COMMISSION OF THE EUROPEAN COMMUNITIES

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2004/0023 (COD)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on establishing a multiannual Community programme on promoting safer use of the Internet and new online technologies

(presented by the Commission)

{SEC(2004) 148}

EXPLANATORY MEMORANDUM

1. INTRODUCTION

The Internet is now a household world. From its beginnings as a communications medium for scientists, it has exploded into a medium used in homes, schools, businesses and public administrations. It has been the defining force of the end of the 20th century and the beginning of the 21st century and its potential is still in many ways untapped.

Illegal and harmful content and conduct on the Internet is a continuing concern for lawmakers, industry and end-users, particularly parents and educators. The European Union has been a forerunner in the fight against illegal and harmful content since 1996[1].

The Safer Internet programme 1999 - 2004[2] is a major element in the Commission's activity in the field. The programme has set up a European network of hotlines, encouraged self-regulation and codes of conduct, supported development of filtering and rating systems and stimulated awareness actions.

According to recently completed external evaluation on the period 1999-2002[3], the programme has made a significant contribution during the first 4 years but the complexity of the issues and the multiplicity of the actors involved means that there is still a need for further action.

There are now new challenges both in quantitative and qualitative terms.

Qualitative terms: new technologies include ever-increasing processing power and storage capacity of computers, broadband allowing distribution of content such as video which requires high bandwidth, and the increased capacity of the latest generation of mobile telephone networks. The new generation of mobile phones will be able to distribute "adult" content and discussions are under way how to restrict access to this type of content so that parents can have phones with blocking devices to prevent children stumbling across explicit Web sites and unsuitable online chat rooms.

In quantitative terms, the technological changes already described contribute to an increase in the volume as well as in the types of content distributed.

The level of use of Internet and new technologies is growing. Internet access in the home now accounts for a growing share of the market, and children are connected to it in school even where they do not have it in their homes. Internet penetration in the home stands at more than 42% for citizens; it exceeds 90% for businesses and schools.In the 13 months from April 2002 to April 2003, the number of European surfers using high-speed connections (which includes DSL, LAN and Cable Modem) grew by 136%, according to the latest research from Nielsen/NetRatings. In some

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1 Communication on illegal and harmful content on the Internet COM(96) 487 and Green Paper on the protection of minors and human dignity in audiovisual and information services COM(96) 483.

2 see footnote 22

3 COM(2003) 653

countries the growth rate was higher, with the UK experiencing the largest increase at 235%.

Broadband users are spending significantly more time online, using the web more often, and visiting more websites than their slower, dial-up counterparts. In Germany, for instance, narrowband users spend on average seven and a half hours on the web every month, whereas for broadband users this increases to 21 hours, equivalent to almost one day per month.

According to a recent survey carried out by one of the awareness projects funded under the current programme covering Denmark, Ireland, Iceland, Norway and Sweden, 97% of children in these countries aged 9 to 16 years have used a computer.

4 out of 10 children who have chatted on the Internet say that people they have only met on the net have asked to meet them in person. 14% of the children have met someone they first met on the net, while only 4 % of the parents think the children have done this. 44 % of the children who use the Internet have visited a pornographic Web site by accident or on purpose. One fourth has received pornographic material through the net. 30 % of the children have seen Web sites with violent material, while only 15 % of the parents think their children have seen this.

This increase in connectivity by children will see a corresponding increase in benefits for them but also risks of "collateral damage".

The proliferation of unsolicited e-mail, or ‘spam’, has reached a point where it creates a major problem for the development of e-commerce and the Information Society. A significant proportion of spam consists of advertisements for pornography, some of it clearly illegal in all circumstances. It is estimated that over 50 percent of global e-mail traffic will soon be spam.

2. PROMOTING SAFER USE OF THE INTERNET AND NE W ONLINE TECHNOLOGIES

2.1. The legislative context

Illegal content on one hand and unwanted or harmful content on the other hand require different techniques to deal with them - although unwanted or harmful content may also be illegal as is often the case with ‘spam’.

Illegal content and conduct is whatever is so defined by the applicable national law and although there are many common features, there are also significant differences of details between the laws of Member States (and of third countries where content may be produced or hosted).

The primary method of dealing with illegal content and conduct is for the police to arrest the offenders and for them to be brought before the courts and convicted and punished if found guilty. There may also be regulatory bodies responsible for taking action to enforce certain rules (such as consumer protection) or there may be parallel civil remedies (as with copyright infringements).

In new media such as the Internet, this process is complicated by the fact that the elements of the offence may be spread out over different countries, and that it may be

difficult to exercise jurisdiction over the prime culprits. International co-operation is therefore needed.

Unwanted content is content that certain users do not wish to receive. Harmful content means content which adults responsible for children (parents or teachers) consider to be harmful to those children. There may also be legal provisions restricting distribution of harmful content to adults only (legal pornography, for instance).

A variety of means exist to deal with unwanted and harmful content, all of which need to be used in combination in order to increase their effectiveness: enforcement of legal provisions, self-regulation, technical means such as filtering, and awareness-raising.

In the area of illegal content and in the regulation of distribution of harmful content, the primary liability of content providers is still largely a matter of national law. There is also a divergence of the sensitivity in different Member States to public exposure of nudity and sexual activity and exposure of children to nudity and violence.

However, there are instruments which lay down rules which Member States are required to implement.

The Directive on Electronic Commerce [4] regulates important aspects of the liability of intermediary service providers for "mere conduit", caching and hosting.

The EU was a first mover on the legal front against unsolicited commercial communications or 'spam' by adopting a Directive on privacy and electronic communications[5] that will lead to a pan-European 'ban on spam' to individuals. The Commission has published a Communication[6] on the subject which identifies a series of actions that are needed to complement the EU rules and thereby make the 'ban on spam' as effective as possible.

The Recommendation on protection of minors and human dignity[7] makes recommendations for Member States, the industry and parties concerned and the Commission, and includes indicative guidelines on protection of minors. The implementation of the Recommendation was evaluated for the first time in 2000/2001. The report on the application of this Recommendation[8] published in 2001 showed that the application of the Recommendation was already then overall quite satisfactory. The Commission has adopted a second report on the implementation of the Recommendation, on the basis of a questionnaire which was sent to both the Member States and the acceding States[9].

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4 see footnote 20
5 see footnote 19
6 COM(2004) 28
7 see footnote 21
8 COM(2001)106 final
9 COM(2003) 776

The Framework Decision on child pornography[10] sets out minimum requirements for Member States in the definition of offences and for sanctions.

2.2. Future developments

It is possible to make predictions on the new media landscape and the problems likely to be seen in 2005 and beyond, based on current trends:

- New technologies and new ways of using existing technologies will be developed. These will provide new opportunities to the vast majority of law-abiding businesses and citizens;
- Use of new media by children will be an important part of their lives;
- However, criminals will use new media for carrying out their activities and will devise new ways of defrauding businesses and consumers;
- Alongside more structured professional structures of production and distribution familiar to traditional media, the distinctive feature of the Internet will remain the possibility for atomised production, reinforced by ways of ensuring secrecy and production of video-on-demand;
- At the same time, technology offers scope to devise new ways of preventing and detecting crime and identifying the criminals;
- The sexual exploitation of children will continue through production of child pornography and use of new technologies to contact possible victims of sexual abuse.

2.3. Public consultation

The process of defining the problem and the need for a new programme was informed by a series of public consultations between November 2002 and September 2003[11].

These confirmed the relevance of the action and the need for continued support at European Union level. There was agreement that the problem of safer use of the Internet continued to be a real concern and the problem was aggravated by the new technologies and new ways of using such technologies which were emerging. Different types of actions were required at different levels, local, regional, at European level and internationally - awareness actions in particular had to be carried at the level of end users, parents and children, using a multiplier effect. In all cases, action by the European Union could ensure European added value. Stakeholders particularly emphasised the need for international co-operation. There was agreement on the extended scope of the programme actions; in particular the coverage of spam.

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[10] Council Framework Decision 2004/68/JHA of 22 December 2003 on combating the sexual exploitation of children and child pornography. OJ L 13 20.1.2004 p. 44

[11] More details of these can be found in the Commission Services Working Paper on the Ex ante Evaluation SEC ()

The proposal takes full account of these ideas. Some ideas which were put forward to extend the scope for the programme, including exploitation of children for commercial purposes, network and information security and data protection, are already covered by other EU policy and funding initiatives. They have been included as part of the awareness message and by making appropriate references.

2.4. Conclusion

There will be a continued need for action both in the area of content unwanted by the end user or potentially harmful to children and in the area of illegal content, particularly child pornography.

Reaching international agreement on legally binding rules is desirable but will a challenge to achieve and, even then, will not be achieved rapidly. Even if such agreement is reached, it will not be enough in itself to ensure implementation of the rules or to ensure protection of those at risk.

Practical measures continue to be needed to encourage reporting of illegal content to those in a position to deal with it, to promote best practice for codes of conduct embodying generally agreed canons of behaviour, and to inform and educate parents and children on the best way to benefit from the potential of new media in a safe way.

Action at Member State level is essential involving a wide range of actors from national, regional and local government, network operators, parents, teacher and school administrators etc.. The EU can stimulate best practice in Member States by carrying out an orientation role both within the EU and internationally and providing support for European-level benchmarking, networking and applied research.

International co-operation is also essential and can be stimulated, co-ordinated, relayed and implemented by action through the EU networking structures.

3. A NEW PROGRAMME

3.1. Principles, objectives and orientation

The new programme will be inspired by the principles of *continuity* and *enhancement*:

- Continuity: continue doing what Europe does best by taking account of lessons learned and by building on the achievements of the initiatives already funded so as to ensure that their effects continue;

- Enhancement: meet new threats, ensure European added-value, stimulate a multiplier effect and broaden international outreach.

The overall objective would continue to be: to promote safer use of the Internet and new online technologies, particularly for children, and to fight against illegal content and content unwanted by the end user. In line with this, the programme would focus on the end-user - particularly parents, educators and children.

The programme will seek to involve and bring together the different actors whose co-operation is essential but who do not necessarily always come together unless the appropriate structures are put in place.

This includes content providers, Internet service providers and mobile network operators, regulators, standards bodies, industry self-regulatory bodies, national, regional and local authorities responsible for industry, education, consumer protection, families, children's rights and child welfare and non-governmental organisations active in consumer protection, families, children's rights and child welfare.

3.2. Actions

There will be four Actions: fighting against illegal content, tackling unwanted and harmful content, promoting a safer environment and awareness-raising. In each case, international co-operation would be an integral part of the action.

3.2.1. Fighting against illegal content

As stated above, public authorities (the police, public prosecutors and the courts) are in the forefront of the fight against illegal content. Only they can ensure that offenders are brought to justice. Hotlines are reporting mechanisms which allow members of the public to report illegal content and which pass the reports on to the appropriate body for action (Internet Service Provider, police or correspondent hotline) and are a way in which industry and non-governmental organisations (particularly those set up to protect children or fight racism) can contribute to this process and help to reduce the circulation of illegal content. Many people who would be reluctant to make reports directly to the police will report to a non-official hotline.

The existing hotline network is a unique organisation which would not have been set up without EU funding. The network has been very successful in expanding membership and has an international reach.

Individual hotlines contribute towards the operations of the network, as well as obtaining benefit from it. The majority of reports dealt with by a hotline refer to situations where either the host web site or content provider are outside the area of the hotline and outside the jurisdiction of its courts. Provision of EU funding allows the Commission to ensure that European standards are applied in the selection of hotlines and that hotlines do in fact contribute towards the network.

It is therefore proposed to fund network co-ordination and individual hotlines. In this context, ways need to be explored in which industry can contribute with its technical expertise to the fight against illegal content. The network should be extended to cover the new Member States and candidate countries, and other European countries where illegal content is hosted and produced.

Such hotlines should liaise closely with other actions, such as self-regulation or awareness-raising and could be run by organisations which are involved in such actions.

The hotline network should ensure coverage and exchange of reports of the major types of illegal content of concern - extending beyond the area of child pornography.

Different mechanisms and different expertise may be required to deal with other areas such as racist content.

3.2.2. Tackling unwanted and harmful content

The programme will provide funding for technological measures which empower users to limit the amount of unwanted and harmful content which they receive, and to manage it if received nonetheless, such as assessing the effectiveness of available filtering technology, supporting the development of effective filtering technology and funding for measures to facilitate and co-ordinate exchanges of information and best practices on effective enforcement against spam.

Other initiatives to deal with unwanted and harmful content will include further work on content rating to take account of the availability of the same content through different delivery mechanisms (convergence) as well as joint work by child welfare specialists and technical experts to improve tools for protection of minors.

Implementation of this action will be closely co-ordinated with the actions on promoting a safer environment (self-regulatory action) and awareness-raising (informing the public about means of dealing with unwanted and harmful content).

3.2.3. Promoting a safer environment

Dealing with illegal, unwanted or harmful content is a complex process, and there are areas of significant differences of opinion on whether to seek to harmonise national rules, what the substantive rules should be and how to approach differences between national rules which are likely to persist. Issues include freedom of expression, proportionality and technical feasibility.

The European Union has emphasised its support for a self-regulatory approach offering flexibility and understanding of the needs of the medium in an area combining high technology, rapid change and cross-border activity. Different models of Codes of Conduct, are possible, but they should share essential features such as effectiveness, fairness and transparency.

Various initiatives exist and a number have innovative features which could be used as examples of best practice. There is still work to be done in this area both in developing working self-regulatory approaches at national level and in setting up a platform at European level for those working in this area.

Self-regulation does not necessarily come about by itself, nor does it exclude the need for some form of legal underpinning: a more pro-active approach may be required in order to stimulate agreement on an appropriate set of rules and their implementation.

The Safer Internet Forum has been set up under the second phase (2003-2004) of the existing Safer Internet Programme as a unique discussion forum including representatives of industry, child welfare organisations and policy makers, and will provide a platform for national co-regulatory or self-regulatory bodies to exchange experience. It will be also give the opportunity to discuss ways in which industry can contribute to the fight against illegal content.

3.2.4. Awareness-raising

There is overwhelming agreement among policy-makers and specialists of the continuing need for systematic information about safer Internet use, particularly for personalised, interactive and mobile applications, linked with other EU actions on media education and Internet literacy.

So as to make best use of funds available, the Commission should concentrate on pump-priming, encouraging the multiplier effect and exchange of best practices through a network.

3.2.5. Links with other initiatives

The programme will be designed and implemented in close liaison with other initiatives including the follow-up to the Recommendation on protect of minors and human dignity and the action plan of the World Summit on The Information Society.

4. LEGAL BASIS

The legal basis will be art 153(2) on protection of the consumer. This was the legal basis agreed by the European Parliament and Council for the original Safer Internet Action Plan in 1999[12] and for the 2 year extension of the Action Plan in 2003[13]. It continues to be appropriate since, as stated at point 3.1 above, the programme would focus on the end-user - particularly parents, educators and children, and is intended to promote their safety when using the Internet and new online technologies.

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12 see footnote 22

13 Decision No 1151/2003/EC of the European Parliament and of the Council of 16 June 2003 OJ L 162, 1.7.2003, p. 1

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[Text with EEA relevance]

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 153(2) thereof,

Having regard to the proposal from the Commission[14],

Having regard to the opinion of the European Economic and Social Committee[15],

Having regard to the opinion of the Committee of the Regions[16],

Acting in accordance with the procedure laid down in Article 251 of the Treaty[17],

Whereas:

(1) Internet penetration and use of new technologies such as mobile phones is still growing considerably in the Community. Alongside this, dangers, especially for children, and abuse of the technologies continue to exist and new dangers and abuses are emerging. In order to encourage the exploitation of the opportunities offered by the Internet and new online technologies, measures are also needed to promote their safer use and protect the end-user from unwanted content.

(2) The "eEurope 2005 Action Plan"[18], developing the Lisbon strategy, aims to stimulate secure services, applications and content based on a widely available broadband infrastructure. Among its objectives are a secure information infrastructure, development, analysis and dissemination of good practices, benchmarking and a co-ordination mechanism for e-policies.

(3) The legislative framework which is being defined at Community level to deal with the challenges of digital content in the Information Society now includes rules related to online services, notably those on unsolicited commercial e-mail in the Directive on

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14 OJ C , , p. .
15 OJ C , , p. .
16 OJ C , , p. .
17 OJ C , , p. .
18 COM(2002) 263.

privacy and electronic communications[19] and on important aspects of the liability of intermediary service providers in the Directive on electronic commerce [20], and recommendations for Member States, the industry and parties concerned and the Commission together with the indicative guidelines of the Recommendation on protection of minors[21].

(4) There will be a continued need for action both in the area of content potentially harmful to children or unwanted by the end user and in the area of illegal content, particularly child pornography.

(5) Reaching international agreement on legally binding rules is desirable but will be difficult and will not be achieved rapidly. Even if such agreement is reached, it will not be enough in itself to ensure implementation of the rules or to ensure protection of those at risk.

(6) The Safer Internet Action Plan[22] (1998-2004) has provided Community financing which has successfully encouraged a variety of initiatives and has given European added value. Further funding will help new initiatives to build on the work already accomplished.

(7) Practical measures are still needed to encourage reporting of illegal content to those in a position to deal with it, to encourage development of filtering technologies, to spread best practice for codes of conduct embodying generally agreed canons of behaviour, and to inform and educate parents and children on the best way to benefit from the potential of new media in a safe way.

(8) Action at Member State level is essential involving a wide range of actors from national, regional and local government, network operators, parents, teacher and school administrators. The Community can stimulate best practice in Member States by carrying out an orientation role both within the EU and internationally and providing support for European-level benchmarking, networking and applied research.

(9) International co-operation is also essential and can be stimulated, co-ordinated, relayed and implemented by action through the Community networking structures.

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19 Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications OJ L 201, 31.7.2002, p. 37.

20 Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market OJ L 178, 17.7.2000, p. 1.

21 Council Recommendation 98/560/EC on the development of the competitiveness of the European audiovisual and information services industry by promoting national frameworks aimed at achieving a comparable and effective level of protection of minors and human dignity OJ L 270, 7.10.1998, p. 48.

22 Decision No 276/1999/EC of the European Parliament and of the Council of 25 January 1999 adopting a Multiannual Community Action Plan on promoting safer use of the Internet and new online technologies by combating illegal and harmful content primarily in the area of the protection of children and minors OJ L 33, 6.2.1999, p.1 as amended by Decision No 1151/2003/EC of the European Parliament and of the Council of 16 June 2003 OJ L 162, 1.7.2003, p. 1.

(10) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission [23].

(11) Complementarity and synergy with related Community initiatives and programmes should be ensured by the Commission.

(12) This act establishes a financial framework for the entire duration of the programme which is to be the principal point of reference for the budgetary authority, within the meaning of point 33 of the Interinstutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure.

(13) Since the objectives of the proposed actions cannot be sufficiently achieved by the Member States due to the transnational character of the issues at stake and can, therefore, by reason of the European scope and effects of the actions be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Decision does not go beyond what is necessary in order to achieve those objectives.

HAVE ADOPTED THIS DECISION:

Article 1

[Objective of the programme]

1. This Decision establishes a Community programme to promote safer use of the Internet and new online technologies, particularly for children, and to fight against illegal content and content unwanted by the end user.

   The programme shall be known as the "*Safer Internet plus*" programme (hereinafter "the Programme").

2. In order to attain the overall aim of the programme referred to in paragraph 1, the following lines of action will be addressed:

   (a) fighting against illegal content

   (b) tackling unwanted and harmful content

   (c) promoting a safer environment

   (d) awareness-raising

   The activities to be carried out under those lines of action are set out in Annex I.

   The programme shall be implemented in accordance with Annex III.

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[23] OJ L 184, 17.7.1999, p. 23.

Article 2

[Participation]

1. Participation in the Programme shall be open to legal entities established in the Member States.

   It shall also be open to participation of candidate countries in accordance with bilateral agreements to be concluded with those countries.

2. Participation in the Programme may be opened to legal entities established in EFTA States which are contracting parties to the EEA Agreement, in accordance with the provisions of that Agreement.

3. Participation in the Programme may be opened, without financial support by the Community under the programme, to legal entities established in third countries and to international organisations, where such participation contributes effectively to the implementation of the Programme. The decision to allow such participation shall be adopted in accordance with the procedure referred to in Article 4(2).

Article 3

[Competences of the Commission]

1. The Commission shall be responsible for the implementation of the Programme.

2. The Commission shall draw up a work programme on the basis of this Decision.

3. The Commission shall act in accordance with the procedure referred to in Article 4(2) for the purposes of the following:

   a) adoption and modifications of the work programme;

   b) determination of the criteria and content of calls for proposals, in line with the objectives set out in Article 1;

   c) any departure from the rules set out in Annex III;

4. The Commission shall inform the committee of progress with the implementation of the Programme.

Article 4

[Committee]

1. The Commission shall be assisted by a committee.

2. Where reference is made to this paragraph, Articles 3 and 7 of Decision 1999/468/EC shall apply, having regard to Article 8 thereof.

   The period laid down in Article 4(3) of Decision 1999/468/EC shall be three months.

3. The Committee shall set out its rules of procedure.

Article 5

[Monitoring and Evaluation]

1. In order to ensure that Community aid is used efficiently, the Commission shall ensure that actions under this Decision are subject to prior appraisal, follow-up and subsequent evaluation.

2. The Commission shall monitor the implementation of projects under the Programme. On completion of a project, the Commission shall evaluate the manner in which it has been carried out and the impact of its implementation in order to assess whether the original objectives have been achieved.

3. The Commission shall submit an evaluation report on the implementation of the action lines referred to in Article 1(2) to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, by [two years from date of publication] at the latest.

   It shall submit a final evaluation report at the end of the Programme.

Article 6

[Financial provisions]

1. The programme shall cover a period of four years from the 1st January 2005.

2. The financial reference amount for the implementation of the programme for the period referred in paragraph 1 shall be EUR 50 million.

   EUR 20.050 million shall be for the period 2005 to 2006. EUR 29.950 million shall be for the period 2007 to 2008.

   The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.

3. An indicative breakdown of expenditure is given in Annex II.

Article 7

This Decision shall enter into force on the date of its publication in the *Official Journal of the European Union*.

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*

ANNEX I

ACTIONS

1. ACTION 1: FIGHTING AGAINST ILLEGAL CONTENT

Hotlines allow members of the public to report illegal content. They pass the reports on to the appropriate body for action (Internet Service Provider (ISP), police or correspondent hotline). Civilian hotlines complement police hotlines, where these exist. Their role is distinct from that of the law enforcement authorities, since they do not investigate offences or arrest or prosecute offenders. They constitute centres of expertise providing guidance to ISPs as to what content might be illegal.

The existing hotline network is a unique organisation which would not have been set up without EU funding. As pointed out in the programme evaluation 2002, the network has been very successful in expanding membership and has an international reach. In order for the hotlines to develop their full potential, it is necessary to ensure Europe-wide coverage and co-operation, and to increase effectiveness through exchange of information, best practice and experience.

Funding will be provided to hotlines selected following a call for proposals to act as nodes of the network and to network co-ordination for carrying on the work of the European network of hotlines.

New hotlines are required in Member States and candidate countries where none currently exists. These must be incorporated quickly and effectively into the existing European network of hotlines. Links between this network and hotlines in third countries (particularly in other European countries where illegal content is hosted and produced) should be promoted, enabling the development of common approaches and transfer of know-how and best practice. Existing mechanisms for co-operation between the national hotlines and law enforcement must be further improved. There is a need for legal and technical training of hotline staff. Active participation by hotlines in networking and cross-border activities will be mandatory.

Hotlines should be linked to Member State initiatives, supported at national level and should be financially viable to ensure continued operation beyond the duration of the present programme. Co-funding is intended for civilian hotlines which complement the activities of law enforcement but are not part of the mechanism of law enforcement, and so will **not** be provided for hotlines run by the police. Hotlines will make clear to users the difference between their activities and those of the police, and will inform them of the existence of alternative ways of reporting illegal contact, such as directly to the police.

In order to achieve maximum impact and effectiveness with available funding, the hotline network must operate as efficiently as possible. This can be best achieved by assigning a co-ordinating node to the network, which will facilitate agreement between the hotlines so as to develop European-level guidelines, working methods and practices which respect the limits of the national laws applying to the individual hotlines.

The co-ordinating node will:

- provide a single identity and entry point providing simple access to the appropriate national contact;
- promote the network as a whole, generating European-level visibility;
- take contact with appropriate bodies with a view to completing the network's coverage in the Member States and candidate countries;
- improve the operational effectiveness of the network;
- draw up best practice guidelines for hotlines and adapt them to new technology;
- organise regular exchange of information and experience between hotlines;
- provide a pool of expertise for advice and a coaching process for start-up hotlines, particularly in candidate countries;
- ensure liaison with hotlines in third countries;
- maintain a close working with the awareness co-ordinating node (see point 4 below) to ensure the cohesion and effectiveness of overall programme operations and so as to increase public awareness of the hotlines;
- participate in the Safer Internet Forum and other relevant events, co-ordinating input/feedback from hotlines.

The co-ordinating node will monitor effectiveness of hotlines and collect accurate and meaningful statistics on their operation (number of and type reports received, action taken and result etc.).

The hotline network should ensure coverage and exchange of reports of the major types of illegal content of concern - extending beyond the area of child pornography. Different mechanisms and different expertise may be required to deal with other areas such as racist content, which might involve different types of national nodes dealing with the different issues. Since the financial and administrative resources of the programme are limited, not all such nodes would necessarily receive funding, which might have to be concentrated on a reinforced role for the co-ordinating node in these areas.

Further types of activity attracting financial support at EU level could for instance include software development to assist hotlines in managing their workload and handling reports more efficiently.

2. ACTION 2: TACKLING UNWANTED AND HARMFUL CONTENT

In addition to action to fight illegal content at its source, the appropriate tools should be available to users - responsible adults in the case of minors - to make their own decisions how to deal with unwanted and harmful content (user empowerment).

Further funding should be provided to increase the information available about performance and effectiveness of filtering software and services so that user can exercise that choice.

In addition to research on innovative technology funded under research programmes, it would also be appropriate to fund projects for innovative uses of existing technology, for widening the scope of filtering software and services to content delivered by new technologies or for adapting filtering software and services to the specific needs of European users (including increasing the number of languages covered).

Rating systems and quality labels, in combination with filtering technologies, can help empowering users to select the content they wish to receive and provide European parents and educators with the necessary information to make decisions in accordance with their cultural and linguistic values. Funding could be given to projects which aim to adapt rating systems and quality labels to take account of the convergence of telecommunications, audio-visual media and information technology and to self-regulatory initiatives to back-up the reliability of self-labelling and services to audit the accuracy of self-rating labels. Further work may be also be needed to encourage take-up of rating systems and quality labels by content providers.

It would be desirable to try to take account of the possible effect of new technologies on their safe use by children when they are being elaborated, instead of trying to deal with consequences of the new technologies after they have been devised. The safety of the end-user is a criterion to be taken into account along with technical and commercial considerations. One way of doing this would be to foster an exchange of views between child welfare specialists and technical experts.

The programme will therefore provide funding for technological measures which empower users to limit the amount of unwanted and harmful content which they receive, and to manage unwanted spam that they receive, including:

- assessing the effectiveness of available filtering technology and providing information to the public;

- facilitating and co-ordinating exchanges of information and best practices on effective enforcement against spam (see the Commission Communication on unsolicited commercial communications or ‘spam’);

- development of effective filtering technology, particularly in the second part of the programme;

- measures to increase take-up of content rating and quality site labels by content providers and to adapt content rating and labels to take account of the availability of the same content through different delivery mechanisms (convergence);

The use of privacy-enhancing technological measures will be encouraged. Activities under this action will take fully into account the provisions of the forthcoming Council Framework decision on attacks against information systems.

Development of filtering technologies will take due account of technological evolution, and the need for the Commission to take a 'technology neutral'-approach.

Implementation of this action will be closely co-ordinated with the actions on promoting a safer environment (self-regulatory action) and awareness-raising (informing the public about means of dealing with unwanted and harmful content).

3. ACTION 3: PROMOTING A SAFER ENVIRONMENT

A fully functioning system of self-regulation is an essential element in limiting the flow of harmful and illegal content. Self-regulation involves a number of components: consultation and representativeness of the parties concerned; code(s) of conduct; national bodies facilitating co-operation at Community level; national evaluation of self-regulation frameworks.[24] There is a continuing need for Community work in this area to encourage implementation of codes of conduct by the European Internet and new online technologies industries.

The Safer Internet Forum to be developed in 2004 under the current Safer Internet Action Plan is to become a unique discussion forum including representatives of industry, law enforcement authorities, child welfare organisations and policy makers, and will provide a platform for national co-regulatory or self-regulatory bodies to exchange experience. It will also give the opportunity to discuss ways in which industry can contribute to the fight against illegal content.

The Safer Internet Forum will provide a focal point for discussion at expert level and a platform to drive consensus, inputting conclusions, recommendations, guidelines etc. to relevant national and European channels.

The Forum will span all action lines, facilitating discussion and stimulating action relevant to illegal, unwanted and harmful content. Consisting of plenary sessions and working groups, it will be a meeting place for actors from all areas – including government agencies and programmes, standards bodies, industry, other services within the European Commission, user organisations (e.g. parent and teacher associations, child protection groups, consumer protection bodies). The Forum will provide an opportunity for people active at national level, especially those involved in Member State programmes and initiatives, to exchange views, information and experience. It will liaise with other Community initiatives such as the network and information security agency.

The Safer Internet Forum will have the specific objectives of:

1. Stimulating networking of the appropriate structures within Member States and developing links with self-regulatory bodies outside Europe

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[24] see the indicative guidelines for the implementation, at national level, of a self-regulation framework for the protection of minors and human dignity in on-line audiovisual and information services. Council Recommendation of 24 September 1998 on the development of the competitiveness of the European audiovisual and information services industry by promoting national frameworks aimed at achieving a comparable and effective level of protection of minors and human dignity OJ L 270, 7.10.1998, p. 48.

2. Stimulating consensus and self-regulation on issues such as quality rating of web-sites, code of conduct for service providers, cross-media content rating and extending rating and filtering techniques beyond the Internet to other areas such as mobile phones and online games

Working groups will be convened by the Commission for specific issues, with clear objectives and deadlines. Results and findings from ongoing and completed projects co-funded by programme will feed into the process. By providing an open platform, it will help to raise levels of awareness and attract the involvement of the candidate states and other countries outside the EU, providing an international arena to address a global problem. The Forum will, therefore, ensure that key associations, industries and public bodies are aware of, are consulted on and contribute to safer use initiatives within the EU and internationally.

The Safer Internet Forum will be open to participation of interested parties from outside the EU and candidate countries. International co-operation will be enhanced by a round table linked to the Forum in order to ensure regular dialogue on best practice, codes of conduct, self-regulation and quality ratings. The Commission will ensure that synergies with related fora and similar initiatives are fully exploited.

A call for tenders may be organised in order to provide a secretariat to support the Safer Internet Forum including subject-field experts to suggest themes of study, prepare working papers, moderate discussions and record conclusions.

A further type of activity attracting financial support at EU level could for instance include self-regulatory projects to design cross-border Codes of Conduct. Advice and assistance may be provided so as to ensure co-operation at Community level through networking of the appropriate bodies within Member States and candidate countries and through systematic review and reporting of relevant legal and regulatory issues, to help develop methods of assessment and certification of self-regulation, to provide practical assistance to countries wishing to set up self-regulatory bodies and to expand links with self-regulatory bodies outside Europe.

4. ACTION 4: AWARENESS-RAISING

Awareness actions should address a range of categories of illegal, unwanted and harmful content (including e.g. content considered unsuitable for children, racism and xenophobia, spam) and deal with consumer protection, data protection, information and network security issues (viruses). They should deal with content distributed over the World Wide Web as well as new forms of interactive information and communication brought about by the rapid deployment of the Internet and mobile telephony (e.g. peer-to-peer services, broadband video, instant messaging, chat-rooms, etc.).

The Commission will continue to take steps to encourage cost-effective means of distribution to large numbers of users, notably by using multiplier organisations and electronic dissemination channels so as to reach the intended target groups.

The programme will provide support to appropriate bodies which will be selected following an open call for proposals to act as awareness nodes in each Member State and in each candidate country and which will carry out awareness actions and

programmes in close co-operation with all relevant actors at national, regional and local levels. European added value will be provided by a co-ordinating node. This will operate in close liaison with nodes to ensure that there is an exchange of best practice.

Bodies seeking to act as national nodes will need to show that they have the strong support of national authorities. They should have a clear mandate to educate the public in safer use of the Internet and new media or in media and information literacy, and must have the necessary financial resources to implement that mandate.

National nodes will be expected to:

- devise a cohesive, hard-hitting and targeted awareness campaign using the most appropriate media, taking into account best practice and experience in other countries

- establish and maintain a partnership (formal or informal) with key players (government agencies, press and media groups, ISP associations) and actions in their country relating to safer use of Internet and new media

- co-operate with work in the wider field of media and information literacy

- inform users about European filtering software and services and about hotlines

- actively co-operate with other national nodes in the European network by exchanging information about best practices, participating in meetings and designing and implementing a European approach, adapted as necessary for national linguistic and cultural preferences

- provide a pool of expertise and technical assistance to start-up awareness nodes (new nodes could be 'adopted' by a more experienced node)

To ensure maximum co-operation and effectiveness, a co-ordinating node will be funded to provide logistical and infrastructural support for national nodes, ensuring European-level visibility, good communication and exchange of experience so that lessons learnt can be applied on an ongoing basis (for instance by adapting awareness material).

The co-ordinating node should:

- provide effective communication and exchange of information and best practice within the network

- provide training in safer use of Internet and new technologies for national node staff (training for trainers)

- provide technical assistance to candidate countries wishing to set up awareness actions

- co-ordinate national nodes' provision of expertise and technical assistance to start-up awareness nodes

- propose indicators and manage collection, analysis and exchange of statistical information about national awareness-raising activities so as to assess their impact

- provide infrastructure for a single, comprehensive trans-national repository (web portal) of relevant information and awareness and research resources with localised content (or local sub-sites as appropriate) including news snippets, articles, monthly newsletter in several languages as well as providing visibility for Forum activities

- expand links with awareness activities outside Europe

- participate in Safer Internet Forum and other relevant events, co-ordinating input/feedback from awareness network

Research will also be carried out on a comparable basis into the way people, especially children, use new media. Further action at EU level could for instance include support for specific child-friendly Internet services or an award for the best awareness activity of the year.

ANNEX II

INDICATIVE BREAKDOWN OF EXPENDITURE

1)	Fighting against illegal content	23 - 28 %
2)	Tackling unwanted and harmful content	16 – 23 %
3)	Promoting a safer environment	5 - 9 %
4)	Awareness-raising	43 – 50 %

ANNEX III

THE MEANS FOR IMPLEMENTING THE PROGRAMME

1) The Commission will implement the programme in accordance with the technical content specified in Annex I.

2) The programme will be executed through indirect action comprising:

(a) shared-cost actions

– Pilot projects and best practice actions. Ad-hoc projects in areas relevant to the programme, including projects demonstrating best practice or involving innovative uses of existing technology.

– Networks: networks bringing together a variety of stakeholders to ensure action throughout the European Union and to facilitate co-ordination activities and transfer of knowledge. They may be linked to best practice actions.

– Applied Europe-wide research carried out on a comparable basis into the way people, especially children, use new media.

– Community funding will normally not exceed 50 % of the cost of the project . Public sector bodies may be reimbursed on the basis of 100 % of the additional costs.

(b) accompanying measures

– Accompanying measures will contribute to the implementation of the programme or the preparation of future activities. Measures devoted to the commercialisation of products, processes or services, marketing activities and sales promotion are excluded.

- benchmarking and opinion surveys to produce reliable data on safer use of the Internet and new online technologies for all Member States collected through a comparable methodology;

- technical assessment of technologies such as filtering designed to promote safer use of Internet and new online technologies. The assessment will also take into account whether these technologies are privacy-enhancing or not;

- studies in support of the programme and its actions, including self-regulation and the work of the Safer Internet Forum, and the preparation of future activities;

- prize competitions for best practice;

- exchange of information, conferences, seminars, workshops or other meetings and the management of clustered activities;

- dissemination, information and communication activities.

3) The selection of shared-cost actions will be based on calls for proposals published on the Commission's Internet site in accordance with the financial provisions in force.

4) Applications for Community support should provide, where appropriate, a financial plan listing all the components of the funding of the projects, including the financial support requested from the Community, and any other requests for or grants of support from other sources.

5) Accompanying measures will be implemented through calls for tenders in accordance with the financial provisions in force.

LEGISLATIVE FINANCIAL STATEMENT

Policy area(s): Information Society

Activity(ies): Information Society Content and Services

Title of action: Multiannual Community Action Plan on promoting safer use of the Internet and new online technologies (Safer Inte*rnet plus*)

1. BUDGET LINE(S) + HEADING(S)

Budget line(s): 09 03 03 (ex line B5-821) and 09 01 04 04 (ex-line B5-821A)

2. OVERALL FIGURES

2.1. Total allocation for action: 50 € million for commitment

€ 50 million

2.2. Period of application:

From January 1st, 2005 to December 31st, 2008

2.3. Overall multiannual estimate on expenditure:

a) Schedule of commitment appropriations/payment appropriations (financial intervention)

09 03 03 (ex line B5-821) € million (to 3rd decimal place)

	2005	2006	2007	2008	Total
Commitment appropriations	9.500	10.100	14.730	14.730	49.060
Payment appropriations[25]					
2005	2.000	-	-	-	2.000
2006	3.700	2.200	-	-	5.900
2007	2.800	3.800	4.600	-	11.200
2008	1.000	2.900	5.700	6.000	15.600
2009 and subs. Yrs		1.200	4.430	8.730	14.360
Total	9.500	10.100	14.730	14.730	49.060

[25] The amounts relating to the execution of the Safer Internet Action Plan (1999–2004) need to be added to payment credits for 2005, 2006, 2007

b) Technical and administrative assistance and support expenditure *(see point 6.1.2.)*

09 01 04 04 (ex-line B5-821A) € million (*to 3rd decimal place)*

	2005	2006	2007	2008	Total
Commitments/ payments	0.220	0.230	0.240	0.250	0.940

09 03 03 + 09 01 04 04 € million (*to 3rd decimal place*)

Subtotal a+b	2005	2006	2007	2008	Total
Commitment appropriations	9.720	10.330	14.970	14.980	50.000
Payment appropriations					
2005	2.220	-	-	-	2.220
2006	3.700	2.430	-	-	6.130
2007	2.800	3.800	4.840	-	11.440
2008	1.000	2.900	5.700	6.250	15.850
2009 and subs. Yrs		1.200	4.430	8.730	14.360
Total	9.720	10.330	14.970	14.980	50.000

c) Overall financial impact of human resources and other administrative expenditure *(see points 7.2. and 7.3.)*

€ million (*to 3rd decimal place)*

	2005	2006	2007	2008	Total
Commitments/ payments	0.950	0.950	0.950	0.950	3.800

TOTAL a+b+c	2005	2006	2007	2008	2009 and sub yrs	Total
Commitments	10.670	11.270	15.930	15.930		53.800
Payments	3.170	7.080	12.390	16.800	14.360	53.800

2.4. Compatibility with the financial programming and the financial perspective

X Proposal compatible with the existing financial programming (7.62 M€ in 2005 and 7.73 M€ in 2006 from budget line 09 03 03), after the following transfers from other budget lines: 090302 eContent (ex-B5 334), 1 mio € in 2005 and in 2006; 0902 Electronic Communications Policy (ex B5-302) 1.1 mio € in 2005 and 1.6 mio € in 2006.

☐ This proposal will entail reprogramming of the relevant heading in the financial perspective.

☐ This may entail application of the provisions of the Interinstitutional Agreement.

The original proposal for the Safer Internet Action Plan adopted by the Commission in November 1997 foresaw a budget of 30 mio euro for four years, although only 25 mio euro was granted by the European Parliament and Council. The extension of the programme 2003 - 2004 saw increased funding of 13.3 mio euro (6.7 mio for 2004). This was based on a request made by the Commission which was at the low end of what was then needed. Certain costs in 2004 could only be met by stopping funding of development of filtering software and services and transferring the amount saved to other items.

The reasons for requesting a substantial increase in funding in 2005- 2008 are as follows:

a) the increased scope of the programme to deal with the changes of technology and the way technology is being used, particularly the spectacular growth in their use by minors, the reinforcement of awareness activities and the foreseeable rise in the workload of hotlines due to the amount of illegal content in circulation and the number of reports made.

b) the enlargement of the EU from 15 to 25. Adequate resources are required in order to allow national nodes to be set up in the 10 new Member States for the network of hotlines (Action 1) and the awareness network (Action 4), and for the additional needs of the two network co-ordinators created by a larger number of nodes to co-ordinate.

c) The programme will include not only Internet and other new technologies such as mobile phones, but also unsolicited commercial e-mail ("spam"). Including spam will involve additional expenditure under actions 2, 3 and 4.

The most significant increase needed is action to co-ordinate exchanges of information and best practices on effective enforcement against spam and support to develop filtering technologies under Action 2: Tackling unwanted and harmful content.

2.5. Financial impact on revenue:

X No financial implications (involves technical aspects regarding implementation of a measure)

3. BUDGET CHARACTERISTICS

Type of expenditure		New	EFTA participation	Participation candidate countries	Heading Financial Perspective
NON-COMP	DIFF	NO	YES	YES	N 3

4. LEGAL BASIS

Article 153 of the Treaty establishing the European Community

Decision no …/…./EC of the European Parliament and the Council, concerning the adoption of a multiannual community programme (2005 – 2008) on promoting safer use of the internet and on online technologies (*Safer Internet plus*).

5. DESCRIPTION AND GROUNDS

5.1. Need for Community intervention

5.1.1. Objectives pursued and community intervention

The general objective would continue to be: to promote safer use of the Internet, particularly for children, and to fight against illegal content and against content unwanted by the end user.

The specific objectives are.

1) Fighting against illegal content by allowing users to report illegal content, with a network of hotlines;

2) Tackling unwanted and harmful content: benchmarking of filtering software, co-ordinate exchanges of information and best practices on effective enforcement against spam, development of effective filtering technology; adapt existing content rating systems to take account of convergence

3) Promoting a safer environment by supporting a self-regulatory approach (design and implementation of European Codes of Conduct for industry) and ensuring co-operation at Community level;

4) Increasing awareness about safer use, by supporting a European network of awareness activities;

5.1.2. Measures taken in connection with ex ante evaluation

A detailed ex-ante evaluation has been drawn up based on a number of inputs, including two external evaluations of the Action Plan 1999 - 2002[26] , consultation of external stakeholders and the information available to the Commission through the wide range of actions in which it has taken part over the last few years and its contacts with major players.

It emerges clearly from these that illegal and harmful content and conduct on the Internet is a continuing concern for lawmakers, industry and parents. It is expected that the problem will grow in both qualitative (new technologies, new platforms) and quantitative terms (both in terms of quantity and type of content). Increase in connectivity by children will see a corresponding increase in benefits for them but also risks of "collateral damage".

The proliferation of unsolicited commercial e-mail, or ‘spam’, has reached a point where it creates a major problem for the development of e-commerce and the Information Society.

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[26] COM(2003) 591 final, adopted by the Commission on 10 October 2003.

In the area of illegal content and in the regulation of distribution of harmful content, the primary liability of content providers is still largely a matter of national law. However, there are instruments which lay down rules which Member States are required to implement. The Electronic Commerce Directive[27] regulates the liability of intermediary service providers for "mere conduit", caching and hosting. The EU was a first mover on the legal front against spam by adopting a Directive on privacy and electronic communications[28] that will lead to a pan-European 'ban on spam' to individuals. The Recommendation on protection of minors and human dignity[29] makes recommendations for Member States, the industry and parties concerned and the Commission and includes indicative guidelines on protection of minors.

According to the *Safer Internet 1999- 2002* programme evaluation, there was a consensus among those consulted that relying on the regulatory framework alone was not enough to deal with the global nature of the problem. Regulation has to be backed up by practical measures to assist those responsible for enforcing the law, to provide tools for users to protect themselves and the children for whom they are responsible against unwanted and harmful content, to encourage industry to find self-regulatory solutions, and to inform and educate parents, teachers and children about the problems and the best ways to deal with them. Public intervention at Community level, complementing what is done at national, regional and local level, is desirable due to the trans-national nature of the problem and the need of a high international co-operation to tackle the problem.

Two operational conclusions followed from the above:

- there is a consensus of the need for Community intervention complementary to what is being done at Member State level

- the actions lines for the proposed programme are those where action at EU level is most appropriate and will be most effective in providing solutions

The drafting of this proposal has taken into account discussions involving Commission services responsible for relevant actions, such as Education and Culture, Internal Market and Justice and Home Affairs.

The programme aims to maximise its impact on the target audience by using networking and the multiplier effect. The approach chosen builds on the results of Safer Internet 1999-2004, while bringing in additional elements that take account of new challenges. These elements add strength to the actions, which mutually reinforce each other, and keep their coherence without reducing the relevance to the target population.

This is the approach that was identified in the ex ante evaluation and which has been translated into operational objectives covering well defined areas of action and instruments for the implementation.

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27 Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (OJ L 178, 17.7.2000, p. 1).

28 Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications (OJ L 201 31.7.2002, p. 37).

29 see footnote 20

5.1.3. Measures taken following ex post evaluation

The programme evaluation 1999 - 2002 gave a positive assessment of the achievements of the current Safer Internet programme. The evaluators found that the programme had made a significant contribution during the first 4 years but the complexity of the issues and the multiplicity of the actors involved means that there is still a need for further action.

The evaluators recognised the positive impact of the current programme, particularly in fostering networking and providing a wealth of information about the problems of safer use of the Internet and their solutions.

More specifically it was concluded that:

Stakeholders agree that the programme's original objectives, priorities and means of implementation still apply, and that the action lines are appropriate mechanisms for the fulfilment of the objectives.

At the policy level, the programme has been successful in putting the issues of developing a safer Internet firmly on the agenda of the EU and the Member States. The foresight of the European Commission in identifying these issues early on in the development of the Internet should be recognised.

The evaluators made a number of detailed recommendations with regard to the action lines and how they should be implemented:

- Extend emphasis/objectives to encompass new and emerging communication technologies that will in particular influence children's use of the Internet (e.g. 3G mobile telephones).
- Review the Action Line on filtering and rating.
- Continue to move towards networks of nodes for awareness-raising in the Member States.
- Continue to engage with actors external to the European Union
- Encourage wider involvement of ISPs and other relevant industry players
- Focus programme where it is likely to have the most impact which is at the European/International level through networking and multipliers

The Commission had already anticipated many of these findings in its proposals for an extension of the Safer Internet Action Plan and will implement them as part of the Work Programme 2003-2004. The design of Safer Internet *plus* takes full account of these findings.

5.2. Actions envisaged and arrangements for budget intervention

The actions foreseen are four:

1) **Fighting against illegal content**

2) **Tackling unwanted and harmful content**

3) **Promoting a safer environment**

4) **Awareness-raising**

5.3. Methods of implementation

In order to achieve greater cost effectiveness, contractors under the hotlines and awareness actions should be given financial support for a longer period (3-4 years) as opposed to the 18 months to 2 years period normal under the current Safer Internet Action Plan. This will involve a first contract based on an open call, normally for a 2 year period, with the possibility for successful projects of renewal following a project review, with additional funding for the extension period.

The delivery mechanisms foreseen in the proposal follow broadly the usual Community approach to grants and co-funding on the basis of a detailed financial request. However, bearing in mind the low-budget environment of the Safer Internet action simpler contracts for hotlines and national awareness nodes with a flat-rate grant to the budget should be possible.

There will also be parts that are fully financed by the Community. Funding will be granted following calls for proposals and call for tenders.

The programme will be managed at central level by the Commission. The appropriation for technical and administrative assistance and support expenditure is intended to cover expenditure for studies, meetings of experts, information, conferences and publications directly linked to the objective of the programme, plus any other expenditure on technical and administrative assistance not involving public authority tasks.

6. FINANCIAL IMPACT

6.1. Total financial impact on Part B - (over the entire programming period)

6.1.1. Financial intervention (Commitment appropriations)

Commitments in € million *(to the 3rd decimal place)*

Breakdown	2005	2006	2007	2008	Total
Fighting against illegal content	3.150	3.150	3.150	3.150	**12.600**
Tackling unwanted and harmful content	0.750	0.750	4.130	4.130	**9.760**
Promoting a safer environment	0.600	1.000	1.000	1.000	**3.600**
Awareness-raising	5.000	5.200	6.450	6.450	**23.100**
TOTAL	**9.500**	**10.100**	**14.730**	**14.730**	**49.060**

The split between the four actions is indicative and is done according to the split indicated in the Annex II of the draft European Parliament and Council Decision.

6.1.2 Technical and administrative assistance, support expenditure and IT expenditure (Commitment appropriations)

Commitments in € million *(to the 3rd decimal place)*

	2005	2006	2007	2008	Total
Technical and administrative assistance (web site, editorial services, projects evaluation, etc.)	0.220	0.230	0.240	0.250	**0.940**
Information, publications, communication					
TOTAL	0.220	0.230	0.240	0.250	**0.940**

Expenses for meetings of programme committee are charged on A07031. Expenses for stakeholders meetings are charged on A07030 (see section 7).

6.2. Calculation of costs by measure envisaged in Part B (over the entire programming period)

Commitments in € million (to the 3rd decimal place)

Breakdown	Type of outputs (projects, files)	Number of outputs over 4 years	Average unit cost	Total cost (total for 4 years)
Fighting against illegal content	Hotlines	25 network nodes	0.092 per year	9.200
	Central network activity	1	0.85 per year	3.400
	Total	**26**		**12.600**
Tackling unwanted and harmful content	Benchmarking and co-ordination of anti-spam measures, both 4 year projects, filtering projects	2 *4 year projects 10 filtering projects	0.4 (peryear) = 3.2 mio 6.56 mio	3.200 6.560
	Total	4		**9.760**
Promoting a safer environment	Support actions for self-regulation, Safer Internet forum	10	0.360	3.600
	Total	**10**		**3.600**
Awareness-raising	Awareness nodes	25	0.197	19.700
	Central network activity	1	0.850	3.400
	Total	26		**23.100**
TOTAL COST				**49.060**

Expenses in the first two years are concentrated in ensuring continuity and consolidation of the hotlines and awareness networks, keeping both the momentum and ensuring expansion to all Member States, while launching new actions on spam and self regulation. These networks will face and increased workload in quantitative and qualitative terms in the coming years and continuous support for their work is needed. The objective of both networks differ considerably: hotlines are special points for reporting illegal content, while awareness nodes have the mission to promote safe use of the internet and new mobile networks among children, teachers and parents. Their work is fundamentally different and it is expected that different organisations in Member States will carry out each job. Such will be the case too for

the co-ordination nodes, to be ensured by different organisations, promoting good practices and exchange of information between the members of the different networks, in their respective field of activity, as detailed in annex 1 of the programme proposal. The support for nodes of both networks as detailed above will be carried out on a co-financing basis (support to "projects").

The programme considers the possibility of supporting actions in third countries with the agreement of the programme committee. This option would be important for a possible, but certainly limited, support for hotlines in third countries where the bulk of illegal and harmful content is hosted.

The programme will deal under the second objective "tackling unwanted and harmful content" with actions on benchmarking of filtering products and co-ordinating and facilitating exchanges of information and best practice on effective enforcement against spam. In the second part of the programme it will support the development of filtering technology and measures to take up of content rating and quality site labels.

Annual target outputs have been calculated according to the following overall distribution of the programme's budget:

Fighting against illegal content	23 - 28 %
Tackling unwanted and harmful content	16 – 23 %
Promoting a safer environment	5 - 9 %
Awareness-raising	43 – 50 %

7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

7.1. Impact on human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources		Total	Description of tasks deriving from the action
		Number of permanent posts	Number of temporary posts		
Permanent officials or Temporary staff	A B C	4 1 2		4 1 2	Programme management (calls, work programme, Commission procedures), project management, costs monitoring
Other human resources			1 END[30]	1	Technical assistance to projects
Total		7	1	8	

No additional staff - staffing requirements will be met by internal redeployment

[30] Expected contribution from EFTA in terms of personnel.

7.2. Overall financial impact of human resources

Type of human resources	Amount €	Method of calculation
Officials Temporary staff	756,000 From EFTA (see footnote 24)	7 x 108 000
Total	756,000	

7.3. Other administrative expenditure deriving from the action

Budget line (number and heading)	Amount €	Method of calculation (Yearly expenses)
Overall allocation (Title A7)		
A0701 – Missions	14,000	20 missions per year x 700 within EU
A07040 – Conferences	100,000	…
A07031 – Compulsory committees	40,000	2 annual meeting x 1 participant x 25 Member State x 800
A07030 – Non compulsory meetings	40,000	2 annual meetings with stakeholders (20 participants x 1000 per meeting)
Information systems (A-5001/A-4300)	-	-
Other expenditure - Part A (state which)	-	-
Total	**194,000**	

The amounts are total expenditure for twelve months.

The needs for human and administrative resources shall be covered within the allocation granted to the managing DG in the framework of the annual allocation procedure.

8. FOLLOW-UP AND EVALUATION

8.1. Follow-up arrangements

The implementation of the programme, including monitoring, will be carried out by Commission officials. The ongoing monitoring of the programmes will be based on the information obtained directly from beneficiaries, which will submit interim and final activity and financial reports, including performance indicator criteria set out in the selection process.

In order to ensure the quality of the execution of the programme, visits to the projects will be carried out on a regular basis, and regular feedback will also be requested on the activities of participants in the programme.

All projects and actions will include built-in evaluation, or provision for assessment by external experts or internal sources, and contain performance indicators and guidelines for follow-up.

For one-off projects, such as seminars and conferences, on-site monitoring will be undertaken, and external in-depth evaluation will be carried out on the basis of random samples and/or on the basis of risk factors.

8.2. Arrangements and schedule for the planned evaluation

An interim evaluation will be carried out at the end of the second year of the programme. An *ex post* evaluation focused on the impact of the action in question will be carried out at the end of the programme.

For the purpose of evaluation, the following indicators have been identified:

General objectives	Indicators
❑ to promote safer use of the Internet, particularly for children, and to fight against unwanted content by end users	- Quantitative/qualitative data on actions, reports and other results of these actions - Quantitative/qualitative data on participants' perceptions as to the impact of the programme;
Operational Objectives	**Indicators**
1. Fighting against illegal content	- Quantitative/qualitative data on effectiveness and visibility of hotlines
2. Tackling unwanted and harmful content	- Level of information about available technology - Number and coverage of initiatives relating to filtering, content rating and quality site labels at European level
3. Promoting a safer environment	- Number and coverage of self-regulatory initiatives at European level
4. Reinforcing co-operation and awareness	- Level of knowledge of safer use of new media among children and parents - Extent of awareness-raising activities, number of teachers/educators trained

9. ANTI-FRAUD MEASURES

Funding decisions and contracts between the Commission and the beneficiaries provide for *in situ* checks to be carried out on the premises of beneficiaries of a Community grant by the Commission and the Court of Auditors, and bestow the power to require evidence of any expenditure made under such contracts, agreements and legal undertakings within five years following the end of the contractual period. On-the-spot audits will be carried out when deemed necessary.

Beneficiaries are subject to reporting and financial accounting obligations. These are analysed from the point of view of content and eligibility of expenditure, bearing in mind the purpose of the Community funding, and taking account of contractual obligations and of the principles of economy and sound financial management.

Appended to the financial agreements is information of an administrative and financial nature, designed to specify the kind of expenditure which is eligible under such agreements. Where appropriate, Community coverage of certain cost elements will be limited to items which are real, identifiable and verifiable in the beneficiary's book-keeping arrangements, so as to facilitate checking and auditing (and evaluation for selection purposes) of projects in receipt of funding.

As regards public procurement, and as foreseen in the Financial Regulation (art 93-96) administrative or financial penalties may be imposed by the Commission on candidates or tenderers who are in one of the cases of exclusion foreseen.