of their duties.

³² "Total costs" as defined where appropriate by the funding authorities issuing the grant agreements

3. Any payment by the ARTEMIS Joint Undertaking in respect of the liability referred to in paragraphs 1 and 2 and the costs and expenses incurred in connection therewith shall be considered as expenditure of the ARTEMIS Joint Undertaking and shall be covered by the resources of the ARTEMIS Joint Undertaking.
4. The ARTEMIS Joint Undertaking shall be solely responsible for meeting its obligations.
5. The ARTEMIS Joint Undertaking shall not be responsible for meeting the financial obligations of its Members. It shall not be liable for any ARTEMIS Member State failing to meet its obligations resulting from calls for proposals launched by the ARTEMIS Joint Undertaking.
6. The Members are not liable for any of the ARTEMIS Joint Undertaking's financial obligations. The financial liability of the Members is an internal liability towards the ARTEMIS Joint Undertaking only, and is limited to their commitment to contribute to the resources as set out in Article 10(2).
7. The financial liability of the ARTEMIS Joint Undertaking for its debts is limited to the contributions that the Members have made to the running costs as set out in Article 10 (2).
8. The ARTEMIS Joint Undertaking shall take out and maintain appropriate insurance.

Article 20 - Conflict of interests

The ARTEMIS Joint Undertaking shall avoid any conflict of interests in the implementation of its activities.

Article 21 – Protection of financial interests

1. The ARTEMIS Joint Undertaking shall carry out on-the-spot checks and financial audits among the recipients of the ARTEMIS Joint Undertaking's public funding. These checks and audits shall be performed either directly by the ARTEMIS Joint Undertaking or by ARTEMIS Member States on its behalf.
2. The Commission or the European Court of Auditors may, as necessary, carry out on-the-spot checks among the recipients of the ARTEMIS Joint Undertaking's funding and the agents responsible for allocating it. To that end, the ARTEMIS Joint Undertaking shall ensure that its grant agreements and contracts provide for the right of the Commission and of the Court of Auditors to carry out the appropriate controls and, in the event of detection of irregularities, to impose dissuasive and proportionate penalties.
3. The European Anti-Fraud Office (OLAF) set up by Commission Decision 1999/352/EC, ECSC, Euratom shall enjoy the same powers in respect of the Joint Undertaking and its staff as it enjoys in respect of Commission departments. As soon as the Joint Undertaking is established, it shall accede to the Interinstitutional Agreement of 25 May 1999 between the European Parliament, the Council and the Commission concerning internal investigations by OLAF. The Governing Board shall approve that accession and adopt the necessary measures needed to facilitate internal investigations conducted by OLAF.

Article 22 – Winding up

1. At the end of the period provided for in Article 1(3), the ARTEMIS Joint Undertaking shall be wound up.
2. The winding-up procedure shall be automatically triggered if the Commission withdraws from the ARTEMIS Joint Undertaking.
3. For the purpose of conducting the proceedings involved in liquidating the ARTEMIS Joint Undertaking, the Governing Board shall appoint one or more liquidators, who shall comply with the decisions of the Governing Board.
4. When the ARTEMIS Joint Undertaking is being wound up, it shall return to the host State any physical support item made available by the host State in accordance with the host agreement referred to in Article 25.
5. When any physical asset has been dealt with as provided for in paragraph 4, any further assets shall be used to cover the liabilities of the ARTEMIS Joint Undertaking and the costs relating to its winding-up. Any surplus or deficit shall be distributed among or met by the Members existing at the time of the winding-up in proportion to their actual contribution to the ARTEMIS Joint Undertaking.
6. Remaining assets shall be distributed to the Members existing at the time of the winding-up in proportion to their actual contribution to the ARTEMIS Joint Undertaking.
7. An *ad hoc* procedure shall be set up to ensure the appropriate management of any grant agreement and service and supply contract concluded by the ARTEMIS Joint undertaking, with a duration longer than the duration of the ARTEMIS Joint Undertaking.

Article 23 – Amendments to the Statutes

1. The present Statutes of the ARTEMIS Joint Undertaking shall enter into force following their approval by the Founding Members at the first meeting of the Governing Board.
2. Any Member of the ARTEMIS Joint Undertaking may submit a draft proposal for amending the Statutes to the Governing Board.
3. Proposals for amendments to the Statutes shall be approved by the Governing Board according to the provisions of Article 6 and submitted to the Commission for decision.
4. Notwithstanding paragraph 3, any amendment proposed to Article 1(3), Article 4 (3), Article 10(4)(b) Article 10(5)(a) shall be considered as an essential aspect and therefore subject to a revision of this Regulation.
5. Proposals for amendments to the Statutes of ARTEMISIA shall be notified to the Governing Board of the ARTEMIS Joint Undertaking at least forty-five days in advance of their adoption.

Article 24 – Intellectual property policy

1. The objective of the intellectual property policy as laid down in this Article is to promote the creation of knowledge and its exploitation, to achieve fair allocation of rights, to reward innovation, and to achieve broad participation of private and public entities in Projects.
2. For the purposes of this Article:
 - (a) “Information” shall mean any drawings, specifications, photographs, samples, models, processes, procedures, instructions, software, reports, papers, or any other technical and/or commercial information, know-how, data or documents of any kind, including oral information, other than subject matter protected by “Intellectual Property Rights” (IPR);
 - (b) “Intellectual Property Rights” (IPR) shall mean any intellectual property rights, including patents, utility models and utility certificates, industrial design rights, copyrights, trade secrets, database rights, topographies of semiconductor products’ rights, as well as any registrations, applications, divisions, continuations, re-examinations, renewals or reissues of any of the foregoing, excluding trademarks and trade names;
 - (c) “Background Information” shall mean any information which is owned or controlled by a Project participant on the effective date of the corresponding Project Agreement, or in respect of which ownership or control is acquired by a Project participant as a result of activities outside the framework of the Project;
 - (d) “Background IPR” shall mean any IPRs which are owned or controlled by a Project participant on the effective date of the corresponding Project Agreement, or in respect of which ownership or control is acquired during the term of the corresponding Project agreement as a result of activities outside the framework of the Project;
 - (e) “Background” shall mean Background Information and Background IPR;
 - (f) “Foreground Information” shall mean any Information that is generated as a result of the activities conducted within the framework of a Project concerned, as specified in the corresponding Project Agreement;
 - (g) “Foreground IPR” shall mean any IPRs that are generated as a result of the activities conducted within the framework of the Project concerned as specified in the corresponding Project Agreement;
 - (h) “Foreground” shall mean Foreground Information and Foreground IPR;
 - (i) “Access Right” shall mean non-exclusive licences and user rights to Foreground or Background, which rights shall not include the right to sublicense unless otherwise agreed upon in the Project Agreement;
 - (j) “Needed” shall mean “technically essential” for the implementation of the Project and/or in respect of use of Foreground and, where Intellectual Property

Rights are concerned, shall mean that those Intellectual Property Rights would be infringed if the Access Rights were not granted;

- (k) “Use” shall mean the developing, creating and marketing of a product or process for creating and providing a service as may be further defined in the applicable Project Agreement;
 - (l) "Dissemination" shall mean the disclosure of Foreground by any appropriate means other than that resulting from the formalities for protecting it, and including the publication of Foreground in any medium;
 - (m) “Project Agreement” shall mean an agreement between Project participants setting forth all or part of the terms and conditions that apply between them regarding a specific Project, such as a project consortium agreement, which agreement shall include without limitation Access Rights in accordance with this Article;
 - (n) “Transfer Conditions” means financial conditions that have a value lower than fair and reasonable conditions, normally the cost of making the Access Rights available.
3. Without prejudice of Community competition rules, the intellectual property arrangements in Projects shall be governed by the following principles:
- 3.1. Ownership
 - 3.1.1. The Joint Undertaking shall own any tangible and intangible assets created with its own resources or transferred to it for the implementation of the ARTEMIS Joint Undertaking, unless otherwise specified.
 - 3.1.2. Notwithstanding the provisions above, the ARTEMIS Joint Undertaking shall not retain any Information or IPR created in Projects.
 - 3.1.3. Each participant in a Project remains the owner of its Background. Participants may define the Background needed for the purposes of the ARTEMIS Joint Undertaking Project in a written project agreement and, where appropriate, may exclude specific background.
 - 3.1.4. Foreground arising from work carried out under Projects shall be the property of the participant(s) carrying out the work generating that Foreground according to the arrangements described in the grant and Project Agreements and the principles laid down in this Article.
 - 3.2. Access Rights
 - 3.2.1. Project participants in the same Project shall conclude among themselves a Project Agreement that shall govern, inter alia, the Access Rights to be granted in accordance with this Article. Project participants may define the Background needed for the purposes of the Project and, where appropriate, may agree to exclude specific Background.

- 3.2.2. Access Rights to Background shall be granted to other participants in the same Project if such Background is needed by those other participants to carry out their own work in the Project, provided that the owner is entitled to grant such rights. Access Rights shall be granted on Transfer Conditions to be agreed by the Project participants concerned, unless otherwise agreed by all participants in the Project Agreement.
- 3.2.3. Access Rights to Foreground shall be granted to other participants in the same project if such Foreground is needed by those other participants to carry out their own work in the project. Such Access Rights shall be granted on a royalty-free non-exclusive and non-transferable basis.
- 3.2.4. Participants in the same Project shall enjoy Access Rights to Background if this is needed for the Use of their own Foreground of that Project, provided that the owner of the Background is entitled to grant them. Such Access Rights shall be granted on a non-exclusive basis on fair, reasonable and non-discriminatory conditions.
- 3.2.5. Participants in the same Project shall enjoy Access Rights to Foreground if this is needed for their own Use. Such Access Rights shall be granted on a non-transferable non-exclusive basis either royalty-free or on fair, reasonable and non-discriminatory conditions.
- 3.2.6. Subject to the agreement of all the owners concerned, Access Rights to Foreground for the purposes of pursuing further research activities shall be granted to a third party on fair and reasonable conditions to be agreed.
- 3.3. Protection, Use and Dissemination
- 3.3.1. Where Foreground is capable of being profitably exploited, its owner (i) shall provide for its appropriate and effective protection, having due regard to its legitimate interests, particularly commercial interests, and those of the other participants in the Project concerned and (ii) shall use it or ensure that it is used.
- 3.3.2. Each participant shall ensure that the Foreground of which it has ownership is disseminated without undue delay.
- 3.3.3. All dissemination activities shall be compatible with the protection of intellectual property rights, confidentiality obligations, and the legitimate interest of the owners of the Foreground.
- 3.3.4. Prior notice of any dissemination activity regarding Foreground, Background or confidential information owned by other participants in the same Project or other data or information that is amalgamated with such other participants Foreground, Background or confidential information, shall be given to such other participants. Within 45 days following such notification, any of those participants may object in writing if its legitimate interests in relation to its Foreground or Background may be harmed by such dissemination. In such cases, the dissemination activity may not take place unless appropriate steps are taken to safeguard those legitimate interests.
- 3.3.5. All publications, patent applications filed by or on behalf of a participant, or any other dissemination relating to Foreground shall include a statement that the Foreground concerned was generated with financial support from the ARTEMIS

Joint Undertaking. All dissemination activities shall be compatible with the protection of intellectual property rights, confidentiality obligations, and the legitimate interest of the owners of the Foreground.

3.4. Transfer

- 3.4.1. Where a participant transfers ownership of Foreground, it shall pass on its obligations regarding such Foreground to the transferee including the obligation to pass those obligations on to any subsequent transferee. These obligations shall include those relating to the granting of Access Rights, and dissemination and use.
- 3.4.2. Subject to its obligations concerning confidentiality, where a Project participant is required to pass on its obligations to provide access rights, it shall give at least 45 days prior notice to the other participants of the envisaged transfer³³, together with sufficient information concerning the envisaged new owner of the Foreground to permit the other participants to exercise their access rights. Following notification, any other participant may object within 30 days or within a different time-limit agreed in writing, to any envisaged transfer of ownership on the grounds that it would adversely affect its access rights. Where any of the other participants demonstrate that their access rights would be adversely affected, the intended transfer shall not take place until agreement has been reached between participants concerned.

Article 25 – Agreement with the host State

A host agreement shall be concluded between the ARTEMIS Joint Undertaking and the host State.

Article 26 – Applicable law

In any matter not covered by these Statutes or by acts of Community law, the law of the State where the seat of the ARTEMIS Joint Undertaking is located shall apply.

³³ The participants may, by written agreement, agree on a different time-limit or waive their right to prior notice in the case of transfers of ownership from one participant to a specifically identified third party

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

Council regulation on the establishment of the "ARTEMIS Joint Undertaking" to implement a Joint Technology Initiative in Embedded Computing Systems..

2. ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities:

Research and Technological Development: 7th Framework Programme

3. BUDGET LINES

3.1. Budget lines including headings:

09 04 01 10 "Research and Development activities of the ARTEMIS JTI "

09 04 01 20 "Support expenditure for the ARTEMIS JTI "

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

The ARTEMIS Joint Undertaking is expected to be established by means of a Council Regulation in autumn 2007 for an initial period up to 31 December 2017.

3.3. Budgetary characteristics:

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
09.040110	Non-comp	Diff	YES	YES	YES	No [1A]
09.040120	Non-comp	Non-diff	YES	YES	YES	No [1A]

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		Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012 and later	Total
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Operational expenditure³⁴

Commitment Appropriations (CA)	8.1	a	0	41	53.5	63.5	75.5	176.5	410
Payment Appropriations (PA) ³⁵		b	0	12.45	28.5	47.55	61.9	259.6	410

Administrative expenditure³⁶ within reference amount³⁷

Technical & administrative assistance (NDA)	8.2.4	c	0	1.5	2.0	2.0	1.5	3	10
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TOTAL REFERENCE AMOUNT³⁸

Commitment Appropriations		a+c	0	42.5	55.5	65.5	77	179.5	420
Payment Appropriations		b+c	0	13.95	30.5	49.55	63.4	262.6	420

Administrative expenditure not included in reference amount³⁹

Human resources and associated expenditure (NDA)	8.2.5	d	0.088	0.351	0.351	0.351	0.351	2.106	3.598
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³⁴ Expenditure 09 04 01 10 "Research and Development activities of the ARTEMIS JTI".

³⁵ Payment appropriations are calculated on the basis of average duration of projects (2,5 years) and payments over 4 years of which 30% in Y1 (advance payment), 10% in Y4, and 30% in Y2 and Y3

³⁶ Expenditure to cover the running costs of the JTI.

³⁷ Expenditure 09 04 01 20 "Support expenditure for the ARTEMIS JTI".

³⁸ The **reference amount** is the amount of the Commission financial contribution to the ARTEMIS Joint Undertaking as stated in the legal instrument (€120 million).

³⁹ The **reference amount** does not include the administrative expenditure from the Research budget that is not transferred to the ARTEMIS Joint Undertaking.

Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6	e	0.005	0.017	0.017	0.037	0.037	0.222	0.335
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Total indicative financial cost of action ...

TOTAL CA including cost of Human Resources		a+c +d+ e	0.093	42.886	55.868	65.888	77.388	181.828	423.933
TOTAL PA including cost of Human Resources		b+c +d+ e	0.093	14.318	30.868	49.938	63.788	264.928	423.933

Co-financing details

ARTEMISIA (association representing industrial and other R&D actors) will contribute to the running⁴⁰ (non-R&D) costs of the Joint Undertaking up to €20m or 1% of the overall costs of R&D whichever figure is higher, but not exceeding €30m. For the table below it is considered that these overall costs will amount to € 733.333m. The Community contribution to the running costs will be up to €10m (see 8.2.4).

EUR million (to 3 decimal places)

Co-financing body		Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012 and later	Total
ARTEMISIA.....	f	0.2	1.5	2.5	4.5	5	13.633	27.333
TOTAL CA including co-financing	a+c+d+ e+f	0.293	44.368	58.368	70.388	82.388	195.461	451.266

Additionally, Member States of the Joint Undertaking will at national level make annual commitments of funds to be spent in R&D projects launched by the Joint Undertaking; these additional resources are estimated to be at least 1.8 times the operational expenditure stated in section 4.1.1, i.e. at least €738 million for the duration of the Joint Undertaking.

The organisations participating in R&D projects selected through the Calls for proposals launched by the Joint Undertaking will contribute to these projects in kind; the value of these contributions will be assessed and is expected to amount to about €1 600 m.

⁴⁰ Running costs are the costs necessary for the functioning of the ARTEMIS Joint Undertaking, excluding the funding of R&D Projects launched following Calls for proposals.

4.1.2. Compatibility with Financial Programming

X Proposal is compatible with existing financial programming.

4.1.3. Financial impact on Revenue

X Proposal has no financial implications on revenue

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

Annual requirements	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012 and later (average)
Total number of human resources	0.75	13	17	24	24	19.5

5. CHARACTERISTICS AND OBJECTIVES

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

Setting-up of the ARTEMIS Joint Undertaking as a public-private partnership, and Community contribution to its resources.

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

The ARTEMIS Joint Undertaking will operate an integrated R&D programme to pursue key technological and industrial objectives. The added value is significant because:

- It will create a new legal framework where Community and national funds can be combined for co-financing R&D projects with the private sector. This is a significant institutional innovation since such co-financing is impossible in the current state of affairs.
- It will align national and Community budgets along common R&D objectives and will allocate these budgets according to common European-level procedures. This will be a major advancement to the European Research Area.

- The proposed set-up will significantly boost the effectiveness of European R&D compared to current intergovernmental process for financing projects from different national sources (e.g. in Eureka).
- Finally, it will create incentives for the private and public sectors to increase their investments in R&D, thereby advancing towards the Barcelona objective of 3% of European GDP investment in RTD.

The Community's operational expenditure envisaged for this purpose is a small fraction of the overall budget of the Seventh Framework Programme (420:50521 = 0.83%) and of the ICT theme therein (4.6%).

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

The implementation of a Joint Technology Initiative (JTI) in this area already figures in the Seventh Framework Programme for RTD and in its "Cooperation" Specific Programme. In addition, the Council (competitiveness) has repeatedly acknowledged the potential of the JTI concept⁴¹ and recently has invited the Commission to make proposals for the setting up of Joint Technology Initiatives that have reached an appropriate stage of preparedness⁴².

Policy objectives that are linked to this operational objective are:

- (1) To create the legal basis that will allow, for the first time, national, EU and private investment to be combined within a coherent framework.
- (2) To ramp up R&D investment in Europe by providing incentives for Member States and industry to increase their R&D expenditure. This is one of the key points in the Commission's Annual Policy Strategy for 2006⁴³ and responds to the 3% Action Plans and related conclusions of the European Councils and Council meetings (competitiveness)⁴⁴.

The achievement of the technological and economic objectives of the JTI will contribute to enhance the competitiveness of European industry and significant economic and social benefits will be obtained. These objectives are therefore fully consistent with the revised Lisbon strategy for growth and jobs.

Moreover, the present legislative proposals contribute to Action 7 of the i2010 strategic initiative. Work to set up the ARTEMIS Joint Undertaking was covered

⁴¹ 9039/03, 12339/03, 12487/04

⁴² 15717/06, 7224/07

⁴³ COM(2005) 73 final.

⁴⁴ 9039/03, 12339/03, 12487/04.

by the AMP of DG INFSO under Objectives 8 and 10 (ABB Activity code 0904).

Concerning the inputs and the expected outputs, results and impacts, the following details are given:

The inputs by the Commission are the resources listed in section 4.1.

The outputs are R&D projects launched by the Joint Undertaking.

The following results are expected:

- Leveraging resources and integrating national efforts. By providing incentives to industry and Member States, additional national support will be attracted and greater industry funding will be leveraged.

Indicators: (i) number of countries that commit funding to the Joint Undertaking; (ii) commitments and payments according to the provisions of section 4.1.1; (iii) national funding committed and spent on projects selected by the Joint Undertaking; (iv) resources invested by industry in R&D work under projects selected by the Joint Undertaking.

- Focusing on common R&D agendas more effectively than is currently possible.

Indicators: this result will be achieved *de facto* when the Joint Undertaking becomes fully operational.

- High programme efficiency by removing uncertainty as to the availability of national budgets, getting rid of the duplication of evaluation and monitoring procedures. These benefits should lead to a programme that is popular and attractive to a broader variety of R&D actors, especially SMEs.

Indicators: (v) time interval between proposal submission and project selection decision by the Joint Undertaking; (vi) number of organisations, including SMEs participating in Calls for proposals; (vii) overhead costs for operating the programme.

- Significant economic and social benefits will be gained to the extent that the R&D projects launched by the Joint Undertaking make progress in achieving its technological and economic objectives. This progress will be subject to periodic independent evaluation.

Indicators: (viii) patents filed resulting from projects; (ix) number of publications resulting from projects.

5.4. Method of Implementation (indicative)

...Centralised Management

Directly by the Commission

Indirectly by delegation to:

Executive Agencies

X 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

...Joint management with international organisations (please specify)

Relevant comments: the ARTEMIS Joint Technology Initiative will be a Community body, established by Council Regulation on the basis of Article 171 of the EC Treaty. Its members are ARTEMISIA, the European Commission and Member States. Member States can undertake some administrative tasks, for example, financial and legal verifications and audits of participants in the R&D projects.

6. MONITORING AND EVALUATION

6.1. Monitoring system

The Joint Undertaking will be monitored as provided in its Statutes.

6.2. Evaluation

6.2.1. *Ex-ante evaluation*

See the impact assessment attached to this proposal.

6.2.2. *Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)*

Not applicable

6.2.3. *Terms and frequency of future evaluation*

Independent evaluations are provided for the Statutes (two interim by 2010 and 2015 and one ex-post by March 2018).

7. ANTI-FRAUD MEASURES

The ARTEMIS Joint Undertaking shall adopt a Financial Regulation based on the principles of the Framework Financial Regulation⁴⁵, departing from the Framework Financial Regulation where the specific operating needs of the ARTEMIS Joint Undertaking so require and subject to prior consultation with the Commission. Furthermore, Article 13 of the Council Regulation stipulates specific provisions for the protection of the financial interests of the Members of the Joint Undertaking and anti-fraud measures.

⁴⁵ Commission Regulation (EC, Euratom) No2343/2002 of 23 December 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the budget of the European Communities, OJ L 357, 31.12.2002 p. 72; corrigendum in OJ L 2, 7.1.2003, p. 39

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)	Type of output	Av. cost	Year 2008		Year 2009		Year 2010		Year 2011		Year 2012		Year 2013 and later		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
OPERATIONAL OBJECTIVE ⁴⁶ - Setting up the ARTEMIS Joint Undertaking and implementing its Research Agenda																
Action 1 -																
- Output 1 (*)	projects	1.5		0	27.667	41.5	35.667	53.5	42.333	63.5	50.333	75,5	117.333	176	273.333	410
TOTAL COST		1.5		0	27.667	41.5	35.667	53.5	42.333	63.5	50.333	75,5	117.333	176	273.333	410

(*) assuming an average total cost per project of €10m, of which 15% is borne by the ARTEMIS Joint Undertaking.

⁴⁶ As described in 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 and later (average)
Officials or temporary staff ⁴⁷	A*/AD	0.5	2	2	2	2	2
	B*, C*/AST	0.25	1	1	1	1	1
Staff financed ⁴⁸ by art. XX 01 02		0	0	0	0	0	0
Other staff ⁴⁹ (09 04 01 20)		0	10	14	21	21	16.5
TOTAL		0.75	13	17	24	24	19.5

8.2.2. *Description of tasks deriving from the action:* Representing the Commission in the bodies of the Joint Undertaking, including the associated preparatory and follow-up work. This includes: (a) representation in the Governing Board (Director level, 10%); (b) representation in Public Authorities Board (HoU level, 20%); (c) preparation of meetings, Calls, project selection, attendance at evaluations, etc. (2 AD level staff, 75% of time each); (d) auditing, including on-the-spot checks and verifications (1 AD, 20%). The "Other staff" will be hired by the ARTEMIS Joint Undertaking.

8.2.3. Sources of human resources (statutory)

- X** Posts to be redeployed using existing resources within the managing service (internal redeployment): 2 AD and 1 AST.

⁴⁷ Cost of which is NOT covered by the reference amount.

⁴⁸ Cost of which is NOT covered by the reference amount.

⁴⁹ Cost of which is included within the reference amount and the contribution from ARTEMISIA.

8.2.4. *Other Administrative expenditure included in reference amount (09 04 01 20 "Support expenditure for the ARTEMIS JTI ")*:

EUR million (to 3 decimal places)

Budget line (number and heading)	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012 and later	TOTAL
1 Technical and administrative assistance (including related staff costs)							
ARTEMIS Joint Undertaking(*)	0	1.5	2.0	2.0	1.5	3	10
Total Technical and administrative assistance	0	1.5	2.0	2.0	1.5	3	10

(*)The running costs of the Joint Undertaking will be co-financed by ARTEMISIA (see co-financing table above) and a Community contribution of up to €10m for the duration of the JU. The indicative costs in this table correspond only to the Community contribution.

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 and later
Officials and temporary staff	0.088	0.351	0.351	0.351	0.351	2.106
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.) (specify budget line)	0	0	0	0	0	0
Total cost of Human Resources and associated costs (NOT in reference amount)	0.088	0.351	0.351	0.351	0.351	2.106

Calculation– *Officials and temporary agents*

The human resources indicated in section 8.2.1 are used with an average cost of €17 000 per post FTE.

Calculation– *Staff financed under Art XX 01 02*

8.2.6. *Other administrative expenditure not included in reference amount*

EUR million (to 3 decimal places)

	Year	Year	Year	Year	Year	TOTAL

	Year 2007	2008	2009	2010	2011	2012 and later	
– Missions	0.005	0.017	0.017	0.017	0.017	0.102	0.175
– Meetings & Conferences	0	0	0	0	0	0	0
– Committees ⁵⁰	0	0	0	0	0	0	0
– Studies & consultations	0	0	0	0.020	0.020	0.12	0.16
- Information systems	0	0	0	0	0	0	0
2 Total Other Management Expenditure	0.005	0.017	0.017	0.037	0.037	0.222	0.335
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)	0.005	0.017	0.017	0.037	0.037	0.222	0.335

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

Missions:

It is assumed that half of the meetings will be held in Brussels. The total shown above is based on €1 300 per mission and: 1 mission per year for 2 officials to attend Governing Board meetings, 3 missions per year by 1 official to attend meetings of other committees created by the Governing Board, 3 missions per year by 2 officials to attend Public Authorities Board meetings, and 2 missions per year for other reasons.

Studies and consultations: One independent consultation is planned per year after the third year in order to obtain feedback on the operation of the scheme from the research community.

⁵⁰ Specify the type of committee and the group to which it belongs.